

MTA 2010 Preliminary Budget July Financial Plan 2010 – 2013



Volume 2
July 2009



Metropolitan Transportation Authority

**MTA 2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013
VOLUME 2**

The MTA's July Plan is divided into two volumes. Volume 1 includes financial and headcount schedules supporting the complete MTA-Consolidated Financial Plan, including the baseline and the below-the-line Gap-Closing and Policy Actions. Volume 1 also includes descriptions of the below-the line actions as well as the Letter by the Executive Director and the required Executive Director Certification.

Volume 2 includes MTA-Consolidated financial and headcount schedules as well as narratives that support the baseline projections included in the 2010 Preliminary Budget and the Financial Plan for 2010 through 2013. Also included are the Agency sections which incorporate descriptions of Agency Programs, supporting baseline tables and details regarding proposed Agency PEG's. Volume 2 also includes required information related to the MTA Capital Program.

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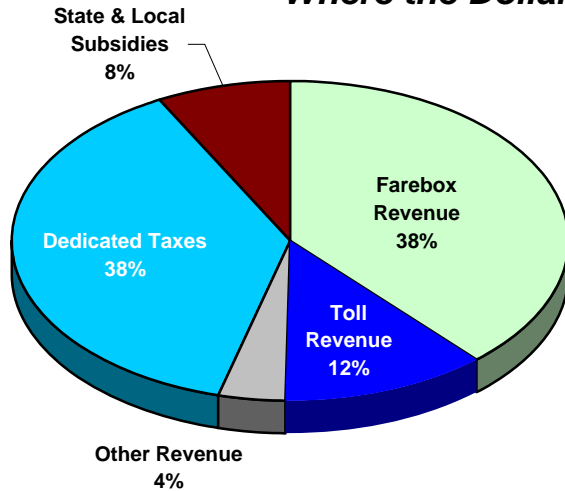
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I. MTA Consolidated 2009-2013 Financial Plan-Baseline

MTA 2010 Preliminary Budget

Baseline Before Policy and Gap Closing Actions

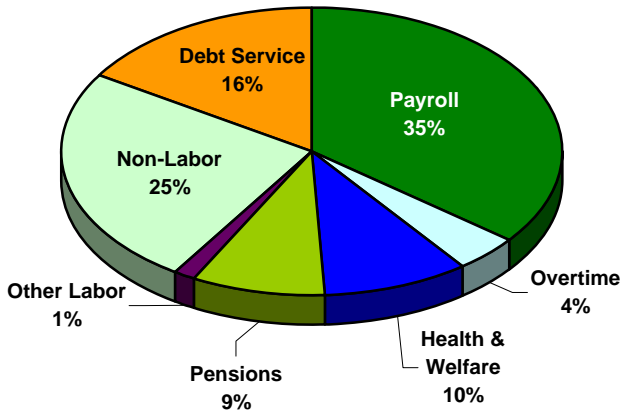
Where the Dollars Come From ...



| By Revenue Source (\$ in millions) | |
|---------------------------------------|-----------------|
| Farebox Revenue | \$4,515 |
| Toll Revenue | 1,384 |
| Other Revenue | 488 |
| Dedicated Taxes | 4,457 |
| State & Local Subsidies | 918 |
| Total | \$11,762 |

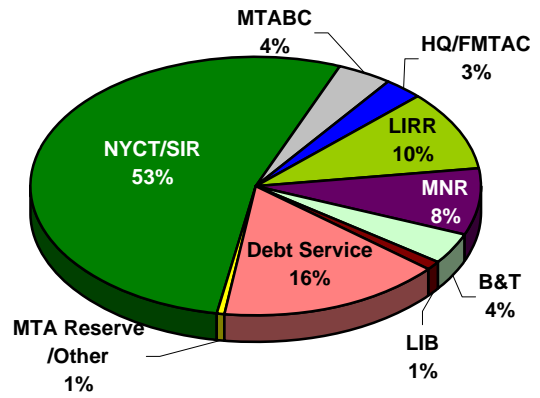
Where the Dollars Go ...

By Expense Category



| By Expense Category (\$ in millions) | |
|---|-----------------|
| Payroll | \$4,257 |
| Overtime | 469 |
| Health & Welfare | 1,156 |
| Pensions | 1,015 |
| Other Labor | 161 |
| Non-Labor | 2,959 |
| Debt Service | 1,920 |
| Total | \$11,936 |

By MTA Agency



| By MTA Agency (\$ in millions) | |
|-----------------------------------|-----------------|
| NYCT/SIR | \$6,377 |
| MTABC | 462 |
| HQ/FMTAC | 337 |
| LIRR | 1,192 |
| MNR | 992 |
| B&T | 448 |
| LIB | 133 |
| Debt Service | 1,920 |
| MTA Reserve/Other | 75 |
| Total | \$11,936 |

Expenses exclude Depreciation, OPEB obligation and Environmental Remediation.

The difference between revenues and expenses is (\$174) million. This is offset by cash flow timing adjustments, use of prior year cash balances and below-the-line Policy, Gap Closing and Cash Management actions, resulting in a closing cash balance of \$39 million.

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2010 - 2013

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line

No.

| | | | | | | |
|----|--|------------------|--------------------------|---------------------------|------------------|------------------|
| 7 | Non-Reimbursable | | | | | |
| 8 | | 2008 | 2009 | 2010 | | |
| 9 | | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 |
| 10 | Operating Revenue | | | | 2013 | |
| 11 | Farebox Revenue | \$4,241 | \$4,339 | \$4,515 | \$4,594 | \$4,659 |
| 12 | Toll Revenue | 1,274 | 1,313 | 1,384 | 1,392 | 1,397 |
| 13 | Other Revenue | 449 | 438 | 488 | 522 | 547 |
| 14 | Total Operating Revenue | \$5,964 | \$6,089 | \$6,387 | \$6,508 | \$6,603 |
| 15 | | | | | | |
| 16 | Operating Expense | | | | | |
| 17 | Labor Expenses: | | | | | |
| 18 | Payroll | \$4,087 | \$4,175 | \$4,257 | \$4,344 | \$4,431 |
| 19 | Overtime | 472 | 479 | 469 | 476 | 486 |
| 20 | Health & Welfare | 685 | 713 | 776 | 840 | 911 |
| 21 | OPEB Current Payment | 319 | 352 | 380 | 414 | 452 |
| 22 | Pensions | 897 | 995 | 1,015 | 1,026 | 1,054 |
| 23 | Other-Fringe Benefits | 503 | 467 | 480 | 491 | 499 |
| 24 | Reimbursable Overhead | (311) | (329) | (319) | (318) | (321) |
| 25 | Sub-total Labor Expenses | \$6,652 | \$6,852 | \$7,057 | \$7,275 | \$7,513 |
| 26 | | | | | | |
| 27 | Non-Labor Expenses: | | | | | |
| 28 | Traction and Propulsion Power | 307 | 348 | 388 | 436 | 486 |
| 29 | Fuel for Buses and Trains | 287 | 193 | 221 | 248 | 265 |
| 30 | Insurance | 29 | 44 | 42 | 44 | 48 |
| 31 | Claims | 152 | 159 | 169 | 177 | 186 |
| 32 | Paratransit Service Contracts | 299 | 376 | 413 | 466 | 547 |
| 33 | Maintenance and Other Operating Contracts | 594 | 643 | 665 | 694 | 722 |
| 34 | Professional Service Contracts | 197 | 221 | 216 | 217 | 220 |
| 35 | Materials & Supplies | 533 | 577 | 592 | 602 | 612 |
| 36 | Other Business Expenses | 155 | 186 | 197 | 201 | 207 |
| 37 | Sub-total Non-Labor Expenses | \$2,553 | \$2,748 | \$2,903 | \$3,085 | \$3,295 |
| 38 | | | | | | |
| 39 | Other Expense Adjustments: | | | | | |
| 40 | Other | (\$14) | (\$13) | (\$19) | (\$18) | (\$21) |
| 41 | General Reserve | 0 | 38 | 75 | 75 | 75 |
| 42 | Sub-total Other Expense Adjustments | (\$14) | \$24 | \$56 | \$57 | \$54 |
| 43 | | | | | | |
| 44 | Total Operating Expense before Non-Cash Liability Adjs. | \$9,191 | \$9,625 | \$10,016 | \$10,418 | \$10,861 |
| 45 | | | | | | |
| 46 | Depreciation | \$1,791 | \$1,973 | \$2,075 | \$2,161 | \$2,237 |
| 47 | OPEB Obligation | 1,349 | 1,390 | 1,447 | 1,506 | 1,567 |
| 48 | Environmental Remediation | 42 | 10 | 10 | 10 | 11 |
| 49 | | | | | | |
| 50 | Total Operating Expense | \$12,373 | \$12,998 | \$13,547 | \$14,094 | \$14,675 |
| 51 | | | | | | |
| 52 | Net Operating Deficit Before Subsidies and Debt Service | (\$6,410) | (\$6,908) | (\$7,160) | (\$7,587) | (\$8,072) |
| 53 | | | | | | |
| 54 | Dedicated Taxes and State/Local Subsidies | \$4,078 | \$4,621 | \$5,375 | \$5,577 | \$5,881 |
| 55 | Debt Service (excludes Service Contract Bonds) | (1,516) | (1,499) | (1,920) | (2,059) | (2,256) |
| 56 | | | | | | |
| 57 | Net Deficit After Subsidies and Debt Service | (\$3,848) | (\$3,787) | (\$3,705) | (\$4,069) | (\$4,448) |
| 58 | | | | | | |
| 59 | Conversion to Cash Basis: Non-Cash Liability Adjs. | \$3,182 | \$3,373 | \$3,531 | \$3,677 | \$3,814 |
| 60 | Conversion to Cash Basis: GASB Account | (56) | (60) | (62) | (65) | (68) |
| 61 | Conversion to Cash Basis: All Other | 490 | 219 | 184 | (138) | (141) |
| 62 | | | | | | |
| 63 | CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER | (\$232) | (\$255) | (\$52) | (\$595) | (\$842) |
| | | | | | | (\$1,138) |

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010 - 2013
MTA Consolidated Accrued Statement of Operations By Agency
(\$ in millions)

| Line No | Non-Reimbursable | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---------|---|------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
| 8 | <u>Total Operating Revenue</u> | | | | | | |
| 10 | New York City Transit | \$3,321 | \$3,370 | \$3,541 | \$3,617 | \$3,680 | \$3,737 |
| 11 | Bridges and Tunnels | 1,287 | 1,323 | 1,395 | 1,403 | 1,409 | 1,408 |
| 12 | Metro-North Railroad | 539 | 548 | 571 | 593 | 610 | 627 |
| 13 | Long Island Rail Road | 545 | 549 | 573 | 581 | 586 | 591 |
| 14 | MTA Bus Company | 180 | 176 | 183 | 187 | 189 | 190 |
| 15 | MTA Headquarters | 52 | 54 | 55 | 56 | 58 | 59 |
| 16 | Long Island Bus | 45 | 45 | 46 | 46 | 47 | 47 |
| 17 | Staten Island Railway | 6 | 7 | 7 | 7 | 7 | 8 |
| 18 | First Mutual Transportation Assurance Company | (11) | 16 | 17 | 17 | 18 | 18 |
| 19 | Total | \$5,964 | \$6,089 | \$6,387 | \$6,508 | \$6,603 | \$6,685 |
| 21 | <u>Total Operating Expenses before Non-Cash Liability Adjs. ¹</u> | | | | | | |
| 22 | New York City Transit | \$5,882 | \$6,101 | \$6,339 | \$6,575 | \$6,876 | \$7,253 |
| 23 | Bridges and Tunnels | 408 | 425 | 448 | 470 | 481 | 501 |
| 24 | Metro-North Railroad | 880 | 934 | 992 | 1,048 | 1,096 | 1,151 |
| 25 | Long Island Rail Road | 1,112 | 1,185 | 1,192 | 1,228 | 1,294 | 1,355 |
| 26 | MTA Bus Company | 468 | 448 | 462 | 475 | 493 | 526 |
| 27 | MTA Headquarters | 292 | 346 | 367 | 405 | 407 | 425 |
| 28 | Long Island Bus | 130 | 127 | 133 | 137 | 141 | 145 |
| 29 | Staten Island Railway | 31 | 44 | 38 | 38 | 41 | 42 |
| 30 | First Mutual Transportation Assurance Company | 2 | (9) | (11) | (15) | (22) | (31) |
| 31 | Other | (12) | 24 | 56 | 57 | 54 | 48 |
| 32 | Total | \$9,191 | \$9,625 | \$10,016 | \$10,418 | \$10,861 | \$11,415 |
| 34 | <u>Depreciation</u> | | | | | | |
| 35 | New York City Transit | \$1,122 | \$1,250 | \$1,325 | \$1,400 | \$1,475 | \$1,550 |
| 36 | Bridges and Tunnels | 77 | 81 | 85 | 89 | 94 | 99 |
| 37 | Metro-North Railroad | 220 | 261 | 270 | 278 | 286 | 295 |
| 38 | Long Island Rail Road | 297 | 303 | 313 | 315 | 308 | 301 |
| 39 | MTA Bus Company | 34 | 37 | 40 | 42 | 42 | 42 |
| 40 | MTA Headquarters | 34 | 31 | 31 | 26 | 21 | 21 |
| 41 | Long Island Bus | 0 | 0 | 0 | 0 | 0 | 0 |
| 42 | Staten Island Railway | 7 | 10 | 10 | 10 | 10 | 10 |
| 43 | First Mutual Transportation Assurance Company | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 | Total | \$1,791 | \$1,973 | \$2,075 | \$2,161 | \$2,237 | \$2,318 |
| 46 | <u>Other Post Employment Benefits</u> | | | | | | |
| 47 | New York City Transit | \$1,026 | \$1,055 | \$1,099 | \$1,145 | \$1,192 | \$1,240 |
| 48 | Bridges and Tunnels | 66 | 71 | 76 | 79 | 83 | 87 |
| 49 | Metro-North Railroad | 55 | 55 | 55 | 57 | 58 | 60 |
| 50 | Long Island Rail Road | 78 | 79 | 82 | 86 | 89 | 93 |
| 51 | MTA Bus Company | 49 | 52 | 54 | 56 | 58 | 60 |
| 52 | MTA Headquarters | 62 | 64 | 67 | 70 | 73 | 77 |
| 53 | Long Island Bus | 11 | 11 | 11 | 11 | 11 | 11 |
| 54 | Staten Island Railway | 3 | 3 | 3 | 3 | 3 | 3 |
| 55 | Total | \$1,349 | \$1,390 | \$1,447 | \$1,506 | \$1,567 | \$1,630 |
| 57 | <u>Environmental Remediation</u> | | | | | | |
| 58 | New York City Transit | \$16 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 59 | Metro-North Railroad | 8 | 8 | 8 | 8 | 9 | 9 |
| 60 | Long Island Rail Road | 19 | 2 | 2 | 2 | 2 | 2 |
| 61 | Total | \$42 | \$10 | \$10 | \$10 | \$11 | \$11 |
| 63 | <u>Net Operating Income/(Deficit)</u> | | | | | | |
| 64 | New York City Transit | (\$4,725) | (\$5,036) | (\$5,222) | (\$5,502) | (\$5,863) | (\$6,306) |
| 65 | Bridges and Tunnels | 736 | 747 | 785 | 765 | 750 | 722 |
| 66 | Metro-North Railroad | (623) | (709) | (754) | (798) | (840) | (888) |
| 67 | Long Island Rail Road | (961) | (1,020) | (1,017) | (1,050) | (1,107) | (1,159) |
| 68 | MTA Bus Company | (371) | (360) | (373) | (386) | (404) | (439) |
| 69 | MTA Headquarters | (335) | (387) | (411) | (445) | (443) | (464) |
| 70 | Long Island Bus | (95) | (93) | (97) | (101) | (105) | (109) |
| 71 | Staten Island Railway | (34) | (51) | (44) | (44) | (46) | (48) |
| 72 | First Mutual Transportation Assurance Company | (13) | 25 | 28 | 32 | 39 | 49 |
| 73 | Other | 12 | (24) | (56) | (57) | (54) | (48) |
| 74 | Total | (\$6,410) | (\$6,908) | (\$7,160) | (\$7,587) | (\$8,072) | (\$8,689) |

Note: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2010 - 2013

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

| Line Number | CASH RECEIPTS AND EXPENDITURES | 2008 | 2009 | 2010 | | | |
|----------------|---|------------------|----------------------|-----------------------|------------------|------------------|------------------|
| | | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | Receipts | | | | | | |
| 12 | Farebox Revenue | \$4,299 | \$4,383 | \$4,552 | \$4,632 | \$4,697 | \$4,746 |
| 13 | Other Operating Revenue | 497 | 488 | 511 | 546 | 572 | 606 |
| 14 | Capital and Other Reimbursements | 1,345 | 1,487 | 1,487 | 1,425 | 1,427 | 1,439 |
| 15 | Total Receipts | \$6,141 | \$6,358 | \$6,551 | \$6,603 | \$6,696 | \$6,790 |
| 16 | | | | | | | |
| 17 | Expenditures | | | | | | |
| 18 | <u>Labor:</u> | | | | | | |
| 19 | Payroll | \$4,431 | \$4,606 | \$4,635 | \$4,709 | \$4,792 | \$4,916 |
| 20 | Overtime | 559 | 544 | 532 | 540 | 551 | 561 |
| 21 | Health and Welfare | 752 | 734 | 815 | 881 | 954 | 1,044 |
| 22 | OPEB Current Payment | 293 | 332 | 358 | 390 | 426 | 465 |
| 23 | Pensions | 712 | 996 | 1,039 | 1,056 | 1,084 | 1,091 |
| 24 | Other Fringe Benefits | 539 | 567 | 577 | 586 | 596 | 619 |
| 25 | Contribution to GASB Fund | 56 | 60 | 62 | 65 | 68 | 72 |
| 26 | Total Labor Expenditures | \$7,342 | \$7,840 | \$8,018 | \$8,228 | \$8,470 | \$8,767 |
| 27 | | | | | | | |
| 28 | <u>Non-Labor:</u> | | | | | | |
| 29 | Traction and Propulsion Power | \$299 | \$373 | \$391 | \$439 | \$489 | \$544 |
| 30 | Fuel for Buses and Trains | 300 | 189 | 220 | 248 | 265 | 312 |
| 31 | Insurance | 41 | 47 | 45 | 49 | 53 | 52 |
| 32 | Claims | 147 | 156 | 144 | 153 | 162 | 171 |
| 33 | Paratransit Service Contracts | 272 | 379 | 408 | 461 | 542 | 636 |
| 34 | Maintenance and Other Operating Contracts | 556 | 602 | 616 | 624 | 632 | 655 |
| 35 | Professional Service Contracts | 203 | 249 | 246 | 250 | 252 | 249 |
| 36 | Materials & Supplies | 714 | 667 | 685 | 682 | 701 | 724 |
| 37 | Other Business Expenditures | 163 | 189 | 200 | 207 | 214 | 222 |
| 38 | Total Non-Labor Expenditures | \$2,693 | \$2,851 | \$2,955 | \$3,112 | \$3,310 | \$3,566 |
| 39 | | | | | | | |
| 40 | <u>Other Expenditure Adjustments:</u> | | | | | | |
| 41 | Other | \$9 | \$68 | \$84 | \$90 | \$98 | \$109 |
| 42 | General Reserve | 0 | 38 | 75 | 75 | 75 | 75 |
| 43 | Total Other Expenditure Adjustments | \$9 | \$105 | \$159 | \$165 | \$173 | \$184 |
| 44 | | | | | | | |
| 45 | Total Expenditures | \$10,045 | \$10,797 | \$11,133 | \$11,505 | \$11,953 | \$12,517 |
| 46 | | | | | | | |
| 47 | Net Cash Deficit Before Subsidies and Debt Service | (\$3,904) | (\$4,438) | (\$4,582) | (\$4,902) | (\$5,258) | (\$5,727) |
| 48 | | | | | | | |
| 49 | Dedicated Taxes and State/Local Subsidies | \$4,669 | \$5,147 | \$5,818 | \$5,718 | \$6,001 | \$6,363 |
| 50 | Debt Service (excludes Service Contract Bonds) | (997) | (964) | (1,287) | (1,411) | (1,586) | (1,774) |
| 51 | | | | | | | |
| 52 | CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER | (\$232) | (\$255) | (\$52) | (\$595) | (\$842) | (\$1,138) |

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010 - 2013
MTA Consolidated Cash Statement of Operations By Agency
(\$ in millions)

| Line Number | | 2008 | 2009 Mid-Year | 2010 Preliminary | | | |
|----------------|---|------------------|------------------|---------------------|------------------|------------------|------------------|
| | | <u>Actual</u> | <u>Forecast</u> | <u>Budget</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| 8 | | | | | | | |
| 9 | <u>Total Receipts</u> | | | | | | |
| 10 | New York City Transit | \$4,220 | \$4,351 | \$4,481 | \$4,492 | \$4,554 | \$4,614 |
| 11 | Metro-North Railroad | 784 | 758 | 792 | 811 | 825 | 845 |
| 12 | Long Island Rail Road | 785 | 838 | 842 | 847 | 856 | 867 |
| 13 | MTA Bus Company | 178 | 178 | 190 | 197 | 199 | 201 |
| 14 | MTA Headquarters | 97 | 119 | 130 | 140 | 143 | 144 |
| 15 | Long Island Bus | 52 | 52 | 53 | 53 | 54 | 54 |
| 16 | Staten Island Railway | 7 | 8 | 9 | 9 | 9 | 9 |
| 17 | Capital Construction Company | 29 | 38 | 37 | 37 | 38 | 38 |
| 18 | First Mutual Transportation Assurance Company | (11) | 16 | 17 | 17 | 18 | 18 |
| 19 | Total | \$6,141 | \$6,358 | \$6,551 | \$6,603 | \$6,696 | \$6,790 |
| 20 | | | | | | | |
| 21 | <u>Total Expenditures</u> | | | | | | |
| 22 | New York City Transit | \$6,601 | \$6,978 | \$7,210 | \$7,423 | \$7,727 | \$8,113 |
| 23 | Metro-North Railroad | 1,131 | 1,167 | 1,232 | 1,297 | 1,342 | 1,396 |
| 24 | Long Island Rail Road | 1,393 | 1,461 | 1,464 | 1,492 | 1,562 | 1,627 |
| 25 | MTA Bus Company | 415 | 507 | 472 | 489 | 507 | 542 |
| 26 | MTA Headquarters | 329 | 413 | 447 | 492 | 495 | 513 |
| 27 | Long Island Bus | 134 | 139 | 139 | 143 | 147 | 152 |
| 28 | Staten Island Railway | 31 | 46 | 40 | 40 | 43 | 44 |
| 29 | Capital Construction Company | 29 | 38 | 37 | 37 | 38 | 38 |
| 30 | First Mutual Transportation Assurance Company | (11) | 16 | 17 | 17 | 18 | 18 |
| 31 | Other | (7) | 32 | 75 | 75 | 75 | 75 |
| 32 | Total | \$10,045 | \$10,797 | \$11,133 | \$11,505 | \$11,953 | \$12,517 |
| 33 | | | | | | | |
| 34 | <u>Net Operating Surplus/(Deficit)</u> | | | | | | |
| 35 | New York City Transit | (2,381) | (2,627) | (2,729) | (2,931) | (3,173) | (3,499) |
| 36 | Metro-North Railroad | (347) | (409) | (440) | (487) | (517) | (551) |
| 37 | Long Island Rail Road | (607) | (623) | (622) | (644) | (705) | (760) |
| 38 | MTA Bus Company | (237) | (329) | (282) | (292) | (308) | (342) |
| 39 | MTA Headquarters | (232) | (294) | (317) | (352) | (352) | (369) |
| 40 | Long Island Bus | (82) | (87) | (86) | (90) | (94) | (98) |
| 41 | Staten Island Railway | (24) | (38) | (31) | (31) | (33) | (35) |
| 42 | Capital Construction Company | 0 | 0 | 0 | 0 | 0 | 0 |
| 43 | First Mutual Transportation Assurance Company | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 | Other | 7 | (32) | (75) | (75) | (75) | (75) |
| 45 | Total | (\$3,904) | (\$4,438) | (\$4,582) | (\$4,902) | (\$5,258) | (\$5,727) |

Metropolitan Transportation Authority
July Financial Plan 2010 - 2013
MTA Consolidated July Financial Plan Compared with February Financial Plan
Cash Reconciliation
(\$ in millions)

| | Favorable/(Unfavorable) | | | |
|---|-------------------------|----------------|------------------|------------------|
| | 2009 | 2010 | 2011 | 2012 |
| FEBRUARY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER | (\$334) | (\$629) | (\$1,136) | (\$1,408) |
| Board Actions: | (\$572) | (\$913) | (\$903) | (\$907) |
| AABB Restorations | (123) | (227) | (210) | (204) |
| Rescind 23% Fare Yield Increase | (700) | (1,180) | (1,194) | (1,210) |
| 10% Fare Increase | 251 | 494 | 501 | 506 |
| New Needs/Investments | (\$47) | (\$33) | (\$26) | (\$93) |
| New Service | (2) | (0) | (1) | (0) |
| Maintenance | (40) | (18) | (10) | (76) |
| Safety & Security | (3) | (8) | (9) | (9) |
| Other New Needs | (3) | (7) | (7) | (8) |
| Other Adjustments | (\$222) | (\$93) | (\$127) | (\$154) |
| Other Passenger/Toll Revenue | (103) | (131) | (121) | (135) |
| Other Revenue | (43) | (14) | (7) | (14) |
| PEG Program Re-estimates | 3 | 3 | 4 | 6 |
| NYCT Capital Reimbursement Timing | (37) | 34 | 1 | 1 |
| Retroactive Wage Adjustments | (42) | 0 | 0 | 0 |
| Baseline Re-estimates | 2 | 15 | (5) | (12) |
| Uncontrollable Expenses | \$16 | \$3 | (\$44) | (\$62) |
| Traction and Propulsion Power | 1 | 11 | (10) | (30) |
| Fuel for Buses and Trains | 73 | 42 | 19 | 17 |
| Health & Welfare (including OPEB) | 35 | 39 | 42 | 43 |
| Pensions | (47) | (50) | (52) | (42) |
| Paratransit Service | (15) | (9) | (16) | (21) |
| Paratransit Urban Tax Revenue | (20) | (12) | (10) | (12) |
| Mobility Tax | (11) | (17) | (17) | (17) |
| B&T Adjustments ¹ | 141 | 186 | 183 | 185 |
| Net Baseline Change | (\$684) | (\$851) | (\$919) | (\$1,031) |
| General Reserve | \$38 | \$0 | \$0 | \$0 |
| Subsidies | \$744 | \$1,432 | \$1,460 | \$1,575 |
| Real Estate Taxes | (424) | (270) | (244) | (220) |
| MMTOA | (3) | (45) | (101) | (83) |
| PBT | 1 | (8) | (8) | (8) |
| MRT Transfers | 74 | 12 | 12 | 13 |
| New State Taxes and Fees | 1,090 | 1,868 | 1,940 | 2,014 |
| 55/25 Pension Funding | 34 | 0 | 0 | 0 |
| 2006 MMTOA Catch-up | 50 | 0 | 0 | 0 |
| 2006 Surplus Recovery | 25 | 0 | 0 | 0 |
| Forward Energy Contracts | (24) | 0 | 0 | 0 |
| City Subsidy for MTA Bus | 45 | 41 | 32 | 34 |
| B&T Operating Surplus Transfer | (128) | (180) | (186) | (194) |
| CDOT | 3 | 2 | 2 | 5 |
| Other | 0 | 12 | 12 | 14 |
| Debt Service (excluding B&T) | (\$17) | (\$2) | \$1 | \$23 |
| Other | \$0 | (\$2) | (\$0) | (\$0) |
| JULY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER | (\$255) | (\$52) | (\$595) | (\$842) |

Note:

¹ B&T is captured as a subsidy and is not included in the agency portion of the cash baseline. While B&T impacts are captured in individual reconciliation categories, they are eliminated with this adjustment. Consequently, all B&T impacts are removed, including Toll Revenue, AABB's and Other Baseline Re-Estimates.

**METROPOLITAN TRANSPORTATION AUTHORITY
JULY FINANCIAL PLAN 2010-2013
BASELINE FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS**

FAREBOX RECOVERY RATIOS

| | 2009 Mid-Year Forecat | 2010 Preliminary Budget | 2011 Forecast | 2012 Forecast | 2013 Forecast |
|---------------------------------|--------------------------------------|--|--------------------------|--------------------------|--------------------------|
| New York City Transit | 34.9% | 34.5% | 33.5% | 32.3% | 31.1% |
| Staten Island Railway | 9.2% | 11.7% | 11.7% | 11.3% | 11.0% |
| Long Island Rail Road | 29.1% | 29.3% | 28.4% | 27.7% | 27.2% |
| Metro-North Railroad | 36.2% | 35.0% | 34.3% | 33.6% | 33.2% |
| Long Island Bus | 30.0% | 29.7% | 29.2% | 28.7% | 28.1% |
| Bus Company | <u>30.8%</u> | <u>30.8%</u> | <u>30.2%</u> | <u>29.5%</u> | <u>28.0%</u> |
| MTA Total Agency Average | 33.9% | 33.6% | 32.7% | 31.6% | 30.6% |

FAREBOX OPERATING RATIOS

| | 2009 Mid-Year Forecat | 2010 Preliminary Budget | 2011 Forecast | 2012 Forecast | 2013 Forecast |
|---------------------------------|--------------------------------------|--|--------------------------|--------------------------|--------------------------|
| New York City Transit | 52.3% | 52.6% | 51.5% | 49.9% | 47.7% |
| Staten Island Railway | 13.6% | 17.9% | 18.0% | 17.1% | 16.7% |
| Long Island Rail Road | 42.8% | 44.8% | 44.0% | 42.2% | 40.6% |
| Metro-North Railroad | 54.5% | 53.8% | 52.5% | 51.9% | 50.8% |
| Long Island Bus | 33.3% | 32.9% | 32.3% | 31.7% | 31.0% |
| Bus Company | <u>37.8%</u> | <u>38.0%</u> | <u>37.4%</u> | <u>36.4%</u> | <u>34.3%</u> |
| MTA Total Agency Average | 50.0% | 50.6% | 49.6% | 48.0% | 46.1% |

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

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

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II. Major Assumptions 2010-2013 Projections- Baseline

Overview MTA Initiatives

OVERVIEW MTA INITIATIVES

The MTA and all of its agencies continually strive to improve the transit services we provide our customers throughout the entire regional commuting district, an area comprising twelve New York counties as well as parts of New Jersey and Connecticut. To advance this general goal, the MTA has identified seven distinct but interrelated areas on which current and future MTA initiatives will focus. As such, these seven priority areas constitute both a directive for policy and, in and of themselves, an achievable set of goals. The 2010 Preliminary Budget shows that the MTA's agencies, individually and collectively, are making significant progress in these seven priority areas, even in the face of new challenges and constraints posed by the worst economic recession in decades.

Customer Service

NYCT runs a subway system that carries well over 4 million passengers daily, serves 468 stations, and relies on 6,395 cars. In addition, NYCT's bus operations provide trips to over 2 million passengers per day on over 4,500 buses, while its paratransit contracts serve people with disabilities for whom bus or subway ridership is not possible. Notwithstanding the size and complexity of NYCT's operations, the Agency will continue improving the reliability of its service, enhancing the customer environment and expanding accessibility and quality of service to its customers. First, close adherence to scheduled maintenance systems for subway cars and station elevators and escalators will ensure the day-to-day reliability and consistency of subway travel.

NYCT will also make bus transit more reliable, accessible and generally more enjoyable for its customers. NYCT will work closely with the New York City Department of Transportation to devise ways of improving both travel speed and bus accessibility; and the expansion of EasyPay Xpress to local bus (and subway) riders will provide for easier access. Part of NYCT's program to improve customer service will be guided by recently returned Local Bus Rider Report Cards: an action plan to target the most salient issues in those surveys is now in the works.

The quality and accessibility of services to people with disabilities is also one of NYCT's focal points, and the agency will continue to make broad strides in this area by cultivating paratransit contracts with private operators and by filling holes through partial in-house provision of paratransit services; as further measures, NYCT will ensure the ease-of-use of its facilities with elevator and escalator maintenance support applications and by installing Automatic Vehicle Location Monitoring on the entire Paratransit fleet.

The LIRR also strives to attain ever better levels of customer satisfaction. Part of the railroad's success, so far, owes to its outstanding reliability: the 95% on-time performance rate achieved by the railroad in 2008 was its best performance on

record, and future improvement will be based on the considerable resources budgeted for fleet maintenance. In 2010, nearly \$305 million will be devoted to maintenance of rolling stock equipment, which will sustain the ongoing Life-Cycle Maintenance Program, and an additional \$149 million will benefit infrastructure maintenance.

The successful opening of the much anticipated station at Yankee Stadium- East 153rd Street this past spring now makes travel to baseball games from any of Metro North's three East of Hudson lines easier than ever before; and beginning this fall, MNR and the LIRR - in coordination with MTA-HQ and NJ Transit and AMTRAK - will carry thousands of fans each week during football season on a one ticket ride from anywhere in the LIRR and MNR territory to Giants and Jets home games at the Meadowlands Sports Complex. This integration across regions and transit services will not only simplify for passengers the planning necessary to get to the Meadowlands by game-time; but, significantly, it also represents a forward-looking first move at cooperation between transportation agencies that, by its example, may suggest a future course for improving customer travel options. The Preliminary Budget for MNR highlights several other measures that the railroad has designed to improve customer satisfaction. Reliability of rail service will be enhanced through the maintenance of rolling stock, including equipment overhauls to support the new M8 cars, and through the replacement of Hudson RailLink shuttle buses. The maintenance works at the new Harmon Shop facilities will be supported by additional labor necessary to keep the fleet in good order. Further efforts—such as the cyclical maintenance and painting scheduled for outlying stations—will create a more pleasing environment for travel; and the outdated customer telephone information system will be replaced by an Interactive Voice Response system.

Significant improvements to the customer travel experience will be realized as a by-product of the consolidation of the MTA's regional bus companies. For customers of MTA Bus, LI Bus and NYCT's Department of Buses, the streamlining of administrative functions, the homogenizing of training regimens and the favorable terms achieved by consolidating procurements will all translate to a high-quality transit service standardized across the companies.

For B&T, improving the reliability of its services means reducing regional traffic congestion and minimizing the median amount of time customers spend in queues, especially at peak times. To evaluate progress in this respect, in 2009 B&T developed a new performance metric that shows the average travel times of E-ZPass customers during peak periods. This yardstick is in place at three facilities and will be expanded to B&T's other facilities by year's end. The E-ZPass program, begun in the 1990's, has met its goal of reducing congestion and mean queue time, and currently 76% of all weekday traffic and 88% of all truck traffic use this as a payment means. Currently, B&T is undertaking a study to determine the technical and financial feasibility of all-electronic payment at its

tolling facilities, which would further ease traffic tie-ups. The study will be complete by April 2010.

Financial Stability

Legislation passed in May 2009 offers the MTA the financial assistance necessary to achieve a balanced budget without either the dramatic 23% fare/toll yield increase or the Additional Actions for Budget Balance (AABB's) that were to have included significant service cuts. While the assistance package offers relief from the worsening economic conditions that originally led to these proposed austerity measures, MTA finances are still constrained. In order to ensure a balanced budget for 2010, all Agencies have been advised of the continuing need to achieve cost reductions in their formulation of the July Plan. The Agencies have been instructed that any New Needs will have to be self-funded, either through expense re-estimates or additional PEGs. The Post-2009 PEG Program that was included in the February Plan is now incorporated in the Budget Reduction targets for the July Plan; and savings required to meet these targets will be recurring and will not include expense reductions from service cutbacks or from layoffs of agreement employees. In addition, for 2011 and beyond, the MTA will continue to strive to meet the 1.5% annual reduction targets that are a pivotal component of MTA financial planning. This forms the basis of the Post-2010 PEG Program.

For NYCT achieving financial stability means making the all-pervasive adjustments necessary to “do more with less”. The seriousness with which NYCT has pursued cost-cutting in the 2010 Preliminary Budget is evident from the extent and creativity of the savings solutions the agency has found. Efficiency improvements will be sought both within the agency’s administrative and support functions and within its subway and bus operations. On the administrative side, useful data on passenger trips and miles that has previously been manually collected will be replaced by MetroCard data. Similarly, the method of collecting data for Bus Passenger Environmental Surveys will be automated by deploying Personal Digital Assistant technology. Within subway and bus operations, productivity enhancements will be found by implementing a new Subway Scheduling System, and by providing Kitting Support for subways and buses; and SIR, which is part of NYCT, will improve the efficiencies of key internal functions, such as Performance Monitoring and Signal Maintenance.

MNR will improve revenues by introducing new train service that will not entail significant cost in the short term and that, in the long term, will have the potential to accelerate ridership growth. The railroad will also expand the use of Kronos timekeeping at all of its facilities to improve the tracking and reporting of personnel costs; and MNR will capture higher non-passenger revenues by leveraging its assets for advertising, vending and transit oriented development projects.

For MTACC, financial sustainability requires not only judicious decisions about which projects to initiate, but also careful evaluation of project scopes, ensuring that the MTA builds only what is necessary to continue to meet the critical transportation needs of the region. By limiting the scope and complexity of contracts, MTACC will also reduce the number of subcontractors within a project, which will mitigate rising construction costs; and to account for rising materials prices, contracts will stipulate escalation clauses. Additionally, schedules for large-scale projects will be adjusted to encourage competition among contractors in order to get more favorable bids for MTA projects.

As mentioned directly below, the consolidation of MTA Bus, New York City Transit's Department of Buses and Long Island Bus represents the boldest initiative towards institutional transformation, and this has been motivated, in no small part, by the possibility of wringing significant efficiencies from a unified management and support team. Aside from its positive effect on the customer experience, the move is expected to carry notable economies of scale by reducing redundancy within management, by reaping savings from the sharing of commonly useful information, and by garnering best terms for larger scale procurements.

Institutional Transformation

The consolidation of the MTA's bus services, initiated in 2008, envisions establishing Regional Bus Operations that will allow its younger bus companies to leverage the resources of its older, more established agencies and to adopt their tried and true best practices. A more collaborative bus system will eliminate silos for greater accountability, will reduce administrative inefficiency and will improve customer service. The MTA Bus Company is partnering with Long Island Bus and NYCT's Department of Buses to make this happen.

Another dynamic maneuver toward institutional transformation will be implementation of a shared services Business Service Center (BSC) that will combine administrative functions by using a single Enterprise Resource Planning (ERP) Financial and Human resources payroll system for all MTA agencies, as well as other technologies to process back-office transactions. In addition, the MTA Defined Benefit Pension plan, currently administered separately by six different agencies, will be centralized, resulting in significant savings and the elimination of duplicate functions. The BSC is expected to open its doors in 2011 and, as it completes the consolidation of back office functions, it will achieve substantial savings by 2012.

Projects and Planning

The MTA anticipates long-term regional growth and recognizes that devoting resources to large-scale capital projects is both a complement to sustained economic vitality and a condition for it. Capital planning, by its nature, requires an orientation toward the long-term, with progress and its benefits realized over years. Nevertheless, visible progress has been made since last year's Financial Plan. Currently, all MTACC mega projects are under way, with over \$6.7 billion committed. In 2009, contracts were awarded for soft-ground tunneling in Queens for East Side Access and for the project's 50th Street vent plants. Other major contracts were awarded for the Second Avenue Subway's structural and utility relocation, as well as for the remaining underground work at the Fulton Street Transit Center. Significant progress was made on excavation work for the three major tunneling projects of East Side Access, Second Avenue Subway, and the No. 7 Line Extension. Additionally, 2009 saw the opening of the South Ferry Terminal Station, the first new subway station to open since 1989.

In 2009, the new Yankees-East 153rd Street Metro-North train station was opened. The railroad now provides a combination of shuttle and through service to and from the station on the Harlem, Hudson and New Haven Lines for Yankee home games, and regular year-round service on the Hudson Line between the stadium and several destinations to the north. Aside from offering a new transportation option for Bronx residents, the station also affords park-and-ride opportunities for tri-state travelers to midtown Manhattan. In 2009, MNR also plans to maintain and improve the efficiency of its information communication network by upgrading supporting equipment and installing additional security refinements.

In the not distant future, the LIRR will be transformed by the East Side Access project, by the Hudson River Yard Development and by Brookfield Overbuild, large-scale projects that alone will transfigure the operational presence of the railroad.

NYCT has several projects in various stages of planning, including the ongoing expansion of Select Bus Service (SBS) bus rapid transit, and the opening of both a Medical Assessment Center and a fourth depot in Staten Island.

Safety and Security

The MTA plans to greatly enhance the safety and security of its transportation network by inaugurating an Integrated Electronic Security System (IESS) and its supporting Command, Control, and Communication Centers (C3). The Integrated Electronic Security Project (IESS) will involve the installation of cameras, access

control devices and surveillance equipment at a series of critical monitored locations; information from this equipment will feed into new agency command, communication and control centers, including a new MTA Police Central Command center. This project will require both equipment installations and software and hardware design, development and integration. It will be administrated by MTACC and will involve of several agencies, including NYCT, LIRR, MTA B&T, and the MTA Police Department

NYCT will focus its safety and security efforts on three principle areas. First, to reduce customer injuries, it will undertake an audit program to identify stations with high frequencies of slips and falls; and it will implement a throttle delay program on all Hybrid buses. Secondly, NYCT will take measures to improve employee safety: it will continue to conduct joint union/management safety audits; it is exploring options for bus operator safety partitions; it will replace respirator masks for subway personnel; and it will conduct detailed analyses of potential near-miss incidents involving employees. Third, NYCT is taking the steps necessary to improve the security of its facilities: it will implement MetroCard Vending Machine and MetroCard Express Machine security protocols for customer card transactions, and it will install bus cameras on the B46 route and the Select Bus Service fleet.

In the area of Safety and Security, the LIRR plans to extend its recent success by devoting substantial resources to such initiatives as the TRACKS (Together Railroads and Communities Keeping Safe) Program and Operation Lifesaver; and nearly \$17 million has been earmarked in the 2010-2013 Financial Plan for the Platform Gap Mitigation Strategy.

In the Preliminary Budget for 2009, MNR has devoted resources to support the maintenance and monitoring functions associated with the implementation of new security systems in New York and Connecticut. In addition, resources are included to comply with new Federal Railroad Administration mandates regarding more stringent hours of service rules for signal maintainers, and the expansion of drug testing to include Maintenance of Way employees.

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

Sustainability

The MTA plans to maintain an intensive environmental awareness, finding ways to reduce the ecological footprint of its operations, while expanding the “greening power of transit” to an increased number of riders and communities. The comprehensive goal of environmental sustainability gained motion in 2007, when a Blue Ribbon Commission was appointed to develop sustainability-related recommendations for the MTA and all of its agencies. Working with MTA staff, research consultants and pro-bono experts, the twenty-two member commission formulated nearly 100 recommendations that together constituted “the most ambitious greening of a regional transit system ever undertaken and the most significant enhancement of the MTA system in half a century”. The commission’s Final Report, published this past January with full cognizance of current economic realities, argues for an affordable and ultimately cost-saving program to steadily improve the MTA’s reliance on clean and renewable energies; unambiguously, the report also argues that if the New York metropolitan area is to continue to grow economically, without a concomitant decline in livability, the MTA must accomodate two-thirds of projected population growth - 4 million people, over the next twenty years.

The agencies of the MTA, in accordance with one of the chief recommendations of the Blue Ribbon Commission, are helping to structure Transit-Oriented Development projects (TODs) in multiple nearby communities. The goal is to cluster residential and commercial development - green development - within walking distance of mass transit, and thereby reduce the amount of energy our region consumes while increasing MTA ridership. Toward this end, MNR has undertaken the “Be in Beacon” TOD, which invites developers to transform 18 acres around the Beacon Station in Dutchess County into a self-sustaining, mixed-use project that will link downtown Beacon to a planned reclaimed riverfront. The project has now advanced to the TOD zoning and Request for Proposals preparation phase. When complete, it will have as its centerpiece the newly redesigned MNR station, which now features landscaped rooftop “garden” elements, a safe and attractive inter-modal plaza, and an expansion of parking spaces that has eliminated a waiting list of over 700 applicants. A similar TOD is also underway in Westchester, where MNR has recently forged a partnership with the village of Harrison by formally signing a Term Sheet and Predevelopment Agreement that sets out a framework for development. The project’s goals are to improve MNR station access and increase downtown parking capacity, and to design a downtown business district that has a distinctive character, high quality urban and architectural design, and pedestrian and urban amenities. MNR is also in conversation with stakeholders, towns and villages in Rockland County, exploring the strong potential for TOD’s along the Tapan Zee corridor.

NYCT plans to put into service 520 hybrid buses, and as a further indication that it is committed to finding technologies that are both ecologically sound and cost-

effective, the agency plans to conduct a life-cycle cost analysis comparing hybrid and Compressed Natural Gas (CNG) buses. To implement green design and construction principles, NYCT will increase its use of recycled construction materials and will find recycling destinations for its own demolition debris; and NYCT is will seek Leadership in Energy and Environmental Design (LEED) certification for the rebuilding of the Mother Clara Hale Depot.

The bus companies of the MTA have already adopted a green orientation by exploiting energies that are more efficient and/or friendlier to the environment; and they continue to plan for savings based on energy conservation. LIB, which operates the largest 100% Clean Fuel CNG fleet in the eastern USA, has earned a CNG tax credit for 2009, which it will use to offset its projected CNG fuel expenses; and LIIB plans other savings in 2009 from electricity conservation initiatives. MTA Bus and NYCT Bus will also receive these credits this year. And MTA Bus' transit fleet - the tenth largest in the United States - now includes 303 low-floor hybrid electric buses and 295 CNG buses.

The LIRR will dedicate funding toward environmentally friendly cleaning products and will advance its effort to achieve a light duty vehicle fleet that is 100 percent hybrid by 2011. The LIRR is also actively working with Wyandanch, Brookhaven (Ronkonkoma), Patchogue, West Hempstead and Deer Park on planning Transit-Oriented Developments.

MTACC will take action on several fronts to ensure that MTA capital projects are consistent with long-run environmental sustainability. By participating on the Climate Adaptation Committee formed by the Blue Ribbon Commission, the agency will seek the best means of mitigating greenhouse gas emissions and of adapting MTA organizational plans and already built assets to the climate change that is already underway. The agency is also developing bold and innovative ideas on energy use, and is pursuing Leadership in Energy and Environmental Design (LEED) certification for the Fulton Street Transit Center building and for a yard services building in Long Island City. MTACC has, in fact, already taken significant steps this year towards reducing the ecological impacts of its projects. Construction Management teams on all MTACC projects successfully recycled or salvaged more than 85% of construction and demolition debris, diverting it from less ecologically friendly disposal in landfills. At the same time, design teams continued to identify the best technology and equipment to maximize energy efficiency, and construction equipment was retrofitted with filters to reduce diesel particulate emissions.

B&T is taking steps to operate in a more environmentally-friendly way and to help preserve our natural resources. An interdepartmental "Green" Council will monitor B&T's many sustainability initiatives, like the conversion of necklace lights on the Verrazano-Narrows Bridge to LED technology, which is in store for mid-2009. The installation of an on-site Ethanol-85 station to service southern B&T facilities is also planned at the Verrazano-Narrows site for late 2009; and

energy efficient lighting at the Queens Midtown Tunnel and at Brooklyn Battery Tunnel service and ventilation buildings will be readied in 2010. B&T will also seek new building designs and undertake the renovation of existing buildings to achieve Leadership in Energy and Environmental Design (LEED) certification at the silver or silver-equivalent level.

Workforce Development

To assist MTA leadership in identifying ways to improve efficiency and address the current and future issues that impact the workforce so that the MTA's mission and vision are achieved, a Blue Ribbon Panel on Workforce Development was convened in 2007, and it reported its conclusions later that year. The MTA will heed the findings of the panel, whose recommendations were organized in five key areas: organizational culture, workforce development, succession planning, employee availability, and labor-management relations. MTAHQ's Organizational Development and Training Division has been tasked with ensuring that all MTA agencies are working to address issues raised in each of these areas. In addition to extending more opportunities to recognize the workforce, increasing communication through letters, and offering more training, focus groups and newsletters, some examples of relevant initiatives underway are described below.

To improve Employee/Management relations, NYCT will initiate labor management committees to address issues regarding wellness, health benefits, employee availability and medical; and the Agency will continue employee facility rehabilitations and provide employee quality-of-life improvements at work facilities.

Because the MTA has a vested interest in the success of its workforce, its agencies will endeavor to maximize the efficiency of the process by which their employees develop within their fields. To do so, NYCT will standardize Track Safety and Flagging training, and implement a new program on conflict avoidance. MNR plans to institute a Learning Management System that will allow employees electronic access to the railroad's training programs. MTAHQ, in collaboration with all of the agencies, will develop a Talent Management Strategy to be implemented MTA-wide. This Talent Management Strategy will identify and develop candidates for senior-level positions to ensure the continuity of managerial expertise and leadership skills in the organization. This is a growing concern at the MTA in light of the increasing number of employees eligible to retire within the next three to five years. Efforts are also focused on increasing training throughout the organization. B&T is working with MTAHQ and other MTA agencies on several workforce development task forces and sub-committees. Among the initiatives being undertaken this year is a new management training program for maintenance personnel, a new Leadership Academy Program for mid-level managers, and the standardization of maintenance worker work rules.

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Utilization
(Revenue, Ridership, Vehicle Traffic)

UTILIZATION

Throughout the financial plan period, utilization levels compared with the 2009 Adopted Budget and February Financial Plan reflect both the worsening regional economic outlook and smaller elasticity-based ridership losses stemming from fare and toll changes that were reduced from a 23% yield increase to a 10% increase.

All ridership and farebox revenue figures below exclude paratransit operations of New York City Transit and Long Island Bus.

2009 Ridership, Traffic and Revenue

The 2009 Mid-Year Forecast for MTA consolidated ridership is projected to total 2,608 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are projected to total 287 million vehicular crossings. New York City Transit (NYCT) combined subway and bus ridership for the 2009 Mid-Year Forecast accounts for 88% of MTA consolidated ridership, while ridership for Long Island Rail Road (LIRR) and Metro-North Railroad's (MNR) East-of-Hudson operations each account for 3%. MTA Bus Company (MTABC) ridership accounts for 5% of MTA consolidated ridership. Staten Island Railway (SIR) ridership is estimated to be 4 million (0.2% of MTA ridership) and Long Island Bus (LIB) fixed route ridership is estimated to be 31 million (1% of MTA ridership).

MTA consolidated farebox revenue for the 2009 Mid-Year Forecast is estimated to be \$4,276 million, and toll revenue is estimated to be \$1,313 million. NYCT combined subway and bus farebox revenue for the 2009 Mid-Year Forecast is expected to be \$3,044 million, while LIRR is projecting \$517 million in farebox revenue and MNR is projecting \$513 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$4 million, LIB fixed route farebox revenue is estimated to be \$41 million, and MTABC farebox revenue is expected to be \$157 million.

2009 Mid-Year Forecasts are based on actual results through April 2009 for LIRR and MNR and through May 2009 for B&T, NYCT, MTABC, LIB and SIR.

The 2009 forecasts, as well as for those for the financial plan period, reflect a reversal of those fare and toll increases included in the Adopted Budget. They were designed to achieve a 23 percent increase in fare and toll yields beginning June 2009, as well as reductions in scheduled service. Together, the fare and toll increases along with the service changes would have amounted to \$702 million in additional fare and toll revenue beyond the 2009 baseline projections; in 2010, the first full year of implementation, these fare and toll increases would have amounted to \$1,189 million. These actions were rescinded after passage of State legislation provided MTA with additional sources of revenue. In its place, fare and toll changes designed to increase fares by an average of 10 percent were adopted and scheduled for implementation during June 2009 for fares and in July 2009 for B&T tolls. This 10% increase is

expected to result in \$251 million in additional fare and toll revenue in 2009, and \$494 million fully annualized in 2010.

Fares for NYCT, SIR, LIB and MTABC changed on June 28. The cash, single-ride ticket and regular Pay-Per-Ride fares increased from \$2 to \$2.25, while the cash and regular Pay-Per-Ride express bus fares increased from \$5 to \$5.50. The Bonus Pay-Per-Ride MetroCard changed from a minimum purchase of \$7 to a minimum purchase of \$8, although the existing 15% bonus remained unchanged. The prices of Unlimited Ride MetroCards also increased: the 1-Day Fun Pass increased from \$7.50 to \$8.25; the 7-Day Unlimited Ride MetroCard increased from \$25 to \$27; the 14-Day Unlimited Ride MetroCard increased from \$47 to \$51.50; the 30-Day Unlimited Ride MetroCard increased from \$81 to \$89, and; the 7-Day Express Bus Plus Unlimited MetroCard increased from \$41 to \$45.

Fare changes for LIRR and MNR became effective on June 17, with average fares increasing 10%, City Ticket fares increased from \$3.25 to \$3.50, and the 5% Mail & Ride fare discount on the commuter railroad portion of the joint Monthly Commutation/Monthly Unlimited Ride MetroCard reduced to a 4% discount. Additionally, the on-board fare differential was increased by one dollar.

B&T facility tolls increased on July 12. Cash tolls for passenger vehicles on major facilities rose by 50 cents (and by \$1 for the one-way cash toll on the Verrazano-Narrows Bridge), and by 25 cents at the Rockaway facilities and on the Henry Hudson Bridge. Tolls for passenger vehicles using E-ZPass will increase 42 cents, while passenger vehicle tolls at the Rockaway facilities and the Henry Hudson Bridge increased 16 cents. Cash and E-ZPass tolls for trucks also increased, depending on the number of vehicle axles. Additionally, the E-ZPass discounts for non-NY Customer Service Center tag holders were eliminated.

The 2009 Mid-Year Forecast for MTA consolidated ridership is projected to decrease by 89 million trips – a 3.3% decrease – over 2008 MTA consolidated ridership. MTA ridership for the 2009 Mid-Year Forecast is expected to decline on all MTA operations from 2008 levels, and the 2009 Mid-Year Forecast for traffic at B&T facilities is expected to decline by 8 million crossings, a decrease of 2.8% over the 2008 traffic level. The 2009 Mid-Year Forecast for farebox revenue is projected to increase by \$87 million, a 2.3% increase, and is projected to be higher for each MTA agency except for LIB, which is unchanged. B&T toll revenue is expected to be \$39 million greater than 2008 toll revenue, a 3.0% increase.

Year to year increases in farebox and toll revenue reflect the impact of the fare and toll increases that went into effect in March 2008 and are fully annualized in 2009, as well as the projected impact of the recent 2009 fare and toll increases.

Ridership declines are also the result of the national and regional recessions, and in particular declines in New York City employment levels. After five consecutive years of increases from 2004 through 2008, the number of jobs in New York City began to

decline in the fourth quarter of 2008 and the declines have continued during 2009. For the first five months of 2009, New York City has lost 82 thousand jobs (-2.2%) relative to the first five months of 2008. These job losses are expected to continue as 2009 progresses – it is projected that New York City employment will decline 3.9% in 2009 over 2008, a loss of 147 thousand jobs – adversely affecting utilization levels. Utilization forecasts in the Adopted Budget had assumed New York City employment would decline 1.4% during 2009.

MTA consolidated ridership for the 2009 Mid-Year Forecast is expected to fall short of the 2009 Adopted Budget projection by 18 million trips, a 0.7% decrease, with all MTA agencies except MTA Bus projecting plan-to-plan decreases. At B&T facilities, the Mid-Year Forecast projects 3 million more vehicular crossings, a 1.0% increase, over the Adopted Budget forecast.

MTA consolidated farebox revenue in the 2009 Mid-Year Forecast is projected to fall short of the 2008 Adopted Budget estimate by \$437 million (-9.3%), while the 2009 Mid-Year Forecast for B&T toll revenue is projected to be \$107 million lower (-7.6%) than the Adopted Budget forecast. The lower estimates for both farebox and toll revenues reflect reduced ridership and traffic from the recession as well as the smaller fare and toll increases.

Lower NYCT ridership accounts for 81 percent of the lower MTA consolidated ridership, relative to the February Plan, with the remaining ridership reduction primarily at LIRR and MNR. NYCT ridership is projected to decline 0.6%, with LIRR ridership declining 1.5% and MNR ridership declining 3.2%. Similarly, 70 percent of the farebox revenue decline from the February Plan is from NYCT, with farebox revenue declines at LIRR and MNR comprising a combined 25 percent.

The June fare increase results in higher average fares for NYCT customers. Over the Plan period, the baseline Non-Student average fare – the average fare for all riders except those using student passes – is expected to be \$1.48 per trip, up from \$1.34 per trip before the fare increase. The “Regular Rider” average fare – this average fare excludes utilization for students, express bus riders and those using senior/disabled fares – is expected to increase to \$1.51 from \$1.37 before the fare increase.

The ridership forecast for MTA Bus has been increased by 1 million, a 0.9% improvement, while declining by \$12 million, a 6.9% decrease, over the Adopted Budget ridership and farebox revenue levels. LIB is projecting 0.3 million fewer passengers over the Adopted Budget level, a 1.1% decline, and \$9 million less in farebox revenue, an 18.3% increase from the Adopted Budget level. SIR is projecting 0.3 million fewer riders, a 7.1% decrease, and \$1 million less in farebox revenue, a 16.3% decrease, compared with the Adopted Budget levels.

2010 Ridership, Traffic and Revenue

The 2010 forecast for MTA consolidated ridership is projected to total 2,588 million passengers, while crossings at B&T facilities are projected to total 286 million vehicular

crossings. NYCT combined subway and bus ridership is expected to be 2,271 million, while LIRR is projecting 84 million passengers and MNR is projecting 81 million passengers for its East-of-Hudson operations. SIR ridership is estimated to be 5 million, LIB fixed route ridership is estimated to be 31 million, and MTABC ridership is expected to be 117 million.

MTA consolidated farebox revenue for 2010 is estimated to be \$4,448 million, and toll revenue is estimated to be \$1,384 million. NYCT combined subway and bus farebox revenue is expected to be \$3,167 million, while LIRR is projecting \$537 million in farebox revenue and MNR is projecting \$533 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$5 million, LIB fixed route farebox revenue is estimated to be \$43 million, and MTABC farebox revenue is expected to be \$163 million.

MTA ridership and traffic trends from the 2009 Mid-Year Forecast to 2010 are primarily down, while fare and toll revenues are up, due to the full-year impact of the 2009 fare and toll increases. Year-to-year, MTA consolidated ridership is down 21 million trips, a 0.8% decline, while B&T traffic is down 1 million vehicular crossings, a 0.3% decline. NYCT ridership is projected to decline from 2009 by 20 million trips, a 0.9% decline, and LIRR ridership is also expected to drop, declining by 1 million trips, a 0.6% decline, over 2009. Also declining are LIB (-300 thousand; -1.0%) and MTABC (-700 thousand; -0.6%). Ridership increases are projected for MNR (0.6 million; 0.8%) and SIR (400 thousand; 8.5%).

Farebox revenue is projected to increase \$172 million over 2009, a 4.0% increase, and toll revenue is forecast to increase by \$71 million, a 5.4% increase. All MTA Agencies are expected to see farebox revenue increase from 2009 to 2010 as the fully annualized impact of the 2009 fare and toll increases are reflected.

MTA consolidated ridership for 2010 in the July Plan is expected to fall short of the February Plan projection by 25 million trips, a decrease of 0.9%. At B&T facilities, the July Plan reflects 9 million additional vehicular crossings, a 3.2% increase, over the February Plan forecast. MTA consolidated farebox revenue for 2010 in the July Plan is forecast to be lower than projections in the February Plan by \$651 million, a 13.0% decrease. B&T toll revenue for 2010 is projected to be \$159 million, or 10.3%, below the February Plan forecast.

MTA agency forecasts for ridership and farebox revenue reflect the weak local economy, and in particular lower employment, that is impacting the 2009 Mid-Year Forecast. The recession is having a similar impact on B&T vehicular traffic and toll revenue in 2009, which in turn is affecting traffic and toll revenue for 2010. For 2010, utilization forecasts assume NYC employment to decline by 0.6% (21 thousand jobs) from 2009, a more pessimistic projection than the one used in the February Financial Plan, which assumed an increase of 0.5%.

2011 – 2013 Ridership, Traffic and Revenue

MTA consolidated ridership and vehicle crossings, along with farebox and toll revenue, are expected to modestly increase in 2011 over 2010 levels. Consolidated ridership is projected to reach 2,626 million passengers, up 1.5%, while farebox revenue is estimated to reach \$4,524 million, an increase of 1.7%. B&T vehicle crossings are projected to be 289 million, a 0.8% annual increase, and toll revenue is estimated to increase to \$1,392 million, up 0.6%.

MTA consolidated ridership and vehicle crossing levels are expected to increase in 2012 and 2013, with consolidated ridership reaching 2,677 million in 2013, increasing by 1.2% in 2012 and by 0.7% in 2013. Vehicular crossings at B&T facilities are projected to reach 290 million in 2013, increasing by 0.5% in 2012 and by 0.1% in 2013. Consolidated farebox revenue is expected to reach \$4,631 million in 2013, up 1.4% in 2012 and 1.0% in 2013, while B&T toll revenue is projected to reach \$1,397 million by 2013, up 0.4% in 2012 and unchanged in 2013.

Compared with the February Plan, MTA consolidated ridership is projected to be 0.8% lower in 2011 and 1.1% lower in 2012. The July Plan forecast for traffic at B&T facilities exceeds the February Plan forecast, up 4.2% in 2011 and 4.0% in 2012. NYCT ridership is forecast to fall short of the February Plan by 0.9% in 2011 and by 1.3% in 2012. The July Plan for LIRR ridership falls short of projections in the February Plan by 1.1% each year, and MNR ridership projections in the July Plan also fall short of February Plan projections, down 2.4% in 2011 and down 2.0% in 2012. Ridership projections in the July Plan outpace projections in the February Plan for MTABC (3.8% each year) and for LIB (0.9% in 2011 and 1.6% in 2012), and fall short for SIR (-4.0% in 2011 and -4.3% in 2012).

Plan-to-plan changes in farebox and toll revenue reflect the impact of the smaller 2009 fare and toll increases. MTA consolidated farebox revenue is expected to be 12.6% and 12.8% below the February Plan level in 2011 and 2012, respectively. B&T toll revenue is projected to fall short of the February Plan forecasts by 10.7% in 2011 and by 10.9% in 2012. NYCT farebox revenue is forecast to fall short of the February Plan by 12.8% in 2011 and 13.1% in 2012. The July Plan for LIRR farebox revenue falls short of projections in the February Plan by 14.2% each year. Farebox revenue projections in the July Plan also fall short of February Plan projections for MNR (10.0% in 2011; 9.9% in 2012); MTABC (8.9% each year), SIR (14.5% in 2011; 14.8% in 2012), and; LIB (17.5% in 2011; 17.0% in 2012).

MTA Consolidated Utilization

Plan-to-Plan Comparison

| July Financial Plan - Excluding Gap-Closing Actions | | | | | |
|--|-----------------|----------------|----------------|----------------|----------------|
| | 2009 | | | | |
| | Mid-Year | | | | |
| | Forecast | 2010 | 2011 | 2012 | 2013 |
| Traffic | | | | | |
| Bridges & Tunnels | 287.3 | 286.5 | 288.7 | 290.2 | 290.5 |
| Ridership | | | | | |
| Long Island Bus ¹ | 31.2 | 30.9 | 31.1 | 31.4 | 31.7 |
| Long Island Rail Road | 84.1 | 83.6 | 84.2 | 85.1 | 85.8 |
| Metro-North Railroad ² | 79.9 | 80.6 | 83.4 | 86.1 | 88.3 |
| MTA Bus Company | 117.5 | 116.8 | 118.3 | 119.6 | 120.6 |
| New York City Transit ^{1, 3} | 2,291.4 | 2,271.2 | 2,304.5 | 2,330.1 | 2,345.8 |
| Staten Island Railway | 4.2 | 4.6 | 4.6 | 4.7 | 4.7 |
| <i>Total Ridership</i> | <i>2,608.3</i> | <i>2,587.6</i> | <i>2,626.2</i> | <i>2,657.0</i> | <i>2,676.9</i> |

| February Financial Plan | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|-------------|
| | 2009 | | | | |
| | Adopted | | | | |
| | Budget | 2010 | 2011 | 2012 | 2013 |
| Traffic | | | | | |
| Bridges & Tunnels | 284.5 | 277.7 | 277.0 | 279.0 | |
| Ridership | | | | | |
| Long Island Bus ¹ | 31.5 | 30.8 | 30.9 | 30.9 | |
| Long Island Rail Road | 85.4 | 84.5 | 85.1 | 86.1 | |
| Metro-North Railroad ² | 82.6 | 83.2 | 85.4 | 87.8 | |
| MTA Bus Company | 116.4 | 113.9 | 114.0 | 115.2 | |
| New York City Transit ^{1, 3} | 2,306.3 | 2,295.1 | 2,326.4 | 2,360.3 | |
| Staten Island Railway | 4.6 | 4.8 | 4.8 | 4.9 | |
| <i>Total Ridership</i> | <i>2,626.8</i> | <i>2,612.3</i> | <i>2,646.7</i> | <i>2,685.3</i> | |

| Plan-to-Plan Changes: Favorable / (Unfavorable) | | | | | |
|--|---------------|---------------|---------------|---------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Traffic | | | | | |
| Bridges & Tunnels | 2.8 | 8.8 | 11.7 | 11.2 | |
| Ridership | | | | | |
| Long Island Bus ¹ | (0.3) | 0.1 | 0.3 | 0.5 | |
| Long Island Rail Road | (1.3) | (0.9) | (0.9) | (0.9) | |
| Metro-North Railroad ² | (2.7) | (2.6) | (2.1) | (1.8) | |
| MTA Bus Company | 1.1 | 2.9 | 4.3 | 4.4 | |
| New York City Transit ^{1, 3} | (14.9) | (23.8) | (22.0) | (30.2) | |
| Staten Island Railway | (0.3) | (0.2) | (0.2) | (0.2) | |
| <i>Total Ridership</i> | <i>(18.5)</i> | <i>(24.7)</i> | <i>(20.5)</i> | <i>(28.3)</i> | |

¹ Excludes Paratransit Operations.

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

³ Excludes Fare Media Liability.

MTA Consolidated Utilization

Plan-to-Plan Comparison

| July Financial Plan - Excluding Gap-Closing Actions | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2009 | | | | |
| | Mid-Year | | | | |
| | Forecast | 2010 | 2011 | 2012 | 2013 |
| Toll Revenue | | | | | |
| Bridges & Tunnels | \$1,312.5 | \$1,383.9 | \$1,392.1 | \$1,397.3 | \$1,396.7 |
| Fare Revenue | | | | | |
| Long Island Bus ¹ | \$41.2 | \$42.6 | \$43.0 | \$43.4 | \$43.7 |
| Long Island Rail Road | 516.6 | 537.3 | 542.1 | 547.0 | 551.2 |
| Metro-North Railroad ² | 512.9 | 533.5 | 552.7 | 569.9 | 585.6 |
| MTA Bus Company | 156.7 | 162.8 | 164.9 | 166.6 | 167.9 |
| New York City Transit ^{1, 3} | 3,044.1 | 3,166.5 | 3,215.8 | 3,253.8 | 3,277.2 |
| Staten Island Railway | 4.5 | 5.3 | 5.4 | 5.4 | 5.5 |
| <i>Total Farebox Revenue</i> | <i>\$4,276.0</i> | <i>\$4,448.0</i> | <i>\$4,523.9</i> | <i>\$4,586.1</i> | <i>\$4,631.1</i> |

| February Financial Plan | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|-------------|
| | 2009 | | | | |
| | Adopted | | | | |
| | Budget | 2010 | 2011 | 2012 | 2013 |
| Toll Revenue | | | | | |
| Bridges & Tunnels | \$1,419.9 | \$1,542.5 | \$1,559.5 | \$1,568.2 | |
| Fare Revenue | | | | | |
| Long Island Bus ¹ | \$50.5 | \$52.8 | \$52.1 | \$52.2 | |
| Long Island Rail Road | 578.7 | 626.0 | 631.6 | 637.2 | |
| Metro-North Railroad ² | 561.1 | 597.4 | 614.3 | 632.5 | |
| MTA Bus Company | 168.3 | 179.5 | 181.1 | 182.9 | |
| New York City Transit ^{1, 3} | 3,348.7 | 3,636.7 | 3,689.3 | 3,746.1 | |
| Staten Island Railway | 5.4 | 6.2 | 6.3 | 6.4 | |
| <i>Total Farebox Revenue</i> | <i>\$4,712.8</i> | <i>\$5,098.6</i> | <i>\$5,174.6</i> | <i>\$5,257.3</i> | |

| Plan-to-Plan Changes: Favorable / (Unfavorable) | | | | | |
|--|------------------|------------------|------------------|------------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Toll Revenue | | | | | |
| Bridges & Tunnels | (\$107.4) | (\$158.6) | (\$167.4) | (\$170.9) | |
| Fare Revenue | | | | | |
| Long Island Bus ¹ | (\$9.3) | (\$10.2) | (\$9.1) | (\$8.9) | |
| Long Island Rail Road | (62.2) | (88.7) | (89.4) | (90.2) | |
| Metro-North Railroad ² | (48.2) | (63.9) | (61.5) | (62.6) | |
| MTA Bus Company | (11.6) | (16.7) | (16.2) | (16.3) | |
| New York City Transit ^{1, 3} | (304.6) | (470.2) | (473.5) | (492.3) | |
| Staten Island Railway | (0.9) | (0.9) | (0.9) | (0.9) | |
| <i>Total Farebox Revenue</i> | <i>(\$436.8)</i> | <i>(\$650.6)</i> | <i>(\$650.7)</i> | <i>(\$671.2)</i> | |

¹ Excludes Paratransit Operations.

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

³ Excludes Fare Media Liability.

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Subsidies

SUBSIDIES - Major Assumptions

The following pages contain accrual and cash summary tables for the subsidies and dedicated taxes, as well as additional tables detailing the changes between the July Plan and the February Plan. Detailed narratives describing each subsidy, forecast methodologies and explanations of changes since the February Plan are also included. The details of Bridges and Tunnels operations that produce the Operating Surplus Transfer subsidy are discussed in the B&T section of the report. At the beginning of the narrative section there is a detailed explanation of the new State taxes and fees recently implemented by the State Legislature for the benefit of the MTA.

New State Taxes and Fees - Beginning in 2009, projections of revenues in the MTA July Plan include additional funds from new sources of taxes and fees that the State Legislature implemented to provide a stable source of revenues for the MTA that would also address the MTA's revenue shortfall and operating budget gap, attributable to the current economic crisis, sharp drop in real estate transaction taxes, rising debt service and increased fringe benefit costs. In 2009, these new taxes and fees are expected to generate an estimated \$1.1 billion in new revenues for the MTA. (See details in the New State Taxes and Fees Section at the beginning of the narrative section that follows.)

As shown on the tables that follow, the 2009 Mid-year Forecast of Total Dedicated Taxes & State and Local Subsidies, including the revenues from the new State taxes and fees, is \$4.8 billion, on a cash basis, which is \$865.3 million higher than the 2009 Adopted Budget (February Plan) level. Most of this favorable variance, \$1.1 billion, is due to the additional revenues from the new State taxes and fees. Also contributing to the overall positive results are favorable Other Subsidy Adjustments of \$85.5 million, including a balance of for lump-sum refunds to NYCT's union employees for prior contributions to the 55/25 pension program (part of a 2005 labor agreement), that was not transferred from the GASB account to the NYCT pension account in 2008 as anticipated in the February Plan. It also reflects certain gap closing actions, including \$50.0 million from the 2006 MMTOA Catch-up and \$25.0 million from the 2006 Surplus Recovery that are being transferred back to the operating budget for general corporate purposes. City subsidy to MTA Bus Company is also favorable, \$44.6 million higher than the February Plan level, primarily due to increases in payroll costs as determined by new labor contracts which provide for retroactive wage adjustments (RWA) dating back to 2006, as well as wage parity with NYCT employees for hourly union employees going forward. Offsetting this are unfavorable variances in real estate taxes which, in 2009, are projected to decline by \$423.8 million from the February Plan levels, due to a continuation of the anemic commercial real estate market in New York City and throughout the MTA region, as well as weakness in residential real estate that began in 2006.

City Subsidy to MTA Bus reflects the current agreement with the City that it will cover MTA Bus' expenses. The City subsidy covers the operating deficit for MTA Bus. MMTOA, 18-b and Urban Taxes, that are designated for the former private

buses subsidized by the City, are paid directly to the City and used by the City to partially fund MTA Bus.

For the period 2010 through 2012, total Dedicated Taxes and State and Local Subsidies will increase from the levels projected in the February Plan by \$1.6 billion in 2010, \$1.6 billion in 2011, and \$1.7 billion in 2012, due primarily to additional revenues from the newly implemented State taxes and fees. This represents additional new sources of revenue for the MTA. In each of the years, 2010, 2011 and 2012, the positive results are offset by unfavorable real estate taxes, which continue to decline from the February Plan levels by \$270.5 million in 2010, \$244.1 million in 2011, and \$220.4 million in 2012.

The Plan reflects technical adjustments for certain policy actions that are incorporated as part of the Subsidy baseline projections - Enhanced Security Training (\$6 million each year in 2009 and 2010), anticipated downsizing costs associated with future headcount reductions (\$41 million in 2010), and MTA Bus Debt Service (\$23 million in 2009 and \$25 million in each year from 2010 through 2013) are funded from the MRT-2 collections. In addition, the Plan assumes that the full amount of the cash defeasance loan to TBTA made in 2007 will be repaid to the MTA in 2009.

MTA Consolidated Subsidies
July Financial Plan 2010 - 2013
Accrual Basis
(\$ in millions)

| | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
| <u>Subsidies</u> | | | | | | |
| <i>Dedicated Taxes</i> | | | | | | |
| Metro. Mass Transp. Oper. Asst. (MMTOA) | \$1,706.2 | \$1,465.4 | \$1,384.3 | \$1,419.0 | \$1,509.7 | \$1,557.9 |
| Petroleum Business Tax (PBT) Receipts | 612.7 | 625.8 | 622.4 | 624.8 | 627.2 | 629.1 |
| Mortgage Recording Tax (MRT) | 395.5 | 262.6 | 275.5 | 297.0 | 357.7 | 388.6 |
| MRT Transfer to Suburban Counties | (6.9) | (3.4) | (3.1) | (3.4) | (5.2) | (6.1) |
| Use of MRT Balances | 37.8 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reimburse Agency Security Costs | (10.0) | (10.0) | (10.0) | (10.0) | (10.0) | (10.0) |
| Interest | 14.1 | 9.9 | 9.9 | 9.9 | 10.0 | 10.0 |
| Urban Tax | 459.8 | 213.9 | 307.3 | 349.7 | 394.7 | 461.8 |
| Investment Income | <u>2.4</u> | <u>2.6</u> | <u>2.6</u> | <u>2.6</u> | <u>2.6</u> | <u>2.7</u> |
| | \$3,211.6 | \$2,576.7 | \$2,588.9 | \$2,689.6 | \$2,886.7 | \$3,034.0 |
| <i>New State Taxes and Fees</i> | | | | | | |
| Payroll Mobility Tax | \$0.0 | \$1,021.0 | \$1,540.0 | \$1,611.8 | \$1,685.4 | \$1,769.4 |
| License Fees | 0.0 | 6.3 | 26.7 | 26.7 | 26.7 | 26.7 |
| Vehicle Registration Fees | 0.0 | 45.4 | 181.6 | 181.6 | 181.6 | 181.6 |
| Taxi Fee | 0.0 | 0.0 | 85.0 | 85.0 | 85.0 | 85.0 |
| Auto Rental Fee | <u>0.0</u> | <u>17.5</u> | <u>35.0</u> | <u>35.0</u> | <u>35.0</u> | <u>35.0</u> |
| | \$0.0 | \$1,090.2 | \$1,868.3 | \$1,940.1 | \$2,013.7 | \$2,097.7 |
| <i>State and Local Subsidies</i> | | | | | | |
| State Operating Assistance | \$190.8 | \$190.9 | \$190.9 | \$190.9 | \$190.9 | \$190.9 |
| Local Operating Assistance | 187.9 | 188.0 | 188.0 | 188.0 | 188.0 | 187.9 |
| Nassau County Subsidy | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 |
| CDOT Subsidy | 73.0 | 86.3 | 98.7 | 114.5 | 128.0 | 134.2 |
| Station Maintenance | 147.8 | 143.6 | 147.8 | 151.4 | 154.8 | 158.0 |
| AMTAP | <u>19.6</u> | <u>5.6</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| | \$629.7 | \$624.9 | \$635.9 | \$655.3 | \$672.1 | \$681.5 |
| Sub-total Dedicated Taxes & State and Local Subsidies | \$3,841.3 | \$4,291.8 | \$5,093.0 | \$5,285.0 | \$5,572.5 | \$5,813.2 |
| City Subsidy for MTA Bus | \$236.5 | \$329.2 | \$282.4 | \$292.2 | \$308.4 | \$341.5 |
| Total Dedicated Taxes & State and Local Subsidies | \$4,077.9 | \$4,621.0 | \$5,375.4 | \$5,577.2 | \$5,880.9 | \$6,154.7 |
| <i>Inter-agency Subsidy Transactions</i> | | | | | | |
| B&T Operating Surplus Transfer | \$347.1 | \$253.3 | \$297.2 | \$268.3 | \$243.3 | \$191.5 |
| MTA Subsidy to Subsidiaries | <u>35.5</u> | <u>47.7</u> | <u>54.4</u> | <u>53.5</u> | <u>57.4</u> | <u>63.1</u> |
| | \$382.6 | \$301.0 | \$351.6 | \$321.8 | \$300.7 | \$254.6 |
| GROSS SUBSIDIES | \$4,460.4 | \$4,921.9 | \$5,727.0 | \$5,899.0 | \$6,181.6 | \$6,409.4 |

MTA Consolidated Subsidies
July Financial Plan 2010 - 2013
Summary of Changes Between July Plan and February Plan
Accrual Basis
(\$ in millions)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-----------------|------------------|------------------|------------------|------------------|
| <u>Subsidies</u> | | | | | |
| <i>Dedicated Taxes</i> | | | | | |
| Metro. Mass Transp. Oper. Asst. (MMTOA) | \$0.0 | \$42.1 | (\$90.3) | (\$100.6) | (\$82.9) |
| Petroleum Business Tax (PBT) Receipts ¹ | 0.0 | (0.1) | (8.2) | (7.9) | (8.0) |
| Mortgage Recording Tax (MRT) | (20.5) | (115.7) | (88.3) | (88.1) | (35.0) |
| MRT Transfer to Suburban Counties | 1.4 | 4.1 | 4.3 | 4.4 | 2.9 |
| Use of MRT Balances | (7.3) | 0.0 | 0.0 | 0.0 | 0.0 |
| Reimburse Agency Security Costs | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| Interest | 5.9 | 1.7 | 1.7 | 1.6 | 1.6 |
| Urban Tax | (44.9) | (285.6) | (180.0) | (154.1) | (183.6) |
| Investment Income | <u>0.4</u> | <u>0.5</u> | <u>0.5</u> | <u>0.5</u> | <u>0.5</u> |
| | (\$58.4) | (\$346.5) | (\$353.8) | (\$337.7) | (\$298.0) |
| <i>New State Taxes and Fees</i> | | | | | |
| Payroll Mobility Tax | \$0.0 | \$1,021.0 | \$1,540.0 | \$1,611.8 | \$1,685.4 |
| License Fees | 0.0 | 6.3 | 26.7 | 26.7 | 26.7 |
| Vehicle Registration Fees | 0.0 | 45.4 | 181.6 | 181.6 | 181.6 |
| Taxi Fee | 0.0 | 0.0 | 85.0 | 85.0 | 85.0 |
| Auto Rental Fee | <u>0.0</u> | <u>17.5</u> | <u>35.0</u> | <u>35.0</u> | <u>35.0</u> |
| | \$0.0 | \$1,090.2 | \$1,868.3 | \$1,940.1 | \$2,013.7 |
| <i>State and Local Subsidies</i> | | | | | |
| State Operating Assistance | (\$0.0) | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Local Operating Assistance | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Nassau County Subsidy | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CDOT Subsidy - Effect of Fare Increase & PEGs | 1.0 | 3.4 | 2.1 | 1.6 | 5.2 |
| Station Maintenance | 0.8 | (6.5) | (5.5) | (5.3) | (5.1) |
| AMTAP | <u>19.6</u> | <u>5.6</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| | \$21.4 | \$2.5 | (\$3.4) | (\$3.6) | \$0.1 |
| Sub-total Dedicated Taxes & State and Local Subsidies | (\$37.0) | \$746.2 | \$1,511.1 | \$1,598.7 | \$1,715.8 |
| City Subsidy for MTA Bus | (\$38.7) | \$73.5 | \$34.2 | \$31.8 | \$34.6 |
| Total Dedicated Taxes & State and Local Subsidies | (\$75.7) | \$819.7 | \$1,545.4 | \$1,630.6 | \$1,750.4 |
| <i>Inter-agency Subsidy Transactions</i> | | | | | |
| B&T Operating Surplus Transfer | \$23.7 | (\$143.9) | (\$183.9) | (\$186.6) | (\$194.8) |
| MTA Subsidy to Subsidiaries | <u>(1.7)</u> | <u>6.6</u> | <u>18.1</u> | <u>17.1</u> | <u>19.0</u> |
| | \$22.0 | (\$137.4) | (\$165.8) | (\$169.5) | (\$175.8) |
| GROSS SUBSIDIES | (\$53.6) | \$682.3 | \$1,379.6 | \$1,461.0 | \$1,574.6 |

MTA Consolidated Subsidies
July Financial Plan 2010 - 2013
Cash Basis
(\$ in millions)

| | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
| Subsidies | | | | | | |
| Dedicated Taxes | | | | | | |
| Metro. Mass Transp. Oper. Asst. (MMTOA) | \$1,706.2 | \$1,420.5 | \$1,429.2 | \$1,419.0 | \$1,509.7 | \$1,557.9 |
| Petroleum Business Tax (PBT) Receipts | 609.6 | 626.1 | 622.2 | 624.6 | 627.0 | 629.1 |
| Mortgage Recording Tax (MRT) | 418.6 | 253.1 | 274.0 | 291.8 | 355.1 | 386.0 |
| MRT Transfer to Suburban Counties | (12.2) | (6.2) | (3.4) | (3.1) | (3.4) | (5.2) |
| Use of MRT Balances | 10.0 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Carry Over/Adjustments | 1.6 | 17.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reimburse Agency Security Costs | (10.0) | (10.0) | (10.0) | (10.0) | (10.0) | (10.0) |
| Downsizing | 0.0 | 0.0 | (40.5) | 0.0 | 0.0 | 0.0 |
| Enhanced Security Training | 0.0 | (6.2) | (6.2) | 0.0 | 0.0 | 0.0 |
| Service Marketing Campaign | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MTA Bus Debt Service | (24.6) | (23.2) | (24.9) | (24.9) | (24.9) | (24.9) |
| Cash Defeasance Loan for TBTA | 0.0 | 90.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest | 14.1 | 9.9 | 9.9 | 9.9 | 10.0 | 10.0 |
| Urban Tax | 523.5 | 203.6 | 303.8 | 346.1 | 389.1 | 456.1 |
| Investment Income | <u>2.4</u> | <u>2.6</u> | <u>2.6</u> | <u>2.6</u> | <u>2.6</u> | <u>2.7</u> |
| | \$3,244.2 | \$2,588.6 | \$2,556.6 | \$2,655.9 | \$2,855.3 | \$3,001.7 |
| New State Taxes and Fees | | | | | | |
| Payroll Mobility Tax | \$0.0 | \$1,021.0 | \$1,540.0 | \$1,611.8 | \$1,685.4 | \$1,769.4 |
| License Fees | 0.0 | 6.3 | 26.7 | 26.7 | 26.7 | 26.7 |
| Vehicle Registration Fees | 0.0 | 45.4 | 181.6 | 181.6 | 181.6 | 181.6 |
| Taxi Fee | 0.0 | 0.0 | 85.0 | 85.0 | 85.0 | 85.0 |
| Auto Rental Fee | <u>0.0</u> | <u>17.5</u> | <u>35.0</u> | <u>35.0</u> | <u>35.0</u> | <u>35.0</u> |
| | \$0.0 | \$1,090.2 | \$1,868.3 | \$1,940.1 | \$2,013.7 | \$2,097.7 |
| State and Local Subsidies | | | | | | |
| State Operating Assistance | \$190.8 | \$190.9 | \$190.9 | \$190.9 | \$190.9 | \$190.9 |
| Local Operating Assistance (18-b) | 188.1 | 187.9 | 187.9 | 187.9 | 187.9 | 187.9 |
| Nassau County Subsidy (includes 18-b local match) | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 |
| CDOT Subsidy | 73.0 | 86.3 | 98.7 | 114.5 | 128.0 | 134.2 |
| Station Maintenance | 143.8 | 141.1 | 144.4 | 149.0 | 152.3 | 155.6 |
| AMTAP | <u>19.6</u> | <u>5.6</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| | \$625.9 | \$622.4 | \$632.4 | \$652.8 | \$669.6 | \$679.1 |
| Other Subsidy Adjustments | | | | | | |
| 55/25 Pension Funding | 64.8 | 34.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2006 Surplus Recovery | 82.3 | (15.0) | 0.0 | 0.0 | 0.0 | 0.0 |
| Inter-Agency Loan | 0.0 | 134.5 | 134.5 | (134.5) | (134.5) | 0.0 |
| NYCT Charge Back of MTA Bus Debt Service | (11.4) | (11.5) | (11.5) | (11.5) | (11.5) | (11.5) |
| Forward Energy Contracts | <u>(11.5)</u> | <u>90.4</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| | \$124.2 | \$232.7 | \$123.0 | (\$146.0) | (\$146.0) | (\$11.5) |
| Sub-total Dedicated Taxes & State and Local Subsidies | \$3,994.3 | \$4,534.0 | \$5,180.3 | \$5,102.8 | \$5,392.5 | \$5,767.0 |
| City Subsidy for MTA Bus | \$281.8 | \$303.5 | \$290.2 | \$290.6 | \$305.7 | \$336.0 |
| Total Dedicated Taxes & State and Local Subsidies | \$4,276.2 | \$4,837.5 | \$5,470.5 | \$5,393.3 | \$5,698.2 | \$6,103.0 |
| Inter-agency Subsidy Transactions | | | | | | |
| B&T Operating Surplus Transfer | \$359.5 | \$262.0 | \$292.8 | \$271.2 | \$245.8 | \$196.7 |
| MTA Subsidy to Subsidiaries | <u>33.5</u> | <u>47.7</u> | <u>54.4</u> | <u>53.5</u> | <u>57.4</u> | <u>63.1</u> |
| | \$392.9 | \$309.6 | \$347.2 | \$324.7 | \$303.2 | \$259.8 |
| GROSS SUBSIDIES | \$4,669.1 | \$5,147.1 | \$5,817.7 | \$5,718.0 | \$6,001.4 | \$6,362.8 |

MTA Consolidated Subsidies
July Financial Plan 2010 - 2013
Summary of Changes Between July Plan and February Plan
Cash Basis
(\$ in millions)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-----------------|------------------|------------------|------------------|------------------|
| <u>Subsidies</u> | | | | | |
| <i>Dedicated Taxes</i> | | | | | |
| Metro. Mass Transp. Oper. Asst. (MMTOA) | \$0.0 | (\$2.8) | (\$45.4) | (\$100.6) | (\$82.9) |
| Petroleum Business Tax (PBT) Receipts | (1.9) | 0.6 | (8.2) | (7.9) | (7.9) |
| Mortgage Recording Tax (MRT) | (8.8) | (126.7) | (87.9) | (92.7) | (36.8) |
| MRT Transfer to Suburban Counties | 0.0 | 2.1 | 4.1 | 4.3 | 4.4 |
| Use of MRT Balances | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Carry Over/Adjustments | (17.6) | 17.6 | 0.0 | 0.0 | 0.0 |
| Reimburse Agency Security Costs | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| Downsizing | 0.0 | 40.5 | 0.0 | 0.0 | 0.0 |
| Enhanced Security Training | 6.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Service Marketing Campaign | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MTA Bus Debt Service | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2006 MMTOA Catch-up | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash Defeasance Loan for TBTA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest | 5.9 | 1.7 | 1.7 | 1.6 | 1.6 |
| Urban Tax | (18.6) | (297.1) | (182.6) | (151.4) | (183.6) |
| Investment Income | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| | \$22.2 | (\$357.0) | (\$311.3) | (\$339.8) | (\$298.2) |
| <i>New State Taxes and Fees</i> | | | | | |
| Payroll Mobility Tax | \$0.0 | \$1,021.0 | \$1,540.0 | \$1,611.8 | \$1,685.4 |
| License Fees | 0.0 | 6.3 | 26.7 | 26.7 | 26.7 |
| Vehicle Registration Fees | 0.0 | 45.4 | 181.6 | 181.6 | 181.6 |
| Taxi Fee | 0.0 | 0.0 | 85.0 | 85.0 | 85.0 |
| Auto Rental Fee | 0.0 | 17.5 | 35.0 | 35.0 | 35.0 |
| | \$0.0 | \$1,090.2 | \$1,868.3 | \$1,940.1 | \$2,013.7 |
| <i>State and Local Subsidies</i> | | | | | |
| State Operating Assistance | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 |
| Local Operating Assistance (18-b) | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Nassau County Subsidy (includes 18-b local match) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CDOT Subsidy - Effect of Fare Increase & PEGs | 1.0 | 3.4 | 2.1 | 1.6 | 5.2 |
| Station Maintenance | 0.0 | (6.9) | (6.4) | (5.2) | (5.3) |
| AMTAP | 0.0 | 5.6 | 0.0 | 0.0 | 0.0 |
| | \$1.1 | \$2.1 | (\$4.3) | (\$3.6) | (\$0.2) |
| <i>Other Subsidy Adjustments</i> | | | | | |
| 55/25 Pension Funding | (53.2) | 34.4 | 0.0 | 0.0 | 0.0 |
| 2006 MMTOA Catch-up | 0.0 | 50.0 | 0.0 | 0.0 | 0.0 |
| 2006 Surplus Recovery | (37.7) | 25.0 | 0.0 | 0.0 | 0.0 |
| Inter-Agency Loan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NYCT Charge Back of MTA Bus Debt Service | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Forward Energy Contracts | (4.1) | (23.9) | 0.0 | 0.0 | 0.0 |
| | (\$94.5) | \$85.5 | \$0.0 | \$0.0 | \$0.0 |
| Sub-total Dedicated Taxes & State and Local | (\$71.2) | \$820.8 | \$1,552.7 | \$1,596.7 | \$1,715.3 |
| City Subsidy for MTA Bus | (7.5) | 44.6 | 40.8 | 32.2 | 34.1 |
| Total Dedicated Taxes & State and Local Subsidies | (\$78.7) | \$865.3 | \$1,593.4 | \$1,628.9 | \$1,749.5 |
| <i>Inter-agency Subsidy Transactions</i> | | | | | |
| B&T Operating Surplus Transfer | 22.1 | (127.9) | (179.9) | (186.3) | (193.9) |
| MTA Subsidy to Subsidiaries | <u>(3.7)</u> | <u>6.6</u> | <u>18.1</u> | <u>17.1</u> | <u>19.0</u> |
| | \$18.4 | (\$121.3) | (\$161.8) | (\$169.3) | (\$174.9) |
| GROSS SUBSIDIES | (\$60.3) | \$744.0 | \$1,431.6 | \$1,459.7 | \$1,574.5 |

NEW STATE TAXES AND FEES

Recent legislative actions by New York State to provide a stable source of revenues for the MTA that would also address the MTA's revenue shortfall and operating budget gap, attributable to the current economic crisis and ensuing sharp drop in real estate transaction taxes, rising debt service and increased fringe benefit costs, resulted in the implementation of a new set of taxes, fees and surcharges that are expected to generate an estimated \$1.1 billion in 2009 and \$1.9 billion in 2010 for the MTA, based on estimates by NYS DOB.

The new law (Chapter 25 of the Laws of 2009), among other things, imposes a payroll mobility tax on payroll expenses and net earnings from self-employment, a supplemental fee on driver licenses and automobile registration, a supplemental tax on taxi rides imposed on taxicab owners and a supplemental tax on automobile rentals.

The Metropolitan Commuter Transportation Mobility Tax (MCTMT) is a payroll tax of 0.34 percent imposed on payroll expenses of all employers and on net earnings of self-employed individuals engaged in business within the 12-county region serviced by the MTA, referred to as the Metropolitan Commuter Transportation District (MCTD). For 2009, the tax is retroactive to March 1 for most employers, and to September 1 for public school districts. Based on current estimates from NYS DOB, the tax is expected to generate approximately \$1.0 billion in 2009 and \$1.5 billion in 2010. The entire proceeds from the mobility tax will be remitted by employers to the State for deposit into an account that benefits the MTA. The legislation authorizing the tax mandates that the contributions from school districts be reimbursed by the State; however, there will be a one-year lag in reimbursements to the school districts, the first of which is expected in 2010.

The legislation allows the MTA to utilize the payroll mobility tax revenues as pledged revenue to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of the MTA and NYCTA and its subsidiary. It may also be used by the MTA to pay capital costs, including debt service of MTA, its subsidiaries and NTCTA and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the payroll mobility tax revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and NYCTA and its subsidiary. In 2009, it is anticipated that all revenues from the new payroll mobility tax will be applied to pay operating expenses of the MTA and certain of its subsidiaries.

The Auto Registration Fee increase applies to automobile registration within the MTA region. The legislation allows for a \$25 increase in automobile registration fees on an annual basis, effective September 1, 2009. This will be paid by automobile registrants in increments of \$50, since car registrations cover a two-year period. Approximately ninety percent of the revenues are expected to come from standard automobiles, with most of the balance from commercial vehicles. Based on NYS DOB's estimate of receipts, the MTA is expected to receive approximately \$45.4 million in 2009 from the new registration fees and \$181.6 million in 2010, the first full year the legislation is in

effect. The Plan assumes the new fees will yield \$181.6 million in each of the out years for the duration of the Plan period.

The License Fee increase is a supplemental fee of one dollar for each six month period of validity of a learner's permit or driver's license issued to individuals residing in the MCTD, to take effect on September 1, 2009. The MTA July Plan, based on NYS DOB estimates, forecasts receipts from the new fees of \$6.3 million in 2009 and \$26.7 million beginning in 2010 and for the duration of the Plan period.

The Taxicab Tax is imposed on taxicab owners for each taxicab ride that originates in New York City and terminates within the 12-county MTA region, at a rate of \$0.50 per ride, effective November 1, 2009. The proceeds from this new tax will not be available to the MTA until 2010. Based on NYS DOB's estimates, the projected revenue to the MTA in 2010 is \$85.0 million. The Plan assumes that in 2010, 2011, 2012 and 2013 the MTA will continue to collect \$85.0 million in tax revenues from this tax.

Auto Rental Tax is a supplemental tax of five-percent (5%) of the cost of rentals of automobiles rented within the MCTD that takes effect on June 1, 2009. Based on estimates from NYS DOB, the supplemental tax on auto rentals will generate \$17.5 million in 2009 and \$35.0 million in each year for the duration of the Plan period.

Similar to the payroll mobility tax, the legislation allows for the revenues from the auto registration fee and license fee increases, the taxicab tax and the auto rental tax to be pledged by MTA or by TBTA to secure debt. Subject to the provisions of such pledge, or in the event there is no such pledge, the new revenues can be used by MTA to pay operating and capital costs of the MTA and its subsidiaries and NYCTA and its subsidiary as determined by the MTA. In 2009, the Plan assumes that all new revenues from these taxes and fees will be applied to pay operating expenses of the MTA and certain of its subsidiaries.

Following is a summary table of the MTA July Plan's revenue forecasts of New State Taxes and Fees for 2009 through 2013 (based on NYS DOB estimates):

| NEW STATE TAXES AND FEES | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| (\$ in millions) | 2009 | 2010 | 2011 | 2012 | 2013 |
| Metropolitan Commuter Transportation Mobility Tax | \$1,021.0 | \$1,540.0 | \$1,611.8 | \$1,685.4 | \$1,769.4 |
| Auto Registration Fee | 6.3 | 26.7 | 26.7 | 26.7 | 26.7 |
| License Fee | 45.4 | 181.6 | 181.6 | 181.6 | 181.6 |
| Taxicab Tax | 0.0 | 85.0 | 85.0 | 85.0 | 85.0 |
| Auto Rental Tax | 17.5 | 35.0 | 35.0 | 35.0 | 35.0 |
| Total | \$1,090.2 | \$1,868.3 | \$1,940.1 | \$2,013.7 | \$2,097.7 |

METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)

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

Total Statewide MMTOA taxes for 2009 are estimated at \$1,849.8 million, of which \$1,789.7 million is allotted for Downstate transit properties. Of the Downstate allotment, \$189.5 million, which includes \$153.9 million for NYCT/SIR and \$21.2 million for the CRR, is earmarked to fund the State's 18-b obligation. The 2009 percentage allocation of the Downstate share for NYCT/SIR represents 60.9% and the percentage allocation to the commuter railroads represent 28.0%, which are slightly higher than the February Plan levels by 0.9% and 0.8% respectively, and are based on the actual amounts appropriated in NYS's 2009-10 Enacted Budget. A portion of MMTOA and State 18-b was also allotted to Long Island Bus, MTA Bus and other downstate transportation properties.

2009 Mid-Year Forecast

The 2009 Mid-Year Forecast of MMTOA for the MTA, on an accrual basis, reflects New York State Enacted Budget appropriation of \$1,465.4 million, which is \$42.1 million higher than the February Plan level due to the State's updated forecast. However, when compared with 2008, the 2009 forecast decreased by \$240.7 million. Of the total estimated MMTOA receipts for 2009, \$936.8 million is appropriated for NYCT/SIR, \$480.3 million for the commuter railroads, and \$48.3 million for Long Island Bus. While the 2009 MTA MMTOA appropriation increased by \$42.1 million when compared with the February Plan, on a cash basis the State will pay \$1,420.5 million of the appropriation in 2009 and shift the balance of \$44.9 million to 2010, due to a decrease in collections and deposits into the MMTOA account as a result of the economic downturn in the MTA Transportation District. Hence, the MTA July Plan assumes that the MMTOA cash receipts for calendar year 2009 will be \$44.9 million lower than the State's appropriation and \$2.8 million below the February Plan level. In addition, it assumes a cash carry-over of \$44.9 million to 2010. This is a change from recent years, when the State paid MTA's full appropriation by the end of the current calendar year.

Consistent with the February Plan the State will fund \$189.5 million in 18-b

obligations from MMTOA in 2009.

The 2009 percentage allocation of MTA's share of Downstate MMTOA, 60.94% for NYCT/SIR and 28.02% for the CRRs, is derived from the actual amounts appropriated by the State.

2010

For 2010, total MTA MMTOA, on an accrual basis, is estimated to be \$1,384.3 million, which is \$90.3 million lower than the February Plan level, and reflects NYS' latest reforecast of revenues in its enacted budget adjusted downwards for unfavorable economic trends, which anticipates lower sales and business tax yields due to the current economic downturn. Of the total, \$887.5 million is earmarked for NYCT and SIR, \$451.7 million is earmarked for the commuter railroads and an additional \$45.1 million for Long Island Bus.

On a cash basis, the MTA MMTOA receipts for 2010 are projected to be \$1,429.2 million, which is \$45.4 million lower than the February Plan level. The overall unfavorable variance is offset by a positive carry-over of \$44.9 million, which represents the portion of NYS's 2009-10 MTA MMTOA appropriation in its enacted budget that was not paid in 2010. It is important to note that the Plan assumes that in 2010, the State will revert to paying the full appropriation for NYS' Enacted Budget 2010-11 by the end of its third quarter, to coincide with the calendar year 2010, and thus does not anticipate carryover of any portion of the 2010-11 MMTOA appropriation into 2011.

The Plan assumes that in 2010, the State's funding of its 18-b obligations will remain at the 2009 level of \$189.5 million, which is consistent with the MTA February Plan. The percentage allocations of MMTOA's downstate share that comes to the MTA represent 60.0% for NYCT/SIR and 27.3% for the commuter railroads to reflect the 2008 levels.

As reflected in the table below, revenues for the Sales Tax and Petroleum Business Tax components of MMTOA are expected to decline from the 2009 level by 9.2% and 2.2%, respectively. Corporate Tax Surcharge revenues are expected to grow by 2.5% and there is no change expected in the level of Corporate Franchise Tax, which remains flat for the years covered by the Plan.

2011 – 2013

For 2011 through 2013, the July MTA MMTOA forecast is based on New York State's latest projections in its enacted budget adjusted downward for anticipated decline in sales and business tax collections due to weakened economic conditions. In 2011 and 2012, the July Plan projections for MMTOA are \$1,419.0 million and \$1,509.7 million, \$100.6 million and \$82.9 million below the February Plan estimates, respectively.

In 2013, the July Plan forecast for MMTOA cash receipts is \$1,557.9 million, an increase of \$48.2 million from the prior year's level.

The Plan assumes the following growth rate from the prior year for the component taxes or MMTOA for 2011 through 2013.

| Growth Rate for the Individual Components of MMTOA (from prior year level) | | | | | |
|---|--|--------|--------|------|------|
| | | 2010 | 2011 | 2012 | 2013 |
| Sales Tax | | (9.2)% | 5.3% | 5.9% | 3.8% |
| Petroleum Business Tax | | (2.2)% | 0.4% | 1.0% | 0.0% |
| Corporate Franchise Tax | | 0.0% | 0.0% | 0.0% | 0.0% |
| Corporate Tax Surcharge | | 2.5% | (0.5)% | 6.4% | 2.7% |

MMTOA STATE DEDICATED TAXES
July Financial Plan 2010 - 2013
(\$ in millions)

| ACTUAL | FORECAST | | | | |
|--------|----------|------|------|------|------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |

Forecast of MMTOA Gross Receipts (SFY):

| | | | | | | |
|---------------------|---------|---------|---------|---------|---------|---------|
| Sales Tax | \$782.5 | \$802.7 | \$728.9 | \$767.5 | \$813.1 | \$844.1 |
| PBT | 137.3 | 133.5 | 130.5 | 131.1 | 132.4 | 132.4 |
| Corporate Franchise | 68.0 | 68.0 | 68.0 | 68.0 | 68.0 | 68.0 |
| Corporate Surcharge | 842.0 | 845.6 | 866.5 | 861.9 | 917.2 | 942.0 |
| Investment Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Gross Receipts Available for Allocation | \$1,829.8 | \$1,849.8 | \$1,794.0 | \$1,828.5 | \$1,930.7 | \$1,986.5 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|

Allocation of Total Gross Receipts to DownState:

| | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Gross Receipts | \$1,829.8 | \$1,849.8 | \$1,794.0 | \$1,828.5 | \$1,930.7 | \$1,986.5 |
| Less: Upstate Share of PBT | (61.8) | (60.1) | (58.7) | (59.0) | (59.6) | (59.6) |
| Upstate Percent Share of Investment Income | 3.38% | 3.25% | 3.27% | 3.23% | 3.09% | 3.00% |
| Less: Upstate Share of Investment Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Net DownState Share Available for Allocation | \$1,768.0 | \$1,789.7 | \$1,735.2 | \$1,769.5 | \$1,871.1 | \$1,926.9 |
| Less: 18-B Adjustment | (189.5) | (189.5) | (189.5) | (189.5) | (189.5) | (189.5) |
| Adjusted Total Net DownState Share for Allocation | \$1,578.5 | \$1,600.2 | \$1,545.7 | \$1,580.0 | \$1,681.6 | \$1,737.4 |

Allocation of Total Net DownState Share to NYCT/SIR:

| | | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| NYCT/SIR Share | 60.01% | 60.94% | 60.01% | 60.01% | 60.01% | 60.01% |
| From Total Net DownState Share | \$1,256.0 | \$1,090.7 | \$1,041.4 | \$1,062.0 | \$1,122.9 | \$1,156.4 |
| Less: 18-B Adjustment | (153.9) | (153.9) | (153.9) | (153.9) | (153.9) | (153.9) |
| Adjusted Total Net DownState Share | \$1,102.2 | \$936.8 | \$887.5 | \$908.1 | \$969.1 | \$1,002.6 |
| From Carryover | 0.0 | (32.9) | 32.9 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|------------------|
| Total NYCT/SIR Share of Net DownState Share | \$1,102.2 | \$903.9 | \$920.4 | \$908.1 | \$969.1 | \$1,002.6 |
| Total SIR Share | 3.5 | 3.1 | 3.1 | 3.1 | 3.3 | 3.4 |
| Total NYCT Share of Net DownState Share | \$1,098.6 | \$900.8 | \$917.3 | \$905.0 | \$965.8 | \$999.2 |

Allocation of Total Net DownState Share to MTA:

| | | | | | | |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| MTA Share | 27.25% | 28.02% | 27.25% | 27.25% | 27.25% | 27.25% |
| From Total Net DownState Share | \$570.4 | \$501.5 | \$472.9 | \$482.2 | \$509.9 | \$525.1 |
| Less: 18-B Adjustment | (21.2) | (21.2) | (21.2) | (21.2) | (21.2) | (21.2) |
| Adjusted Total Net DownState Share | \$549.2 | \$480.3 | \$451.7 | \$461.0 | \$488.7 | \$503.9 |
| From Carryover | 0.0 | (12.0) | 12.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Total MTA Share of Net DownState Share | \$549.2 | \$468.3 | \$463.7 | \$461.0 | \$488.7 | \$503.9 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|

Allocation of Total Net DownState Share to LIB:

| | | | | | | |
|------------------------------------|--------|--------|--------|--------|--------|--------|
| LI Bus Share | 2.72% | 2.82% | 2.72% | 2.72% | 2.72% | 2.72% |
| From Total Net DownState Share | \$57.0 | \$50.5 | \$47.2 | \$52.0 | \$54.0 | \$53.6 |
| Less: Used for 18-B/other | (2.1) | (2.1) | (2.1) | (2.1) | (2.1) | (2.1) |
| Adjusted Total Net DownState Share | \$54.8 | \$48.3 | \$45.1 | \$49.8 | \$51.9 | \$51.4 |
| From Carryover | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Total LIB Share of Net DownState Share | \$54.8 | \$48.3 | \$45.1 | \$49.8 | \$51.9 | \$51.4 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|

PETROLEUM BUSINESS TAXES (PBT) (Trust Fund Taxes)

The Statewide Dedicated Funds Pool is the repository for revenues from the following dedicated taxes and fees:

- Petroleum business taxes - a business privilege tax imposed on petroleum businesses operating in New York State
- Motor fuel taxes - an excise tax levied with respect to gasoline and diesel motor fuels
- Motor vehicle fees - derived mainly from vehicle registration and driver license fees

Subject to statutory allocation under current State Law, thirty-four percent (34%) of the Dedicated Funds Pool is currently deposited in the Mass Transportation Trust Fund (MTTF) for MTA's benefit. Sixty-three percent (63%) of the remaining sixty-seven percent (67%) is earmarked for State uses including upstate highways and other transportation, and the other three percent (3%) is allotted to other mass transit operating agencies. Amounts transferred from the MTTF Account to the MTA's Dedicated Tax Fund constitute MTTF Receipts. For the purposes of budget preparations, MTTF Receipts are also referred to as PBT Receipts interchangeably. Eighty-five percent (85%) of the MTTF Receipts are payable to New York City Transit (NYCT) for the benefit of NYCT and SIR, and the remaining 15% to MTA for the benefit of LIRR and Metro-North.

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

After debt obligations are satisfied, the remaining PBT funds are allocated to New York City Transit and the Commuter Railroads in accordance with the formula provided by statute (85% to NYCT and 15% to the commuter railroads.)

Based on New York State's 2009-10 Enacted Budget projections, the 2009 MTA PBT revenues in the July Plan are slightly higher than the February Plan levels, however, beginning in 2010 and continuing throughout the July Plan period (2010-2013), projected MTA PBT revenues are expected to decline from the February Plan levels.

2009 Mid-Year Forecast

The 2009 MTA Mid-Year PBT estimate, on a cash basis, is \$626.1 million, which is \$0.6 million higher than the February Plan forecast and reflects actual results through July year-to-date, adjusted for collection trends over the prior two years.

Of the total PBT allocation, 85% or \$532.2 million is earmarked for New York City Transit and 15% or \$93.9 million for the commuter railroads.

On an accrual basis, PBT estimates for 2009 are \$625.8 million. The accrual estimate is based on a one-month lag in the booking and collection of PBT proceeds.

2010 Forecast

The 2010 PBT cash projection is \$622.2 million, which is \$8.2 million lower than the February Plan estimate, reflecting NYS' enacted budget re-estimates of PBT revenues. Of the total PBT, \$528.8 million, or 85% is earmarked for New York City Transit, and \$93.3 million, or 15% is earmarked for the commuter railroads.

On an accrual basis, PBT is estimated to be \$622.4 million, a decrease of \$3.4 million from the prior year's level.

2011 - 2013

For 2011 through 2013, PBT cash estimates are \$624.6 million, \$627.0 million and \$629.1 million, respectively. In each of the respective years, the PBT estimates are lower than the February Plan estimates by \$7.9 million, \$7.9 million and \$8.9 million, which reflect NYS's enacted budget forecast of PBT revenues. The 2011 through 2013 forecasts inflate the previous year's level by 0.4%, 0.4% and 0.3% respectively.

On an accrual basis, PBT estimates for 2011 through 2013 are \$624.8 million, \$627.2 million and \$629.1 million, respectively.

PETROLEUM BUSINESS TAX PROJECTIONS
July Financial Plan 2010 - 2013
(\$ in millions)

| | ACTUAL | FORECAST | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Total Net PBT Collections Available for Distribution | \$1,792.9 | \$1,841.5 | \$1,829.9 | \$1,837.0 | \$1,844.2 | \$1,850.2 |

Distribution Shares:

| | | | | | | |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| MTA Total | 34.0% | 34.0% | 34.0% | 34.0% | 34.0% | 34.0% |
| Other Transit | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Highway Trust Fund | 63.0% | 63.0% | 63.0% | 63.0% | 63.0% | 63.0% |
| General Fund | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Share Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Amount of Total Net Collections Available for the MTA:

| | | | | | | |
|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| MTA Total | \$609.6 | \$626.1 | \$622.2 | \$624.6 | \$627.0 | \$629.1 |
|------------------|----------------|----------------|----------------|----------------|----------------|----------------|

Accrued

| | | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| NYCT/SIR Share of MTA Total | \$520.8 | \$531.9 | \$529.0 | \$531.1 | \$533.1 | \$534.8 |
| Commuter Railroad Share of MTA Total | <u>91.9</u> | <u>93.9</u> | <u>93.4</u> | <u>93.7</u> | <u>94.1</u> | <u>94.4</u> |
| MTA Total of Net Collections | \$612.7 | \$625.8 | \$622.4 | \$624.8 | \$627.2 | \$629.1 |

Cash

| | | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| NYCT/SIR Share of MTA Total | \$518.1 | \$532.2 | \$528.8 | \$530.9 | \$533.0 | \$534.7 |
| Commuter Railroad Share of MTA Total | <u>91.4</u> | <u>93.9</u> | <u>93.3</u> | <u>93.7</u> | <u>94.1</u> | <u>94.4</u> |
| MTA Total of Net Collections | \$609.6 | \$626.1 | \$622.2 | \$624.6 | \$627.0 | \$629.1 |

MORTGAGE RECORDING TAXES (MRT)

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

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

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

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

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

Forecast Methodology

Forecasts of Mortgage Recording Tax receipts for the second half of 2009, and for 2010 through 2012, are based on tax receipt trends for mortgage originations projected by the City of New York in its Fiscal Year 2010 Adopted Budget. For 2013, MRT estimates are projected by utilizing 16 individual models; for each of eight jurisdictions – New York City and the seven suburban counties in the MTA region – there is an MRT-1 model and an MRT-2 model. These models, which are time-series regression models with a log-log specification, project tax receipts as a function of the ten-year U.S. Treasury Note rate and population of the jurisdiction. The second half of 2009 is further adjusted to reflect current real estate market conditions. Additionally, beginning with 2012, forecasts of MRT receipts were increased beyond the City assumptions in order to reflect more recent economic recovery views.

2009 Mid-Year Forecast

The 2009 Mid-Year Forecast is based on June year-to-date actual cash receipts. The forecasts for the remaining six months of the year, based on adjusted City of New York trend projections and recent activity, have been added to the year-to-date actuals in order to obtain a 2009 Mid-Year Forecast.

MRT receipts on a cash basis are estimated at \$253.1 million, a decrease of \$165.5 million, or 39.5% from the 2008 level. MRT-1 receipts are projected to be \$160.0 million, a \$116.9 million (42.2%) decrease over 2008, while MRT-2 receipts are projected to be \$93.1 million, a \$48.7 million (34.3%) decline over 2008. These trends reflect a continuation of the anemic commercial real estate market in New York City and throughout the MTA region as well as continued weakness in residential real estate that began in 2006. MRT-1 includes taxes collected on mortgages for both commercial properties and residential properties, while MRT-2 is paid only on residential properties with fewer than seven units in the structure.

The City of New York 2010 Adopted Budget, which is the basis of MTA projections for MRT through 2012, assumes total mortgage recording tax receipts will decline by 8% for City Fiscal Year (CFY) 2010; this projection was used to estimate combined MRT-1 receipts from New York City excluding Staten Island. The City's 2010 Adopted Budget assumes residential mortgage recording tax receipts will decline 4% for CFY 2010; this trend assumption was used to estimate MRT-1 receipts for Staten Island and the suburban counties as well as MRT-2 receipts for the entire MTA region.

Overall, the combined MRT estimate reflects a decrease of \$126.7 million (33.4%) over the Adopted Budget projection. The MRT-1 estimate is \$91.2 lower (36.3%) and the MRT-2 estimate is \$35.5 million lower (27.6%) than the Adopted Budget projections.

2010 - 2013

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

considerably for both residential and commercial properties, and mortgage activity is expected to modestly improve starting in 2010.

MRT receipts are expected to grow from 2009 to 2010 by \$20.9 million, an 8.3% increase. MRT-1 is projected to increase \$18.2 million, up 11.3%, while MRT-2 is projected to grow \$2.8 million, a 3.0% increase. Increases are expected to continue in 2011 as MRT receipts grow another 6.5%, with MRT-1 up 7.8% and MRT-2 up 3.9%. In 2012, MRT receipts are expected increase 21.7% with MRT-1 up 20.6% and MRT-2 up 24.0%. In 2013, MRT is projected to increase another 8.7%, with MRT-1 up 9.8% and MRT-2 up 6.7%.

The City's 2010 Adopted Budget projects total mortgage recording tax receipts – used to project MRT-1 for New York City excluding Staten Island – will increase 16% during CFY 2011, increase 9% in CFY 2012 and increase 15% during CFY 2013. The City 2010 Adopted Budget assumes residential mortgage recording tax receipts – used for MRT-1 projections for Staten Island and the suburban counties along with MRT-2 projections for the full MTA region – will decrease 5% in CFY 2011, increase 11% in CFY 2012 and increase 24% during CFY 2013.

For the 2013 Financial Plan projection, the ten-year U.S. Treasury Note rate is expected to be 4.81%, up from 4.49% in 2012. Population is expected to increase in 2012: up 0.34% in New York City; up 0.22% in Nassau and Suffolk; up 0.23% in Westchester; up 0.89% in Putnam; up 0.73% in Dutchess; up 0.50% in Rockland, and; up 0.89% in Orange.

Over the Financial Plan period, MRT receipts are projected to be \$274.0 million in 2010, \$291.8 million in 2011, \$355.1 million in 2012 and \$386.0 million in 2013. These projections are significantly lower than estimates incorporated in the February Financial Plan, with decreases of \$87.9 million (24.3%) in 2010, \$92.7 million (24.1%) in 2011, \$36.8 million (9.4%) in 2012, and \$15.7 million (3.9%) in 2013.

MRT-1 receipts are estimated to be \$178.1 million in 2010, \$192.1 million in 2011, \$231.6 million in 2012 and \$254.2 million in 2013. These levels are lower than projections in the February Financial Plan, ranging from \$61.7 million less in 2010 down to \$11.3 million less in 2013. MRT-2 receipts have also declined below the levels in the February Financial Plan – down from \$26.2 million in 2010 to down just \$4.4 million in 2013 – with receipts projected to be \$95.9 million in 2010, \$99.7 million in 2011, \$123.5 million in 2012 and \$131.8 million in 2013.

| Growth Rate for the Mortgage Recording Taxes (from prior year level) | | | | | | | |
|---|---------|---------|---------|-------|------|-------|------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| MRT-1 | (3.6)% | (39.8)% | (42.2)% | 11.3% | 7.8% | 20.6% | 9.8% |
| MRT-2 | (14.9)% | (41.7)% | 34.3% | 3.0% | 3.9% | 24.0% | 6.7% |
| TOTAL | (7.8)% | (40.5)% | (39.5)% | 8.3% | 6.5% | 21.7% | 8.7% |

Additional Assumptions

The MTA General Reserve is funded by MRT-2. Consistent with the February Plan, the July Plan reflects reallocation of \$40 million in unspent General Reserve earmarked for 2005 and distributed in equal installments in 2006 through 2009, with \$10 million reflected in each year. In addition, the July Plan reduces the 2009 General Reserve from the February Plan level of \$75.0 million to \$37.5 million. Beginning in 2010 through the end of the Plan period, the July Plan maintains the February Plan's general reserve level of \$75.0 million annually.

MRT-2 is also used to reimburse the agencies for certain security expenses from a fund managed by MTA Police. These monies are used for short term security projects. An annual amount of \$10.0 million has been earmarked in the July Plan to cover these security expenses from 2009 through 2013, down from \$16.5 million annually in the February Plan.

Technical Adjustments:

Consistent with the February Plan, the July Financial Plan continues to reflect the impact of certain policy actions on agency transfers as follows:

Downsizing – The Downsizing Account was established in the 2007 Adopted Budget in anticipation of major cost reductions that would need to be implemented in order to achieve budget balance after 2007. Subsequent Board actions authorized the transfer of the funds in the account back into the MRT-2 Corporate Account until it was needed. The February Plan (2009 Adopted Budget), like prior Plans, assumed that these funds would be needed in 2009 and 2010. The July Plan now assumes that the \$40.5 million originally earmarked for 2009 would not be needed due to the restoration of the direct service-related Actions for Budget Balance (AABB), and is available for general corporate purposes. However, consistent with the February Plan, the July Plan continues to anticipate the use of the \$40.5 million earmarked for 2010 for future downsizing.

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

Other MRT-2 Adjustments

In addition to the adjustments above, the July Plan, like the February Plan, assumes that MRT-2 funds will be used to cover debt service cash flow requirements of the MTA Bus Company. The July Plan estimates the required amounts to be \$23.2 million in 2009 and \$24.9 million annually for the duration of the Plan period.

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

Summary of Mortgage Recording Tax Projections
July Financial Plan 2010 - 2013
(\$ in millions)

| Cash Basis | ACTUAL | FORECAST | | | | |
|--------------------------------------|---------------|-----------------|-------------|-------------|-------------|-------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| MORTGAGE RECORDING TAX #261-1 | | | | | | |

Receipts Available for Transfer to NYCT and CRs:

| | | | | | | |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Total Gross Receipts | \$276.8 | \$160.0 | \$178.1 | \$192.1 | \$231.6 | \$254.2 |
| Carryover | 21.6 | 17.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Less: MTAHQ Operating Deficit | (278.5) | (322.5) | (343.5) | (374.6) | (370.1) | (387.0) |

| | | | | | | |
|---|---------------|------------------|------------------|------------------|------------------|------------------|
| Receipts Available for Transfer | \$20.0 | (\$145.0) | (\$165.4) | (\$182.5) | (\$138.5) | (\$132.8) |
| Adjustments | (20.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MRT-2 Required to Balance | 0.0 | 145.0 | 165.4 | 182.5 | 138.5 | 132.8 |
| Adjusted Receipts Available for Transfer | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

Allocation of Net Receipts to NYCT/SIR Account:

| | | | | | | |
|--------------------------------|------------|------------|------------|------------|------------|------------|
| Opening Balance | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| NYCT/SIR Share | 55% | 55% | 55% | 55% | 55% | 55% |
| From Current Year Net Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total NYCT/SIR Net Cash Share | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total SIR Net Cash Share | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total NYCT Net Cash Share | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

Allocation of Net Receipts to Commuter Railroad Account:

| | | | | | | |
|--------------------------|------------|------------|------------|------------|------------|------------|
| Opening Balance - CR/SHF | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Commuter Railroad Share | 45% | 45% | 45% | 45% | 45% | 45% |
| From Net Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Commuter Railroad Net Cash Share | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|

MORTGAGE RECORDING TAX #261-2

Receipts Available

| | | | | | | |
|--|-------------|------------|------------|------------|-------------|-------------|
| Total Receipts to Corporate Account | \$141.8 | \$93.1 | \$95.9 | \$99.7 | \$123.5 | \$131.8 |
| Opening Fund Balance | 20.0 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| All Agency Security Pool | (10.0) | (10.0) | (10.0) | (10.0) | (10.0) | (10.0) |
| Downsizing | 0.0 | 0.0 | (40.5) | 0.0 | 0.0 | 0.0 |
| Enhanced Security Training | 0.0 | (6.2) | (6.2) | 0.0 | 0.0 | 0.0 |
| Service Marketing Campaign | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MTA Bus Debt Service | (24.6) | (23.2) | (24.9) | (24.9) | (24.9) | (24.9) |
| 2006 MMTOA Catch-up | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash Defeasance Loan for TBTA | 0.0 | 90.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reserve for Following Year/Cash Flow Provision | (10.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| General Reserve | 0.0 | (37.5) | (75.0) | (75.0) | (75.0) | (75.0) |
| Investment Income | <u>14.1</u> | <u>9.9</u> | <u>9.9</u> | <u>9.9</u> | <u>10.0</u> | <u>10.0</u> |

| | | | | | | |
|--|----------------|----------------|-----------------|----------------|---------------|---------------|
| Total Receipts Available for Transfer | \$136.3 | \$126.9 | (\$50.8) | (\$0.3) | \$23.6 | \$31.9 |
|--|----------------|----------------|-----------------|----------------|---------------|---------------|

Use of Total Receipts:

| | | | | | | |
|------------------------------------|--------|---------|---------|---------|---------|---------|
| DORF Opening Balance | \$4.5 | \$4.5 | \$4.5 | \$4.5 | \$4.5 | \$4.5 |
| Less: Transfer to MTA DORF Account | (16.7) | (10.7) | (7.9) | (7.6) | (7.9) | (9.7) |
| Less: Transfer to MTAHQ Funds | 0.0 | (145.0) | (165.4) | (182.5) | (138.5) | (132.8) |

| | | | | | | |
|-------------------------------|----------------|-----------------|------------------|------------------|------------------|------------------|
| Net Receipts Available | \$124.1 | (\$24.2) | (\$219.7) | (\$185.9) | (\$118.3) | (\$106.1) |
|-------------------------------|----------------|-----------------|------------------|------------------|------------------|------------------|

URBAN TAXES

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

Forecast Methodology

Forecasts of Urban Tax receipts for the second half of 2009, and for 2010 through 2012, are based on tax receipt trends for commercial property transactions projected by the City of New York in its Fiscal Year 2010 Adopted Budget. For 2013, Urban Tax estimates are based on two forecasting models, one for the MRT and one for the RPTT. In these models, which are time-series regression models with a log-log specification, tax receipts are a function of the ninety-day U.S. Treasury Bill rate and New York City private-sector employment. The second half of 2009 is further adjusted to reflect current real estate market conditions. Additionally, beginning with 2012, forecasts of Urban Tax receipts were increased beyond the City assumptions in order to reflect more recent economic recovery views.

2009 Mid-Year Forecast

The revenue projections for the 2009 Mid-Year Forecast include actual cash tax receipts to the MTA through June 2009. Forecasts for the remaining six months of the year, based on the adjusted City of New York trend projections, have been added to the year-to-date actuals in order to obtain a 2009 Mid-Year Forecast.

Urban Tax receipts on a cash basis are estimated at \$203.6 million, a decrease of \$320.2 million, or 61.1% less than the 2008 level. This forecast reflects a continuation of the anemic commercial real estate market in New York City. The City of New York's 2010 Adopted Budget assumes commercial MRT receipts will decrease by 14% for City Fiscal Year (CFY) 2010 while RPTT receipts will decrease by 13% for CFY 2010.

For the first six months of 2009 RPTT receipts were \$118.5 million below the Adopted Budget projection, a 70.1% shortfall, while MRT receipts were \$53.5 million below budget, a shortfall of 65.8%.

The 2009 Urban Tax estimate reflects a decrease of \$297.1 million, or 59.3%, from the level in the Adopted Budget.

2010 - 2013

From a peak level of \$883.5 million in 2007, which was spurred by low interest rates and strong demand for commercial investment properties, Urban Tax receipts fell 40.7% to \$539.9 million in 2008 and are projected to decline another 61.1% in 2009 to \$203.6 million. Improvements in receipts are then expected to begin in 2010, growing by 49.2% in 2010, 13.9% in 2011, 12.4% in 2012 and 17.2% in 2013 when Urban Tax receipts are projected to be \$456.1 million.

After a projected decline for CFY 2010, the City's 2010 Adopted Budget assumes a turnaround in commercial property transactions beginning with CFY 2011: commercial MRT receipts are projected to increase 42% during CFY 2011, increase 8% during CFY 2012 and increase 8% for CFY 2013. Commercial RPTT receipts are forecast to increase 25% in CFY 2011, increase 8% in CFY 2012 and increase 8% in CFY 2013.

For the 2013 Financial Plan projection, the 3-month U.S. Treasury Bill rate is expected to be 3.66%, up from 3.35% in 2012, while New York City private-sector employment is expected to grow 0.97% in 2013.

The July Plan projections are lower than the estimates in the February Financial Plan, ranging from a decrease of \$182.6 million (37.5%) in 2010 to a \$183.6 million decline (32.1%) in 2012; the decline in 2013 is \$183.2 million (28.7%).

Urban Tax receipts grew at unprecedented rates from 2003 to 2007, increasing 443% over that four-year period. From the 2007 high point through the July Plan's 2009 forecast, Urban Tax receipts are projected to decline 77%; from 2009 through 2013, Urban Tax receipts are projected to grow 124% from the 2009 low point. Urban Tax receipts are generated by market conditions that can change dramatically, and significant declines have occurred before: after reaching a then-record level in 1987, Urban Tax receipts declined 85% over a five year period.

| Growth Rate for the Urban Taxes (from prior year level) | | | | | | | |
|--|-------|---------|---------|-------|-------|-------|-------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Real Property Transfer Tax | 34.7% | (41.4)% | (60.6)% | 50.6% | 12.1% | 12.4% | 16.8% |
| Mortgage Recording Tax | 27.0% | (39.2)% | (62.2)% | 46.3% | 17.8% | 12.5% | 18.0% |
| TOTAL | 32.1% | (40.7)% | (61.2)% | 49.2% | 13.9% | 12.4% | 17.2% |

STATE AND LOCAL SUBSIDIES

State and Local Subsidies consist of New York State and Local Section 18-B Operating Assistance, Station Maintenance, Nassau County Subsidy to MTA Long Island Bus, Connecticut Department of Transportation (CDOT) Subsidy to Metro-North Railroad, and New York City reimbursement to the MTA of the costs of MTA Bus' operation. In addition, for 2009 Long Island Bus' subsidies include additional Mass Transit Assistance Program (AMTAP) aid, appropriated by the State.

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

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

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

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

The current costs of the MTA Bus' operations are 100% reimbursable by the City of New York. Under an agreement with the MTA, the City of New York committed to pay MTA Bus the difference between the actual operating costs of the City bus routes and all revenues received for operations from said routes. MMTOA, State and Local 18-b and Urban Taxes that are designated for the former private buses, which are subsidized by the City as required by Statute, continue to be paid directly to the City and are used by the City to partially fund MTA Bus.

2009 Mid-Year Forecast

In the 2009 Mid-Year Forecast, total State and Local cash subsidy receipts are estimated at \$622.4 million, a slight increase of \$2.1 million over the February Plan level. The change is primarily due to a favorable CDOT subsidy payment of

\$3.4 million and an AMTAP subsidy payment of \$5.6 million, partially offset by a lower station maintenance payment, which declined by \$6.9 million due to a negative change in the CPI inflator value. New York State's Enacted Budget appropriation for 2009-10 includes an AMTAP payment for Long Island Bus, which was a legislative addition in the State's Budget but was not anticipated in the MTA February Plan.

In 2009, the forecast of City Subsidy to MTA Bus increased by \$44.6 million from the February Plan level. This was primarily due to a recalculation of MTA Bus' deficit to incorporate retroactive wage adjustments (RWA) of \$42.3 million for hourly union employees, brought forward from 2008. The carryover to 2009 includes both 2008 and pre-2008 RWAs. In June 2009, MTA Bus settled a major labor contract with the TWU that covered the period April 1, 2006 through March 31, 2009 that stipulates retroactive wage payments and benefits dating back to 2006, as well as wage parity with New York City Transit employees going forward. Since negotiations continue with the ATU for previous periods, and no agreements have been reached with any bargaining units going forward, the Plan applies CPI inflators in the out years.

2010 – 2013

In 2010, 2011, 2012 and 2013 State and Local subsidy estimates are \$10.0 million, \$20.4 million, \$16.8 million and \$9.5 million higher than the prior years' level, respectively. The changes primarily represent higher CDOT and station maintenance levels year over year. However, when compared with the February Plan in 2010, 2011 and 2012, State and Local subsidy declined by \$4.3 million, \$3.6 million, and \$0.2 million, respectively, mostly due to reduced station maintenance subsidy as a result of negative changes in the CPI. This is offset by favorable CDOT subsidy receipts. In 2013, State and Local subsidy forecast is \$5.0 million over the February Plan level, which is due to a much larger CDOT estimate for that year.

In 2010, 2011, 2012 and 2013, MTA Bus subsidy from the City increased by \$40.8 million, \$32.2 million, \$34.1 million and \$40.9 million, respectively. These changes primarily reflect anticipated future wage increases for hourly union employees; however, since no agreement has yet been reached with any bargaining units, CPI inflators were used in the Plan to calculate the 2010 through 2013 wage levels.

MTA SUBSIDY TO SUBSIDIARIES

LIB and SIR's shares of MTA subsidy in the MTA July Plan reflect amounts needed to cover their operating deficit after all other subsidies and operating revenues are allocated.

In the 2009 Mid-Year Forecast, total estimated MTA subsidy payment to LIB and SIR on a cash basis is \$47.7 million, which is \$6.6 million higher than the February Plan Forecast. Staten Island Railroad's (SIR) share is \$33.3 million; Long Island Bus' (LIB) share is \$14.4 million.

In 2010, the forecast for MTA subsidy payment to LIB and SIR on a cash basis is \$54.4 million, which is \$18.1 million higher than the February Plan forecast.

For each year from 2011 through 2013, MTA subsidy payments to LIB and SIR is \$53.5 million, \$57.4 million and \$63.1 million respectively, which is \$17.1 million, \$19.0 million and \$26.0 million higher than the February Plan forecast in each of the respective years.

SUBSIDY AND OTHER TECHNICAL ADJUSTMENTS

In addition to the adjustments to MRT-2, which are discussed in the MRT Section, the July Plan includes other subsidy adjustments for 2009 through 2013.

55/25 pension program - Consistent with the February Plan, NYCT pension expenses reflect costs associated with pension refunds to union employees who had previously made contributions to the 55/25 pension program. These refunds were part of the December 2005 labor agreement and subsequent arbitration award with union employees and NYCT, which provided for lump-sum payments to union employees for prior contribution by the NYCERS and MaBSTOA pension plans to the 55/25 pension program. In 2006, a portion of the GASB account was funded by one-time cash savings stemming from reductions in NYCT NYCERS costs; when the monies were deposited in the GASB account, it was intended that these savings would be used for this purpose. The February Plan assumed that the funds would have been transferred from the GASB Account in 2008 into a pension account to fund these and other anticipated pension cost. However, only a partial transfer was made from the GASB Account in 2008. The July Plan assumes that the transfer of the remaining amounts from the GASB Account to fund the pension costs will take place in 2009.

Forward Energy Contract Expiration - The July Plan, consistent with the February Plan, reflects the MTA's energy hedging strategy which was implemented to lock-in fuel prices. In 2007, \$150.0 million was set-aside for NYCT, LIRR and Metro-North's energy. The Plan assumes that \$90.4 million will be available for transfer to the MTA Stabilization Fund to be used for general corporate purposes when the hedges expire in December 2009. A provision to continue with an energy hedging strategy is shown below-the-line as a Cash Management Action.

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

Inter-Agency Loans - The July Plan, like the February Plan, continues to assume that in 2009 and 2010 the MTA will borrow \$135.0 million in inter-agency loans in each year and pay these loans back in 2011 and 2012.

2006 Surplus Recovery - In 2006, the MTA used a portion of its 2006 surplus to fund Capital Security and other non-recurring expenses. Based on the February Plan assumptions, \$120.0 million of these funds that was not yet committed was to be transferred to the operating budget in 2008 to be used for future gap-closing. In addition, the February Plan assumed that in 2009 an amount of \$40.0 million would be made available for security projects that may need to be started earlier than the approval of the 2010 through 2014 Capital Program. However, due to timing, only \$95 was transferred to the operating budget in 2008, with the remaining \$25.0 million being applied in early January, 2009. The July Plan, consistent with the February Plan, assumes that \$40.0 million would still be available for security projects in 2009 and applies the 2008 transfer balance as an offset.

2006 MMTOA Catch-Up

The \$100 million (\$50m - 2008, \$50m - 2009) 2006 MMTOA Catch-up is transferred to the MTA Stabilization Fund to be used for general corporate purposes.

MTA New York City Transit Subsidy Allocation
July Financial Plan 2010 - 2013
Cash Basis
(\$ in millions)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Subsidies</u> | | | | | | |
| <i>Dedicated Taxes</i> | | | | | | |
| Metropolitan Mass Transportation Operating Assist. (MMTOA) | \$1,098.6 | \$900.8 | \$917.3 | \$905.0 | \$965.8 | \$999.2 |
| Petroleum Business Tax (PBT) Receipts | 518.1 | 532.2 | 528.8 | 530.9 | 533.0 | 534.7 |
| Mortgage Recording Tax (MRT) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Urban Tax | <u>523.5</u> | <u>203.6</u> | <u>303.8</u> | <u>346.1</u> | <u>389.1</u> | <u>456.1</u> |
| | \$2,140.3 | \$1,636.7 | \$1,750.0 | \$1,782.0 | \$1,887.9 | \$1,990.0 |
| <i>New State Taxes and Fees</i> | | | | | | |
| Payroll Mobility Tax | \$0.0 | \$898.5 | \$1,047.2 | \$1,289.4 | \$1,550.5 | \$1,450.9 |
| License Fees | 0.0 | 3.2 | 13.4 | 13.4 | 13.4 | 13.4 |
| Vehicle Registration Fees | 0.0 | 22.7 | 90.8 | 90.8 | 90.8 | 90.8 |
| Taxi Fee | 0.0 | 0.0 | 85.0 | 85.0 | 85.0 | 85.0 |
| Auto Rental Fee | <u>0.0</u> | <u>8.8</u> | <u>17.5</u> | <u>17.5</u> | <u>17.5</u> | <u>17.5</u> |
| | \$0.0 | \$933.1 | \$1,253.9 | \$1,496.1 | \$1,757.2 | \$1,657.6 |
| <i>State and Local Subsidies</i> | | | | | | |
| State Operating Assistance | \$158.2 | \$158.2 | \$158.2 | \$158.2 | \$158.2 | \$158.2 |
| Local Operating Assistance | <u>158.2</u> | <u>158.1</u> | <u>158.1</u> | <u>158.1</u> | <u>158.1</u> | <u>158.2</u> |
| | \$316.3 | \$316.3 | \$316.3 | \$316.3 | \$316.3 | \$316.4 |
| 2006 Surplus Recovery | \$65.5 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Inter-Agency Loan | 0.0 | 134.5 | 134.5 | (134.5) | (134.5) | 0.0 |
| 55/25 Pension Funding | 64.8 | 34.4 | 0.0 | 0.0 | 0.0 | \$0.0 |
| NYCT Charge Back of MTA Bus Debt Service | (11.4) | (11.5) | (11.5) | (11.5) | (11.5) | (11.5) |
| Energy Hedging Strategy | <u>(9.0)</u> | <u>70.9</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| | \$109.8 | \$228.3 | \$123.0 | (\$146.0) | (\$146.0) | (\$11.5) |
| Total Dedicated Taxes & State and Local Subsidies | \$2,566.4 | \$3,114.4 | \$3,443.1 | \$3,448.4 | \$3,815.4 | \$3,952.4 |
| <i>Inter-agency Subsidy Transactions</i> | | | | | | |
| Bridges and Tunnels Operating Surplus Transfer | \$127.2 | \$64.8 | \$84.2 | \$73.6 | \$61.3 | \$36.8 |
| GROSS SUBSIDIES | \$2,693.6 | \$3,179.1 | \$3,527.3 | \$3,522.0 | \$3,876.7 | \$3,989.2 |

MTA Commuter Railroad Subsidy Allocation
July Financial Plan 2010 - 2013
Cash Basis
(\$ in millions)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Subsidies</u> | | | | | | |
| <i>Dedicated Taxes</i> | | | | | | |
| Metropolitan Mass Transportation Operating Assistance (MMTOA) | \$549.2 | \$468.3 | \$463.7 | \$461.0 | \$488.7 | \$503.9 |
| Petroleum Business Tax (PBT) Receipts | 91.4 | 93.9 | 93.3 | 93.7 | 94.1 | 94.4 |
| Mortgage Recording Tax (MRT) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investment Income | <u>2.4</u> | <u>2.6</u> | <u>2.6</u> | <u>2.6</u> | <u>2.6</u> | <u>2.7</u> |
| | \$643.0 | \$564.7 | \$559.6 | \$557.3 | \$585.4 | \$601.0 |
| <i>New State Taxes and Fees</i> | | | | | | |
| Payroll Mobility Tax | \$0.0 | \$122.5 | \$492.8 | \$322.4 | \$134.8 | \$318.5 |
| License Fees | 0.0 | 3.2 | 13.4 | 13.4 | 13.4 | 13.4 |
| Vehicle Registration Fees | 0.0 | 22.7 | 90.8 | 90.8 | 90.8 | 90.8 |
| Taxi Fee | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Auto Rental Fee | <u>0.0</u> | <u>8.8</u> | <u>17.5</u> | <u>17.5</u> | <u>17.5</u> | <u>17.5</u> |
| | \$0.0 | \$157.1 | \$614.5 | \$444.0 | \$256.5 | \$440.1 |
| <i>State and Local Subsidies</i> | | | | | | |
| State Operating Assistance | \$29.3 | \$29.3 | \$29.3 | \$29.3 | \$29.3 | \$29.3 |
| Local Operating Assistance | 29.4 | 29.3 | 29.3 | 29.3 | 29.3 | 29.3 |
| CDOT Subsidy | 73.0 | 86.3 | 98.7 | 114.5 | 128.0 | 134.2 |
| Station Maintenance | 143.8 | 141.1 | 144.4 | 149.0 | 152.3 | 155.6 |
| AMTAP | <u>19.6</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| | \$295.1 | \$286.0 | \$301.6 | \$322.0 | \$338.8 | \$348.3 |
| 2006 Surplus Recovery | \$16.9 | (\$15.0) | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Energy Hedging Strategy | <u>(2.5)</u> | <u>19.4</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | \$0.0 |
| | \$14.4 | \$4.4 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Dedicated Taxes & State and Local Subsidies | \$952.5 | \$1,012.3 | \$1,475.6 | \$1,323.3 | \$1,180.7 | \$1,389.4 |
| <i>Inter-agency Subsidy Transactions</i> | | | | | | |
| Bridges and Tunnels Operating Surplus Transfer | \$232.3 | \$197.2 | \$208.6 | \$197.5 | \$184.6 | \$159.9 |
| GROSS SUBSIDIES | \$1,184.8 | \$1,209.4 | \$1,684.2 | \$1,520.9 | \$1,365.2 | \$1,549.3 |

MTA Long Island Bus Subsidy Allocation
July Financial Plan 2010 - 2013
Cash Basis
(\$ in millions)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>Subsidies</u> | | | | | | |
| <i>Dedicated Taxes</i> | | | | | | |
| MMTOA Allocation | \$54.8 | \$48.3 | \$45.1 | \$49.8 | \$51.9 | \$51.4 |
| <i>State and Local Subsidies</i> | | | | | | |
| State Operating Assistance | \$2.9 | \$8.6 | \$3.0 | \$3.0 | \$3.0 | \$3.0 |
| Nassau County Subsidy | <u>10.5</u> | <u>10.5</u> | <u>10.5</u> | <u>10.5</u> | <u>10.5</u> | <u>10.5</u> |
| | \$13.4 | \$19.1 | \$13.5 | 13.5 | 13.5 | 13.5 |
| Total Dedicated Taxes & State and Local Subsidies | \$68.2 | \$67.4 | \$58.6 | \$63.3 | \$65.4 | \$64.9 |
| <i>Inter-agency Subsidy Transactions</i> | | | | | | |
| MTA Subsidy to Subsidiaries | \$14.0 | \$14.4 | \$27.6 | \$26.5 | \$28.3 | \$32.8 |
| GROSS SUBSIDIES | \$82.2 | \$81.9 | \$86.2 | \$89.9 | \$93.6 | \$97.7 |

MTA Staten Island Railway Subsidy Allocation
July Financial Plan 2010 - 2013
Cash Basis
(\$ in millions)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>Subsidies</u> | | | | | | |
| <i>Dedicated Taxes</i> | | | | | | |
| Metropolitan Mass Transportation Operating Assistance (MMTOA) | \$3.5 | \$3.1 | \$3.1 | \$3.1 | \$3.3 | \$3.4 |
| Mortgage Recording Tax (MRT) | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| | \$3.5 | \$3.1 | \$3.1 | \$3.1 | \$3.3 | \$3.4 |
| <i>State and Local Subsidies</i> | | | | | | |
| State Operating Assistance | \$0.5 | \$0.5 | \$0.5 | \$0.5 | \$0.5 | \$0.5 |
| Local Operating Assistance | <u>0.5</u> | <u>0.5</u> | <u>0.5</u> | <u>0.5</u> | <u>0.5</u> | <u>0.5</u> |
| | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$1.0 |
| Total Dedicated Taxes & State and Local Subsidies | \$4.5 | \$4.1 | \$4.2 | \$4.1 | \$4.3 | \$4.4 |
| <i>Inter-agency Subsidy Transactions</i> | | | | | | |
| MTA Subsidy to Subsidiaries | \$21.5 | \$33.3 | \$26.8 | \$27.0 | \$29.1 | \$30.3 |
| GROSS SUBSIDIES | \$26.0 | \$37.4 | \$30.9 | \$31.1 | \$33.4 | \$34.7 |

MTA Headquarters Subsidy Allocation
July Financial Plan 2010 - 2013
Cash Basis
(\$ in millions)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|----------------|-----------------|------------------|------------------|------------------|------------------|
| <u>Subsidies</u> | | | | | | |
| <u>Dedicated Taxes</u> | | | | | | |
| <u>Mortgage Recording Tax-1</u> | | | | | | |
| Net Receipts After Agency Transfers | \$256.8 | \$160.0 | \$178.1 | \$192.1 | \$231.6 | \$254.2 |
| <u>Adjustments</u> | | | | | | |
| Diversion of MRT to Suburban Counties | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Carryover/Opening Balances/Interest | 21.6 | 17.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| MRT-2 Required to Balance | 0.0 | 145.0 | 165.4 | 182.5 | 138.5 | 132.8 |
| <i>Total Adjustments</i> | \$21.6 | \$162.5 | \$165.4 | \$182.5 | \$138.5 | \$132.8 |
| Net Funding of MTA Headquarters | \$278.5 | \$322.5 | \$343.5 | \$374.6 | \$370.1 | \$387.0 |
| <u>Mortgage Recording Tax - 2</u> | | | | | | |
| Net Receipts | \$151.8 | \$103.1 | \$95.9 | \$99.7 | \$123.5 | \$131.8 |
| <u>Adjustments</u> | | | | | | |
| Funding of General Reserve | \$0.0 | (\$37.5) | (\$75.0) | (\$75.0) | (\$75.0) | (\$75.0) |
| Diversion of MRT to Suburban Counties | (12.2) | (6.2) | (3.4) | (3.1) | (3.4) | (5.2) |
| Carryover/Opening Balances/Interest | 14.1 | 9.9 | 9.9 | 9.9 | 10.0 | 10.0 |
| Agency Security Costs from MRT | (10.0) | (10.0) | (10.0) | (10.0) | (10.0) | (10.0) |
| Transfer to MRT-1 | 0.0 | (145.0) | (165.4) | (182.5) | (138.5) | (132.8) |
| Downsizing | 0.0 | 0.0 | (40.5) | 0.0 | 0.0 | 0.0 |
| Enhanced Security Training | 0.0 | (6.2) | (6.2) | 0.0 | 0.0 | 0.0 |
| Service Marketing Campaign | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MTA Bus Debt Service | (24.6) | (23.2) | (24.9) | (24.9) | (24.9) | (24.9) |
| Cash Defeasance Loan for TBTA | 0.0 | 90.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| <i>Total Adjustments</i> | (\$27.7) | (\$127.3) | (\$315.5) | (\$285.6) | (\$241.8) | (\$237.9) |
| Unallocated MRT-2 Receipts | \$124.1 | (\$24.2) | (\$219.7) | (\$185.9) | (\$118.3) | (\$106.1) |

MTA Bus Company Subsidy Allocation
July Financial Plan 2010 - 2013
Cash Basis
(\$ in millions)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| <u>Subsidies</u> | | | | | | |
| City Subsidy to MTA Bus Company | \$281.8 | \$303.5 | \$290.2 | \$290.6 | \$305.7 | \$341.5 |

MTA BRIDGES & TUNNELS
SURPLUS TRANSFER
July Financial Plan 2010 - 2013
(\$ in millions)

NON-REIMBURSABLE

| ACTUAL | FORECAST | | | | |
|--------|----------|------|------|------|------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |

Deductions from Net Operating Income:

| | | | | | | |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Investment Income | \$4.491 | \$0.307 | \$0.748 | \$2.685 | \$4.107 | \$4.487 |
| Total Debt Service | 506.978 | 610.805 | 613.879 | 629.739 | 647.793 | 679.426 |
| Reserves | 11.421 | 13.953 | 14.195 | 14.425 | 14.689 | 14.995 |
| Capitalized Assets | 11.806 | 18.483 | 18.767 | 18.716 | 18.701 | 18.743 |
| Gain on Escrow (2003 Only) | - | - | - | - | - | - |
| GASB Reserves | 1.980 | 2.210 | 2.431 | 2.479 | 2.529 | 2.581 |

| | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Deductions from Net Operating Income | \$536.676 | \$645.756 | \$650.021 | \$668.043 | \$687.820 | \$720.233 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Net Income Available for Transfer to MTA and NYCT | \$347.115 | \$254.300 | \$299.192 | \$271.284 | \$247.327 | \$196.508 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|

Distribution of Funds to MTA:

| | | | | | | |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| Investment Income in Current Year | \$4.491 | \$0.307 | \$0.748 | \$2.685 | \$4.107 | \$4.487 |
| Accrued Current Year Allocation | 227.178 | 190.921 | 211.604 | 197.590 | 185.277 | 159.810 |

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Accrued Amount Distributed to MTA | \$231.669 | \$191.228 | \$212.352 | \$200.275 | \$189.384 | \$164.297 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|

Distribution of Funds to NYCT:

| | | | | | | |
|---|----------|----------|----------|----------|----------|----------|
| First \$24 million of Surplus reserved for NYCT | \$24.000 | \$24.000 | \$24.000 | \$24.000 | \$24.000 | \$24.000 |
| Additional Accrued Current Year Allocation | 95.146 | 39.379 | 63.589 | 49.694 | 38.050 | 12.699 |

| | | | | | | |
|---|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Accrued Amount Distributed to NYCT | \$119.146 | \$63.379 | \$87.589 | \$73.694 | \$62.050 | \$36.699 |
|---|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|

Actual Cash Transfer to MTA and NYCT:

| | | | | | | |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| From Current Year Surplus | \$235.705 | \$194.547 | \$209.535 | \$198.991 | \$186.508 | \$162.356 |
| Investment Income in Prior Year | 5.558 | 4.491 | 0.307 | 0.748 | 2.685 | 4.107 |

| | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Cash Amount Distributed to MTA | \$241.263 | \$199.038 | \$209.842 | \$199.739 | \$189.193 | \$166.463 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|

| | | | | | | |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Cash Amount Distributed to NYCT | \$122.332 | \$68.956 | \$85.168 | \$75.083 | \$63.214 | \$39.234 |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|

| | ACTUAL | FORECAST | | | | |
|--|--------|----------|------|------|------|------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |

Debt Service Detail by Agency:

| | | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| B&T Own Purpose DS | \$164.246 | \$203.085 | \$212.493 | \$228.665 | \$248.610 | \$280.512 |
| NYCT Transportation DS | 237.777 | 279.631 | 274.700 | 274.485 | 273.205 | 273.012 |
| MTA Transportation DS | 105.745 | 128.089 | 126.686 | 126.589 | 125.979 | 125.902 |
| Total Debt Service by Agency | \$507.768 | \$610.805 | \$613.879 | \$629.739 | \$647.793 | \$679.426 |

Total Accrued Amount for Transfer to MTA and NYCT:

| | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Adjusted Net Income Available for Transfer | \$854.093 | \$865.105 | \$913.071 | \$901.023 | \$895.120 | \$875.935 |
| Less: B&T Total Debt Service | (164.246) | (203.085) | (212.493) | (228.665) | (248.610) | (280.512) |
| Less: first \$24 million reserved for NYCT | (24.000) | (24.000) | (24.000) | (24.000) | (24.000) | (24.000) |
| Remainder of Total Accrued Amount for Transfer | \$665.847 | \$638.020 | \$676.579 | \$648.357 | \$622.510 | \$571.422 |

Calculation of Actual Cash Transfer to MTA:

| | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Distribution of Remainder to MTA</u> | | | | | | |
| Fifty Percent of Total Accrued Amount for Transfer | \$332.924 | \$319.010 | \$338.289 | \$324.179 | \$311.255 | \$285.711 |
| Less: MTA Total Debt Service | (105.745) | (128.089) | (126.686) | (126.589) | (125.979) | (125.902) |
| MTA's Accrued Current Year Allocation | \$227.178 | \$190.921 | \$211.604 | \$197.590 | \$185.277 | \$159.810 |
| <u>Cash Conversion of MTA's Accrued Amount</u> | | | | | | |
| Current Year Amount | \$204.460 | \$171.829 | \$190.443 | \$177.831 | \$166.749 | \$143.829 |
| Balance of Prior Year | 31.245 | 22.718 | 19.092 | 21.160 | 19.759 | 18.528 |
| Cash Transfer to MTA | \$235.705 | \$194.547 | \$209.535 | \$198.991 | \$186.508 | \$162.356 |

Calculation of Actual Cash Transfer to NYCT:

| | | | | | | |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <u>Distribution of Remainder to NYCT</u> | | | | | | |
| Fifty Percent of Total Accrued Amount for Transfer | \$332.924 | \$319.010 | \$338.289 | \$324.179 | \$311.255 | \$285.711 |
| Less: NYCT Total Debt Service | (237.777) | (279.631) | (274.700) | (274.485) | (273.205) | (273.012) |
| Plus: first \$24 million reserved for NYCT | 24.000 | 24.000 | 24.000 | 24.000 | 24.000 | 24.000 |
| NYCT's Accrued Current Year Allocation | \$119.146 | \$63.379 | \$87.589 | \$73.694 | \$62.050 | \$36.699 |
| <u>Cash Conversion of NYCT's Accrued Amount</u> | | | | | | |
| Current Year Amount | \$107.232 | \$57.041 | \$78.830 | \$66.324 | \$55.845 | \$33.029 |
| Balance of Prior Year | 15.100 | 11.915 | 6.338 | 8.759 | 7.369 | 6.205 |
| Cash Transfer to NYCT | \$122.332 | \$68.956 | \$85.168 | \$75.083 | \$63.214 | \$39.234 |

B & T Charged Debt Service Detail by Type:

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Project Debt Service</u> | | | | | | |
| B & T Own Purpose Debt Service | \$164.246 | \$203.085 | \$212.493 | \$228.665 | \$248.610 | \$280.512 |
| NYCT Transportation Project Debt Service | 237.777 | 279.631 | 274.700 | 274.485 | 273.205 | 273.012 |
| MTA Transportation Project Debt Service | 105.745 | 128.089 | 126.686 | 126.589 | 125.979 | 125.902 |
| Total Project Debt Service | \$507.768 | \$610.805 | \$613.879 | \$629.739 | \$647.793 | \$679.426 |

| |
|--|
| <p style="text-align: center;">SUMMARY MTA LONG ISLAND BUS MULTI-YEAR FINANCIAL PLAN 2010 - 2013 (\$ in millions)</p> |
|--|

Number

LI Bus Summary

SUMMARY
MTA STATEN ISLAND RAILWAY
MULTI-YEAR FINANCIAL PLAN
2010 - 2013
(\$ in millions)

| Line Number | | ACTUAL | FORECAST | | | | |
|----------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 9 | | | | | | | |
| 10 | <u>Revenue Summary:</u> | | | | | | |
| 11 | | | | | | | |
| 12 | Farebox Revenue | \$4.4 | \$4.5 | \$5.3 | \$5.4 | \$5.4 | \$5.5 |
| 13 | Other Revenue | 1.9 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| 14 | State/City Subsidies | 4.5 | 4.2 | 4.0 | 4.1 | 4.3 | 4.4 |
| 15 | | | | | | | |
| 16 | Total Revenue Before MTA Subsidy | \$10.8 | \$10.8 | \$11.4 | \$11.6 | \$11.8 | \$11.9 |
| 17 | | | | | | | |
| 18 | <u>Non-Reimbursable Expense Summary:</u> | | | | | | |
| 19 | | | | | | | |
| 20 | Labor Expenses | \$23.0 | \$26.3 | \$28.1 | \$29.4 | \$31.1 | \$31.6 |
| 21 | Non-Labor Expenses | 7.6 | 17.8 | 10.0 | 8.8 | 9.4 | 10.3 |
| 22 | Depreciation | 7.0 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 |
| 23 | OPEB Obligation | 2.6 | 2.7 | 2.8 | 2.8 | 3.0 | 3.0 |
| 24 | Environmental Remediation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25 | | | | | | | |
| 26 | Total Non-Reimbursable Expenses | \$40.2 | \$57.1 | \$51.2 | \$51.4 | \$53.9 | \$55.2 |
| 27 | | | | | | | |
| 28 | | | | | | | |
| 29 | Total Net Revenue | (\$29.4) | (\$46.3) | (\$39.7) | (\$39.8) | (\$42.1) | (\$43.3) |
| 30 | | | | | | | |
| 31 | <u>Cash Adjustment Summary:</u> | | | | | | |
| 32 | | | | | | | |
| 33 | Operating Cash Adjustments | \$10.1 | \$12.8 | \$12.8 | \$12.8 | \$13.0 | \$13.0 |
| 34 | Subsidy Cash Adjustments | (2.0) | (0.1) | 0.1 | 0.0 | 0.0 | 0.0 |
| 35 | | | | | | | |
| 36 | Total Cash Adjustment | \$8.1 | \$12.7 | \$13.0 | \$12.8 | \$13.0 | \$13.0 |
| 37 | | | | | | | |
| 38 | Gross Cash Balance | (\$21.3) | (\$33.7) | (\$26.8) | (\$27.0) | (\$29.1) | (\$30.3) |
| 39 | | | | | | | |
| 40 | MTA Internal Subsidy before PEGs | 21.5 | 33.3 | 26.8 | 27.0 | 29.1 | 30.3 |
| 41 | | | | | | | |
| 42 | Net Cash Balance from Previous Year | \$0.2 | \$0.4 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 43 | | | | | | | |
| 44 | | | | | | | |
| 45 | Baseline Net Cash Surplus/(Deficit) | \$0.4 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

SUMMARY
MTA BUS COMPANY
MULTI-YEAR FINANCIAL PLAN
2010 - 2013
(\$ in millions)

| Line Number | | ACTUAL | FORECAST | | | | |
|----------------|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 9 | | | | | | | |
| 10 | <u>Revenue Summary:</u> | | | | | | |
| 11 | | | | | | | |
| 12 | Farebox Revenue | \$155.3 | \$156.7 | \$162.8 | \$164.9 | \$166.6 | \$167.9 |
| 13 | Other Revenue | 24.7 | 19.8 | 20.6 | 21.7 | 21.9 | 22.2 |
| 15 | | | | | | | |
| 16 | Total Revenue Before MTA Subsidy | \$180.0 | \$176.5 | \$183.4 | \$186.6 | \$188.5 | \$190.2 |
| 17 | | | | | | | |
| 18 | <u>Non-Reimbursable Expense Summary:</u> | | | | | | |
| 19 | | | | | | | |
| 20 | Labor Expenses | \$339.4 | \$341.9 | \$353.1 | \$360.1 | \$372.8 | \$387.5 |
| 21 | Non-Labor Expenses | 128.3 | 105.9 | 109.1 | 114.8 | 119.8 | 138.9 |
| 22 | Depreciation | 34.4 | 37.1 | 40.2 | 42.2 | 42.2 | 42.2 |
| 23 | OPEB Obligation | 48.8 | 51.7 | 53.6 | 55.5 | 57.8 | 60.1 |
| 24 | | | | | | | |
| 25 | Total Non-Reimbursable Expenses | \$551.0 | \$536.6 | \$556.0 | \$572.6 | \$592.6 | \$628.8 |
| 26 | | | | | | | |
| 27 | | | | | | | |
| 28 | Total Net Revenue | (\$371.0) | (\$360.2) | (\$372.6) | (\$386.0) | (\$404.1) | (\$438.6) |
| 29 | | | | | | | |
| 30 | Cash Adjustments | \$134.4 | \$31.0 | \$90.2 | \$93.8 | \$95.7 | \$97.0 |
| 31 | | | | | | | |
| 32 | Total Cash Adjustment | \$134.4 | \$31.0 | \$90.2 | \$93.8 | \$95.7 | \$97.0 |
| 33 | | | | | | | |
| 34 | Gross Cash Balance | (\$236.5) | (\$329.2) | (\$282.4) | (\$292.2) | (\$308.4) | (\$341.5) |
| 35 | | | | | | | |
| 36 | <u>City Subsidy</u> | | | | | | |
| 37 | Accrued | 236.5 | 329.2 | 282.4 | 292.2 | 308.4 | 341.5 |
| 38 | Cash | 281.8 | 303.5 | 290.2 | 290.6 | 305.7 | 336.0 |
| 39 | CFA | 45.3 | (25.6) | 7.8 | (1.6) | (2.7) | (5.5) |
| 40 | | | | | | | |
| 41 | Net Cash Balance from Previous Year | \$0.0 | \$45.3 | \$19.7 | \$27.5 | \$25.8 | \$23.1 |
| 42 | | | | | | | |
| 43 | | | | | | | |
| 44 | Baseline Net Cash Surplus/(Deficit) | \$45.3 | \$19.7 | \$27.5 | \$25.8 | \$23.1 | \$17.6 |

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Debt Service

Debt Service in the Financial Plan

- The following table reflects debt service projections for 2009 through 2013 associated with *existing approved* Capital Programs. The table compares all MTA and TBTA debt service in the MTA February 2009 Financial Plan with newly revised estimates for this July 2009 Financial Plan (this excludes State Service Contract and Convention Center debt service which is fully paid by New York State).

| Debt Service Forecast (in millions) ⁽¹⁾ | | | |
|---|---------------------------------------|-----------------------------------|---|
| Year | February Plan Debt Service | July Plan Debt Service | Difference Favorable/(Unfavorable) |
| 2009 | \$1,474 | \$1,499 | (\$26) |
| 2010 | 1,904 | 1,914 | (10) |
| 2011 | 2,012 | 2,030 | (18) |
| 2012 | 2,154 | 2,155 | (1) |
| 2013 | <u>2,227</u> | <u>2,216</u> | 11 |
| Total | \$9,771 | \$9,814 | (\$43) |

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

- Additionally, a preliminary estimate of debt service has been included in the detailed table below for borrowing for expenditures associated with a 2010-2014 Capital Program. For forecasting purposes, the core Capital Program has been adjusted for cost escalation, and estimates of Federal, City and local funding sources, and includes the remaining local share of Second Avenue Subway Phase 1 and East Side Access projects. Debt service impact during the Financial Plan period would be approximately \$6 million in 2010, \$29 million in 2011, growing to \$101 million in 2012 and \$260 million in 2013. These debt service estimates are based on a borrowing forecast of \$170 million in 2010, \$457 million in 2011, and \$1.5 billion and \$2.8 billion in 2012 and 2013, respectively, adjusted for moneys available on a pay as you go basis.
- The effects of the cash defeasance transaction completed in September 2007 have been incorporated into the debt service budget. \$299.3 million of cash and \$4.3 million already set-aside in the debt service accounts were used to create the requisite escrow. Savings are calculated to be \$283.3 million in 2009. In order to defease TBTA's debt, \$90.8 million of excess MRT receipts were used in 2007 as an interagency loan, to be repaid in 2009. The \$90.8 million repayment has no effect on consolidated debt service listed on the table below. However, TBTA's debt service listed in the TBTA's section of this Financial Plan has been increased by that amount.

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

Debt Issuance Assumptions:

| Forecasted Borrowing Schedule | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------------------------------|-------|-------|-------|-------|-------|
| New Money Bonds *(\$ in millions) | 869 | 2,576 | 1,682 | 2,606 | 3,452 |
| Assumed Fixed-Rates | | | | | |
| Transportation Revenue Bonds | 5.87% | 6.15% | 6.42% | 6.52% | 6.53% |
| Dedicated Tax Fund Bonds | 5.04% | 5.29% | 5.52% | 5.61% | 5.61% |
| Triborough Bridge & Tunnel Authority | 5.04% | 5.29% | 5.52% | 5.61% | 5.61% |
| Assumed Variable Rates | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Weighted Average Interest Rates ** | | | | | |
| Transportation Revenue Bonds | 5.68% | 5.94% | 6.18% | 6.27% | 6.28% |
| Dedicated Tax Fund Bonds | 4.94% | 5.16% | 5.37% | 5.45% | 5.45% |
| Triborough Bridge & Tunnel Authority | 4.94% | 5.16% | 5.37% | 5.45% | 5.45% |

* 2010 to 2013 include assumed borrowing for the not yet approved 2010-2014 Capital Program. 2009 borrowing is only for the remainder of the year.

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

- All debt is assumed to be issued as 30-year level debt, principal amortized over the life of the bonds.
- Current fixed-rate estimates derived from prevailing Fair Market Yield Curves for A- and AA- Transportation issuers using Bloomberg Information Service. Financial Plan years 2009– 2013 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of June 6, 2009).
- Split of fixed-rate debt versus variable rate debt each year is 90% / 10%.
- New bond issues calculated interest rate at time of issuance use weighted average of fixed and variable assumptions (actual fixed-rates in table above assumed for fixed-rate bonds).
- Cost of issuance is 2% of gross bonding amount.
- New money bonds for currently approved transit and commuter projects assumed issued 25% under the DTF credit and 75% under the Transportation credit.
- All bonds issued to finance TBTA capital projects issued under the TBTA General Revenue Resolution.
- No reserve funds.

Metropolitan Transportation Authority
July Financial Plan 2010 - 2013
Summary of Total Budgeted Debt Service
(\$ in millions)

| Line Number | | ACTUAL | FORECAST | | | | |
|----------------|--|------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 9 | <u>New York City Transit:</u> | | | | | | |
| 10 | | | | | | | |
| 11 | Budgeted Gross Debt Service for Existing Transportation Revenue Bonds | \$449.084 | \$377.346 | \$426.101 | \$419.501 | \$428.379 | \$424.788 |
| 12 | Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs | 0.000 | 22.146 | 90.121 | 163.663 | 218.261 | 261.963 |
| 13 | 2 Broadway Certificates of Participation - NYCT Share | 24.339 | 21.888 | 21.894 | 21.898 | 21.904 | 21.914 |
| 14 | Transportation Resolution Commercial Paper | 8.531 | 17.693 | 17.693 | 17.693 | 32.920 | 32.920 |
| 15 | Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds | 222.727 | 232.176 | 301.541 | 301.608 | 301.697 | 303.313 |
| 16 | <u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u> | <u>0.000</u> | <u>0.000</u> | <u>14.023</u> | <u>36.504</u> | <u>53.161</u> | <u>66.488</u> |
| 17 | <i>Sub-Total MTA Paid Debt Service</i> | \$704.681 | \$671.249 | \$871.373 | \$960.868 | \$1,056.322 | \$1,111.386 |
| 18 | | | | | | | |
| 19 | Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds | \$154.866 | \$160.947 | \$195.432 | \$195.371 | \$193.807 | \$194.054 |
| 20 | <u>Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds</u> | <u>82.911</u> | <u>77.825</u> | <u>79.379</u> | <u>79.232</u> | <u>79.521</u> | <u>79.082</u> |
| 21 | <i>Sub-Total B&T Paid Debt Service</i> | \$237.777 | \$238.773 | \$274.811 | \$274.603 | \$273.328 | \$273.136 |
| 22 | | | | | | | |
| 23 | Total NYCT Debt Service | \$942.458 | \$910.022 | \$1,146.183 | \$1,235.471 | \$1,329.650 | \$1,384.522 |
| 24 | | | | | | | |
| 25 | <u>Commuter Railroads:</u> | | | | | | |
| 26 | | | | | | | |
| 27 | Budgeted Gross Debt Service for Existing Transportation Revenue Bonds | \$242.793 | \$293.212 | \$333.262 | \$328.101 | \$335.044 | \$332.235 |
| 28 | Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs | 0.000 | 4.301 | 21.711 | 36.937 | 39.054 | 39.054 |
| 29 | Transportation Resolution Commercial Paper | 5.142 | 9.417 | 9.417 | 9.417 | 17.521 | 17.521 |
| 30 | Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds | 41.404 | 43.185 | 56.087 | 56.099 | 56.116 | 56.416 |
| 31 | <u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u> | <u>0.000</u> | <u>0.000</u> | <u>4.011</u> | <u>8.668</u> | <u>9.314</u> | <u>9.314</u> |
| 32 | <i>Sub-Total MTA Paid Debt Service</i> | \$289.339 | \$350.115 | \$424.487 | \$439.222 | \$457.049 | \$454.541 |
| 33 | | | | | | | |
| 34 | Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds | \$69.318 | \$75.652 | \$91.861 | \$91.832 | \$91.097 | \$91.213 |
| 35 | <u>Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds</u> | <u>36.428</u> | <u>34.193</u> | <u>34.876</u> | <u>34.811</u> | <u>34.938</u> | <u>34.745</u> |
| 36 | <i>Sub-Total B&T Paid Debt Service</i> | \$105.745 | \$109.845 | \$126.736 | \$126.644 | \$126.035 | \$125.958 |
| 37 | | | | | | | |
| 38 | Total CRR Debt Service | \$395.084 | \$459.960 | \$551.224 | \$565.865 | \$583.084 | \$580.499 |
| 39 | | | | | | | |
| 40 | <u>Bridges and Tunnels:</u> | | | | | | |
| 41 | | | | | | | |
| 42 | Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds | \$128.053 | \$135.544 | \$164.586 | \$164.535 | \$163.217 | \$163.425 |
| 43 | Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds | 32.751 | 30.742 | 31.356 | 31.298 | 31.412 | 31.239 |
| 44 | Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs | 0.000 | 2.166 | 11.881 | 24.536 | 35.270 | 43.859 |
| 45 | 2 Broadway Certificates of Participation - TBTA Share | 3.442 | 3.095 | 3.096 | 3.097 | 3.098 | 3.099 |
| 46 | | | | | | | |
| 47 | Total B&T Debt Service | \$164.246 | \$171.548 | \$210.919 | \$223.466 | \$232.997 | \$241.622 |
| 48 | | | | | | | |
| 49 | <u>MTA Bus:</u> | | | | | | |
| 50 | | | | | | | |
| 51 | Budgeted Gross Debt Service for Existing Transportation Revenue Bonds | \$8.530 | \$9.556 | \$10.914 | \$10.745 | \$10.972 | \$10.880 |
| 52 | Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs | 0.000 | 1.701 | 3.401 | 3.401 | 3.401 | 3.401 |
| 53 | Transportation Resolution Commercial Paper | 2.075 | 4.465 | 4.465 | 4.465 | 8.307 | 8.307 |
| 54 | | | | | | | |
| 55 | Total MTA Bus Debt Service | \$10.605 | \$15.721 | \$18.780 | \$18.611 | \$22.681 | \$22.589 |
| 56 | | | | | | | |
| 57 | Total MTA HQ Debt Service for 2 Broadway Certificates of Participation | \$3.339 | \$3.003 | \$3.004 | \$3.004 | \$3.005 | \$3.006 |
| 58 | | | | | | | |

Metropolitan Transportation Authority
July Financial Plan 2010 - 2013
Summary of Total Budgeted Debt Service
(\$ in millions)

| Line Number | | ACTUAL | FORECAST | | | | |
|----------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 59 | <u>MTA Total:</u> | | | | | | |
| 60 | | | | | | | |
| 61 | Budgeted Gross Debt Service for Existing Transportation Revenue Bonds | \$700.407 | \$680.114 | \$770.277 | \$758.347 | \$774.396 | \$767.903 |
| 62 | Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds | 264.131 | 275.361 | 357.628 | 357.707 | 357.813 | 359.730 |
| 63 | Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds | 352.237 | 372.143 | 451.878 | 451.738 | 448.120 | 448.692 |
| 64 | Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds | 152.090 | 142.761 | 145.611 | 145.342 | 145.872 | 145.066 |
| 65 | 2 Broadway Certificates of Participation | 31.120 | 27.986 | 27.994 | 27.999 | 28.006 | 28.019 |
| 66 | Transportation Resolution Commercial Paper | 15.748 | 31.575 | 31.575 | 31.575 | 58.748 | 58.748 |
| 67 | Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs | 0.000 | 28.147 | 115.234 | 204.002 | 260.717 | 304.419 |
| 68 | Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs | 0.000 | 0.000 | 18.034 | 45.172 | 62.476 | 75.802 |
| 69 | Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs | 0.000 | 2.166 | 11.881 | 24.536 | 35.270 | 43.859 |
| 70 | | | | | | | |
| 71 | Total Debt Service | \$1,515.733 | \$1,560.254 | \$1,930.110 | \$2,046.418 | \$2,171.418 | \$2,232.239 |
| 72 | | | | | | | |
| 73 | <u>MTA Investment Income by Resolution</u> | | | | | | |
| 74 | | | | | | | |
| 75 | Investment Income from Transportation Debt Service Fund | \$0.000 | (\$0.266) | (\$0.332) | (\$0.361) | (\$0.388) | (\$0.402) |
| 76 | Investment Income from Dedicated Tax Fund Debt Service Fund | 0.000 | (0.114) | (0.184) | (0.228) | (0.255) | (0.277) |
| 77 | Investment Income from TBTA (B&T) General Revenue Debt Service Fund | 0.000 | (0.140) | (0.181) | (0.196) | (0.205) | (0.213) |
| 78 | Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund | 0.000 | (0.054) | (0.059) | (0.064) | (0.068) | (0.071) |
| 79 | Investment Income from 2 Broadway Certificates of Participation Debt Service Fund | 0.000 | (0.010) | (0.010) | (0.010) | (0.011) | (0.011) |
| 80 | Build America Bonds Interest Subsidy | 0.000 | (10.431) | (19.257) | (19.257) | (19.257) | (19.257) |
| 81 | | | | | | | |
| 82 | Total MTA Wide Investment Income | \$0.000 | (\$11.015) | (\$20.023) | (\$20.115) | (\$20.184) | (\$20.231) |
| 83 | | | | | | | |
| 84 | <u>MTA Wide Net Total</u> | | | | | | |
| 85 | | | | | | | |
| 86 | Net Transportation Revenue Bonds Debt Service | \$700.407 | \$707.996 | \$885.178 | \$961.987 | \$1,034.725 | \$1,071.920 |
| 87 | Transportation Resolution Commercial Paper | 15.748 | 31.575 | 31.575 | 31.575 | 58.748 | 58.748 |
| 88 | Net Dedicated Tax Fund Bonds Debt Service | 264.131 | 264.816 | 356.220 | 383.395 | 400.776 | 415.997 |
| 89 | Net TBTA (B&T) General Revenue Bonds Debt Service | 352.237 | 374.169 | 463.578 | 476.079 | 483.186 | 492.338 |
| 90 | Net TBTA (B&T) Subordinate Revenue Bonds Debt Service | 152.090 | 142.706 | 145.552 | 145.278 | 145.804 | 144.995 |
| 91 | Net 2 Broadway Certificates of Participation Debt Service | 31.120 | 27.975 | 27.983 | 27.988 | 27.996 | 28.009 |
| 92 | Planned Long-term Refinancing of \$50 million note due 11/15/2009 | 0.000 | (50.000) | 3.693 | 3.693 | 3.693 | 3.693 |
| 93 | | | | | | | |
| 94 | Total MTA Wide Net Debt Service for Approved Capital Programs | \$1,515.733 | \$1,499.239 | \$1,913.779 | \$2,029.995 | \$2,154.927 | \$2,215.700 |
| 95 | | | | | | | |
| 96 | MTA Wide Debt Service Associated with 2010-2014 Capital Programs | \$0.000 | \$0.000 | \$6.135 | \$29.196 | \$101.554 | \$260.494 |
| 97 | | | | | | | |
| 98 | Total MTA Wide Net Debt Service including 2010-2014 Capital Programs | \$1,515.733 | \$1,499.239 | \$1,919.914 | \$2,059.191 | \$2,256.481 | \$2,476.194 |
| 99 | | | | | | | |
| 100 | TBTA Pay-Go Adjustment | | | | 54.00 | 43.50 | 56.00 |
| 101 | Implied Holdback | | | | 59.30 | 59.20 | 94.96 |
| 102 | Holdback | | | | \$59.01 | \$59.23 | \$95.00 |

Debt Service Affordability Statement

MTA 2010 - 2013 Financial Plan

Debt Affordability Statement

\$ in millions

| Forecasted Debt Service and Borrowing Schedule | | Notes | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|--|---------|---------|---------|---------|---------|---------|---------|
| Combined MTA/TBTA Forecasted Debt Service Schedule | | 1, 2, 3 | 1,484.6 | 1,471.3 | 1,891.9 | 2,031.2 | 2,228.5 | 2,448.2 |
| Forecasted New Money Bonds Issued | | 4 | 1,767.2 | 2,557.9 | 2,575.6 | 1,681.8 | 2,606.2 | 3,452.5 |

| Forecasted Debt Service by Credit | | Notes | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---|-------|-----------|-----------|-----------|-----------|-----------|-----------|
| Transportation Revenue Bonds | | | | | | | | |
| Pledged Revenues | 5 | | \$8,610.0 | \$7,824.2 | \$8,055.5 | \$8,167.6 | \$8,380.0 | \$8,550.0 |
| Debt Service | 9 | | 716.2 | 689.6 | 924.9 | 1,021.2 | 1,183.0 | 1,355.9 |
| Debt Service as a % of Pledged Revenues | | | 8% | 9% | 11% | 13% | 14% | 16% |
| Dedicated Tax Fund Bonds | | | | | | | | |
| Pledged Revenues | 6 | | \$609.6 | \$626.1 | \$622.2 | \$624.6 | \$627.0 | \$629.1 |
| Debt Service | 9 | | 264.1 | 264.8 | 356.2 | 383.4 | 400.8 | 416.0 |
| Debt Service as a % of Pledged Revenues | | | 43% | 42% | 57% | 61% | 64% | 66% |
| Triborough Bridge and Tunnel Authority General Revenue Bonds | | | | | | | | |
| Pledged Revenues | 7 | | \$883.8 | \$899.1 | \$947.2 | \$936.3 | \$931.1 | \$911.7 |
| Debt Service | 9 | | 352.2 | 374.2 | 465.2 | 481.4 | 498.9 | 531.3 |
| Debt Service as a % of Total Pledged Revenues | | | 40% | 42% | 49% | 51% | 54% | 58% |
| Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds | | | | | | | | |
| Pledged Revenues | 8 | | \$531.6 | \$524.9 | \$482.0 | \$455.0 | \$432.2 | \$380.4 |
| Debt Service | 9 | | 152.1 | 142.7 | 145.6 | 145.3 | 145.8 | 145.0 |
| Debt Service as a % of Total Pledged Revenues | | | 29% | 27% | 30% | 32% | 34% | 38% |

| Cumulative Debt Service (Excluding State Service Contract Bonds) | | Notes | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|--|-------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Debt Service | | | \$1,484.6 | \$1,471.3 | \$1,891.9 | \$2,031.2 | \$2,228.5 | \$2,448.2 |
| Operating Revenues and Subsidies | | | 10,041.4 | 10,710.2 | 11,762.4 | 12,084.8 | 12,484.0 | 12,839.5 |
| Total Debt Service as a % of Operating Revenues and Subsidies | | | 15% | 14% | 16% | 17% | 18% | 19% |
| Fare and Toll Revenues | | | 5,514.9 | 5,651.4 | 5,898.5 | 5,985.7 | 6,056.2 | 6,104.1 |
| Total Debt Service as a % of Fare and Toll Revenue | | | 27% | 26% | 32% | 34% | 37% | 40% |
| Non-reimbursable expenses | | | 12,373.3 | 12,997.6 | 13,547.4 | 14,094.3 | 14,675.0 | 15,373.9 |
| Total Debt Service as % of Non-reimbursable expenses | | | 12% | 11% | 14% | 14% | 15% | 16% |

Notes on the following page are integral to this table.

Notes

- 1 Unhedged tax-exempt variable rate debt reflect actuals through September 2008 and 4.00% for the remaining life of bonds.
- 2 Synthetic fixed-rate debt assumed at swap rate.
- 3 Total debt service excludes COPS lease payments. All debt service numbers reduced by expected investment income.
- 4 New money bonds amortized as 30-year level debt. New debt issued assumed 90% fixed-rate and 10% variable rate. Actual 2009 issuance to date is included with the forecast.
- 5 Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central Terminal and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses. Starting in 2006, revenues, expenses and debt service for MTA Bus have also been included.
- 6 Dedicated Tax Fund pledged revenues as shown above consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; in addition, while not reflected in the DTF pledged revenue figures above, the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Mass Transportation Operating Assistance Account for the benefit of the MTA are also pledged. After the payment of debt service on the MTA Dedicated Tax Fund Bonds, these subsidies are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTQA.
- 7 Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.
- 8 Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.
- 9 Debt service schedules for each credit are attached as addendum hereto.

Special Notes

- (1) Debt service associated with the 2010-2014 Capital Programs is included in the table above; all debt service other than debt service on Triborough Bridge and Tunnel Authority bonds is included in Transportation Revenue Bonds debt service.
- (2) Includes effect of cash defeasance implemented in September 2007.
- (3) Revenue and expense numbers do not include the impact of those items listed as part of the below-the-line adjustments on the financial schedules.

Metropolitan Transportation Authority (including Triborough Bridge and Tunnel Authority)

Total Budgeted Annual Debt Service
All Issuance to June 30, 2009 (\$ in millions)

| | Transportation Revenue Resolution | | | Dedicated Tax Fund Resolution | | | TBTA General Revenue Resolution | | | TBTA Subordinate Resolution | | | MTA and TBTA Debt Service | | |
|-------------|-----------------------------------|---------------|----------|-------------------------------|---------------|----------|---------------------------------|---------------|----------|-----------------------------|---------------|----------|---------------------------|---------------|----------|
| Fiscal Year | Existing DS | Additional DS | Combined | Existing DS | Additional DS | Combined | Existing DS | Additional DS | Combined | Existing DS | Additional DS | Combined | Existing DS | Additional DS | Combined |
| 2009 | 711.7 | 28.1 | 739.8 | 275.4 | - | 275.4 | 372.1 | 2.2 | 374.3 | 142.8 | - | 142.8 | 1,502.0 | 30.3 | 1,532.3 |
| 2010 | 801.9 | 119.7 | 921.6 | 357.6 | 18.0 | 375.7 | 451.9 | 13.5 | 465.4 | 145.6 | - | 145.6 | 1,757.0 | 151.3 | 1,908.3 |
| 2011 | 789.9 | 227.9 | 1,017.8 | 357.7 | 45.2 | 402.9 | 451.7 | 29.8 | 481.6 | 145.3 | - | 145.3 | 1,744.7 | 302.9 | 2,047.6 |
| 2012 | 833.1 | 346.6 | 1,179.7 | 357.8 | 62.5 | 420.3 | 448.1 | 51.0 | 499.1 | 145.9 | - | 145.9 | 1,784.9 | 460.0 | 2,245.0 |
| 2013 | 826.7 | 525.9 | 1,352.6 | 359.7 | 75.8 | 435.5 | 448.7 | 82.9 | 531.6 | 145.1 | - | 145.1 | 1,780.1 | 684.6 | 2,464.7 |
| 2014 | 833.7 | 750.9 | 1,584.6 | 357.9 | 80.9 | 438.8 | 447.7 | 120.0 | 567.7 | 145.9 | - | 145.9 | 1,785.1 | 951.8 | 2,736.9 |
| 2015 | 834.4 | 1,001.3 | 1,835.7 | 358.1 | 80.9 | 439.0 | 447.6 | 157.7 | 605.2 | 145.2 | - | 145.2 | 1,785.3 | 1,239.9 | 3,025.2 |
| 2016 | 833.9 | 1,221.8 | 2,055.7 | 358.2 | 80.9 | 439.1 | 447.2 | 189.1 | 636.4 | 146.0 | - | 146.0 | 1,785.4 | 1,491.8 | 3,277.2 |
| 2017 | 833.7 | 1,349.7 | 2,183.4 | 358.4 | 80.9 | 439.3 | 447.4 | 209.3 | 656.7 | 148.3 | - | 148.3 | 1,787.7 | 1,639.9 | 3,427.6 |
| 2018 | 833.7 | 1,398.1 | 2,231.8 | 358.7 | 80.9 | 439.6 | 442.9 | 216.2 | 659.1 | 146.1 | - | 146.1 | 1,781.4 | 1,695.2 | 3,476.7 |
| 2019 | 832.2 | 1,410.2 | 2,242.4 | 352.9 | 80.9 | 433.8 | 439.3 | 216.2 | 655.5 | 145.8 | - | 145.8 | 1,770.2 | 1,707.4 | 3,477.6 |
| 2020 | 831.0 | 1,412.7 | 2,243.8 | 354.9 | 80.9 | 435.8 | 439.7 | 216.2 | 655.9 | 145.2 | - | 145.2 | 1,770.8 | 1,709.9 | 3,480.6 |
| 2021 | 831.3 | 1,413.1 | 2,244.4 | 353.4 | 80.9 | 434.3 | 437.1 | 216.2 | 653.3 | 145.9 | - | 145.9 | 1,767.6 | 1,710.3 | 3,477.9 |
| 2022 | 830.0 | 1,413.1 | 2,243.1 | 350.1 | 80.9 | 431.0 | 440.9 | 216.2 | 657.1 | 145.4 | - | 145.4 | 1,766.3 | 1,710.3 | 3,476.6 |
| 2023 | 841.9 | 1,413.1 | 2,255.0 | 352.8 | 80.9 | 433.7 | 434.3 | 216.2 | 650.5 | 146.1 | - | 146.1 | 1,775.2 | 1,710.3 | 3,485.4 |
| 2024 | 857.7 | 1,413.1 | 2,270.8 | 351.9 | 80.9 | 432.9 | 439.5 | 216.2 | 655.7 | 146.0 | - | 146.0 | 1,795.1 | 1,710.3 | 3,505.3 |
| 2025 | 858.5 | 1,413.1 | 2,271.6 | 351.5 | 80.9 | 432.5 | 439.3 | 216.2 | 655.5 | 146.0 | - | 146.0 | 1,795.2 | 1,710.3 | 3,505.5 |
| 2026 | 867.6 | 1,413.1 | 2,280.7 | 348.9 | 80.9 | 429.8 | 438.5 | 216.2 | 654.7 | 146.2 | - | 146.2 | 1,801.2 | 1,710.3 | 3,511.4 |
| 2027 | 878.1 | 1,413.1 | 2,291.2 | 342.1 | 80.9 | 423.1 | 441.9 | 216.2 | 658.1 | 146.2 | - | 146.2 | 1,808.4 | 1,710.3 | 3,518.6 |
| 2028 | 870.2 | 1,413.1 | 2,283.3 | 350.4 | 80.9 | 431.4 | 439.7 | 216.2 | 655.9 | 146.5 | - | 146.5 | 1,806.9 | 1,710.3 | 3,517.1 |
| 2029 | 814.1 | 1,413.1 | 2,227.2 | 349.4 | 80.9 | 430.3 | 438.5 | 216.2 | 654.7 | 146.4 | - | 146.4 | 1,748.4 | 1,710.3 | 3,458.6 |
| 2030 | 814.4 | 1,413.1 | 2,227.5 | 347.9 | 80.9 | 428.8 | 440.3 | 216.2 | 656.5 | 146.7 | - | 146.7 | 1,749.3 | 1,710.3 | 3,459.5 |
| 2031 | 811.9 | 1,413.1 | 2,225.0 | 344.0 | 80.9 | 425.0 | 456.9 | 216.2 | 673.1 | 140.8 | - | 140.8 | 1,753.5 | 1,710.3 | 3,463.8 |
| 2032 | 715.2 | 1,413.1 | 2,128.3 | 343.8 | 80.9 | 424.7 | 379.6 | 216.2 | 595.8 | 86.4 | - | 86.4 | 1,524.9 | 1,710.3 | 3,235.1 |
| 2033 | 411.2 | 1,413.1 | 1,824.3 | 322.3 | 80.9 | 403.3 | 164.7 | 216.2 | 380.9 | - | - | - | 898.3 | 1,710.3 | 2,608.5 |
| 2034 | 411.4 | 1,413.1 | 1,824.5 | 170.2 | 80.9 | 251.1 | 164.7 | 216.2 | 380.9 | - | - | - | 746.2 | 1,710.3 | 2,456.5 |
| 2035 | 383.9 | 1,413.1 | 1,797.0 | 118.2 | 80.9 | 199.2 | 163.2 | 216.2 | 379.4 | - | - | - | 665.4 | 1,710.3 | 2,375.7 |
| 2036 | 200.0 | 1,413.1 | 1,613.1 | 132.5 | 80.9 | 213.4 | 156.0 | 216.2 | 372.2 | - | - | - | 488.5 | 1,710.3 | 2,198.7 |
| 2037 | 169.1 | 1,413.1 | 1,582.2 | 319.9 | 80.9 | 400.9 | 155.8 | 216.2 | 372.0 | - | - | - | 644.8 | 1,710.3 | 2,355.1 |
| 2038 | 114.1 | 1,413.1 | 1,527.2 | 301.6 | 80.9 | 382.5 | 135.4 | 216.2 | 351.6 | - | - | - | 551.1 | 1,710.3 | 2,261.3 |
| 2039 | 58.7 | 1,385.0 | 1,443.7 | 243.1 | 80.9 | 324.0 | - | 214.0 | 214.0 | - | - | - | 301.9 | 1,679.9 | 1,981.8 |
| 2040 | 58.7 | 1,295.7 | 1,354.4 | - | 62.9 | 62.9 | - | 202.7 | 202.7 | - | - | - | 58.7 | 1,561.2 | 1,620.0 |
| 2041 | - | 1,185.2 | 1,185.2 | - | 35.8 | 35.8 | - | 186.4 | 186.4 | - | - | - | - | 1,407.3 | 1,407.3 |
| 2042 | - | 1,066.6 | 1,066.6 | - | 18.5 | 18.5 | - | 165.2 | 165.2 | - | - | - | - | 1,250.2 | 1,250.2 |
| 2043 | - | 887.2 | 887.2 | - | 5.1 | 5.1 | - | 133.3 | 133.3 | - | - | - | - | 1,025.7 | 1,025.7 |
| 2044 | - | 662.2 | 662.2 | - | - | - | - | 96.2 | 96.2 | - | - | - | - | 758.4 | 758.4 |
| 2045 | - | 411.8 | 411.8 | - | - | - | - | 58.5 | 58.5 | - | - | - | - | 470.4 | 470.4 |
| 2046 | - | 191.3 | 191.3 | - | - | - | - | 27.1 | 27.1 | - | - | - | - | 218.4 | 218.4 |
| 2047 | - | 63.4 | 63.4 | - | - | - | - | 6.9 | 6.9 | - | - | - | - | 70.3 | 70.3 |
| 2048 | - | 15.0 | 15.0 | - | - | - | - | - | - | - | - | - | - | 15.0 | 15.0 |
| 2049 | - | 2.9 | 2.9 | - | - | - | - | - | - | - | - | - | - | 2.9 | 2.9 |
| 2050 | - | 0.0 | 0.0 | - | - | - | - | - | - | - | - | - | - | 0.0 | 0.0 |

Notes:

Does not include debt service for State Service Contract Bonds and Convention Center Bonds, which is paid by NY State. Also excludes COPS lease payments.

Includes interest budgeted for Transportation Revenue Commercial Paper and debt service on bonds that will defease the CP in 2012.

Forecasted Investment Income is not included above.

Debt service associated with the 2010-2014 Capital programs is included in the table above

Includes effect of cash defeasance implemented in September 2007.

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Agency Baseline Assumptions

Agency Baseline Assumptions

The 2010 Preliminary Budget and 2010-2013 Financial Plan updates the February Financial Plan and includes one additional year (2013).

There are significant differences between the February and July Financial Plans. The February Plan was constructed with the hope that the MTA would receive financial assistance from New York State. The MTA, however, could not count on any external help and was required by law to present to the Board a Plan that would provide internal solutions for its funding shortfalls. These shortfalls were mainly due to revenue reductions which were the result of a collapsing real estate market and weak economy. Also impacting MTA finances were increases in “uncontrollable” expenses such as pensions, health & welfare, paratransit and fuel.

The MTA’s February Financial Plan, therefore, included a number of very significant deficit reduction measures necessary to achieve a balanced 2009 budget. These included a June 2009 increase in fare and toll yields of 23% and Additional Actions for Budget Balance (AABBs), including service reductions, totaling \$277 million in 2009 and over \$400 million in 2010 and the out-years. These were on top of actions that had already been taken or proposed, including the 2009 PEG Program, additional administrative reductions, loans and the assumption that our workforce would agree to lower wage increases.

Fortunately, on May 7th, legislation was enacted providing additional sources of revenue in the form of taxes, fees and surcharges to address the financial needs of the MTA. Subsequently, the MTA Board approved fare and toll increases of 10% in place of the earlier adopted 23% yield increase, and rescinded those Additional Actions for Budget Balance (AABBs) that impacted direct scheduled service to the public. Agencies, however, were required to maintain the remaining AABBs. In addition, they were also required to maintain any savings from the “hard freeze” levied on hiring and spending, as well as those other spending and administrative actions that were already included in the 2009 Adopted Budget.

Maintained AABBs (slightly modified) total \$147 million in 2009 and \$202 million in 2010. The July baseline includes maintained AABBs along with the savings from the 2009 PEG Program (\$87 million). They result in combined savings of \$288 million in 2010, or 4.4%. When further combined with the 2010 PEG Program, total savings equal \$352 million, or 5.4%.

For the July Plan, Agencies were instructed to adhere to the spending envelope contained in the February Financial Plan adjusted for the change in AABBs and savings from the “hard freeze”. Any expense growth beyond these levels (including any “New Need” program), had to be self-funded through internal savings. These savings can take the form of expense re-estimates or additional

PEGs. The exception to this, is any growth in “uncontrollable” areas including Health & Welfare, Pensions, Energy, Insurance and Paratransit are permissible, as these categories are heavily dependent on rates determined by outside factors.

In addition, the Agencies have now identified savings programs for 2010 and beyond that are consistent with the annual reduction targets they were given by MTA. Agencies were asked to identify savings that would not only reduce expenses in the short-term, but would also result in long-term improvements to MTA’s financial picture. Much of these savings are being generated through the 2010 PEG Program and are not part of the baseline, but rather included below-the-line as part of MTA gap-closing actions. The details of this program are included in a separate section of this report, “Gap Closing Programs”. Other savings, already approved by the MTA Board, are captured in the baseline through favorable expense re-estimates.

The 2010 Baseline Net Operating Deficit before Subsidies, Debt Service and Gap Closing Actions of \$7,160 million is \$252 million higher than the 2009 Mid-Year Forecast primarily as a result of inflationary expense increases. The change in Non-Cash Liability Adjustments, consisting of Depreciation, OPEB and Environmental Remediation expenses, accounts for \$158 million of the year to year change. Operating Revenues improved by 4.9% (\$298 million), which includes the annualized impact of the June 2009 fare/toll increase. Total Expenses before Non-Cash Liability Adjustments grew by \$392 million, or 4.1%. Some \$214 million of this increase to the baseline is the result of a 7.1% growth in “uncontrollable” baseline expenses (excludes debt service, policy actions and PEGs). The remaining expenses grow at 2.1% due primarily to contractual wage increases and higher materials costs due to the continued increase in maintenance efforts and rise in material prices. Over the 2009 to 2013 period, accrued baseline expenses, before below-the-line gap-closing actions, grow at an average annual rate of 4.4%. “Uncontrollable” expenses are projected to grow over the period by 7.9%, while “controllable” expenses will grow by only 2.5%.

The baseline excludes MTA Gap Closing actions and a provision for additional NYCERS expenses based on investment losses not yet captured in actuarial reports. These items are described in a separate volume of this report. Inclusion of these items would lower the growth rate in 2010 to 3.6% and growth over the 2009-2013 period to an average increase of 4.0%. Controllable expenses are expected to increase by 1.5% in 2010 with an average annual growth of 1.3%.

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

AGENCY BASELINE **JULY CHANGES FROM FEBRUARY PLAN**

Favorable/(Unfavorable)
(\$ in millions)

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| Board Actions | (\$572) | (\$913) | (\$903) | (\$907) |
| AABB Restorations | (123) | (227) | (210) | (204) |
| Rescind 23% Fare/Toll Yield Increase | (700) | (1,180) | (1,194) | (1,210) |
| 10% Fare/Toll Increase | 251 | 494 | 501 | 506 |
| New Needs/Investments | (\$47) | (\$33) | (\$26) | (\$93) |
| New Service | (2) | (0) | (1) | (0) |
| Maintenance | (40) | (18) | (10) | (76) |
| Safety & Security | (3) | (8) | (9) | (9) |
| Other New Needs | (3) | (7) | (7) | (8) |
| Other Adjustments | (\$222) | (\$93) | (\$127) | (\$154) |
| Other Passenger/Toll Revenue | (103) | (131) | (121) | (135) |
| Other Revenue | (43) | (14) | (7) | (14) |
| PEG Program Re-Estimates | 3 | 3 | 4 | 6 |
| NYCT Capital Reimbursement Timing | (37) | 34 | 1 | 1 |
| Retroactive Wage Adjustments | (42) | 0 | 0 | 0 |
| Baseline Re-estimates | 2 | 15 | (5) | (12) |
| Uncontrollable Expenses | \$16 | \$3 | (\$44) | (\$62) |
| Traction and Propulsion Power | 1 | 11 | (10) | (30) |
| Fuel for Buses and Trains | 73 | 42 | 19 | 17 |
| Health & Welfare (including OPEB) | 35 | 39 | 42 | 43 |
| Pensions | (47) | (50) | (52) | (42) |
| Paratransit Service | (15) | (9) | (16) | (21) |
| Paratransit Urban Tax Revenue | (20) | (12) | (10) | (12) |
| Mobility Tax | (11) | (17) | (17) | (17) |
| B&T Adjustments¹ | \$141 | \$186 | \$183 | \$185 |
| Net Baseline Change | (\$684) | (\$851) | (\$919) | (\$1,031) |

¹ On MTA's cash statement, B&T is captured within the subsidy section and is not included within the agency portion of the cash baseline. While B&T impacts are captured above in individual reconciliation categories, these impacts are removed from the Net Baseline Change with this adjustment. Please note that the vast majority of this adjustment is the reduction in baseline toll revenue resulting from the lower-than-budgeted toll increase.

Overall, the baseline cash deficit is increasing over the plan period primarily as a result of lower fare/toll tariff change assumptions and the restoration of Additional Actions for Budget Balance (AABBs) that reduced direct service. New Needs are very modest and are primarily the result of the installation of quality control vandal shields and Intelligent Vehicle Network on buses, bulkhead repairs on older NYCT buses, Scheduled Maintenance System revision at NYCT, additional signal work at LIRR, and improvements to Harmon Shop Master Plan at MNR.

Unfavorable other adjustments are the result of lower revenue forecasts due to declining employment in the region.

Uncontrollable expense variances are mixed as significant Pension cost increases in each year of the Plan are offset by anticipated fuel savings in 2009 and 2010.

The impact of the tariff change led to lower farebox revenue of \$335 million in 2009, \$519 million in 2010, \$526 million in 2011, and \$535 million in 2012. Toll revenue changed by \$116 million in 2009, \$170 million in 2010, \$171 million in 2011, and \$172 million in 2012. In addition, the projected worsening in the economy further reduced farebox revenue by \$92 million in 2009, \$121 million in 2010, \$114 million in 2011 and \$125 million in 2012. Toll revenue also declined by \$11 million in 2009, \$10 million in 2010, \$7 million in 2011, and \$9 million in 2012.

MTA consolidated farebox revenue in the 2009 Mid-Year Forecast is projected to fall short of the 2009 Adopted Budget by \$425 million, a 9% decrease, reflecting a reduction in the 2009 fare increase from a 23% yield increase to a 10% fare increase, and the impact of lower ridership projections for all MTA agencies except MTA Bus. Utilization declines over the 2009 Adopted Budget levels reflect year-to-date ridership trends that are primarily due to both commutation and non-commutation shifts spurred by the economic recession, specifically job losses in New York City and throughout the region. For 2010, utilization forecasts assume NYC employment will decline from 2009, a more pessimistic projection than the one used in the February Financial Plan. MTA consolidated farebox revenue for 2010 in the July Plan is forecast to be lower than projections in the February Plan by \$636 million, a 12% decrease, which also reflects the full year impact of the smaller 2009 fare increases.

The 2009 Mid-Year Forecast for B&T toll revenue is projected to be \$127 million lower, a 9% decline, than the Adopted Budget forecast. As with ridership, toll revenue is adversely affected by both job losses and the lower toll increase than was incorporated in the February Plan and these will continue to impact B&T in 2010. B&T toll revenue for 2010 is projected to be \$180.3 million, or 12%, below the February Plan forecast.

Partially offsetting some of these adverse revenue impacts is the improvement in fuel prices and lower health & welfare (H&W) projections. Fuel prices have declined significantly as a consequence of the national recession and global economic slowdown. Consolidated H&W expenses are favorable in each year from 2009 through 2012, primarily as a result of lower projections for Empire Plan participants. Compared with the February Plan, H&W expenses for the period 2009-2012 are favorable by \$31 million, \$32 million, \$34 million, and \$33 million, respectively.

The 2010 Preliminary Baseline Budget includes modest service increases at Metro-North which will be introducing new buses for its Hudson Rail Link service and running a new pilot program for football service to the Meadowlands. Additionally, 2010 will be the first full season of service to Yankee Stadium since the 2009 service began several weeks after the start of the 2009 baseball season.

The MTA is continuing to improve the reliability and performance of its fleet and infrastructure through increased maintenance. The 2010 Preliminary Budget includes a significant increase in resources to address maintenance needs.

NYCT is revising its Scheduled Maintenance System to reflect the necessary work scope changes and material costs for the R62A car class 24-year maintenance cycle and decrease the replacement of subway car air compressors from a seven-year to a six-year cycle. NYCT has initiated a repair program for severely damaged bulkheads on its older Nova and Orion diesel bus fleets. A large number of these buses will be required to remain in active service beyond the standard 12-year life cycle due to delays in bus procurements and capital funding constraints. NYCT is maintaining a program for the replacement of Quality Control Vandal Shields, previously eliminated in Bus Depot Quality Control AABB reduction that will significantly improve the appearance of NYCT's surface fleet. NYCT is also installing new Intelligent Vehicle Network (IVN) components on its buses that reduce heat and exhaust in depots by disabling exhaust regeneration function as buses enter depot. MTA Bus will also be installing IVN components on its bus fleets. SIR is continuing fleet maintenance of its 64-car fleet in 2009 due to delays to the program in 2008.

Metro-North will be making improvements to its Harmon Shop Replacement Master Plan, and decrease the life cycle maintenance plan for station maintenance and its station painting program. In 2010, Metro-North will retire its remaining M1 fleet (30 cars) due to the completion of warranty work on the M7 fleet which will increase its peak fleet availability. In 2011, it will add positions to support a new maintenance facility shop complex in New Haven and provide additional funding for Genesis locomotive overhauls. The LIRR maintenance investments include increases for Car Shop running repairs, M-7 Life Cycle Maintenance (LCM) re-estimates, diesel shop improvements and increased contractual costs for its GE and Crown car class maintenance.

The establishment of Regional Bus operations (an important component of institutional transformation) is expected to improve the bus maintenance practices at NYCT, LI Bus and MTA Bus through the standardization of maintenance procedures and service manuals and the utilization of technical services resources and best practices from each Agency.

Safety & security costs are increasing in each year of the Plan due primarily to improvements by MNR for various GCT Security programs, the installation of

protective driver shields on buses, the purchase of respirator masks at NYCT, and signal system improvements at the LIRR.

Other new needs include increases for road and inside dispatchers at MTA Bus and LI Bus, increases for storeroom improvements at MTA Bus and additional fare collection oversight at the LIRR.

The category 'Other baseline re-estimates' is a combination of changes, including revised inflation forecasts, timing differences, operating capital and cash adjustments. It also includes favorable expense re-estimates including station staffing adjustments at NYCT, overhead recovery changes at MNR and improved loading guidelines at MTA Bus.

Paratransit costs are increasing at NYCT due to new funding for operating more sedans (which are funded through the Operating Budget), increases for scheduling services, a higher ridership forecast that is expected to exceed budget by 3% and a reduction in carrier productivity.

Accrued Baseline Assumptions

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

Please note that the 2009 Adopted Budget and February Financial Plan included AABBs that were captured on a discrete line in the financial statements of the MTA and its' agencies. For the July Plan, the remaining AABBs are now captured in individual generic expense categories. As a result, the Plan to Plan reconciliation is showing favorable impacts in several expense categories that are offset by an unfavorable variance in the AABB discreet line. In addition to this reclassification, the AABB unfavorable variance is also due to the restoration of service-related AABBs in May. The narrative below describes variances in the other expense categories -- capturing the impact of the AABB reclassification and any other changes impacting that category.

2009 Mid-Year Forecast

In its 2009 Mid-Year Forecast, the MTA projects a Net Operating Deficit Before Subsidies and Debt Service of \$6,908 million, \$755 million worse than the Adopted Budget. Total Operating Revenue and Total Operating Expenses were \$612 million and \$143 million worse, respectively.

Revenue

Farebox and Toll Revenue are expected to decrease from the 2009 Adopted Budget by \$425 million (9%) and \$127 million (9%), respectively, due primarily to reduced fare/toll increase assumptions and the impact of worsening projected employment levels on ridership.

Expenses

Payroll expenses are expected to decrease \$42 million from the Adopted Budget. Overall, it reflects favorable changes to NYCT (\$28 million), MNR (\$6 million), the LIRR (\$4 million), B&T (\$2 million) and MTAHQ (\$1 million). Most of the impact is due to the inclusion of the AABBs in the baseline, but there are also other notable reductions. B&T's payroll reduces by \$2 million due to higher vacancies, which is not expected to recur. MNR's payroll includes a \$2 million favorable reduction due in part to a rescheduling of hiring security plan personnel.

Pension costs are expected to increase \$46.9 million from the Adopted Budget based on the most recent NYCERS actuarial valuation. This excludes an additional valuation captured in Volume I that makes a provision for the most recent market losses.

Health & Welfare expenses and other-fringe benefits are projected to decrease from the Adopted Budget by \$31 million and \$17 million, respectively, as a result of lower projected costs for Empire Plan participants.

Savings of \$73 million is projected for fuel for buses and trains due to the effect of revised inflation assumptions that lowers fuel prices based on national trends.

Maintenance and materials are projected to decrease from the Adopted Budget by \$33 million and \$12 million, respectively, reflecting the overall impact of re-estimated scheduled maintenance work and maintenance cycles.

The general reserve is being halved since the year is approximately half over and the risk should be reduced accordingly.

2010 Preliminary Budget

MTA's 2010 Preliminary Baseline Budget projects a Net Operating Deficit before Subsidies and Debt Service of \$7,160 million. Total operating revenue of \$6,387 million is \$298 million higher than the 2009 Mid-Year Forecast -- reflecting primarily the annualized impact of a 10% fare/toll increase and higher other operating revenue. When compared with the 2010 Forecast in the February Plan, revenue is \$840 million worse due primarily to lower tariff change assumptions, the overall effect of the economy on ridership and lower advertising revenue.

Total 2010 operating expenses of \$13,547 million are \$549 million higher than the 2009 Mid-Year Forecast due mostly to increases in Non-Cash Liability Adjustments, particularly in depreciation and OPEB obligation, the annualized impact of wage settlements on labor costs, higher traction and propulsion power, paratransit, fuel, maintenance and materials. When compared with the 2010 Forecast in the February Plan, expenses are \$251 million higher. Virtually all of this is the result of increases in uncontrollable expenses.

2011 – 2013 Forecast

The July Forecast includes increases to the baseline in the out-years mainly as a result of higher Non-Cash Liability Adjustments, and increases in costs for paratransit, traction and propulsion power, fuel, OPEB and maintenance. In addition, it includes higher projections for fare/toll and other revenue.

The following pages provide a more detailed description of the assumptions used in formulating the 2010 Preliminary Budget and the forecasts for the years 2011 through 2013. Additional detail can be found in individual Agency sections.

Additional Actions for Budget Balance

In response to reduced dedicated tax forecasts, declining state and local aid and the weakening economy, the MTA devised a savings program, Additional Actions for Budget Balance (AABBs), in addition to its annual 1.5% expense reduction goal. The 2009 February Financial Plan included AABBs that were expected to generate savings of \$277 million in 2009, \$424 million in 2010, \$406 million in 2011 and \$411 million in 2012. The associated position reductions from these proposals were 2,765 in 2009, 2,928 in 2010, and 2,903 in each year from 2011-2012. Please note the AABBs were captured in the 2009 February Financial Plan baseline within discrete revenue and expense line items, and were not allocated to conventional generic revenue and expense categories.

On May 7, 2009, legislation was enacted in New York State providing additional sources of revenues in the form of taxes, fees and surcharges to address the MTA's financial needs. Consequently, on May 17, 2009 the MTA Board approved the restoration of all AABBs that directly impacted scheduled service to the public. The following table details the AABBs that were restored and maintained in the baseline by Agency:

| MTA Consolidated Additional Actions for Budget Balance -Summary of Restore/Maintain As Approved by MTA Board on May 17, 2009 (in millions) | | | | | | | | |
|--|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| | 2009 | | 2010 | | 2011 | | 2012 | |
| | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> |
| Restored | | | | | | | | |
| New York City Transit ¹ | 1,588 | \$94.0 | 1,468 | \$178.7 | 1,352 | \$171.9 | 1,243 | \$165.5 |
| Long Island Rail Road | 40 | 4.5 | 85 | 12.6 | 65 | 11.0 | 65 | 11.3 |
| Metro North Railroad | 16 | 7.6 | 16 | 7.8 | 16 | 7.8 | 16 | 7.8 |
| Bridges & Tunnels | 14 | 3.1 | 14 | 3.3 | 14 | 3.3 | 14 | 3.3 |
| MTA Headquarters | - | 2.2 | - | 3.9 | - | 4.0 | - | 4.1 |
| MTA Bus ² | 125 | 8.7 | 125 | 15.6 | 125 | 15.7 | 125 | 16.3 |
| Long Island Bus | 15 | 1.0 | 15 | 1.3 | 15 | 1.3 | 15 | 1.3 |
| Total MTA-Wide Restored | 1,798 | \$121.1 | 1,723 | \$223.0 | 1,587 | \$215.1 | 1,478 | \$209.6 |
| Maintained | | | | | | | | |
| New York City Transit | 723 | \$59.3 | 869 | \$99.3 | 983 | \$115.2 | 1,092 | \$122.5 |
| Long Island Rail Road | 123 | 31.7 | 233 | 40.2 | 228 | 41.7 | 228 | 42.7 |
| Metro North Railroad | 72 | 27.3 | 72 | 27.3 | 72 | 27.3 | 72 | 27.3 |
| Bridges & Tunnels | 14 | 11.9 | 14 | 17.3 | 14 | 0.4 | 14 | 3.8 |
| MTA Headquarters | 21 | 8.6 | 21 | 8.6 | 21 | 8.9 | 21 | 9.1 |
| MTA Bus ² | 43 | 7.4 | 43 | 7.2 | 43 | 5.6 | 43 | 5.8 |
| Long Island Bus | 6 | 4.5 | 6 | 4.6 | 6 | 4.6 | 6 | 4.6 |
| Total MTA-Wide Maintained | 1,002 | \$150.7 | 1,258 | \$204.6 | 1,367 | \$203.8 | 1,476 | \$215.9 |

¹ NYCT July Plan Restored AABB Value is \$96.4M/1,539 pos in 2009, \$182.9M/1,403 pos in 2010, \$167.0M/1,288 pos in 2011, \$159.7M/1,179 pos in 2012, \$152.8M/1,179 pos in 2013.

² MTA Bus Additional Actions for Budget Balance result in lower subsidies for New York City and no net savings to MTA's financial plan.

In the 2010 July Financial Plan, NYCT, the LIRR, MNR, B&T and LI Bus included re-estimates of maintained AABBs. Re-estimates were primarily due to minor modifications of several AABBs and timing.

The July baseline includes maintained AABBs along with the savings from the 2009 PEG Program (\$87 million). They result in combined savings of \$288 million in 2010, or 4.4%. When further combined with the 2010 PEG Program, total savings equal \$352 million, or 5.4%.

The attached table details the maintained and the re-estimated values of AABBs for each year of the July Financial Plan. Please note that the Agencies rolled the maintained AABBs into the appropriate generic line-items for 2009 and all years of the Financial Plan.

**MTA Consolidated
July Financial Plan 2010-2013
Summary of Additional Actions for Budget Balance
(in millions)**

| | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|---|------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> |
| New York City Transit Maintained | 723 | 59.3 | 869 | 99.3 | 983 | 115.2 | 1,092 | 122.5 | 1,092 | 122.5 |
| <i>AABB re-estimates</i> | 0 | (1.2) | 0 | (2.4) | 0 | (2.4) | 0 | (2.4) | 0 | (2.4) |
| New York City Transit July Plan | 723 | \$58.1 | 869 | \$96.9 | 983 | \$112.8 | 1,092 | \$120.1 | 1,092 | \$120.1 |
| Long Island Rail Road Maintained | 123 | 31.7 | 233 | 40.2 | 228 | 41.7 | 228 | 42.7 | 228 | 42.4 |
| <i>AABB re-estimates</i> | (9) | 0.7 | (25) | 0.2 | (24) | (1.2) | (29) | (4.6) | (29) | (4.9) |
| Long Island Rail Road July Plan | 114 | \$32.4 | 208 | \$40.4 | 204 | \$40.5 | 199 | \$38.1 | 199 | \$37.5 |
| Metro North Railroad Maintained | 72 | 27.3 | 72 | 27.3 | 72 | 27.3 | 72 | 27.3 | 72 | 27.3 |
| <i>AABB re-estimates</i> | 0 | (1.2) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Metro North July Plan | 72 | \$26.1 | 72 | \$27.3 | 72 | \$27.3 | 72 | \$27.3 | 72 | \$27.3 |
| Bridges & Tunnels Maintained | 14 | 11.9 | 14 | 17.3 | 14 | 0.4 | 14 | 3.8 | 14 | 3.8 |
| <i>AABB re-estimates</i> | 0 | (1.8) | 0 | (0.6) | 0 | (0.7) | 0 | (0.7) | 0 | (0.5) |
| Bridges & Tunnels July Plan | 14 | \$10.1 | 14 | \$16.6 | 14 | (\$0.2) | 14 | \$3.1 | 14 | \$3.3 |
| MTA Headquarters Maintained | 21 | 8.6 | 21 | 8.6 | 21 | 8.9 | 21 | 9.1 | 21 | 9.1 |
| <i>AABB re-estimates</i> | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| MTA Headquarters July Plan | 21 | \$8.6 | 21 | \$8.6 | 21 | \$8.9 | 21 | \$9.1 | 21 | \$9.1 |
| Long Island Bus Maintained | 6 | 4.5 | 6 | 4.6 | 6 | 4.6 | 6 | 4.6 | 6 | 4.6 |
| <i>AABB re-estimates</i> | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | (0.1) | 0 | 0.0 |
| Long Island Bus July Plan | 6 | \$4.5 | 6 | \$4.6 | 6 | \$4.6 | 6 | \$4.6 | 6 | \$4.6 |
| MTA Bus Maintained | 43 | 7.4 | 43 | 7.2 | 43 | 5.6 | 43 | 5.8 | 43 | 5.8 |
| <i>AABB re-estimates</i> | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| MTA Bus July Plan | 43 | \$7.4 | 43 | \$7.2 | 43 | \$5.6 | 43 | \$5.8 | 43 | \$5.8 |
| <i>Total July Plan AABBs re-estimates</i> | (9) | (\$3.5) | (25) | (\$2.8) | (24) | (\$4.3) | (29) | (\$7.8) | (29) | (\$7.7) |
| Total July Plan AABBs Maintained | 993 | \$147.3 | 1,233 | \$201.7 | 1,343 | \$199.6 | 1,447 | \$208.1 | 1,447 | \$207.8 |

OTHER OPERATING REVENUE

Other Operating Revenue growth from 2009 through 2013 was influenced by a number of different factors including government reimbursements, fees and contractual and inflationary increases.

NYCT's year-to-year increases are primarily due to NYC contractual reimbursements for Paratransit expenses, advertising revenue, and non-recurring cash receipts. The LIRR's year-to-year growth is primarily due to the implementation of AABBs associated with advertising on the exterior of train cars, and contractual and inflationary increases. MNR's year-to-year changes from 2009 through 2013 reflect higher revenues from parking expansions, new advertising initiatives (including the full year impact from Yankee-E. 153rd Station), contractual increases in advertising revenue, higher GCT retail revenue, and the impacts of funding GCT restoration projects. B&T's Other Operating Revenue in 2009 is projected at \$10.9 million with nominal growth of \$0.1 million in 2010 and increases of \$0.2 million in each year from 2011 through 2013 primarily due to modest income growth from the Battery Parking Garage. MTA Bus year-to-year increases from 2010 through 2013 are mainly due to contractual increases in advertising revenue. The minor fluctuations in year-to-year changes for LI Bus are based on contract rates tied to advertising and grant funding.

The 2009-2012 July Plan decreases, compared with the February Plan, are primarily the result of NYCT's reduction in Urban Tax revenue dedicated to Paratransit operations based upon a weakening NYC commercial real estate market and lower projected advertising revenue due to advertising agency financial difficulties. In addition, a NYS legislative change in 2009 resulted in a reduction in student fare reimbursement at NYCT of \$19.7 million in 2009.

PAYROLL

MTA consolidated payroll expenses from 2009 through 2013 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages and capital project activity. NYCT's TWU contract expired in January 2009 and, thereafter, NYCT assumes CPI inflationary growth based on forecasts from Global Insight (2.94% in 2009, 1.87% in 2010, 2.23% in 2011, 2.20% in 2012 and 1.97% in 2013). The LIRR's labor agreements include a 2009 contractual rate increase of 3.0%; however, the 3.0% is for an 18-month period which saves money in the following years. Afterwards, CPI is assumed and is consistent with NYCT's pattern wage inflationary assumptions. Similar to the LIRR, MNR's assumptions are 3.0% for 2009 (18 months) followed by pattern wage inflationary assumptions. MTA Bus settled a major labor contract with the TWU in June 2009 for the period covering April 1, 2006 through March 31, 2009. This contract will trigger retroactive wage

payments and benefits dating back to 2006 as well as wage parity with NYCT employees going forward. At the present time the MTA and the TWU are engaged in arbitration over the terms of a new three-year contract. Non-Represented employee salaries are 3.0% in 2009 followed by pattern wage inflationary assumptions.

Consistent with the February Plan, the MTA has included a new contract labor contribution as a Gap Closing Program.

2009 Mid-Year Forecast

Consolidated payroll expenses of \$4,175 million are forecasted to be \$42 million lower than the 2009 February Plan. Overall, there are favorable changes to NYCT (\$28 million), MNR (\$6 million), the LIRR (\$4 million), B&T (\$2 million) and MTAHQ (\$1 million). Most of the impact is due to the inclusion of the AABBs in the baseline, but there are also other notable reductions. B&T's payroll is reduced \$2 million due to higher vacancies in 2009; which is not assumed after 2009. MNR's payroll includes a \$2 million favorable reduction due in part to a rescheduling of security plan personnel hiring.

Aside from the overall reductions to payroll, NYCT's payroll is partly increased by \$3 million due partly to changes in the subway maintenance program. MTA Bus' payroll increases \$3 million due to the impact of the recent labor settlement. The LIRR has \$2 million in higher payroll expenses due to several modest assumption changes.

2010 Preliminary Budget

MTA consolidated payroll expenses of \$4,257 million are \$82 million more than 2009. This change is primarily caused by assumed labor rate increases, partially offset by the impact of the value of fully annualized AABBs (the impact of AABBs is greater in 2010 than 2009 due to varying schedules for implementation).

Payroll expenses are forecast to be \$80 million lower than the February Plan. The decrease is composed mainly of NYCT (\$58 million), the LIRR (\$18 million) and MNR (\$4 million). These decreases are primarily the results of AABBs. In addition, NYCT's decrease also reflects changes to the subway maintenance program and station staffing re-estimates resulting in \$2 million in lower expenses. MTAHQ's payroll reflects over \$1 million in lower assumed salaries related to BSC as a result of revised employee salary assumptions.

While overall payroll is reduced from February there are partially offsetting changes. MTA Bus payroll increases \$4 million due to the impact of the recent labor settlement. LI Bus payroll increases \$1 million due to the impact of hiring additional dispatcher/road manager positions.

2011 – 2013 Forecasts

Consolidated payroll expenses in 2011 of \$4,344 million are \$87 million more than 2010. On a year-to-year basis, payroll expenses in 2012 and 2013 of \$4,433 million and \$4,551 million increase \$89 million and \$118 million from the respective previous years. These annual increases are driven primarily by inflationary increases and the continuation of major programs from prior years. 2013 represents the beginning of hiring for the LIRR's East Side Access ramp-up with a year-end increase in headcount of 183 positions. The additional positions will increase payroll over \$10 million.

Compared to the February Plan, consolidated payroll expenses are reduced by \$86 million in 2011 and \$66 million in 2012. These reductions mainly result from agencies' AABBs. Partially offsetting the 2012 reductions, NYCT has \$18 million in higher expenses due to the timing of scheduled maintenance requirements.

OVERTIME

MTA consolidated overtime expenses from 2009 to 2013 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages and capital project activity. Overall, wage increases for represented employees generally follow the pattern established by the expired TWU contract.

2009 Mid-Year Forecast

Consolidated overtime expenses of \$479 million are forecasted to be \$7 million more than the February Plan. The LIRR's overtime increased over \$6 million due to the impact of inclement weather experienced earlier in the year and higher overtime in the Equipment, Transportation and Engineering departments, partially offset by the impact of AABBs. B&T's overtime increases over \$2 million due primarily to a rate adjustment resulting from contract settlements and the back-filling of vacant positions. Partially offsetting these increases is a \$3 million reduction projection at NYCT reflecting lower year-to-date accruals for the first part of 2009.

2010 Preliminary Budget

Consolidated overtime expenses of \$469 million are \$10 million less than 2009. This decrease is due to incident and non-recurring trends in the 2009 Mid-Year forecast that are not expected to continue in 2010, such as unscheduled overtime requirements for vacancy coverage associated with mandated hiring delays and weather conditions. This decrease is also reflective of the fully annualized value of AABBs that began in 2009. The largest year-to-year decrease was \$7 million at the LIRR as a result of non-recurring overtime

increases in 2009 driven by weather, lower Engineering Department needs and coverage requirements for the M7 fleet Life Cycle Maintenance Program. NYCT's overtime is reduced \$3 million due to trends in 2009 that are not expected to recur in 2010.

On a plan-to-plan basis overtime is reduced by \$10 million. This is mainly the result of \$11 million in lower expenses at NYCT which is due partly to the inclusion of AABBs in the baseline and re-estimates for subway maintenance requirements. Changes at all other agencies were less significant (\$1 million or less).

2011 – 2013 Forecasts

Consolidated overtime expenses in 2011 of \$476 million are \$7 million higher than 2010. This increase is primarily caused by an assumed labor rate increase of 2.23%. On a year-to-year basis, overtime expenses increase \$10 million in 2012 and \$10 million in 2013. These increases reflect assumed labor rate inflators of 2.20% in 2012 and 1.97% in 2013.

The consolidated overtime assumption for 2011 and 2012 are each \$13 million less than the February Plan. Decreases are mainly caused by overtime re-estimates at NYCT due to the impact of AABBs and subway maintenance re-estimates. Changes at all other agencies were less significant (\$1 million or less).

HEALTH & WELFARE

Year-to-year increases are primarily driven by inflators provided by the NYS Department of Civil Service (DCS) on May 18, 2009. For individual coverage, a decrease of 0.4% is applied to 2008 premium rates, an increase of 9.8% for 2010, and an increase of 6.7% for 2011-2013. For family coverage, an increase of 1.2% is applied over 2008 premium rates, an increase of 9.6% for 2010, and an increase of 7.2% for 2011-2013. Also contributing to the Health & Welfare variances are changes in employee levels.

The unusually low 2009 premium forecast is due to favorable interest income generated on premiums paid in 2008, a \$275M dividend used to mitigate the net premium increase and the use of favorable premium arrangements.

The reduction in the 2009 baseline results in savings in every year of the plan.

OTHER POST EMPLOYMENT BENEFITS (OPEB) and GASB FUND

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

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

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

The July Financial Plan projects Agency contributions of \$60 million in 2009, \$62 million in 2010, \$65 million in 2011, \$68 million in 2012, and \$72 million in 2013. Included in these contributions are the Health & Welfare contributions made by those represented employees required to do so.

The July Plan reflects the pay-as-you-go component for OPEBs in the expense category called "OPEB Current Payment". Growth in this category is consistent with the assumptions described under Health & Welfare.

Compared to the February Plan, OPEB current payment expenses were lower for 2009-2012 by \$3.4 million, \$6.3 million, \$8.3 million, and \$10.5 million, respectively, primarily due to lower-than-planned rate increases in Health & Welfare.

PENSIONS

Year-to-year pension changes are influenced mainly by the most recent actuarial valuations for the pension plans which MTA employees participate in. Changes in assumed position levels, wage growth and labor settlements also impact pension expenses.

Total pension expenses of \$995 million in 2009 increase by \$20 million in 2010. Pensions increase by \$11 million in 2011, \$28 million in 2012 and \$12 million in 2013. Total pensions in 2013 are \$1,066 million. Yearly increases reflect growth in the Annual Required Contributions (ARCs) for MaBSTOA, the LIRR Plans and the MTA Defined Benefit Plan. The increases incorporate the pension provision established in the November 2008 Financial Plan for anticipated impact to the ARCs from the ongoing bear market. The provision was \$35 million for 2009, \$70 million for 2010, \$105 million for 2011 and \$140 million for 2012. The provision was allocated to the applicable agencies in the February Plan. Partially offsetting these year-to-year increases are moderate reductions in the ARCs for NYCT's New York City Employee Retirement System (NYCERS) which reflect the valuation assumptions by the City's Chief Actuary.

Plan-to-plan changes are primarily driven by increased expenses at NYCT. NYCT has incorporated the impact of the City's 2009 fiscal year valuation for NYCERS (which preceded the Fall 2008 collapse of the financial markets). This results in \$40 million or more in additional pension expenses for each year of the plan. Changes at other agencies are modest.

A reserve has been established by the MTA for the expected increased obligations for NYCERS pension expenses. The provision, captured in Volume 1 of the July Plan, is \$27 million for 2010, \$81 million for 2011, \$135 million for 2012 and \$189 million for 2013. The increased obligations are assumed because of the impact of recent market losses of the plan's assets will be addressed in an upcoming actuarial valuation. These losses will appear in the next NYCERS valuation for the fiscal year 2010.

TRACTION AND PROPULSION POWER

MTA has a Long-Term Agreement (LTA) through 2017 with the New York Power Authority (NYPA) to supply electricity within the City of New York and Westchester County. The LTA requires that many of NYPA's assets be allocated to serve its New York City governmental customers, which have included two power plants in New York City (with one being decommissioned and a new replacement plant under construction), dedicated transmission lines from upstate, and a purchase power agreement with Entergy for below-market nuclear energy. While the above-described assets have limited the exposure of volatility in the energy markets, they do not eliminate it completely. In fact, recent developments have increased MTA's exposure to energy price volatility: there is the potential loss of the dedicated rights to the transmission lines from upstate, which would increase energy delivery costs; delays in securing financing for the new power plant will also result in increased costs until the new plant is placed on-line, and; the low-cost power agreement with Entergy expired at the end of 2008. In an effort to reduce MTA's exposure to the fluctuating energy market, the MTA, City of New York and other NYPA government customers have worked with

NYPA to implement a hedge program, with customers responsible for marginal gains or losses due to market prices.

NYPA cost of service projections for 2010 are expected to increase by 12.3% over 2009. Rates for 2011 and beyond are expected to increase by 13.0% annually. Rates for 2010 are favorable compared with the February Plan. However, for the period 2011-2012, rates are unfavorable when compared to the February Plan. Near-term variances are favorable, while out-year variances are unfavorable, as a consequence of the national recession and global economic slowdown. During 2009, world-wide energy consumption has been less than anticipated, and lower demand has tempered energy prices. This situation is expected to continue into 2010, but economic recovery is expected to lead to greater than anticipated demand for energy which will be reflected in energy price increases during the 2011 through 2012 period.

Con Edison delivers the NYPA power in New York City and Westchester County. In accordance with the most recent Con Ed rate case, costs for the period 2010-2013 are expected to increase by 20.5%, 23.0%, 10.0%, and 10.0%, respectively. In comparison to the February Plan, these rates are worse by 17.5% in 2010, 16.0% in 2011, and 3.0% in 2012. While the NYS Public Service Commission approved rates lower than those requested by Con Edison, the approved rates are much higher than what had been expected as part of a final rate tariff.

The Long Island Power Authority (LIPA) cost of service is estimated to increase 5.7% in 2010, followed by increases of 3.5% in 2011, and 4.0% in each year in 2012 and 2013. On a plan-to-plan basis, rates are unchanged in 2009 and 2010 from those assumed in the February Plan, but for years 2011 through 2012, rates are slightly favorable. Prices for Connecticut Light & Power (CL&P) supplied electricity are expected to increase annually by 5.0% from 2010 through 2013. These rates remain unchanged from the February Plan.

NYCT and the LIRR each updated their usage based on current and historical performance in addition to the aforementioned rate increases. MNR's forecast also reflects current consumption trends as well as the incorporation of service additions. In years 2010-2013, MNR has incorporated the net effect of the Equipment Replacement Plans for the New Haven, Harlem and Hudson Lines. Changes over the period are primarily due to the incorporation of the new M8 cars into New Haven Line service offset by the gradual retirement of the M2 car fleet.

Compared with the February Plan, NYCT is unfavorable by approximately \$3 million in 2009, favorable by \$6 million in 2010, then unfavorable in 2011-2012 by \$9 million and \$24 million, respectively, due primarily to higher projected NYPA and Con Edison delivery rates. For 2009, the LIRR had very slight changes from the February Plan, but is worse in each of the following years from 2010-2012 by

\$1 million, \$4 million and \$6 million, respectively, primarily due to increasing Con Edison delivery rates. For years 2009-2012, MNR is favorable by \$4 million, \$6 million, \$3 million, and less than \$1 million, respectively, compared to the February Plan. Compared with the February Plan, expenses are favorable by approximately \$1 million in 2009, \$11 million 2010, and unfavorable by \$10 million in 2011 and \$30 million in 2012.

FUEL FOR BUSES AND TRAINS

MTA uses the New York Mercantile Exchange's (NYMEX) futures and option markets to forecast future price changes for diesel fuel and natural gas. The NYMEX forecasts extend out 36 months for diesel and 60 months for natural gas.

Using NYMEX projections as a basis for Ultra Low Sulfur Diesel (ULSD), the MTA instructed Agencies to apply projected rate increases of 22.0% in 2010, 8.6% in 2011, 6.4% in 2012 and 12.8% in 2013. Global Insight forecasts as of April 2009 are applied in 2013. MNR also incorporated the cost for its service plan enhancements.

Compared with the February Plan, expenses for the period 2009-2012 are favorable by \$73 million, \$42 million, \$19 million, and \$17 million, respectively. Favorable variances during the 2009-2012 period are primarily the result of significantly lower prices than those forecasted in the February Plan. Fuel prices have declined significantly as a consequence of the national recession and global economic slowdown. During 2009, world-wide energy consumption has been less than anticipated, and lower demand has tempered energy prices. This situation is expected to continue into 2010, but economic recovery is expected to lead to greater than anticipated demand for energy which will be reflected in energy price increases during the 2011 through 2013 period; while there continue to be plan-to-plan savings in 2011 and 2012, those savings are much smaller than savings in 2009 and 2010 as fuel prices rebound along with the global economy.

INSURANCE

Year-to-year increases in Insurance expenses are primarily driven by assessments of market conditions made by MTA's Risk Management Department in conjunction with its brokers. Premiums are increasing by 10% in each year for most policies. The Paratransit (Access-A-Ride) policy is inflated by 20% per annum in anticipation of the addition of new carriers. All-Agency Comprehensive Automotive Liability policy is inflated by 20% primarily driven by revised actuarial projections.

In 2011, the additional increase in Insurance expenses reflects the renewal of several multi-year policies, including All-Agency Environmental Liability, Travel Accident and Lead Abatement.

Compared with the February Plan, Insurance expenses are lower in all years of the Plan primarily due to changes in First Mutual Transportation Assurance Company (FMTAC) insurance premium assumptions, which are captured as credits to the Insurance expense line. Premiums paid to FMTAC are aligned with MTA Agency forecasts for insurance and reflect increases in claims expenses and reserve adjustments.

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

CLAIMS

For all agencies, Claims expenses are based on inflationary assumptions, actuarial evaluations and historical performance. On a year-to-year basis, LI Bus' estimates also include a cash adjustment of \$1.4 million in 2009 as a result of 2008 timing.

In comparison to the February Plan, FMTAC expenses are increasing by \$2.4 million, \$4.6 million, \$5.3 million, and \$10.6 million in years 2009-2012, respectively, primarily as a result of unfavorable developments in updated loss projections.

PARATRANSIT SERVICE CONTRACTS

Expenses increase from \$376 million in 2009 to \$641 million in 2013 or 70.4% over the period. The annual percentage increase per year is 10.0% in 2010, 12.8% in 2011, 17.4% in 2012 and 17.2% in 2013. The primary driver of these expense increases is projected annual ridership growth of 15% and cost-per-trip inflation projections based upon current carrier contracts. 2009 includes an \$8 million unfavorable cash timing adjustment from 2008.

Compared to the February Plan, expenses increase \$9.3 million in 2009, and decrease \$9.7 million, \$15.7 million, and \$14.3 million in 2010-2012, respectively. Most of the reduction is the result of the inclusion of AABBs in the generic expense categories. Paratransit costs increase in 2009 primarily due to sedan fleet expansion, higher vendor contractual costs (trip scheduling), increased ridership and a shortfall in carrier productivity.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Expenses for Maintenance and Other Operating Contracts for all MTA Agencies are inflated by Global Insight's CPI-U forecasts in each year from 2009 through 2013.

In addition to these inflationary increases, NYCT includes the NYPA/Con Edison energy rate increases for non-traction power of 13.1% in 2010, 14.0% in 2011, 12.7% in 2012 and 12.7% in 2013. 2009 includes a \$5.1 million unfavorable cash timing adjustment from 2008.

For 2009 to 2012, costs at the LIRR remain relatively flat with minor inflationary increases. 2013 includes East Side Access start-up costs.

For MNR, 2010-2013 include fluctuating costs for East and West of Hudson locomotive overhauls. In 2010, these costs increase by \$3.4 million; 2011-2013 include reductions of \$3.0 million, \$5.0 million and \$2.9 million, respectively, as program costs wind down or are completed. Also, included in 2010 are additional costs for office space renovations, GCT maintenance, and security monitoring services. 2011 includes the cost of Customer and Employee Communications initiatives. 2010-2011 incorporates lower West of Hudson subsidy payments of \$1.7 million in 2010, \$1 million in 2011, \$0.7 million each in 2012 and 2013 related to contract cost escalations and the removal of service enhancements. 2011-2012 include equipment disposal costs primarily for M2 cars.

B&T's expenses are \$0.5 million lower in 2010 than 2009 primarily due to a decrease in bridge painting costs associated with realigning painting with capital projects as included in the AABBs and major maintenance for completing the 2009 rollover, offset by higher new Customer Service Center (CSC) contract costs due to an expected increase in E-ZPass accounts, the full year's impact of the July 2009 toll increases on credit card fees and a re-estimate of other maintenance contracts. In 2011 and 2012, expenses are higher due to an increase in bridge painting expenses and higher CSC operating costs. In 2013, expenses increase due to higher CSC operating costs.

SIR's expenses for 2010-2013 reflect the NYPA projected annual increases and the Global Insight inflation forecast. 2009 and 2010 include an estimated \$11.0 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014. Additionally, 2009 includes \$2.0M of expenses delayed from 2008.

Compared with the February Plan, expenses decrease \$33.0 million in 2009, decrease \$24.4 million in 2010, increase \$0.5 million in 2011 and increase \$5.1

million in 2012. The decreases result primarily from the inclusion of AABBs in the generic expense categories.

MNR's expenses are lower in 2009-2012 due to reductions in electric and diesel fuel expenditures.

B&T is favorable in 2009 compared with the February Plan due to AABB reductions offset by increases primarily in major maintenance expenses for 2008 rollovers.

PROFESSIONAL SERVICE CONTRACTS

On an Agency-wide basis, Professional Service Contracts for 2010 through 2013 are inflated primarily by Global Insight's Regional CPI-U forecasts.

B&T's expenses in 2010 are \$0.8 million higher than 2009 primarily due to higher general engineering services. NYCT's year-to-year increases are largely due to inflation and 2009 includes a \$2.1 million unfavorable cash timing adjustment from 2008 offset by a decrease in desktop management services. MNR's increase of \$4.6 million in 2010 includes the restoration of a cost provision for general advertising fees, a one-time provision for Peoplesoft system modifications, and an increase in the allocation of MTA Police costs. MTA HQ year-to-year increases reflect the inclusion of certain re-estimated services as well as one time expenses that were required in 2009.

Compared to the February Plan, Professional Service Contracts decreased by \$8 million in 2009 primarily due to the inclusion of Additional Actions for Budget Balance in the baseline. In addition, B&T is favorable in 2009-2012 due to a reduction in planning studies, re-estimates of general engineering services, lower bond insurance service fees and training services.

MATERIALS & SUPPLIES

All-Agency increases in Materials and Supplies for 2009 through 2013 are inflated primarily by Global Insight's Regional CPI-U forecasts.

Materials and Supplies costs increase \$15 million or 2.6% between 2009 and 2010.

NYCT's expenses increase \$18.0 million in 2010 primarily due to the timing of subway and bus fleet maintenance program requirements and 2009 includes a \$2.0 million unfavorable cash timing adjustment from 2008.

B&T's expenses increase \$16.8 million in 2010 primarily due to higher additional inventory necessary for the E-ZPass tag replacement program. Expenses

increase \$2.5 million in 2011, decrease \$7.1 million in 2012 and increase \$2.4 million in 2013 due to changes in requirements for the E-ZPass tag replacement program.

The LIRR's expenses decrease \$17.6 million in 2010 largely due to Life Cycle Maintenance (LCM) material. 2011-2012 reflect higher LCM material, and 2013 includes East Side Access start-up costs.

MNR's expenses decrease \$3.3 million in 2010 due to savings from the completion of the Gear Box Overhaul program and changes in the H&H Equipment Replacement Plan. Expenses increase in 2011, 2012 and 2013 by \$7.8 million, \$5.3 million and \$2.6 million, respectively, due to additional material requirements for the NHL Equipment Replacement Plan, new M8 car spare parts, and additional material requirements for the seat change-out program on the M7 cars.

Compared to the February Plan, expenses decrease \$12.4 million in 2009, \$41.6 million in 2010, \$62.0 million in 2011 and \$26.7 million in 2012. Most of the reduction is the result of the inclusion of AABBs in the generic expense categories.

NYCT's expenses are favorable by \$13.6 million in 2010, \$30.3 million in 2011, and \$12.9 million in 2012 due to a re-estimate of the timing of subway and bus fleet maintenance program requirements.

The LIRR's expenses decrease in 2009-2012 due to lower East Side Access material and re-estimates of material costs associated with Life Cycle Maintenance (LCM).

MNR's expenses decrease by \$3.8 million in 2009 due to deferred costs for office space renovations, rescheduling of security plan support for the deployment of monitoring and intrusion detection equipment and adjusted equipment utilization costs. Savings in 2010 of \$13.9 million result from the rescheduling of M8 car fleet delivery, deferral of M7 seat change-out program and the reduction in debit/credit card fees in accordance with lower ridership.

B&T's expenses decrease in 2009-2012 due to lower gas and diesel fuel expenses as well as a one-time discount negotiated for E-ZPass tag purchases.

OTHER BUSINESS EXPENSES

Increases in Other Business Expenses in 2009-2013 are inflated primarily by MTA Regional CPI-U forecasts provided by Global Insight.

The consolidated increase of \$8 million in 2010 from 2009 is driven primarily by MTAHQ's internal subsidy support requirements for SIR and LI Bus and the reinstatement of the Rockaway Resident – Cross Bay Bridge Program which was presented as part of B&T's AABBs.

July Plan expenses changed compared with the February Plan in 2009 through 2012 by an increase of \$1.2 million in 2009, an increase of \$13.0 million in 2010, an increase of \$11.1 million in 2011 and an increase of \$12.1 million in 2012. The significant increase in 2010 is primarily driven by MTAHQ due to higher subsidies to LI Bus and the reinstatement of the Rockaway Resident – Cross Bay Bridge Program. The increase is offset by MNR's decrease in 2010 which reflects lower credit card fees associated with lower ridership.

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Positions (Headcount)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010-2013
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency

| Category | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---|------------------------|---------------------------------------|--|---------------|---------------|---------------|
| <i>Baseline Total Positions</i> | 69,756 | 69,851 | 69,315 | 69,062 | 68,865 | 69,077 |
| NYC Transit | 49,009 | 48,475 | 47,926 | 47,588 | 47,323 | 47,295 |
| Long Island Rail Road | 6,806 | 6,873 | 6,774 | 6,700 | 6,718 | 6,861 |
| Metro-North Railroad | 5,917 | 6,027 | 6,148 | 6,181 | 6,242 | 6,333 |
| Bridges & Tunnels | 1,775 | 1,819 | 1,819 | 1,818 | 1,793 | 1,793 |
| Headquarters | 1,414 | 1,565 | 1,568 | 1,765 | 1,779 | 1,763 |
| Long Island Bus | 1,117 | 1,149 | 1,144 | 1,129 | 1,129 | 1,129 |
| Staten Island Railway | 267 | 277 | 277 | 274 | 274 | 274 |
| Capital Construction Company | 129 | 150 | 150 | 147 | 147 | 147 |
| Bus Company | 3,322 | 3,516 | 3,509 | 3,460 | 3,460 | 3,482 |
| <i>Non-Reimbursable</i> | 63,329 | 62,736 | 62,232 | 62,257 | 62,141 | 62,406 |
| NYC Transit | 44,166 | 42,920 | 42,643 | 42,564 | 42,377 | 42,402 |
| Long Island Rail Road | 6,050 | 6,200 | 5,876 | 5,820 | 5,842 | 5,985 |
| Metro-North Railroad | 5,306 | 5,423 | 5,544 | 5,577 | 5,638 | 5,729 |
| Bridges & Tunnels | 1,723 | 1,774 | 1,766 | 1,765 | 1,740 | 1,740 |
| Headquarters | 1,394 | 1,517 | 1,517 | 1,712 | 1,725 | 1,709 |
| Long Island Bus | 1,104 | 1,134 | 1,129 | 1,114 | 1,114 | 1,114 |
| Staten Island Railway | 264 | 274 | 274 | 271 | 271 | 271 |
| Capital Construction Company | - | - | - | - | - | - |
| Bus Company | 3,322 | 3,494 | 3,483 | 3,434 | 3,434 | 3,456 |
| <i>Reimbursable</i> | 6,427 | 7,115 | 7,083 | 6,805 | 6,724 | 6,671 |
| NYC Transit | 4,843 | 5,555 | 5,283 | 5,024 | 4,946 | 4,893 |
| Long Island Rail Road | 756 | 673 | 898 | 880 | 876 | 876 |
| Metro-North Railroad | 611 | 604 | 604 | 604 | 604 | 604 |
| Bridges & Tunnels | 52 | 45 | 53 | 53 | 53 | 53 |
| Headquarters | 20 | 48 | 51 | 53 | 54 | 54 |
| Long Island Bus | 13 | 15 | 15 | 15 | 15 | 15 |
| Staten Island Railway | 3 | 3 | 3 | 3 | 3 | 3 |
| Capital Construction Company | 129 | 150 | 150 | 147 | 147 | 147 |
| Bus Company | - | 22 | 26 | 26 | 26 | 26 |
| <i>Total Full-Time</i> | 69,405 | 69,570 | 69,059 | 68,806 | 68,609 | 68,821 |
| NYC Transit | 48,760 | 48,302 | 47,776 | 47,438 | 47,173 | 47,145 |
| Long Island Rail Road | 6,806 | 6,873 | 6,774 | 6,700 | 6,718 | 6,861 |
| Metro-North Railroad | 5,912 | 6,024 | 6,147 | 6,180 | 6,241 | 6,332 |
| Bridges & Tunnels | 1,775 | 1,819 | 1,819 | 1,818 | 1,793 | 1,793 |
| Headquarters | 1,414 | 1,565 | 1,568 | 1,765 | 1,779 | 1,763 |
| Long Island Bus | 1,020 | 1,044 | 1,039 | 1,024 | 1,024 | 1,024 |
| Staten Island Railway | 267 | 277 | 277 | 274 | 274 | 274 |
| Capital Construction Company | 129 | 150 | 150 | 147 | 147 | 147 |
| Bus Company | 3,322 | 3,516 | 3,509 | 3,460 | 3,460 | 3,482 |
| <i>Total Full-Time-Equivalents</i> | 351 | 281 | 256 | 256 | 256 | 256 |
| NYC Transit | 249 | 173 | 150 | 150 | 150 | 150 |
| Long Island Rail Road | - | - | - | - | - | - |
| Metro-North Railroad | 5 | 3 | 1 | 1 | 1 | 1 |
| Bridges & Tunnels | - | - | - | - | - | - |
| Headquarters | - | - | - | - | - | - |
| Long Island Bus | 97 | 105 | 105 | 105 | 105 | 105 |
| Staten Island Railway | - | - | - | - | - | - |
| Capital Construction Company | - | - | - | - | - | - |
| Bus Company | - | - | - | - | - | - |

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010-2013
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

| Function | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|-----------------------------------|------------------------|---------------------------------------|--|---------------|---------------|---------------|
| <i>Administration</i> | 4,964 | 5,064 | 5,103 | 5,036 | 4,801 | 4,791 |
| NYC Transit | 2,495 | 2,375 | 2,420 | 2,332 | 2,103 | 2,103 |
| Long Island Rail Road | 701 | 757 | 747 | 693 | 693 | 699 |
| Metro-North Railroad | 726 | 721 | 722 | 666 | 667 | 667 |
| Bridges & Tunnels | 135 | 139 | 139 | 131 | 110 | 110 |
| Headquarters | 654 | 779 | 782 | 979 | 993 | 977 |
| Long Island Bus | 77 | 80 | 80 | 65 | 65 | 65 |
| Staten Island Railway | 28 | 26 | 26 | 24 | 24 | 24 |
| Capital Construction Company | 32 | 35 | 35 | 35 | 35 | 35 |
| Bus Company | 116 | 152 | 152 | 111 | 111 | 111 |
| <i>Operations</i> | 31,132 | 30,632 | 30,227 | 30,116 | 30,034 | 30,147 |
| NYC Transit | 23,299 | 22,660 | 22,329 | 22,182 | 22,072 | 21,944 |
| Long Island Rail Road | 2,088 | 2,051 | 1,960 | 1,969 | 1,975 | 2,133 |
| Metro-North Railroad | 1,786 | 1,857 | 1,897 | 1,925 | 1,947 | 2,030 |
| Bridges & Tunnels | 770 | 793 | 793 | 793 | 793 | 793 |
| Headquarters | - | - | - | - | - | - |
| Long Island Bus | 777 | 794 | 794 | 794 | 794 | 794 |
| Staten Island Railway | 93 | 99 | 99 | 98 | 98 | 98 |
| Capital Construction Company | - | - | - | - | - | - |
| Bus Company | 2,319 | 2,378 | 2,355 | 2,355 | 2,355 | 2,355 |
| <i>Maintenance</i> | 30,159 | 30,531 | 30,356 | 30,284 | 30,404 | 30,513 |
| NYC Transit | 21,298 | 21,493 | 21,229 | 21,126 | 21,200 | 21,300 |
| Long Island Rail Road | 3,907 | 3,933 | 3,935 | 3,906 | 3,918 | 3,897 |
| Metro-North Railroad | 3,304 | 3,345 | 3,425 | 3,486 | 3,524 | 3,532 |
| Bridges & Tunnels | 381 | 397 | 397 | 404 | 400 | 400 |
| Headquarters | - | - | - | - | - | - |
| Long Island Bus | 248 | 258 | 253 | 253 | 253 | 253 |
| Staten Island Railway | 146 | 152 | 152 | 152 | 152 | 152 |
| Capital Construction Company | - | - | - | - | - | - |
| Bus Company | 875 | 953 | 965 | 957 | 957 | 979 |
| <i>Engineering/Capital</i> | 1,920 | 2,010 | 2,014 | 2,011 | 2,011 | 2,011 |
| NYC Transit | 1,420 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 |
| Long Island Rail Road | 110 | 132 | 132 | 132 | 132 | 132 |
| Metro-North Railroad | 101 | 104 | 104 | 104 | 104 | 104 |
| Bridges & Tunnels | 179 | 186 | 186 | 186 | 186 | 186 |
| Headquarters | - | - | - | - | - | - |
| Long Island Bus | 13 | 15 | 15 | 15 | 15 | 15 |
| Staten Island Railway | - | - | - | - | - | - |
| Capital Construction Company | 97 | 115 | 115 | 112 | 112 | 112 |
| Bus Company | - | 20 | 24 | 24 | 24 | 24 |
| <i>Public Safety</i> | 1,581 | 1,614 | 1,615 | 1,615 | 1,615 | 1,615 |
| NYC Transit | 497 | 509 | 510 | 510 | 510 | 510 |
| Long Island Rail Road | - | - | - | - | - | - |
| Metro-North Railroad | - | - | - | - | - | - |
| Bridges & Tunnels | 310 | 304 | 304 | 304 | 304 | 304 |
| Headquarters | 760 | 786 | 786 | 786 | 786 | 786 |
| Long Island Bus | 2 | 2 | 2 | 2 | 2 | 2 |
| Staten Island Railway | - | - | - | - | - | - |
| Capital Construction Company | - | - | - | - | - | - |
| Bus Company | 12 | 13 | 13 | 13 | 13 | 13 |

Metropolitan Transportation Authority
July Financial Plan 2010-2013
Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

| FUNCTION/OCCUPATIONAL GROUP | | 2008 Actual | 2009 Mid-Year Forecast | 2010 | 2011 | 2012 | 2013 |
|---------------------------------|-----------------------------------|----------------|------------------------------|---------------|---------------|---------------|---------------|
| Administration | | | | | | | |
| | Managers/Supervisors | 1,727 | 1,858 | 1,845 | 1,834 | 1,789 | 1,788 |
| | Professional, Technical, Clerical | 3,126 | 3,138 | 3,151 | 3,095 | 2,907 | 2,898 |
| | Operational Hourlies | 111 | 68 | 107 | 107 | 105 | 105 |
| | Total Administration | 4,964 | 5,064 | 5,103 | 5,036 | 4,801 | 4,791 |
| Operations | | | | | | | |
| | Managers/Supervisors | 3,212 | 3,211 | 3,226 | 3,215 | 3,213 | 3,206 |
| | Professional, Technical, Clerical | 1,079 | 1,010 | 1,000 | 1,001 | 1,001 | 1,012 |
| | Operational Hourlies | 26,841 | 26,411 | 26,001 | 25,900 | 25,820 | 25,929 |
| | Total Operations | 31,132 | 30,632 | 30,227 | 30,116 | 30,034 | 30,147 |
| Maintenance | | | | | | | |
| | Managers/Supervisors | 4,792 | 4,873 | 4,843 | 4,819 | 4,822 | 4,813 |
| | Professional, Technical, Clerical | 2,550 | 2,593 | 2,571 | 2,538 | 2,519 | 2,518 |
| | Operational Hourlies | 22,817 | 23,065 | 22,942 | 22,927 | 23,063 | 23,182 |
| | Total Maintenance | 30,159 | 30,531 | 30,356 | 30,284 | 30,404 | 30,513 |
| Engineering/Capital | | | | | | | |
| | Managers/Supervisors | 468 | 517 | 519 | 519 | 519 | 519 |
| | Professional, Technical, Clerical | 1,450 | 1,491 | 1,493 | 1,490 | 1,490 | 1,490 |
| | Operational Hourlies | 2 | 2 | 2 | 2 | 2 | 2 |
| | Total Engineering/Capital | 1,920 | 2,010 | 2,014 | 2,011 | 2,011 | 2,011 |
| Public Safety | | | | | | | |
| | Managers/Supervisors | 141 | 149 | 151 | 151 | 151 | 151 |
| | Professional, Technical, Clerical | 121 | 151 | 151 | 151 | 151 | 151 |
| | Operational Hourlies | 1,319 | 1,314 | 1,313 | 1,313 | 1,313 | 1,313 |
| | Total Public Safety | 1,581 | 1,614 | 1,615 | 1,615 | 1,615 | 1,615 |
| Baseline Total Positions | | | | | | | |
| | Managers/Supervisors | 10,340 | 10,608 | 10,584 | 10,538 | 10,494 | 10,477 |
| | Professional, Technical, Clerical | 8,326 | 8,383 | 8,366 | 8,275 | 8,068 | 8,069 |
| | Operational Hourlies | 51,090 | 50,860 | 50,365 | 50,249 | 50,303 | 50,531 |
| | Baseline Total Positions | 69,756 | 69,851 | 69,315 | 69,062 | 68,865 | 69,077 |

BASELINE POSITIONS (Headcount)

This section excludes below-the-line Gap Closing Actions.

Year-to-Year (2010 vs 2009)

The MTA consolidated 2010 baseline shows 69,315 positions, 536 fewer than in 2009. Non-reimbursable positions decrease by 504, and Reimbursable positions, by 32. Positions decrease for NYCT, by 549, by 99 for LIRR, by 7 for MTA Bus, and by 5 for LIB, while MNR and MTA HQ see an increased headcount by 121 and 3, respectively. Across all of these agencies, most of the reductions occur within Operations, where 405 positions are eliminated. Another 175 positions are eliminated in Maintenance. At the same time, positions increase in Administration (by 39), Engineering/Capital (by 4), and Public Safety (by 1). The 2010-2013 July Financial Plan also shows that AABB's for 2010 will eliminate 240 more positions than they did in 2009. Below are short descriptions of various major changes in each of the agencies. Additional detail can be found in the headcount section for each agency.

NYCT will decrease Non-Reimbursable positions by 277, and Reimbursable positions by 272. These reductions will include the loss of 331 Operations positions and 264 Maintenance positions, while Administration adds 45 positions and Public Safety adds 1. Relative to 2009, there will be 146 fewer Non-Reimbursable positions as a result of AABB's in 2010 than there were in 2009, and most of these will be achieved by further reducing Station Customer Assistant (SCA) tour reductions over 2009 levels. Reimbursable reductions result primarily from project changes/completions in Scheduled Maintenance Service (SMS) for SIRTOA, New Car Delivery Support, Antenna Cable Replacement, SONET support, Orion vendor inspections, Security positions for the Electronics Maintenance Division, and Station Maintenance (CPM support).

The LIRR's lower headcount in 2010 results from a reduction of Non-Reimbursable positions by 324, while Reimbursable positions increase by 225. This net loss of 99 positions includes a decline in Operations by 91 and a decrease in Administrative positions by 10, while 2 Maintenance positions are added. AABB's for 2010 result in the reduction of 94 positions, as well as headcount reductions associated with M/E training, M-3 Propulsion, and transportation trainees. AABB position reductions include initiatives scheduled to begin in 2010, such as the Arch St. Maintenance Facility (-21) and the closing of ticket windows (-26), and the expansion of 2009 initiatives such as Train Crew Staffing reductions (-23). These reductions are partially offset by increases in positions for diesel and M-7 fleet Life Cycle Maintenance (LCM).

MNR's increase is made up entirely of Non-Reimbursable positions. Positions increase in Maintenance (+80), Operations (+40), and Administration (+1), and these increases are primarily due to the addition of headcount in support of the New Haven Maintenance Facility Shop Complex, the Harmon Shop replacement, security improvements, and new train service. Some of this increase also results from MNR returning to normal

vacancy levels in such areas as ticket sales, car cleaning and mechanics, and Maintenance of Way and Track and Structures maintenance.

Year-to-Year (2011 – 2013)

Total forecasted position levels drop by 238 from the end of 2010 to the end of 2013. Positions decrease by 253 in 2011 and by 197 in 2012, and increase by 212 in 2013. Agencies with the largest position changes at the end of the three-year period are NYCT with a decrease of 631, HQ with an increase of 195, MNR with an increase of 185, and the LIRR with an increase of 87. Included in the overall position reduction are eliminations related to the opening of the Business Service Center (BSC) which, on an MTA-wide basis, will result in a net decrease of 296 positions. The three-year reduction in the number of positions also includes an additional reduction of 214 positions due to AABBs.

NYCT's decrease is made up of reductions of 390 Reimbursable positions and 241 Non-Reimbursable positions. Reimbursable position reductions result from a continuation of the 2010 reductions (see above), and from changes/completions, primarily for the following projects: Tunnel Lighting Culver Line, Battery Cable Replacement, R160 Warranty work, and various Signal projects. Non-Reimbursable position reductions are largely the result of the opening of the BSC, which will reduce 309 positions from NYCT's budget over the three-year period. Position reductions also include the elimination of 223 positions due to AABBs (mainly Station Customer Assistants).

MTA HQ will increase headcount by 192 Non-Reimbursable positions and 3 Reimbursable positions. All of these positions are in Administration and result primarily from position transfers into the BSC from other MTA Agencies (BSC is currently budgeted in MTA HQ).

MNR's increase from 2011-2013 is made up entirely of Non-Reimbursable positions. Positions increase in Operations (+122) and Maintenance (+107), and decrease in Administration (-55). These increases are primarily for support of the New Haven Maintenance Facility Shop Complex, new train service, support of security improvements, and coach cleaning. Position reductions in Administration are primarily the result of the opening of the BSC, which will reduce 57 positions from MNR's budget.

The LIRR's increase is made up of increases of 109 Non-Reimbursable positions and decreases of 22 Reimbursable positions. Most of this increase occurs in 2013 with the addition of approximately 183 positions for East Side Access. This is partially offset by position reductions associated with the opening of the BSC, the impact of which will be the reduction of 56 positions from the LIRR's budget over the three-year period.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010-2013
Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents

| Function | Change 2009-2008 | Change 2010-2009 | Change 2011-2010 | Change 2012-2011 | Change 2013-2012 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Baseline Total Positions | (95) | 536 | 253 | 197 | (212) |
| NYC Transit | 534 | 549 | 338 | 265 | 28 |
| Long Island Rail Road | (67) | 99 | 74 | (18) | (143) |
| Metro-North Railroad | (110) | (121) | (33) | (61) | (91) |
| Bridges & Tunnels | (44) | - | 1 | 25 | - |
| Headquarters | (151) | (3) | (197) | (14) | 16 |
| Long Island Bus | (32) | 5 | 15 | - | - |
| Staten Island Railway | (10) | - | 3 | - | - |
| Capital Construction Company | (21) | - | 3 | - | - |
| Bus Company | (194) | 7 | 49 | - | (22) |
| Non-Reimbursable | 593 | 504 | (25) | 116 | (265) |
| NYC Transit | 1,246 | 277 | 79 | 187 | (25) |
| Long Island Rail Road | (150) | 324 | 56 | (22) | (143) |
| Metro-North Railroad | (117) | (121) | (33) | (61) | (91) |
| Bridges & Tunnels | (51) | 8 | 1 | 25 | - |
| Headquarters | (123) | - | (195) | (13) | 16 |
| Long Island Bus | (30) | 5 | 15 | - | - |
| Staten Island Railway | (10) | - | 3 | - | - |
| Capital Construction Company | - | - | - | - | - |
| Bus Company | (172) | 11 | 49 | - | (22) |
| Reimbursable | (688) | 32 | 278 | 81 | 53 |
| NYC Transit | (712) | 272 | 259 | 78 | 53 |
| Long Island Rail Road | 83 | (225) | 18 | 4 | - |
| Metro-North Railroad | 7 | - | - | - | - |
| Bridges & Tunnels | 7 | (8) | - | - | - |
| Headquarters | (28) | (3) | (2) | (1) | - |
| Long Island Bus | (2) | - | - | - | - |
| Staten Island Railway | - | - | - | - | - |
| Capital Construction Company | (21) | - | 3 | - | - |
| Bus Company | (22) | (4) | - | - | - |
| Total Full-Time | (165) | 511 | 253 | 197 | (212) |
| NYC Transit | 458 | 526 | 338 | 265 | 28 |
| Long Island Rail Road | (67) | 99 | 74 | (18) | (143) |
| Metro-North Railroad | (112) | (123) | (33) | (61) | (91) |
| Bridges & Tunnels | (44) | - | 1 | 25 | - |
| Headquarters | (151) | (3) | (197) | (14) | 16 |
| Long Island Bus | (24) | 5 | 15 | - | - |
| Staten Island Railway | (10) | - | 3 | - | - |
| Capital Construction Company | (21) | - | 3 | - | - |
| Bus Company | (194) | 7 | 49 | - | (22) |
| Total Full-Time-Equivalents | 70 | 25 | - | - | - |
| NYC Transit | 76 | 23 | - | - | - |
| Long Island Rail Road | - | - | - | - | - |
| Metro-North Railroad | 2 | 2 | - | - | - |
| Bridges & Tunnels | - | - | - | - | - |
| Headquarters | - | - | - | - | - |
| Long Island Bus | (8) | - | - | - | - |
| Staten Island Railway | - | - | - | - | - |
| Capital Construction Company | - | - | - | - | - |
| Bus Company | - | - | - | - | - |

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010-2013
Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | Change 2009-2008 | Change 2010-2009 | Change 2011-2010 | Change 2012-2011 | Change 2013-2012 |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <i>Administration</i> | (100) | (39) | 67 | 235 | 10 |
| NYC Transit | 120 | (45) | 88 | 229 | - |
| Long Island Rail Road | (56) | 10 | 54 | - | (6) |
| Metro-North Railroad | 5 | (1) | 56 | (1) | - |
| Bridges & Tunnels | (4) | - | 8 | 21 | - |
| Headquarters | (125) | (3) | (197) | (14) | 16 |
| Long Island Bus | (3) | - | 15 | - | - |
| Staten Island Railway | 2 | - | 2 | - | - |
| Capital Construction Company | (3) | - | - | - | - |
| Bus Company | (36) | - | 41 | - | - |
| <i>Operations</i> | 500 | 405 | 111 | 82 | (113) |
| NYC Transit | 639 | 331 | 147 | 110 | 128 |
| Long Island Rail Road | 37 | 91 | (9) | (6) | (158) |
| Metro-North Railroad | (71) | (40) | (28) | (22) | (83) |
| Bridges & Tunnels | (23) | - | - | - | - |
| Headquarters | - | - | - | - | - |
| Long Island Bus | (17) | - | - | - | - |
| Staten Island Railway | (6) | - | 1 | - | - |
| Capital Construction Company | - | - | - | - | - |
| Bus Company | (59) | 23 | - | - | - |
| <i>Maintenance</i> | (372) | 175 | 72 | (120) | (109) |
| NYC Transit | (195) | 264 | 103 | (74) | (100) |
| Long Island Rail Road | (26) | (2) | 29 | (12) | 21 |
| Metro-North Railroad | (41) | (80) | (61) | (38) | (8) |
| Bridges & Tunnels | (16) | - | (7) | 4 | - |
| Headquarters | - | - | - | - | - |
| Long Island Bus | (10) | 5 | - | - | - |
| Staten Island Railway | (6) | - | - | - | - |
| Capital Construction Company | - | - | - | - | - |
| Bus Company | (78) | (12) | 8 | - | (22) |
| <i>Engineering/Capital</i> | (90) | (4) | 3 | - | - |
| NYC Transit | (18) | - | - | - | - |
| Long Island Rail Road | (22) | (0) | (0) | - | - |
| Metro-North Railroad | (3) | - | - | - | - |
| Bridges & Tunnels | (7) | - | - | - | - |
| Headquarters | - | - | - | - | - |
| Long Island Bus | (2) | - | - | - | - |
| Staten Island Railway | - | - | - | - | - |
| Capital Construction Company | (18) | - | 3 | - | - |
| Bus Company | (20) | (4) | - | - | - |
| <i>Public Safety</i> | (33) | (1) | - | - | - |
| NYC Transit | (12) | (1) | - | - | - |
| Long Island Rail Road | - | - | - | - | - |
| Metro-North Railroad | - | - | - | - | - |
| Bridges & Tunnels | 6 | - | - | - | - |
| Headquarters | (26) | - | - | - | - |
| Long Island Bus | - | - | - | - | - |
| Staten Island Railway | - | - | - | - | - |
| Capital Construction Company | - | - | - | - | - |
| Bus Company | (1) | - | - | - | - |

Metropolitan Transportation Authority
July Financial Plan 2010-2013
Year to Year Changes for Positions by Function and Occupational Group
Baseline Total Full-time Positions and Full-time Equivalents
Non-Reimbursable and Reimbursable

| FUNCTION/OCCUPATIONAL GROUP | Change 2009-2008 | Change 2010-2009 | Change 2011-2010 | Change 2012-2011 | Change 2013-2012 |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Administration | | | | | |
| Managers/Supervisors | 131 | 13 | 11 | 45 | 1 |
| Professional, Technical, Clerical | 12 | (13) | 56 | 188 | 9 |
| Operational Hourlies | (43) | (39) | - | 2 | - |
| Total Administration | 100 | (39) | 67 | 235 | 10 |
| Operations | | | | | |
| Managers/Supervisors | (1) | (15) | 11 | 2 | 7 |
| Professional, Technical, Clerical | (69) | 10 | (1) | - | (11) |
| Operational Hourlies | (430) | 410 | 101 | 80 | (109) |
| Total Operations | (500) | 405 | 111 | 82 | (113) |
| Maintenance | | | | | |
| Managers/Supervisors | 81 | 30 | 24 | (3) | 9 |
| Professional, Technical, Clerical | 43 | 22 | 33 | 19 | 1 |
| Operational Hourlies | 248 | 123 | 15 | (136) | (119) |
| Total Maintenance | 372 | 175 | 72 | (120) | (109) |
| Engineering/Capital | | | | | |
| Managers/Supervisors | 49 | (1) | (0) | - | - |
| Professional, Technical, Clerical | 41 | (2) | 3 | - | - |
| Operational Hourlies | - | - | - | - | - |
| Total Engineering/Capital | 90 | (4) | 3 | - | - |
| Public Safety | | | | | |
| Managers/Supervisors | 8 | (2) | - | - | - |
| Professional, Technical, Clerical | 30 | - | - | - | - |
| Operational Hourlies | (5) | 1 | - | - | - |
| Total Public Safety | 33 | (1) | - | - | - |
| Baseline Total Positions | | | | | |
| Managers/Supervisors | 268 | 25 | 46 | 44 | 17 |
| Professional, Technical, Clerical | 57 | 17 | 91 | 207 | (1) |
| Operational Hourlies | (230) | 495 | 116 | (54) | (228) |
| Baseline Total Positions | 95 | 536 | 253 | 197 | (212) |

BASELINE POSITIONS (Headcount)

This section excludes below-the-line Gap Closing Actions.

Plan-to-Plan (2009) Mid-Year Forecast

MTA consolidated baseline positions of 69,851 are 1,917 positions higher than the 2009 Adopted Budget. Non-Reimbursable positions are forecast to increase by 1,973 and Reimbursable positions to decrease by 56. Total positions increase by 1,636 at NYCT, 145 at the LIRR, 143 at MTA Bus, 18 at B&T, and 18 at LIB, while positions decrease by 43 at MNR. The overall increase in positions is primarily due to the restoration of over 1,700 positions out of 2,765 positions removed from the Adopted Budget as part of the AABBs. It should be noted that the Adopted Budget does not allocate the AABBs by Function, whereas the July Plan does; therefore, comparisons by function are not meaningful.

NYCT's increase is made up of increases of 1,577 Non-Reimbursable and 59 Reimbursable positions. Most of the Non-Reimbursable increase is due to the restoration of 1,539 positions out of over 2,200 positions (including FTEs) removed from the Adopted Budget as part of the AABBs. Reimbursable position increases are primarily due to additional requirements for the following: R160 Testing/Warranty (+19), Engineering (+14), Extending G Service to Church Ave. via Culver Viaduct (+10), and HVAC work in communication rooms (+5).

The LIRR's increase is made up of 248 Non-Reimbursable position increases and 103 Reimbursable position decreases. Net Non-Reimbursable position increases primarily reflect a realignment of budgeted positions between Reimbursable and Non-Reimbursable, restorations of 40 positions out of approximately 160 positions removed from the Adopted Budget as part of the AABBs, and reductions of M/E Training headcount and Transportation trainees. Net Reimbursable position reductions primarily reflect the realignment of positions referred to previously.

MTA Bus' increase is made up of increases of 137 Non-Reimbursable and 6 Reimbursable positions. Virtually all of the increase is due to the restoration of 125 positions out of 168 positions removed from the Adopted Budget as part of the AABBs. Additional position increases include 12 positions for increased road supervision and 6 Reimbursable positions to manage capital programs.

MNR's decrease is made up reductions of 25 Non-Reimbursable and 18 Reimbursable positions. Net reductions are due to an increase in vacancies related to the slowing of hiring to meet cost reduction targets, and reductions of on-board crew positions related to train service adjustments. These reductions are partially offset by the restoration of 18 positions out of 88 positions removed from the Adopted Budget as part of the AABBs.

Plan-to-Plan (2010) Preliminary Budget

When compared with the February Plan, MTA consolidated baseline positions increase by 1,431. Non-Reimbursable positions increase (+1,423) and Reimbursable positions increase (+8). Positions increase by 1,297 at NYCT, 136 at MTA Bus, 18 at B&T, and 13 at LIB, while positions decrease by 32 at the LIRR and 1 at MNR. The overall increase in positions is primarily due to the restoration of over 1,650 positions out of the 2,928 positions removed from the Adopted Budget as part of the AABBs.

NYCT's total increase consists of 1,218 Non-Reimbursable and 79 Reimbursable positions. Most of the Non-Reimbursable increase is due to the restoration of 1,403 positions out of over 2,280 positions (including FTEs) removed from the Adopted Budget as part of the AABBs. Reimbursable position increases are due to a continuation of the initiatives mentioned in the previous section.

MTA Bus' increase consists 126 Non-Reimbursable and 10 Reimbursable positions. . Most of the increase is due to the restoration of 125 positions out of 168 positions removed from the Adopted Budget as part of the AABBs. Net position increases are due to a continuation and expansion of the initiatives mentioned in the previous section, partially offset by position reductions related to the adoption of loading guidelines and the impacts of depot integration.

Plan-to-Plan (2011 – 2012)

When compared with the February Plan, positions are projected to increase by (+1,309) in 2011 and (+1,741) in 2012.

Positions increase in 2011 at NYCT (+1,213), MTA Bus (+120), MNR (+39), B&T (+26) and LIB (+13), and decrease at MTA HQ (-55) and the LIRR (-47). These Plan-to-Plan changes remain virtually unchanged in 2011 and 2012. Position changes at NYCT, the LIRR, MTA Bus and MNR over the period are primarily due to AABB position restorations, as well as a continuation of initiatives mentioned in the previous sections.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010-2013
Baseline Change Between 2009 February Financial Plan vs. 2009 July Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

| | Favorable/(Unfavorable) Variance | | | |
|---|---|----------------|----------------|----------------|
| Category | 2009 | 2010 | 2011 | 2012 |
| <i>Baseline Total Positions</i> | (1,917) | (1,431) | (1,309) | (1,741) |
| NYC Transit | (1,636) | (1,297) | (1,213) | (1,553) |
| Long Island Rail Road | (145) | 32 | 47 | 23 |
| Metro-North Railroad | 43 | 1 | (39) | (52) |
| Bridges & Tunnels | (18) | (18) | (26) | (26) |
| Headquarters | - | - | 55 | - |
| Long Island Bus | (18) | (13) | (13) | (13) |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | - | - | - | - |
| Bus Company | (143) | (136) | (120) | (120) |
| <i>Non-Reimbursable</i> | (1,973) | (1,423) | (1,319) | (1,787) |
| NYC Transit | (1,577) | (1,218) | (1,150) | (1,522) |
| Long Island Rail Road | (248) | (31) | (18) | (46) |
| Metro-North Railroad | 25 | (17) | (57) | (70) |
| Bridges & Tunnels | (18) | (18) | (26) | (26) |
| Headquarters | - | - | 55 | - |
| Long Island Bus | (18) | (13) | (13) | (13) |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | - | - | - | - |
| Bus Company | (137) | (126) | (110) | (110) |
| <i>Reimbursable</i> | 56 | (8) | 10 | 46 |
| NYC Transit | (59) | (79) | (63) | (31) |
| Long Island Rail Road | 103 | 63 | 65 | 69 |
| Metro-North Railroad | 18 | 18 | 18 | 18 |
| Bridges & Tunnels | - | - | - | - |
| Headquarters | - | - | - | - |
| Long Island Bus | - | - | - | - |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | - | - | - | - |
| Bus Company | (6) | (10) | (10) | (10) |
| <i>Total Full-Time</i> | (1,915) | (1,432) | (1,310) | (1,742) |
| NYC Transit | (1,632) | (1,294) | (1,210) | (1,550) |
| Long Island Rail Road | (145) | 32 | 47 | 23 |
| Metro-North Railroad | 41 | (3) | (43) | (56) |
| Bridges & Tunnels | (18) | (18) | (26) | (26) |
| Headquarters | - | - | 55 | - |
| Long Island Bus | (18) | (13) | (13) | (13) |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | - | - | - | - |
| Bus Company | (143) | (136) | (120) | (120) |
| <i>Total Full-Time-Equivalents</i> | (2) | 1 | 1 | 1 |
| NYC Transit | (4) | (3) | (3) | (3) |
| Long Island Rail Road | - | - | - | - |
| Metro-North Railroad | 2 | 4 | 4 | 4 |
| Bridges & Tunnels | - | - | - | - |
| Headquarters | - | - | - | - |
| Long Island Bus | - | - | - | - |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | - | - | - | - |
| Bus Company | - | - | - | - |

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010-2013
Baseline Change Between 2008 February Financial Plan vs. 2008 July Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

| | Favorable/(Unfavorable) Variance | | | |
|---|---|----------------|----------------|----------------|
| Function | 2009 | 2010 | 2011 | 2012 |
| Administration | 187 | 160 | 205 | 151 |
| NYC Transit | 142 | 92 | 92 | 92 |
| Long Island Rail Road | 7 | 11 | 4 | 4 |
| Metro-North Railroad | (1) | 18 | 15 | 15 |
| Bridges & Tunnels | 2 | 2 | (6) | (5) |
| Headquarters | 18 | 18 | 73 | 18 |
| Long Island Bus | 7 | 7 | 7 | 7 |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | (5) | (5) | (5) | (5) |
| Bus Company | 17 | 17 | 25 | 25 |
| Operations | 429 | 779 | 902 | 995 |
| NYC Transit | 378 | 634 | 773 | 876 |
| Long Island Rail Road | 28 | 118 | 109 | 103 |
| Metro-North Railroad | 34 | 15 | 8 | 4 |
| Bridges & Tunnels | 7 | 7 | 7 | 7 |
| Headquarters | - | - | - | - |
| Long Island Bus | (9) | (9) | (9) | (9) |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | - | - | - | - |
| Bus Company | (9) | 14 | 14 | 14 |
| Maintenance | 212 | 544 | 476 | 5 |
| NYC Transit | 110 | 255 | 203 | (240) |
| Long Island Rail Road | (25) | 211 | 217 | 199 |
| Metro-North Railroad | 95 | 53 | 23 | 14 |
| Bridges & Tunnels | 3 | 3 | 3 | 2 |
| Headquarters | - | - | - | - |
| Long Island Bus | 5 | 10 | 10 | 10 |
| Staten Island Railway | 2 | 2 | 2 | 2 |
| Capital Construction Company | - | - | - | - |
| Bus Company | 22 | 10 | 18 | 18 |
| Engineering/Capital | 16 | 12 | 12 | 12 |
| NYC Transit | - | - | - | - |
| Long Island Rail Road | 10 | 10 | 10 | 10 |
| Metro-North Railroad | 3 | 3 | 3 | 3 |
| Bridges & Tunnels | 4 | 4 | 4 | 4 |
| Headquarters | - | - | - | - |
| Long Island Bus | - | - | - | - |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | 5 | 5 | 5 | 5 |
| Bus Company | (6) | (10) | (10) | (10) |
| Public Safety | 4 | 2 | (1) | (1) |
| NYC Transit | 6 | 4 | 1 | 1 |
| Long Island Rail Road | - | - | - | - |
| Metro-North Railroad | - | - | - | - |
| Bridges & Tunnels | (6) | (6) | (6) | (6) |
| Headquarters | 3 | 3 | 3 | 3 |
| Long Island Bus | - | - | - | - |
| Staten Island Railway | - | - | - | - |
| Capital Construction Company | - | - | - | - |
| Bus Company | 1 | 1 | 1 | 1 |
| Additional Actions for Budget Balance (AABB) | (2,765) | (2,928) | (2,903) | (2,903) |
| NYC Transit | (2,272) | (2,282) | (2,282) | (2,282) |
| Long Island Rail Road | (165) | (318) | (293) | (293) |
| 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) |
| Staten Island Railway | (2) | (2) | (2) | (2) |
| Capital Construction Company | - | - | - | - |
| Bus Company | (168) | (168) | (168) | (168) |

Metropolitan Transportation Authority
July Financial Plan 2010-2013
Baseline Change Between 2009 February Financial Plan vs. 2009 July Financial Plan
Non-Reimbursable and Reimbursable
Full-time Positions and Full-time Equivalents by Occupational Group and Agency
Favorable/(Unfavorable)

| | | Change | | | |
|---|-----------------------------------|----------------|----------------|----------------|----------------|
| FUNCTION/OCCUPATIONAL GROUP | | 2009 | 2010 | 2011 | 2012 |
| Administration | | | | | |
| | Managers/Supervisors | 64 | 73 | 176 | 138 |
| | Professional, Technical, Clerical | 121 | 117 | 59 | 41 |
| | Operational Hourlies | 2 | (30) | (30) | (28) |
| | Total Administration | 187 | 160 | 205 | 151 |
| Operations | | | | | |
| | Managers/Supervisors | 42 | 23 | 26 | 26 |
| | Professional, Technical, Clerical | 59 | 64 | 63 | 63 |
| | Operational Hourlies | 328 | 692 | 813 | 906 |
| | Total Operations | 429 | 779 | 902 | 995 |
| Maintenance | | | | | |
| | Managers/Supervisors | 113 | 100 | 97 | 51 |
| | Professional, Technical, Clerical | 87 | 73 | 73 | 71 |
| | Operational Hourlies | 12 | 371 | 306 | (117) |
| | Total Maintenance | 212 | 544 | 476 | 5 |
| Engineering/Capital | | | | | |
| | Managers/Supervisors | 18 | 16 | 16 | 16 |
| | Professional, Technical, Clerical | (2) | (4) | (4) | (4) |
| | Operational Hourlies | - | - | - | - |
| | Total Engineering/Capital | 16 | 12 | 12 | 12 |
| Public Safety | | | | | |
| | Managers/Supervisors | 1 | (1) | (1) | (1) |
| | Professional, Technical, Clerical | 10 | 10 | 7 | 7 |
| | Operational Hourlies | (7) | (7) | (7) | (7) |
| | Total Public Safety | 4 | 2 | (1) | (1) |
| Additional Actions for Budget Balance (AABB) | | | | | |
| | Managers/Supervisors | (314) | (315) | (315) | (315) |
| | Professional, Technical, Clerical | (231) | (212) | (212) | (212) |
| | Operational Hourlies | (2,220) | (2,401) | (2,376) | (2,376) |
| | Total AABB | (2,765) | (2,928) | (2,903) | (2,903) |
| Baseline Total Positions | | | | | |
| | Managers/Supervisors | 238 | 211 | 314 | 230 |
| | Professional, Technical, Clerical | 275 | 260 | 198 | 178 |
| | Operational Hourlies | 335 | 1,026 | 1,082 | 754 |
| | Baseline Total Positions | 848 | 1,497 | 1,594 | 1,162 |

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Status of 2009 Agency PEGs

STATUS OF THE 2009 PEGs

As reflected on the chart below, the February Plan included within its baseline, 2009 Program to Eliminate the GAP (PEG) savings of \$89 million and 469 positions in 2009. Savings decrease slightly to \$87 million in 2010, increase to \$95 million in 2011, and then fall to \$85 million in 2012. PEG position savings increase to 478 positions in 2010, increase to 513 positions in 2011, and then decrease slightly to 450 positions in 2012. In the July Plan the value of these PEGs was increased by \$5.4 million in 2009, \$4.4 million in 2010, \$6.0 million in 2011, \$7.7 million in 2012, and \$9.5 million in 2013. NYCT re-estimated the savings associated with its "Pharmacare Audit" and "Prescription Drug Contract Re-bid" PEGs upward by \$5.4 million in 2009, \$9.4 million in 2010, \$11.0 million in 2011, \$12.7 million in 2012, and \$14.5 million in 2013. MNR removed the savings associated with its placeholder PEG "Cost Reduction Measures to be Determined" and substituted savings through other cost cutting initiatives. This resulted in reductions to the 2009 PEG program of \$5.0 million in each of the years 2010 through 2013.

| METROPOLITAN TRANSPORTATION AUTHORITY | | | | |
|---------------------------------------|----------------------|----------------|------------------|----------------|
| July Financial Plan 2010 - 2013 | | | | |
| Summary of the 2009 PEG Program | | | | |
| (\$ in millions) | | | | |
| | <u>February Plan</u> | | <u>July Plan</u> | |
| | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> |
| 2009 | 469 | \$89 | 469 | \$93 |
| 2010 | 478 | \$87 | 478 | \$91 |
| 2011 | 513 | \$95 | 513 | \$101 |
| 2012 | 450 | \$85 | 450 | \$93 |
| 2013 | 450 | \$85 | 450 | \$94 |

In addition to the 2009 PEG Program re-estimates listed above, the July Financial Plan includes re-estimates to the 2005 thru 2008 PEG Programs. SIR re-estimated the savings associated with its 2005 "Tompkinsville Fare Collection" PEG due to delays in construction work at Tompkinsville station. This resulted in a reduction to savings of \$0.2 million in 2009. B&T re-estimated the savings associated with its 2007 and 2008 PEG programs downward by \$0.6 million in 2009 and 2010 and by \$0.7 million each year thereafter. NYCT re-estimated the savings associated with its 2007 PEG "Worker's Compensation Recoveries" downward by \$1.1 million in each of the years 2009 through 2013 due to a change in the law which limited the types of claims that are reimbursable.

Please note that beginning with the results of the second quarter of 2009, the MTA will begin tracking those AABBs with a value of \$1 million or more that were not restored. The status of the remaining AABBs will be reported on in the November Plan.

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III. Other MTA Consolidated Materials-Baseline

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2010 - 2013

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line

| No. | | | | | | |
|-----|--|------------------|--------------------------|---------------------------|------------------|------------------|
| 7 | Non-Reimbursable | | | | | |
| 8 | | 2008 | 2009 | 2010 | | |
| 9 | | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 |
| 10 | Operating Revenue | | | | 2013 | |
| 11 | Farebox Revenue | \$4,241 | \$4,339 | \$4,515 | \$4,594 | \$4,659 |
| 12 | Toll Revenue | 1,274 | 1,313 | 1,384 | 1,392 | 1,397 |
| 13 | Other Revenue | 449 | 438 | 488 | 522 | 547 |
| 14 | Total Operating Revenue | \$5,964 | \$6,089 | \$6,387 | \$6,508 | \$6,603 |
| 15 | | | | | | |
| 16 | Operating Expense | | | | | |
| 17 | Labor Expenses: | | | | | |
| 18 | Payroll | \$4,087 | \$4,175 | \$4,257 | \$4,344 | \$4,431 |
| 19 | Overtime | 472 | 479 | 469 | 476 | 486 |
| 20 | Health & Welfare | 685 | 713 | 776 | 840 | 911 |
| 21 | OPEB Current Payment | 319 | 352 | 380 | 414 | 452 |
| 22 | Pensions | 897 | 995 | 1,015 | 1,026 | 1,054 |
| 23 | Other-Fringe Benefits | 503 | 467 | 480 | 491 | 499 |
| 24 | Reimbursable Overhead | (311) | (329) | (319) | (318) | (321) |
| 25 | Sub-total Labor Expenses | \$6,652 | \$6,852 | \$7,057 | \$7,275 | \$7,513 |
| 26 | | | | | | |
| 27 | Non-Labor Expenses: | | | | | |
| 28 | Traction and Propulsion Power | 307 | 348 | 388 | 436 | 486 |
| 29 | Fuel for Buses and Trains | 287 | 193 | 221 | 248 | 265 |
| 30 | Insurance | 29 | 44 | 42 | 44 | 48 |
| 31 | Claims | 152 | 159 | 169 | 177 | 186 |
| 32 | Paratransit Service Contracts | 299 | 376 | 413 | 466 | 547 |
| 33 | Maintenance and Other Operating Contracts | 594 | 643 | 665 | 694 | 722 |
| 34 | Professional Service Contracts | 197 | 221 | 216 | 217 | 220 |
| 35 | Materials & Supplies | 533 | 577 | 592 | 602 | 612 |
| 36 | Other Business Expenses | 155 | 186 | 197 | 201 | 207 |
| 37 | Sub-total Non-Labor Expenses | \$2,553 | \$2,748 | \$2,903 | \$3,085 | \$3,295 |
| 38 | | | | | | |
| 39 | Other Expense Adjustments: | | | | | |
| 40 | Other | (\$14) | (\$13) | (\$19) | (\$18) | (\$21) |
| 41 | General Reserve | 0 | 38 | 75 | 75 | 75 |
| 42 | Sub-total Other Expense Adjustments | (\$14) | \$24 | \$56 | \$57 | \$54 |
| 43 | | | | | | |
| 44 | Total Operating Expense before Non-Cash Liability Adjs. | \$9,191 | \$9,625 | \$10,016 | \$10,418 | \$10,861 |
| 45 | | | | | | |
| 46 | Depreciation | \$1,791 | \$1,973 | \$2,075 | \$2,161 | \$2,237 |
| 47 | OPEB Obligation | 1,349 | 1,390 | 1,447 | 1,506 | 1,567 |
| 48 | Environmental Remediation | 42 | 10 | 10 | 10 | 11 |
| 49 | | | | | | |
| 50 | Total Operating Expense | \$12,373 | \$12,998 | \$13,547 | \$14,094 | \$14,675 |
| 51 | | | | | | |
| 52 | Net Operating Deficit Before Subsidies and Debt Service | (\$6,410) | (\$6,908) | (\$7,160) | (\$7,587) | (\$8,072) |
| 53 | | | | | | |
| 54 | Dedicated Taxes and State/Local Subsidies | \$4,078 | \$4,621 | \$5,375 | \$5,577 | \$5,881 |
| 55 | Debt Service (excludes Service Contract Bonds) | (1,516) | (1,499) | (1,920) | (2,059) | (2,256) |
| 56 | | | | | | |
| 57 | Net Deficit After Subsidies and Debt Service | (\$3,848) | (\$3,787) | (\$3,705) | (\$4,069) | (\$4,448) |
| 58 | | | | | | |
| 59 | Conversion to Cash Basis: Non-Cash Liability Adjs. | \$3,182 | \$3,373 | \$3,531 | \$3,677 | \$3,814 |
| 60 | Conversion to Cash Basis: GASB Account | (56) | (60) | (62) | (65) | (68) |
| 61 | Conversion to Cash Basis: All Other | 490 | 219 | 184 | (138) | (141) |
| 62 | | | | | | |
| 63 | CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER | (\$232) | (\$255) | (\$52) | (\$595) | (\$842) |
| | | | | | | (\$1,138) |

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2010 - 2013

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

| Line Number | | 2008 | 2009 | 2010 | | | |
|-------------|---|----------------|-------------------|--------------------|----------------|----------------|----------------|
| | Reimbursable | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| 10 | <u>Operating Revenue</u> | | | | | | |
| 11 | Farebox Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12 | Additional Actions for Budget Balance: Revenue Impact | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Toll Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | Other Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Capital and Other Reimbursements | 1,391 | 1,419 | 1,433 | 1,403 | 1,414 | 1,423 |
| 15 | Total Operating Revenue | \$1,391 | \$1,419 | \$1,433 | \$1,403 | \$1,414 | \$1,423 |
| 17 | <u>Operating Expense</u> | | | | | | |
| 18 | Labor Expenses: | | | | | | |
| 19 | Payroll | \$504 | \$545 | \$549 | \$539 | \$544 | \$551 |
| 20 | Overtime | 112 | 95 | 93 | 93 | 95 | 96 |
| 21 | Health & Welfare | 47 | 49 | 54 | 58 | 61 | 65 |
| 22 | OPEB Current Payment | 1 | 1 | 2 | 2 | 2 | 2 |
| 23 | Pensions | 55 | 51 | 52 | 51 | 51 | 51 |
| 24 | Other-Fringe Benefits | 128 | 137 | 136 | 132 | 133 | 135 |
| 25 | Reimbursable Overhead | 307 | 327 | 318 | 317 | 320 | 324 |
| 26 | Sub-total Labor Expenses | \$1,155 | \$1,205 | \$1,204 | \$1,192 | \$1,207 | \$1,224 |
| 28 | Non-Labor Expenses: | | | | | | |
| 29 | Traction and Propulsion Power | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 30 | Fuel for Buses and Trains | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | Insurance | 7 | 6 | 6 | 6 | 6 | 7 |
| 32 | Claims | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 | Paratransit Service Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| 34 | Maintenance and Other Operating Contracts | 82 | 58 | 66 | 61 | 52 | 52 |
| 35 | Professional Service Contracts | 40 | 48 | 55 | 57 | 59 | 51 |
| 36 | Materials & Supplies | 110 | 100 | 100 | 85 | 88 | 86 |
| 37 | Other Business Expenses | (2) | 2 | 2 | 2 | 2 | 2 |
| 38 | Sub-total Non-Labor Expenses | \$236 | \$214 | \$229 | \$211 | \$207 | \$199 |
| 40 | Other Expense Adjustments: | | | | | | |
| 41 | Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 42 | Sub-total Other Expense Adjustments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 44 | Gap Closing Expenses: | | | | | | |
| 45 | Additional Actions for Budget Balance: Revenue Impact | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 44 | Total Operating Expense | \$1,391 | \$1,419 | \$1,433 | \$1,403 | \$1,414 | \$1,423 |
| 46 | Baseline Surplus/(Deficit) | (\$0) | \$0 | (\$0) | (\$0) | \$0 | \$0 |

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2010 - 2013

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

| Line Number | | | | | | |
|----------------|--|------------------|------------------|--------------------|------------------|------------------|
| 7 | Non-Reimbursable / Reimbursable | | | | | |
| 8 | | 2008 | 2009 | 2010 | | |
| 9 | | Actual | Mid-Year | Preliminary | | |
| 10 | | | Forecast | Budget | 2011 | 2012 |
| 11 | Operating Revenue | | | | | 2013 |
| 12 | Farebox Revenue | \$4,241 | \$4,339 | \$4,515 | \$4,594 | \$4,659 |
| 13 | Toll Revenue | 1,274 | 1,313 | 1,384 | 1,392 | 1,397 |
| 14 | Other Revenue | 449 | 438 | 488 | 522 | 547 |
| 15 | Capital and Other Reimbursements | 1,391 | 1,419 | 1,433 | 1,403 | 1,414 |
| 16 | Total Operating Revenue | \$7,355 | \$7,508 | \$7,820 | \$7,911 | \$8,017 |
| 17 | Operating Expense | | | | | |
| 18 | Labor Expenses: | | | | | |
| 19 | Payroll | \$4,592 | \$4,720 | \$4,805 | \$4,883 | \$4,975 |
| 20 | Overtime | 584 | 574 | 562 | 570 | 581 |
| 21 | Health & Welfare | 732 | 762 | 831 | 898 | 972 |
| 22 | OPEB Current Payment | 320 | 353 | 382 | 416 | 454 |
| 23 | Pensions | 952 | 1,046 | 1,067 | 1,077 | 1,105 |
| 24 | Other-Fringe Benefits | 631 | 604 | 615 | 624 | 632 |
| 25 | Reimbursable Overhead | (3) | (2) | (0) | (0) | (0) |
| 26 | Sub-total Labor Expenses | \$7,807 | \$8,057 | \$8,261 | \$8,467 | \$8,720 |
| 27 | | | | | | |
| 28 | Non-Labor Expenses: | | | | | |
| 29 | Traction and Propulsion Power | \$307 | \$348 | \$388 | \$436 | \$486 |
| 30 | Fuel for Buses and Trains | 287 | 193 | 221 | 248 | 265 |
| 31 | Insurance | 36 | 50 | 49 | 50 | 54 |
| 32 | Claims | 152 | 159 | 169 | 177 | 186 |
| 33 | Paratransit Service Contracts | 299 | 376 | 413 | 466 | 547 |
| 34 | Maintenance and Other Operating Contracts | 676 | 701 | 731 | 754 | 774 |
| 35 | Professional Service Contracts | 237 | 269 | 270 | 274 | 279 |
| 36 | Materials & Supplies | 643 | 677 | 691 | 687 | 700 |
| 37 | Other Business Expenses | 153 | 189 | 199 | 203 | 209 |
| 38 | Sub-total Non-Labor Expenses | \$2,789 | \$2,961 | \$3,132 | \$3,296 | \$3,501 |
| 39 | | | | | | |
| 40 | Other Expense Adjustments: | | | | | |
| 41 | Other | (\$14) | (\$13) | (\$19) | (\$18) | (\$21) |
| 42 | General Reserve | 0 | 38 | 75 | 75 | 75 |
| 43 | Sub-total Other Expense Adjustments | (\$14) | \$24 | \$56 | \$57 | \$54 |
| 44 | | | | | | |
| 45 | Total Operating Expense before Non-Cash Liability Adjs. | \$10,583 | \$11,043 | \$11,449 | \$11,821 | \$12,274 |
| 46 | | | | | | |
| 47 | Depreciation | \$1,791 | \$1,973 | \$2,075 | \$2,161 | \$2,237 |
| 48 | OPEB Obligation | 1,349 | 1,390 | 1,447 | 1,506 | 1,567 |
| 49 | Environmental Remediation | 42 | 10 | 10 | 10 | 11 |
| 50 | | | | | | |
| 51 | Total Operating Expense | \$13,765 | \$14,416 | \$14,980 | \$15,497 | \$16,089 |
| 52 | | | | | | |
| 53 | Net Operating Deficit Before Subsidies and Debt Service | (\$6,410) | (\$6,908) | (\$7,160) | (\$7,587) | (\$8,072) |
| 54 | | | | | | |
| 55 | Dedicated Taxes and State/Local Subsidies | \$4,078 | \$4,621 | \$5,375 | \$5,577 | \$5,881 |
| 56 | Debt Service (excludes Service Contract Bonds) | (1,516) | (1,499) | (1,920) | (2,059) | (2,256) |
| 57 | | | | | | |
| 58 | Net Deficit After Subsidies and Debt Service | (\$3,848) | (\$3,787) | (\$3,705) | (\$4,069) | (\$4,448) |
| 59 | | | | | | |
| 60 | Conversion to Cash Basis: Non-Cash Liability Adjs. | \$3,182 | \$3,373 | \$3,531 | \$3,677 | \$3,814 |
| 61 | Conversion to Cash Basis: GASB Account | (56) | (60) | (62) | (65) | (68) |
| 62 | Conversion to Cash Basis: All Other | 490 | 219 | 184 | (138) | (141) |
| 63 | | | | | | |
| 64 | CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER | (\$232) | (\$255) | (\$52) | (\$595) | (\$842) |

(\$1,138)

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2010 - 2013

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

| Line Number | CASH RECEIPTS AND EXPENDITURES | 2008 | 2009 | 2010 | | | |
|----------------|---|------------------|----------------------|-----------------------|------------------|------------------|------------------|
| | | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | Receipts | | | | | | |
| 12 | Farebox Revenue | \$4,299 | \$4,383 | \$4,552 | \$4,632 | \$4,697 | \$4,746 |
| 13 | Other Operating Revenue | 497 | 488 | 511 | 546 | 572 | 606 |
| 14 | Capital and Other Reimbursements | 1,345 | 1,487 | 1,487 | 1,425 | 1,427 | 1,439 |
| 15 | Total Receipts | \$6,141 | \$6,358 | \$6,551 | \$6,603 | \$6,696 | \$6,790 |
| 16 | | | | | | | |
| 17 | Expenditures | | | | | | |
| 18 | <u>Labor:</u> | | | | | | |
| 19 | Payroll | \$4,431 | \$4,606 | \$4,635 | \$4,709 | \$4,792 | \$4,916 |
| 20 | Overtime | 559 | 544 | 532 | 540 | 551 | 561 |
| 21 | Health and Welfare | 752 | 734 | 815 | 881 | 954 | 1,044 |
| 22 | OPEB Current Payment | 293 | 332 | 358 | 390 | 426 | 465 |
| 23 | Pensions | 712 | 996 | 1,039 | 1,056 | 1,084 | 1,091 |
| 24 | Other Fringe Benefits | 539 | 567 | 577 | 586 | 596 | 619 |
| 25 | Contribution to GASB Fund | 56 | 60 | 62 | 65 | 68 | 72 |
| 26 | Total Labor Expenditures | \$7,342 | \$7,840 | \$8,018 | \$8,228 | \$8,470 | \$8,767 |
| 27 | | | | | | | |
| 28 | <u>Non-Labor:</u> | | | | | | |
| 29 | Traction and Propulsion Power | \$299 | \$373 | \$391 | \$439 | \$489 | \$544 |
| 30 | Fuel for Buses and Trains | 300 | 189 | 220 | 248 | 265 | 312 |
| 31 | Insurance | 41 | 47 | 45 | 49 | 53 | 52 |
| 32 | Claims | 147 | 156 | 144 | 153 | 162 | 171 |
| 33 | Paratransit Service Contracts | 272 | 379 | 408 | 461 | 542 | 636 |
| 34 | Maintenance and Other Operating Contracts | 556 | 602 | 616 | 624 | 632 | 655 |
| 35 | Professional Service Contracts | 203 | 249 | 246 | 250 | 252 | 249 |
| 36 | Materials & Supplies | 714 | 667 | 685 | 682 | 701 | 724 |
| 37 | Other Business Expenditures | 163 | 189 | 200 | 207 | 214 | 222 |
| 38 | Total Non-Labor Expenditures | \$2,693 | \$2,851 | \$2,955 | \$3,112 | \$3,310 | \$3,566 |
| 39 | | | | | | | |
| 40 | <u>Other Expenditure Adjustments:</u> | | | | | | |
| 41 | Other | \$9 | \$68 | \$84 | \$90 | \$98 | \$109 |
| 42 | General Reserve | 0 | 38 | 75 | 75 | 75 | 75 |
| 43 | Total Other Expenditure Adjustments | \$9 | \$105 | \$159 | \$165 | \$173 | \$184 |
| 44 | | | | | | | |
| 45 | Total Expenditures | \$10,045 | \$10,797 | \$11,133 | \$11,505 | \$11,953 | \$12,517 |
| 46 | | | | | | | |
| 47 | Net Cash Deficit Before Subsidies and Debt Service | (\$3,904) | (\$4,438) | (\$4,582) | (\$4,902) | (\$5,258) | (\$5,727) |
| 48 | | | | | | | |
| 49 | Dedicated Taxes and State/Local Subsidies | \$4,669 | \$5,147 | \$5,818 | \$5,718 | \$6,001 | \$6,363 |
| 50 | Debt Service (excludes Service Contract Bonds) | (997) | (964) | (1,287) | (1,411) | (1,586) | (1,774) |
| 51 | | | | | | | |
| 52 | CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER | (\$232) | (\$255) | (\$52) | (\$595) | (\$842) | (\$1,138) |

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2010 - 2013
Cash Conversion Detail
(\$ in millions)

| | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---|---------------------------------------|--|----------------|----------------|----------------|
| <u>Depreciation</u> | | | | | |
| New York City Transit | \$1,250 | \$1,325 | \$1,400 | \$1,475 | \$1,550 |
| Metro-North Railroad | 261 | 270 | 278 | 286 | 295 |
| Long Island Rail Road | 303 | 313 | 315 | 308 | 301 |
| MTA Bus Company | 37 | 40 | 42 | 42 | 42 |
| MTA Headquarters | 31 | 31 | 26 | 21 | 21 |
| Staten Island Railway | 10 | 10 | 10 | 10 | 10 |
| Bridges & Tunnels | 81 | 85 | 89 | 94 | 99 |
| <i>Sub-Total</i> | <i>1,973</i> | <i>2,075</i> | <i>2,161</i> | <i>2,237</i> | <i>2,318</i> |
| <u>Other Post Employment Benefits</u> | | | | | |
| New York City Transit | \$1,055 | \$1,099 | \$1,145 | \$1,192 | \$1,240 |
| Metro-North Railroad | 55 | 55 | 57 | 58 | 60 |
| Long Island Rail Road | 79 | 82 | 86 | 89 | 93 |
| MTA Bus Company | 52 | 54 | 56 | 58 | 60 |
| MTA Headquarters | 64 | 67 | 70 | 73 | 77 |
| Bridges & Tunnels | 71 | 76 | 79 | 83 | 87 |
| Long Island Bus | 11 | 11 | 11 | 11 | 11 |
| Staten Island Railway | 3 | 3 | 3 | 3 | 3 |
| <i>Sub-Total</i> | <i>1,390</i> | <i>1,447</i> | <i>1,506</i> | <i>1,567</i> | <i>1,630</i> |
| <u>Environmental Remediation</u> | | | | | |
| New York City Transit | 0 | 0 | 0 | 0 | 0 |
| Metro-North Railroad | 8 | 8 | 8 | 9 | 9 |
| Long Island Rail Road | 2 | 2 | 2 | 2 | 2 |
| <i>Sub-Total</i> | <i>10</i> | <i>10</i> | <i>10</i> | <i>11</i> | <i>11</i> |
| <u>Operating</u> | | | | | |
| New York City Transit | 103 | 69 | 27 | 23 | 17 |
| Metro-North Railroad | (23) | (19) | (31) | (30) | (27) |
| Long Island Rail Road | 13 | (2) | 3 | 2 | 4 |
| MTA Bus Company | (58) | (4) | (4) | (4) | (5) |
| MTA Headquarters | (3) | (4) | (3) | (3) | (3) |
| Long Island Bus | (4) | 1 | 1 | 1 | 1 |
| Staten Island Railway | (0) | (0) | (0) | (0) | (0) |
| First Mutual Transportation Assurance Company | (25) | (28) | (32) | (39) | (49) |
| Other | 16 | 19 | 19 | 23 | 23 |
| <i>Sub-Total</i> | <i>19</i> | <i>31</i> | <i>(22)</i> | <i>(29)</i> | <i>(40)</i> |
| <u>Subsidies</u> | | | | | |
| New York City Transit | 187 | 150 | (148) | (151) | (15) |
| Commuter Railroads | (3) | 7 | (1) | (1) | 0 |
| Headquarters | (24) | (73) | (30) | (26) | (27) |
| MTA Bus Company | (26) | 8 | (2) | (3) | (6) |
| Long Island Bus | 5 | 0 | 0 | 0 | 0 |
| Staten Island Railway | 0 | 0 | 0 | 0 | 0 |
| <i>Sub-Total</i> | <i>140</i> | <i>91</i> | <i>(181)</i> | <i>(180)</i> | <i>(47)</i> |
| Total Cash Conversion | \$3,532 | \$3,653 | \$3,474 | \$3,605 | \$3,873 |

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2010 - 2013

Changes Year-to-Year By Category

Favorable/(Unfavorable)

| Line Number | | 2009 | Change | 2010 | Change | 2011 | Change | 2012 | Change | 2013 | Change |
|-------------|--|-------------------|----------------|--------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | | Mid-Year Forecast | 2009 - 2008 | Preliminary Budget | 2010 - 2009 | | 2011 - 2010 | | 2012 - 2011 | | 2013 - 2012 |
| 7 | Non-Reimbursable | | | | | | | | | | |
| 10 | <u>Operating Revenue</u> | | | | | | | | | | |
| 11 | Farebox Revenue | \$4,339 | \$98 | \$4,515 | \$176 | \$4,594 | \$79 | \$4,659 | \$65 | \$4,707 | \$49 |
| 12 | Toll Revenue | 1,313 | 39 | 1,384 | 71 | 1,392 | 8 | 1,397 | 5 | 1,397 | (1) |
| 13 | Eliminate E-Z Pass Forgiveness | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Other Revenue | 438 | (11) | 488 | 51 | 522 | 33 | 547 | 25 | 581 | 34 |
| 15 | Capital and Other Reimbursements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | Total Operating Revenue | \$6,089 | \$126 | \$6,387 | \$298 | \$6,508 | \$121 | \$6,603 | \$96 | \$6,685 | \$82 |
| 18 | <u>Operating Expense</u> | | | | | | | | | | |
| 19 | Labor Expenses: | | | | | | | | | | |
| 20 | Payroll | \$4,175 | (\$88) | \$4,257 | (\$81) | \$4,344 | (\$88) | \$4,431 | (\$87) | \$4,550 | (\$118) |
| 21 | Overtime | 479 | (8) | 469 | 11 | 476 | (8) | 486 | (10) | 496 | (10) |
| 22 | Health & Welfare | 713 | (28) | 776 | (64) | 840 | (64) | 911 | (70) | 999 | (88) |
| 23 | OPEB Current Payment | 352 | (34) | 380 | (28) | 414 | (34) | 452 | (37) | 492 | (41) |
| 24 | Pensions | 995 | (97) | 1,015 | (20) | 1,026 | (11) | 1,054 | (28) | 1,066 | (12) |
| 25 | Other-Fringe Benefits | 467 | 35 | 480 | (12) | 491 | (12) | 499 | (8) | 521 | (22) |
| 26 | Reimbursable Overhead | (329) | 18 | (319) | (10) | (318) | (1) | (321) | 3 | (325) | 4 |
| 27 | Sub-total Labor Expenses | \$6,852 | (\$200) | \$7,057 | (\$205) | \$7,275 | (\$218) | \$7,513 | (\$237) | \$7,799 | (\$286) |
| 29 | Non-Labor Expenses: | | | | | | | | | | |
| 30 | Traction and Propulsion Power | \$348 | (\$42) | \$388 | (\$39) | \$436 | (\$48) | \$486 | (\$50) | \$541 | (\$55) |
| 31 | Fuel for Buses and Trains | 193 | 94 | 221 | (27) | 248 | (28) | 265 | (17) | 312 | (47) |
| 32 | Insurance | 44 | (15) | 42 | 1 | 44 | (2) | 48 | (4) | 50 | (2) |
| 33 | Claims | 159 | (6) | 169 | (11) | 177 | (8) | 186 | (9) | 195 | (9) |
| 34 | Paratransit Service Contracts | 376 | (77) | 413 | (37) | 466 | (53) | 547 | (81) | 641 | (94) |
| 35 | Maintenance and Other Operating Contracts | 643 | (49) | 665 | (22) | 694 | (29) | 722 | (29) | 750 | (27) |
| 36 | Professional Service Contracts | 221 | (24) | 216 | 6 | 217 | (2) | 220 | (3) | 224 | (4) |
| 37 | Materials & Supplies | 577 | (44) | 592 | (15) | 602 | (10) | 612 | (10) | 639 | (27) |
| 38 | Other Business Expenses | 186 | (31) | 197 | (11) | 201 | (4) | 207 | (7) | 215 | (8) |
| 39 | Sub-total Non-Labor Expenses | \$2,748 | (\$195) | \$2,903 | (\$155) | \$3,085 | (\$182) | \$3,295 | (\$209) | \$3,568 | (\$273) |
| 41 | Other Expense Adjustments: | | | | | | | | | | |
| 42 | Other | (13) | 1 | (19) | (6) | (18) | 1 | (21) | (4) | (27) | (5) |
| 43 | General Reserve | 38 | (38) | 75 | (38) | 75 | 0 | 75 | 0 | 75 | 0 |
| 44 | Sub-total Other Expense Adjustments | \$24 | (\$37) | \$56 | (\$44) | \$57 | \$1 | \$54 | (\$4) | \$48 | (\$5) |
| 46 | Total Operating Expense before Non-Cash Liability Adjs. | \$9,625 | (\$433) | \$10,016 | (\$392) | \$10,418 | (\$402) | \$10,861 | (\$443) | \$11,415 | (\$554) |
| 48 | Depreciation | 1,973 | (182) | 2,075 | (101) | 2,161 | (86) | 2,237 | (76) | 2,318 | (81) |
| 49 | OPEB Obligation | 1,390 | (41) | 1,447 | (57) | 1,506 | (59) | 1,567 | (61) | 1,630 | (64) |
| 50 | Environmental Remediation | 10 | 32 | 10 | 0 | 10 | (0) | 11 | (0) | 11 | (0) |
| 52 | Total Operating Expense | \$12,998 | (\$624) | \$13,547 | (\$550) | \$14,094 | (\$547) | \$14,675 | (\$581) | \$15,374 | (\$699) |
| 54 | Net Operating Deficit Before Subsidies and Debt Service | (\$6,908) | (\$499) | (\$7,160) | (\$252) | (\$7,587) | (\$426) | (\$8,072) | (\$485) | (\$8,689) | (\$617) |
| 56 | Dedicated Taxes and State/Local Subsidies | \$4,621 | \$543 | \$5,375 | \$754 | \$5,577 | \$202 | \$5,881 | \$304 | \$6,155 | \$274 |
| 57 | Debt Service (excludes Service Contract Bonds) | (1,499) | 16 | (1,920) | (421) | (2,059) | (139) | (2,256) | (197) | (2,476) | (220) |
| 58 | Net Deficit After Subsidies and Debt Service | (\$3,787) | \$61 | (\$3,705) | \$82 | (\$4,069) | (\$364) | (\$4,448) | (\$379) | (\$5,011) | (\$563) |
| 60 | Conversion to Cash Basis: Non-Cash Liability Adjs. | \$3,373 | \$191 | \$3,531 | \$158 | \$3,677 | \$145 | \$3,814 | \$138 | \$3,959 | \$145 |
| 61 | Conversion to Cash Basis: GASB Account | (60) | (4) | (62) | (2) | (65) | (3) | (68) | (3) | (72) | (4) |
| 62 | Conversion to Cash Basis: All Other | 219 | (270) | 184 | (36) | (138) | (321) | (141) | (4) | (15) | 127 |
| 63 | Net Cash Balance from Previous Year | 263 | (232) | 9 | (255) | 0 | (9) | 0 | 0 | 0 | 0 |
| 64 | Baseline Net Cash Balance | \$9 | (\$255) | (\$43) | (\$52) | (\$595) | (\$552) | (\$842) | (\$248) | (\$1,138) | (\$296) |

METROPOLITAN TRANSPORTATION AUTHORITY
JULY FINANCIAL PLAN 2010-2013
NON-RECURRING REVENUES AND SAVINGS - BASELINE
(\$ in millions)

| Non-recurring revenues and savings with a value of \$1 million or more in calendar years 2009 through 2013. | | | | | |
|---|--|---|-------------|-------------|-------------|
| Agency | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 Plan | 2012 Plan | 2013 Plan |
| Bridges & Tunnels | \$ - None | \$ - None | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Long Island Bus | \$ - None | \$ - None | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Long Island Rail Road | \$ - None | \$ - None | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Metro-North Railroad | \$ 6.0 Amtrak Settlement for Shell at Grade Project | \$ - None | \$ - None | \$ - None | \$ - None |
| | \$ 5.4 MTA 2007 Pension Prepayment | \$ 5.1 One-Year Deferral of Seat Change-out Plan | \$ - None | \$ - None | \$ - None |
| | \$ - None | \$ 3.6 M7 Capital Spares Reimbursement | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ 11.4</u> | <u>\$ 8.7</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Staten Island Railway | \$ - None | \$ - None | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| MTA Capital Construction Company | \$ - None | \$ - None | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| MTA Headquarters | \$ 11.7 Reductions in operating-funded capital expenditures. | \$ 4.4 Reductions in operating-funded capital expenditures. | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ 11.7</u> | <u>\$ 4.4</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTE: Positive cash balances

METROPOLITAN TRANSPORTATION AUTHORITY
JULY FINANCIAL PLAN 2010-2013
NON-RECURRING REVENUES AND SAVINGS - BASELINE
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more in calendar years 2009 through 2013.

| Agency | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 Plan | 2012 Plan | 2013 Plan |
|--|---|-------------------------|-------------|-------------|-------------|
| New York City Transit | | | | | |
| TAB Fund Drawdown | \$ 11.0 Accumulated Transit Adjudication Bureau Fund Drawdown | \$ - None | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ 11.0</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| MTA Bus | | | | | |
| | \$ - None | \$ - None | \$ - None | \$ - None | \$ - None |
| Subtotal | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| MTA Transactions | \$ - None | \$ - None | \$ - None | \$ - None | \$ - None |
| Debt Service Defeasance | \$ 283.3 | | | | |
| Transfers from GASB | \$ 34.4 | | | | |
| Subtotal | <u>\$ 317.7</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total Non-Recurring Resources (>or = \$1million) | \$ 351.8 | \$ 13.0 | \$ - | \$ - | \$ - |

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

METROPOLITAN TRANSPORTATION AUTHORITY
JULY FINANCIAL PLAN 2010-2013
MTA OPERATING BUDGET RESERVES - BASELINE
(\$ in millions)

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| <u>MTA Consolidated:</u> | | | | | |
| <i>MTA General Reserve</i> | \$37.5 | \$75.0 | \$75.0 | \$75.0 | \$75.0 |

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IV. MTA Capital Program Information

NEW YORK CITY TRANSIT
2009 Commitment Summary
\$ in Millions

| ACEP | Project Descriptionm | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|------------------|---|---------------------|------------------|--------------------|------------------|
| 2000-2004 | | | | | |
| T40404/M2 | Fare Media Phase 1 | \$ 0.50 | \$ 0.50 | - | - |
| | Element Total | \$ 0.50 | \$ 0.50 | - | - |
| T40411/2D | Station Rehab: Gun Hill Road / White Plains - Intermodal | \$ 6.02 | \$ 6.02 | - | - |
| | Element Total | \$ 6.02 | \$ 6.02 | - | - |
| T40703/SB | Stillwell Av Terminal: Miscellaneous Work | \$ 0.38 | \$ 0.38 | - | - |
| | Element Total | \$ 0.38 | \$ 0.38 | - | - |
| T41203/FG | Charleston - Storm Water Sewer | \$ 10.73 | \$ 2.15 | 8.58 | - |
| | Element Total | \$ 10.73 | \$ 2.15 | 8.58 | - |
| T41604/I3 | Information Technology: Raised Floor Livingston Plaza | \$ 0.22 | \$ 0.22 | - | - |
| | Element Total | \$ 0.22 | \$ 0.22 | - | - |
| 2000-2004 | | | \$ - | | |
| S50701/07 | Sir: New Station: Arthur Kill | \$ 14.32 | \$ 13.88 | - | 0.44 |
| S50701/11 | St George Terminal: Floor Repair/ Replacement | \$ 4.46 | \$ 4.21 | - | 0.25 |
| | Element Total | \$ 18.78 | \$ 18.09 | - | 0.69 |
| T50101/01 | Purchase 23 "A" Division Subway Cars | \$ 75.37 | \$ 75.37 | - | - |
| | Element Total | \$ 75.37 | \$ 75.37 | - | - |
| T50302/04 | Repl Integrated Farebox Unit Components | \$ 22.84 | \$ 22.84 | - | - |
| T50302/12 | Purchase 10 Articulated Buses -- New Vendor | \$ 14.71 | \$ 14.71 | - | - |
| T50302/15 | Fuel Cell Bus Demonstration | \$ 3.00 | \$ 3.00 | - | - |
| T50302/19 | Purchase 245 Paratransit Vehicles | \$ 14.00 | \$ 14.00 | - | - |
| T50302/21 | Purchase 177 Express Buses | \$ 110.90 | \$ 61.40 | - | 49.50 |
| T50302/22 | Purchase 411 Paratransit Vehicles | \$ 32.50 | \$ 32.50 | - | - |
| T50302/25 | Purchase 50 Standard Buses | \$ 28.08 | \$ 28.08 | - | - |
| T50302/26 | Purchase 10 Standard Buses--new Vendor | \$ 5.61 | \$ 5.61 | - | - |
| T50302/27 | Purchase 110 Standard Buses | \$ 61.77 | \$ 17.21 | - | 44.56 |
| | Element Total | \$ 293.41 | \$ 199.35 | - | 94.06 |
| T50404/03 | Replace High Production Encoding Machines | \$ 5.24 | \$ 5.24 | - | - |
| | Element Total | \$ 5.24 | \$ 5.24 | - | - |
| T50407/XX | Elevator Replacement: 11 Hydraulic Elevators | \$ 1.54 | \$ 1.54 | - | - |
| | Element Total | \$ 1.54 | \$ 1.54 | - | - |
| T50411/38 | Station Rehab: Morrison-Sound View Avenues / Pelham | \$ 22.30 | \$ 9.26 | 13.04 | - |
| T50411/47 | Station Rehab: Parkchester - East 177 St / Pelham | \$ 26.46 | \$ 4.53 | 21.93 | - |
| T50411/48 | Station Rehab: Saint Lawrence Avenue / Pelham | \$ 23.59 | \$ 3.31 | 20.29 | - |
| T50411/49 | Station Rehab: Elder Avenue / Pelham | \$ 23.64 | \$ 3.05 | 20.60 | - |
| T50411/50 | Station Rehab: Whitlock Avenue / Pelham | \$ 21.67 | \$ 4.14 | 17.53 | - |
| T50411/55 | Station Rehab: Beach 67th Street / Far Rockaway | \$ 16.72 | \$ 16.72 | - | - |
| T50411/56 | Station Rehab: Beach 60th Street / Far Rockaway | \$ 17.32 | \$ 17.32 | - | - |
| T50411/57 | Station Rehab: Beach 44th Street / Far Rockaway | \$ 17.21 | \$ 17.21 | - | - |
| T50411/58 | Station Rehab: Beach 36th Street / Far Rockaway | \$ 16.36 | \$ 16.36 | - | - |
| T50411/59 | Station Rehab: Beach 25th Street / Far Rockaway | \$ 17.13 | \$ 17.13 | - | - |
| T50411/60 | Station Rehab: Far Rockaway - Mott Avenue/ Far Rockaway | \$ 15.48 | \$ 15.48 | - | - |
| T50411/61 | Station Rehab: Beach 90th Street / Rockaway | \$ 17.53 | \$ 17.53 | - | - |
| T50411/62 | Station Rehab: Beach 98th Street / Rockaway | \$ 17.34 | \$ 17.34 | - | - |
| T50411/63 | Station Rehab: Beach 105th Street / Rockaway | \$ 16.60 | \$ 16.60 | - | - |
| T50411/74 | Station Rehab: East 180 Street / White Plains Road | \$ 59.06 | \$ 44.06 | 15.00 | - |
| T50411/92 | Station Reconstruction: New Cortlandt Street / Bway-7th Ave | \$ 0.12 | \$ 0.12 | - | - |

NEW YORK CITY TRANSIT
2009 Commitment Summary
\$ in Millions

| ACEP | Project Descriptionm | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|-----------|---|---------------------|------------------|--------------------|------------------|
| | Element Total | \$ 328.53 | \$ 220.15 | 108.38 | - |
| T50413/17 | ADA: Mott Avenue: Far Rockaway Line | \$ 14.15 | \$ 14.15 | - | - |
| T50413/19 | ADA: E 180 Street / White Plains Road | \$ 13.04 | \$ 8.24 | 4.80 | - |
| T50413/21 | ADA: Platforms: 45 Rd-court House Sq/ Flushing | \$ 9.75 | \$ 9.75 | - | - |
| T50413/21 | ADA: 45 Rd - Court House Sq / Fls | \$ 13.59 | \$ 13.59 | - | - |
| T50413/23 | ADA: Utica Av / Fulton Line | \$ 1.27 | \$ 1.27 | - | - |
| T50413/24 | ADA: Forest Hills-71 Av / Queens Blvd | \$ 0.50 | \$ 0.50 | - | - |
| T50413/25 | ADA: 23 Street / Lexington | \$ 2.00 | \$ 2.00 | - | - |
| T50413/XX | ADA: Plat Edge: 34 St - Herald Sq / 6 Ave | \$ 0.38 | \$ 0.38 | - | - |
| T50413/XX | ADA: Kingsbridge Rd / Concourse | \$ 0.95 | \$ 0.95 | - | - |
| T50413/XX | ADA: Plat Edge: 34 St- Herald Sq / Broadway | \$ 0.38 | \$ 0.38 | - | - |
| T50413/XX | ADA: 68 St - Hunter College / Lex | \$ 4.82 | \$ 4.82 | - | - |
| | Element Total | \$ 60.84 | \$ 56.04 | 4.80 | - |
| T50414/07 | Repair Canopies: 5 Stns / Bway-7th Ave | \$ 17.21 | \$ 17.21 | - | - |
| T50414/17 | Platforms: Dyckman Street / Bway-7th Ave | \$ 16.72 | \$ 16.72 | - | - |
| T50414/18 | Station Rehab: 86 Street / 4th Avenue | \$ 12.37 | \$ 7.15 | 5.22 | - |
| T50414/21 | Station Component Repairs | \$ 36.41 | \$ 36.41 | - | - |
| T50414/XX | Scrubber Room Drainage - 4 Locations | \$ 0.48 | \$ 0.48 | - | - |
| | Element Total | \$ 83.19 | \$ 77.97 | 5.22 | - |
| T50502/13 | Mainline Track Rehab: 2009 | \$ 161.65 | \$ 51.65 | 110.00 | - |
| T50502/14 | Track Force Account: 2009 | \$ 35.00 | \$ - | - | 35.00 |
| T50502/15 | Welded Rail Program: 2009 | \$ 11.74 | \$ 3.74 | 8.00 | - |
| T50502/16 | Mainline Track Rehabilitation: 2010 | \$ 1.29 | \$ 1.29 | - | - |
| | Element Total | \$ 209.68 | \$ 56.68 | 118.00 | 35.00 |
| T50503/05 | Replace 30 Mainline Switches: 2009 | \$ 38.00 | \$ 13.07 | 24.93 | - |
| T50503/06 | Replace Mainline Switches - 2010 | \$ 2.07 | \$ 2.07 | - | - |
| | Element Total | \$ 40.07 | \$ 15.14 | 24.93 | - |
| T50602/15 | Tunnel Lighting: 7 Av And 47-50 Sts To Lex Av / Qbl | \$ 11.99 | \$ 11.99 | - | - |
| T50602/16 | Tunnel Lighting: Removals: Lex Av-queens Plz / 53 St Tube | \$ 2.82 | \$ 2.82 | - | - |
| | Element Total | \$ 14.81 | \$ 14.81 | - | - |
| T50603/04 | Vent Plant: 55th Street / 8th Avenue | \$ 2.50 | \$ 2.50 | - | - |
| T50603/05 | Ventilation Facilities: Mulry Square / 8th Av & Bway/7 | \$ 3.06 | \$ 3.06 | - | - |
| | Element Total | \$ 5.56 | \$ 5.56 | - | - |
| T50703/07 | Elevated Structure Rehab: Culver Viaduct Phase 2 | \$ 194.75 | \$ 71.55 | 123.20 | - |
| T50703/16 | Line Structure Overcoating: Cypress Hills - 130th Street / Jamaica | \$ 0.82 | \$ 0.82 | - | - |
| T50703/22 | Line Structure Overcoating: 125 Street Arch / Bway-7th Ave | \$ 15.00 | \$ 15.00 | - | - |
| T50703/29 | Stripping And Repainting: Portal - 41 Av / Astoria Line | \$ 25.79 | \$ 7.79 | 18.00 | - |
| T50703/30 | Line Structure Overcoating: Bway Junction - Cypress Hills / Jama | \$ 0.81 | \$ 0.81 | - | - |
| T50703/33 | Flood Mitigation Program: 2009 | \$ 45.71 | \$ 45.71 | - | - |
| T50703/34 | Trackway Stabilization /Franklin Shuttle | \$ 0.60 | \$ 0.60 | - | - |
| T50703/35 | Stillwell Terminal: Place Switch #977 | \$ 2.10 | \$ 2.10 | - | - |
| T50703/36 | Elevated Structure Rehabilitation: Cypress Hills To 130 Street / Ja | \$ 0.85 | \$ 0.85 | - | - |
| | Element Total | \$ 286.44 | \$ 145.24 | 141.20 | - |
| T50803/03 | Stop Cable Replacement: Phase 3 | \$ 36.50 | \$ 12.66 | 23.84 | - |
| T50803/04 | Messenger Cable Brackets / Brighton | \$ 0.10 | \$ 0.10 | - | - |
| T50803/08 | CBTC Flushing Line | \$ 347.51 | \$ 347.51 | - | - |
| T50803/12 | Signal Systems: Interlocking: Church Ave, 4th Ave / Culver | \$ 122.00 | \$ 42.00 | \$ 80.00 | \$ - |

NEW YORK CITY TRANSIT
2009 Commitment Summary
\$ in Millions

| ACEP | Project Descriptionm | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|-----------|--|---------------------|------------------|--------------------|------------------|
| T50803/14 | Signal Systems: Interlockings: Lex Ave, 5th Ave / Qbl | \$ 134.55 | \$ 112.52 | 22.03 | - |
| T50803/17 | Signal Room Fire Suppression - Phase 1 | \$ 11.18 | \$ 11.18 | - | - |
| T50803/23 | CBTC Test Track / Culver Line | \$ 12.78 | \$ 12.78 | - | - |
| T50803/25 | Signal Systems: Times Sq To N. Of Hunters Pt - Wrap-up | \$ 3.81 | \$ 3.81 | - | - |
| T50803/XX | Signal Systems: West 4 St Interlocking / 6th Avenue | \$ 3.50 | \$ 3.50 | - | - |
| T50803/XX | Solid State Signal Equipment II | \$ 1.50 | \$ 1.50 | - | - |
| T50803/XX | Solid State Signal Equipment I | \$ 0.25 | \$ 0.25 | - | - |
| T50803/XX | 34th St Interlocking / 6th Avenue | \$ 3.50 | \$ 3.50 | - | - |
| | Element Total | \$ 677.18 | \$ 551.31 | 125.87 | - |
| T50806/04 | Copper Cable Replacement: Steinway Tube - Ph 1 | \$ 3.31 | \$ 3.31 | - | - |
| T50806/08 | Police: PRS: Time Domain Interference Solution | \$ 10.00 | \$ 10.00 | - | - |
| T50806/10 | VHF Radio System Upgrade (Phase1) | \$ 73.97 | \$ 73.97 | - | - |
| T50806/13 | Stations Wireless Mobile Techonology Ph1 | \$ 1.95 | \$ 1.95 | - | - |
| T50806/15 | PA/CIS: 44 Stns - Furnish & Install Cabinets | \$ 9.76 | \$ 9.76 | - | - |
| | Element Total | \$ 98.99 | \$ 98.99 | - | - |
| T50902/12 | Substation Hatchways: 8 Locs | \$ 5.67 | \$ 5.67 | - | - |
| T50902/12 | Hatchways: 28 Loc Design Only | \$ 0.89 | \$ 0.89 | - | - |
| T50902/20 | 10th Street Substation / Culver | \$ 1.79 | \$ 1.79 | - | - |
| | Element Total | \$ 8.34 | \$ 8.34 | - | - |
| T50904/07 | Negative Cables: 95th St - 59th St / 4th Ave | \$ 11.65 | \$ 11.65 | - | - |
| | Element Total | \$ 11.65 | \$ 11.65 | - | - |
| T51102/04 | Yard Rehab: Yard CCTV | \$ 5.62 | \$ 5.62 | - | - |
| T51102/12 | Yard Fencing - Priority I | \$ 0.50 | \$ 0.50 | - | - |
| | Element Total | \$ 6.12 | \$ 6.12 | - | - |
| T51105/05 | Yard Track Rehab: 2009 | \$ 2.87 | \$ 0.87 | 2.00 | - |
| T51105/06 | Yard Track Rehabilitation: 2010 | \$ 0.26 | \$ 0.26 | - | - |
| | Element Total | \$ 3.13 | \$ 1.13 | 2.00 | - |
| T51106/05 | Replace 16 Yard Switches: 2009 | \$ 8.72 | \$ 3.72 | 5.00 | - |
| T51106/06 | Yard Switches: 2010 | \$ 0.72 | \$ 0.72 | - | - |
| | Element Total | \$ 9.44 | \$ 4.44 | 5.00 | - |
| T51203/06 | Reconstruct/Demolish Clara Hale Depot | \$ 314.92 | \$ 314.92 | - | - |
| T51203/07 | ENY Depot Rehab And Base Shop Conversion | \$ 17.19 | \$ 17.19 | - | - |
| | Element Total | \$ 332.11 | \$ 332.11 | - | - |
| T51204/10 | Bus Washers: 10 Bus Washers Kb, Gh, Mv, Cs | \$ 0.92 | \$ 0.92 | - | - |
| T51204/15 | New (3rd) Bus Washer: Quill Depot | \$ 2.03 | \$ 2.03 | - | - |
| T51204/16 | Depot Rehab: Priority Repairs: Jamaica Depot | \$ 4.89 | \$ 4.89 | - | - |
| T51204/16 | Depot Rehab: Priority Repairs: Ulmer Depot | \$ 8.90 | \$ 8.90 | - | - |
| T51204/16 | Depot Rehab: Priority Repairs: Flatbush Depot | \$ 5.82 | \$ 5.82 | - | - |
| | Element Total | \$ 22.55 | \$ 22.55 | - | - |
| T51302/03 | Purchase 2 Ballast Regulators | \$ 7.20 | \$ 7.20 | - | - |
| T51302/10 | Diesel Particulate Filters: Non-Revenue Fleet - Ph1 | \$ 2.76 | \$ 2.76 | - | - |
| | Element Total | \$ 9.96 | \$ 9.96 | - | - |
| T51602/02 | Capital Revolving Fund - 2009 | \$ 5.00 | \$ - | - | 5.00 |
| | Element Total | \$ 5.00 | \$ - | - | 5.00 |
| T51605/01 | Indep Eng'g Consultant Svces: 2009 | \$ 3.88 | \$ 3.88 | - | - |
| T51605/21 | Concrete Batch Plant Inspection (2008) | \$ 0.06 | \$ 0.06 | - | - |
| T51605/24 | Concrete Cylinder Testing (2009) | \$ 0.72 | \$ 0.72 | - | - |

NEW YORK CITY TRANSIT
2009 Commitment Summary
\$ in Millions

| ACEP | Project Descriptionm | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|--|--|---------------------|--------------------|--------------------|------------------|
| T51605/26 | Scope Development 2009 | \$ 10.28 | \$ 10.28 | - | - |
| | Element Total | \$ 14.94 | \$ 14.94 | - | - |
| T51606/04 | Fire Protection: Sprinklers: Concourse Shop & Hoyt-Scherm | \$ 9.44 | \$ 9.44 | - | - |
| T51606/04 | Fire Alarm: 130 Livingston & Power Ctr | \$ 17.64 | \$ 17.64 | - | - |
| T51606/04 | Fire Alarm: Jamaica Railcar Maint Shop | \$ 3.66 | \$ 3.66 | - | - |
| | Element Total | \$ 30.74 | \$ 30.74 | - | - |
| T51607/24 | Employee Facilities: Parkchester / Pelham | \$ 4.09 | \$ 0.92 | 3.17 | - |
| T51607/26 | Employee Facilities: East 180th Street / White Plains Road | \$ 9.06 | \$ 6.06 | 3.00 | - |
| T51607/36 | Dos Roof Replacement Phase 2 | \$ 14.05 | \$ 14.05 | - | - |
| | Element Total | \$ 27.20 | \$ 21.03 | 6.17 | - |
| | | \$ - | | | |
| NYC Transit and Staten Island Railway 2009 Commitment Total | | \$ 2,698.64 | \$ 2,013.73 | \$ 550.15 | \$ 134.75 |

Long Island Rail Road
2009 Commitment Summary
\$ in Millions

| ACEP | Project Description | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|------------------|--|---------------------|-----------------|--------------------|---------------|
| 2000-2004 | | | | | |
| L4020433 | ROSEDALE STATION | 0.02 | 0.02 | 0.00 | 0.00 |
| | Station Buildings Total | 0.02 | 0.02 | 0.00 | 0.00 |
| 2005-2009 | | | | | |
| L50101M3 | M-9 SPECIFICATION DEVELOPMENT | 1.35 | 1.35 | 0.00 | 0.00 |
| L50101M7 | M7 PROCUREMENT (158 CARS) | 11.97 | 11.97 | 0.00 | 0.00 |
| | Revenue Equipment Total | 13.32 | 13.32 | 0.00 | 0.00 |
| L5020425 | JCC BUILDING FITOUT - PHASE 2 | 5.75 | 5.75 | 0.00 | 0.00 |
| L5020427 | REPLACE ELEVATOR-ATLANTIC TERMINAL | 0.38 | 0.38 | 0.00 | 0.00 |
| L5020428 | FOREST HILL STATION-RAMP | 0.35 | 0.35 | 0.00 | 0.00 |
| L502042B | BROADWAY STAT PLATFORM REPLACEMENT | 0.25 | 0.25 | 0.00 | 0.00 |
| L502042D | NEW ELEVATORS-QUEENS VILLAGE STATION | 1.00 | 1.00 | 0.00 | 0.00 |
| L502042E | NEW ELEVATORS-FLUSHING MAIN STREET | 1.00 | 1.00 | 0.00 | 0.00 |
| L502042T | ESCALATOR REPLACEMENT PROGRAM | 3.09 | 0.84 | 2.25 | 0.00 |
| L502042U | ELEVATOR REPLACEMENTS @ GREAT NECK | 2.47 | 0.47 | 2.00 | 0.00 |
| | Station and Buildings Total | 14.29 | 10.04 | 4.25 | 0.00 |
| L5020526 | RONKONKOMA PARKING IMPROVEMENT (NE) | 1.86 | 1.86 | 0.00 | 0.00 |
| | Parking Total | 1.86 | 1.86 | 0.00 | 0.00 |
| L50206VB | PENN STA - THIRD RAIL & SIGNAL | 0.51 | 0.51 | 0.00 | 0.00 |
| | Penn Station Total | 0.51 | 0.51 | 0.00 | 0.00 |
| L50301R2 | ROW - DRAINAGE CONTROL | 0.50 | 0.50 | 0.00 | 0.00 |
| L50301T5 | 2009 ANNUAL TRACK PROGRAM | 53.10 | 11.10 | 42.00 | 0.00 |
| | Annual Track Rehab Program Total | 53.60 | 11.60 | 42.00 | 0.00 |
| L50401B1 | BRIDGE PROGRAM | 2.05 | -0.30 | 2.35 | 0.00 |
| L50401B2 | BRIDGE PAINTING | 6.00 | 2.00 | 4.00 | 0.00 |
| L50401B3 | POWELL CREEK & HOG ISLAND CHANNEL | 11.58 | 4.08 | 7.50 | 0.00 |
| L50401B4 | ATLANTIC AVE. VIADUCT | 0.05 | 0.05 | 0.00 | 0.00 |
| L50401B5 | JUNCTION BLVD. ABUTMENT/PW | 17.51 | 2.31 | 15.20 | 0.00 |
| L50401B7 | BROADWAY/PW & 150 ST./JAMAICA | 0.03 | 0.03 | 0.00 | 0.00 |
| L50401B8 | WOODHAVEN AND QUEENS BRIDGE | 15.67 | 12.67 | 3.00 | 0.00 |
| L50401B9 | DB BRIDGE-DESIGN | 0.39 | 0.39 | 0.00 | 0.00 |
| L50401BA | GREAT NECK IMPROVEMENTS | 0.30 | 0.30 | 0.00 | 0.00 |
| | Bridges Total | 53.59 | 21.54 | 32.05 | 0.00 |
| L50402VA | ERT FIRE & LIFE SAFETY | 0.65 | 0.65 | 0.00 | 0.00 |
| | Tunnels Total | 0.65 | 0.65 | 0.00 | 0.00 |
| L50501S6 | IMPROVED RADIO COVERAGE/INFRA P25 COMPL | 2.95 | 2.95 | 0.00 | 0.00 |
| | Communications Improvements Total | 2.95 | 2.95 | 0.00 | 0.00 |
| L50502SC | CTC-TRACTION POWER- SCADA | 1.01 | 1.01 | 0.00 | 0.00 |
| | Signal Improvements Total | 1.01 | 1.01 | 0.00 | 0.00 |
| L5060161 | DIESEL LOCOMOTIVE SHOP UPGRADE | 0.06 | 0.06 | 0.00 | 0.00 |
| L506016N | LIC YARD (PHASE 2) | 0.24 | 0.24 | 0.00 | 0.00 |
| L506016P | BABYLON CAR WASH | 20.44 | 20.44 | 0.00 | 0.00 |
| L506016Y | LCM SHOP DESIGN AND CONSTRUCTION | 38.05 | 38.05 | 0.00 | 0.00 |
| L50601Y1 | PT. WASHINGTON YARD RECONFIG-DESIGN | 1.97 | 1.97 | 0.00 | 0.00 |
| | Shops and Yards Total | 60.76 | 60.76 | 0.00 | 0.00 |
| L50701PG | REPLACE 3 SUBSTATIONS | 0.50 | 0.50 | 0.00 | 0.00 |
| L50701PH | DEMO AND CONSTRUCTION OF 6 SUBSTATIONS | 5.40 | 1.08 | 4.32 | 0.00 |
| | Power Total | 5.90 | 1.58 | 4.32 | 0.00 |
| L509048C | LIC YARD REMEDIATION | 0.01 | 0.01 | 0.00 | 0.00 |
| L509048L | PROGRAM ADMINISTRATION | 25.75 | 25.75 | 0.00 | 0.00 |
| L509048M | INDEPENDENT ENGINEER - 2005/09 | 0.84 | 0.84 | 0.00 | 0.00 |
| L509048N | LIABILITY INSURANCE | 0.25 | 0.25 | 0.00 | 0.00 |
| L509048T | JAMAICA INTERLOCKING RECONFIG STUDY | 5.10 | 5.10 | 0.00 | 0.00 |
| | Miscellaneous Total | 31.95 | 31.95 | 0.00 | 0.00 |
| N50905HK | WESTWOOD STATION CANOPIES RESTORATION | 0.03 | 0.03 | 0.00 | 0.00 |
| N50905HM | BRENTWOOD STATION BUILDING REHAB | 0.37 | 0.37 | 0.00 | 0.00 |
| N50905HN | CENTRAL ISLIP STATION | 0.37 | 0.37 | 0.00 | 0.00 |
| N50905HR | LITTLE NECK QUIET ZONE | 1.40 | 1.15 | 0.25 | 0.00 |
| N50905HS | NICOLLS ROAD BRIDGE PAINTING | 0.28 | 0.28 | 0.00 | 0.00 |
| N50905HT | DOUGLSTON/MURRY HILL GAP REM | 0.26 | 0.26 | 0.00 | 0.00 |
| N50905HU | STONY BROOK STATION | 2.85 | 2.85 | 0.00 | 0.00 |
| N50905HW | LYNBROOK FENCING | 0.13 | 0.13 | 0.00 | 0.00 |
| N50905HX | FARMINGDALE BRT STUDY | 0.15 | 0.15 | 0.00 | 0.00 |
| N50905HY | BAYSHORE LIGHTING | 0.85 | 0.85 | 0.00 | 0.00 |
| | Customer Service Projects Total | 6.68 | 6.43 | 0.25 | 0.00 |
| | Long Island Rail Road 2009 Commitment Total | \$247.09 | \$164.22 | \$82.87 | \$0.00 |

Metro-North Railroad
2009 Commitment Summary
\$ in Millions

| ACEP | Project Description | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|---|--|------------------|-----------------|-----------------|---------------|
| 2000-2004 | | | | | |
| M4030205 | Rehab/Replace Overhead Bridges | 1.58 | 1.58 | 0.00 | 0.00 |
| | Structures Total | 1.58 | 1.58 | 0.00 | 0.00 |
| N4090527 | PortJervisYard&StationImprvmts | 1.02 | 1.02 | 0.00 | 0.00 |
| | Customer Service Projects Total | 1.02 | 1.02 | 0.00 | 0.00 |
| 2005-2009 | | | | | |
| M5010104 | M-4 Midlife Remanu - 54 cars | 7.84 | 7.84 | 0.00 | 0.00 |
| M5010111 | West of Hudson Locomotives -4 | 7.20 | 7.20 | 0.00 | 0.00 |
| | Revenue Equipment Total | 15.04 | 15.04 | 0.00 | 0.00 |
| M5020102 | GCT Leaks Remediation | 1.47 | 1.47 | 0.00 | 0.00 |
| M5020105 | GCT Elevator Rehab. Ph. III | 0.70 | 0.70 | 0.00 | 0.00 |
| M5020108 | GCT Water Conveyance Utilities | 1.65 | 1.65 | 0.00 | 0.00 |
| M5020109 | GCT Facilities Rehab. | 17.81 | 7.71 | 10.10 | 0.00 |
| | Grand Central Terminal Total | 21.63 | 11.53 | 10.10 | 0.00 |
| M5020201 | Hudson Line Stations Impr. | 1.30 | 0.26 | 1.04 | 0.00 |
| M5020203 | Poughkeepsie Station Building | 0.08 | 0.08 | 0.00 | 0.00 |
| M5020205 | NHL Stations Improvement | 28.65 | 28.65 | 0.00 | 0.00 |
| M5020206 | Station Building Rehabs. | 2.55 | 0.51 | 2.04 | 0.00 |
| M5020207 | Station & Platform Info. Signs | 0.31 | 0.31 | 0.00 | 0.00 |
| M5020209 | Bronx Stations/Capacity Imp | 9.39 | 9.39 | 0.00 | 0.00 |
| | Outlying Stations Total | 42.28 | 39.20 | 3.08 | 0.00 |
| M5020303 | Cortlandt Pkg. & Access Imp. | 30.36 | 10.91 | 19.45 | 0.00 |
| | Parking Total | 30.36 | 10.91 | 19.45 | 0.00 |
| M5030102 | Turnouts: Mainline/High Speed | 7.15 | 1.43 | 5.72 | 0.00 |
| M5030103 | GCT T.O./Switch Renewal | 2.00 | 0.40 | 1.60 | 0.00 |
| M5030104 | Turnouts: Yards | 0.30 | 0.30 | 0.00 | 0.00 |
| M5030105 | M of W Equipment | 1.03 | 1.03 | 0.00 | 0.00 |
| M5030106 | Rebuild Retaining Walls | 2.96 | 2.96 | 0.00 | 0.00 |
| M5030109 | Drainage and Undercutting | 7.00 | 4.25 | 2.75 | 0.00 |
| M5030113 | Cyclical Track Program 2008 | 0.12 | 0.12 | 0.00 | 0.00 |
| M5030114 | Cyclical Track Program 2009 | 11.30 | 2.30 | 9.00 | 0.00 |
| | Track Total | 31.85 | 12.78 | 19.07 | 0.00 |
| M5030201 | Replace/Repair Undergrade Brid | 1.00 | 0.20 | 0.80 | 0.00 |
| M5030202 | Rehab Culverts/Railtop Culvert | 1.30 | 1.30 | 0.00 | 0.00 |
| M5030203 | DC Substation/Signal House Roo | 0.41 | 0.41 | 0.00 | 0.00 |
| M5030205 | Replace Timbers Undergrade Bri | 0.24 | 0.24 | 0.00 | 0.00 |
| M5030206 | Overhead Bridge Program-E of H | 1.20 | 1.20 | 0.00 | 0.00 |
| M5030208 | Right-of-Way Fencing | 0.32 | 0.32 | 0.00 | 0.00 |
| M5030209 | Remove Obsolete Facilities | 0.80 | 0.80 | 0.00 | 0.00 |
| M5030215 | Catenary Painting NHL (NYS) | 2.16 | 2.16 | 0.00 | 0.00 |
| M5030216 | Employee Welfare & Storage Fac | 0.49 | 0.49 | 0.00 | 0.00 |
| | Structures Total | 7.91 | 7.11 | 0.80 | 0.00 |
| M5030301 | WoH Improvements Track Program | 4.06 | 0.26 | 3.80 | 0.00 |
| M5030302 | West of Hudson Improvements | 0.69 | 0.69 | 0.00 | 0.00 |
| M5030303 | Moodna/Woodbury Viad. W of H | 3.08 | 3.08 | 0.00 | 0.00 |
| M5030305 | Undergrade Br. Program W of H | 0.54 | 0.54 | 0.00 | 0.00 |
| | West of Hudson Infrastructure Total | 8.36 | 4.56 | 3.80 | 0.00 |
| M5040107 | Signal System Replacement | 25.14 | 21.14 | 4.00 | 0.00 |
| M5040111 | C & S Cable Replacement GCT to | 0.41 | 0.41 | 0.00 | 0.00 |
| M5040117 | PBX Replacement | 0.48 | 0.48 | 0.00 | 0.00 |
| | Communications and Signals Total | 26.03 | 22.03 | 4.00 | 0.00 |
| M5050101 | Substation Bridge 23 | 0.43 | 0.43 | 0.00 | 0.00 |
| M5050108 | Harlem And Hudson Lines Power | 42.10 | 42.10 | 0.00 | 0.00 |
| | Power Total | 42.53 | 42.53 | 0.00 | 0.00 |
| M5060103 | Harmon Shop Repl. -Master Plan | 0.15 | 0.03 | 0.12 | 0.00 |
| M5060107 | Shops&Yards Misc. Env Imprvmts | 0.60 | 0.60 | 0.00 | 0.00 |
| | Shops and Yards Total | 0.75 | 0.63 | 0.12 | 0.00 |
| M5080102 | Systemwide Lead/Asbestos Abate | 1.10 | 1.10 | 0.00 | 0.00 |
| M5080103 | Environmental Remediation | 0.43 | 0.43 | 0.00 | 0.00 |
| M5080104 | Railroad Protective Liability | 0.11 | 0.11 | 0.00 | 0.00 |
| M5080105 | Independent Engineer | 0.76 | 0.76 | 0.00 | 0.00 |
| M5080106 | Program Administration | 7.94 | 7.94 | 0.00 | 0.00 |
| M5080107 | Program Scope Development | 0.43 | 0.43 | 0.00 | 0.00 |
| M5080109 | Customer & Employee Comms. | 5.95 | 5.95 | 0.00 | 0.00 |
| | Miscellaneous Total | 16.71 | 16.71 | 0.00 | 0.00 |
| Metro-North Railroad 2009 Commitment Total | | \$246.05 | \$185.63 | \$60.42 | \$0.00 |

MTA Bridges and Tunnels
2009 Commitment Summary
\$ in Millions

| ACEP | Project Description | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|--|---------------------------------------|------------------|-----------------|-----------------|---------------|
| 2000-2004 | | | | | |
| D402BB28 | Rehab Tunnel Walls Rdway & Drainage | 0.91 | 0.91 | | |
| | Brooklyn Battery Tunnel Total | 0.91 | 0.91 | 0.00 | 0.00 |
| 2005-2009 | | | | | |
| D501BW97 | Concrete Anchorage Repairs | 9.10 | 9.10 | | |
| | Bronx-Whitestone Bridge Total | 9.10 | 9.10 | 0.00 | 0.00 |
| D501TN87 | Anchorage and Tower Protection | 4.44 | 4.44 | | |
| | Throgs Neck Bridge Total | 4.44 | 4.44 | 0.00 | 0.00 |
| D502TB64 | Replace Deck-RI Viaduct | 6.00 | 6.00 | | |
| | Triborough Bridge Total | 6.00 | 6.00 | 0.00 | 0.00 |
| D502TN50 | Replace Concrete Deck | 0.60 | 0.60 | | |
| D502TN82 | Rehab of Orthotropic Deck | 1.32 | 1.32 | | |
| | Throgs Neck Bridge Total | 1.92 | 1.92 | 0.00 | 0.00 |
| D502VN84 | Widening of Belt Parkway Ramps | 1.50 | 1.50 | | |
| | Verazzano Bridge Total | 1.50 | 1.50 | 0.00 | 0.00 |
| D503AW35 | Weather Information Systems | 0.65 | 0.65 | | |
| D503AW36 | Installation of CCTV/Fiber Opt | 0.80 | 0.80 | | |
| D503AW37 | Operation Centers TS Systems | 2.15 | 2.15 | | |
| D503AW47 | Digital Video Surveillance Sys | 0.72 | 0.72 | | |
| D503AW52 | Adv. Automated Traffic Detect. | 0.70 | 0.70 | | |
| | Agency-Wide Total | 5.02 | 5.02 | 0.00 | 0.00 |
| D503VN03 | New Toll Plaza - Design | 3.33 | 3.33 | | |
| | Verrazano-Narrows Bridge Total | 3.33 | 3.33 | 0.00 | 0.00 |
| D504AW80 | Variable Message Signs | 1.01 | 1.01 | | |
| | Agency-Wide Total | 1.01 | 1.01 | 0.00 | 0.00 |
| D505QM01 | Service & FE Building Rehab | 12.50 | 12.50 | | |
| | Queens Midtown Tunnel Total | 12.50 | 12.50 | 0.00 | 0.00 |
| D505TB59 | Rehab of Building 104 | 71.73 | 71.73 | | |
| | Triborough Bridge Total | 71.73 | 71.73 | 0.00 | 0.00 |
| D506AW15 | Independent Engineer | 0.62 | 0.62 | | |
| D506AW18 | Protective Liability Insurance | 0.99 | 0.99 | | |
| D506AW21 | Program Administration | 2.22 | 2.22 | | |
| D506AW28 | Scope Development | 1.16 | 1.16 | | |
| | Agency-Wide Total | 4.99 | 4.99 | 0.00 | 0.00 |
| MTA Bridges and Tunnels 2009 Commitment Total | | \$122.45 | \$122.45 | \$0.00 | \$0.00 |

MTA Capital Construction Company
2009 Commitment Summary
\$ in millions

| ACEP | PROJECT DESCRIPTION | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|------------------|---|---------------------|------------------|--------------------|-----------------|
| 2000-2004 | | | | | |
| G4090101 | Program Management | 16.91 | 14.61 | 2.30 | 0.00 |
| G4090113 | Construction Management | 58.04 | 33.66 | 24.37 | 0.00 |
| G4090116 | PMC - General Conditions | 2.00 | 2.00 | 0.00 | 0.00 |
| | East Side Access Element Total | \$ 76.94 | \$ 50.27 | \$ 26.67 | \$ - |
| G4100106 | SAS Tunnels - 92St - 62St | 31.80 | 31.80 | 0.00 | 0.00 |
| | Second Avenue Subway Element Total | \$ 31.80 | \$ 31.80 | \$ - | \$ - |
| G4120103 | FSTC - Anticipated Real Estate Settlements | 44.36 | 0.00 | 44.36 | 0.00 |
| G4120106 | FSTC IVB - A/C Mezzanine, J/M/Z | 211.95 | 0.01 | 211.94 | 0.00 |
| | FSTC Element Total | \$ 256.30 | \$ 0.00 | \$ 256.30 | \$ - |
| G4120204 | SoFe Landscaping | 20.56 | 10.56 | 0.00 | 10.00 |
| | South Ferry Element Total | \$ 20.56 | \$ 10.56 | \$ - | \$ 10.00 |
| G4140203 | Penn St LIRR/NYCT Sec/Harden | 18.80 | 18.80 | 0.00 | 0.00 |
| G4140301 | MNR Security Projects:Infra & Facs | 14.93 | 14.93 | 0.00 | 0.00 |
| G4140412 | 04ODP - RollUp Doors - Depots | 1.28 | 1.28 | 0.00 | 0.00 |
| | Security Element Total | \$ 35.00 | \$ 35.00 | \$ - | \$ - |
| 2005-2009 | | | | | |
| G5090102 | EIS & Engineering (GEC) | 31.39 | 18.20 | 13.18 | 0.00 |
| G5090103 | MTA Management | 17.53 | 10.17 | 7.36 | 0.00 |
| G5090104 | EIS & Engrng (F/A Des Sup) | 2.91 | 2.91 | 0.00 | 0.00 |
| G5090109 | Real Estate | 89.06 | 51.65 | 37.40 | 0.00 |
| G5090111 | OCIP | 17.67 | 17.67 | 0.00 | 0.00 |
| G5090117 | Harold Structures (Part 1) | 10.00 | 10.00 | 0.00 | 0.00 |
| G5090118 | Harold Interlocking Stage 1 | 44.27 | 25.68 | 18.60 | 0.00 |
| G5090119 | Harold & Point CIL (incl HTSCS, Communication, HLCS) | 30.89 | 30.89 | 0.00 | 0.00 |
| G5090121 | Force Account Warehouse | 6.40 | 6.40 | 0.00 | 0.00 |
| G5090122 | Queens Bored Infrastructure | 489.92 | 284.16 | 205.77 | 0.00 |
| G5090126 | Harold Structures (Part 2) | 51.04 | 29.60 | 21.44 | 0.00 |
| G5090129 | Systemwide Trackwork | 100.00 | 58.00 | 42.00 | 0.00 |
| G5090132 | Facility Power & Tunnel Ventilation | 50.00 | 29.00 | 21.00 | 0.00 |
| G5090143 | 44th St & 245 Park Ave Entrance | 139.61 | 80.97 | 58.64 | 0.00 |
| | East Side Access Element Total | \$ 1,080.70 | \$ 655.31 | \$ 425.39 | \$ - |
| G5100101 | Contract 2A: 96th Street Station Structure | 363.76 | 236.06 | 127.70 | 0.00 |
| G5100102 | Contract 4A: 72nd Street Station Structure | 10.70 | 7.28 | 3.42 | 0.00 |
| G5100103 | Contract 5A: 86th Street Station Structural and Civil | 50.75 | 23.21 | 27.54 | 0.00 |
| G5100197 | OCIP | 55.00 | 55.00 | 0.00 | 0.00 |
| G5100198 | Real Estate | 177.00 | 120.36 | 56.64 | 0.00 |
| | Second Avenue Subway Element Total | \$ 657.21 | \$ 441.90 | \$ 215.31 | \$ - |
| G5140104 | B&T Triborough Hardening | 48.15 | 48.15 | 0.00 | 0.00 |
| G5140404 | 2006 BZPP Grant - 63rd Street | 1.23 | 0.00 | 1.23 | 0.00 |
| G51402G3 | 06TSG Fncg&CCTV-BayRdgPipeline | 1.38 | 0.00 | 1.38 | 0.00 |
| G51402G4 | 06TSG Fencing-Hunters Pt & ERT | 0.10 | 0.00 | 0.10 | 0.00 |
| G5140303 | 07TSG GCT Emergency Generators | 15.92 | 0.00 | 15.92 | 0.00 |
| G5140405 | 07TSG Access Cntrl/Detect Sys | 13.27 | 0.00 | 13.27 | 0.00 |
| | Security Element Total | \$ 80.05 | \$ 48.15 | \$ 31.90 | \$ - |
| | MTA Capital Construction 2009 Commitment Total | 2,238.57 | 1,273.00 | 955.57 | 10.00 |

MTA Bus Company
2009 Commitment Summary
\$ in millions

| ACEP | Project Description | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|------------------|--|-----------------------------|------------------------|----------------------------|--------------------------|
| 2005-2009 | | | | | |
| U50302/03 | New Roof and Ventilation System at LGA | \$10.19 | \$0.00 | \$8.15 | \$2.04 |
| U50302/04 | Electrical Upgrade Emergency Generators 6 Depots | \$13.86 | \$0.00 | \$11.09 | \$2.77 |
| U50302/09 | Upgrade Parking Lot at JFK & Baisley Park | \$10.16 | \$0.00 | \$8.13 | \$2.03 |
| U50302/10 | Security Upgrade: College PT, Eastchester & Yonkers | \$2.83 | \$0.00 | \$2.26 | \$0.57 |
| U50302/11 | New Roof and Ventilation System at FR | \$4.70 | \$0.00 | \$3.76 | \$0.94 |
| U50302/12 | New Roof and Ventilation at Baisley Park | \$7.28 | \$0.00 | \$5.82 | \$1.46 |
| U50302/13 | New Roof and Ventilation at Eastchester Maintenance Bldg | \$3.09 | \$0.00 | \$2.48 | \$0.62 |
| U50302/16 | Additional Fuel Capacity: BP, JFK & LG | \$3.00 | \$0.00 | \$2.40 | \$0.60 |
| U50302/97 | Facility & Fleet Assessment | \$2.50 | \$0.00 | \$2.00 | \$0.50 |
| U50302/98 | Misc Design Consultant Services | \$5.00 | \$0.00 | \$4.00 | \$1.00 |
| U50302/99 | Engineering Construction Management Services | \$5.00 | \$0.00 | \$4.00 | \$1.00 |
| | Element Total | \$67.63 | \$0.00 | \$54.10 | \$13.53 |
| | MTA Bus Company 2009 Commitment Total | \$67.63 | \$0.00 | \$54.10 | \$13.53 |

MTA Police Department
2009 Commitment Summary
\$ in Millions

| ACEP | Project Description | 2009 Commitments | MTA Funding | Federal Funding | Local Funding |
|------------------|------------------------------|-----------------------------|--------------------|----------------------------|----------------------|
| 2005-2009 | | | | | |
| N5100104 | K9 Facility | 3.20 | 3.20 | 0.00 | 0.00 |
| N5100109 | Public Safety Radio | 7.10 | 7.10 | 0.00 | 0.00 |
| N5100115 | Merrick Facility | 0.57 | 0.57 | 0.00 | 0.00 |
| | MTA PD Projects Total | 10.87 | 10.87 | 0.00 | 0.00 |

| | | | | | |
|--|--|----------------|----------------|---------------|---------------|
| | MTA Police Department 2009 Commitment Total | \$10.87 | \$10.87 | \$0.00 | \$0.00 |
|--|--|----------------|----------------|---------------|---------------|

MTA New York City Transit Completions 2009-2013
\$ in millions

| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--------------------------------|-------------------|---------------------------|
| T5120302 | Rehab Castleton Depot | Jan-09 \$ | 12.8 |
| T40302P1 | Retrofit Particulate Filters | Jan-09 \$ | 24.5 |
| T5160607 | Fire Alarms 2 Depots | Mar-09 \$ | 5.2 |
| T40413CH | ADA Carnegie Hall BWY Ph 1 | Mar-09 \$ | 1.9 |
| T5041314 | ADA 47-50 St Rock Ctr 6AV | Mar-09 \$ | 26.3 |
| T4041119 | Impr Willets Pt-Shea Stad FLS | Apr-09 \$ | 14.9 |
| T5041322 | ADA Ramps WTC 8AV | Apr-09 \$ | 1.0 |
| T5041102 | Repair Chambers St BW7 | Apr-09 \$ | 12.7 |
| T5041301 | ADA Chambers St BW7 | Apr-09 \$ | 23.0 |
| T5060211 | Tun Ltg Wall St-Chambers CLK | Apr-09 \$ | 12.0 |
| T5120402 | Fluid Application System | Apr-09 \$ | 7.4 |
| T5041422 | 3 Canopies South Ferry | Apr-09 \$ | 5.0 |
| S5070108 | Repair 6 Bridges (thru spans) | May-09 \$ | 17.3 |
| T5040702 | 10 Escalators Parsons Blvd ARC | May-09 \$ | 33.7 |
| T5070309 | BWY BMT Whitehall-Canal | May-09 \$ | 32.5 |
| T5041410 | Scrubber Rooms 5 Stations | May-09 \$ | 4.2 |
| T40409PW | PA/CIS Wrap-Up | May-09 \$ | 3.6 |
| T5070304 | Overcoat 162 St-190 St JER | May-09 \$ | 16.8 |
| T5041112 | Railings 2005-2006 Rehabs | Jun-09 \$ | 1.9 |
| T31604CP | Integrate Capital Sys:Phs 1 | Jun-09 \$ | 14.6 |
| T5040401 | Smart Card Cabling / Study | Jun-09 \$ | 10.0 |
| T5080602 | SysWide Appl Migration Ph 2 | Jun-09 \$ | 43.0 |
| T5160403 | Automatic Tele. Travel Info | Jun-09 \$ | 2.8 |
| T5160747 | EFR Church Av CUL | Jul-09 \$ | 6.8 |
| S4070106 | Rehab 4 Substation Enclosures | Jul-09 \$ | 7.5 |
| T5090208 | Modernize E193 St Substn | Jul-09 \$ | 19.4 |
| T4041115 | Columbus Circle Cmplx Ph1 Fac | Jul-09 \$ | 22.0 |
| T5060401 | Pumps 10 Locs QBL | Jul-09 \$ | 41.0 |
| T5060402 | Pumps 3 Locs 6AV 53 ST | Jul-09 \$ | 19.5 |
| T5070332 | Subway Emergency Exit Alarms | Jul-09 \$ | 23.9 |
| T5110206 | Yard Fencing Upgrades | Jul-09 \$ | 13.4 |
| T5160407 | Kronos Timekeeping: RTO Facs | Jul-09 \$ | 2.0 |
| S5070110 | Fare Collection: Tompkinsville | Aug-09 \$ | 6.9 |
| T5030217 | 19 Hi-Cap Express 2008 | Aug-09 \$ | 11.6 |
| T5160745 | Fit-out South Ferry BW7 | Sep-09 \$ | 4.5 |
| T40803CI | SSI Pilot: Bergen St | Sep-09 \$ | 74.5 |
| T5041423 | Station Improvements157 St BW7 | Sep-09 \$ | 0.2 |
| S4070115 | St George Hardening,SIR CCTV | Oct-09 \$ | 18.4 |
| T5041411 | Platform Rehab 4 Stations | Oct-09 \$ | 6.7 |
| T40803F2 | Flushing Interlocking Ph 2 | Oct-09 \$ | 187.7 |
| T40806D1 | Data Ntwk: SONET & IRT-ATM | Oct-09 \$ | 216.0 |
| T40806T1 | Systemwide App Migration Ph 1 | Oct-09 \$ | 37.4 |
| T5060404 | Wrap-Up 5 Deep Wells NOS | Oct-09 \$ | 3.6 |
| T5060407 | Add Deep Wells XTN | Oct-09 \$ | 3.3 |

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| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--------------------------------|-------------------|---------------------------|
| T5060206 | Tun Ltg 42 St -96 St BW7 | Nov-09 \$ | 40.2 |
| T5041403 | Intermodal: Myrtle-Wyckoff | Nov-09 \$ | 9.2 |
| T5080309 | Stn Time Signal Enhance LEX | Nov-09 \$ | 5.1 |
| S5070106 | Work Train Equipment | Nov-09 \$ | 8.3 |
| T5010102 | Purchase 620 B Div Cars | Nov-09 \$ | 1,249.2 |
| T5030219 | 245 Paratransit Vehicles 2009 | Nov-09 \$ | 14.0 |
| T5041109 | Rehab 59th St BW7 | Nov-09 \$ | 36.8 |
| T5041110 | Rehab 59th St 8AV | Nov-09 \$ | 50.0 |
| T5041303 | ADA 59 St-Columbus Crl Cmplx | Nov-09 \$ | 2.7 |
| T5060207 | Tun Ltg 168 St - 207 St 8AV | Nov-09 \$ | 30.6 |
| T5070308 | 8AV n/o 168-n/e 207,Yard Lead | Nov-09 \$ | 43.3 |
| T5160702 | EFR 59 St 8 AV | Nov-09 \$ | 10.6 |
| T5160715 | GPS Revenue Fleet | Nov-09 \$ | 0.4 |
| T5090207 | Modernize Caton Av Substn | Dec-09 \$ | 24.9 |
| T41203FG | Charleston Depot | Dec-09 \$ | 149.3 |
| T41203P1 | Parking Expansion 4 Depots | Dec-09 \$ | 14.2 |
| T4120401 | Paratransit AVL | Dec-09 \$ | 26.3 |
| T5050213 | Mainline Track Repl 2009 | Dec-09 \$ | 162.9 |
| T5050214 | Track Force Account 2009 | Dec-09 \$ | 35.0 |
| T5050215 | Welded Rail 2009 | Dec-09 \$ | 11.7 |
| T5050305 | 30 Mainline Switches I/H 2009 | Dec-09 \$ | 40.0 |
| T5070311 | Rehab 85 Emergency Exits 07-09 | Dec-09 \$ | 22.4 |
| T5080608 | Ant Cable Replacement Ph 2 | Dec-09 \$ | 59.4 |
| T5110505 | Yard Track 2009 | Dec-09 \$ | 3.1 |
| T5110605 | Repl 16 Yard Switches 2009 | Dec-09 \$ | 9.4 |
| T5130201 | Rubber Tire Vehicles 2006-2007 | Dec-09 \$ | 13.2 |
| T5160401 | Rehab 7 Node Site Facilities | Dec-09 \$ | 8.5 |
| T5160501 | MTA Engineering Consultants | Dec-09 \$ | 18.3 |
| T41204HU | Bus Locator System | Jan-10 \$ | 15.3 |
| T5080616 | Stn Comm Room HVAC Ph 1 | Jan-10 \$ | 10.0 |
| T5060301 | Fan Rehab 30th St. 6AV | Jan-10 \$ | 84.2 |
| T5090414 | Manhole Repairs 2 Locs | Feb-10 \$ | 7.9 |
| T30806BS | Upgrade RTO Base Stations | Feb-10 \$ | 15.7 |
| T4080701 | Back-up RCC Livingston Plaza | Feb-10 \$ | 22.9 |
| T5060405 | Pumps 3 Locs PPK | Feb-10 \$ | 21.9 |
| T41302P4 | Purchase 9 Locomotives | Mar-10 \$ | 31.0 |
| T5130205 | Purch 19 Diesel-Elec Locos | Mar-10 \$ | 70.5 |
| T5160515 | Engineering Services 2007 | Mar-10 \$ | 8.4 |
| T5160528 | Construction Support 2008 | Mar-10 \$ | 2.2 |
| T5070312 | Ocean Parkway Sta Viaduct BRT | Mar-10 \$ | 30.8 |
| T5030206 | 745 Standard Buses 2007 | Mar-10 \$ | 435.2 |
| T5160506 | Concrete Batch Plant Insp 2005 | Apr-10 \$ | 1.0 |
| T5160508 | Concrete Cylinder Testing 2006 | Apr-10 \$ | 0.3 |
| T406036B | Fans 6AV 4 locs | Apr-10 \$ | 79.1 |

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|-------------------|---------------------------------|-------------------|---------------------------|
| T41604I3 | ISD: Systems (2002) | Apr-10 | \$ 7.7 |
| T5080316 | 3 Interlockings 8AV | Apr-10 | \$ 139.3 |
| T5090201 | Repl Power Transformers 3 locs | Apr-10 | \$ 13.4 |
| T5090205 | Modernize Dyckman Substation | Apr-10 | \$ 36.3 |
| T5120407 | Lifts: Stengel, Manhattanville | Apr-10 | \$ 8.5 |
| T5160402 | HP Server Consolidation/Repl | Apr-10 | \$ 5.2 |
| T5160601 | Asbestos Removal IQ 2006 | May-10 | \$ 9.1 |
| T5030218 | 90 Standard Buses 2009 | May-10 | \$ 59.6 |
| T5060408 | Rehab Deep Wells LNX | May-10 | \$ 13.7 |
| T41302O4 | Purch 54 CWR Handler/Flatcars | Jun-10 | \$ 15.0 |
| T5160735 | DOS Roof Replacement Ph 1 | Jun-10 | \$ 13.4 |
| T5010103 | Purchase 382 B Div Cars | Jun-10 | \$ 843.1 |
| T5160605 | Asbestos Air Monitor IQ 2006 | Jun-10 | \$ 4.8 |
| T31302RG | Purch Rail Grinder | Jun-10 | \$ 10.1 |
| T5120413 | Depot Equipment | Jun-10 | \$ 9.9 |
| T5160612 | Asbestos Abatement Priority VI | Jun-10 | \$ 6.8 |
| T5040404 | HEETs For Station Rehabs | Jul-10 | \$ 2.1 |
| T5110210 | Yard Hydrants Ph 2 | Jul-10 | \$ 14.5 |
| T5090210 | Modernize S Railroad Av Substrn | Aug-10 | \$ 22.2 |
| T5060209 | Tun Ltg Bergen - W4 6AV | Aug-10 | \$ 40.8 |
| T5130208 | Trk Geometry-Rail Insp Option | Aug-10 | \$ 11.9 |
| T5090206 | Rockwell Place Substation | Sep-10 | \$ 19.1 |
| T5041127 | Rehab 96 St BW7 | Sep-10 | \$ 57.8 |
| T5041311 | ADA 96 St BW7 | Sep-10 | \$ 26.7 |
| T5160708 | EFR 96 St BW7 | Sep-10 | \$ 4.8 |
| T5041137 | Water Condition Remedy 2008 | Sep-10 | \$ 3.5 |
| T5090211 | Modernize Meserole Av Substrn | Sep-10 | \$ 19.8 |
| T5110203 | Corona Yd Ph 3 Signals, Track | Sep-10 | \$ 100.1 |
| T5041104 | Rehab Neck Road BRT | Oct-10 | \$ 37.2 |
| T5041107 | Rehab Avenue U BRT | Oct-10 | \$ 40.5 |
| S5070111 | St. George Terminal Improvmnts | Oct-10 | \$ 6.0 |
| T40806D2 | Data Ntwk: IND/BMT-ATM | Nov-10 | \$ 97.4 |
| T5030224 | Purchase 263 Fareboxes | Nov-10 | \$ 4.1 |
| T5060403 | Deep Well Rehab FUL | Nov-10 | \$ 16.3 |
| T5080601 | Data Network 2 IND/BMT-ATM Opt | Nov-10 | \$ 182.4 |
| T5080615 | PA/CIS Ph 3 | Nov-10 | \$ 46.9 |
| T5110204 | Yard CCTV | Nov-10 | \$ 11.0 |
| T5030222 | 411 Paratransit Vehicles 2009 | Dec-10 | \$ 32.5 |
| T5041421 | Station Component Repairs | Dec-10 | \$ 71.0 |
| T5120411 | Bus Lifts Various Locations | Dec-10 | \$ 8.8 |
| T40806P2 | PA/CIS: 156 Stations IRT | Dec-10 | \$ 171.3 |
| T41302P3 | Purchase 12 Crane Cars | Dec-10 | \$ 13.5 |
| T5041321 | ADA 45 Rd-Court House Sq: FLS | Dec-10 | \$ 24.0 |
| T5041409 | Station Signage 2008 | Dec-10 | \$ 2.7 |

MTA New York City Transit Completions 2009-2013
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|-------------------|--------------------------------|-------------------|---------------------------|
| T5090403 | Control Cables 4 Sbstn CZs | Dec-10 \$ | 47.6 |
| T5120408 | Bus Rapid Transit Ph 1 | Dec-10 \$ | 21.9 |
| T5130210 | Retrofit Particulate Filters | Dec-10 \$ | 3.0 |
| T5060213 | Tun Ltg 4 Av Prtl-Church CUL | Jan-11 \$ | 20.0 |
| T5080324 | Relay Replacement | Jan-11 \$ | 9.6 |
| T5080604 | Copper Cbl Rplcmnt: Var locs | Jan-11 \$ | 20.0 |
| T5090212 | Rehab Undrgrnd Sbstn Hatchways | Jan-11 \$ | 20.4 |
| T5160602 | Groundwater & Soil Remediation | Jan-11 \$ | 6.2 |
| T5070324 | Overcoat 103 St. Main St FLS | Feb-11 \$ | 27.5 |
| T5041161 | Rehab Beach 90 St RKY | Feb-11 \$ | 18.6 |
| T5041162 | Rehab Beach 98 St RKY | Feb-11 \$ | 18.5 |
| T5041163 | Rehab Beach 105 St RKY | Feb-11 \$ | 17.7 |
| T5070303 | Overcoat Bx Pk East-241 St WPR | Feb-11 \$ | 38.3 |
| T5080319 | CBTC Equip 64 R160 Cars CNR | Feb-11 \$ | 50.2 |
| T5080320 | Automatic Signals Removal CNR | Feb-11 \$ | 4.7 |
| T5090407 | Repl Neg Cable: 59-95 St 4AV | Mar-11 \$ | 14.5 |
| T5109901 | 207 St O/H Electrical | Mar-11 \$ | 32.8 |
| T5041123 | Rehab Jay St FUL | Mar-11 \$ | 61.2 |
| T5041309 | ADA Jay St FUL | Mar-11 \$ | 15.5 |
| T5041312 | ADA Jay-Lawrence Transfer | Mar-11 \$ | 17.1 |
| T5041406 | Xfer Lawrence St/Jay St | Mar-11 \$ | 60.9 |
| T5049915 | Gap Fillers Union Square Ph 3 | Mar-11 \$ | 27.2 |
| T5099902 | Rehab 3 IRT Substn Enclosures | Apr-11 \$ | 13.3 |
| T5160512 | Boring Services BK/Q/SI 2008 | Apr-11 \$ | 1.3 |
| T5160513 | Boring Services M/Bx 2008 | Apr-11 \$ | 1.6 |
| T5160518 | Test Pits 2008 | Apr-11 \$ | 4.3 |
| T5070318 | Rockaway Viaduct Ph 2 | Apr-11 \$ | 25.2 |
| S5070112 | SIR Signals Wrap-up | Apr-11 \$ | 2.4 |
| T5041160 | Rehab Mott Av RKY | Apr-11 \$ | 17.1 |
| T5041317 | ADA Mott Av RKY | Apr-11 \$ | 15.1 |
| T5070317 | Overcoat Whitlock Prtl-EOL PEL | Apr-11 \$ | 28.2 |
| T5080317 | Fire Suppression Ph 1 | Apr-11 \$ | 17.8 |
| T5070322 | Overcoat 125 St. Arch BW7 | May-11 \$ | 14.8 |
| T5060302 | Fan Wrap-up ARC | Jun-11 \$ | 70.2 |
| T5070329 | Strip-Repaint Portal-41 Av AST | Jun-11 \$ | 26.8 |
| T5070334 | Trackway Stabilization FAS | Jun-11 \$ | 17.9 |
| T5100409 | Heavy Shop Equipment | Jun-11 \$ | 11.4 |
| T5110202 | 38 St Yd Prtl Viaduct Ret Wall | Jul-11 \$ | 23.8 |
| T5041418 | 86 St 4AV Station Improvements | Jul-11 \$ | 13.6 |
| T5130204 | Rubber Tire Vehicles 2008-2009 | Jul-11 \$ | 7.5 |
| T5160604 | Fire Alarm/Sprinklers 5 Locs | Jul-11 \$ | 29.9 |
| T5041155 | Rehab Beach 67 St RKY | Sep-11 \$ | 17.5 |
| T5041156 | Rehab Beach 60 St RKY | Sep-11 \$ | 17.9 |
| T5041157 | Rehab Beach 44 St RKY | Sep-11 \$ | 17.8 |

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| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--------------------------------|-------------------|---------------------------|
| T5041158 | Rehab Beach 36 St RKY | Sep-11 \$ | 16.9 |
| T5041159 | Rehab Beach 25 St RKY | Sep-11 \$ | 17.6 |
| T40404M6 | AFC Miscellaneous Tasks | Sep-11 \$ | 10.5 |
| T5090402 | Cable Cranberry Tube, Ducts | Sep-11 \$ | 40.7 |
| S5070107 | Arthur Kill Station | Oct-11 \$ | 16.5 |
| T5160610 | Asbestos Disposal-IQ | Nov-11 \$ | 0.8 |
| T5041108 | Rehab Bleecker St LEX | Nov-11 \$ | 31.8 |
| T5041138 | Rehab Morrisn-Snd Vw Av PEL | Nov-11 \$ | 23.8 |
| T5041147 | Rehab Prkchstr-E 177 St PEL | Nov-11 \$ | 29.1 |
| T5041148 | Rehab St Lawrence Av PEL | Nov-11 \$ | 24.9 |
| T5041149 | Rehab Elder Av PEL | Nov-11 \$ | 25.0 |
| T5041150 | Rehab Whitlock Av PEL | Nov-11 \$ | 22.9 |
| T5041302 | ADA Bleecker-Bwy/Lafayette | Nov-11 \$ | 16.5 |
| T5041402 | Xfer Bleecker-Bwy/Lafayette | Nov-11 \$ | 77.5 |
| T5080303 | Stop Cable Replacement | Nov-11 \$ | 74.2 |
| T5080311 | WPR Ph 3: E 180 St | Nov-11 \$ | 270.1 |
| T5090412 | Circuit Breaker Houses E180 | Nov-11 \$ | 14.3 |
| T5160609 | Consult-USTs Remediation 2009 | Nov-11 \$ | 7.4 |
| T5160724 | EFR Parkchstr-E 177 St PEL | Nov-11 \$ | 4.5 |
| T5099901 | Jay St Substn-DC Fders-CBH 579 | Dec-11 \$ | 29.9 |
| T5160736 | DOS Roof Replacement Ph 2 | Dec-11 \$ | 16.7 |
| T5041103 | Rehab Avenue M BRT | Dec-11 \$ | 38.8 |
| T5041105 | Rehab Avenue H BRT | Dec-11 \$ | 44.2 |
| T5041106 | Rehab Avenue J BRT | Dec-11 \$ | 45.0 |
| T5041113 | Kings Highway BRT | Dec-11 \$ | 30.4 |
| T5041114 | Newkirk Av Plaza Ph 2 BRT | Dec-11 \$ | 38.7 |
| T5041305 | ADA Kings Highway BRT | Dec-11 \$ | 9.5 |
| T40404M4 | Replace AFC Electronics | Dec-11 \$ | 10.0 |
| T41204P2 | Paving: 3 Locs | Dec-11 \$ | 3.3 |
| T5080302 | Signal Control Mods Ph 3 | Dec-11 \$ | 43.3 |
| T5040403 | Replace HPEMs | Jan-12 \$ | 5.2 |
| T5041174 | Rehab East 180 St WPR | Jan-12 \$ | 59.3 |
| T5041319 | ADA East 180 St WPR | Jan-12 \$ | 13.1 |
| T5160726 | EFR East 180 Street WPR | Jan-12 \$ | 9.2 |
| T5120307 | ENY Depot Repairs | Feb-12 \$ | 25.0 |
| T5120416 | Priority Repairs: 3 Depots | Feb-12 \$ | 19.6 |
| T5049901 | Rehab 71 St WST | Mar-12 \$ | 9.1 |
| T5049902 | Rehab 79 St WST | Mar-12 \$ | 9.1 |
| T5049903 | Rehab 18 Ave WST | Mar-12 \$ | 8.5 |
| T5049904 | Rehab 20 Ave WST | Mar-12 \$ | 8.5 |
| T5049905 | Rehab 25 Ave WST | Mar-12 \$ | 8.5 |
| T5049906 | Rehab Bay 50 St WST | Mar-12 \$ | 9.2 |
| T5049907 | Rehab Bay Parkway WST | Mar-12 \$ | 21.9 |
| T5049908 | ADA Bay Parkway WST | Mar-12 \$ | 14.6 |

MTA New York City Transit Completions 2009-2013
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| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--------------------------------|-------------------|---------------------------|
| T5049909 | Rehab Ft Hamilton Parkway WST | Mar-12 \$ | 27.6 |
| T5049910 | Rehab 62 St WST | Mar-12 \$ | 19.7 |
| T5049911 | Rehab 9 Ave WST | Mar-12 \$ | 27.9 |
| T5049912 | Station Work 50 St WST | Mar-12 \$ | 6.6 |
| T5049913 | Station Work 55 St WST | Mar-12 \$ | 6.6 |
| T5079901 | Struct Rehab 9 Ave-Bay 50 WST | Mar-12 \$ | 65.1 |
| T5041407 | Replace Canopies 5 Stns BW7 | May-12 \$ | 18.3 |
| T5041417 | Dyckman St Station Impr BW7 | May-12 \$ | 17.9 |
| T5090216 | Modernize Greeley Substn | May-12 \$ | 30.9 |
| T5119901 | Yard Fencing Priority 1: 8 Loc | Jun-12 \$ | 21.7 |
| T5120306 | Reconstruct Clara Hale Depot | Jun-12 \$ | 327.0 |
| T5070333 | Flooding Mitigation:Var Locs | Jul-12 \$ | 90.0 |
| T5160202 | Capital Revolving Fund | Jul-12 \$ | 25.0 |
| T5130203 | Purchase 2 Ballast Regulators | Sep-12 \$ | 7.8 |
| T5060215 | Tun Ltg Lex Av-5th Av QBL | Oct-12 \$ | 12.0 |
| T5060216 | Tun Ltg Remvls Lex-Qns Plz QBL | Oct-12 \$ | 2.8 |
| T5070335 | Stillwell Term-Switch, Wrap-up | Oct-12 \$ | 2.1 |
| T5080314 | Interlockings 5th Av, Lex QBL | Oct-12 \$ | 142.7 |
| T5080325 | Signal/Eqt Rooms Times Sq FLS | Oct-12 \$ | 3.8 |
| T5120405 | Bus Locator System | Dec-12 \$ | 30.7 |
| T5070307 | Rehab Culver Viaduct Ph 2 | Feb-13 \$ | 158.7 |
| T5080312 | Interlocking 4Av CUL | Feb-13 \$ | 125.3 |
| T5090406 | Repl Negative Cables RKY | Mar-13 \$ | 13.1 |
| T5080307 | Signal Key-By Circuit Mod Ph 2 | Dec-13 \$ | 26.8 |
| T5080323 | CBTC Test Track CUL Ph 1 | Dec-13 \$ | 15.0 |

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\$ in millions

| Project ID | Project Description | Project | |
|------------|--------------------------------------|------------|------------|
| | | Completion | Allocation |
| L40502K5 | Jamaica Interlockings | Jan-09 | \$ 13.45 |
| L50701PJ | Third Rail System - Cable | Jan-09 | \$ 5.43 |
| N50905HH | Lynbrook Taxi Stand | Jan-09 | \$ 0.09 |
| L4060339 | Richmond Hill/Diesel Yards | Mar-09 | \$ 22.97 |
| L506016N | Long Island City Yard (3A/3B) | Mar-09 | \$ 17.88 |
| L50701PT | Power Pole Line Replacement | Apr-09 | \$ 2.57 |
| L502042B | Broadway Platform Replacement | May-09 | \$ 13.76 |
| L50401B6 | Shinnecock Canal/North Highway | May-09 | \$ 1.27 |
| L50701PS | Signal Power Line Replacement | Jun-09 | \$ 3.81 |
| L50701PM | Composite Third Rail | Jun-09 | \$ 20.39 |
| N50905HJ | Woodmere Station Rehab | Jun-09 | \$ 0.48 |
| N50905HW | Lynbrook Fencing | Jun-09 | \$ 0.13 |
| L502042C | Seaford Platform Replacement | Jul-09 | \$ 13.49 |
| N50905HL | Bellmore Waiting Room & Stairs | Jul-09 | \$ 0.54 |
| L4020424 | Atlantic Terminal | Sep-09 | \$ 105.49 |
| L4020434 | Valley Stream Station Rehab | Sep-09 | \$ 6.82 |
| L50501S9 | Communications Pole Line Repla | Oct-09 | \$ 7.21 |
| N50905HM | Brentwood Station | Nov-09 | \$ 1.36 |
| L502042G | Babylon Branch Stair Replaceme | Dec-09 | \$ 4.22 |
| L50301R2 | Drainage Control | Dec-09 | \$ 6.00 |
| L50301R3 | Fencing | Dec-09 | \$ 2.51 |
| L50301R4 | Demolitions | Dec-09 | \$ 1.72 |
| L50301R7 | Amott Culvert | Dec-09 | \$ 7.07 |
| L50301T5 | 2009 Annual Track Program | Dec-09 | \$ 53.89 |
| L50502SV | Valley Interlocking - Phase II | Dec-09 | \$ 35.05 |
| L506016H | M OF W REPAIR FACILITY | Jan-10 | \$ 13.37 |
| L50301E1 | TRACK EQUIPMENT | Jan-10 | \$ 31.00 |
| L50501S7 | FIBER OPTIC NETWORK | Jan-10 | \$ 70.12 |
| L50502SX | BABYLON TO SPEONK SIGNALIZATION | Jan-10 | \$ 16.30 |
| L50701PG | REPLACE 3 SUBSTATIONS | Jan-10 | \$ 37.04 |
| L50701PK | THIRD RAIL SYSTEM - PROTECTION BOARD | Jan-10 | \$ 8.12 |
| N50905HB | BAYSHORE OVERPASS & BUILDING | Jan-10 | \$ 2.87 |
| N50905HY | BAYSHORE LIGHTING | Jan-10 | \$ 0.85 |
| L50701P7 | BRIDGE ELECTRICAL SYSTEM REPLACEMENT | Feb-10 | \$ 0.91 |
| L50701P8 | ELECTRICAL SYSTEMS - SIGNAL LOADS | Feb-10 | \$ 1.20 |
| L50701PA | SUBSTATION - DC BREAKER REPLACEMENT | Feb-10 | \$ 3.82 |
| L50701PB | SUBSTATION BATTERY REPLACEMENT | Feb-10 | \$ 1.36 |
| L50502SG | SIGNAL NORMAL REPLACEMENT PROGRAM | Mar-10 | \$ 5.45 |
| L506016K | ROLLING STOCK SUPPORT EQUIPMENT | Mar-10 | \$ 8.01 |
| L50401B2 | BRIDGE PAINTING | May-10 | \$ 6.00 |
| L50101M1 | M-7 HORNS | Jun-10 | \$ 6.80 |
| L5020526 | RONKONKOMA PARKING IMPROVEMENT (NE) | Jun-10 | \$ 4.20 |
| L50401B4 | ATLANTIC AVE. VIADUCT | Jun-10 | \$ 93.38 |
| L509048R | DIESEL FLEET SIMULATOR | Jun-10 | \$ 2.02 |
| N50905HN | CENTRAL ISLIP STATION | Jun-10 | \$ 2.03 |
| N50905HU | STONY BROOK STATION | Jun-10 | \$ 2.78 |
| N51001Z1 | MTA POLICE - CENTRAL ISLIP FACILTY | Jun-10 | \$ 11.47 |
| L407032I | VALLEY STREAM/ISLAND PK SUBSTATIONS | Jul-10 | \$ 25.25 |
| L5020425 | JCC BUILDING FITOUT - PHASE 2 | Jul-10 | \$ 23.67 |
| L50502SB | BABYLON BRANCH IMPROVEMENTS | Aug-10 | \$ 30.60 |
| L50401B1 | BRIDGE PROGRAM | Sep-10 | \$ 5.90 |
| L506016C | HILLSIDE MAINTENACE BLDG/REHAB | Oct-10 | \$ 5.44 |
| L50502SC | CTC-TRACTION POWER- SCADA | Nov-10 | \$ 14.66 |
| N51001Z2 | MTA POLICE - MERRICK FACILITY | Nov-10 | \$ 0.99 |
| L30209EA | JAMAICA DEVELOPMENT | Dec-10 | \$ 1.20 |
| L40502E5 | DOT GRADE CROSSING COMPLETION | Dec-10 | \$ 7.11 |

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| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--|-------------------|---------------------------|
| L50301R1 | ROW - CULVERTS | Dec-10 | \$ 2.00 |
| L50301R6 | ROW - TRACK STABILITY/RETAINING WALLS | Dec-10 | \$ 4.06 |
| L50401B3 | POWELL CREEK & HOG ISLAND CHANNEL | Dec-10 | \$ 14.04 |
| L50401B9 | DB BRIDGE RAHABILITATION | Dec-10 | \$ 0.84 |
| L50501S6 | IMPROVED RADIO COVERAGE/INFRA P25 COMPL | Dec-10 | \$ 15.29 |
| L50502SA | WAYSIDE EVENT RECORDERS | Dec-10 | \$ 6.30 |
| L50701PC | POWER SYSTEM UPGRADES | Dec-10 | \$ 1.69 |
| L40703C1 | F CIRCUIT BREAKER HOUSE | Jan-11 | \$ 5.86 |
| L502042U | ELEVATOR REPLACEMENTS @ GREAT NECK | Jan-11 | \$ 3.30 |
| N50905HR | LITTLE NECK QUIET ZONE | Jan-11 | \$ 1.50 |
| L50401VA | EAST RIVER TUNNEL FIRE & LIFE SAFETY | Feb-11 | \$ 116.30 |
| L50701PU | SIGNAL POWER MOTOR GENERATORS | Feb-11 | \$ 2.08 |
| L50206VC | PENN STA - EMP FAC YARDS /BLDG/ESCALATOR | Mar-11 | \$ 2.18 |
| L50401B8 | WOODHAVEN AND QUEENS BRIDGE | Mar-11 | \$ 18.02 |
| L50502SL | JAY, HALL & DUNTON MICROPROCESSORS | May-11 | \$ 42.29 |
| L50501S8 | AVPS EXPANSION | Jun-11 | \$ 34.94 |
| L50701PH | DEMO AND CONTRUCTION OF 6 SUBSTATIONS | Aug-11 | \$ 61.34 |
| L404024Y | EAST RIVER TUNNEL VENTILATION | Oct-11 | \$ 89.75 |
| L50301E9 | ACL DIRECT FIXATION REPLACEMENT | Nov-11 | \$ 61.47 |
| L502042T | ESCALATOR REPLACEMENT PROGRAM | Dec-11 | \$ 4.08 |
| L50401B5 | JUNCTION BLVD. ABUTMENT/PW | Jan-12 | \$ 19.76 |
| L50401B7 | BROADWAY & 150TH STREET BRIDGES | Jan-12 | \$ 1.33 |
| L5020428 | FOREST HILL STATION-RAMP | Apr-12 | \$ 2.00 |
| L506016Y | LCM SHOP DESIGN AND CONSTRUCTION | Apr-12 | \$ 43.23 |
| L509048A | ELECTRIC SUBSTATIONS REMEDIATION | Apr-12 | \$ 10.23 |
| L506016P | BABYLON CAR WASH (Now PN YY) | Sep-12 | \$ 26.70 |
| L5020427 | REPLACE ELEVATOR - ATLANTIC TERMINAL | Jan-13 | \$ 3.00 |
| L509048K | MORRIS PARK ENVIRONMENTAL | Mar-13 | \$ 8.59 |
| L502042D | NEW ELEVATORS - QUEENS VILLAGE STATION | Apr-13 | \$ 8.45 |
| L502042E | NEW ELEVATORS - FLUSHING MAIN STREET | Jul-13 | \$ 8.45 |
| L50206VB | PENN STA - 3RD RAIL & SIGNAL | Jul-13 | \$ 11.43 |
| L509048B | YAPHANK LANDFILL REMEDIATION | Sep-13 | \$ 2.20 |

MTA Metro-North Railroad Completions 2009-2013
\$ in millions

| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--|-------------------|---------------------------|
| M506-01-06 | Poughkeepsie Yard Improvements | Jan-09 | \$ 1.73 |
| M503-01-13 | 2008 Cyclical Track Program | Mar-09 | \$ 10.90 |
| M503-02-13 | Bridge Walkways | May-09 | \$ 2.10 |
| M501-01-01 | Specification/Purchase Diesel Loco for non-GCT svcs. | Jun-09 | \$ 7.00 |
| M503-02-12 | Clearance Inventory and Video | Jul-09 | \$ 0.70 |
| M402-02-16 | Yankees-E.153rd Street Station | Aug-09 | \$ 52.64 |
| M503-02-16 | Employee Welfare and Storage Facilities | Sep-09 | \$ 2.23 |
| M503-03-04 | Otisville Tunnel | Sep-09 | \$ 1.09 |
| M501-03-08 | Replace Obsolete Work Equipment | Oct-09 | \$ 1.75 |
| M503-03-02 | West of Hudson Improvements | Oct-09 | \$ 3.45 |
| M501-01-10 | M-9 Specification Development | Nov-09 | \$ 1.40 |
| M502-02-08 | Ticket Selling Machines | Nov-09 | \$ 3.66 |
| M504-01-12 | Vital Processor System (GCT) | Nov-09 | \$ 6.20 |
| M504-01-14 | Replace High Cycle Rate Relays | Nov-09 | \$ 0.75 |
| M504-01-05 | Replace CTC Systems (OCC/ECC) | Dec-09 | \$ 26.97 |
| M506-01-03 | Harmon Shop Replacement (Master Plan) | Dec-09 | \$ 357.13 |
| A401-01-02 | M-2 Car Remanufacture | Dec-09 | \$ 26.35 |
| M501-01-02 | M-2 Critical Systems - 241 Cars | Dec-09 | \$ 8.82 |
| M503-02-02 | Rehabilitate Culverts/Railtop Culverts | Dec-09 | \$ 3.13 |
| M503-02-05 | Replace Timbers Undergrade Bridges | Dec-09 | \$ 2.04 |
| M503-02-18 | Systemwide Flood Control | Dec-09 | \$ 0.50 |
| M504-01-13 | Refurbish/Replace Electric Switch Machines | Dec-09 | \$ 0.95 |
| M504-01-16 | Replace Interlocking/Siding -West of Hudson | Dec-09 | \$ 2.10 |
| M504-01-17 | PBX Replacement | Dec-09 | \$ 1.93 |
| M505-01-05 | Replace Substation Batteries | Dec-09 | \$ 0.74 |
| M503-02-08 | Right-of-Way Fencing | Feb-10 | \$ 1.90 |
| M503-01-14 | 2009 Cyclical Track Program | Mar-10 | \$ 11.30 |
| M503-02-15 | Catenary Painting NHL (NYS) | Mar-10 | \$ 3.62 |
| M505-01-02 | Substation Retrofit - Harlem and Hudson Lines | Apr-10 | \$ 12.68 |
| M402-03-13 | North White Plains Parking - EIS | Jun-10 | \$ 3.08 |
| M503-03-01 | West of Hudson Track Program | Jun-10 | \$ 31.60 |
| M503-03-05 | Undergrade Bridge Program West of Hudson | Jun-10 | \$ 8.00 |
| M504-01-11 | C&S Cable Replacement GCT to Mott Haven | Jun-10 | \$ 4.20 |
| M508-01-03 | Environmental Remediation | Jun-10 | \$ 1.20 |
| M505-01-03 | Replace Harlem River Lift Bridge Breaker Houses | Jul-10 | \$ 1.46 |
| M505-01-04 | Aluminum 3rd Rail and E-Rail GCT Lower Level | Jul-10 | \$ 2.98 |
| M508-01-02 | Systemwide Lead/Asbestos Abatement | Jul-10 | \$ 4.40 |
| A401-01-07 | West of Hudson Comet Overhauls | Aug-10 | \$ 16.03 |
| M501-01-09 | End Door Coach Midlife Overhaul - 40 Cars | Aug-10 | \$ 21.72 |
| M502-02-03 | Poughkeepsie Station Building | Aug-10 | \$ 15.08 |
| M502-02-06 | Station Building Rehabilitation | Aug-10 | \$ 9.93 |
| M503-02-03 | D.C. Substation/Signal House | Aug-10 | \$ 2.08 |
| M502-01-05 | GCT Elevator Rehabilitation Phase III | Sep-10 | \$ 4.25 |
| M503-01-05 | M of W Equipment | Sep-10 | \$ 10.20 |

MTA Metro-North Railroad Completions 2009-2013
\$ in millions

| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--|-------------------|---------------------------|
| M503-02-09 | Remove Obsolete Facilities | Sep-10 | \$ 4.28 |
| M504-01-10 | Upgrade Grade Crossings | Sep-10 | \$ 0.95 |
| M505-01-10 | Install Sectionalizing Switches GCT | Oct-10 | \$ 4.35 |
| M503-01-06 | Rebuild Retaining Walls | Nov-10 | \$ 4.47 |
| M504-01-15 | Replace Track Relays | Nov-10 | \$ 2.47 |
| M404-01-07 | Optimize Signal Relay Circuits | Dec-10 | \$ 2.56 |
| M502-03-02 | Parking Expansion | Dec-10 | \$ 10.28 |
| M503-01-03 | GCT Turnout and Switch Renewal | Dec-10 | \$ 11.88 |
| M503-01-04 | Turnouts Yards | Dec-10 | \$ 5.22 |
| M503-01-09 | Drainage and Undercutting | Dec-10 | \$ 7.78 |
| M503-02-01 | Replace/Repair Undergrade Bridge Program | Dec-10 | \$ 26.14 |
| M505-01-09 | Rehab Harlem and Hudson Lines Substations | Dec-10 | \$ 13.42 |
| M508-01-07 | Program Scope Development | Dec-10 | \$ 15.88 |
| M502-01-08 | GCT Water Conveyance Utilities Improvements | Jan-11 | \$ 2.26 |
| M403-02-05 | Rehab/Replace Overhead Bridges | Mar-11 | \$ 2.40 |
| M502-01-09 | GCT Facilities Rehabilitation | Mar-11 | \$ 18.00 |
| M501-01-05 | M-6 Midlife Remanufacture Spec Develop | Jun-11 | \$ 0.60 |
| M502-01-02 | GCT Leaks Remediation | Jun-11 | \$ 1.48 |
| M502-02-07 | Station and Platform Informational Signs | Jun-11 | \$ 0.94 |
| M502-99-05 | GCT Elevators | Jun-11 | \$ 7.70 |
| M503-01-02 | Turnouts Mainline/High Speed | Jun-11 | \$ 40.80 |
| M508-01-09 | Customer and Employee Communications Projects | Oct-11 | \$ 8.66 |
| M501-01-11 | West of Hudson Locomotives | Nov-11 | \$ 8.60 |
| M501-01-04 | M-4 Midlife Remanufacture - 54 Cars | Dec-11 | \$ 9.96 |
| M502-03-03 | Cortlandt Parking & Access Improvements | Dec-11 | \$ 28.63 |
| M504-01-07 | Signal System Replacement | Dec-11 | \$ 27.36 |
| M502-02-05 | New Haven Line (NYS) Stations Improvements | Feb-12 | \$ 22.89 |
| M502-99-01 | Tarrytown Station Improvement | Apr-12 | \$ 38.22 |
| M503-02-06 | Overhead Bridge Program-East of Hudson (MNR Share) | Apr-12 | \$ 4.50 |
| M505-01-01 | Substation Bridge 23 | May-12 | \$ 4.25 |
| M506-01-07 | Shops and Yards Miscellaneous Environmental Improvements | Jul-12 | \$ 1.55 |
| M503-03-03 | Moodna/Woodbury Viaducts | Sep-12 | \$ 4.51 |
| M502-02-01 | Hudson Line Stations Improvements Phase II | Oct-12 | \$ 88.99 |
| M501-01-07 | M-8 NHL Purchase - 210+90 Cars MN Share | Dec-12 | \$ 99.86 |
| M502-02-09 | Bronx Stations/Capacity Improvements | Dec-12 | \$ 11.49 |
| M505-01-08 | Harlem and Hudson Lines Power Improvements | Dec-12 | \$ 47.12 |
| M502-03-01 | Parking Rehabilitation | Nov-13 | \$ 2.40 |

MTA Bridges and Tunnels Completions 2009-2013
\$ in millions

| Project ID | Project Description | Project | |
|------------|--|------------|------------|
| | | Completion | Allocation |
| D501MP02 | Structural Steel Repairs | Apr-09 | \$ 21.96 |
| D501TB66 | Anchorage Rehab and Dehumidification | May-09 | \$ 21.09 |
| D403AW41 | Toll Registry Systems Replacement | Jun-09 | \$ 9.14 |
| D502TB64 | Replace Deck-RI Viaduct | Jun-09 | \$ 257.84 |
| D505BB80 | Rehabilitation of Ventilation Building | Jun-09 | \$ 32.50 |
| D502VN17 | Rehabilitation of Approach Spans | Aug-09 | \$ 90.17 |
| D501BW85 | Critical Panel Unwrapping | Nov-09 | \$ 6.74 |
| D503AW48 | 2nd Generation E-Zpass In-Lane | Feb-10 | \$ 5.01 |
| D501CB08 | Deck and Structural Rehab | May-10 | \$ 69.34 |
| D502HH80 | Replace Lower Level Deck | Jun-10 | \$ 86.99 |
| D502VN80 | Rehab Decks on Suspended Spans | Jun-10 | \$ 51.91 |
| D501TN85 | Suspended Span Cable Rewarping | Oct-10 | \$ 15.62 |
| D501VN32 | Structural Steel Repairs | Nov-10 | \$ 13.63 |
| D503AW52 | Adv. Automated Traffic Detect. | Dec-10 | \$ 3.00 |
| D504AW80 | Variable Message Signs | Dec-10 | \$ 3.59 |
| D502HH04 | Replace Cross Drainage | Dec-10 | \$ 3.96 |
| D503VN03 | New Toll Plaza - Phase A | Feb-11 | \$ 10.18 |
| D503AW36 | Installation of CCTV/Fiber Opt | Apr-11 | \$ 1.72 |
| D501TN87 | Anchorage and Tower Protection | Aug-11 | \$ 6.09 |
| D502TN50 | Replace Concrete Deck | Nov-11 | \$ 75.89 |
| D503AW37 | Operation Centers TS Systems | Feb-12 | \$ 3.28 |
| D505TB59 | Rehab of Building 104 | Mar-12 | \$ 85.73 |
| D502BW89 | Elevated & On Grade (Bx) Appr. | Oct-12 | \$ 209.38 |
| D501BW97 | Concrete Anchorage Repairs | Dec-12 | \$ 11.10 |
| D505QM01 | Service & FE Building Rehab | Jun-13 | \$ 11.33 |

MTA Capital Company Completions 2009-2013
\$ in millions

| Project ID | Project Description | Completion | Project Allocation |
|-------------------|---|-------------------|---------------------------|
| G4140406 | Emer Gen Upgrde Livingston Plz | Jun-09 | \$ 0.9 |
| G4140407 | 03ODP -AccessCntrl/Detect Sys | Sep-09 | \$ 14.9 |
| G4140409 | 04ODP -Incident Mgmt Equipmnt | Sep-09 | \$ 0.6 |
| G51402G3 | 06TSG Fncg&CCTV-BayRdgPipeline | Sep-09 | \$ 1.9 |
| G51402G4 | 06TSG Fencing-Hunters Pt & ERT | Sep-09 | \$ 0.3 |
| G4120201 | SoFe Terminal Structure | Sep-09 | \$ 291.2 |
| G4120202 | SoFe Terminal Finishes/System | Sep-09 | \$ 147.4 |
| G4120113 | FSTC R/W Cortlandt NB Platfrm | Nov-09 | \$ 4.4 |
| G4090127 | GCT Locomotives (VM022) | Dec-09 | \$ 5.8 |
| G4140101 | B&T Security Projs:Infra&Facs (IESS Randalls Island) | Dec-09 | \$ 7.1 |
| G4140102 | Verazzano Br Security / Harden (IESS) | Dec-09 | \$ 21.5 |
| G4140204 | East River Tunnels - Security (IESS) | Dec-09 | \$ 47.7 |
| G4140301 | MNR Security Projs:Infra&Facs (IESS HRLB) | Dec-09 | \$ 41.0 |
| G4140302 | Grnd Cntrl Security/Hardening | Dec-09 | \$ 57.1 |
| G4140403 | 63 St Tun Security & Hardening (IESS) | Dec-09 | \$ 50.0 |
| G4140404 | Times Square - Security (IESS) | Dec-09 | \$ 19.0 |
| G5090118 | Amtrak Heavy Equipment (VH067) | Dec-09 | \$ 1.5 |
| G5140102 | B&T Throgs Neck Hardening | Jan-10 | \$ 46.6 |
| G4140401 | NYCT Security Projs:Infra&Facs | Mar-10 | \$ 168.9 |
| G4140412 | 04ODP - RollUp Doors - Depots | Apr-10 | \$ 3.5 |
| G5090125 | MNR MODs andTractionPower Relo (FM216) | Apr-10 | \$ 14.5 |
| G4120204 | SoFe Landscaping | Apr-10 | \$ 25.4 |
| G5140303 | 07TSG GCT Emergency Generators | May-10 | \$ 17.3 |
| G5090127 | F Interlocking CIL (FHA62) | Jul-10 | \$ 8.9 |
| G5140103 | B&T Bronx Whitestone Hardening | Jul-10 | \$ 44.6 |
| G4120109 | FSTC - 4A Foundation | Aug-10 | \$ 77.9 |
| G5090126 | Harold Structures (Part 2) (CH054A) | Sep-10 | \$ 42.1 |
| G5090117 | Harold Structures & G02 Substation (Part 1) (CH053) | Oct-10 | \$ 173.3 |
| G5090118 | Harold Interlocking Stage 1 (FH/VH - A/L-01) | Oct-10 | \$ 48.2 |
| G5090128 | Madison Yard Demolition (CM008A) | Nov-10 | \$ 40.9 |
| G4140309 | 525 N. Broadway, White Plains | Dec-10 | \$ 53.3 |
| G5140104 | B&T Triborough Hardening | Dec-10 | \$ 48.2 |
| G5090145 | Northern Boulevard Crossing (CQ039) | Feb-11 | \$ 61.1 |
| G5100103 | SAS 86th Street Station - Contract 5A | Feb-11 | \$ 50.8 |
| G5090143 | 44th Street & 245 Park Avenue Entrance (CM004) | Mar-11 | \$ 43.8 |
| G4100106 | SAS Tunnels 92 St-62 St | May-11 | \$ 383.4 |
| G5140405 | 07TSG Access Cntrl/Detect Sys | Jul-11 | \$ 13.8 |
| G4140203 | Penn Stn LIRR/NYCT Sec/Harden (IESS & Pkg 5 - MSG) | Sep-11 | \$ 50.3 |
| G4140201 | LIRR Security Projs:Infra&Facs (IESS, Atl/Jam Terminal) | Dec-11 | \$ 9.8 |
| G5090115 | 50th St. Vent Plant Facility (CM013) | Mar-12 | \$ 128.1 |
| G4120114 | FSTC - 4/5 Station Rehab & Dey St Headhouse | Apr-12 | \$ 58.6 |
| G4120115 | FSTC 4E - Dey St Corridor & R/W & 4/5 Finishes | Apr-12 | \$ 44.6 |
| G5090119 | Harold Tower Supervisory Control System (VH051 Part 2) | May-12 | \$ 7.1 |
| G5090122 | Queens Bored-Tunnels & Structures (CQ031) | Jun-12 | \$ 489.9 |
| G4090119 | Manhattan Tunnels Excavation (CM009) | Jul-12 | \$ 453.5 |
| G5090114 | Manhattan Structures Part 1 (CM019) | Jul-12 | \$ 793.5 |
| G5100101 | SAS 96th Street Station - Contract 2A | Jul-12 | \$ 361.6 |

MTA Capital Company Completions 2009-2013
\$ in millions

| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--|-------------------|---------------------------|
| G4120106 | FSTC 4B - A/C Mezzanine, J/M/Z | Dec-12 \$ | 208.2 |
| G4120103 | FSTC Real Estate | Dec-12 \$ | 174.1 |
| G4120108 | FSTC 4G- Corbin Building Restoration | Dec-12 \$ | 111.8 |
| G5090119 | Harold Design/ Furnish CILs (VH051 Part 1) | Jan-13 \$ | 30.9 |
| G4120107 | FSTC 4F - Transit Center Enclosure | Oct-13 \$ | 253.5 |
| G5110104 | Flushing Line Extension - Running Tunnel | Nov-13 \$ | 1,225.9 |

MTA Bus Company Completions 2009-2013
\$ in millions

| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--------------------------------|-------------------|---------------------------|
| U4030208 | 105 Hybrid-Electric Buses 2007 | Mar-10 | \$ 64.0 |
| U5030203 | Roof/Ventilation LaGuardia | Sep-10 | \$ 7.0 |
| U4030211 | 40 Hi-Cap Express Buses 2008 | Dec-10 | \$ 25.0 |
| U5030211 | Roof/Ventilation Far Rockaway | Dec-10 | \$ 4.7 |
| U5030209 | Upgrade Parking - Baisley Park | Mar-11 | \$ 6.9 |
| U5030204 | Elec Upgrd/Emer Gens 6 Depots | May-11 | \$ 13.9 |
| U5030213 | Roof/Ventilation E'chester Mtc | May-11 | \$ 3.1 |
| U5030212 | Roof/Ventilation Baisley Park | Sep-11 | \$ 7.3 |
| U5030210 | Security Upgrade CP ECH YONKRS | Dec-11 | \$ 2.8 |
| U5030214 | Roof/Ventilation JFK | Feb-12 | \$ 8.0 |
| U5030217 | Fire Protection JFK LG BP ECH | Apr-13 | \$ 10.0 |
| U5030215 | Fueling Lane & Bus Wash LG | Jul-13 | \$ 8.0 |
| U5030216 | Addtnl Fuel Capacity BP JFK LG | Jul-13 | \$ 3.0 |
| U5030299 | Engineering Consultant Svcs | Aug-13 | \$ 5.0 |

MTA Police Department Completions 2009-2013
\$ in millions

| Project ID | Project Description | Completion | Project Allocation |
|-------------------|--------------------------------------|-------------------|---------------------------|
| N510-01-06 | MTAPD Emergency Service Units | Jun-09 | \$ 0.63 |
| N510-01-01 | MTAPD Central Islip Facility | Jun-10 | \$ 11.47 |
| N510-01-04 | MTAPD Merrick Facility | Nov-10 | \$ 0.99 |
| N510-01-04 | MTAPD K-9 Facility | Jun-11 | \$ 7.06 |
| N510-01-09 | MTAPD Public Safety Radio-Consultant | Dec-12 | \$ 8.20 |

**OPERATING IMPACTS EXCEEDING \$1 MILLION
FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2009 – 2013**

NEW YORK CITY TRANSIT CAPITAL PROJECTS

Project: Fulton St Transit Center Complex

This is a reconfiguration and reconstruction of an existing complex of subway stations. There is an additional underground connecting concourse extending west to the Cortlandt St Broadway line station, and the design for a new entry pavilion at Fulton and Broadway is still being determined. The complex is being renewed in phases. The renewed complex will be larger and have new escalators and elevators. Full impacts begin in 2013 (\$12.5 million).

Project: R160 Option 2 Subway Car Purchase

This is the second option of the purchase of R160 subway cars. The option was exercised in November 2008. This purchase of 382 cars has 292 cars that replace older ones and 90 that are expanding the fleet. Additional new cars to the fleet have additional maintenance, energy, and personnel costs. Deliveries will start in August 2009 through completion in June 2010, with arrival of the growth cars starting in approximately March 2010. Full impacts begin in June 2010 (\$4.3 million).

Project: New South Ferry Station

This is a new subway station, replacing the operations of the previous South Ferry station. The new station is larger, has escalators, elevators, HVAC, and functions as a true terminal station. The station opened for passenger service March 16, 2009. Full impacts begin in 2009 (\$3.7 million).

Project: Purchase 745 Hybrid Electric Buses

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

Project: Charleston Depot Annex

This is a new bus depot. 72 positions are added, reflecting the fixed overhead of operating a depot. Beginning in 2009, 10 of the positions include security guards, who will provide 24x7 coverage. Initial operating impacts begin in 2008 (\$1.2 million), but full impacts begin with completion of the project in December 2009, totaling about \$5.8 million annually.

Project: Paratransit AVL

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

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

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

LONG ISLAND RAIL ROAD CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2009-2013 that have an impact on the LIRR's operating budget over \$1 million.

METRO-NORTH RAILROAD CAPITAL PROJECT

Project: 525 North Broadway Renovation (Phase III & IV)

This project involves the acquisition, renovation, and build-out of a two-story commercial office building for Metro-North offices, Phone Center and Business Recovery. Impacts in 2010 include; the addition of four C&S positions and one vehicle purchase, maintenance, material cost, one-time furniture, and Graybar 9th floor and Elmsford building lease extensions, all totaling \$2.57 million. Future impacts in 2011 and beyond will drop the lease extension, reducing the impacts to \$0.93 million each year.

Project: Harmon Shop Replacement – Master Plan

This project is to replace the Harmon Maintenance Shops and reconfigure and improve the Storage Yards. New shops will be implemented in multiple phases. Impacts in 2010 are for a new Locomotive and Coach shops. These impacts, totaling \$2.25 million/yr, cover the purchase of two vehicles purchase plus annual maintenance, 15 additional MofE positions, material cost for various Departments, 3rd party service contract and occupancy cost. Future impacts, in 2011, 2012, and 2013, will continue to carry the new positions, material cost, vehicle cost, service contract, and occupancy cost at \$2.18 million each year.

MTA BRIDGES AND TUNNELS CAPITAL PROJECTS

Project: Rehabilitation of Building 104 at the Triborough Bridge

This project renovates Building 104 on Randall's/Wards Island to house B&T engineering and other administrative staff who currently occupy the Robert Moses Building. Impacts begin in 2011, reflecting headcount (7 positions), operating and maintenance costs, including electrical power, heating and general maintenance (\$0.9 million). Full impacts in 2012 (\$1.6 million).

MTA POLICE DEPARTMENT CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2009-2013 that have an impact on the MTAPD's operating budget over \$1 million.

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V. Agency Financial Plans

Bridges and Tunnels

MTA Bridges and Tunnels
2010 Preliminary Budget
July Financial Plan 2010–2013

MISSION STATEMENT/MAJOR HIGHLIGHTS

MTA Bridges and Tunnels (B&T) operates seven bridges and two tunnels in the New York City metropolitan region, carrying out a dual mission to provide significant financial support for mass transportation and enhance regional mobility. On an average day, more than 800,000 vehicles use the nine crossings, generating approximately \$1.3 billion in annual toll revenue.

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

Despite the current economic downturn, MTA Bridges & Tunnels continues to be a strong source of fiscal stability for the MTA. For 2009 and 2010, B&T projects that it will contribute \$661.3 million and \$699.9 million, respectively in Support to Mass Transit. Since becoming part of the MTA in 1968, B&T has contributed a total of \$16.2 billion (through 2008) to transit.

B&T is able to generate this financial support while providing high levels of customer satisfaction to travelers utilizing its facilities. In its most recent customer satisfaction survey taken during the fall 2008, B&T's customers rated their overall satisfaction at 7.2 out of 10. Satisfaction with the performance of the agency's E-ZPass system was 8.4, ratings that are improved from the previous year and consistent with historical performance.

One factor driving customer satisfaction is the ability to travel across the facility without delay. In 2009, B&T developed a new performance metric that shows the average travel times of E-ZPass customers during peak periods. So far the measure is in use at three facilities and will be expanded to each of the others by year end. Approximately 76% of all weekday B&T traffic and 88% of all truck traffic use E-ZPass.

In 2009 B&T is also beginning the initial stages of studying the feasibility of All-Electronic Toll Collection at its facilities. This assessment will consider different approaches for collecting and adjudicating tolls and consider the financial impacts of All-Electronic Toll Collection. This study is expected to be completed in April 2010 and the results will guide the future reconstruction of the Authority's existing toll plazas.

B&T continues to rank safety as its top priority, emphasizing safe work practices and regularly providing safety training. Through May 2009, based on preliminary results, there were only 11 lost time injuries, compared to 18 for the same period last year. At its present rate of 1.4 injuries per 200,000 hours, B&T would exceed its best ever recorded year end rate of 2.2.

B&T also carries out initiatives that help assure the safe passage of its customers, including identifying collision hotspots, re-evaluating and modifying traffic patterns in construction zones and improving roadway signage. Through March 2009, the collision rate was 0.68 per million vehicles compared to 0.77 for the same period last year.

To better enforce weight restrictions and ensure the safety and structural integrity of the facilities, a new truck weight enforcement program was initiated in 2007 on B&T's suspension bridges. The program uses a combination of personnel to perform vehicle weight and safety inspections and provide a regular facility presence to conduct credential checks. From August of 2007 (when the program began) through May 2009, more than 60,000 trucks have been inspected.

Sustainability is another critical priority area for the MTA and B&T is taking steps to operate in a more environmentally-friendly way and help preserve our natural resources. An interdepartmental "Green" Council has been formed to help guide, track and measure B&T's sustainability efforts. Among the B&T initiatives monitored by the Council that are in various stages of planning, implementation, or development in 2009-2010 are: the completion of the conversion of the Verrazano-Narrows Bridge necklace lights to LED technology by mid-2009; the installation of an on-site Ethanol-85 station at the Verrazano-Narrows Facility station by December 2009 to service southern B&T facilities; the installation of energy efficient lighting at the Queens Midtown Tunnel and BBT service and ventilation buildings, currently in progress and to be completed in 2010; and new designs and renovations for existing buildings and new building construction being performed with the goal of Leadership in Energy and Environmental Design (LEED) silver for new construction and LEED silver equivalent for renovations to existing buildings.

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

FINANCIAL OVERVIEW

2009 Mid-Year Forecast

In the 2009 Mid-Year Forecast, a total of \$899.1 million is projected in Baseline Net Operating Income compared to \$1,038.4 in the 2009 Adopted Budget.

Total revenues are \$1,338.5 million, which is \$137.8 million less than the Adopted Budget. Toll revenue accounts for 98% of all revenues and is projected at \$1,312.5 million, which is \$134.7 million less than the original estimate. Most of the reduction in toll revenue, \$116.2 million, is the result of a considerably lower toll rate increase scheduled for implementation on July 12, 2009. The original plan for increasing toll rates was formulated to generate an additional 23% in revenue. Following the actions from Albany, toll rates are increasing approximately 10%. The remaining toll revenue reduction of \$18.5 million is primarily due to recessionary economic conditions. The weak economy has also negatively affected Investment Income and Other Operating Revenue. The \$1.1 million reduction in Other Operating Revenue is the result of lower projected receipts from the Battery Parking garage. Investment Income is \$2.0 million lower based on a reduction in interest rates.

The 2009 Mid-Year Forecast expenses are \$439.5 million, which is composed of \$237.6 million in labor costs and \$201.9 million in non-labor expenses. Total expenses are \$1.6 million higher than the Adopted Budget.

Labor expenses are down by \$0.6 million due mainly to lower payroll costs (\$2.2 million) due primarily to higher than planned vacancies (\$1.6 million), the reduction of 14 administrative positions as part of the AABB program (\$0.6 million), and savings from the hiring freeze (\$0.3 million), offset by the re-estimate of a prior year's PEG (\$0.4 million)). These decreases are offset by higher overtime costs (\$2.4 million) due primarily to a rate adjustment resulting from contract settlements (\$0.9 million) and the back-filling of vacant positions with overtime (\$1.2 million), as well as higher pension costs (\$0.6 million).

Lower non-labor expenses (\$12.8 million) are largely due to reductions associated with the AABB program, including the realignment of Bridge Painting expenses with the capital program (\$6.1 million), reductions in planning studies (\$2.0 million), guard services (\$0.4 million), maintenance of toll equipment (\$0.3 million) and other various reductions (\$0.4 million). In addition to those reductions, there are re-estimates of E-ZPass Customer Service Center expenses (\$1.6 million), credit card fees (\$1.3 million), heating oil expenses (\$0.8 million) and natural gas costs (\$0.2 million), lower maintenance costs for security equipment (\$0.8 million), lower expenses for general engineering services (\$0.6 million), lower insurance

costs as provided by MTA Risk Management (\$0.5 million) and the reduction of consulting services (\$0.3 million). These reductions are offset by an increase in major maintenance (\$4.1 million) resulting from the carryover of work begun in 2008.

The AABBs were captured in a discrete expense line item in the February Adopted Budget and were not allocated to conventional generic revenue and expense categories. In the 2009 Mid-Year Forecast, the actual operating savings are captured within the category construct of MTA's traditional financial statements. Therefore, the AABB expense line has an unfavorable variance of \$14.9 million, while favorable variances of \$10.0 million are captured and described in the generic expense categories above. The differential of \$4.9 million is the result of AABBs that have been restored (\$3.1 million) and later-than-planned implementation dates or re-estimates of some AABBs (\$1.8 million).

There are no new needs for 2009.

In 2009, the total planned headcount is 1,819, which includes 45 capitalily reimbursable positions.

Details regarding the reconciliation of the 2009 Mid-Year Forecast to the Adopted Budget and the assumptions for traffic and headcount are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions sections.

2010 Preliminary Budget - Baseline

In the 2010 Preliminary Budget, a total of \$947.2 million is projected in Baseline Net Operating Income for 2010, before factoring in the savings from PEGs, compared to \$1,130.0 million in the February Financial Plan.

Revenues are \$1,412.2 million, which is \$184.9 million lower than the Adopted Budget. Lower toll rate increases account for \$170.3 million of the reduction, and an additional \$10.1 decrease is attributable to the unfavorable traffic trend in 2009 and downward revisions to the projection for regional employment. The unfavorable 2009 trends at the Battery Parking Garage are expected to continue into 2010, which will reduce Other Operating Revenue by \$1.2 million. Also, Investment income has been reduced by \$3.4 million to incorporate Global Insight's lower forecast for short-term investment yield rates.

Expenses are \$465.0 million, which are composed of \$246.4 million in labor costs and \$218.6 million in non-labor expenses. Overall expenses are \$2.2 million lower than the February Financial Plan after factoring in the AABBs.

Labor costs are projected to remain the same, reflecting primarily higher overtime (\$1.0 million) resulting from an increase in rates due to contract settlements, the re-estimate of a previous year's PEG resulting in additional labor expenses (\$0.6 million), and higher pension costs (\$0.2 million). This increase is offset by favorable health and welfare/OPEB expenses (\$1.0 million).

Non-labor expenses will decrease by \$22.7 million largely due to reductions as defined in the AABB program, which includes a further alignment of Bridge Painting expenses with the capital program (\$13.5 million), reductions in guard services (\$0.4 million), maintenance of toll equipment (\$0.3 million) and new contract for money counting services (approximately \$0.1 million). In addition to the AABB program, there is a reduction of credit card fees (\$2.8 million), E-ZPass Customer Service Center expenses (\$2.1 million), lower insurance costs as provided by MTA Risk Management (\$1.5 million), and a reduction in heating oil expenses (\$0.5 million) and natural gas (\$0.1 million).

The AABB discrete expense line has an unfavorable variance of \$20.6 million, while favorable variances of \$16.6 million are captured and described in the generic expense categories above. The differential of \$4.0 million is primarily the result of AABBs that have been restored (\$3.4 million) and re-estimates of existing AABBs (\$0.6 million).

There are no new needs for 2010.

In 2010, total headcount remains at 1819, which includes 53 reimbursable positions.

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

2011-2013 Projections

The 2011 projection for Baseline Net Operating Income is \$936.3 million before factoring in the savings from PEGs, compared to \$1,116.0 million in the February Financial Plan. This consists of \$1,422.9 million in revenues, less \$486.6 million in expenses. The expenses are comprised of \$254.3 million in labor costs and \$232.3 million in non-labor expenses.

The 2012 projection for Baseline Net Operating Income is \$931.1 million, before factoring in the savings from PEGs, compared to \$1,113.2 million in the February Financial Plan. This consists of \$1,430.1 million in revenues, offset by \$499.0 million in expenses. The expenses are comprised of \$261.6 million in labor costs and \$237.4 million in non-labor expenses.

In 2013, the projection for Baseline Net Operating Income is \$911.7 million compared to \$1,097.7 million in the February Financial Plan. This consists of \$1,429.6 million in revenues, offset by \$517.9 million in expenses. The expenses are comprised of \$271.1 million in labor costs and \$246.8 million in non-labor expenses.

For the period from 2011 to 2013, a new need of \$0.8 million annually is included as a technical adjustment regarding the transfer of B&T staff to the Business Service Center. This will result in eight fewer B&T positions being reduced in the areas of Finance, Payroll and Technology.

The full impact of the new needs started in 2011 will amount to \$0.8 million every year thereafter.

In 2011, before factoring in PEGs, the total baseline planned headcount will be 1,818 after accounting for the BSC, which includes 53 capially-reimbursable positions.

In 2012 and 2013, before factoring in PEGs but after accounting for the BSC reduction, the total baseline planned headcount will be 1,793, which includes 53 capially-reimbursable positions.

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

GAP CLOSING MEASURES

2010 PEG Actions

New PEG actions for 2010 are projected to generate a total of \$0.610 million in annual cost reductions. The program consists of the following actions:

- A review of a previous successful roadway sweeping initiative at the southern facilities has determined that B&T can implement the same program at the northern facilities. This initiative will generate savings by not renewing the current sweeping contract and performing the services with in-house personnel. No new headcount will be required and there will be a reduction in non-labor expenses. The current contract ends on 12/31/2009.
- The responsibility for maintenance of in-lane toll equipment will be consolidated under the Maintenance Department, enabling the Internal Security Department to reduce its headcount by three positions. The Maintenance Department will assume responsibility for maintaining all in-lane toll equipment, including flat panel screens, receipt printers, motorist transaction indicators and canopy lighting.

Post-2010 PEG Actions

Unidentified PEG actions are scheduled to begin in 2012.

MTA BRIDGES AND TUNNELS
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(\$ in millions)

NON-REIMBURSABLE

| | 2008 | 2009 | 2010 | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Operating Revenue | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | 1,273.974 | 1,252.705 | 1,253.541 | 1,261.069 | 1,265.773 | 1,265.221 |
| <i>Toll Increase 7/12/09</i> | 0.000 | 57.324 | 120.335 | 121.053 | 121.505 | 121.452 |
| <i>Additional Actions for Budget Balance: Revenue Impact</i> | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| <i>Eliminate E-Z Pass Forgiveness</i> | 0.000 | 2.479 | 10.000 | 10.000 | 10.000 | 10.000 |
| Other Operating Revenue | 13.316 | 10.865 | 10.917 | 11.071 | 11.242 | 11.420 |
| Capital and Other Reimbursements | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Investment Income | 4.491 | 0.307 | 0.748 | 2.685 | 4.107 | 4.487 |
| Total Revenue | \$1,291.781 | \$1,323.679 | \$1,395.541 | \$1,405.878 | \$1,412.627 | \$1,412.580 |
| Operating Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$121.260 | \$126.449 | \$132.620 | \$136.280 | \$139.307 | \$143.907 |
| Overtime | 25.946 | 28.757 | 27.530 | 28.232 | 28.851 | 29.418 |
| Health and Welfare | 18.665 | 21.242 | 22.867 | 24.545 | 26.254 | 28.311 |
| OPEB Current Payment | 11.378 | 12.033 | 13.195 | 14.126 | 15.122 | 16.188 |
| Pensions | 20.028 | 24.081 | 24.265 | 24.953 | 25.690 | 26.494 |
| Other Fringe Benefits | 16.858 | 16.190 | 16.452 | 16.428 | 16.350 | 16.970 |
| Reimbursable Overhead | (6.830) | (6.037) | (7.170) | (7.314) | (7.460) | (7.192) |
| Total Labor Expenses | \$207.305 | \$222.715 | \$229.760 | \$237.251 | \$244.114 | \$254.096 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 8.284 | 8.336 | 8.904 | 9.736 | 10.651 | 11.642 |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 161.354 | 154.582 | 152.509 | 163.546 | 172.827 | 178.346 |
| Professional Service Contracts | 14.207 | 18.106 | 18.867 | 18.397 | 20.285 | 20.722 |
| Materials & Supplies | 15.819 | 17.886 | 34.727 | 37.230 | 30.083 | 32.440 |
| Other Business Expenses | 1.021 | 2.999 | 3.561 | 3.392 | 3.522 | 3.593 |
| Total Non-Labor Expenses | \$200.685 | \$201.908 | \$218.568 | \$232.301 | \$237.367 | \$246.743 |
| <u>Other Expense Adjustments:</u> | | | | | | |
| Other | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Gap Closing Actions:</u> | | | | | | |
| <i>Additional Actions for Budget Balance: Expense Impact</i> | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Gap Closing Actions | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses Before Depreciation and GASB Adjs. | \$407.990 | \$424.623 | \$448.328 | \$469.551 | \$481.481 | \$500.839 |
| Add: Depreciation | \$77.213 | \$81.000 | \$85.100 | \$89.400 | \$93.900 | \$98.600 |
| Add: OPEB Obligation | 66.323 | 70.920 | 76.200 | 79.400 | 82.800 | 86.700 |
| Add: Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses After Depreciation and GASB Adjs. | \$551.526 | \$576.543 | \$609.628 | \$638.351 | \$658.181 | \$686.139 |
| Less: Depreciation | 77.213 | 81.000 | 85.100 | 89.400 | 93.900 | 98.600 |
| Less: OPEB Obligation | 66.323 | 70.920 | 76.200 | 79.400 | 82.800 | 86.700 |
| Total Expenses | \$407.990 | \$424.623 | \$448.328 | \$469.551 | \$481.481 | \$500.839 |
| Baseline Income/(Deficit) | \$883.792 | \$899.057 | \$947.213 | \$936.327 | \$931.146 | \$911.741 |
| 2010 Agency Program to Eliminate the Gap | \$0.000 | \$0.063 | \$0.610 | \$0.618 | \$0.627 | \$0.635 |
| Post 2010 Agency Program to Eliminate the Gap | 0.000 | 0.000 | 0.000 | 0.000 | 3.776 | 18.251 |
| Net Income/(Deficit) | \$883.792 | \$899.120 | \$947.824 | \$936.945 | \$935.549 | \$930.628 |

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|--------------|
| REIMBURSABLE |
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MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
Page 1 of 2

| | 2008 | 2009 | 2010 | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Revenue | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | 1,273.974 | 1,252.705 | 1,253.541 | 1,261.069 | 1,265.773 | 1,265.221 |
| <i>Toll Increase 7/12/09</i> | 0.000 | 57.324 | 120.335 | 121.053 | 121.505 | 121.452 |
| <i>Additional Actions for Budget Balance: Revenue Impact</i> | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| <i>Eliminate E-Z Pass Forgiveness</i> | 0.000 | 2.479 | 10.000 | 10.000 | 10.000 | 10.000 |
| Other Operating Revenue | 13.316 | 10.865 | 10.917 | 11.071 | 11.242 | 11.420 |
| Capital and Other Reimbursements | 16.447 | 14.840 | 16.657 | 17.065 | 17.529 | 17.036 |
| Investment Income | 4.491 | 0.307 | 0.748 | 2.685 | 4.107 | 4.487 |
| Total Revenue | \$1,308.228 | \$1,338.519 | \$1,412.198 | \$1,422.943 | \$1,430.156 | \$1,429.616 |
| Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$127.157 | \$132.390 | \$138.633 | \$142.413 | \$145.563 | \$149.938 |
| Overtime | 26.384 | 28.806 | 27.665 | 28.332 | 28.951 | 29.518 |
| Health and Welfare | 20.426 | 22.698 | 24.600 | 26.423 | 28.290 | 30.400 |
| OPEB Current Payment | 11.378 | 12.033 | 13.195 | 14.126 | 15.122 | 16.188 |
| Pensions | 20.403 | 24.821 | 25.172 | 25.877 | 26.632 | 27.405 |
| Other Fringe Benefits | 18.004 | 16.806 | 17.151 | 17.145 | 17.085 | 17.683 |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenses | \$223.752 | \$237.555 | \$246.416 | \$254.316 | \$261.643 | \$271.132 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 8.284 | 8.336 | 8.904 | 9.736 | 10.651 | 11.642 |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 161.354 | 154.582 | 152.509 | 163.546 | 172.827 | 178.346 |
| Professional Service Contracts | 14.207 | 18.106 | 18.867 | 18.397 | 20.285 | 20.722 |
| Materials & Supplies | 15.819 | 17.886 | 34.727 | 37.230 | 30.083 | 32.440 |
| Other Business Expenses | 1.021 | 2.999 | 3.561 | 3.392 | 3.522 | 3.593 |
| Total Non-Labor Expenses | \$200.685 | \$201.908 | \$218.568 | \$232.301 | \$237.367 | \$246.743 |
| <u>Other Expense Adjustments:</u> | | | | | | |
| Other | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Gap Closing Actions:</u> | | | | | | |
| <i>Additional Actions for Budget Balance: Expense Impact</i> | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Gap Closing Actions | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses Before Depreciation and GASB Adjs. | \$424.436 | \$439.463 | \$464.984 | \$486.616 | \$499.010 | \$517.874 |
| Add: Depreciation | \$77.213 | \$81.000 | \$85.100 | \$89.400 | \$93.900 | \$98.600 |
| Add: OPEB Obligation | 66.323 | 70.920 | 76.200 | 79.400 | 82.800 | 86.700 |
| Add: Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses After Depreciation and GASB Adjs. | \$567.972 | \$591.383 | \$626.284 | \$655.416 | \$675.710 | \$703.174 |
| Less: Depreciation | \$77.213 | \$81.000 | \$85.100 | \$89.400 | \$93.900 | \$98.600 |
| Less: OPEB Obligation | 66.323 | 70.920 | 76.200 | 79.400 | 82.800 | 86.700 |
| Total Expenses | \$424.436 | \$439.463 | \$464.984 | \$486.616 | \$499.010 | \$517.874 |
| Baseline Net Income/(Deficit) | \$883.792 | \$899.057 | \$947.213 | \$936.327 | \$931.146 | \$911.741 |
| 2010 Agency Program to Eliminate the Gap | \$0.000 | \$0.063 | \$0.610 | \$0.618 | \$0.627 | \$0.635 |
| Post 2010 Agency Program to Eliminate the Gap | 0.000 | 0.000 | 0.000 | 0.000 | 3.776 | 18.251 |
| Net Income/(Deficit) | \$883.792 | \$899.120 | \$947.824 | \$936.945 | \$935.549 | \$930.628 |

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
Page 2 of 2

| | 2008 | 2009 | 2010 | | | |
|---|------------------|--------------------------|---------------------------|------------------|------------------|------------------|
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Baseline Income/(Deficit) | \$883.792 | \$899.057 | \$947.213 | \$936.327 | \$931.146 | \$911.741 |
| <u>Deductions from Income:</u> | | | | | | |
| Less: Capitalized Assets | \$11.806 | \$18.483 | \$18.767 | \$18.716 | \$18.701 | \$18.743 |
| Reserves | 11.421 | 13.953 | 14.195 | 14.425 | 14.689 | 14.995 |
| GASB 45 Reserves | 1.980 | 2.210 | 2.431 | 2.479 | 2.529 | 2.581 |
| Adjusted Baseline Income/(Deficit) | \$858.584 | \$864.411 | \$911.819 | \$900.708 | \$895.227 | \$875.422 |
| Less: Debt Service | 506.978 | 610.805 | 613.879 | 629.739 | 647.774 | 679.387 |
| Income Available for Distribution | \$351.606 | \$253.607 | \$297.940 | \$270.969 | \$247.453 | \$196.035 |
| <u>Distributable To:</u> | | | | | | |
| MTA - Investment Income | \$4.491 | \$0.307 | \$0.748 | \$2.685 | \$4.107 | \$4.487 |
| MTA - Distributable Income | 226.855 | 190.421 | 210.604 | 196.090 | 183.286 | 157.329 |
| NYCT - Distributable Income | 120.260 | 62.879 | 86.589 | 72.194 | 60.060 | 34.218 |
| Total Distributable Income: | \$351.606 | \$253.607 | \$297.940 | \$270.969 | \$247.453 | \$196.035 |
| <u>Actual Cash Transfers:</u> | | | | | | |
| MTA - Investment Income | \$5.558 | \$4.491 | \$0.307 | \$0.748 | \$2.685 | \$4.107 |
| MTA - Transfers | 232.285 | 197.190 | 208.585 | 197.541 | 184.567 | 159.925 |
| NYCT - Transfers | 127.177 | 64.771 | 84.218 | 73.633 | 61.273 | 36.803 |
| Total Cash Transfers: | \$365.021 | \$266.451 | \$293.110 | \$271.923 | \$248.525 | \$200.835 |
| <u>SUPPORT TO MASS TRANSIT:</u> | | | | | | |
| Total Revenues | \$1,308.228 | \$1,338.519 | \$1,412.198 | \$1,422.943 | \$1,430.156 | \$1,429.616 |
| Less: Net Operating Expenses | 424.436 | 439.463 | 464.984 | 486.616 | 499.010 | 517.874 |
| 2010 Agency Program to Eliminate the Gap | 0.000 | 0.063 | 0.610 | 0.618 | 0.627 | 0.635 |
| Post-2010 Agency Program to Eliminate the Gap | 0.000 | 0.000 | 0.000 | 0.000 | 3.776 | 18.251 |
| Net Operating Income: | \$883.792 | \$899.120 | \$947.824 | \$936.945 | \$935.549 | \$930.628 |
| <u>Deductions from Operating Income:</u> | | | | | | |
| B&T Debt Service | \$150.269 | \$203.085 | \$212.493 | \$228.665 | \$248.590 | \$280.473 |
| Capitalized Assets | 11.806 | 18.483 | 18.767 | 18.716 | 18.701 | 18.743 |
| Reserves | 11.421 | 13.953 | 14.195 | 14.425 | 14.689 | 14.995 |
| GASB Reserves | 1.980 | 2.210 | 2.431 | 2.479 | 2.529 | 2.581 |
| Total Deductions from Operating Income: | \$175.476 | \$237.731 | \$247.887 | \$264.284 | \$284.509 | \$316.792 |
| Total Support to Mass Transit: | \$708.315 | \$661.389 | \$699.937 | \$672.661 | \$651.039 | \$613.835 |

MTA Bridges and Tunnels
July Financial Plan 2010-2013
Year-to-Year Changes by Category - Accrual Basis

YEAR-TO-YEAR CHANGES: 2010-2013

Toll Revenue

- Revenues, including the toll increase, are estimated at \$1,312.5 million in 2009, \$1,383.9 million in 2010, \$1,392.1 million in 2011, \$1,397.3 million in 2012 and \$1,396.7 million in 2013. Revenue increases in 2010 are due to the full year's impact of the toll increase to be implemented on July 12, 2009. The forecast assumes a decline of 0.6% in regional (New York City, Long Island and Westchester) employment in 2010 and modest growth from 2011 to 2013 as reflected in the current projections supplied by Global Insight.
- Paid traffic is expected to reach 287.3 million vehicles in 2009. Traffic in 2010 drops to 286.5 million vehicles due to continued job losses and a full year's impact of the toll increase to be implemented on July 12, 2009. The forecast from 2011 through 2013 incorporates the most recent projections for regional employment and inflation utilized by MTA, and adjusts for the leap year in 2012. Paid traffic is forecast at 288.7 million vehicles in 2011, 290.2 million in 2012, 290.5 million in 2013.

Other Operating Revenue

- Other Operating Revenue is projected at \$10.9 million in 2009 and nominal growth of around \$0.1 million is expected in 2010.
- Other Operating Revenue increases approximately \$0.2 million each year from 2011 through 2013, primarily reflecting expected modest growth in parking receipts from the BPG.

Capital and Other Reimbursements

- Capital and Other Reimbursements increase by \$1.8 million in 2010 to reflect a projected increase in reimbursable work for the new capital program. There is an increase of \$0.4 million in 2011 and \$0.5 million in 2012 due to CPIU adjustments. In 2013, there is a reduction in projected reimbursable work by \$0.5 million.

Investment Income

- The Investment Income plan for 2010 through 2013 reflects earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields. Projected Investment Income is estimated at \$0.3 million in 2009 and \$0.7 million in 2010.

- As short-term yields return to more stable levels, investment income is projected to grow to \$2.7 million in 2011, \$4.1 million in 2012 and \$4.5 million in 2012.

Payroll

- In 2010, there is an increase of \$6.2 million over 2009 due to CPIU (\$2.2 million), contractual step-up increases, (\$2.0 million), and reduced vacancies from the prior year.
- Thereafter, expenses increase by contractual step-up increases and CPIU by \$3.8 million in 2011, \$3.1 million in 2012, and \$4.4 million in 2013. There is also a new need that was approved as part of the 2008 July Mid-Year Forecast that begins in 2011 (\$0.3 million) for 7 additional positions to maintain a newly renovated building on Randall's/Ward Island that will be used to relocate B&T engineers and other administrative personnel who currently occupy part of the Robert Moses Building on Randall's Island, in addition to a technical adjustment in the BSC reduction (\$0.4 million).

Overtime

- In 2010, there is a \$1.1 million decrease from 2009 in overtime expenses due to the filling of BTO vacant positions in 2009.
- Thereafter, the year-over-year increases of \$0.7 million in 2011, \$0.6 million in 2012, and \$0.6 million in 2013 are the result of CPIU adjustments.

Health and Welfare and OPEB

- In 2010, there is a \$3.1 million increase from 2009 in Health and Welfare expenses. This increase is mainly due to a CPIU of 9.7% for medical expenses.
- The year-over-year increases from 2011 to 2013 are \$2.8 million, \$2.9 million, and \$3.2 million, respectively. A CPIU of 7.1% has been added to each year from 2010 on, based on factors provided by the MTA.

Pension

- In 2010, there is a \$0.4 million increase from 2009, based on the latest NYCERS estimates received. The increases of \$0.7 million per year from 2011 to 2013 are due to CPIU.

Other Fringe Benefits

- The year-over-year increases from 2010 to 2013 are approximately \$0.4 million, \$0.7 million, \$0.8 million and \$0.8 million per year, respectively. These increases are mainly due to the effect of CPIU inflators.

Insurance

- Insurance expenses increase between \$0.6 million and \$0.9 million annually from 2009 through 2013 based on MTA Risk Management's most recent estimates.

Maintenance and Other Operating Contracts

- In 2010, expenses are \$2.1 million lower than 2009 due primarily to a decrease in bridge painting costs (\$6.3 million) associated with realigning painting with capital projects as included in the AABB and major maintenance (\$1.9 million) for completing the 2009 rollover, offset by the new Customer Service Center (CSC) contract (\$1.2 million) due to an expected increase in E-ZPass accounts; the full year's impact of the July 2009 toll increases on credit card fees (\$1.5 million); re-estimate of other maintenance contracts (\$0.6 million) and CPIU increases (\$2.8 million).
- For 2011, expenses are \$11.0 million higher than 2010 primarily due to an increase in bridge painting expenses (\$5.4 million) associated with realigning painting with capital projects as included in the AABB; higher CSC operating costs (\$1.3 million) based on an expected increase in E-ZPass accounts and CPIU and other increases (\$4.3 million).
- In 2012, expenses are \$9.3 million higher than 2011 primarily due to higher bridge painting expenses (\$3.6 million) associated with realigning painting with capital projects as included in the AABB, offset by higher expenses for the CSC operating costs (1.3 million) due to expected increase in E-ZPass accounts, CPIU and other increases (\$4.4 million).
- For 2013, expenses are \$5.5 million higher than 2012 mainly due to higher expenses for the CSC operating costs (\$1.3 million) due to expected growth in E-ZPass accounts, CPIU and other increases (\$4.5 million).
- CPIU increases are 1.55% in 2010, 2.12% in 2011, 2.31% in 2012 and 2.35% in 2013 based on forecasts for national inflation provided by Global Insight.

Professional Service Contracts

- In 2010, expenses are higher by \$0.8 million due primarily to higher general engineering services expenses (\$0.7 million) and CPIU.
- For 2011 the lower expenses (\$0.5 million) are primarily a result of a reduction in planning studies (\$1.0 million) offset by CPIU and other increases.
- In 2012, the higher expenses (\$1.9 million) primarily reflect higher planning study needs for an anticipated origin and destination study.
- For 2013, expenses (\$0.4 million) are higher due to inflation.
- CPIU increases are 1.55% in 2010, 2.12% in 2011, 2.31% in 2012 and 2.35% in 2013 based on forecasts for national inflation provided by Global Insight.

Materials and Supplies

- The 2010 expenses are \$16.8 million greater primarily due to additional inventory necessary for the E-ZPass tag replacement program (\$15.6 million), which is scheduled to begin during the first quarter of the year.
- For 2011, expenses are \$2.5 million greater due primarily to the increase in E-ZPass tag purchases (\$2.3 million) for the tag replacement program.
- In 2012, expenses are \$7.1 million lower primarily due to lower tag replacement requirements than in previous years.

- For 2013, expenses are \$2.4 million greater mainly due to increases in tag inventory (\$1.9 million) and CPIU increases.
- CPIU increases are 1.55% in 2010, 2.12% in 2011, 2.31% in 2012 and 2.35% in 2013 based on forecasts for national inflation provided by Global Insight.

Other Business Expenses

- In 2010, the higher expenses reflect increases in various accounts (\$0.6 million), offset by bad debt fees for E-ZPass Toll Collection (\$0.4 million). For 2011 through 2013, the slightly higher costs are the result of CPIU increases.
- CPIU increases are 1.55% in 2010, 2.12% in 2011, 2.31% in 2012 and 2.35% in 2013 based on forecasts for national inflation provided by Global Insight.

MTA BRIDGES AND TUNNELS
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | |
|--|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | |
| Farebox Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Vehicle Toll Revenue | 1,252.705 | 1,253.541 | 0.836 | 1,261.069 | 7.528 | 1,265.773 | 4.704 | 1,265.221 | (0.552) |
| <i>Toll Increase 7/12/09</i> | 57.324 | 120.335 | 63.011 | 121.053 | 0.718 | 121.505 | 0.452 | 121.452 | (0.053) |
| <i>Additional Actions for Budget Balance: Revenue Impact</i> | 0.000 | 0.000 | - | 0.000 | - | 0.000 | - | 0.000 | - |
| <i>Eliminate E-Z Pass Forgiveness</i> | 2.479 | 10.000 | 7.521 | 10.000 | - | 10.000 | - | 10.000 | - |
| Other Operating Revenue | 10.865 | 10.917 | 0.052 | 11.071 | 0.154 | 11.242 | 0.171 | 11.420 | 0.178 |
| Capital and Other Reimbursements | 0.000 | 0.000 | - | 0.000 | - | 0.000 | - | 0.000 | - |
| Investment Income | 0.307 | 0.748 | 0.441 | 2.685 | 1.937 | 4.107 | 1.422 | 4.487 | 0.380 |
| Total Revenue | \$ 1,323.679 | \$ 1,395.541 | \$ 71.862 | \$ 1,405.878 | \$ 10.337 | \$ 1,412.627 | \$ 6.749 | \$ 1,412.580 | \$ (0.047) |
| Expenses | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$ 126.449 | \$ 132.620 | \$ (6.171) | \$ 136.280 | \$ (3.660) | \$ 139.307 | \$ (3.027) | \$ 143.907 | \$ (4.600) |
| Overtime | 28.757 | 27.530 | 1.227 | 28.232 | (0.702) | 28.851 | (0.619) | 29.418 | (0.566) |
| Health and Welfare | 21.242 | 22.867 | (1.626) | 24.545 | (1.678) | 26.254 | (1.709) | 28.311 | (2.057) |
| OPEB Current Payment | 12.033 | 13.195 | (1.162) | 14.126 | (0.930) | 15.122 | (0.996) | 16.188 | (1.066) |
| Pensions | 24.081 | 24.265 | (0.184) | 24.953 | (0.688) | 25.690 | (0.737) | 26.494 | (0.805) |
| Other Fringe Benefits | 16.190 | 16.452 | (0.262) | 16.428 | 0.024 | 16.350 | 0.078 | 16.970 | (0.620) |
| Reimbursable Overhead | (6.037) | (7.170) | 1.133 | (7.314) | 0.143 | (7.460) | 0.146 | (7.192) | (0.268) |
| Total Labor Expenses | \$ 222.715 | \$ 229.760 | \$ (7.045) | \$ 237.251 | \$ (7.491) | \$ 244.114 | \$ (6.863) | \$ 254.096 | \$ (9.983) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fuel for Buses and Trains | - | - | - | - | - | - | - | - | - |
| Insurance | 8.336 | 8.904 | (0.569) | 9.736 | (0.832) | 10.651 | (0.914) | 11.642 | (0.991) |
| Claims | - | - | - | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 154.582 | 152.509 | 2.073 | 163.546 | (11.037) | 172.827 | (9.281) | 178.346 | (5.519) |
| Professional Service Contracts | 18.106 | 18.867 | (0.762) | 18.397 | 0.471 | 20.285 | (1.888) | 20.722 | (0.437) |
| Materials & Supplies | 17.886 | 34.727 | (16.841) | 37.230 | (2.503) | 30.083 | 7.147 | 32.440 | (2.357) |
| Other Business Expenses | 2.999 | 3.561 | (0.562) | 3.392 | 0.169 | 3.522 | (0.130) | 3.593 | (0.070) |
| Total Non-Labor Expenses | \$ 201.908 | \$ 218.568 | \$ (16.660) | \$ 232.301 | \$ (13.733) | \$ 237.367 | \$ (5.066) | \$ 246.743 | \$ (9.376) |
| Other Expenses Adjustments: | | | | | | | | | |
| Other | - | - | - | - | - | - | - | - | - |
| Total Other Expense Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Expenses before Depreciation and GASB Adjs. | \$ 424.623 | \$ 448.328 | \$ (23.705) | \$ 469.551 | \$ (21.224) | \$ 481.481 | \$ (11.929) | \$ 500.839 | \$ (19.358) |
| Add: Depreciation | \$ 81.000 | \$ 85.100 | \$ (4.100) | \$ 89.400 | \$ (4.300) | \$ 93.900 | \$ (4.500) | \$ 98.600 | \$ (4.700) |
| Add: OPEB Obligation | 70.920 | 76.200 | (5.280) | 79.400 | (3.200) | 82.800 | (3.400) | 86.700 | (3.900) |
| Add: Environmental Remediation | - | - | - | - | - | - | - | - | - |
| Total Expenses after Depreciation and GASB Adjs. | \$ 576.543 | \$ 609.628 | \$ (33.085) | \$ 638.351 | \$ (28.724) | \$ 658.181 | \$ (19.829) | \$ 686.139 | \$ (27.958) |
| Less: Depreciation | 81.000 | 85.100 | (4.100) | 89.400 | (4.300) | 93.900 | (4.500) | 98.600 | (4.700) |
| Less: OPEB Obligation | 70.920 | 76.200 | (5.280) | 79.400 | (3.200) | 82.800 | (3.400) | 86.700 | (3.900) |
| Total Expenses | \$ 424.623 | \$ 448.328 | \$ (23.705) | \$ 469.551 | \$ (21.224) | \$ 481.481 | \$ (11.929) | \$ 500.839 | \$ (19.358) |
| Baseline Net Income/(Deficit) | \$ 899.057 | \$ 947.213 | \$ 48.157 | \$ 936.327 | \$ (10.887) | \$ 931.146 | \$ (5.180) | \$ 911.741 | \$ (19.405) |
| 2010 Program to Eliminate the Gap (PEGs) | \$ 0.063 | \$ 0.610 | \$ 0.547 | \$ 0.618 | \$ 0.008 | \$ 0.627 | \$ 0.008 | \$ 0.635 | \$ 0.009 |
| Post-2010 Program to Eliminate the Gap (PEGs) | - | - | - | - | - | 3.776 | 3.776 | 18.251 | 14.475 |
| Net Income/(Deficit) | \$ 899.120 | \$ 947.824 | \$ 48.704 | \$ 936.945 | \$ (10.879) | \$ 935.549 | \$ (1.396) | \$ 930.628 | \$ (4.921) |

REIMBURSABLE

[illegible]

MTA BRIDGES AND TUNNELS
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 1 of 2)

| | Favorable/(Unfavorable) | | | | | | | | |
|--|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | |
| Farebox Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Vehicle Toll Revenue | 1,252.705 | 1,253.541 | 0.836 | 1,261.069 | 7.528 | 1,265.773 | 4.704 | 1,265.221 | (0.552) |
| <i>Toll Increase 7/12/09</i> | 57.324 | 120.335 | 63.011 | 121.053 | 0.718 | 121.505 | 0.452 | 121.452 | (0.053) |
| <i>Additional Actions for Budget Balance: Revenue Impact</i> | - | - | - | - | - | - | - | - | - |
| <i>Eliminate E-Z Pass Forgiveness</i> | 2.479 | 10.000 | 7.521 | 10.000 | - | 10.000 | - | 10.000 | - |
| Other Operating Revenue | 10.865 | 10.917 | 0.052 | 11.071 | 0.154 | 11.242 | 0.171 | 11.420 | 0.178 |
| Capital and Other Reimbursements | 14.840 | 16.657 | 1.817 | 17.065 | 0.408 | 17.529 | 0.464 | 17.036 | (0.494) |
| Investment Income | 0.307 | 0.748 | 0.441 | 2.685 | 1.937 | 4.107 | 1.422 | 4.487 | 0.380 |
| Total Revenue | \$ 1,338.519 | \$ 1,412.198 | \$ 73.679 | \$ 1,422.943 | \$ 10.745 | \$ 1,430.156 | \$ 7.213 | \$ 1,429.616 | \$ (0.541) |
| Expenses | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$ 132.390 | \$ 138.633 | \$ (6.243) | \$ 142.413 | \$ (3.780) | \$ 145.563 | \$ (3.149) | \$ 149.938 | \$ (4.375) |
| Overtime | 28.806 | 27.665 | 1.141 | 28.332 | (0.667) | 28.951 | (0.619) | 29.518 | (0.566) |
| Health and Welfare | 22.698 | 24.600 | (1.902) | 26.423 | (1.823) | 28.290 | (1.867) | 30.400 | (2.110) |
| OPEB Current Payment | 12.033 | 13.195 | (1.162) | 14.126 | (0.930) | 15.122 | (0.996) | 16.188 | (1.066) |
| Pensions | 24.821 | 25.172 | (0.351) | 25.877 | (0.705) | 26.632 | (0.756) | 27.405 | (0.772) |
| Other Fringe Benefits | 16.806 | 17.151 | (0.346) | 17.145 | 0.007 | 17.085 | 0.060 | 17.683 | (0.599) |
| Reimbursable Overhead | - | - | - | - | - | - | - | - | - |
| Total Labor Expenses | \$ 237.555 | \$ 246.416 | \$ (8.862) | \$ 254.316 | \$ (7.899) | \$ 261.643 | \$ (7.327) | \$ 271.132 | \$ (9.489) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fuel for Buses and Trains | - | - | - | - | - | - | - | - | - |
| Insurance | 8.336 | 8.904 | (0.569) | 9.736 | (0.832) | 10.651 | (0.914) | 11.642 | (0.991) |
| Claims | - | - | - | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 154.582 | 152.509 | 2.073 | 163.546 | (11.037) | 172.827 | (9.281) | 178.346 | (5.519) |
| Professional Service Contracts | 18.106 | 18.867 | (0.762) | 18.397 | 0.471 | 20.285 | (1.888) | 20.722 | (0.437) |
| Materials & Supplies | 17.886 | 34.727 | (16.841) | 37.230 | (2.503) | 30.083 | 7.147 | 32.440 | (2.357) |
| Other Business Expenses | 2.999 | 3.561 | (0.562) | 3.392 | 0.169 | 3.522 | (0.130) | 3.593 | (0.070) |
| Total Non-Labor Expenses | \$ 201.908 | \$ 218.568 | \$ (16.660) | \$ 232.301 | \$ (13.733) | \$ 237.367 | \$ (5.066) | \$ 246.743 | \$ (9.376) |
| Other Expenses Adjustments: | | | | | | | | | |
| Other | - | - | - | - | - | - | - | - | - |
| Total Other Expense Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Expenses before Depreciation and GASB Adjs. | \$ 439.463 | \$ 464.984 | \$ (25.522) | \$ 486.616 | \$ (21.632) | \$ 499.010 | \$ (12.394) | \$ 517.874 | \$ (18.865) |
| Add: Depreciation | \$ 81.000 | \$ 85.100 | \$ (4.100) | \$ 89.400 | \$ (4.300) | \$ 93.900 | \$ (4.500) | \$ 98.600 | \$ (4.700) |
| Add: OPEB Obligation | 70.920 | 76.200 | (5.280) | 79.400 | (3.200) | 82.800 | (3.400) | 86.700 | (3.900) |
| Add: Environmental Remediation | - | - | - | - | - | - | - | - | - |
| Total Expenses after Depreciation and GASB Adjs. | \$ 591.383 | \$ 626.284 | \$ (34.902) | \$ 655.416 | \$ (29.132) | \$ 675.710 | \$ (20.294) | \$ 703.174 | \$ (27.465) |
| Less: Depreciation | 81.000 | 85.100 | (4.100) | 89.400 | (4.300) | 93.900 | (4.500) | 98.600 | (4.700) |
| Less: OPEB Obligation | 70.920 | 76.200 | (5.280) | 79.400 | (3.200) | 82.800 | (3.400) | 86.700 | (3.900) |
| Total Expenses | \$ 439.463 | \$ 464.984 | \$ (25.522) | \$ 486.616 | \$ (21.632) | \$ 499.010 | \$ (12.394) | \$ 517.874 | \$ (18.865) |
| Baseline Net Income/(Deficit) | \$ 899.057 | \$ 947.213 | \$ 48.157 | \$ 936.327 | \$ (10.887) | \$ 931.146 | \$ (5.180) | \$ 911.741 | \$ (19.405) |
| 2010 Program to Eliminate the Gap (PEGs) | \$ 0.063 | \$ 0.610 | \$ 0.547 | \$ 0.618 | \$ 0.008 | \$ 0.627 | \$ 0.008 | \$ 0.635 | \$ 0.009 |
| Post-2010 Program to Eliminate the Gap (PEGs) | - | - | - | - | - | 3.776 | 3.776 | 18.251 | 14.475 |
| Net Income/(Deficit) | \$ 899.120 | \$ 947.824 | \$ 48.704 | \$ 936.945 | \$ (10.879) | \$ 935.549 | \$ (1.396) | \$ 930.628 | \$ (4.921) |

MTA BRIDGES AND TUNNELS
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 2 of 2)

| | Favorable/(Unfavorable) | | | | | | | | | |
|---|-------------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|--|
| | | | Change | Change | | Change | | Change | | |
| | 2009 | 2010 | 2010 - 2009 | 2011 | 2011 - 2010 | 2012 | 2012 - 2011 | 2013 | 2013 - 2012 | |
| Baseline Net Income/(Deficit) | \$ 899.057 | \$ 947.213 | \$ 48.157 | \$ 936.327 | \$ (10.887) | \$ 931.146 | \$ (5.180) | \$ 911.741 | \$ (19.405) | |
| <u>Deductions from Income:</u> | | | | | | | | | | |
| Less: Capitalized Assets | \$ 18.483 | \$ 18.767 | \$ (0.285) | \$ 18.716 | \$ 0.051 | \$ 18.701 | \$ 0.015 | \$ 18.743 | \$ (0.042) | |
| Reserves | 13.953 | 14.195 | (0.242) | 14.425 | (0.229) | 14.689 | (0.264) | 14.995 | (0.306) | |
| GASB 45 Reserves | 2.210 | 2.431 | (0.222) | 2.479 | (0.047) | 2.529 | (0.051) | 2.581 | (0.052) | |
| Adjusted Baseline Net Income/(Deficit) | \$ 864.411 | \$ 911.819 | \$ 47.630 | \$ 900.708 | \$ (11.065) | \$ 895.227 | \$ (5.430) | \$ 875.422 | \$ (19.754) | |
| Less: Debt Service | 610.805 | 613.879 | (3.074) | 629.739 | (15.860) | 647.774 | (18.035) | 679.387 | (31.613) | |
| Income Available for Distribution | \$ 253.607 | \$ 297.940 | \$ 44.555 | \$ 270.969 | \$ (26.925) | \$ 247.453 | \$ (23.465) | \$ 196.035 | \$ (51.367) | |
| Distributable To: | | | | | | | | | | |
| MTA - Investment Income | \$ 0.307 | \$ 0.748 | \$ 0.441 | \$ 2.685 | \$ 1.937 | \$ 4.107 | \$ 1.422 | \$ 4.487 | \$ 0.380 | |
| MTA - Distributable Income | 190.421 | 210.604 | 20.183 | 196.090 | (14.514) | 183.286 | (12.803) | 157.329 | (25.957) | |
| NYCT - Distributable Income | 62.879 | 86.589 | 23.710 | 72.194 | (14.395) | 60.060 | (12.134) | 34.218 | (25.841) | |
| Total Distributable Income: | \$ 253.607 | \$ 297.940 | \$ 44.334 | \$ 270.969 | \$ (26.972) | \$ 247.453 | \$ (23.516) | \$ 196.035 | \$ (51.418) | |
| Actual Cash Transfers: | | | | | | | | | | |
| MTA - Investment Income | \$ 4.491 | \$ 0.307 | \$ (4.184) | \$ 0.748 | \$ 0.441 | \$ 2.685 | \$ 1.937 | \$ 4.107 | \$ 1.422 | |
| MTA - Transfers | 197.190 | 208.585 | 11.396 | 197.541 | (11.044) | 184.567 | (12.975) | 159.925 | (24.642) | |
| NYCT - Transfers | 64.771 | 84.218 | 19.447 | 73.633 | (10.584) | 61.273 | (12.360) | 36.803 | (24.471) | |
| Total Cash Transfers: | \$ 266.451 | \$ 293.110 | \$ 26.658 | \$ 271.923 | \$ (21.187) | \$ 248.525 | \$ (23.398) | \$ 200.835 | \$ (47.690) | |
| SUPPORT TO MASS TRANSIT: | | | | | | | | | | |
| Total Revenues | \$1,338.519 | \$1,412.198 | \$73.679 | \$1,422.943 | \$10.745 | \$1,430.156 | \$7.213 | \$1,429.616 | (\$0.541) | |
| Less: Net Operating Expenses | 439.463 | 464.984 | (25.522) | 486.616 | (21.632) | 499.010 | (12.394) | 517.874 | (18.865) | |
| 2010 Program to Eliminate the Gap (PEGs) | 0.063 | 0.610 | 0.547 | 0.618 | 0.008 | 0.627 | 0.008 | 0.635 | 0.009 | |
| Post-2010 Program to Eliminate the Gap (PEGs) | - | - | - | - | - | 3.776 | 3.776 | 18.251 | 14.475 | |
| Net Operating Income: | \$ 899.120 | \$ 947.824 | \$ 48.704 | \$ 936.945 | \$ (10.879) | \$ 935.549 | \$ (1.396) | \$ 930.628 | \$ (4.921) | |
| Deductions from Operating Income: | | | | | | | | | | |
| B&T Debt Service | \$203.085 | \$212.493 | (\$9.408) | \$228.665 | (\$16.172) | \$248.590 | (\$19.925) | \$280.473 | (\$31.883) | |
| Capitalized Assets | 18.483 | 18.767 | (0.285) | 18.716 | 0.051 | 18.701 | 0.015 | 18.743 | (0.042) | |
| Reserves | 13.953 | 14.195 | (0.242) | 14.425 | (0.229) | 14.689 | (0.264) | 14.995 | (0.306) | |
| GASB 45 Reserves | 2.210 | 2.431 | (0.222) | 2.479 | (0.047) | 2.529 | (0.051) | 2.581 | (0.052) | |
| Total Deductions from Operating Inc: | \$ 237.731 | \$ 247.887 | \$ (10.156) | \$ 264.284 | \$ (16.397) | \$ 284.509 | \$ (20.225) | \$ 316.792 | \$ (32.283) | |
| Total Support to Mass Transit: | \$ 661.389 | \$ 699.937 | \$ 38.548 | \$ 672.661 | \$ (27.276) | \$ 651.039 | \$ (21.621) | \$ 613.835 | \$ (37.204) | |

MTA Bridges and Tunnels
July Financial Plan 2010 - 2013
Summary of Major Changes between Financial Plans
(\$ in millions)

Non-Reimbursable

2009: July Financial Plan vs. February Financial Plan

Revenue

Revenue adjustments from the February Plan result in a decrease of \$137.8 million. The major changes include:

- Lower toll revenues (\$134.7 million) primarily due to smaller toll increases scheduled for July 12, 2009 and weaker economic conditions.
- Lower Other Operating Revenues (\$1.1 million) primarily due to unfavorable local economic impacts on receipts from the Battery Parking Garage.
- Decrease in Investment Income based on a reduction in interest rates (\$2.0 million).

Expense

Expenses are projected to be \$1.6 million greater than the February Plan due to decrease in expenses for labor (\$0.6 million), a decrease in non-labor expenses (\$12.8 million) and an adjustment for the Additional Actions for Budget Balance (AABBs) (\$14.9 million), which are now reflected in the appropriate generic category. The major variances include:

Labor

- Lower Payroll costs (\$2.2 million) due primarily to higher than planned vacancies (\$1.6 million), the reduction of 14 administrative positions as part of the AABB program (\$0.6 million), and savings from the hiring freeze (\$0.3 million), offset by the re-estimate of a prior year's PEG (\$0.4 million).
- Higher overtime costs (\$2.4 million) due primarily to a rate adjustment resulting from contract settlements (\$0.9 million) and the back-filling of vacant positions with overtime (\$1.2 million).
- Lower Health and Welfare and OPEB expenses (\$1.4 million) primarily due to the changes in payroll resulting from vacancies and lower CPIU rates for 2009.
- Increase in pension (\$0.6 million) costs due to adjustment to the pension reserve from NYCERS.

Non-Labor

- Lower Insurance expenses (\$0.5 million) due to re-estimates from MTA Risk Management.

- Maintenance and Other Operating expenses (\$7.5 million). Of the \$7.5 million, \$6.8 million is the result of the AABB reductions and decreases of \$0.7 million in other expenses. AABBs include reductions of \$6.1 million in bridge painting due to the realignment of expenses with the capital program, \$0.4 million in guard services and \$0.3 million in maintenance of toll equipment. The \$0.7 million reduction is primarily composed of decreases in the E-ZPass Customer Service Center (\$1.6 million) due to lower than planned expenditures for transition and implementation of a new contract, reductions to credit card fees (\$1.3 million) due to the lower toll increase, maintenance costs for surveillance equipment (\$0.8 million), and heating oil (\$0.8 million), offset by an increase in major maintenance expenses (\$4.1 million) for 2008 rollovers.
- Professional Services Contract expenses (\$4.2 million). Out of the \$4.2 million, \$2.0 million is the result of AABB reductions and \$2.2 million reductions in other expenses. AABBs include the reduction of \$2.0 million for planning studies. The remaining \$2.2 million is the result of lower expenses due mainly to re-estimates of general engineering services (\$0.6 million), lower bond insurance service fees (\$0.2 million), training services (\$0.3 million) and various other services totaling \$0.8 million.
- Material and Supplies (\$1.0 million). Of the \$1.0 million in lower expenses, \$0.2 million is the result of AABB reductions and \$0.8 million in other expense reductions. The AABB is for a \$0.2 million reduction in equipment expenses. The remaining \$0.8 million is mainly the result of lower gas and diesel fuel expenses (\$0.5 million) and a one-time discount negotiated for E-ZPass tag purchases (\$0.2 million).
- Other Business Expenses (\$0.2 million) reflects the addition of the NY State mobility Tax Benefit expense (\$0.4 million) offset by re-estimates for various other accounts.

Additional Actions for Budget Balance (AABB)

- The Additional Actions for Budget Balance were captured in a discrete expense line item in the February Financial Plan (\$14.9 million). In the July Financial Plan, the operating savings are captured within the category construct of MTA's traditional financial statements, as described above, and total \$10.0 million. The variance of \$4.9 million is the result of AABBs that have been restored (\$3.1 million) and later-than-planned implementation dates or re-estimates of some other AABBs (\$1.8 million).

2010-2012: July Financial Plan vs. February Financial Plan

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

- Toll Revenues have been decreased following the actions from Albany (by \$180.3 million in 2010, \$177.5 million in 2011, \$181.1 million in 2012, and \$182.2 million in 2013) based on lower toll increases scheduled for July 12, 2009 and weaker economic conditions.
- Other Operating Revenues are lower from 2010 through 2012 primarily due to unfavorable local economic impacts on receipts from the Battery Parking Garage.
- Unfavorable re-estimates of investment income based on Global Insight's lower short-term interest rate forecasts.

Labor:

Net reduction in labor expenses for 2010-2011 (by \$0.03 million in 2010 and \$0.04 million in 2011) and increases due to CPIU each year thereafter (\$0.1 million in each of 2011 and 2012) are based on the following changes:

- Lower payroll expenses due primarily to the AABB reductions, offset by an adjustment in a prior year PEG and a technical adjustment for the BSC beginning in 2011.
- Higher overtime due primarily to rate adjustments resulting from contract settlements.
- Lower expenses for Health & Welfare and OPEB due to the corresponding reductions in health and welfare expenses resulting from the AABB reductions, in addition to a revision in the NYS Department of Civil Service (DCS) premium for Empire Plan participants.
- Increase in Pension costs due to re-estimate from NYCERS.

Non-Labor

Reductions in non-labor expenses for each year of the financial plan (by \$12.8 million in 2009, \$22.7 million in 2010, \$4.6 million in 2011, and \$7.8 million in 2012) are based on the following changes after adjustments for bringing above the line the additional actions for budget balancing:

- Lower expenses for Insurance from 2009 to 2012 estimated by MTA Risk Management.
- Changes for Maintenance and Other Operating Contracts include lower expenses for Bridge Painting in 2009 and 2010 as defined in the AABBs, offset by a slight increase in 2011 and 2012; lower E-ZPass Customer Service Center expenses in 2009 to 2012 due primarily to favorable transition and implementation of a new contract in 2009 and reductions to credit card fees due to the lower toll increase. These changes are offset by higher 2 Broadway lease and rental expenses resulting from an increase in the ground rent.
- Changes for Professional Services Contracts include re-estimates of bond insurance service fees from 2009 and 2011.

- Changes for Materials and Supplies primarily include re-estimates of equipment as part of the AABBs.
- Reduction for Other Business Expenses includes an unplanned expense for NY State Mobility Tax Benefit (-\$0.4 million), offset by re-estimates in various accounts.

Reimbursable Major Changes

2009: July Financial Plan vs. February Financial Plan

Revenue

Capital Reimbursements between plans remains the same.

Expense

No change in the capital reimbursable expenses between plans.

2010-2012: July Financial Plan vs. February Financial Plan

Revenue

No change between plans for capital reimbursable expenses.

Expense

No change in the out-years between plans for capital reimbursable expenses.

MTA BRIDGES AND TUNNELS
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|--------------------|--------------------|--------------------|--------------------|
| Baseline 2009 February Financial Plan - Net Operating Income | \$1,038.443 | \$1,129.988 | \$1,115.988 | \$1,113.169 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | (11.025) | (10.051) | (6.877) | (9.307) |
| Toll Increase 7/12/09 | (116.152) | (170.291) | (170.575) | (171.763) |
| Additional Actions for Budget Balance: Revenue Impact | 0.000 | 0.000 | 0.000 | 0.000 |
| Eliminate E-Z Pass Forgiveness | (7.521) | 0.000 | 0.000 | 0.000 |
| Other Operating Revenue | (1.116) | (1.234) | (1.287) | (1.328) |
| Capital and Other Reimbursement | 0.000 | 0.000 | 0.000 | 0.000 |
| Investment Income | (2.014) | (3.351) | (1.773) | (0.351) |
| Total Revenue Changes | (\$137.829) | (\$184.928) | (\$180.511) | (\$182.750) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | \$2.164 | \$0.030 | (\$0.101) | (\$0.104) |
| Overtime | (2.388) | (1.008) | (1.175) | (1.284) |
| Health and Welfare | 0.597 | 0.367 | 0.555 | 0.732 |
| OPEB Current Payment | 0.890 | 0.649 | 0.704 | 0.765 |
| Pensions | (0.635) | (0.198) | (0.203) | (0.209) |
| Other Fringe Benefits | (0.059) | 0.191 | 0.259 | 0.128 |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expense Changes | \$0.569 | \$0.030 | \$0.038 | \$0.028 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 0.515 | 1.486 | 1.621 | 1.780 |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 7.493 | 20.014 | 2.434 | 5.650 |
| Professional Service Contracts | 4.248 | 0.718 | 0.347 | 0.183 |
| Materials & Supplies | 1.018 | 0.684 | 0.510 | 0.546 |
| Other Business Expenses | (0.489) | (0.222) | (0.322) | (0.331) |
| Total Non-Labor Expense Changes | \$12.786 | \$22.681 | \$4.590 | \$7.829 |
| Gap Closing Action Changes: | | | | |
| Additional Actions for Budget Balance: Expense Impact | (14.913) | (20.559) | (3.778) | (7.129) |
| Total Gap Closing Action Changes | (\$14.913) | (\$20.559) | (\$3.778) | (\$7.129) |
| Total Expenses before Depreciation and GASB Adjs. | (\$1.558) | \$2.152 | \$0.850 | \$0.727 |
| Add: Depreciation | (\$19.700) | (\$19.200) | (\$20.200) | (\$21.500) |
| OPEB Obligation | (5.020) | (7.000) | (7.000) | (7.000) |
| Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses after Depreciation and GASB Adjs. | (\$26.278) | (\$24.048) | (\$26.350) | (\$27.773) |
| Less: Depreciation | (\$19.700) | (\$19.200) | (\$20.200) | (\$21.500) |
| OPEB Obligation | (5.020) | (7.000) | (7.000) | (7.000) |
| Total Expense Changes | (\$1.558) | \$2.152 | \$0.850 | \$0.727 |
| Cash Adjustment Changes | | | | |
| Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | (\$139.387) | (\$182.775) | (\$179.662) | (\$182.022) |
| Baseline 2009 July Financial Plan - Net Operating Income | \$899.057 | \$947.213 | \$936.326 | \$931.146 |

MTA BRIDGES AND TUNNELS
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

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

MTA BRIDGES AND TUNNELS
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|--------------------|--------------------|--------------------|--------------------|
| Baseline 2009 February Financial Plan - Net Operating Income | \$1,038.443 | \$1,129.988 | \$1,115.988 | \$1,113.169 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | (11.025) | (10.051) | (6.877) | (9.307) |
| Toll Increase 7/12/09 | (116.152) | (170.291) | (170.575) | (171.763) |
| Additional Actions for Budget Balance: Revenue Impact | - | - | - | - |
| Eliminate E-Z Pass Forgiveness | (7.521) | - | - | - |
| Other Operating Revenue | (1.116) | (1.234) | (1.287) | (1.328) |
| Capital and Other Reimbursement | 0.000 | 0.000 | 0.000 | 0.000 |
| Investment Income | (2.014) | (3.351) | (1.773) | (0.351) |
| Total Revenue Changes | (\$137.829) | (\$184.928) | (\$180.511) | (\$182.750) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | \$2.164 | \$0.030 | (\$0.101) | (\$0.104) |
| Overtime | (2.388) | (1.008) | (1.175) | (1.284) |
| Health and Welfare | 0.597 | 0.367 | 0.555 | 0.732 |
| OPEB Current Payment | 0.890 | 0.649 | 0.704 | 0.765 |
| Pensions | (0.635) | (0.198) | (0.203) | (0.209) |
| Other Fringe Benefits | (0.059) | 0.191 | 0.259 | 0.128 |
| Reimbursable Overhead | - | - | - | - |
| Total Labor Expense Changes | \$0.569 | \$0.030 | \$0.038 | \$0.028 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | - | - | - | - |
| Insurance | 0.515 | 1.486 | 1.621 | 1.780 |
| Claims | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - |
| Maintenance and Other Operating Contracts | 7.493 | 20.014 | 2.434 | 5.650 |
| Professional Service Contracts | 4.248 | 0.718 | 0.347 | 0.183 |
| Materials & Supplies | 1.018 | 0.684 | 0.510 | 0.546 |
| Other Business Expenses | (0.489) | (0.222) | (0.322) | (0.331) |
| Total Non-Labor Expense Changes | \$12.786 | \$22.681 | \$4.590 | \$7.829 |
| Gap Closing Action Changes: | | | | |
| Additional Actions for Budget Balance: Expense Impact | (\$14.913) | (\$20.559) | (\$3.778) | (\$7.129) |
| Total Gap Closing Action Changes | (\$14.913) | (\$20.559) | (\$3.778) | (\$7.129) |
| Total Expenses before Depreciation and GASB Adjs. | (\$1.558) | \$2.152 | \$0.850 | \$0.727 |
| Add: Depreciation | (\$19.700) | (\$19.200) | (\$20.200) | (\$21.500) |
| OPEB Obligation | (5.020) | (7.000) | (7.000) | (7.000) |
| Environmental Remediation | - | - | - | - |
| Total Expenses after Depreciation and GASB Adjs. | (\$26.278) | (\$24.048) | (\$26.350) | (\$27.773) |
| Less: Depreciation | (\$19.700) | (\$19.200) | (\$20.200) | (\$21.500) |
| OPEB Obligation | (5.020) | (7.000) | (7.000) | (7.000) |
| Total Expense Changes | (\$1.558) | \$2.152 | \$0.850 | \$0.727 |
| Cash Adjustment Changes | | | | |
| Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | (\$139.387) | (\$182.775) | (\$179.662) | (\$182.022) |
| Baseline 2009 July Financial Plan - Net Operating Income | \$899.057 | \$947.213 | \$936.326 | \$931.146 |

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|--------------------|--------------------|--------------------|--------------------|
| Baseline 2009 February Financial Plan - Net Operating Income | \$1,038.443 | \$1,129.988 | \$1,115.988 | \$1,113.169 |
| Restored AABBs | (3.093) | (3.340) | (3.340) | (3.340) |
| Passenger Fare and Toll Revenue in the Baseline - 23% Yield | (173.476) | (290.626) | (291.628) | (293.268) |
| Passenger Fare and Toll Revenue - 10% Increase | 57.324 | 120.335 | 121.053 | 121.505 |
| E-ZPass Forgiveness | (7.521) | 0.000 | 0.000 | 0.000 |
| Non-Reimbursable Major Changes | | | | |
| Revenue | | | | |
| Vehicle Toll Revenue | (11.025) | (10.051) | (6.877) | (9.307) |
| Other Operating Revenue | (1.116) | (1.234) | (1.287) | (1.328) |
| Investment Income | (2.014) | (3.351) | (1.773) | (.351) |
| Sub-Total Non-Reimbursable Revenue Changes | (\$14.156) | (\$14.636) | (\$9.937) | (\$10.986) |
| Expenses | | | | |
| Payroll | \$1.187 | (\$1.506) | (\$1.648) | (\$1.663) |
| AABBs - Labor Expenses | 0.977 | 1.536 | 1.547 | 1.559 |
| Overtime | (2.388) | (1.008) | (1.175) | (1.284) |
| Health and Welfare | 0.597 | 0.367 | 0.555 | 0.732 |
| OPEB Current Payment | 0.890 | 0.649 | 0.704 | 0.765 |
| Pensions | (0.635) | (0.198) | (0.203) | (0.209) |
| Other Fringe Benefits | (0.059) | 0.191 | 0.259 | 0.128 |
| Total Labor Expense Changes | \$0.569 | \$0.030 | \$0.038 | \$0.028 |
| Major Maintenance | (4.147) | 0.000 | 0.000 | 0.000 |
| E-ZPass Customer Service Center | 1.636 | 2.105 | 1.893 | 0.965 |
| Other Non-Labor Categories | (5.594) | (11.733) | 4.038 | 1.579 |
| AABBs - Non-Labor Expenses | 9.071 | 15.090 | (1.779) | 1.496 |
| Total Non-Labor Expense Changes | \$0.966 | \$5.462 | \$4.152 | \$4.040 |
| Sub-Total Non-Reimbursable Expense Changes | \$1.535 | \$5.492 | \$4.190 | \$4.067 |
| Total Non-Reimbursable Major Changes | (\$139.387) | (\$182.775) | (\$179.662) | (\$182.022) |
| Reimbursable Major Changes | | | | |
| Revenue | | | | |
| None | 0.000 | 0.000 | 0.000 | 0.000 |
| Sub-Total Reimbursable Revenue Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Expenses | | | | |
| None | 0.000 | 0.000 | 0.000 | 0.000 |
| Sub-Total Reimbursable Expense Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Reimbursable Major Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Accrual Changes | (\$139.387) | (\$182.775) | (\$179.662) | (\$182.022) |
| Cash Adjustment Changes | | | | |
| Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | (\$139.387) | (\$182.775) | (\$179.662) | (\$182.022) |
| Baseline 2009 July Financial Plan - Net Operating Income | \$899.056 | \$947.213 | \$936.326 | \$931.146 |

MTA Bridges and Tunnels July Financial Plan 2010-2013

OTHER ASSUMPTIONS

Ridership/Traffic Volume (Utilization)

Paid traffic volume is projected to reach 287.3 million vehicles in 2009, which is 1.2% above the Adopted Budget level of 283.8 million vehicles. The additional volume is entirely due to the higher toll increases proposed in the Adopted Budget compared to those scheduled for implementation on July 12, 2009. The original plan for increasing tolls was formulated to generate an additional 23% in revenue. Following the actions from Albany, toll rates are now scheduled to rise approximately 10%. Based on historical traffic elasticities, the relatively lower toll increases are expected to have less of a negative effect on consumer travel choices, and therefore fewer canceled trips or diversions to free crossings and public transit are anticipated. These traffic gains alone would have brought volume 1.4% above the February Plan level. However, traffic gains from the plan-to-plan decrease in crossing charges are partially offset from incorporating the most recent economic forecast utilized by the MTA, which includes steeper job losses than previously projected. The weaker economic assumptions necessitate a 0.3% downward revision to the traffic volume forecast.

Given the indicators discussed above, the traffic forecast developed for the July Financial Plan incorporates projected declines in employment in regional areas (New York City, Long Island and Westchester) by 3.7% in 2009 and 0.6% in 2010, and growth of around 1% each year thereafter, based on the most recent economic projections utilized by the MTA.

Paid traffic is forecast at 286.5 million vehicles in 2010, a drop of 0.3% from 2009 primarily due to continued job losses and a full year's impact of the toll increase to be implemented on July 12, 2009. Modest growth in employment from 2011 on is expected to have a positive impact on volumes. Traffic is forecast at 288.7 million vehicles in 2011, 290.2 million in 2012 (a leap year), and 290.5 million in 2013.

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
Ridership/Traffic Volume (Utilization)

| | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
| <u>Traffic Volume</u> | | | | | | |
| Traffic Volume | 295.680 | 287.347 | 286.498 | 288.669 | 290.205 | 290.549 |
| 2010 Program to Eliminate the Gap | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Post 2010 Program to Eliminate the Gap | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total | 295.680 | 287.347 | 286.498 | 288.669 | 290.205 | 290.549 |
| <u>Toll Revenue</u> | | | | | | |
| Baseline | \$1,273.974 | \$1,252.705 | \$1,253.541 | \$1,261.069 | \$1,265.773 | \$1,265.221 |
| <i>Toll Increase 7/12/09</i> | \$0.000 | \$57.324 | \$120.335 | \$121.053 | \$121.505 | \$121.452 |
| <i>Eliminate E-Z Pass Forgiveness</i> | \$0.000 | \$2.479 | \$10.000 | \$10.000 | \$10.000 | \$10.000 |
| <i>Add'l Action to Balance Budget</i> | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Subtotal | \$1,273.974 | \$1,312.508 | \$1,383.876 | \$1,392.122 | \$1,397.278 | \$1,396.673 |
| 2010 Program to Eliminate the Gap | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Post 2010 Program to Eliminate the Gap | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total | \$1,273.974 | \$1,312.508 | \$1,383.876 | \$1,392.122 | \$1,397.278 | \$1,396.673 |

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|---------------------------------------|----------------------------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|
| | | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars |
| Administration | | | | | | | | | | | |
| Sub-Total | Administration | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Customer Convenience/Amenities | | | | | | | | | | | |
| Sub-Total | Customer Convenience/Amenities | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Maintenance | | | | | | | | | | | |
| | 2010-01 - In-Lane Toll Equipment | 3 | \$0.063 | 3 | \$0.253 | 3 | \$0.257 | 3 | \$0.262 | 3 | \$0.266 |
| | 2010-02 - Roadway Sweeping | 0 | 0.000 | 0 | 0.357 | 0 | 0.361 | 0 | 0.365 | 0 | 0.369 |
| Sub-Total | Maintenance | 3 | \$0.063 | 3 | \$0.610 | 3 | \$0.618 | 3 | \$0.627 | 3 | \$0.635 |
| Other | | | | | | | | | | | |
| Sub-Total | Other | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Revenue Enhancement | | | | | | | | | | | |
| Sub-Total | Revenue Enhancement | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Safety | | | | | | | | | | | |
| Sub-Total | Safety | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Security | | | | | | | | | | | |
| Sub-Total | Security | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service | | | | | | | | | | | |
| Sub-Total | Service | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service Support | | | | | | | | | | | |
| Sub-Total | Service Support | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Total Programs | | <u>3</u> | <u>\$0.063</u> | <u>3</u> | <u>\$0.610</u> | <u>3</u> | <u>\$0.618</u> | <u>3</u> | <u>\$0.627</u> | <u>3</u> | <u>\$0.635</u> |

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|------------------------|---------------------|-------------|----------------------------|------------|
| Business Unit | MTA Bridges & Tunnels | PEG Category | Maintenance | Implementation Date | 09/01/2009 |
| PEG / New Need ID | 2010-01 | | | Savings Date | 09/01/2009 |
| Program: | In-Lane Toll Equipment | | | | |

Description and Implementation Plan

The Operations Department's staff and toll system maintenance contractor will assume responsibility for toll system maintenance, which will result in a reduction of three positions in the Internal Security Department (ISD). These three employees will backfill existing Maintenance Division vacancies. Operations will assume the additional toll system maintenance responsibilities for flat panels, receipt printers, motorist transaction indicators and canopy lighting.

Background Details

Currently, the responsibility for maintenance of B&T's in lane toll equipment is split between the Internal Security and Operations Departments. Through this initiative, the responsibilities will be consolidated under the Operations Department.

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|---------|---------|---------|---------|---------|
| Total Headcount | 3 | 3 | 3 | 3 | 3 |
| Financial Impact | \$0.063 | \$0.253 | \$0.257 | \$0.262 | \$0.266 |

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|--|---------------------|-------------|----------------------------|------------|
| Period | MTA Bridges & Tunnels | PEG Category | Maintenance | Implementation Date | 01/01/2010 |
| PEG / New Need ID | 2010-02 | | | Savings Date | 01/01/2010 |
| Program: | Roadway Sweeping - Northern Facilities | | | | |

Description and Implementation Plan

In 2010, a roadway sweeping contract for the northern facilities (Robert F. Kennedy, Throgs Neck, Bronx-Whitestone and Henry Hudson Bridges) will not be renewed and the services will be performed with in-house personnel that will be reassigned to perform additional night roadway maintenance services. No new headcount will be required and there will be a savings in non-labor expenses. The current contract ends on 12/31/2009.

Background Details

In 2008 a similar initiative was successfully undertaken at the southern facilities (Verrazano Narrows, Cross Bay and Marine Parkway Bridges). Implementation of this program will enhance B&T's ability to carry out these maintenance activities during the overnight hours, reducing the traffic impact.

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|---------|---------|---------|---------|---------|
| Total Headcount | 0 | 0 | 0 | 0 | 0 |
| Financial Impact | \$0.000 | \$0.357 | \$0.361 | \$0.365 | \$0.369 |

| |
|--|
| <p align="center">MTA BRIDGES AND TUNNELS July Financial Plan 2010-2013 Summary of Post-2010 Program to Eliminate the Gap (PEGs) (\$ in millions)</p> |
|--|

| | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|---------------------------------------|--------------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|----------|
| | | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars |
| Administration | | | | | | | | | | | |
| Sub-Total | Administration | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Customer Convenience/Amenities | | | | | | | | | | | |
| Sub-Total | Customer Convenience/Amenities | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Maintenance | | | | | | | | | | | |
| Sub-Total | Maintenance | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Other | | | | | | | | | | | |
| Unidentified | | | \$0.000 | | \$0.000 | | \$0.000 | 0 | \$3.776 | 0 | \$18.251 |
| Sub-Total | Other | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$3.776 | 0 | \$18.251 |
| Revenue Enhancement | | | | | | | | | | | |
| Sub-Total | Revenue Enhancement | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Safety | | | | | | | | | | | |
| Sub-Total | Safety | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Security | | | | | | | | | | | |
| Sub-Total | Security | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service | | | | | | | | | | | |
| Sub-Total | Service | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service Support | | | | | | | | | | | |
| Sub-Total | Service Support | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Total Programs | | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$3.776 | 0 | \$18.251 |

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
Post-2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-----------------------|---------------------|-------|----------------------------|------------|
| Business Unit | MTA Bridges & Tunnels | PEG Category | Other | Implementation Date | 04/01/2009 |
| PEG / New Need ID | Post-2010-01 | | | Savings Date | 04/01/2009 |
| Program: | Unidentified | | | | |

Description and Implementation Plan

Background Details

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | 0 | 0 | 0 | 0 | 0 |
| Financial Impact | \$0.000 | \$0.000 | \$0.000 | \$3.776 | \$18.251 |

MTA Bridges and Tunnels July Financial Plan 2010-2013

OTHER ASSUMPTIONS

Position Table

In 2009, the baseline headcount will be 1,819. Headcount will remain at 1,819 in 2010. In 2011, seven Maintainer positions will be added to service the newly-renovated building that will be used to relocate B&T engineers and other administrative personnel who, after construction begins on the reconfiguration of the Robert F. Kennedy Bridge complex, will no longer be able to occupy the Robert Moses Building on Randall's Island. These increases will be offset by a reduction in headcount for the Business Service Center (BSC) by eight positions, reducing the 2011 headcount to 1,818. In 2012, the BSC transfer of 25 positions will bring the headcount down to 1,793.

2010 PEG Actions

The 2010 PEGs consist of the reduction of 3 Maintainer positions within the Internal Security Department, as the responsibilities for maintenance of in-lane toll collection will be consolidated under the Operations Department. The inclusion of the PEG will result in a reduction of three positions across all years, bringing the headcount down to 1,816 from 2009 to 2010, 1,815 in 2011 and 1,790 from 2012 to 2013.

Headcount will remain at 1,790 in 2013.

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| Administration | | | | | | |
| Executive | 2 | 2 | 2 | 2 | 2 | 2 |
| Law | 9 | 9 | 9 | 9 | 9 | 9 |
| CFO ⁽¹⁾ | 34 | 36 | 36 | 28 | 19 | 19 |
| Labor Relations | 5 | 5 | 5 | 5 | 5 | 5 |
| Procurement & Materials | 40 | 41 | 41 | 41 | 41 | 41 |
| Staff Services ⁽²⁾ | 44 | 45 | 45 | 45 | 33 | 33 |
| EEO | 1 | 1 | 1 | 1 | 1 | 1 |
| Total Administration | 135 | 139 | 139 | 131 | 110 | 110 |
| Operations | | | | | | |
| Revenue Management | 43 | 43 | 43 | 43 | 43 | 43 |
| Operations (Non-Security) | 727 | 750 | 750 | 750 | 750 | 750 |
| Total Operations | 770 | 793 | 793 | 793 | 793 | 793 |
| Maintenance | | | | | | |
| Maintenance | 108 | 111 | 111 | 118 | 118 | 118 |
| Operations - Maintainers | 171 | 173 | 173 | 173 | 173 | 173 |
| Procurement & Materials | 13 | 14 | 14 | 14 | 14 | 14 |
| Technology | 56 | 63 | 63 | 63 | 59 | 59 |
| Internal Security - Tech Svcs | 33 | 36 | 36 | 36 | 36 | 36 |
| Total Maintenance | 381 | 397 | 397 | 404 | 400 | 400 |
| Engineering/Capital | | | | | | |
| Engineering & Construction | 160 | 167 | 167 | 167 | 167 | 167 |
| Health & Safety | 10 | 10 | 10 | 10 | 10 | 10 |
| Planning & Budget Capital | 9 | 9 | 9 | 9 | 9 | 9 |
| Total Engineering/Capital | 179 | 186 | 186 | 186 | 186 | 186 |
| Public Safety | | | | | | |
| Operations (Security) | 266 | 252 | 252 | 252 | 252 | 252 |
| Internal Security - Operations | 44 | 52 | 52 | 52 | 52 | 52 |
| Total Public Safety | 310 | 304 | 304 | 304 | 304 | 304 |
| Total Baseline Positions | 1,775 | 1,819 | 1,819 | 1,818 | 1,793 | 1,793 |
| <i>Non-Reimbursable</i> | 1,723 | 1,774 | 1,766 | 1,765 | 1,740 | 1,740 |
| <i>Reimbursable</i> | 52 | 45 | 53 | 53 | 53 | 53 |
| Total Full-Time | 1,775 | 1,819 | 1,819 | 1,818 | 1,793 | 1,793 |
| Total Full-Time Equivalents | 0 | 0 | 0 | 0 | 0 | 0 |
| <hr/> | | | | | | |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap | 0 | (3) | (3) | (3) | (3) | (3) |
| Post-2010 Program to Eliminate the Gap | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Positions | 1,775 | 1,816 | 1,816 | 1,815 | 1,790 | 1,790 |
| <i>Non-Reimbursable</i> | 1,723 | 1,771 | 1,763 | 1,762 | 1,737 | 1,737 |
| <i>Reimbursable</i> | 52 | 45 | 53 | 53 | 53 | 53 |
| Total Full-Time | 1,775 | 1,816 | 1,816 | 1,815 | 1,790 | 1,790 |
| Total Full-Time Equivalents | 0 | 0 | 0 | 0 | 0 | 0 |

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

⁽²⁾ includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
July Financial Plan 2010-2013
Full-time Positions and Full-time Equivalents by Function and Occupational Group

| FUNCTION/OCCUPATIONAL GROUP | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| | | | | | | |
| Administration | | | | | | |
| Managers/Supervisors | 43 | 47 | 47 | 46 | 41 | 41 |
| Professional, Technical, Clerical | 92 | 92 | 92 | 85 | 69 | 69 |
| Operational Hourlies | - | - | - | - | - | - |
| Total Administration | 135 | 139 | 139 | 131 | 110 | 110 |
| Operations | | | | | | |
| Managers/Supervisors | 52 | 52 | 52 | 52 | 52 | 52 |
| Professional, Technical, Clerical | 54 | 53 | 53 | 53 | 53 | 53 |
| Operational Hourlies ⁽¹⁾ | 664 | 688 | 688 | 688 | 688 | 688 |
| Total Operations | 770 | 793 | 793 | 793 | 793 | 793 |
| Maintenance | | | | | | |
| Managers/Supervisors | 28 | 31 | 31 | 32 | 32 | 32 |
| Professional, Technical, Clerical | 56 | 60 | 60 | 60 | 56 | 56 |
| Operational Hourlies ⁽²⁾ | 297 | 306 | 306 | 312 | 312 | 312 |
| Total Maintenance | 381 | 397 | 397 | 404 | 400 | 400 |
| Engineering/Capital | | | | | | |
| Managers/Supervisors | 39 | 39 | 39 | 39 | 39 | 39 |
| Professional, Technical, Clerical | 140 | 147 | 147 | 147 | 147 | 147 |
| Operational Hourlies | - | - | - | - | - | - |
| Total Engineering/Capital | 179 | 186 | 186 | 186 | 186 | 186 |
| Public Safety | | | | | | |
| Managers/Supervisors | 14 | 15 | 15 | 15 | 15 | 15 |
| Professional, Technical, Clerical | 29 | 33 | 33 | 33 | 33 | 33 |
| Operational Hourlies ⁽³⁾ | 267 | 256 | 256 | 256 | 256 | 256 |
| Total Public Safety | 310 | 304 | 304 | 304 | 304 | 304 |
| Total Baseline Positions | | | | | | |
| Managers/Supervisors | 176 | 184 | 184 | 184 | 179 | 179 |
| Professional, Technical, Clerical | 371 | 385 | 385 | 378 | 358 | 358 |
| Operational Hourlies | 1,228 | 1,250 | 1,250 | 1,256 | 1,256 | 1,256 |
| Total Baseline Positions | 1,775 | 1,819 | 1,819 | 1,818 | 1,793 | 1,793 |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap | 0 | (3) | (3) | (3) | (3) | (3) |
| Post-2010 Program to Eliminate the Gap | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Positions | | | | | | |
| Managers/Supervisors | 176 | 184 | 184 | 184 | 179 | 179 |
| Professional, Technical, Clerical | 371 | 385 | 385 | 378 | 358 | 358 |
| Operational Hourlies | 1,228 | 1,247 | 1,247 | 1,253 | 1,253 | 1,253 |
| Total Positions | 1,775 | 1,816 | 1,816 | 1,815 | 1,790 | 1,790 |

Capital Construction Company

**MTA Capital Construction Company
2010 Preliminary Budget
July Financial Plan 2010-2013**

Mission Statement

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

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

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

Highlights

Under new executive leadership's direction, great emphasis is being placed on project cost controls, overall staffing and analyses of consultant resources. Through the creation of new financial performance indicators, in order to monitor activities and to identify trends, this will give us greater control on a regular basis to identify problem areas rapidly and to develop solutions and plans that will allow MTACC greater efficiencies and effectiveness. This is a valuable tool to better ensure that our resources are being applied to attaining our goals while communicating fiscal responsibility company-wide.

Currently all MTACC mega projects are under construction with over \$6.7 billion in commitments. In 2009, MTACC commemorated the opening of the new South Ferry Terminal Station. Among the most significant awards in 2009 were the soft-ground tunneling in Queens for East Side Access and the project's 50th Street vent plants, the Second Avenue Subway structural and utility relocation at the 96th Street station and the remaining underground work at the Fulton Street Transit Center.

Capital Construction made significant progress on excavation work on its three tunneling projects: East Side Access, Second Avenue Subway and the 7 Line Extension.

Two tunnel boring machines (TBMs) completed the full-length of their first runs under Park Avenue for East Side Access, including a tunnel reaching south of Grand Central Terminal where the new LIRR terminal will have tail tracks (tracks based beyond the terminal for train storage and other service flexibility requirements). Construction of the Second Avenue Subway TBM launch box began in 2008 and continues in 2009. Much of the work has involved the temporary or permanent relocation of utilities between 92nd and 95th Streets. The 7 Line Extension project, which will extend service to Manhattan's far west side and the Javits Convention Center, made progress at several work sites. Excavation began for a TBM launch box at 11th Avenue, between 25th and 26th Streets, and for the new station at 34th Street. At Times Square, excavation of tail tracks where the new line will connect with the existing right of way and underpinning of the existing Eighth Ave Subway, under which the new line will pass, are also underway.

With the increased number of contract packages, Capital Construction is carefully managing procurement and construction schedules in order to coordinate the timing of, and interface between, contracts. In addition, MTACC continued the implementation of projects funded from the system-wide security capital program.

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

MTA Capital Construction continues to support the work on the Blue Ribbon Panel Commission on Sustainability and has completed Agency-wide Green Construction Specifications. In addition, MTACC participates on the Climate Adaptation Committee to advance the Commission's recommendations.

MTA Capital Construction has had a number of successes implementing sustainable measures into project designs and construction practices this year. Design teams on all MTACC projects continued to identify the best available technology and equipment to maximize energy efficiency. Construction Management teams on all MTACC projects were successful in diverting more than 85% of construction and demolition debris from disposal in landfills via recycling and salvaging materials. High compliance rates for retrofitting construction equipment with Diesel Particulate filters were achieved for each contract. This summer, MTACC will study the feasibility of using the sewer at Madison Avenue and 43rd Street as a heat sink to cool station platform areas in Grand Central Terminal and potentially for the future East Side Access Terminal. In consultation with NYCDEP, we will determine the size of the potential heat sink by measuring the temperature and the flow-rate of the sewage that flows past the manhole location. MTA Capital Construction is pursuing LEED (Leadership in Energy and Environmental Design) certification of two buildings:

- the Fulton Street Transit Center building that will serve as the focal point for entry in the customer friendly complex that will connect 12 subway lines
- a yard services building, located off of Northern Blvd in Long Island City, adjacent to the planned East Side Access Midday Storage Yard, housing administrative offices, train crew locker rooms, lunch and communications rooms, a yard signal relay room and other support functions

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

MTACC's goal for capital commitments in 2009 totals approximately \$2.2 billion. MTACC continues to monitor the pace of hiring to meet the rising work load demand.

Financial Overview

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

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

construction management. In addition, MTACC will utilize consultant services to provide staff support in lieu of hiring.

2009 Mid-Year Forecast

MTACC's 2009 Mid-Year Forecast is \$37.808 million reflecting a 4.9% increase from the 2009 Adopted Budget. Labor Costs are projected at \$26.502 million, with a staffing level of 150 by year end, 1.7% lower than the 2009 Adopted Budget.

MTACC Administration will provide funding for 60% of the \$37.808 million Mid-Year Forecast, which is approximately \$23 million. These expenditures are comprised of administrative staff and non-project specific costs. The remainder of the expenses, predominantly labor, will be reimbursed by each of the mega projects.

Staff includes 60 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 40 for the East Side Access project; 15 for the Second Avenue Subway project; 15 for the Lower Manhattan projects; and 20 for Security projects. MTACC is working with the MTA and employee recruitment agencies to develop strategies to recruit staff with the experience and technical skills required for these complex construction projects. Matrixed employees (employees of other agencies under temporary management by MTACC) and consultants will continue to support MTACC in lieu of hiring full time staff.

Non-Labor costs are projected at \$11.307 million, an increase of 11.0% from 2009 Adopted Budget. These costs are non-project specific and are for the provision of company-wide construction support from specialty contractors and oversight agencies. Such expenditures may not be eligible for reimbursement by the Federal Transit Administration and will be funded through MTACC Administration. Approximately \$5 million of projected non-labor expenditures are uncontrollable and determined by MTAHQ such as independent engineer, independent compliance monitoring, MTA Audit quarterly chargebacks, AAPL insurance and payroll mobility tax. Remaining funds have been budgeted for engineering and legal services, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and other project office costs including computer equipment and MTACC intranet creation, mobile communications devices and supplies.

2010 Preliminary Budget - Baseline

In 2010, MTACC's main objective will be to continue major construction and design of the MTA's system expansion projects. By 2010 all system expansion projects will have over \$8 billion in commitments underway or completed. MTACC projects 2010 costs of \$37.293 million, an increase of 3.5% over the 2009 Adopted Budget, and a year end headcount of 150.

MTACC Administration will provide funding for 58% of the \$37.293 million, which is approximately \$22 million. The remainder of the staffing expenditures will be

reimbursed by each of the mega projects for those employees directly working on projects.

Labor and fringe expenses are projected at \$27.398 million, a slight decrease of .95% from the 2009 Adopted Budget. Labor costs decrease due revised overhead rates from MTA agencies. Allocation of staff and timing of start dates have been revised from the Adopted Budget, as well. Staff includes 60 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 40 for the East Side Access project; 15 for the Second Avenue Subway project; 15 for the Lower Manhattan projects; and 20 for Security projects.

Non-Labor costs are projected at \$9.895 million, a 4.5% increase from the 2009 Adopted Budget. This increase is allocated to the continued support of independent engineer, independent compliance monitor, MTA Audit quarterly chargebacks, AAPL insurance and payroll mobility tax. Additional projections include the reimbursement of NYCT for administrative support staff and services, temporary expert services (such as indefinite quantity consultants and firms to support project controls, change order and claims management), engineering services, workforce development through employee training and other office costs such as communications and computer equipment.

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

2011 - 2013 Projections

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

MTACC costs for 2011-2013 are projected to increase by 6.2%, 6.9% and 3.1%, respectively, over 2009 Adopted Budget due to an increase in expenditures for independent engineer, legal and temporary support services. Labor expenses slightly decrease in 2011 due to 3 fewer positions to the BSC and rise slightly in 2012 and 2013, due to inflation. Year-end staffing levels of 147 employees, remains constant through 2013.

Non-labor expenses increase by 13.6% in 2011 from the 2009 Adopted Budget and 21.4% in 2012. This increase reflects higher professional services, Security Program field office occupancy, computer equipment replacement (as needed), in addition to maintenance fees, network requirements or upgrades. Archeological expenditures will taper off due to the progress in our mega projects, specifically Lower Manhattan.

MTACC Administration will continue to provide the majority of funding of the overall projections from 2011-2013. Administration's anticipated contribution is expected to be 57% for 2011 and 2012 with a slight decrease to 57% in 2013. Approximate expenditures are \$22 million for 2011 and 2012 and \$21 million in 2013 due primarily to

fewer anticipated legal fees. The remainder of the expenses will be reimbursed by each of the mega projects.

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

[illegible]

CASH RECEIPTS AND EXPENDITURES

| | 2008 | 2009 | 2010 | | | |
|----------------------------------|-----------------|-------------------|--------------------|-----------------|-----------------|-----------------|
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and Other Reimbursements | 28.738 | 37.808 | 37.293 | 37.150 | 38.283 | 37.896 |
| Total Receipts | \$28.738 | \$37.808 | \$37.293 | \$37.150 | \$38.283 | \$37.896 |

Expenditures

Labor:

| | | | | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Payroll | \$11.923 | \$16.851 | \$17.190 | \$17.440 | \$17.948 | \$18.472 |
| Overtime | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Health and Welfare | \$2.365 | \$2.221 | \$2.531 | \$2.696 | \$2.913 | \$3.145 |
| OPEB Current Payment | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Pensions | \$2.316 | \$2.101 | \$2.176 | \$2.248 | \$2.346 | \$2.450 |
| Other Fringe Benefits | \$2.811 | \$5.328 | \$5.501 | \$5.722 | \$5.870 | \$6.067 |
| Reimbursable Overhead | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Labor Expenditures | \$19.415 | \$26.502 | \$27.398 | \$28.106 | \$29.077 | \$30.134 |

Non-Labor:

| | | | | | | |
|---|----------------|-----------------|----------------|----------------|----------------|----------------|
| Traction and Propulsion Power | | | | | | |
| Fuel for Buses and Trains | | | | | | |
| Insurance | 1.081 | 0.151 | 0.166 | 0.183 | 0.201 | 0.221 |
| Claims | | | | | | |
| Paratransit Service Contracts | | | | | | |
| Maintenance and Other Operating Contracts | | | | | | |
| Professional Service Contracts | 7.580 | 9.489 | 8.172 | 7.256 | 7.375 | 5.873 |
| Materials & Supplies | 0.019 | 0.031 | 0.025 | 0.031 | 0.027 | 0.032 |
| Other Business Expenses | 0.644 | 1.635 | 1.531 | 1.574 | 1.603 | 1.636 |
| Total Non-Labor Expenditures | \$9.323 | \$11.307 | \$9.895 | \$9.044 | \$9.206 | \$7.762 |

Other Expenditure Adjustments:

Other - Restricted Cash Adjustment

| | | | | | | |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Total Other Expenditure Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|

| | | | | | | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Expenditures | \$28.738 | \$37.808 | \$37.293 | \$37.150 | \$38.283 | \$37.896 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|

| | | | | | | |
|-----------------------|---------|---------|---------|---------|---------|---------|
| Baseline Cash Deficit | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
|-----------------------|---------|---------|---------|---------|---------|---------|

[illegible]

**MTA Capital Construction Company
July Financial Plan 2010-2013
Year-to-Year Changes by Category 2009-2013
Non-Reimbursable and Reimbursable**

Revenue

Capital and Other Reimbursements:

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

Expenses

Payroll:

- 2009 payroll costs reflect a projected year-end staffing level of 150. Majority of new hires will occur in the fourth quarter of 2009. 2010 payroll costs increase by 2.0% based on annual full staff levels of 150.
- 2011, 2012 and 2013 year end staffing levels decrease to 147 due to the shifting of 3 permanent positions to the Business Service Center.

Other Fringe Benefits:

- Health and Welfare, Pensions and Other Fringe Benefits costs in 2009 increased from 2008 to coincide with the adjusted year-end staffing levels of 150. In 2010, these costs will increase by 13.9%, 3.5%, 3.3%, respectively, to reflect the escalation of benefits at full staffing levels of 150.
- 2011 through 2013 Benefits expenditures remain constant and are escalated by inflation rates.

Insurance:

- 2009 includes insurance expenses for the All-Agency Protective Liability Program for all MTACC projects.
- Costs are escalated by approximately 10% each year through 2013.

Professional Service Contracts:

- In 2009, costs increase by more than \$.759 million from the February Financial Plan, due to anticipated costs commensurate to the timeline of projects. The increase is primarily due to expenditures for specialty contractors, oversight agencies, legal support, environmental and archeological resources, contractual employees such as URS consultants and miscellaneous project related costs.
- Costs decline in 2010 through 2013 due to the reduction of projected audit fees, legal expenses and miscellaneous consulting fees.

Materials and Supplies:

- 2009 costs include safety equipment for field employees and general office supplies. 2010 through 2013 costs are based on 2009 projections and are escalated by inflation rates provided by Global Insight.

Other Business Expenses:

- 2009 costs are comprised of wireless communication devices for staff, employee recruitment fees, computer equipment, printers, copiers, occupancy for Security Program field office and establishing an MTACC network Intranet. Additional expenditures include the payroll mobility tax that was recently passed in Albany.
- Costs decrease by 6.8% in 2010 due to a possible relocation of the Security Program field office. Mid-year we were able to renegotiate our monthly rates with the company's telecommunications provider.
- 2011 through 2013 costs are escalated by inflations rates.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | | | |
|---|-------------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Operating Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and Other Reimbursements | 28.738 | 37.808 | 9.070 | 37.293 | (0.515) | 37.150 | (0.143) | 38.283 | 1.133 | 37.896 | (0.387) |
| Total Revenue | \$28.738 | \$37.808 | \$9.070 | \$37.293 | (\$0.515) | \$37.150 | (\$0.143) | \$38.283 | \$1.133 | \$37.896 | (\$0.387) |
| Expenses | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$11.923 | \$16.851 | (\$4.929) | \$17.190 | (\$0.339) | \$17.440 | (\$0.250) | \$17.948 | (\$0.508) | \$18.472 | (\$0.524) |
| Overtime | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Health and Welfare | 2.365 | 2.221 | 0.144 | 2.531 | (0.310) | 2.696 | (0.165) | 2.913 | (0.217) | 3.145 | (0.232) |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 2.316 | 2.101 | 0.215 | 2.176 | (0.074) | 2.248 | (0.073) | 2.346 | (0.098) | 2.450 | (0.104) |
| Other Fringe Benefits | 2.811 | 5.328 | (2.517) | 5.501 | (0.173) | 5.722 | (0.221) | 5.870 | (0.148) | 6.067 | (0.197) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenses | \$19.415 | \$26.502 | (\$7.086) | \$27.398 | (\$0.896) | \$28.106 | (\$0.709) | \$29.077 | (\$0.971) | \$30.134 | (\$1.056) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 1.081 | 0.151 | 0.930 | 0.166 | (0.015) | 0.183 | (0.017) | 0.201 | (0.018) | 0.221 | (0.020) |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Professional Service Contracts | 7.580 | 9.489 | (1.910) | 8.172 | 1.317 | 7.256 | 0.917 | 7.375 | (0.120) | 5.873 | 1.502 |
| Materials & Supplies | 0.019 | 0.031 | (0.012) | 0.025 | 0.006 | 0.031 | (0.006) | 0.027 | 0.004 | 0.032 | (0.005) |
| Other Business Expenses | 0.644 | 1.635 | (0.992) | 1.531 | 0.104 | 1.574 | (0.043) | 1.603 | (0.029) | 1.636 | (0.033) |
| Total Non-Labor Expenses | \$9.323 | \$11.307 | (\$1.983) | \$9.895 | \$1.411 | \$9.044 | \$0.851 | \$9.206 | (\$0.162) | \$7.762 | \$1.444 |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$28.738 | \$37.808 | (\$9.070) | \$37.293 | \$0.515 | \$37.150 | \$0.143 | \$38.283 | (\$1.133) | \$37.896 | \$0.387 |
| Depreciation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses | \$28.738 | \$37.808 | (\$9.070) | \$37.293 | \$0.515 | \$37.150 | \$0.143 | \$38.283 | (\$1.133) | \$37.896 | \$0.387 |
| Baseline Net Surplus/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | (\$0.000) | \$0.000 | \$0.000 |
| 2010 PEGs | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Post-2010 PEGs | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Net Surplus/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | (\$0.000) | \$0.000 | \$0.000 |

CASH RECEIPTS & EXPENDITURES

| CASH RECEIPTS & EXPENDITURES | Favorable/(Unfavorable) | | | | | | | | | | |
|--|-------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | 2008 | | Change | | Change | | Change | | Change | | Change |
| | Actual | 2009 | 2009 - 2008 | 2010 | 2010 - 2009 | 2011 | 2011 - 2010 | 2012 | 2012 - 2011 | 2013 | 2013 - 2012 |
| Receipts | | | | | | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Operating Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and Other Reimbursements | 28.738 | 37.808 | 9.070 | 37.293 | (0.515) | 37.150 | (0.143) | 38.283 | 1.133 | 37.896 | (0.387) |
| Total Receipts | \$28.738 | \$37.808 | \$9.070 | \$37.293 | (\$0.515) | \$37.150 | (\$0.143) | \$38.283 | \$1.133 | \$37.896 | (\$0.387) |
| Expenditures | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$11.923 | \$16.851 | (\$4.929) | \$17.190 | (\$0.339) | \$17.440 | (\$0.250) | \$17.948 | (\$0.508) | \$18.472 | (\$0.524) |
| Overtime | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Health and Welfare | 2.365 | 2.221 | 0.144 | 2.531 | (0.310) | 2.696 | (0.165) | 2.913 | (0.217) | 3.145 | (0.232) |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 2.316 | 2.101 | 0.215 | 2.176 | (0.074) | 2.248 | (0.073) | 2.346 | (0.098) | 2.450 | (0.104) |
| Other Fringe Benefits | 2.811 | 5.328 | (2.517) | 5.501 | (0.173) | 5.722 | (0.221) | 5.870 | (0.148) | 6.067 | (0.197) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenditures | \$19.415 | \$26.502 | (\$7.086) | \$27.398 | (\$0.896) | \$28.106 | (\$0.709) | \$29.077 | (\$0.971) | \$30.134 | (\$1.056) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 1.081 | 0.151 | 0.930 | 0.166 | (0.015) | 0.183 | (0.017) | 0.201 | (0.018) | 0.221 | (0.020) |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Professional Service Contracts | 7.580 | 9.489 | (1.910) | 8.172 | 1.317 | 7.256 | 0.917 | 7.375 | (0.120) | 5.873 | 1.502 |
| Materials & Supplies | 0.019 | 0.031 | (0.012) | 0.025 | 0.006 | 0.031 | (0.006) | 0.027 | 0.004 | 0.032 | (0.005) |
| Other Business Expenses | 0.644 | 1.635 | (0.992) | 1.531 | 0.104 | 1.574 | (0.043) | 1.603 | (0.029) | 1.636 | (0.033) |
| Total Non-Labor Expenditures | \$9.323 | \$11.307 | (\$1.983) | \$9.895 | \$1.411 | \$9.044 | \$0.851 | \$9.206 | (\$0.162) | \$7.762 | \$1.444 |
| Other Expenditure Adjustments: | | | | | | | | | | | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Other Expenditure Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenditures | \$28.738 | \$37.808 | (\$9.070) | \$37.293 | \$0.515 | \$37.150 | \$0.143 | \$38.283 | (\$1.133) | \$37.896 | \$0.387 |
| Baseline Net Cash Deficit | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| 2010 PEGs | | | 0.000 | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 |
| Post-2010 PEGs | | | 0.000 | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 |
| Net Cash Deficit | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

MTA Capital Construction Company
July Financial Plan 2010-2013
Summary of Changes Between Financial Plans 2010-2012

2009: July Financial Plan vs. February Financial Plan

The July Financial Plan is \$1.754 million (4.9%) higher than the February Plan. This increase in expenditures is due to an increase of non-labor expenditures. The 2009 July Plan is projecting a staffing level of 150 by year end. The 150 staffing level has been MTACC's consistent target since its inception. Although the headcount, by year end of 2009, is expected to remain the same as the February Financial Plan, labor costs have decreased by \$.468 million due to the reallocation and reorganization of staffing and employee start dates. The majority of new hires are anticipated to start in the fourth quarter of 2009 causing one to two months of a full staff. Non-Labor costs are expected to increase by \$1.223 million in professional services, materials and supplies, other business expenses and insurance. Additional expenses are comprised of the Security Program field office occupancy and payroll mobility tax, offset by a decrease in telecommunications due to renegotiation of monthly rates. Fewer equipment purchases are expected in 2009. Professional services expenses have been restructured to account for the timeline of projects and company-wide construction support from specialty contractors, independent engineer, oversight agencies, legal support, environmental and archeological resources and MTA Audit chargebacks, allowing for an increase in overall costs in this category.

2010 - 2012: July Financial Plan vs. February Financial Plan

Projections for 2010 have increased by \$1.260 million, 3.5%, from the February Financial Plan. MTACC costs reflect anticipated progress in major construction of capital projects and full staff levels of 150 beginning in 2010. Revised staffing plan and start dates result in a slight decrease in labor expenses of \$.263 million (1.0%) lower than the February Plan. Overall Non-labor expenditures are \$.423 million higher, 4.5%, for company-wide construction support. Increases within Other Business Expenses are predominantly made up Security Program field office occupancy, payroll mobility tax and computer and communication equipment for full staff offset by decreases in employee expenses. AAPL insurance expenses increase from the February Plan, as well. To continue support of the progression of MTACC mega projects and comply with the oversight measures directed by the MTA and FTA, the Professional Services budget will include the independent engineer and independent compliance monitor expenditures. Temporary expert services (hiring indefinite quantity consultant firms and individuals to support project controls, claims and change orders) for project needs are projected in the July Plan, as well. 2010 headcount is still anticipated at 150 but in 2011, under the direction of MTAHQ, 3 positions will be transferred to the Business Service Center and staffing levels

remain constant at 147 through 2012. Labor and non-labor costs are higher than the February Adopted budget and overall budgeted expenses are expected to increase in 2011 and 2012 by 6.2% and 6.9%, respectively.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Baseline 2009 February Financial Plan - Total Expenses | (\$36.054) | (\$36.033) | (\$34.993) | (\$35.808) |
| <i>Baseline Changes</i> | | | | |
| Expenses | | | | |
| <i>Labor:</i> | | | | |
| Payroll | \$.515 | \$.532 | \$.492 | \$.352 |
| Health and Welfare | \$.201 | \$.023 | (\$.012) | (\$.062) |
| OPEB Current Payment | \$.000 | \$.000 | \$.000 | \$.000 |
| Pensions | (\$.316) | (\$.335) | (\$.352) | (\$.386) |
| Other Fringe Benefits | \$.068 | \$.043 | (\$.104) | (\$.065) |
| Reimbursable Overhead | \$.000 | \$.000 | \$.000 | \$.000 |
| <i>Total Labor Expense Changes</i> | <i>\$.468</i> | <i>\$.263</i> | <i>\$.024</i> | <i>(\$.162)</i> |
| <i>Non-Labor:</i> | | | | |
| Traction and Propulsion Power | | | | |
| Fuel for Buses and Trains | | | | |
| Insurance | (\$.055) | (\$.060) | (\$.066) | (\$.073) |
| Claims | \$.000 | \$.000 | \$.000 | \$.000 |
| Paratransit Service Contracts | \$.000 | \$.000 | \$.000 | \$.000 |
| Professional Service Contracts | (\$.759) | (\$.148) | (\$.601) | (\$.650) |
| Maintenance and Other Operating Contracts | \$.000 | \$.000 | \$.000 | \$.000 |
| Materials & Supplies | \$.036 | \$.043 | \$.038 | \$.044 |
| Other Business Expenses | (\$.345) | (\$.258) | (\$.452) | (\$.535) |
| <i>Total Non-Labor Expense Changes</i> | <i>(\$ 1.123)</i> | <i>(\$.423)</i> | <i>(\$ 1.082)</i> | <i>(\$ 1.214)</i> |
| <i>Total Expense Changes</i> | <i>(\$.654)</i> | <i>(\$.160)</i> | <i>(\$ 1.058)</i> | <i>(\$ 1.376)</i> |
| <i>Other Expense Adjustments/Gap Closing Actions</i> | | | | |
| Other - Restricted Cash Adjustment | | | | |
| <i>Total Other Expenditure AdjustmentsChanges</i> | <i>(\$ 1.100)</i> | <i>(\$ 1.100)</i> | <i>(\$ 1.100)</i> | <i>(\$ 1.100)</i> |
| <i>Total Baseline Changes</i> | <i>(\$ 1.754)</i> | <i>(\$ 1.260)</i> | <i>(\$ 2.158)</i> | <i>(\$ 2.476)</i> |
| Baseline 2009 July Financial Plan - Total Expenses | (\$37.808) | (\$37.293) | (\$37.151) | (\$38.284) |

MTA CAPITAL CONSTRUCTION
July Financial Plan 2010-2013
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Baseline 2009 February Financial Plan - Total Expenses | (\$36.054) | (\$36.033) | (\$34.993) | (\$35.808) |
| <i>Non-Reimbursable Major Changes</i> | | | | |
| Revenue | | | | |
| | | | | |
| | | | | |
| Sub-Total Non-Reimbursable Revenue Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Expenses | | | | |
| | | | | |
| | | | | |
| Sub-Total Non-Reimbursable Expense Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <i>Total Non-Reimbursable Major Changes</i> | <i>\$0.000</i> | <i>\$0.000</i> | <i>\$0.000</i> | <i>\$0.000</i> |
| <i>Reimbursable Major Changes</i> | | | | |
| Revenue | \$1.754 | \$1.260 | \$2.158 | \$2.476 |
| | | | | |
| Sub-Total Reimbursable Revenue Changes | \$1.754 | \$1.260 | \$2.158 | \$2.476 |
| Expenses | (\$.654) | (\$.160) | (\$1.058) | (\$1.376) |
| <i>Other Expense Adjustments/Gap Closing Actions</i> | | | | |
| <i>Other - Restricted Cash Adjustment</i> | | | | |
| <i>Total Other Expenditure AdjustmentsChanges</i> | <i>(\$1.100)</i> | <i>(\$1.100)</i> | <i>(\$1.100)</i> | <i>(\$1.100)</i> |
| Total Baseline Changes | (\$1.754) | (\$1.260) | (\$2.158) | (\$2.476) |
| Baseline 2009 July Financial Plan - Total Expenses | (\$37.808) | (\$37.293) | (\$37.151) | (\$38.284) |

**MTA Capital Construction Company
2010 Preliminary Budget
July Financial Plan 2010-2013**

Summary of Assumptions Regarding Staffing Positions

All MTACC costs are reimbursable from the MTA Capital Program. The July Financial Plan projects 2009 year end staffing of 150. Staffing levels reach 150 in the fourth quarter 2009 and remain constant at that level.

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

MTACC has carefully timed the hiring of employees to correspond with the needs of the projects.

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

The 2009 Year-End Staffing level remains constant at 150 employees. The breakdown is as follows: 35 MTACC administrative positions and 115 project positions implementing East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program. Starting in 2011 and in the subsequent years, Year-End Staffing levels will be reduced to 147 due to the allocation of personnel to the newly formed Business Service Center.

*Employees of other agencies under temporary management by MTACC

MTA CAPITAL CONSTRUCTION
July Financial Plan 2010-2013
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|------------------------------------|------------------------|---------------------------------------|--|-------------|-------------|-------------|
| Administration | | | | | | |
| MTACC | 32 | 35 | 35 | 35 | 35 | 35 |
| Engineering/Capital | | | | | | |
| MTACC | 27 | 25 | 25 | 25 | 25 | 25 |
| East Side Access | 28 | 40 | 40 | 38 | 38 | 38 |
| Security | 14 | 20 | 20 | 20 | 20 | 20 |
| Second Avenue Subway | 14 | 15 | 15 | 14 | 14 | 14 |
| Lower Manhattan Project | 14 | 15 | 15 | 15 | 15 | 15 |
| Total Engineering/Capital | 97 | 115 | 115 | 112 | 112 | 112 |
| Total Baseline Positions | 129 | 150 | 150 | 147 | 147 | 147 |
| <i>Non-Reimbursable</i> | - | - | - | - | - | - |
| <i>Reimbursable</i> | 129 | 150 | 150 | 147 | 147 | 147 |
| <i>Total Full-Time</i> | 129 | 150 | 150 | 147 | 147 | 147 |
| <i>Total Full-Time Equivalents</i> | - | - | - | - | - | - |

MTA CAPITAL CONSTRUCTION
July Financial Plan 2010-2013
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

| FUNCTION/OCCUPATIONAL GROUP | | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---------------------------------|-------------------------------------|----------------|------------------------------|-------------------------------|------|------|------|
| Administration | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | 32 | 35 | 35 | 35 | 35 | 35 |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Administration | 32 | 35 | 35 | 35 | 35 | 35 |
| Operations | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | - | - | - | - | - | - |
| | Operational Hourlies ⁽¹⁾ | - | - | - | - | - | - |
| | Total Operations | - | - | - | - | - | - |
| Maintenance | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | - | - | - | - | - | - |
| | Operational Hourlies ⁽¹⁾ | - | - | - | - | - | - |
| | Total Maintenance | - | - | - | - | - | - |
| Engineering/Capital | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | 97 | 115 | 115 | 112 | 112 | 112 |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Engineering/Capital | 97 | 115 | 115 | 112 | 112 | 112 |
| Public Safety | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | - | - | - | - | - | - |
| | Operational Hourlies ⁽¹⁾ | - | - | - | - | - | - |
| | Total Public Safety | - | - | - | - | - | - |
| Total Baseline Positions | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | 129 | 150 | 150 | 147 | 147 | 147 |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Baseline Positions | 129 | 150 | 150 | 147 | 147 | 147 |

Long Island Bus

MTA Long Island Bus 2010 Preliminary Budget July Financial Plan 2010 - 2013

Mission Statement and Highlights of Operations

MTA Long Island Bus (LI Bus) is committed to providing safe, reliable, convenient and efficient bus service throughout Nassau, western Suffolk and eastern Queens Counties.

LI Bus operates the largest 100% Clean Fuel, Compressed Natural Gas (CNG) fixed route fleet in the eastern USA. This benefits the environment, passengers and the 96 communities that it serves. The fleet size of 334 buses also provides service to 47 Long Island Rail Road stations, 5 New York City Transit subway stations, shopping centers, colleges, museums, parks, theaters and beaches throughout our area.

LI Bus also operates the Able-Ride Paratransit service with a fleet comprised of 89 fully equipped buses that offer curb-to-curb transportation for eligible customers with disabilities, who are unable to use the fixed route bus system. Through a certification program and innovative scheduling, a reduction in denial rates and missed trips goals has been met.

LI Bus is managed by the MTA through a lease and operating agreement with Nassau County. Title to fixed assets, revenue and non revenue fleets are assigned to the County. Annual operating deficits are covered by a combination of subsidies from New York State (NYS), Nassau County and MTA Headquarters. Capital programs that include revenue bus replacement, facility and equipment improvement and/or replacements are funded through annual Federal formula funding and where available, earmarks and Special Designated Funding (SDF).

In 2008, a consolidation of operational responsibilities for MTA Bus, New York City Transit's Department of Buses (NYCT-DOB) and Long Island Bus (LI Bus) was initiated to streamline management and support functions, thereby providing all bus customers served by each agency of the MTA, with the same level of service using seven strategic goals as the template for policy standardization. Objectives include Customer Service, Financial Stability, Institutional Transformation, Projects & Planning, Safety & Security, Sustainability, and Workforce Development. Achievements to date include:

- Establishing a single management structure which will serve as policy-makers for all three companies and ensure coordination in all aspects of management and operations.
- Standardizing maintenance procedures and service manuals.
- Assimilating information systems and standards.
- Increased coordination between the Command Centers and Road Control of LI Bus, MTA Bus and NYCT-DOB.
- Ensuring effective and consistent training regiments across all three companies.
- Consolidating procurements to ensure best terms are achieved.

FINANCIAL OVERVIEW

The 2009 Mid Year, 2010 Preliminary Budget and projections for the years 2011-2013 provide sufficient funding levels to continue current service levels as well as providing a safe and secure environment for our customers.

Subsidy funding remains an overriding issue as LI Bus seeks additional assistance from Nassau County to meet new needs and cover the basic effects of inflation. Nassau County funding has remained flat over the past five years, and with the prolonged economic uncertainty, subsidy levels from the MTA and New York State (NYS) could be impacted. It is the expectation that adequate steps will be taken to correct these uncertainties as LI Bus folds into the Regional Bus structure.

Recent changes to the economic and employment outlook in New York region have negatively impacted revenue and ridership projections. While bolstered by the 10% fare increase instituted this year, a larger fare yield of 23% was rescinded, severe service level reductions were restored, resulting in increased budget deficit projections. Further, advertising revenue guidance indicates a reduction of 31% with lowered projections for the remainder of the plan.

Utilization has been negatively impacted by the weak regional economy and inclement spring weather. As of May 2009, fixed route ridership is down 3.8% while farebox revenue is down 2.7%. This decreasing ridership trend is expected to continue and will result in a negative 1.1% variance to the adopted budget. A further 0.1% decrease is forecasted for 2010 with small increases expected for the remaining years of the plan.

Using 2003 as a base year, paratransit ridership has increased by 22.1%. This service continues an upward trend with May year-to-date ridership increasing by 7.6% and revenue by 9.3% over the adopted budget. Full year 2009 ridership is also projected to be 2.9% above the adopted budget. Small 0.1% increases are projected for each of the plan years.

All labor contracts are scheduled for renegotiation at different expiration dates during 2009.

Capital projects, revenue and non revenue vehicle replacements, remain dependent on grant funding. LI Bus is not part of the MTA Capital program and as such, has to seek and manage annual formula funds to construct and rehabilitate facilities as well as fund the purchase and/or replacement of equipment and rolling stock. Any reduced availability of these funding sources will have a direct impact on programs proposed in the Transportation Improvement Program (TIP).

These financial plans also include savings related to the accepted AABB economies including administrative reductions, improved fuel pricing projections, and maintenance economies related to Regional Bus zero base allocation models.

Finally, investments in new needs include the installation of a Spear Maintenance system and additional headcount to enhance road control functions. In addition, the recently enacted mobility tax was included in cost projections.

2009 Mid-Year Forecast

The total revenue in the July plan is projected at \$51.7 million of which \$42.4 is expected from farebox receipts. This reflects lower base ridership projections and changes in the fare increase plans from a 23% yield down to a 10% fare increase. Other operating revenue is projected at \$2.4 million and was negatively impacted by revised advertising and grant funding revisions. Also included is the elimination of \$4.5 million for the LI Bus deficit reduction. In total, revenue decreased by \$10.2 million compared to the Adopted Budget.

LI Bus' Mid-Year forecast reflects total non-reimbursable expenses of \$127.3 million before depreciation and OPEB obligations. The total cash baseline increased by \$15.7 million from the Adopted Budget which was primarily driven by:

- \$3.6 million in cash adjustments reflecting the timing of 2008 expenses.
- \$10.2 million in reduced revenue as mentioned above.
- \$5.6 million in restorations and/or the inclusion of accepted AABB reductions in the appropriate labor and non-labor categories.
- \$3.7 million in labor and non-labor savings as detailed below.

Labor expenses decreased by \$0.3 million as compared to the Adopted Budget. This includes savings associated with:

- \$0.8 million in AABB administrative reductions.
- \$0.2 million in reductions of maintenance hourly positions resulting from regional bus zero based allocation models.

This also includes partially offsetting investments of:

- \$0.4 million for improved road control oversight;
- \$0.1 million for Spear maintenance system management;
- \$0.2 million for the New Mobility tax

Non-labor decreased by \$3.4 million as compared to the Adopted Budget. This included savings associated with:

- \$4.5 million in projected fuel cost savings driven by lower pricing. This includes the previously accepted AABB reductions.
- \$0.5 million in contract savings as previously accepted in the AABB.

These are partially offset by:

- \$1.0 million for the implementation of a Spear maintenance system

- \$0.3 million in rescheduled insurance payments.
- \$0.3 million in other investments including RSG claims management system, system support contracts, emergency sewer repairs and tire and tubes contract increases.

2010 – Preliminary Budget – Baseline

The total revenue in the July plan is projected at \$53.3 million of which \$43.8 is expected from farebox receipts. This reflects lower base ridership projections and changes in the fare increase plans from a 23% yield down to a 10% fare increase. Other operating revenue is projected at \$2.3 million and was negatively impacted by revised advertising and grant funding revisions. Also included is the elimination of \$2.8 million for the LI Bus deficit reduction. In total, revenue decreased by \$10.9 million compared to the Adopted Budget.

LI Bus' total non-reimbursable expenses are \$133.0 million before depreciation and OPEB obligations. The total cash baseline increased by \$12.8 million from the Adopted Budget which was primarily driven by:

- \$10.8 million in reduced revenue as mentioned above.
- \$6.2 million in restorations and/or the inclusion of accepted AABB reductions in the appropriate labor and non-labor categories.
- \$4.2 million in labor and non-labor savings as detailed below.

Labor expenses remained flat as compared to the Adopted Budget. This includes savings associated with:

- \$0.8 million in AABB administrative reductions.
- \$1.2 million in reductions of maintenance hourly positions resulting from regional bus zero based allocation models.

This also includes offsetting investments of:

- \$1.3 million for improved road control oversight;
- \$0.2 million for Spear maintenance system management;
- \$0.3 million for the New Mobility tax
- \$0.2 million in Health and Welfare Costs, the result of revised guidance.

Non-labor decreased by \$4.2 million as compared to the Adopted Budget. This included savings associated with:

- \$4.6 million in projected fuel cost savings driven by lower pricing. This includes the previously accepted AABB reductions.
- \$0.5 million in contract savings as previously accepted in the AABB.

These are partially offset by:

- \$0.2 million due to revised CPI guidelines
- \$0.3 million in rescheduled insurance payments.
- \$0.3 million in other investments including the RSG claims management system, system support contracts and tire and tubes contract increases.

2011 – 2013 Projections

Total revenue and expenses before depreciation and OPEB obligation are as follows:

- Expenses:
 - 2011 – \$144 million
 - 2012 - \$148 million
 - 2013 - \$153 million
- Revenue:
 - 2011 – \$53.6 million of which farebox is \$44.2 million
 - 2012 - \$54.2 million of which farebox is \$44.6 million
 - 2013 - \$54.8 million of which farebox is \$45.0 million

Farebox revenue projections are based on the July Plan model that uses current economic data (employment) to forecast ridership levels that translates into revenue. Small increases in ridership and revenue is projected in each of the plan years.

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

MTA LONG ISLAND BUS
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE | | | | | | |
|--|----------------------|---------------------------------|----------------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | <u>Actual</u> | <u>Mid-Year Forecast</u> | <u>Preliminary Budget</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Operating Revenue | | | | | | |
| Farebox Revenue | \$ 42.381 | \$ 42.363 | \$ 43.765 | \$ 44.185 | \$ 44.614 | \$ 44.984 |
| Toll Revenue | | | | | | |
| Other Operating Revenue | 2.710 | 2.372 | 2.342 | 2.003 | 2.032 | 2.091 |
| Capital and Other Reimbursements | | | | | | |
| Total Revenue | \$45.091 | \$44.735 | \$46.107 | \$46.188 | \$46.646 | \$47.075 |
| Operating Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | 63.190 | 65.905 | 67.451 | 68.051 | 69.567 | 71.009 |
| Overtime | 6.143 | 5.726 | 5.838 | 5.968 | 6.100 | 6.219 |
| Health and Welfare | 12.227 | 13.036 | 14.029 | 15.092 | 16.232 | 17.460 |
| OPEB Current Payment | | - | | | | |
| Pensions | 5.076 | 5.284 | 5.403 | 5.451 | 5.572 | 5.682 |
| Other Fringe Benefits | 12.239 | 7.420 | 7.584 | 7.515 | 7.696 | 7.849 |
| Reimbursable Overhead | | | | | | |
| Total Labor Expenses | \$98.875 | \$97.371 | \$100.305 | \$102.077 | \$105.167 | \$108.219 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | | | | | | |
| Fuel for Buses and Trains | 13.515 | 8.532 | 11.141 | 12.205 | 12.608 | 13.341 |
| Insurance | 0.372 | 0.641 | 0.684 | 0.741 | 0.812 | 0.873 |
| Claims | 4.821 | 3.537 | 3.619 | 3.733 | 3.816 | 3.900 |
| Paratransit Service Contracts | | | | | | |
| Maintenance and Other Operating Contracts | 8.620 | 10.778 | 10.480 | 10.871 | 11.163 | 11.501 |
| Professional Service Contracts | 1.810 | 2.040 | 2.088 | 2.153 | 2.201 | 2.249 |
| Materials & Supplies | 5.289 | 4.015 | 4.151 | 4.412 | 4.600 | 4.800 |
| Other Business Expenses | 0.111 | 0.394 | 0.403 | 0.416 | 0.425 | 0.434 |
| Total Non-Labor Expenses | \$34.538 | \$29.937 | \$32.566 | \$34.531 | \$35.625 | \$37.098 |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | (3.469) | | | | | |
| Total Other Expense Adjustments | (\$3.469) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation and GASB Adjs. | \$129.944 | \$127.308 | \$132.871 | \$136.608 | \$140.792 | \$145.317 |
| Depreciation | | | | | | |
| OPEB Obligation | 10.600 | 10.653 | 10.706 | 10.760 | 10.814 | 10.868 |
| Environmental Remediation | | | | | | |
| Total Expenses | \$140.544 | \$137.961 | \$143.578 | \$147.368 | \$151.605 | \$156.185 |
| Baseline Surplus/(Deficit) | (\$95.453) | (\$93.226) | (\$97.471) | (\$101.180) | (\$104.959) | (\$109.110) |
| 2010 PEGs | | | | | | |
| Post-2010 PEGs | | | | 1.481 | 2.962 | 4.442 |
| Total PEGs | - | - | - | 1.481 | 2.962 | 4.442 |
| Net Surplus/(Deficit) | (\$95.453) | (\$93.226) | (\$97.471) | (\$99.699) | (\$101.997) | (\$104.668) |

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MTA LONG ISLAND BUS
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE / REIMBURSABLE | | | | | | | |
|--|-------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|--|
| | 2008 | 2009 | 2010 | | | | |
| | <u>Actual</u> | <u>Mid-Year Forecast</u> | <u>Preliminary Budget</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | |
| Revenue | | | | | | | |
| Farebox Revenue | \$ 42.381 | \$ 42.363 | \$ 43.765 | \$ 44.185 | \$ 44.614 | \$ 44.984 | |
| Toll Revenue | - | - | - | - | - | - | |
| Other Operating Revenue | 2.710 | 2.372 | 2.342 | 2.003 | 2.032 | 2.091 | |
| Capital and Other Reimbursements | 5.890 | 7.042 | 7.204 | 7.369 | 7.550 | 7.751 | |
| Total Revenue | \$50.981 | \$51.777 | \$53.311 | \$53.557 | \$54.196 | \$54.826 | |
| Expenses | | | | | | | |
| <u>Labor:</u> | | | | | | | |
| Payroll | \$ 64.005 | \$ 66.895 | \$ 68.459 | \$ 69.081 | \$ 70.621 | \$ 72.094 | |
| Overtime | 6.143 | 5.726 | 5.838 | 5.968 | 6.100 | 6.219 | |
| Health and Welfare | 12.490 | 13.378 | 14.404 | 15.494 | 16.663 | 17.922 | |
| OPEB Current Payment | 1.257 | 1.439 | 1.544 | 1.656 | 1.777 | 1.907 | |
| Pensions | 5.207 | 5.363 | 5.484 | 5.533 | 5.656 | 5.769 | |
| Other Fringe Benefits | 12.363 | 7.612 | 7.780 | 7.714 | 7.900 | 8.059 | |
| Pattern Labor Provision | - | - | - | - | - | - | |
| Reimbursable Overhead | - | - | - | - | - | - | |
| Total Labor Expenses | \$101.465 | \$100.413 | \$103.509 | \$105.446 | \$108.717 | \$111.970 | |
| <u>Non-Labor:</u> | | | | | | | |
| Traction and Propulsion Power | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Fuel for Buses and Trains | 13.515 | 8.532 | 11.141 | 12.205 | 12.608 | 13.341 | |
| Insurance | 0.372 | 0.641 | 0.684 | 0.741 | 0.812 | 0.873 | |
| Claims | 4.821 | 3.537 | 3.619 | 3.733 | 3.816 | 3.900 | |
| Paratransit Service Contracts | - | - | - | - | - | - | |
| Maintenance and Other Operating Contracts | 8.620 | 10.778 | 10.480 | 10.871 | 11.163 | 11.501 | |
| Professional Service Contracts | 1.810 | 2.040 | 2.088 | 2.153 | 2.201 | 2.249 | |
| Materials & Supplies | 8.589 | 8.015 | 8.151 | 8.412 | 8.600 | 8.800 | |
| Other Business Expenses | 0.111 | 0.394 | 0.403 | 0.416 | 0.425 | 0.434 | |
| Total Non-Labor Expenses | \$37.838 | \$33.937 | \$36.566 | \$38.531 | \$39.625 | \$41.098 | |
| <u>Other Expenses Adjustments:</u> | | | | | | | |
| Other | \$ (3.469) | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Total Other Expense Adjustments | (\$3.469) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | |
| Total Expenses before Depreciation and GASB Adjs. | \$135.834 | \$134.350 | \$140.075 | \$143.977 | \$148.342 | \$153.068 | |
| Depreciation | - | - | - | - | - | - | |
| OPEB Obligation | 10.600 | 10.653 | 10.706 | 10.760 | 10.814 | 10.868 | |
| Environmental Remediation | - | - | - | - | - | - | |
| Total Expenses | \$146.434 | \$145.003 | \$150.782 | \$154.737 | \$159.155 | \$163.936 | |
| Baseline Surplus/(Deficit) | (\$95.453) | (\$93.226) | (\$97.471) | (\$101.180) | (\$104.959) | (\$109.110) | |
| 2010 PEGs | - | - | - | - | - | - | |
| Post-2010 PEGs | - | - | - | 1.481 | 2.962 | 4.442 | |
| Total PEGs | - | - | - | 1.481 | 2.962 | 4.442 | |
| Net Surplus/(Deficit) | (\$95.453) | (\$93.226) | (\$97.471) | (\$99.699) | (\$101.997) | (\$104.668) | |

MTA LONG ISLAND BUS
July Financial Plan 2010-2013
Cash Receipts & Expenditures
(\$ in millions)

| CASH RECEIPTS AND EXPENDITURES | | | | | | |
|--|----------------------|---------------------------------|----------------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | <u>Actual</u> | <u>Mid-Year Forecast</u> | <u>Preliminary Budget</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Receipts | | | | | | |
| Farebox Revenue | \$ 42.536 | \$ 42.963 | \$ 43.655 | \$ 44.074 | \$ 44.502 | \$ 44.872 |
| Vehicle Toll Revenue | | | | | | |
| Other Operating Revenue | 3.987 | 2.322 | 2.292 | 1.953 | 1.982 | 2.041 |
| Capital and Other Reimbursements | 5.804 | 6.709 | 6.833 | 6.957 | 7.095 | 7.247 |
| Total Receipts | \$52.327 | \$51.994 | \$52.780 | \$52.984 | \$53.579 | \$54.160 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$ 66.314 | \$ 66.505 | \$ 68.119 | \$ 68.735 | \$ 70.269 | \$ 71.735 |
| Overtime | 6.318 | 5.695 | 5.802 | 5.930 | 6.060 | 6.177 |
| Health and Welfare | 12.634 | 13.322 | 14.343 | 15.428 | 16.591 | 17.843 |
| OPEB Current Payment | 1.257 | 1.439 | 1.544 | 1.656 | 1.777 | 1.907 |
| Pensions | 4.763 | 5.192 | 5.307 | 5.350 | 5.466 | 5.573 |
| Other Fringe Benefits | 7.583 | 8.263 | 7.738 | 7.670 | 7.854 | 8.011 |
| GASB Account | 0.308 | 0.318 | 0.327 | 0.338 | 0.345 | 0.352 |
| Reimbursable Overhead | | | | | | |
| Total Labor Expenditures | \$99.177 | \$100.734 | \$103.180 | \$105.107 | \$108.362 | \$111.598 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | | | | | | |
| Fuel for Buses and Trains | \$ 14.760 | \$ 8.254 | \$ 10.847 | \$ 11.904 | \$ 12.302 | \$ 13.029 |
| Insurance | 0.246 | 0.616 | 0.671 | 0.717 | 0.830 | 0.844 |
| Claims | 3.528 | 6.871 | 3.565 | 3.673 | 3.755 | 3.838 |
| Paratransit Service Contracts | | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 8.901 | 11.835 | 10.300 | 10.687 | 10.975 | 11.309 |
| Professional Service Contracts | 1.890 | 2.271 | 2.002 | 2.059 | 2.105 | 2.151 |
| Materials & Supplies | 8.637 | 7.910 | 8.044 | 8.303 | 8.489 | 8.687 |
| Other Business Expenses | 0.739 | 0.369 | 0.378 | 0.388 | 0.396 | 0.404 |
| Total Non-Labor Expenditures | \$38.701 | \$38.126 | \$35.808 | \$37.731 | \$38.851 | \$40.262 |
| <u>Other Expenditure Adjustments:</u> | | | | | | |
| Other | \$ (3.469) | | | | | |
| Total Other Expenditure Adjustments | (\$3.469) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenditures | \$134.409 | \$138.860 | \$138.988 | \$142.838 | \$147.213 | \$151.860 |
| Baseline Cash Deficit | (\$82.082) | (\$86.866) | (\$86.208) | (\$89.854) | (\$93.634) | (\$97.700) |
| 2010 PEGs | | | | | | |
| Post-2010 PEGs | | | | 1.481 | 2.962 | 4.442 |
| Total PEGs | - | - | - | 1.481 | 2.962 | 4.442 |
| Net Cash Deficit | (\$82.082) | (\$86.866) | (\$86.208) | (\$88.373) | (\$90.672) | (\$93.258) |

MTA LONG ISLAND BUS
July Financial Plan 2010-2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| CASH FLOW ADJUSTMENTS | | | | | | |
|---|------------------|-------------------|--------------------|------------------|------------------|------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Farebox Revenue | \$ 0.155 | \$ 0.600 | \$ (0.110) | \$ (0.111) | \$ (0.112) | \$ (0.112) |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 1.277 | (0.050) | (0.050) | (0.050) | (0.050) | (0.050) |
| Capital and Other Reimbursements | (0.086) | (0.333) | (0.371) | (0.412) | (0.455) | (0.504) |
| Total Receipts | \$1.346 | \$0.217 | (\$0.531) | (\$0.573) | (\$0.617) | (\$0.666) |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | (2.309) | 0.390 | 0.340 | 0.346 | 0.352 | 0.359 |
| Overtime | (0.175) | 0.031 | 0.036 | 0.038 | 0.040 | 0.042 |
| Health and Welfare | (0.144) | 0.056 | 0.061 | 0.066 | 0.072 | 0.079 |
| OPEB Current Payment | - | - | - | - | - | - |
| Pensions | 0.444 | 0.171 | 0.177 | 0.183 | 0.190 | 0.196 |
| Other Fringe Benefits | 4.780 | (0.651) | 0.042 | 0.044 | 0.046 | 0.048 |
| GASB Account | - | - | - | - | - | - |
| Reimbursable Overhead | (0.308) | (0.318) | (0.327) | (0.338) | (0.345) | (0.352) |
| Total Labor Expenditures | \$2.288 | (\$0.321) | \$0.329 | \$0.339 | \$0.355 | \$0.372 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | - | - | - | - | - | - |
| Fuel for Buses and Trains | (1.245) | 0.278 | 0.294 | 0.301 | 0.306 | 0.312 |
| Insurance | 0.126 | 0.025 | 0.013 | 0.024 | (0.018) | 0.029 |
| Claims | 1.293 | (3.334) | 0.054 | 0.060 | 0.061 | 0.062 |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | (0.281) | (1.057) | 0.180 | 0.184 | 0.188 | 0.192 |
| Professional Service Contracts | (0.080) | (0.231) | 0.086 | 0.094 | 0.096 | 0.098 |
| Materials & Supplies | (0.048) | 0.105 | 0.107 | 0.109 | 0.111 | 0.113 |
| Other Business Expenditures | (0.628) | 0.025 | 0.025 | 0.028 | 0.029 | 0.030 |
| Total Non-Labor Expenditures | (\$0.863) | (\$4.189) | \$0.759 | \$0.800 | \$0.773 | \$0.836 |
| <u>Other Expenditures Adjustments:</u> | | | | | | |
| Other | - | - | - | - | - | - |
| Total Other Expenditures Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Cash Conversion Adjustments before Depreciation and GASB Adjs. | \$2.771 | (\$4.293) | \$0.557 | \$0.566 | \$0.511 | \$0.542 |
| Depreciation Adjustment | - | - | - | - | - | - |
| OPEB Obligation | 10.600 | 10.653 | 10.706 | 10.760 | 10.814 | 10.868 |
| Environmental Remediation | - | - | - | - | - | - |
| Baseline Total Cash Conversion Adjustments | \$13.371 | \$6.360 | \$11.263 | \$11.326 | \$11.325 | \$11.410 |
| 2010 PEGs | - | - | - | - | - | - |
| Post-2010 PEGs | - | - | - | - | - | - |
| Total PEGs | - | - | - | - | - | - |
| Total Cash Conversion Adjustments | \$13.371 | \$6.360 | \$11.263 | \$11.326 | \$11.325 | \$11.410 |

**MTA Long Island Bus
2010 Preliminary Budget
July Financial Plan 2010 - 2013
Year-to-Year Summary of Changes**

TOTAL REVENUE / RECEIPTS

Farebox Revenue

- Annual changes in bus farebox revenue are based on forecasted growth in Nassau County's non-farm employment forecast as well as the net yield from the 10% fare increase.

Other Operating Revenue

- Annual changes include revised advertising rates and grant funding.

Capital and Other Reimbursements

- Annual reimbursement levels are based on capital personnel and preventive maintenance expenses.

TOTAL EXPENSES / EXPENDITURES

Payroll

- Payroll costs were affected by new investments in road control and spear maintenance system personnel, as well as the continuation of the February Plan guideline rates. Removal of the Business Service Center headcount affected the 2011 annual rate change.

Overtime

- 2010 – 2013 payroll wage rate increase assumptions apply.

Health & Welfare

- 2009 - 2010 assumptions are based on rate guidance from MTA.

Pension

- Projections are based on guidelines contained in the Adopted budget.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.

Fuel for Buses and Trains

- Diesel fuel projections, including delivery charges and bio-diesel for 2009 and beyond, were based on guidance received from the MTA. The 2009 forecasted average price per gallon for bus fuel is \$1.84, a decrease of \$1.85 or 50.3% below the 2009 adopted budget rate. Projected average price per gallons are as follows:
 - 2010 = \$2.24 representing a 22.0% increase compared to 2009.
 - 2011 = \$2.44 representing a 9.0% increase compared to 2010.

- 2012 = \$2.59 representing a 6.0% increase compared to 2011.
- 2013 = \$2.93 representing a 13.0% increase compared to 2012.
- CNG fuel projections for 2009 and beyond were based on guidance received from the MTA. The 2009 forecasted average price per therm of bus fuel is \$1.00, a decrease of \$0.84 or 45.7% below the 2009 adopted budget rate:
 - 2010 = \$1.35 representing a 35.0% increase compared to 2009.
 - 2011 = \$1.48 representing a 10.0% increase compared to 2010.
 - 2012 = \$1.53 representing a 3.0% increase compared to 2011.
 - 2013 = \$1.61 representing a 5.0% increase compared to 2012.

Insurance

- Annual changes were based on payment and policy renewal scheduled provided by the MTA.
- 2009 includes a cash adjustment of (\$0.3) million for 2008 timing.

Claims

- Projections are consistent with the current third-party actuarial valuation.
- 2009 includes a cash adjustment of (\$1.4) million for 2008 timing.

Maintenance and Other Operating Contracts

- 2010 – 2013 inflation assumptions are based upon Global Insight's estimates as follows:
 - 2010: 2.33%.
 - 2011: 3.15%.
 - 2012: 2.20%.
 - 2013: 2.21%.
- 2009 includes a cash adjustment of (\$1.2) million based on 2008 timing plus programmatic investments.

Professional Service Contracts

- 2010 – 2013 inflation assumptions are based upon Global Insight's estimates previously shown in Maintenance and Other Operating Contracts.
- 2009 includes a cash adjustment of (\$0.3) million based on 2008 timing.

Materials and Supplies

- 2010 – 2013 inflation assumptions are based upon Global Insight's estimates previously shown in Maintenance and Other Operating Contracts.

Other Business Expenses

- 2010 – 2013 inflation assumptions are based upon Global Insight's estimates previously shown in Maintenance and Other Operating Contracts.
- 2009 includes a cash adjustment of (\$0.3) million based on 2008 timing.

MTA LONG ISLAND BUS
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | | | |
|---|-------------------------|-------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | | | |
| Farebox Revenue | \$42.381 | \$42.363 | (\$0.018) | \$43.765 | \$1.402 | \$44.185 | \$0.420 | \$44.614 | \$0.429 | \$44.984 | \$0.370 |
| Vehicle Toll Revenue | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Other Operating Revenue | 2.710 | 2.372 | (0.338) | 2.342 | (0.030) | 2.003 | (0.339) | 2.032 | 0.029 | 2.091 | 0.059 |
| Capital and Other Reimbursements | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Revenue | \$45.091 | \$44.735 | (\$0.356) | \$46.107 | \$1.372 | \$46.188 | \$0.081 | \$46.646 | \$0.458 | \$47.075 | \$0.429 |
| Expenses | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$63.190 | \$65.905 | (\$2.715) | \$67.451 | (\$1.546) | \$68.051 | (\$0.600) | \$69.567 | (\$1.516) | \$71.009 | (\$1.442) |
| Overtime | 6.143 | 5.726 | 0.417 | 5.838 | (0.112) | 5.968 | (0.130) | 6.100 | (0.132) | 6.219 | (0.119) |
| Health and Welfare | 12.227 | 13.036 | (0.809) | 14.029 | (0.993) | 15.092 | (1.063) | 16.232 | (1.140) | 17.460 | (1.228) |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 5.076 | 5.284 | (0.208) | 5.403 | (0.119) | 5.451 | (0.048) | 5.572 | (0.121) | 5.682 | (0.110) |
| Other Fringe Benefits | 12.239 | 7.420 | 4.819 | 7.584 | (0.164) | 7.515 | 0.069 | 7.696 | (0.181) | 7.849 | (0.153) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenses | \$98.875 | \$97.371 | \$1.504 | \$100.305 | (\$2.934) | \$102.077 | (\$1.772) | \$105.167 | (\$3.090) | \$108.219 | (\$3.052) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | | | | | | | | | | | |
| Fuel for Buses and Trains | \$13.515 | \$8.532 | \$4.983 | \$11.141 | (\$2.609) | \$12.205 | (\$1.064) | \$12.608 | (\$0.403) | \$13.341 | (\$0.733) |
| Insurance | 0.372 | 0.641 | (0.269) | 0.684 | (0.043) | 0.741 | (0.057) | 0.812 | (0.071) | 0.873 | (0.061) |
| Claims | 4.821 | 3.537 | 1.284 | 3.619 | (0.082) | 3.733 | (0.114) | 3.816 | (0.082) | 3.900 | (0.084) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 8.620 | 10.778 | (2.158) | 10.480 | 0.298 | 10.871 | (0.391) | 11.163 | (0.292) | 11.501 | (0.338) |
| Professional Service Contracts | 1.810 | 2.040 | (0.230) | 2.088 | (0.048) | 2.153 | (0.065) | 2.201 | (0.048) | 2.249 | (0.048) |
| Materials & Supplies | 5.289 | 4.015 | 1.274 | 4.151 | (0.136) | 4.412 | (0.261) | 4.600 | (0.188) | 4.800 | (0.200) |
| Other Business Expenses | 0.111 | 0.394 | (0.283) | 0.403 | (0.009) | 0.416 | (0.013) | 0.425 | (0.009) | 0.434 | (0.009) |
| Total Non-Labor Expenses | \$34.538 | \$29.937 | \$4.601 | \$32.566 | (\$2.629) | \$34.531 | (\$1.965) | \$35.625 | (\$1.093) | \$37.098 | (\$1.473) |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | (\$3.469) | \$0.000 | (\$3.469) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Other Expense Adjustments | (\$3.469) | \$0.000 | (\$3.469) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation and GASB Adj. | \$129.944 | \$127.308 | \$2.636 | \$132.871 | (\$5.563) | \$136.608 | (\$3.737) | \$140.792 | (\$4.183) | \$145.317 | (\$4.525) |
| Depreciation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| OPEB Obligation | 10.600 | 10.653 | (0.053) | 10.706 | (0.053) | 10.760 | (0.054) | 10.814 | (0.054) | 10.868 | (0.054) |
| Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses | \$140.544 | \$137.961 | \$2.583 | \$143.578 | (\$5.617) | \$147.368 | (\$3.791) | \$151.605 | (\$4.237) | \$156.185 | (\$4.579) |
| Baseline Net Surplus/(Deficit) | (\$95.453) | (\$93.226) | \$2.227 | (\$97.471) | (\$4.245) | (\$101.180) | (\$3.710) | (\$104.959) | (\$3.779) | (\$109.110) | (\$4.150) |
| 2010 PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 |
| Post-2010 PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 1.481 | 1.481 | 2.962 | \$1.481 | 4.442 | \$2.961 |
| Net Surplus/(Deficit) | (\$95.453) | (\$93.226) | \$2.227 | (\$97.471) | (\$4.245) | (\$99.699) | (\$2.229) | (\$101.997) | (\$2.298) | (\$104.668) | (\$2.670) |

REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | | | |
|---|-------------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | | | |
| Farebox Revenue | | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 |
| Vehicle Toll Revenue | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Other Operating Revenue | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Capital and Other Reimbursements | 5.890 | 7.042 | 1.152 | 7.204 | 0.162 | 7.369 | 0.165 | 7.550 | 0.181 | 7.751 | 0.201 |
| Total Revenue | \$5.890 | \$7.042 | \$1.152 | \$7.204 | \$0.162 | \$7.369 | \$0.165 | \$7.550 | \$0.181 | \$7.751 | \$0.201 |
| Expenses | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$0.815 | \$0.990 | (\$0.175) | \$1.008 | (\$0.018) | \$1.030 | (\$0.022) | \$1.054 | (\$0.024) | \$1.085 | (\$0.031) |
| Overtime | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Health and Welfare | 0.263 | 0.342 | (0.079) | 0.375 | (0.033) | 0.402 | (0.027) | 0.431 | (0.029) | 0.462 | (0.031) |
| OPEB Current Payment | 1.257 | 1.439 | (0.182) | 1.544 | (0.105) | 1.656 | (0.112) | 1.777 | (0.121) | 1.907 | |
| Pensions | 0.131 | 0.079 | 0.052 | 0.081 | (0.002) | 0.082 | (0.001) | 0.084 | (0.002) | 0.087 | (0.003) |
| Other Fringe Benefits | 0.124 | 0.192 | (0.068) | 0.196 | (0.004) | 0.199 | (0.003) | 0.204 | (0.005) | 0.210 | (0.006) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| Total Labor Expenses | \$2.590 | \$3.042 | (\$0.452) | \$3.204 | (\$0.162) | \$3.369 | (\$0.165) | \$3.550 | (\$0.181) | \$3.751 | (\$0.071) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | |
| Fuel for Buses and Trains | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Insurance | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Claims | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Paratransit Service Contracts | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Maintenance and Other Operating Contracts | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Professional Service Contracts | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Materials & Supplies | 3.300 | 4.000 | (0.700) | 4.000 | 0.000 | 4.000 | 0.000 | 4.000 | 0.000 | 4.000 | 0.000 |
| Other Business Expenses | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Total Non-Labor Expenses | \$3.300 | \$4.000 | (\$0.700) | \$4.000 | \$0.000 | \$4.000 | \$0.000 | \$4.000 | \$0.000 | \$4.000 | \$0.000 |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$5.890 | \$7.042 | (\$1.152) | \$7.204 | (\$0.162) | \$7.369 | (\$0.165) | \$7.550 | (\$0.181) | \$7.751 | (\$0.071) |
| Depreciation | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Total Expenses | \$5.890 | \$7.042 | (\$1.152) | \$7.204 | (\$0.162) | \$7.369 | (\$0.165) | \$7.550 | (\$0.181) | \$7.751 | (\$0.071) |
| Baseline Net Surplus/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| 2010 PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 |
| Post-2010 PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 |
| Net Surplus/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

MTA Long Island Bus
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

| | Favorable/(Unfavorable) | | | | | | | | | | |
|--|-------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| <u>Receipts</u> | | | | | | | | | | | |
| Farebox Revenue | \$42.536 | \$42.963 | \$0.427 | \$43.655 | \$0.692 | \$44.074 | \$0.419 | \$44.502 | \$0.428 | \$44.872 | \$0.370 |
| Vehicle Toll Revenue | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Other Operating Revenue | 3.987 | 2.322 | (1.665) | 2.292 | (0.030) | 1.953 | (0.339) | 1.982 | 0.029 | 2.041 | 0.059 |
| Capital and Other Reimbursements | 5.804 | 6.709 | 0.905 | 6.833 | 0.124 | 6.957 | 0.124 | 7.095 | 0.138 | 7.247 | 0.152 |
| Total Receipts | \$52.327 | \$51.994 | (\$0.333) | \$52.780 | \$0.786 | \$52.984 | \$0.204 | \$53.579 | \$0.595 | \$54.160 | \$0.581 |
| <u>Expenditures</u> | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$66.314 | \$66.505 | (\$0.191) | \$68.119 | (\$1.614) | \$68.735 | (\$0.616) | \$70.269 | (\$1.534) | \$71.735 | (\$1.466) |
| Overtime | 6.318 | 5.695 | 0.623 | 5.802 | (0.107) | \$5.930 | (0.128) | 6.060 | (0.130) | 6.177 | (0.117) |
| Health and Welfare | 12.634 | 13.322 | (0.688) | 14.343 | (1.021) | \$15.428 | (1.085) | 16.591 | (1.163) | 17.843 | (1.252) |
| OPEB Current Payment | 1.257 | 1.439 | (0.182) | 1.544 | (0.105) | \$1.656 | (0.112) | 1.777 | (0.121) | 1.907 | |
| Pensions | 4.763 | 5.192 | (0.429) | 5.307 | (0.115) | \$5.350 | (0.043) | 5.466 | (0.116) | 5.573 | (0.107) |
| Other Fringe Benefits | 7.583 | 8.263 | (0.680) | 7.738 | 0.525 | \$7.670 | 0.068 | 7.854 | (0.184) | 8.011 | (0.157) |
| GASB Account | 0.308 | 0.318 | (0.010) | 0.327 | (0.009) | \$0.338 | (0.011) | 0.345 | (0.007) | 0.352 | (0.007) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | \$0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenditures | \$99.177 | \$100.734 | (\$1.557) | \$103.180 | (\$2.446) | \$105.107 | (\$1.927) | \$108.362 | (\$3.255) | \$111.598 | (\$3.106) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | | | | | | | | | | | |
| Fuel for Buses and Trains | \$14.760 | \$8.254 | 6.506 | \$10.847 | (2.593) | \$11.904 | (1.057) | \$12.302 | (0.398) | \$13.029 | (0.727) |
| Insurance | 0.246 | 0.616 | (0.370) | 0.671 | (0.056) | 0.717 | (0.045) | 0.830 | (0.113) | 0.844 | (0.014) |
| Claims | 3.528 | 6.871 | (3.343) | 3.565 | 3.306 | 3.673 | (0.108) | 3.755 | (0.081) | 3.838 | (0.083) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 8.901 | 11.835 | (2.934) | 10.300 | 1.535 | 10.687 | (0.387) | 10.975 | (0.288) | 11.309 | (0.334) |
| Professional Service Contracts | 1.890 | 2.271 | (0.381) | 2.002 | 0.269 | 2.059 | (0.057) | 2.105 | (0.046) | 2.151 | (0.046) |
| Materials & Supplies | 8.637 | 7.910 | 0.727 | 8.044 | (0.134) | 8.303 | (0.259) | 8.489 | (0.186) | 8.687 | (0.198) |
| Other Business Expenses | 0.739 | 0.369 | 0.370 | 0.378 | (0.009) | 0.388 | (0.010) | 0.396 | (0.008) | 0.404 | (0.008) |
| Total Non-Labor Expenditures | \$38.701 | \$38.126 | \$0.575 | \$35.808 | \$2.318 | \$37.731 | (\$1.923) | \$38.851 | (\$1.120) | \$40.262 | (\$1.411) |
| Other Expenditure Adjustments: | | | | | | | | | | | |
| Other | (3.469) | 0.000 | (\$3.469) | 0.000 | \$0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 |
| Total Other Expenditure Adjustments | (\$3.469) | \$0.000 | (\$3.469) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenditures | \$134.409 | \$138.860 | (\$4.451) | \$138.988 | (\$0.128) | \$142.838 | (\$3.850) | \$147.213 | (\$4.375) | \$151.860 | (\$4.517) |
| Baseline Net Cash Deficit | (\$82.082) | (\$86.866) | (\$4.784) | (\$86.208) | \$0.658 | (\$89.854) | (\$3.646) | (\$93.634) | (\$3.780) | (\$97.700) | (\$4.066) |
| 2010 PEGs | | | | | | | | | | | |
| 2010 PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Post-2010 PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 1.481 | 1.481 | 2.962 | 1.481 | 4.442 | 1.480 |
| Net Cash Deficit | (\$82.082) | (\$86.866) | (\$4.784) | (\$86.208) | \$0.658 | (\$88.373) | (\$2.165) | (\$90.672) | (\$2.299) | (\$93.258) | (\$2.586) |

**MTA Long Island Bus
2010 Preliminary Budget
July Financial Plan 2010 - 2013
Summary of Major Plan-to-Plan Changes**

Accrual

The February baseline cash deficit adjustments account for the restored AABB reductions, the elimination of the 23% fare yield and the adoption of a 10% fare increase.

Total 2009 revenue of \$51.8 million versus Expenses before Depreciation of \$134.4 million resulted in changes from the Adopted Budget that comprised mostly of:

- Revenue - \$10.2 million decrease in revenues resulting from a Farebox Revenue decrease of \$9.3 million, coupled with a decrease of \$0.9 million from advertising and other operating revenue.
- Fuel – \$1.4 million improvement based on current pricing forecasts net of AABB reductions.
- Other Programmatic Changes – \$7.6 million increase primarily driven by: \$4.2 million in OPEB expenses, \$1.0 million in AABB restored service cuts, \$0.4 million for additional road control supervision, \$1.0 million for the Spear Maintenance System implementation, \$0.3 million in insurance costs and \$0.2 million to cover the impact of the new mobility tax. These expenses are partially offset by \$0.2 million savings from a reduction in maintenance hourly employees.

2010 -\$10.9 million lower revenue combined with other expense categories of \$5.7 million for a total baseline change of \$12.7 million. This includes new investments of \$1.5 million for additional road control supervision and a Spear Superintendent, \$0.3 million for the full year impact of the NYS mobility tax, \$3.8 million in OPEB increases and a combined \$2.6 increase in other line item expenses. Expenses are offset by \$1.2 million in lower fuel rate net of AABB reductions, \$1.2 million in maintenance hourly headcount reductions and \$0.1 million in material savings.

2011 - \$9.5 million lower revenue combined with other expense categories of \$6.9 million for total baseline changes of \$13.0 million. This includes the impact of guideline or program rates being applied to the prior year's data.

2012 - \$9.3 million lower revenue combined with other expense categories of \$7.6 million for total baseline changes of \$13.8 million.

Cash

Cash for all line items mirror the Non-reimbursable / Reimbursable accrual tables. However, the following additional cash adjustments were made in 2009:

- \$3.6 million in 2008 timing, impacting additional cash expenses.
- \$4.2 million in OPEB adjustments caused by the non cash nature of the increase.

**MTA Long Island Bus
2010 Preliminary Budget
July Financial Plan 2010-2013
Summary of Major Plan-to-Plan Changes**

POSITIONS

Total Non-Reimbursable and Reimbursable Baseline Positions

2009: July Financial Plan vs. February Financial Plan

Total 2009 operating positions increase by 18 from the February Plan, bringing the total head count to 1,149 of which 15 are reimbursable.

- + 15 positions (AABB restorations)
- + 8 positions added for increased road supervision
- + 1 positions added to manage spear maintenance
- - 6 positions removed (maintenance hourly)

Note: 6 of the 21 positions originally marked as AABB reductions will remain as permanent reductions; these are 6 administrative/managerial positions.

2010-2013: July Financial Plan vs. February Financial Plan

Though the remainder of the plan, total baseline positions are projected to change as follows:

2010 – Net change of -5 positions from 2009:

- - 5 positions, additional maintenance hourly reductions.

2011 – Net change of -15 positions from 2010:

- -15 positions reallocated to Business Service Center

2012 – Net change of 0 positions from 2011

MTA LONG ISLAND BUS
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|-------------------|-------------------|-------------------|-------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$71.110) | (\$73.503) | (\$76.888) | (\$79.854) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | \$.512 | \$ 1.788 # | \$ 2.124 | \$ 2.427 |
| Reduced Fare/Toll Increase | (5.484) | (9.397) # | (9.416) | (9.444) |
| LI Bus Deficit Reduction | (4.500) | (2.800) # | (2.000) | (2.000) |
| Additional Actions for Budget Balance: Revenue Impact | 0.196 | 0.258 # | 0.263 | 0.269 |
| Toll Revenue | | | | |
| Other Operating Revenue | (0.893) | (0.731) # | (0.448) | (0.528) |
| Capital and Other Reimbursement | | | | |
| Total Revenue Changes | (\$10.169) | (\$10.882) | (\$9.477) | (\$9.276) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | \$.201 | \$.105 | \$ 0.096 | \$ 0.091 |
| Overtime | (0.015) | (0.020) | (0.020) | (0.021) |
| Health and Welfare | (0.009) | (0.019) | (0.261) | (0.329) |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 0.030 | 0.028 | 0.029 | 0.029 |
| Other Fringe Benefits | 0.029 | 0.026 | 0.028 | 0.028 |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expense Changes | \$.236 | \$.120 | (\$.128) | (\$.202) |
| Non-Labor: | | | | |
| Traction and Propulsion Power | | | | |
| Fuel for Buses and Trains | \$ 4.546 | \$ 4.596 | \$ 3.172 | \$ 2.653 |
| Insurance | (0.314) | (0.319) | (0.113) | (0.387) |
| Claims | 0.000 | (0.017) | (0.061) | (0.071) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | (0.799) | (0.092) | (0.129) | (0.114) |
| Professional Service Contracts | 0.000 | (0.010) | (0.028) | (0.029) |
| Materials & Supplies | 0.000 | 0.033 | (0.048) | (0.167) |
| Other Business Expenses | 0.000 | 0.032 | 0.029 | 0.030 |
| Total Non-Labor Expense Changes before Non-Cash Liability Adjs. | \$ 3.433 | \$ 4.222 | \$ 2.822 | \$ 1.916 |
| Gap Closing Expenses : | | | | |
| Additional Actions for Budget Balance: Expense Impact | (\$5.632) | (\$6.165) | (\$6.183) | (\$6.218) |
| Total Gap Closing Expenses | (\$5.632) | (\$6.165) | (\$6.183) | (\$6.218) |
| Depreciation | | | | |
| OPEB Obligation | (4.192) | (3.850) | (3.416) | (3.091) |
| Environmental Remediation | | | | |
| Total Expense Changes | (\$6.155) | (\$5.673) | (\$6.905) | (\$7.595) |
| Cash Adjustment Changes | | | | |
| 2008 Timing Expenses | (\$3.624) | \$ 0.000 | \$ 0.000 | \$ 0.000 |
| OPEB Obligation | \$ 4.192 | \$ 3.850 | \$ 3.416 | \$ 3.091 |
| Total Cash Adjustment Changes | \$ 0.568 | \$ 3.850 | \$ 3.416 | \$ 3.091 |
| Total Baseline Changes | (\$15.756) | (\$12.705) | (\$12.966) | (\$13.780) |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | (\$86.866) | (\$86.208) | (\$89.854) | (\$93.634) |

MTA Long Island Bus
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|------------------|------------------|------------------|------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | | | | |
| Reduced Fare/Toll Increase | | | | |
| L/I Bus Deficit Reduction | | | | |
| Additional Actions for Budget Balance: Revenue Impact | | | | |
| Vehicle Toll Revenue | | | | |
| Capital and Other Reimbursement | (0.005) | 0.012 | 0.020 | 0.030 |
| Total Revenue Changes | (\$0.005) | \$0.012 | \$0.020 | \$0.030 |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | | | | |
| Overtime | | | | |
| Health and Welfare | 0.005 | (0.012) | (0.020) | (0.030) |
| OPEB Current Payment | | | | |
| Pensions | | | | |
| Other Fringe Benefits | | | | |
| Reimbursable Overhead | | | | |
| Total Labor Expense Changes | \$0.005 | (\$0.012) | (\$0.020) | (\$0.030) |
| Non-Labor: | | | | |
| Traction and Propulsion Power | | | | |
| Fuel for Buses and Trains | | | | |
| Insurance | | | | |
| Claims | | | | |
| Paratransit Service Contracts | | | | |
| Maintenance and Other Operating Contracts | | | | |
| Professional Service Contracts | | | | |
| Materials & Supplies | | | | |
| Other Business Expenses | | | | |
| Total Non-Labor Expense Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expense Changes | \$0.005 | (\$0.012) | (\$0.020) | (\$0.030) |
| Gap Closing Expenses: | | | | |
| Additional Actions for Budget Balance: Expense Impact | | | | |
| Total Gap Closing Expenses | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Cash Adjustment Changes | | | | |
| Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

MTA LONG ISLAND BUS
July Financial Plan 2010 - 2013
Summary of Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE AND REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|-------------------|-------------------|-------------------|-------------------|
| Baseline 2009 February Financial Plan - Net Cash Deficit | (\$71.110) | (\$73.503) | (\$76.888) | (\$79.854) |
| Restored AABBs | (1.014) | (1.317) | (1.288) | (1.316) |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | (5.484) | (9.397) | (9.416) | (9.444) |
| LI Bus Deficit Reduction | (4.500) | (2.800) | (2.000) | (2.000) |
| Passenger Fare & Toll Revenue - 10% Increase | 1.831 | 3.677 | 3.685 | 3.696 |
| Revised 2009 February Financial Plan - Net Cash Deficit | (\$80.277) | (\$83.340) | (\$85.907) | (\$88.918) |
| Baseline Changes: | | | | |
| Revenue | | | | |
| Farebox Revenue Re-estimate | (1.319) | (1.889) | (1.561) | (1.269) |
| Other Operating Revenue Re-estimate | (0.893) | (0.731) | (0.448) | (0.528) |
| Capital Reimbursement Revision | (0.005) | 0.012 | 0.020 | 0.030 |
| Sub-Total Revenue Changes | (\$2.217) | (\$2.608) | (\$1.989) | (\$1.767) |
| Expenses | | | | |
| Expense Re-estimates: | | | | |
| Inflation/Related: | | | | |
| Payroll | | | | |
| Health & Welfare | (0.094) | (0.093) | (0.334) | (0.402) |
| Maintenance Contracts | (0.006) | (0.231) | (0.328) | (0.317) |
| Professional Services | | (0.010) | (0.028) | (0.029) |
| Material & Supplies | | (0.030) | (0.113) | (0.233) |
| Other Business | | 0.032 | 0.029 | 0.030 |
| Sub-total Inflation-Related | (0.100) | (0.332) | (0.774) | (0.951) |
| Other Changes/Re-estimates: | | | | |
| NYS Transportation Payroll Mobility Tax | (0.185) | (0.252) | (0.254) | (0.260) |
| Tires and Tubes Contract | (0.069) | (0.213) | (0.220) | (0.225) |
| Insurance based on renewal/payment schedule | (0.314) | (0.319) | (0.113) | (0.387) |
| Road Control Support | (0.419) | (1.282) | (1.349) | (1.353) |
| Spear System Implementation | (1.123) | (0.295) | (0.310) | (0.312) |
| RSG Claims Management System | (0.058) | (0.050) | 0.000 | 0.000 |
| Maintenance Contracts - Systems | (0.070) | (0.072) | (0.074) | (0.076) |
| Emergency Sewer Repair | (0.060) | 0.000 | 0.000 | 0.000 |
| Claims | | (0.018) | (0.060) | (0.017) |
| Maintenance Hourly Reductions | 0.222 | 1.176 | 1.260 | 1.262 |
| Fuel Rate Savings | 1.424 | 1.346 | (0.109) | (0.613) |
| AABB resoration not shown above | | | | (0.053) |
| Reimbursable labor | | (0.012) | (0.020) | (0.030) |
| Reduction in Parts (Spear Effect) | 0.000 | 0.063 | 0.065 | 0.066 |
| Other Re-estimates | | | | |
| Sub-Total Other Changes/Re-estimates | (\$0.652) | \$0.072 | (\$1.184) | (\$1.998) |
| Sub-Total Expense Changes before Depreciation | (\$0.752) | (\$0.260) | (\$1.958) | (\$2.949) |
| Depreciation Re-estimate | | | | |
| Sub-Total Expenses Changes | (\$0.752) | (\$0.260) | (\$1.958) | (\$2.949) |
| Cash Adjustments | | | | |
| Revenue | | | | |
| Timing of Capital Reimbursements | | | | |
| Other Revenue Timing of Receipts | | | | |
| Expense | | | | |
| Timing of 2008 Expenses | (3.620) | | | |
| Cash adjustments between plans | | | | |
| Sub-Total Cash Adjustment Changes | (\$3.620) | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | (\$6.589) | (\$2.868) | (\$3.947) | (\$4.716) |
| Programs to Eliminate the GAP (PEGS) | | | | |
| 2010 Program | 0.000 | 0.000 | 0.000 | 0.000 |
| Post-2010 Program-Unspecified | 0.000 | 0.000 | 1.481 | 2.962 |
| 2009 July Financial Plan - Net Cash Deficit (After PEG's) | (\$86.866) | (\$86.208) | (\$88.373) | (\$90.672) |

**MTA Long Island Bus
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

Ridership / Utilization

Ridership:

As of May 2009, fixed route ridership is trending downwards and is 3.8% below the Adopted Budget. Farebox revenue is also lower by 2.7%. This decreasing ridership trend is expected to continue reflecting a 3.2% reduction in the Nassau-Suffolk non-farm employment forecast. This results in a 1.1% forecasted loss by year-end against the Adopted Budget or 4.7% lower as compared to 2008 actual. 2010 includes a 0.1% reduction, followed by small increases for the remainder of the Plan years.

Using 2003 as a base year, paratransit ridership has increased by 22.1%. This service continues an upward trend with May year-to-date ridership increasing by 7.6% and revenue by 9.3% over the adopted budget. Full year 2009 ridership is also projected to be 2.9% above the adopted budget. Small 0.1% increases are projected for each of the plan years.

Revenue:

Recent changes to the economic and employment outlook in the New York region have negatively impacted revenue and ridership projections. Accordingly, the 2009 February Plan cash deficit was revised to reflect a 10% fare increase instituted this year, while plans for a larger increase were rescinded and service level reductions were restored, thereby increasing budget deficit level projections.

Fixed route revenue in 2009 is projected to be \$41.2 million which is \$0.5 million higher than the adopted budget but lower than the projected 10% fare increase amount. This is due to the impact of the Nassau-Suffolk non-farm employment data on the forecast. Small annual revenue increases are tied to ridership improvements.

Paratransit farebox revenue is projected to be \$1.2 million and reflects an increase of \$0.1 million over the adopted budget. Small annual revenue increases are tied to ridership improvements.

MTA Long Island Bus
July Financial Plan 2010-2013
Ridership/Traffic Volume (Utilization)
(in millions)

| | 2008 Actuals | 2009 Midyear forecast | 2010 | 2011 | 2012 | 2013 |
|--|-------------------------|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>RIDERSHIP</u> | | | | | | |
| Fixed Route | 32.649 | 31.155 | 30.851 | 31.147 | 31.449 | 31.710 |
| Paratransit | 0.378 | 0.371 | 0.382 | 0.385 | 0.389 | 0.392 |
| Baseline Total Ridership | 33.027 | 31.526 | 31.233 | 31.532 | 31.838 | 32.102 |
| <i>Impact of:</i> 2010 Program to Eliminate the Gap (PEGs) Post-2010 Program to Eliminate the Gap (PEGs) | | | | | | |
| Total Ridership | 33.027 | 31.526 | 31.233 | 31.532 | 31.838 | 32.102 |
| <u>FAREBOX REVENUE</u> | | | | | | |
| Fixed Route | \$ 41.190 | \$ 41.188 | \$ 42.556 | \$ 42.964 | \$ 43.381 | \$ 43.741 |
| Paratransit | \$ 1.191 | \$ 1.175 | \$ 1.209 | \$ 1.221 | \$ 1.233 | \$ 1.243 |
| Baseline Total Revenue | \$42.381 | \$42.363 | \$43.765 | \$44.185 | \$44.614 | \$44.984 |
| <i>Impact of:</i> 2010 Program to Eliminate the Gap (PEGs) Post-2010 Program to Eliminate the Gap (PEGs) | | | | | | |
| Total Revenue | \$42.381 | \$42.363 | \$43.765 | \$44.185 | \$44.614 | \$44.984 |

MTA LONG ISLAND BUS
July Financial Plan 2010-2013
Summary of Post-2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | <u>2009</u> | | <u>2010</u> | | <u>2011</u> | | <u>2012</u> | | <u>2013</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> | <u>Positions</u> | <u>Dollars</u> |
| Administration | | | | | | | | | | | |
| | Sub-Total Administration | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Customer Convenience/Amenities | | | | | | | | | | | |
| | Sub-Total Customer Convenience/Amenities | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Maintenance | | | | | | | | | | | |
| | Sub-Total Maintenance | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Other | | | | | | | | | | | |
| | UNSPECIFIED | | | | | 0 | 1.481 | 0 | 2.962 | 0 | 4.442 |
| | Sub-Total Other | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$1.481</u> | <u>0</u> | <u>\$2.962</u> | <u>0</u> | <u>\$4.442</u> |
| Revenue Enhancement | | | | | | | | | | | |
| | Sub-Total Revenue Enhancement | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Safety | | | | | | | | | | | |
| | Sub-Total Safety | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Security | | | | | | | | | | | |
| | Sub-Total Security | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Service | | | | | | | | | | | |
| | Sub-Total Service | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Service Support | | | | | | | | | | | |
| | Sub-Total Service Support | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Total Programs | | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$ 1.481</u> | <u>0</u> | <u>\$2.962</u> | <u>0</u> | <u>\$4.442</u> |

| | |
|---|--|
| <p align="center"> MTA LONG ISLAND BUS July Financial Plan 2010-2013 Post-2010 Program to Eliminate the Gap (PEGs) Worksheet (\$ in millions) </p> | |
|---|--|

| | | | | | |
|---|-------------|----------------------|----------|-----------------------------|------------|
| Business Unit: | LIBUS | PEG Category: | Post PEG | Implementation Date: | 01/01/2011 |
| PEG / New Need ID: | 0001 | | | Savings Date: | 01/01/2011 |
| Program: | Unspecified | | | | |
| Description and Implementation Plan: | | | | | |
| | | | | | |
| Background Details: | | | | | |
| | | | | | |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|----------|----------|----------|------|
| Total Headcount | | | | | |
| Financial Impact | | \$ 1.481 | \$ 2.962 | \$ 4.442 | |

MTA LONG ISLAND BUS
July Financial Plan 2010-2013
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actuals | 2009 Midyear forecast | 2010 | 2011 | 2012 | 2013 |
|--|-----------------|-----------------------------|--------------|--------------|--------------|--------------|
| Administration | | | | | | |
| Office of the EVP | 0 | 0 | 0 | 0 | 0 | 0 |
| Human Resources | 8 | 8 | 8 | 2 | 2 | 2 |
| Office of Management and Budget | 2 | 3 | 3 | 3 | 3 | 3 |
| Technology & Information Services | 19 | 20 | 20 | 17 | 17 | 17 |
| Materiel | 12 | 11 | 11 | 11 | 11 | 11 |
| Controller | 17 | 17 | 17 | 11 | 11 | 11 |
| Office of the President | 3 | 3 | 3 | 3 | 3 | 3 |
| System Safety Administration | 0 | 3 | 3 | 3 | 3 | 3 |
| Law | 10 | 10 | 10 | 10 | 10 | 10 |
| Corporate Communications | 5 | 4 | 4 | 4 | 4 | 4 |
| Labor Relations | 1 | 1 | 1 | 1 | 1 | 1 |
| Non-Departmental | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Administration | 77 | 80 | 80 | 65 | 65 | 65 |
| Operations | | | | | | |
| Buses (Fixed Route) | 583 | 596 | 596 | 596 | 596 | 596 |
| Buses (Paratransit) | 158 | 155 | 155 | 155 | 155 | 155 |
| Office of Senior Vice President | 0 | 0 | 0 | 0 | 0 | 0 |
| Office of the Executive Vice President, Regional | 0 | 2 | 2 | 2 | 2 | 2 |
| Safety & Training | 10 | 7 | 7 | 7 | 7 | 7 |
| Road Operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation Support | 14 | 19 | 19 | 19 | 19 | 19 |
| Operations Planning | 7 | 6 | 6 | 6 | 6 | 6 |
| Revenue Control | 5 | 9 | 9 | 9 | 9 | 9 |
| Total Operations | 777 | 794 | 794 | 794 | 794 | 794 |
| Maintenance | | | | | | |
| Buses (Fixed Route) | 211 | 212 | 207 | 207 | 207 | 207 |
| Buses (Paratransit) | 8 | 12 | 12 | 12 | 12 | 12 |
| Maintenance Support/CMF | 1 | 2 | 2 | 2 | 2 | 2 |
| Facilities | 16 | 13 | 13 | 13 | 13 | 13 |
| Supply Logistics | 12 | 19 | 19 | 19 | 19 | 19 |
| Total Maintenance | 248 | 258 | 253 | 253 | 253 | 253 |
| Engineering/Capital | | | | | | |
| Capital Program Management | 13 | 15 | 15 | 15 | 15 | 15 |
| Public Safety | | | | | | |
| Security | 2 | 2 | 2 | 2 | 2 | 2 |
| Impact of Gap Closing Actions | | | | | | |
| Fare Increase 6/1/09 | | | | | | |
| Additional Actions for Budget Balance | | | | | | |
| Total Positions | 1,117 | 1,149 | 1,144 | 1,129 | 1,129 | 1,129 |
| Non-Reimbursable | 1,104 | 1,134 | 1,129 | 1,114 | 1,114 | 1,114 |
| Reimbursable | 13 | 15 | 15 | 15 | 15 | 15 |
| Total Full-Time | 1,020 | 1,044 | 1,039 | 1,024 | 1,024 | 1,024 |
| Total Full-Time Equivalents | 97 | 105 | 105 | 105 | 105 | 105 |

MTA LONG ISLAND BUS
July Financial Plan 2010-2013
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

| FUNCTION/OCCUPATIONAL GROUP | | 2008 Actuals | 2009 Midyear forecast | 2010 | 2011 | 2012 | 2013 |
|---------------------------------|-----------------------------------|-----------------|--------------------------|--------------|--------------|--------------|--------------|
| Administration | | | | | | | |
| | Managers/Supervisors | 32 | 35 | 35 | 29 | 29 | 29 |
| | Professional, Technical, Clerical | 43 | 45 | 45 | 36 | 36 | 36 |
| | Operational Hourlies | 2 | - | - | - | - | - |
| | Total Administration | 77 | 80 | 80 | 65 | 65 | 65 |
| Operations | | | | | | | |
| | Managers/Supervisors | 71 | 77 | 77 | 77 | 77 | 77 |
| | Professional, Technical, Clerical | 43 | 50 | 50 | 50 | 50 | 50 |
| | Operational Hourlies | 663 | 667 | 667 | 667 | 667 | 667 |
| | Total Operations | 777 | 794 | 794 | 794 | 794 | 794 |
| Maintenance | | | | | | | |
| | Managers/Supervisors | 27 | 38 | 38 | 38 | 38 | 38 |
| | Professional, Technical, Clerical | 7 | 2 | 2 | 2 | 2 | 2 |
| | Operational Hourlies | 214 | 218 | 213 | 213 | 213 | 213 |
| | Total Maintenance | 248 | 258 | 253 | 253 | 253 | 253 |
| Engineering/Capital | | | | | | | |
| | Managers/Supervisors | 7 | 8 | 8 | 8 | 8 | 8 |
| | Professional, Technical, Clerical | 6 | 7 | 7 | 7 | 7 | 7 |
| | Operational Hourlies | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Engineering/Capital | 13 | 15 | 15 | 15 | 15 | 15 |
| Public Safety | | | | | | | |
| | Managers/Supervisors | 0 | - | - | - | - | - |
| | Professional, Technical, Clerical | 2 | - | - | - | - | - |
| | Operational Hourlies | 0 | 2 | 2 | 2 | 2 | 2 |
| | Total Public Safety | 2 | 2 | 2 | 2 | 2 | 2 |
| Total Baseline Positions | | | | | | | |
| | Managers/Supervisors | 137 | 158 | 158 | 152 | 152 | 152 |
| | Professional, Technical, Clerical | 101 | 104 | 104 | 95 | 95 | 95 |
| | Operational Hourlies | 879 | 887 | 882 | 882 | 882 | 882 |
| | Total Baseline Positions | 1,117 | 1,149 | 1,144 | 1,129 | 1,129 | 1,129 |

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Long Island Rail Road

MTA LONG ISLAND RAIL ROAD
2010 Preliminary Budget
July Financial Plan 2010-2013

Mission Statement and Highlights of Operations

The mission of the MTA Long Island Rail Road is to provide a safe, accessible, clean, cost-effective, customer-focused rail transportation system that runs on time, is comfortable, user-friendly and provides the region with a valued and indispensable service. In order to accomplish this mission, it strategically allocates limited resources to achieve eight critical goals that are linked to the seven MTA's core values/priorities. They are:

- Improve customer and employee safety and security
- Improve customer satisfaction
- Improve service reliability
- Improve cost-effectiveness
- Improve the customer experience through infrastructure investment
- Develop and expand regional approaches to transportation issues
- Maintain a professional, well-trained and motivated workforce
- Contribute to the establishment of an environmentally "green" community

FINANCIAL OVERVIEW

While external factors such as a sluggish regional economy continue to place pressure on the MTA's finances, the LIRR has worked diligently to prepare this 2010 Preliminary Budget and 2010-2013 Financial Plan to advance its core goals while at the same time exhibiting fiscal constraint. The Budget and Plan demonstrate the Rail Road's commitment to its customers, by including continued funding for a series of bold initiatives that will dramatically improve their experience. This includes capturing in the Financial Plan funding in preparation for East Side Access operation.

Customer Safety and Security: The LIRR's recent record in the area of safety and security has been excellent. 2008 customer injury and employee lost time and restricted duty injury rates were the lowest in years at 6.2 customer injuries per one million customers and 2.1 accidents per 200,000 worker hours, respectively. Through the first four months of 2009, customer injuries over last year continue to decrease.

The 2010 Preliminary Budget contains substantial resources dedicated to continuing this progress. In 2010, the Rail Road will continue safety initiatives such as the T.R.A.C.K.S Program and Operation Lifesaver. This is part of the Safety Department's \$2.9 million budget. The Security Department's budget of \$6.9 million includes funding for the Integrated Electronic Surveillance System (IESS). In addition, more than \$16.6 million is earmarked in the 2010 – 2013 Financial Plan for the LIRR's Platform Gap

Mitigation Strategy, including installing new and wider threshold plates on rail cars and adding rubbing board to station platforms to achieve a smaller Gap standard.

Customer Satisfaction: There are numerous ways in which the LIRR can improve the experience of the more than 83 million customers that ride its trains each year. They run the gamut from adding service to upgrading existing facilities. In 2009, the proposed service reductions that were part of the Rail Road's Additional Actions for Budget Balance were restored. These included weekend service on the West Hempstead branch, half-hourly weekend service on the Port Washington Branch and service to Belmont Park during racing season. In 2013, the Financial Plan includes resources that are required to support the Rail Road's efforts to ramp up in support of East Side Access. ESA represents the most significant change to the Rail Road's infrastructure in recent history and launches train service from Long Island to Grand Central Terminal. In addition, customer satisfaction is achieved through deploying 148 station cleaners and 368 car cleaners to clean and maintain the parts of the railroad customer's use on a daily basis. In 2010, key departments that impact Customer Satisfaction include Passenger Services, \$58.7 million and Public Affairs, \$9.6 million.

Service Reliability: The LIRR's on-time performance record of 95.1 percent for 2008 was the best since modern record keeping started in 1979. This was made possible by the dedicated work of its employees, particularly those responsible for maintaining the fleet and right of way in a state of good repair. The Rail Road's fleet of M7 cars was especially reliable, achieving a mean distance between failures of 365,962 miles – far better than expected. Through the first quarter of 2009, on-time performance and mean distance between failures was even better than it was in the prior year.

The 2010 Preliminary Budget contains the resources necessary for the LIRR to continue to maintain a high level of service reliability. In 2010, the Maintenance of Equipment Department, which is responsible for maintaining all rolling stock equipment, has a budget of \$304.7 million. This level supports the ongoing Life Cycle Maintenance (LCM) program. The Engineering Department, which has a \$149.3 million budget in 2010, maintains all infrastructure elements, such as track, signals, and power. Over the past few years, the LIRR has made investments to upgrade and expand the signal system. The 2009 budget reflects additional resources to ensure that the new systems are properly maintained and that the LIRR remains in compliance with the new Hours of Service requirements related to recently passed federal legislation.

Infrastructure Investment: Planning for capital projects must include identifying and providing for ongoing operating needs. Several capital projects with new state of the art technology components are coming on line during the financial plan. These projects were evaluated, and additional resources are being provided, to ensure that the railroad is prepared to operate and maintain the new assets.

In addition to the new initiatives outlined above, the railroad is poised to undergo many system infrastructure changes and improvements that will alter the operational footprint of the railroad during the next few years. East Side Access, Hudson River Yard

Development, and Brookfield Overbuild are just a few of the major changes that will transform the railroad. Funding for ramp-up costs such as training and staffing associated with the Rail Road's preparations for maintaining new asset infrastructure elements associated with East Side Access is included in 2013.

Environmental Sustainability: Contributing to the establishment of an environmentally "green" community is a key priority guiding future investment and strategic planning. As a critical piece of the New York Metropolitan Area's public transportation network, the LIRR is committed to drawing increasing numbers of people away from energy inefficient and highly pollutant automobiles for their travel.

The LIRR will dedicate funding toward environmentally friendly cleaning products. In addition, the railroad will further advance its effort to achieve a light duty vehicle fleet that is 100 percent hybrid by 2011 by purchasing 12 hybrid vehicles in 2009 and 11 in 2010.

Cost-Effectiveness: As noted earlier, the LIRR will pursue these efforts while at the same time streamlining operations and containing costs.

The financial projections in the attached statements reflect the most current projections by the LIRR for the balance of 2009, carrying out into 2013.

2009 Mid-Year Forecast

The LIRR's 2009 Mid-Year Forecast is comprised of non-reimbursable revenue totaling \$549.0 million and non-reimbursable expenses including depreciation, other post employment benefits and environmental remediation of \$1,569.2 billion that generate an operating deficit of \$(1,020.2) billion. The 2009 Mid-Year reimbursable revenue and expenses each total \$188.3 million.

The Baseline Accrued Deficit is \$(80.3) million worse than the 2009 Adopted Budget. The Baseline Cash Deficit is unfavorable \$(52.7) million to the adopted budget, which is mainly due to timing of payments from 2008.

Total Non-Reimbursable revenue is \$(66.9) million unfavorable to the 2009 adopted budget. Farebox Revenue is unfavorable by \$(60.7) million due to a lower than projected fare increase and lower ridership. Other Operating Revenue is unfavorable by \$(6.2) million due to lower projected Titan advertising revenue and the delay in implementation of the AABB associated with train advertising on the exterior of the cars.

Total Non-Reimbursable expenses (excluding depreciation and OPEB) are unfavorable by \$(7.7) million, or (0.7)%. The unfavorable expenses are largely driven by the service restoration of AABBs, crew book and weather-related overtime.

The major cash adjustments from the February plan are for the final LIPA settlement and 2008 reimbursable cash collections.

2010 Preliminary Budget - Baseline

The goals and objectives contained in the 2010 Preliminary Budget are consistent with the LIRR's mission and its aim to continue to improve service attributes. Among the key goals for 2010 are maintaining on-time performance at 95% and maintaining fleet-wide mean distance between failures (MDBF) of 110,000 miles. The budget plan also reflects a continuing commitment to improve both employee and customer safety and security. Other key assumptions incorporated in the baseline are discussed in a later section, along with reconciliation to the February Financial Plan.

The 2010 Revenue budget totals \$772.6 million; Non-reimbursable revenue makes up \$572.7 million of the total and Reimbursable revenues are \$200.0 million. The total expense budget is \$1.790 billion, of which \$1.392 billion is for operating expenses and the balance is associated with such non-cash items as depreciation, other post employment benefits and environmental remediation. Non-reimbursable operating expenses total \$1.192 billion in 2010, while Reimbursable expenses are \$200.0 million in the accrued statements.

The cash budget for 2010 incorporates \$842.2 million in cash receipts and \$1.464 billion in cash disbursements. The baseline net cash requirement is \$(622.0) million, as driven by operating expenses paid for in 2010, revenues received in 2010, and other adjustments to cash flow. While much of the operating budget has a direct impact on cash flow, there are some items such as material purchases for capital work that only appear in the cash budget. In addition, the differences between accrued and cash budgets reflect natural lags between when costs are incurred and when they will be paid for.

On an accrued basis, both revenues and expenses in the 2010 Preliminary Budget are higher than in the 2009 Mid-Year Forecast. Total revenues of \$772.6 million are \$35.3 million higher than in the Mid-Year Forecast, with Non-reimbursable revenues rising by \$23.7 million and Reimbursable revenues up by \$11.7 million. Baseline Ridership in 2010 declines over the 2009 Mid-Year Forecast by (0.5) million rides, or (0.6%). Overall, Farebox Revenue increases due to the full year impact of the June 2009 fare increase. Operating expenses before depreciation of \$1.392 billion reflect growth of \$19.2 million over the 2009 Mid-Year Forecast, \$7.5 million of which is in non-reimbursable expenses. While the resulting total operating baseline deficit declines \$3.2 million to \$(1.017) billion in 2010, the projected baseline cash deficit (or subsidy requirement) of \$(622.0) million in 2010 is lower by \$0.6 million.

Full-time positions total 6,774 in the 2010 Preliminary Budget, with 5,876 non-reimbursable positions and 898 reimbursable positions. Compared to the 2009 Mid-Year Forecast, this reflects a total decrease of 99 positions, 324 non-reimbursable

positions and an increase of 225 reimbursable positions, consistent with anticipated levels of capital funding in 2010.

There is only one major New Need identified in the 2010 Budget. This is for the additional Engineering Signal positions as a result of the new Hours of Service regulations related to the recently enacted Railroad Safety legislation.

2011-2013 Projections

The baseline projections for 2011 through 2013 reflect no notable changes to the LIRR's commitment to its customers. Goals are still in place to continue improving key performance measures in safety, with continued improvements for both employees and customers, and MDBF, which remains at 110,000 miles fleet-wide. Projections are to maintain an on-time performance rating of 95%. During this period, the LIRR will continue its LCM for its M7 fleet, as many components start to enter key maintenance stages. Fulfillment of LCM requirements will continue to place growing demands on resources, in both labor and maintenance materials. In 2013, the LIRR will begin ramping up for service to Grand Central Terminal in 2017.

The baseline projections for 2011-2013 reflect these various impacts. Non-reimbursable revenues grow less than 1.4% in any year, while Reimbursable revenues decrease by 2.8% in 2011, and then increase by 2.6% in 2012 and 1.6% in 2013.

The pace of expense growth is higher, driven by high rates of increase above normal inflation in health and welfare (active and retirees), Traction and Propulsion power, and insurance throughout the plan. Non-reimbursable expenses (before depreciation) grow by 3.0% from \$1.192 billion in 2010 to \$1.228 billion in 2011. They continue to rise by 5.4% in 2012 and 2.9% in 2013, reaching \$1.332 billion. Including funding to support East Side Access preparation and ramp-up costs, expenses grow 4.7% from 2012 to 2013, reaching \$1.355 billion. Reimbursable expenses decline by 2.7% (to \$194.6 million) in 2011 and then increase by 2.7% in 2012 and 1.7% in 2013, reaching \$203.2 million.

The baseline positions in these projections decrease in 2011 by 74 positions over 2010, and then an increase of 18 positions in 2012 and another decrease of 40 positions in 2013. Including East Side Access, positions increase by 143 in 2013. The decrease in 2011 is primarily associated with the transfer of positions to the BSC. The increase in 2012 is primarily related to Life Cycle Maintenance activity. For the period from 2010 to 2013, reimbursable positions decline by 2.5%, or 22 positions. For the same period (excluding East Side Access), non-reimbursable positions decrease by 1.3%, or 74 positions. Including East Side Access, positions increase by 109 positions, or 1.9%.

Appearing in a separate section is a discussion of the major assumptions in the 2011-2013 forecasts and reconciliations to the February plan for the years through 2013.

GAP CLOSING MEASURES

2010 PEG Actions

After factoring in other expense reductions built into the July Financial Plan, 2010 Programs to Eliminate the Gaps (PEGs) totaling \$2.8 million have been identified in a below-the-line section of the Preliminary Budget. \$1.5 million of these PEGs have been identified to start in 2009.

These PEGs include the decision not to proceed with the Network Strategy Study in 2009 and the decision not to outfit the Diesel fleet with GPS in 2010. Several management and administrative positions have been eliminated as well.

Post 2010 PEG Actions

The management and administrative PEG reduction actions taken in 2010 are carried forward into 2011 – 2013. In addition, there are unspecified PEGs of \$12.3 million in 2011, which according to the MTA plan, will be identified in the July 2010 Plan. There are additional unidentified PEGs of \$24.5 million in 2012 and \$36.8 million in 2013.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE | | | | | | |
|--|------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Operating Revenue | | | | | | |
| Farebox Revenue | \$506.8 | \$516.6 | \$537.3 | \$542.1 | \$547.0 | \$551.2 |
| Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 37.8 | 32.4 | 35.3 | 38.6 | 39.5 | 40.1 |
| Capital and Other Reimbursements | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Revenue | \$544.6 | \$549.0 | \$572.7 | \$580.7 | \$586.4 | \$591.3 |
| Operating Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$413.8 | \$428.1 | \$425.3 | \$432.6 | \$446.1 | \$465.8 |
| Overtime | 89.8 | 88.8 | 81.4 | 82.3 | 83.9 | 84.6 |
| Health and Welfare | 73.1 | 75.6 | 81.3 | 86.4 | 92.9 | 101.9 |
| OPEB Current Payment | 47.1 | 50.7 | 54.6 | 58.5 | 62.7 | 67.2 |
| Pensions | 111.1 | 127.4 | 139.1 | 154.0 | 167.8 | 170.9 |
| Other Fringe Benefits | 90.4 | 89.7 | 90.2 | 90.8 | 89.9 | 100.6 |
| Reimbursable Overhead | (31.9) | (27.9) | (22.8) | (27.1) | (28.4) | (28.3) |
| Total Labor Expenses | \$793.4 | \$832.4 | \$849.2 | \$877.5 | \$914.8 | \$962.8 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$75.0 | \$80.7 | \$88.0 | \$96.1 | \$103.5 | \$110.4 |
| Fuel for Buses and Trains | 23.1 | 13.2 | 15.6 | 16.8 | 17.7 | 19.8 |
| Insurance | 15.8 | 15.8 | 16.9 | 18.2 | 19.7 | 21.3 |
| Claims | 11.6 | 15.4 | 15.8 | 15.8 | 16.1 | 16.1 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 63.2 | 77.1 | 76.4 | 76.3 | 78.1 | 78.1 |
| Professional Service Contracts | 21.4 | 24.1 | 20.7 | 20.5 | 20.0 | 20.5 |
| Materials & Supplies | 101.5 | 116.3 | 98.7 | 95.9 | 112.6 | 114.5 |
| Other Business Expenses | 6.5 | 9.8 | 11.0 | 11.2 | 11.5 | 11.4 |
| Total Non-Labor Expenses | \$318.2 | \$352.4 | \$343.1 | \$350.9 | \$379.3 | \$392.1 |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation and GASB Adjs. | 1,111.6 | 1,184.8 | 1,192.3 | 1,228.4 | 1,294.1 | 1,354.8 |
| Depreciation | 297.1 | 303.1 | 312.9 | 315.0 | 308.4 | 301.1 |
| OPEB Obligation | 77.6 | 79.2 | 82.4 | 85.7 | 89.1 | 92.6 |
| Environmental Remediation | 18.8 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Total Expenses | \$1,505.1 | \$1,569.2 | \$1,589.6 | \$1,631.1 | \$1,693.6 | \$1,750.6 |
| Baseline Surplus/(Deficit) | (\$960.5) | (\$1,020.2) | (\$1,016.9) | (\$1,050.4) | (\$1,107.1) | (\$1,159.3) |
| 2010 PEGs | 0.0 | 1.5 | 1.3 | 0.4 | 0.4 | 0.4 |
| Post-2010 PEGs | 0.0 | 0.0 | 0.0 | 12.3 | 24.5 | 36.8 |
| Total PEGs | 0.0 | 1.5 | 1.3 | 12.7 | 24.9 | 37.2 |
| Net Surplus/(Deficit) | (\$960.5) | (\$1,018.7) | (\$1,015.6) | (\$1,037.7) | (\$1,082.2) | (\$1,122.1) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| REIMBURSABLE | | | | | | |
|---|----------------|--------------------------|---------------------------|----------------|----------------|----------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Revenue | | | | | | |
| Farebox Revenue | | | | | | |
| Toll Revenue | | | | | | |
| Other Operating Revenue | | | | | | |
| Capital and Other Reimbursements | \$210.8 | \$188.3 | \$200.0 | \$194.6 | \$199.8 | \$203.2 |
| Total Revenue | \$210.8 | \$188.3 | \$200.0 | \$194.6 | \$199.8 | \$203.2 |
| Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$71.9 | \$73.7 | \$80.9 | \$81.8 | \$84.1 | \$86.1 |
| Overtime | 19.6 | 10.2 | 10.3 | 10.2 | 10.3 | 10.5 |
| Health and Welfare | 12.9 | 12.3 | 13.7 | 14.0 | 14.5 | 15.1 |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | 29.1 | 23.5 | 22.4 | 21.0 | 21.1 | 21.0 |
| Other Fringe Benefits | 15.9 | 14.9 | 16.5 | 16.9 | 17.5 | 18.1 |
| Reimbursable Overhead | 31.9 | 27.9 | 22.8 | 27.1 | 28.4 | 28.3 |
| Total Labor Expenses | \$181.3 | \$162.5 | \$166.7 | \$171.1 | \$175.9 | \$179.1 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.2 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Fuel for Buses and Trains | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Insurance | 1.0 | 0.9 | 1.0 | 1.0 | 1.0 | 1.1 |
| Claims | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 9.8 | 7.9 | 8.0 | 8.1 | 8.2 | 8.3 |
| Professional Service Contracts | 1.5 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| Materials & Supplies | 16.4 | 16.1 | 23.7 | 13.9 | 14.1 | 14.1 |
| Other Business Expenses | 0.6 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Non-Labor Expenses | \$29.5 | \$25.7 | \$33.3 | \$23.5 | \$23.9 | \$24.1 |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation | \$210.8 | \$188.3 | \$200.0 | \$194.6 | \$199.8 | \$203.2 |
| Depreciation | | | | | | |
| Total Expenses | \$210.8 | \$188.3 | \$200.0 | \$194.6 | \$199.8 | \$203.2 |
| Net Surplus/(Deficit) | \$0.0 | \$0.0 | \$0.0 | (\$0.0) | \$0.0 | (\$0.0) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE / REIMBURSABLE | | | | | | |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year | Preliminary | 2011 | 2012 | 2013 |
| Revenue | | | | | | |
| Farebox Revenue | \$506.8 | \$516.6 | \$537.3 | \$542.1 | \$547.0 | \$551.2 |
| Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 37.8 | 32.4 | 35.3 | 38.6 | 39.5 | 40.1 |
| Capital and Other Reimbursements | 210.8 | 188.3 | 200.0 | 194.6 | 199.8 | 203.2 |
| Total Revenue | \$755.4 | \$737.3 | \$772.6 | \$775.3 | \$786.2 | \$794.5 |
| Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$485.7 | \$501.8 | \$506.3 | \$514.4 | \$530.1 | \$551.9 |
| Overtime | 109.5 | 99.0 | 91.7 | 92.6 | 94.2 | 95.1 |
| Health and Welfare | 86.1 | 87.9 | 95.0 | 100.4 | 107.5 | 117.0 |
| OPEB Current Payment | 47.1 | 50.7 | 54.6 | 58.5 | 62.7 | 67.2 |
| Pensions | 140.2 | 150.9 | 161.5 | 175.1 | 188.9 | 191.9 |
| Other Fringe Benefits | 106.2 | 104.7 | 106.7 | 107.7 | 107.4 | 118.7 |
| Reimbursable Overhead | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Labor Expenses | \$974.7 | \$994.9 | \$1,015.9 | \$1,048.6 | \$1,090.8 | \$1,141.8 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$75.2 | \$80.7 | \$88.0 | \$96.1 | \$103.5 | \$110.4 |
| Fuel for Buses and Trains | 23.1 | 13.2 | 15.6 | 16.8 | 17.7 | 19.8 |
| Insurance | 16.9 | 16.7 | 17.9 | 19.2 | 20.7 | 22.3 |
| Claims | 11.6 | 15.4 | 15.8 | 15.8 | 16.1 | 16.1 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 73.0 | 85.0 | 84.5 | 84.4 | 86.2 | 86.4 |
| Professional Service Contracts | 22.9 | 24.7 | 21.2 | 21.0 | 20.5 | 21.0 |
| Materials & Supplies | 117.9 | 132.4 | 122.4 | 109.8 | 126.7 | 128.6 |
| Other Business Expenses | 7.1 | 10.0 | 11.1 | 11.3 | 11.6 | 11.5 |
| Total Non-Labor Expenses | \$347.6 | \$378.2 | \$376.4 | \$374.4 | \$403.1 | \$416.2 |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation and GASB Adjs. | \$1,322.4 | \$1,373.1 | \$1,392.3 | \$1,423.0 | \$1,493.9 | \$1,558.0 |
| Depreciation | 297.1 | 303.1 | 312.9 | 315.0 | 308.4 | 301.1 |
| OPEB Obligation | 77.6 | 79.2 | 82.4 | 85.7 | 89.1 | 92.6 |
| Environmental Remediation | 18.8 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Total Expenses | \$1,715.9 | \$1,757.4 | \$1,789.6 | \$1,825.7 | \$1,893.3 | \$1,953.8 |
| Baseline Surplus/(Deficit) | (\$960.5) | (\$1,020.2) | (\$1,016.9) | (\$1,050.4) | (\$1,107.1) | (\$1,159.3) |
| 2010 PEGs | 0.0 | 1.5 | 1.3 | 0.4 | 0.4 | 0.4 |
| Post-2010 PEGs | 0.0 | 0.0 | 0.0 | 12.3 | 24.5 | 36.8 |
| Total PEGs | \$0.0 | \$1.5 | \$1.3 | \$12.7 | \$24.9 | \$37.2 |
| Net Surplus/(Deficit) | (\$960.5) | (\$1,018.7) | (\$1,015.6) | (\$1,037.7) | (\$1,082.2) | (\$1,122.1) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

| | 2008 | 2009 | 2010 | | | |
|--|------------------|------------------|--------------------|------------------|------------------|------------------|
| | Actual | Mid-Year | Preliminary | 2011 | 2012 | 2013 |
| | | Forecast | Budget | | | |
| Receipts | | | | | | |
| Farebox Revenue | \$536.9 | \$545.3 | \$567.3 | \$572.1 | \$577.0 | \$581.2 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 37.0 | 60.1 | 44.6 | 47.1 | 48.0 | 48.8 |
| Capital and Other Reimbursements | 211.5 | 232.6 | 230.3 | 228.3 | 231.2 | 237.4 |
| Total Receipts | \$785.4 | \$838.0 | \$842.2 | \$847.5 | \$856.3 | \$867.4 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$499.1 | \$499.8 | \$504.3 | \$512.4 | \$528.2 | \$549.9 |
| Overtime | 109.7 | 99.0 | 91.8 | 92.6 | 94.2 | 95.1 |
| Health and Welfare | 92.6 | 87.9 | 95.0 | 100.4 | 107.5 | 117.0 |
| OPEB Current Payment | 50.6 | 50.7 | 54.6 | 58.5 | 62.7 | 67.2 |
| Pensions | 70.3 | 150.9 | 161.5 | 175.1 | 188.9 | 191.9 |
| Other Fringe Benefits | 104.8 | 104.7 | 106.7 | 107.7 | 107.4 | 118.7 |
| GASB Account | 7.5 | 7.7 | 7.3 | 8.0 | 8.7 | 9.4 |
| Reimbursable Overhead | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Labor Expenditures | \$934.5 | \$1,000.7 | \$1,021.2 | \$1,054.7 | \$1,097.5 | \$1,149.2 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$73.4 | \$102.6 | \$90.8 | \$98.8 | \$106.1 | \$113.2 |
| Fuel for Buses and Trains | 24.3 | 13.2 | 15.6 | 16.8 | 17.7 | 19.8 |
| Insurance | 25.2 | 22.1 | 23.6 | 26.3 | 27.1 | 29.1 |
| Claims | 13.9 | 14.9 | 14.0 | 14.0 | 14.3 | 14.3 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 84.8 | 101.6 | 87.9 | 87.4 | 89.2 | 89.2 |
| Professional Service Contracts | 23.2 | 28.4 | 22.5 | 20.3 | 19.5 | 20.2 |
| Materials & Supplies | 176.9 | 139.5 | 147.9 | 132.7 | 149.1 | 151.1 |
| Other Business Expenses | 8.0 | 9.1 | 10.7 | 10.9 | 11.2 | 11.1 |
| Total Non-Labor Expenditures | \$429.8 | \$431.3 | \$412.9 | \$407.1 | \$434.2 | \$447.8 |
| <u>Other Expenditure Adjustments:</u> | | | | | | |
| Other | 29.9 | 28.7 | 30.0 | 30.0 | 30.0 | 30.0 |
| Total Other Expenditure Adjustments | \$29.9 | \$28.7 | \$30.0 | \$30.0 | \$30.0 | \$30.0 |
| Total Expenditures | \$1,394.2 | \$1,460.6 | \$1,464.2 | \$1,491.8 | \$1,561.7 | \$1,627.0 |
| Cash Timing and Availability Adjustment | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Baseline Cash Deficit | (\$607.4) | (\$622.6) | (\$622.0) | (\$644.3) | (\$705.5) | (\$759.7) |
| 2010 PEGs | | 1.5 | 1.3 | 0.4 | 0.4 | 0.4 |
| Post-2010 PEGs | | 0.0 | 0.0 | 12.3 | 24.5 | 36.8 |
| Total PEGs | \$0.0 | \$1.5 | \$1.3 | \$12.7 | \$24.9 | \$37.2 |
| Net Cash Deficit | (\$607.4) | (\$621.1) | (\$620.7) | (\$631.6) | (\$680.6) | (\$722.5) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| CASH FLOW ADJUSTMENTS | | | | | | |
|---|----------------------|------------------------|----------------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | <u>Actual</u> | <u>Forecast</u> | <u>Preliminary Budget</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Receipts | | | | | | |
| Farebox Revenue | \$30.1 | \$28.7 | \$30.0 | \$30.0 | \$30.0 | \$30.0 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | (0.7) | 27.7 | 9.2 | 8.5 | 8.6 | 8.6 |
| Capital and Other Reimbursements | 0.7 | 44.4 | 30.3 | 33.7 | 31.5 | 34.3 |
| Total Receipts | \$30.0 | \$100.7 | \$69.5 | \$72.2 | \$70.0 | \$72.9 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | (\$13.4) | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 |
| Overtime | (0.2) | 0.0 | (0.0) | (0.0) | (0.0) | (0.0) |
| Health and Welfare | (6.5) | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) |
| OPEB Current Payment | (3.5) | (0.0) | 0.0 | (0.0) | (0.0) | (0.0) |
| Pensions | 69.9 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) |
| Other Fringe Benefits | 1.4 | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 |
| GASB Account | (7.5) | (7.7) | (7.3) | (8.0) | (8.7) | (9.4) |
| Reimbursable Overhead | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Labor Expenditures | \$40.2 | (\$5.7) | (\$5.3) | (\$6.1) | (\$6.7) | (\$7.4) |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$1.8 | (\$21.8) | (\$2.8) | (\$2.7) | (\$2.6) | (\$2.8) |
| Fuel for Buses and Trains | (1.3) | 0.0 | 0.0 | (0.0) | 0.0 | (0.0) |
| Insurance | (8.4) | (5.3) | (5.7) | (7.1) | (6.4) | (6.8) |
| Claims | (2.3) | 0.5 | 1.8 | 1.8 | 1.9 | 1.9 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | (11.9) | (16.6) | (3.4) | (3.0) | (3.0) | (2.8) |
| Professional Service Contracts | (0.3) | (3.7) | (1.3) | 0.7 | 1.0 | 0.8 |
| Materials & Supplies | (59.0) | (7.1) | (25.5) | (22.9) | (22.4) | (22.4) |
| Other Business Expenditures | (0.9) | 0.9 | 0.4 | 0.4 | 0.4 | 0.4 |
| Total Non-Labor Expenditures | (\$82.1) | (\$53.1) | (\$36.6) | (\$32.7) | (\$31.1) | (\$31.7) |
| <u>Other Expenditures Adjustments:</u> | | | | | | |
| Other | (29.9) | (28.7) | (30.0) | (30.0) | (30.0) | (30.0) |
| Total Other Expenditures Adjustments | (\$29.9) | (\$28.7) | (\$30.0) | (\$30.0) | (\$30.0) | (\$30.0) |
| Total Cash Conversion Adjustments before Depreciation and GASB Adjs. | (\$41.9) | \$13.2 | (\$2.4) | \$3.4 | \$2.2 | \$3.9 |
| Depreciation Adjustment | 297.1 | 303.1 | 312.9 | 315.0 | 308.4 | 301.1 |
| OPEB Obligation | 77.6 | 79.2 | 82.4 | 85.7 | 89.1 | 92.6 |
| Environmental Remediation | 18.8 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Cash Timing and Availability Adjustment | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Baseline Total Cash Conversion Adjustments | \$353.1 | \$397.5 | \$394.9 | \$406.1 | \$401.6 | \$399.6 |
| 2010 PEGs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Post-2010 PEGs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total PEGs | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Cash Conversion Adjustments | \$353.1 | \$397.5 | \$394.9 | \$406.1 | \$401.6 | \$399.6 |

**MTA Long Island Rail Road
2010 Preliminary Budget
July Financial Plan 2010 – 2013
Year-to-Year Changes by Category - Accrual and Cash**

Revenue

Farebox Revenue

- The regional economy and employment trends are the primary drivers.
- Farebox revenue is increasing by 4.0% in 2010 over 2009, despite a projected (0.6)% reduction in ridership, due to the full year impact of the June 2009 fare increase.
- Passenger revenue forecasts in the outer years 2010 - 2012 reveal modest annual growth due to increases in ridership.

Other Operating Revenue

- Other revenues are lower than what was projected in the 2009 budget, primarily due to lower Titan advertising revenue.
- Projected to grow each year primarily through the implementation of the AABB associated with advertising on the exterior of train cars, contractual and inflationary increases.

Capital and Other Reimbursements

- Reflects the 2005 - 2009 Capital Program and other project activity including overbuilds and East Side Access materials.

Expenses

Payroll

- 2010 - 2013 includes increases for management and represented employees of 1.87%, 2.23%, 2.20% and 1.97%, respectively.
- Headcount changes each year are associated with new needs, changes in programs and Capital Program activity.
- 2013 includes East Side Access ramp-up costs.

Overtime

- 2009 - 2010 decrease is primarily associated with lower maintenance, weather-related, and reduction in open job coverage overtime due to new hires.
- 2010 - 2013 increases reflect CPI increases and changes in Capital Program activity.

Health & Welfare

- 2010 reflects an annual rate increase of approximately 9.6% for family and 9.8% for individual coverage over 2009.
- 2010 - 2013 reflects annual rate increases of approximately 7.2% for family and 6.7% for individual.
- Reflects impact of headcount changes each year, including ramp-up costs for East Side Access in 2013.

Pensions

- Reflects the latest actuarial valuation for each year.

Other Fringe Benefits

- Railroad Retirement Tax maximum limits are based on the projected maximum earnings bases from the Railroad Retirement Board; the tax rate for each tier is expected to remain unchanged.
- Railroad Unemployment reflects a slight annual increase in the monthly amount per employee each year.

Traction and Propulsion Power

- 2009 is based on actuals through March.
- 2010 - 2013 reflects price inflators provided by MTA.

Fuel

- 2009 is based on actuals through March.
- 2010 – 2013 reflects price inflators and historical performance.

Insurance

- 2009 is based on actual results through March, which reflect favorable insurance premium payments.
- 2010 - 2013 reflects price inflators.

Claims

- 2009 reflects actual experience through March and the anticipated settlement and payout of claims for the balance of the year.
- 2010 - 2013 reflects inflationary increases.

Maintenance and Other Operating Contracts

- 2009 – 2012 relatively flat with minor inflationary increases.
- 2013 includes East Side Access start-up costs.

Professional Service Contracts

- 2012 – 2013 reflects changes in System Initiative projects.

Material and Supplies

- The decrease in materials from 2009 - 2010 is primarily Life Cycle Maintenance (LCM) material, partially offset by an increase in East Side Access material.
- 2011 – 2012 reflects higher LCM material.
- 2013 includes East Side Access start-up costs.

Other Business Expenses

- 2009 - 2013 includes inflationary increases.

Depreciation

- Reflects depreciation of current assets as well as estimates for capital projects based on their beneficial use.

Cash Adjustments**Expense**

- Pension – cash payments versus accrued expenses.
- Insurance and Claims & Suits – payments versus accrued expenses.
- 2009 - 2013 - timing of material purchases versus charge-outs.
- Depreciation and other non-cash adjustments for each year 2009 - 2013.
- Traction and Propulsion Power – reflects final LIPA settlement.
- 2009 – 2013 reflects capitalization of various IT Initiatives.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

Favorable/(Unfavorable)

| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
|--|------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| Revenue | | | | | | | | | | | |
| Farebox Revenue | \$506.8 | \$516.6 | \$9.8 | \$537.3 | \$20.8 | \$542.1 | \$4.8 | \$547.0 | \$4.9 | \$551.2 | \$4.2 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 37.8 | 32.4 | (5.4) | 35.3 | 2.9 | 38.6 | 3.2 | 39.5 | 0.9 | 40.1 | 0.7 |
| Capital and Other Reimbursements | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Revenue | \$544.611 | \$549.007 | \$4.396 | \$572.670 | \$23.663 | \$580.683 | \$8.013 | \$586.439 | \$5.756 | \$591.306 | \$4.868 |
| Expenses | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$413.8 | \$428.1 | (\$14.3) | \$425.3 | \$2.7 | \$432.6 | (\$7.2) | \$446.1 | (\$13.5) | \$465.8 | (\$19.7) |
| Overtime | 89.8 | 88.8 | 1.0 | 81.4 | 7.4 | 82.3 | (0.9) | 83.9 | (1.6) | 84.6 | (0.7) |
| Health and Welfare | 73.1 | 75.6 | (2.4) | 81.3 | (5.8) | 86.4 | (5.1) | 92.9 | (6.5) | 101.9 | (9.0) |
| OPEB Current Payment | 47.1 | 50.7 | (3.7) | 54.6 | (3.9) | 58.5 | (3.9) | 62.7 | (4.2) | 67.2 | (4.5) |
| Pensions | 111.1 | 127.4 | (16.3) | 139.1 | (11.7) | 154.0 | (15.0) | 167.8 | (13.8) | 170.9 | (3.1) |
| Other Fringe Benefits | 90.4 | 89.7 | 0.6 | 90.2 | (0.5) | 90.8 | (0.6) | 89.9 | 0.9 | 100.6 | (10.7) |
| Reimbursable Overhead | (31.9) | (27.9) | (4.0) | (22.8) | (5.2) | (27.1) | 4.3 | (28.4) | 1.3 | (28.3) | (0.1) |
| Total Labor Expenses | \$793.4 | \$832.4 | (\$39.0) | \$849.2 | (\$16.8) | \$877.5 | (\$28.3) | \$914.8 | (\$37.3) | \$962.8 | (\$47.9) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | \$75.0 | \$80.7 | (\$5.7) | \$88.0 | (\$7.3) | \$96.1 | (\$8.1) | \$103.5 | (\$7.3) | \$110.4 | (\$7.0) |
| Fuel for Buses and Trains | 23.1 | 13.2 | 9.9 | 15.6 | (2.5) | 16.8 | (1.1) | 17.7 | (1.0) | 19.8 | (2.0) |
| Insurance | 15.8 | 15.8 | (0.0) | 16.9 | (1.1) | 18.2 | (1.3) | 19.7 | (1.5) | 21.3 | (1.6) |
| Claims | 11.6 | 15.4 | (3.8) | 15.8 | (0.4) | 15.8 | 0.0 | 16.1 | (0.3) | 16.1 | (0.0) |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 63.2 | 77.1 | (13.9) | 76.4 | 0.7 | 76.3 | 0.1 | 78.1 | (1.7) | 78.1 | (0.0) |
| Professional Service Contracts | 21.4 | 24.1 | (2.7) | 20.7 | 3.3 | 20.5 | 0.2 | 20.0 | 0.5 | 20.5 | (0.5) |
| Materials & Supplies | 101.5 | 116.3 | (14.8) | 98.7 | 17.6 | 95.9 | 2.7 | 112.6 | (16.7) | 114.5 | (1.9) |
| Other Business Expenses | 6.5 | 9.8 | (3.3) | 11.0 | (1.2) | 11.2 | (0.2) | 11.5 | (0.3) | 11.4 | 0.1 |
| Total Non-Labor Expenses | \$318.2 | \$352.4 | (\$34.3) | \$343.1 | \$9.3 | \$350.9 | (\$7.8) | \$379.3 | (\$28.4) | \$392.1 | (\$12.8) |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation and GASB Adjs. | \$1,111.6 | \$1,184.8 | (\$73.3) | \$1,192.3 | (\$7.5) | \$1,228.4 | (\$36.1) | \$1,294.1 | (\$65.7) | \$1,354.8 | (\$60.7) |
| Depreciation | 297.1 | 303.1 | (6.0) | 312.9 | (9.8) | 315.0 | (2.1) | 308.4 | 6.6 | 301.1 | 7.2 |
| OPEB Obligation | 77.6 | 79.2 | (1.6) | 82.4 | (3.2) | 85.7 | (3.3) | 89.1 | (3.4) | 92.6 | (3.6) |
| Environmental Remediation | 18.8 | 2.0 | 16.8 | 2.0 | 0.0 | 2.0 | 0.0 | 2.0 | 0.0 | 2.0 | 0.0 |
| Total Expenses | \$1,505.1 | \$1,569.2 | (\$64.0) | \$1,589.6 | (\$20.5) | \$1,631.1 | (\$41.5) | \$1,693.6 | (\$62.5) | \$1,750.6 | (\$57.1) |
| Baseline Net Surplus/(Deficit) | (\$960.5) | (\$1,020.2) | (\$59.6) | (\$1,016.9) | \$3.2 | (\$1,050.4) | (\$33.5) | (\$1,107.1) | (\$56.7) | (\$1,159.3) | (\$52.2) |
| 2010 PEGs | 0.0 | 1.5 | 1.5 | 1.3 | (0.2) | 0.4 | (0.9) | 0.4 | 0.0 | 0.4 | 0.0 |
| Post-2010 PEGs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 12.3 | 12.3 | 24.5 | 12.2 | 36.8 | 12.3 |
| Net Surplus/(Deficit) | (\$960.5) | (\$1,018.7) | (\$58.1) | (\$1,015.6) | \$3.0 | (\$1,037.7) | (\$22.1) | (\$1,082.2) | (\$44.5) | (\$1,122.1) | (\$39.9) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | | | |
|---|-------------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | | | |
| Farebox Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital and Other Reimbursements | 210.8 | 188.3 | (22.5) | 200.0 | 11.7 | 194.6 | (5.4) | 199.8 | 5.2 | 203.2 | 3.4 |
| Total Revenue | \$210.8 | \$188.3 | (\$22.5) | \$200.0 | \$11.7 | \$194.6 | (\$5.4) | \$199.8 | \$5.2 | \$203.2 | \$3.4 |
| Expenses | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$71.9 | \$73.7 | (\$1.8) | \$80.9 | (\$7.3) | \$81.8 | (\$0.9) | \$84.1 | (\$2.2) | \$86.1 | (\$2.0) |
| Overtime | 19.6 | 10.2 | 9.5 | 10.3 | (0.2) | 10.2 | 0.1 | 10.3 | (0.0) | 10.5 | (0.2) |
| Health and Welfare | 12.9 | 12.3 | 0.6 | 13.7 | (1.4) | 14.0 | (0.3) | 14.5 | (0.5) | 15.1 | (0.5) |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | 29.1 | 23.5 | 5.5 | 22.4 | 1.1 | 21.0 | 1.4 | 21.1 | (0.1) | 21.0 | 0.1 |
| Other Fringe Benefits | 15.9 | 14.9 | 0.9 | 16.5 | (1.6) | 16.9 | (0.4) | 17.5 | (0.6) | 18.1 | (0.6) |
| Reimbursable Overhead | 31.9 | 27.9 | 4.0 | 22.8 | 5.2 | 27.1 | (4.3) | 28.4 | (1.3) | 28.3 | 0.1 |
| Total Labor Expenses | \$181.3 | \$162.5 | \$18.8 | \$166.7 | (\$4.2) | \$171.1 | (\$4.4) | \$175.9 | (\$4.8) | \$179.1 | (\$3.2) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | \$0.2 | \$0.0 | \$0.1 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Fuel for Buses and Trains | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Insurance | 1.0 | 0.9 | 0.2 | 1.0 | (0.1) | 1.0 | (0.0) | 1.0 | (0.0) | 1.1 | (0.0) |
| Claims | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 9.8 | 7.9 | 1.9 | 8.0 | (0.1) | 8.1 | (0.1) | 8.2 | (0.1) | 8.3 | (0.1) |
| Professional Service Contracts | 1.5 | 0.6 | 0.9 | 0.5 | 0.2 | 0.5 | (0.0) | 0.5 | (0.0) | 0.5 | (0.0) |
| Materials & Supplies | 16.4 | 16.1 | 0.3 | 23.7 | (7.7) | 13.9 | 9.8 | 14.1 | (0.2) | 14.1 | (0.1) |
| Other Business Expenses | 0.6 | 0.2 | 0.4 | 0.1 | 0.1 | 0.1 | (0.0) | 0.1 | (0.0) | 0.1 | (0.0) |
| Total Non-Labor Expenses | \$29.5 | \$25.7 | \$3.7 | \$33.3 | (\$7.5) | \$23.5 | \$9.7 | \$23.9 | (\$0.3) | \$24.1 | (\$0.2) |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation | \$210.8 | \$188.3 | \$22.5 | \$200.0 | (\$11.7) | \$194.6 | \$5.4 | \$199.8 | (\$5.2) | \$203.2 | (\$3.4) |
| Depreciation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Expenses | \$210.8 | \$188.3 | \$22.5 | \$200.0 | (\$11.7) | \$194.6 | \$5.4 | \$199.8 | (\$5.2) | \$203.2 | (\$3.4) |
| Baseline Net Surplus/(Deficit) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.0) | (\$0.0) | (\$0.0) | \$0.0 | \$0.0 | (\$0.0) | (\$0.0) |
| 2010 PEGs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Post-2010 PEGs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Surplus/(Deficit) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.0) | (\$0.0) | (\$0.0) | \$0.0 | \$0.0 | (\$0.0) | (\$0.0) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | | | |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| | 2008 Actual | \$2,009.0 | Change 2009 - 2008 | \$2,010.0 | Change 2010 - 2009 | \$2,011.0 | Change 2011 - 2010 | \$2,012.0 | Change 2012 - 2011 | \$2,013.0 | Change 2013 - 2012 |
| Revenue | | | | | | | | | | | |
| Farebox Revenue | \$506.8 | \$516.6 | \$9.8 | \$537.3 | \$20.8 | \$542.1 | \$4.8 | \$547.0 | \$4.9 | \$551.2 | \$4.2 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 37.8 | 32.4 | (5.4) | 35.3 | 2.9 | 38.6 | 3.2 | 39.5 | 0.9 | 40.1 | 0.7 |
| Capital and Other Reimbursements | 210.8 | 188.3 | (22.5) | 200.0 | 11.7 | 194.6 | (5.4) | 199.8 | 5.2 | 203.2 | 3.4 |
| Total Revenue | \$755.4 | \$737.3 | (\$18.1) | \$772.6 | \$35.3 | \$775.3 | \$2.6 | \$786.2 | \$10.9 | \$794.5 | \$8.2 |
| Expenses | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$485.7 | \$501.8 | (\$16.1) | \$506.3 | (\$4.5) | \$514.4 | (\$8.1) | \$530.1 | (\$15.8) | \$551.9 | (\$21.7) |
| Overtime | 109.5 | 99.0 | 10.5 | 91.7 | 7.2 | 92.6 | (0.8) | 94.2 | (1.6) | 95.1 | (0.9) |
| Health and Welfare | 86.1 | 87.9 | (1.9) | 95.0 | (7.1) | 100.4 | (5.4) | 107.5 | (7.1) | 117.0 | (9.5) |
| OPEB Current Payment | 47.1 | 50.7 | (3.7) | 54.6 | (3.9) | 58.5 | (3.9) | 62.7 | (4.2) | 67.2 | (4.5) |
| Pensions | 140.2 | 150.9 | (10.7) | 161.5 | (10.6) | 175.1 | (13.6) | 188.9 | (13.8) | 191.9 | (3.0) |
| Other Fringe Benefits | 106.2 | 104.7 | 1.6 | 106.7 | (2.1) | 107.7 | (0.9) | 107.4 | 0.3 | 118.7 | (11.4) |
| Reimbursable Overhead | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Labor Expenses | \$974.7 | \$994.9 | (\$20.2) | \$1,015.9 | (\$21.0) | \$1,048.6 | (\$32.7) | \$1,090.8 | (\$42.2) | \$1,141.8 | (\$51.1) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | \$75.2 | \$80.7 | (\$5.5) | \$88.0 | (\$7.2) | \$96.1 | (\$8.1) | \$103.5 | (\$7.3) | \$110.4 | (\$7.0) |
| Fuel for Buses and Trains | 23.1 | 13.2 | 9.9 | 15.6 | (2.5) | 16.8 | (1.1) | 17.7 | (1.0) | 19.8 | (2.0) |
| Insurance | 16.9 | 16.7 | 0.1 | 17.9 | (1.1) | 19.2 | (1.4) | 20.7 | (1.5) | 22.3 | (1.6) |
| Claims | 11.6 | 15.4 | (3.8) | 15.8 | (0.4) | 15.8 | 0.0 | 16.1 | (0.3) | 16.1 | (0.0) |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 73.0 | 85.0 | (12.1) | 84.5 | 0.6 | 84.4 | 0.1 | 86.2 | (1.8) | 86.4 | (0.1) |
| Professional Service Contracts | 22.9 | 24.7 | (1.8) | 21.2 | 3.5 | 21.0 | 0.2 | 20.5 | 0.4 | 21.0 | (0.5) |
| Materials & Supplies | 117.9 | 132.4 | (14.4) | 122.4 | 10.0 | 109.8 | 12.5 | 126.7 | (16.9) | 128.6 | (2.0) |
| Other Business Expenses | 7.1 | 10.0 | (2.9) | 11.1 | (1.1) | 11.3 | (0.2) | 11.6 | (0.3) | 11.5 | 0.1 |
| Total Non-Labor Expenses | \$347.6 | \$378.2 | (\$30.5) | \$376.4 | \$1.8 | \$374.4 | \$2.0 | \$403.1 | (\$28.7) | \$416.2 | (\$13.0) |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation and GASB Adjs. | \$1,322.4 | \$1,373.1 | (\$50.8) | \$1,392.3 | (\$19.2) | \$1,423.0 | (\$30.7) | \$1,493.9 | (\$70.9) | \$1,558.0 | (\$64.1) |
| Depreciation | 297.1 | 303.1 | (6.0) | 312.9 | (9.8) | 315.0 | (2.1) | 308.4 | 6.6 | 301.1 | 7.2 |
| OPEB Obligation | 77.6 | 79.2 | (1.6) | 82.4 | (3.2) | 85.7 | (3.3) | 89.1 | (3.4) | 92.6 | (3.6) |
| Environmental Remediation | 18.8 | 2.0 | 16.8 | 2.0 | 0.0 | 2.0 | 0.0 | 2.0 | 0.0 | 2.0 | 0.0 |
| Total Expenses | \$1,715.9 | \$1,757.4 | (\$41.5) | \$1,789.6 | (\$32.1) | \$1,825.7 | (\$36.1) | \$1,893.3 | (\$67.7) | \$1,953.8 | (\$60.4) |
| Baseline Net Surplus/(Deficit) | (\$960.5) | (\$1,020.2) | (\$59.6) | (\$1,016.9) | \$3.2 | (\$1,050.4) | (\$33.5) | (\$1,107.1) | (\$56.7) | (\$1,159.3) | (\$52.2) |
| 2010 PEGs | 0.0 | 1.5 | 1.5 | 1.3 | (0.2) | 0.4 | (0.9) | 0.4 | 0.0 | 0.4 | 0.0 |
| Post-2010 PEGs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 12.3 | 12.3 | 24.5 | 12.2 | 36.8 | 12.3 |
| Net Surplus/(Deficit) | (\$960.5) | (\$1,018.7) | (\$58.1) | (\$1,015.6) | \$3.0 | (\$1,037.7) | (\$22.1) | (\$1,082.2) | (\$44.5) | (\$1,122.1) | (\$39.9) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

| | Favorable/(Unfavorable) | | | | | | | | | | |
|--|-------------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Receipts | | | | | | | | | | | |
| Farebox Revenue | \$536.9 | \$545.3 | \$8.4 | \$567.3 | \$22.1 | \$572.1 | \$4.8 | \$577.0 | \$4.9 | \$581.2 | \$4.2 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 37.0 | 60.1 | 23.1 | 44.6 | (15.5) | 47.1 | 2.5 | 48.0 | 1.0 | 48.8 | 0.7 |
| Capital and Other Reimbursements | 211.5 | 232.6 | 21.2 | 230.3 | (2.4) | 228.3 | (2.0) | 231.2 | 3.0 | 237.4 | 6.2 |
| Total Receipts | \$785.4 | \$838.0 | \$52.6 | \$842.2 | \$4.1 | \$847.5 | \$5.3 | \$856.3 | \$8.8 | \$867.4 | \$11.1 |
| Expenditures | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$499.1 | \$499.8 | (\$0.7) | \$504.3 | (\$4.5) | \$512.4 | (\$8.1) | \$528.2 | (\$15.7) | \$549.9 | (\$21.7) |
| Overtime | 109.7 | 99.0 | 10.7 | 91.8 | 7.2 | 92.6 | (0.8) | 94.2 | (1.6) | 95.1 | (0.9) |
| Health and Welfare | 92.6 | 87.9 | 4.6 | 95.0 | (7.1) | 100.4 | (5.4) | 107.5 | (7.1) | 117.0 | (9.5) |
| OPEB Current Payment | 50.6 | 50.7 | (0.1) | 54.6 | (3.9) | 58.5 | (3.9) | 62.7 | (4.2) | 67.2 | (4.5) |
| Pensions | 70.3 | 150.9 | (80.7) | 161.5 | (10.6) | 175.1 | (13.6) | 188.9 | (13.8) | 191.9 | (3.0) |
| Other Fringe Benefits | 104.8 | 104.7 | 0.2 | 106.7 | (2.1) | 107.7 | (0.9) | 107.4 | 0.3 | 118.7 | (11.4) |
| Reimbursable Overhead | 7.5 | 7.7 | (0.2) | 7.3 | 0.4 | 8.0 | (0.8) | 8.7 | (0.7) | 9.4 | (0.7) |
| Total Labor Expenditures | \$934.5 | \$1,000.7 | (\$66.2) | \$1,021.2 | (\$20.5) | \$1,054.7 | (\$33.4) | \$1,097.5 | (\$42.8) | \$1,149.2 | (\$51.7) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | \$73.4 | \$102.6 | (\$29.2) | \$90.8 | \$11.8 | \$98.8 | (\$8.0) | \$106.1 | (\$7.2) | \$113.2 | (\$7.1) |
| Fuel for Buses and Trains | 24.3 | 13.2 | 11.2 | 15.6 | (2.5) | 16.8 | (1.1) | 17.7 | (1.0) | 19.8 | (2.0) |
| Insurance | 25.2 | 22.1 | 3.2 | 23.6 | (1.5) | 26.3 | (2.7) | 27.1 | (0.8) | 29.1 | (2.0) |
| Claims | 13.9 | 14.9 | (1.0) | 14.0 | 0.9 | 14.0 | 0.0 | 14.3 | (0.3) | 14.3 | (0.0) |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 84.8 | 101.6 | (16.8) | 87.9 | 13.8 | 87.4 | 0.5 | 89.2 | (1.8) | 89.2 | 0.1 |
| Professional Service Contracts | 23.2 | 28.4 | (5.2) | 22.5 | 5.9 | 20.3 | 2.2 | 19.5 | 0.7 | 20.2 | (0.7) |
| Materials & Supplies | 176.9 | 139.5 | 37.4 | 147.9 | (8.4) | 132.7 | 15.2 | 149.1 | (16.4) | 151.1 | (2.0) |
| Other Business Expenses | 8.0 | 9.1 | (1.2) | 10.7 | (1.6) | 10.9 | (0.2) | 11.2 | (0.3) | 11.1 | 0.1 |
| Total Non-Labor Expenditures | \$429.8 | \$431.3 | (\$1.5) | \$412.9 | \$18.3 | \$407.1 | \$5.8 | \$434.2 | (\$27.1) | \$447.8 | (\$13.6) |
| Other Expenditure Adjustments: | | | | | | | | | | | |
| Other | 29.9 | 28.7 | 1.3 | 30.0 | (1.3) | 30.0 | 0.0 | 30.0 | 0.0 | 30.0 | 0.0 |
| Total Other Expenditure Adjustments | \$29.9 | \$28.7 | \$1.3 | \$30.0 | (\$1.3) | \$30.0 | \$0.0 | \$30.0 | \$0.0 | \$30.0 | \$0.0 |
| Total Expenditures | \$1,394.2 | \$1,460.6 | (\$66.4) | \$1,464.2 | (\$3.5) | \$1,491.8 | (\$27.6) | \$1,561.7 | (\$69.9) | \$1,627.0 | (\$65.3) |
| Cash Timing and Availability Adjustment | 1.4 | 0.0 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Baseline Net Cash Deficit | (\$607.4) | (\$622.6) | (\$15.2) | (\$622.0) | \$0.6 | (\$644.3) | (\$22.3) | (\$705.5) | (\$61.1) | (\$759.7) | (\$54.2) |
| 2010 PEGs | 0.0 | 1.5 | 1.5 | 1.3 | (0.2) | 0.4 | (0.9) | 0.4 | 0.0 | 0.4 | 0.0 |
| Post-2010 PEGs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 12.3 | 12.3 | 24.5 | 12.2 | 36.8 | 12.3 |
| Net Cash Deficit | (\$607.4) | (\$621.1) | (\$13.7) | (\$620.7) | \$0.4 | (\$631.6) | (\$10.9) | (\$680.6) | (\$48.9) | (\$722.5) | (\$41.9) |

**MTA Long Island Rail Road
2010 Preliminary Budget
July Financial Plan 2010 - 2013
Summary of Changes between Financial Plans by Category**

2009: July Financial Plan vs. February Financial Plan

2009 July Financial Plan is based on actual performance through March with projections for April through December based on current trends and known activities.

Revenue

- Ridership, (3.6) million, and Passenger Revenue, \$(60.7) million, unfavorable to plan primarily due to lower than projected fare increase.
- Other operating revenue lower due to advertising guarantee and delay in implementation of exterior train car advertising AABB.
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity and lower East Side Access Material.

Expense

- Payroll and benefits – decreased from February Plan due to capturing AABBs within the individual expense categories, open positions, April-May hiring freeze, and a decrease in health and welfare costs, partially offset by actuarial re-evaluation of pension liabilities.
- Higher Traction and Propulsion Power due to greater consumption.
- Lower Fuel for Trains due to higher diesel rates.
- Lower materials and supplies due to timing of East Side Access material, LCM activities and AABBs captured within the individual expense categories.
- All other non-payroll expenses have been re-estimated based on capturing AABBs within the individual expense categories, planned activities and timing of service contracts.

2010 - 2012: July Financial Plan vs. February Financial Plan

Revenue

- 2010 - 2012 decrease in ridership and revenue due to lower than anticipated fare increase (10.2% vs. 23% in 2009).
- Other revenue lower due to lower advertising guarantee and the delay in implementing the AABB associated with placing advertising on the outside of train cars (in 2010).
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity and timing of East Side Access Material.

Expense

- Payroll and benefits – 2010- 2012 decreased from February Plan due to AABB's being captured within the individual expense categories, lower rates for health and welfare, and capital program activity.

- Traction Power is higher due to higher rates. Diesel Fuel is lower primarily resulting from decreased rates.
- Material & Supplies changes each year due to East Side Access material and re-estimate of material costs associated with LCM.
- All other non-payroll expenses have been decreased due to AABB's being captured within the individual expense categories, re-estimates based on planned activities, changes in service contracts and adjustments to inflationary increases.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|------------------|------------------|------------------|------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$566.0) | (\$534.5) | (\$547.9) | (\$603.0) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (\$12.9) | (\$13.0) | (\$13.1) | (\$13.3) |
| Reduced Fare/Toll Increase | (47.7) | (72.6) | (73.3) | (74.0) |
| Additional Actions for Budget Balance: Revenue Impact | (1.5) | (3.0) | (3.0) | (3.0) |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | (4.7) | (3.3) | (1.9) | (2.7) |
| Capital and Other Reimbursement | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Revenue Changes | (\$66.8) | (\$91.9) | (\$91.4) | (\$93.0) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll and Overtime | (\$2.0) | \$15.1 | \$14.9 | \$12.6 |
| Health and Welfare | 6.3 | 7.2 | 8.0 | 8.6 |
| OPEB Current Payment | 0.0 | 0.6 | 1.4 | 2.5 |
| Pensions | 1.6 | 4.3 | 2.7 | 2.7 |
| Other Fringe Benefits | 3.3 | 4.5 | 5.5 | 9.0 |
| Reimbursable Overhead | (0.2) | (5.9) | (4.1) | (4.3) |
| Total Labor Expense Changes | \$9.0 | \$25.9 | \$28.4 | \$31.0 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | (\$0.1) | (\$1.0) | (\$4.1) | (\$6.4) |
| Fuel for Buses and Trains | 6.2 | 4.8 | 4.0 | 3.7 |
| Insurance | 0.8 | 1.0 | 1.1 | 1.1 |
| Claims | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 8.2 | (0.6) | (0.2) | 0.1 |
| Professional Service Contracts | 1.2 | 2.9 | 3.3 | 4.0 |
| Materials & Supplies | 2.1 | 12.1 | 18.3 | 3.1 |
| Other Business Expenses | (0.9) | (1.8) | (1.9) | (2.0) |
| Total Non-Labor Expense Changes | \$17.5 | \$17.4 | \$20.4 | \$3.7 |
| Total Expense Changes before Depreciation and GASB Adjs. | \$26.5 | \$43.3 | \$48.8 | \$34.7 |
| Gap Closing Expenses : | | | | |
| Additional Actions for Budget Balance: Expense Impact | (\$34.2) | (\$47.3) | (\$46.1) | (\$47.5) |
| Total Gap Closing Expenses | (\$34.2) | (\$47.3) | (\$46.1) | (\$47.5) |
| Depreciation | (5.2) | (2.4) | (7.3) | (5.0) |
| OPEB Obligation | (0.0) | 0.0 | (0.0) | (0.0) |
| Environmental Remediation | (0.5) | (0.5) | (0.5) | (0.5) |
| Total Expense Changes | (\$13.4) | (\$6.9) | (\$5.1) | (\$18.3) |
| Cash Adjustment Changes | | | | |
| Operating Funded Capital | (5.9) | 0.8 | 1.7 | 0.4 |
| LIPA Preliminary Settlements | (0.6) | 0.1 | 0.2 | 0.2 |
| Depreciation, OPEB & Envir. Remediation | 5.7 | 2.9 | 7.8 | 5.5 |
| Timing and other cash adjustments | 11.7 | 1.2 | 1.0 | 1.2 |
| Total Cash Adjustment Changes | \$10.9 | \$5.0 | \$10.7 | \$7.3 |
| Total Baseline Changes | (\$69.4) | (\$93.8) | (\$85.8) | (\$104.0) |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | (\$635.3) | (\$628.3) | (\$633.7) | (\$707.0) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|-----------------|-----------------|-----------------|-----------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$3.9) | (\$0.9) | \$2.5 | \$0.0 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | | | | |
| Reduced Fare/Toll Increase | | | | |
| Additional Actions for Budget Balance: Revenue Impact | | | | |
| Vehicle Toll Revenue | | | | |
| Capital and Other Reimbursement | (39.8) | (24.4) | (3.5) | (11.0) |
| Total Revenue Changes | (\$39.8) | (\$24.4) | (\$3.5) | (\$11.0) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll and Overtime | \$11.4 | \$3.6 | \$3.4 | \$3.5 |
| Health and Welfare | 2.1 | 1.5 | 1.9 | 2.3 |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | (3.5) | (4.3) | (2.7) | (2.7) |
| Other Fringe Benefits | 2.4 | 1.9 | 2.3 | 2.7 |
| Reimbursable Overhead | 0.2 | 5.9 | 4.1 | 4.3 |
| Total Labor Expense Changes | \$12.6 | \$8.5 | \$9.1 | \$10.2 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | (\$0.0) | \$0.0 | \$0.0 | \$0.0 |
| Fuel for Buses and Trains | 0.0 | 0.0 | 0.0 | 0.0 |
| Insurance | (0.3) | (0.3) | (0.3) | (0.3) |
| Claims | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 0.6 | 0.7 | 0.5 | 0.5 |
| Professional Service Contracts | (0.1) | 0.1 | 0.0 | 0.0 |
| Materials & Supplies | 27.1 | 15.4 | (5.8) | 0.6 |
| Other Business Expenses | (0.1) | 0.0 | 0.0 | 0.0 |
| Total Non-Labor Expense Changes | \$27.2 | \$15.9 | (\$5.6) | \$0.8 |
| Total Expense Changes | \$39.8 | \$24.4 | \$3.5 | \$11.0 |
| Gap Closing Expenses : | | | | |
| Additional Actions for Budget Balance: Expense Impact | | | | |
| Total Gap Closing Expenses | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Cash Adjustment Changes | | | | |
| Capital and Other Reimbursements | \$16.6 | \$7.2 | (\$13.2) | \$1.5 |
| Total Cash Adjustment Changes | \$16.6 | \$7.2 | (\$13.2) | \$1.5 |
| Total Baseline Changes | \$16.6 | \$7.2 | (\$13.2) | \$1.5 |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | \$12.7 | \$6.3 | (\$10.7) | \$1.5 |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|------------------|------------------|------------------|------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$569.9) | (\$535.4) | (\$545.4) | (\$603.0) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (\$12.9) | (\$13.0) | (\$13.1) | (\$13.3) |
| Reduced Fare/Toll Increase | (47.7) | (72.6) | (73.3) | (74.0) |
| Additional Actions for Budget Balance: Revenue Impact | (1.5) | (3.0) | (3.0) | (3.0) |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | (4.7) | (3.3) | (1.9) | (2.7) |
| Capital and Other Reimbursement | (39.8) | (24.4) | (3.5) | (11.0) |
| Total Revenue Changes | (\$106.6) | (\$116.3) | (\$94.9) | (\$103.9) |
| Expenses | (\$6.2) | (\$6.3) | (\$4.9) | (\$5.7) |
| Labor: | | | | |
| Payroll and Overtime | \$9.4 | \$18.8 | \$18.3 | \$16.1 |
| Health and Welfare | 8.4 | 8.8 | 9.9 | 10.9 |
| OPEB Current Payment | 0.0 | 0.6 | 1.4 | 2.5 |
| Pensions | (1.9) | (0.0) | 0.0 | (0.0) |
| Other Fringe Benefits | 5.7 | 6.3 | 7.8 | 11.7 |
| Reimbursable Overhead | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Labor Expense Changes | \$21.7 | \$34.4 | \$37.5 | \$41.1 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | (\$0.1) | (\$1.0) | (\$4.1) | (\$6.4) |
| Fuel for Buses and Trains | 6.2 | 4.8 | 4.0 | 3.7 |
| Insurance | 0.5 | 0.7 | 0.7 | 0.8 |
| Claims | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 8.8 | 0.2 | 0.3 | 0.7 |
| Professional Service Contracts | 1.1 | 3.0 | 3.3 | 4.0 |
| Materials & Supplies | 29.2 | 27.4 | 12.4 | 3.7 |
| Other Business Expenses | (1.0) | (1.8) | (1.9) | (2.0) |
| Total Non-Labor Expense Changes | \$44.7 | \$33.2 | \$14.8 | \$4.5 |
| Total Expense Changes before Depreciation and GASB Adjs. | \$66.3 | \$67.7 | \$52.3 | \$45.6 |
| Gap Closing Expenses : | | | | |
| Additional Actions for Budget Balance: Expense Impact | (\$34.2) | (\$47.3) | (\$46.1) | (\$47.5) |
| Total Gap Closing Expenses | (\$34.2) | (\$47.3) | (\$46.1) | (\$47.5) |
| Depreciation | (5.2) | (2.4) | (7.3) | (5.0) |
| OPEB Obligation | (0.0) | 0.0 | (0.0) | (0.0) |
| Environmental Remediation | (0.5) | (0.5) | (0.5) | (0.5) |
| Total Expense Changes | \$26.4 | \$17.5 | (\$1.7) | (\$7.3) |
| Cash Adjustment Changes | | | | |
| Capital and Other Reimbursements | \$16.6 | \$7.2 | (\$13.2) | \$1.5 |
| Operating Funded Capital | (5.9) | 0.8 | 1.7 | 0.4 |
| LIPA Preliminary Settlements | (0.6) | 0.1 | 0.2 | 0.2 |
| Depreciation, OPEB & Envir. Remediation | 5.7 | 2.9 | 7.8 | 5.5 |
| Timing and other cash adjustments | 11.7 | 1.2 | 1.0 | 1.2 |
| Total Cash Adjustment Changes | \$27.5 | \$12.2 | (\$2.5) | \$8.8 |
| Total Baseline Changes | (\$52.7) | (\$86.6) | (\$99.0) | (\$102.5) |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | (\$622.6) | (\$622.0) | (\$644.3) | (\$705.5) |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|------------------|------------------|------------------|------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$569.9) | (\$535.4) | (\$545.4) | (\$603.0) |
| Restored AABBs | (4.5) | (12.6) | (11.0) | (11.3) |
| Passenger Fare and Toll Revenue in the Baseline - 23% Yield | (70.0) | (116.3) | (117.4) | (118.4) |
| Passenger Fare and Toll Revenue - 10% Increase | 22.3 | 43.7 | 44.1 | 44.5 |
| Non-Reimbursable Major Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (12.9) | (13.0) | (13.1) | (13.3) |
| AABB re-estimate (Exterior Train Car Advertising) | (1.5) | (1.5) | 0.0 | 0.0 |
| Titan Advertising | (4.7) | (4.6) | (4.8) | (5.8) |
| Other Operating Revenue | 0.1 | (0.1) | (0.1) | 0.1 |
| Sub-Total Non-Reimbursable Revenue Changes | (\$19.1) | (\$19.3) | (\$18.1) | (\$19.0) |
| Expenses | | | | |
| Mobility Tax | (1.7) | (2.0) | (2.1) | (2.1) |
| AABB re-estimates | 2.2 | 1.3 | (1.2) | (4.6) |
| Traction & Fuel (primarily rate adjustments exc AABB restorations) | 5.6 | 2.2 | (1.7) | (4.3) |
| ESA Readiness | | | | |
| Pension - Latest Actuarial Estimate | 1.6 | 4.3 | 2.7 | 2.7 |
| Mothball 10 Additional M-3 cars | 1.7 | 1.7 | 1.7 | 7.2 |
| Business Service Center adjustments | | | (.7) | (1.1) |
| Hours of Service Rule for BRS-Signal | (.4) | (.7) | (.7) | (.8) |
| Diesel Fleet Modifications and re-estimates | (.2) | (2.4) | (3.3) | (3.3) |
| M-7 Bombardier Modifications and LCM re-estimates | (2.8) | (5.3) | 5.6 | (4.1) |
| Misc Fleet Maintenance activities/timing | (1.9) | 7.5 | 6.5 | 2.7 |
| Overtime re-estimate (crewbook, weather, etc.) | (4.5) | (1.5) | | |
| Health & Welfare - Active rate adjustments | 5.2 | 4.2 | 4.9 | 5.8 |
| Health & Welfare Retiree - rate adjustments | | .6 | 1.4 | 2.5 |
| Timing of IT Initiatives | (3.3) | (.4) | .4 | .1 |
| Assistant Conductor Rate based on progression analysis | (1.6) | (1.5) | (1.5) | (1.6) |
| Increase pool of qualified conductors to 87% | (.7) | | | |
| All other | (2.5) | .6 | 1.6 | (.4) |
| Sub-Total Non-Reimbursable Expense Changes | (\$3.2) | \$8.6 | \$13.6 | (\$1.5) |
| Total Non-Reimbursable Major Changes | (\$74.5) | (\$95.9) | (\$88.7) | (\$105.8) |
| Reimbursable Major Changes | | | | |
| Revenue | | | | |
| Capital and Other Reimbursements | (39.8) | (24.4) | (3.5) | (11.0) |
| Sub-Total Reimbursable Revenue Changes | (\$39.8) | (\$24.4) | (\$3.5) | (\$11.0) |
| Expenses | | | | |
| East Side Access Material | 27.0 | 15.4 | (5.6) | 0.8 |
| Project Activity | 12.7 | 9.0 | 9.1 | 10.2 |
| Sub-Total Reimbursable Expense Changes | \$39.8 | \$24.4 | \$3.5 | \$11.0 |
| Total Reimbursable Major Changes | \$0 | \$0 | \$0 | \$0 |
| Total Accrual Changes | (\$74.5) | (\$95.9) | (\$88.7) | (\$105.8) |
| Cash Adjustment Changes | | | | |
| Non-Reimbursable | | | | |
| Operating Funded Capital | (5.9) | 0.8 | 1.7 | 0.4 |
| LIPA Preliminary Settlements | (0.6) | 0.1 | 0.2 | 0.2 |
| Timing and other cash adjustments | 11.7 | 1.2 | 1.0 | 1.2 |
| Reimbursable | | | | |
| Capital and Other Reimbursements | \$16.6 | \$7.2 | (\$13.2) | \$1.5 |
| Total Cash Adjustment Changes | \$21.8 | \$9.3 | (\$10.3) | \$3.3 |
| Total Baseline Changes | (\$52.7) | (\$86.6) | (\$99.0) | (\$102.5) |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | (\$622.6) | (\$622.0) | (\$644.3) | (\$705.5) |

**MTA Long Island Rail Road
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

RIDERSHIP/UTILIZATION PROJECTIONS

- The regional economy and employment are the primary drivers of passenger ridership and revenue in 2010.
- Ridership projections for the outer years 2011-2013 reveal modest annual growth.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Ridership/Traffic Volume (Utilization)

| | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---|----------------|------------------------------|-------------------------------|-------------|-------------|-------------|
| Baseline Ridership | | | | | | |
| Baseline Total Ridership | 87.4 | 84.1 | 83.6 | 84.2 | 85.1 | 85.8 |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap (PEGs) | | | | | | |
| Post-2010 Program to Eliminate the Gap (PEGs) | | | | | | |
| Total Ridership | 87.4 | 84.1 | 83.6 | 84.2 | 85.1 | 85.8 |

MTA Long Island Rail Road
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|---------------------------------------|--|-----------|----------------|-----------|----------------|-----------|-----------------|-----------|----------------|-----------|----------------|
| | | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars |
| Administration | | | | | | | | | | | |
| Network Strategy Study | | | 1.500 | | | | | | | | |
| Planning and Development Consultant | | | | | 0.125 | | | | | | |
| Crew Board | | | | 2 | 0.200 | 2 | 0.200 | 2 | 0.200 | 2 | 0.200 |
| Reduction in Administrative Positions | | | | 1 | 0.082 | 1 | 0.085 | 1 | 0.087 | 1 | 0.090 |
| Reduction in Management Positions | | | | 1 | 0.125 | 1 | 0.128 | 1 | 0.132 | 1 | 0.136 |
| | Sub-Total Administration | 0 | \$1.500 | 4 | \$0.532 | 4 | \$0.413 | 4 | \$0.419 | 4 | \$0.426 |
| Customer Convenience/Amenities | | | | | | | | | | | |
| | Sub-Total Customer Convenience/Amenities | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Maintenance | | | | | | | | | | | |
| | Sub-Total Maintenance | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Other | | | | | | | | | | | |
| GPS | | | | | 0.775 | | | | | | |
| | Sub-Total Other | 0 | \$0.000 | 0 | \$0.775 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Revenue Enhancement | | | | | | | | | | | |
| | Sub-Total Revenue Enhancement | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Safety | | | | | | | | | | | |
| | Sub-Total Safety | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Security | | | | | | | | | | | |
| | Sub-Total Security | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service | | | | | | | | | | | |
| | Sub-Total Service | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service Support | | | | | | | | | | | |
| | Sub-Total Service Support | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Total Programs | | 0 | \$1.500 | 4 | \$1.307 | 4 | \$ 0.413 | 4 | \$0.419 | 4 | \$0.426 |

MTA Long Island Rail Road
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

| | | | | | |
|--------------------------|------------------------|---------------------|----------------|----------------------------|--------|
| Business Unit | LIRRD | PEG Category | Administration | Implementation Date | Jul-09 |
| PEG / New Need ID | 2 | | | Savings Date | 2009 |
| Program: | Network Strategy Study | | | | |

Description and Implementation Plan A study of the regional transportation needs and how best to plan the LIRR's infrastructure strategy is necessary to meet the growing ridership demands. This study has been deferred indefinitely due to the current economic conditions.

Background Details

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|-------|------|------|------|------|
| Total Headcount | | | | | |
| Financial Impact | 1.500 | | | | |

MTA Long Island Rail Road
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

| | | | | | |
|--------------------------|-------|---------------------|----------------|----------------------------|--------|
| Business Unit | LIRRD | PEG Category | Administration | Implementation Date | Jul-09 |
| PEG / New Need ID | 3 | | | Savings Date | 2010 |

Program: Planning and Development Consultant (Route 110 Corridor Study)

Description and Implementation Plan

Background Details

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|-------|------|------|------|
| Total Headcount | | | | | |
| Financial Impact | | 0.125 | | | |

MTA Long Island Rail Road
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

| | | | | | |
|--|---|---------------------|----------------|----------------------------|--------|
| Business Unit | LIRRD | PEG Category | Administration | Implementation Date | Jul-09 |
| PEG / New Need ID | 4 | | | Savings Date | 2010 |
| Program: | Crew Board | | | | |
| Description and Implementation Plan | Offset two overtime task force positions. | | | | |
| Background Details | | | | | |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|-------|-------|-------|-------|
| Total Headcount | | 2 | 2 | 2 | 2 |
| Financial Impact | | 0.200 | 0.200 | 0.200 | 0.200 |

| |
|---|
| <p>MTA Long Island Rail Road</p> <p>July Financial Plan 2010-2013</p> <p>2010 Program to Eliminate the Gap (PEGs) Worksheet</p> <p>(\$ in millions)</p> |
|---|

| | | | |
|-------------------|---|--------------|------|
| PEG / New Need ID | 5 | Savings Date | 2010 |
|-------------------|---|--------------|------|

Description and Implementation Plan

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|-------|-------|-------|-------|
| Total Headcount | | 1 | 1 | 1 | 1 |
| Financial Impact | | 0.082 | 0.085 | 0.087 | 0.090 |

| |
|---|
| <p>MTA Long Island Rail Road</p> <p>July Financial Plan 2010-2013</p> <p>2010 Program to Eliminate the Gap (PEGs) Worksheet</p> <p>(\$ in millions)</p> |
|---|

| | | | |
|-------------------|---|--------------|------|
| PEG / New Need ID | 6 | Savings Date | 2010 |
|-------------------|---|--------------|------|

Description and Implementation Plan

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|-------|-------|-------|-------|
| Total Headcount | | 1 | 1 | 1 | 1 |
| Financial Impact | | 0.125 | 0.128 | 0.132 | 0.136 |

MTA Long Island Rail Road
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

| | | | | | |
|--|--|---------------------|-------|----------------------------|--------|
| Business Unit | LIRRD | PEG Category | Other | Implementation Date | Jul-09 |
| PEG / New Need ID | 1 | | | Savings Date | 2010 |
| Program: | GPS | | | | |
| Description and Implementation Plan | Cancel the purchase of GPS for the C3 and M3 fleets. | | | | |
| Background Details | | | | | |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------|------|-------|------|------|------|
| Total Headcount | | | | | |
| Financial Impact | | 0.775 | | | |

MTA Long Island Rail Road
July Financial Plan 2010-2013
Summary of Post-2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|---------------------------------------|--|-----------|---------|-----------|---------|-----------|-----------|-----------|----------|-----------|----------|
| | | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars | Positions | Dollars |
| Administration | | | | | | | | | | | |
| | Sub-Total Administration | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Customer Convenience/Amenities | | | | | | | | | | | |
| | Sub-Total Customer Convenience/Amenities | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Maintenance | | | | | | | | | | | |
| | Sub-Total Maintenance | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Other | | | | | | | | | | | |
| TBD | | | | | | | 12.300 | | 24.500 | | 36.800 |
| | Sub-Total Other | 0 | \$0.000 | 0 | \$0.000 | 0 | \$12.300 | 0 | \$24.500 | 0 | \$36.800 |
| Revenue Enhancement | | | | | | | | | | | |
| | Sub-Total Revenue Enhancement | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Safety | | | | | | | | | | | |
| | Sub-Total Safety | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Security | | | | | | | | | | | |
| | Sub-Total Security | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service | | | | | | | | | | | |
| | Sub-Total Service | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service Support | | | | | | | | | | | |
| | Sub-Total Service Support | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Total Programs | | 0 | \$0.000 | 0 | \$0.000 | 0 | \$ 12.300 | 0 | \$24.500 | 0 | \$36.800 |

MTA Long Island Rail Road
July Financial Plan 2010-2013
Post-2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

| | | | | | |
|----------------------|-------|---------------------|-------|----------------------------|------|
| Business Unit | LIRRD | PEG Category | Other | Implementation Date | 2011 |
|----------------------|-------|---------------------|-------|----------------------------|------|

| | | | | | |
|--------------------------|---|--|--|---------------------|------|
| PEG / New Need ID | 7 | | | Savings Date | 2011 |
|--------------------------|---|--|--|---------------------|------|

Program: TBD

Description and Implementation Plan

Background Details

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|------|-----------|-----------|-----------|
| Total Headcount | | | | | |
| Financial Impact | | | \$ 12.300 | \$ 24.500 | \$ 36.800 |

**MTA Long Island Rail Road
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required to meet/achieve corporate goals.
- Annual staffing levels include the impact of new needs and re-estimates consistent with the associated cost changes incorporated in the financial plan.
- 2013 includes approximately 183 positions due to East Side Access ramp-up.

REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required for reimbursable activity.
- Annual staffing levels represent the positions required to support the Capital Program, as well as changes in other reimbursable projects.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|------------------------|---------------------------------------|--|--------------|--------------|--------------|
| Administration | | | | | | |
| Executive VP | 2 | 2 | 2 | 2 | 2 | 2 |
| Sr. VP Administration | 0 | 2 | 2 | 2 | 2 | 2 |
| Labor Relations | 11 | 11 | 10 | 10 | 10 | 10 |
| Procurement & Logistics (excl. Stores) | 82 | 92 | 93 | 93 | 93 | 93 |
| Human Resources | 109 | 105 | 98 | 84 | 84 | 90 |
| Strategic Investments | 36 | 42 | 42 | 42 | 42 | 42 |
| Diversity Management | 2 | 0 | 0 | 0 | 0 | 0 |
| President | 4 | 4 | 4 | 4 | 4 | 4 |
| VP & Chief Financial Officer | 105 | 110 | 109 | 75 | 75 | 75 |
| Information Technology | 162 | 182 | 184 | 179 | 179 | 179 |
| VP - East Side Access & Special Projects | 26 | 27 | 27 | 27 | 27 | 27 |
| Market Dev. & Public Affairs | 66 | 67 | 67 | 67 | 67 | 67 |
| Gen. Counsel & Secretary | 34 | 38 | 38 | 38 | 38 | 38 |
| System Safety | 22 | 24 | 21 | 21 | 21 | 21 |
| Security | | 6 | 6 | 6 | 6 | 6 |
| VP Operations/Oper. S/A & Serv. Planning | 40 | 45 | 44 | 43 | 43 | 43 |
| Total Administration | 701 | 757 | 747 | 693 | 693 | 699 |
| Operations | | | | | | |
| Transportation | 1,884 | 1,863 | 1,798 | 1,806 | 1,812 | 1,970 |
| Passenger Service (Ticket Clerks & Agents) | 204 | 188 | 162 | 163 | 163 | 163 |
| Total Operations | 2,088 | 2,051 | 1,960 | 1,969 | 1,975 | 2,133 |
| Maintenance | | | | | | |
| Engineering | 1,694 | 1,715 | 1,692 | 1,688 | 1,682 | 1,676 |
| Equipment | 1,931 | 1,925 | 1,951 | 1,926 | 1,944 | 1,929 |
| Passenger Service (excl. Ticket Selling) | 187 | 195 | 194 | 194 | 194 | 194 |
| Procurement (Stores) | 95 | 98 | 98 | 98 | 98 | 98 |
| Total Maintenance | 3,907 | 3,933 | 3,935 | 3,906 | 3,918 | 3,897 |
| Engineering/Capital | | | | | | |
| Project Management (CPM & FAM) | 110 | 132 | 132 | 132 | 132 | 132 |
| Total Engineering/Capital | 110 | 132 | 132 | 132 | 132 | 132 |
| Total Baseline Positions | 6,806 | 6,873 | 6,774 | 6,700 | 6,718 | 6,861 |
| <i>Non-Reimbursable</i> | 6,050 | 6,200 | 5,876 | 5,820 | 5,842 | 5,985 |
| <i>Reimbursable</i> | 756 | 673 | 898 | 880 | 876 | 876 |
| <i>Total Full-Time</i> | 6,806 | 6,873 | 6,774 | 6,700 | 6,718 | 6,861 |
| <i>Total Full-Time Equivalents</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap | - | - | 4 | 4 | 4 | 4 |
| Post-2010 Program to Eliminate the Gap | - | - | - | - | - | - |
| Total Positions | 6,806 | 6,873 | 6,770 | 6,696 | 6,714 | 6,857 |
| <i>Non-Reimbursable</i> | 6,050 | 6,200 | 5,872 | 5,816 | 5,838 | 5,981 |
| <i>Reimbursable</i> | 756 | 673 | 898 | 880 | 876 | 876 |
| <i>Total Full-Time</i> | 6,806 | 6,873 | 6,770 | 6,696 | 6,714 | 6,857 |
| <i>Total Full-Time Equivalents</i> | | | | | | |

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Full-time Positions and Full-time Equivalents by Function and Occupational Group

| FUNCTION/OCCUPATIONAL GROUP | | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---------------------------------|-----------------------------------|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| Administration | | | | | | | |
| | Managers/Supervisors | 329 | 365 | 362 | 353 | 353 | 355 |
| | Professional, Technical, Clerical | 372 | 392 | 385 | 340 | 340 | 344 |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Administration | 701 | 757 | 747 | 693 | 693 | 699 |
| Operations | | | | | | | |
| | Managers/Supervisors | 249 | 276 | 276 | 274 | 274 | 274 |
| | Professional, Technical, Clerical | 200 | 171 | 152 | 153 | 153 | 153 |
| | Operational Hourlies | 1,639 | 1,604 | 1,532 | 1,542 | 1,548 | 1,706 |
| | Total Operations | 2,088 | 2,051 | 1,960 | 1,969 | 1,975 | 2,133 |
| Maintenance | | | | | | | |
| | Managers/Supervisors | 679 | 685 | 740 | 740 | 740 | 741 |
| | Professional, Technical, Clerical | 262 | 283 | 279 | 279 | 279 | 280 |
| | Operational Hourlies | 2,966 | 2,965 | 2,916 | 2,887 | 2,899 | 2,876 |
| | Total Maintenance | 3,907 | 3,933 | 3,935 | 3,906 | 3,918 | 3,897 |
| Engineering/Capital | | | | | | | |
| | Managers/Supervisors | 93 | 106 | 106 | 106 | 106 | 106 |
| | Professional, Technical, Clerical | 17 | 26 | 26 | 26 | 26 | 26 |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Engineering/Capital | 110 | 132 | 132 | 132 | 132 | 132 |
| Public Safety | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | - | - | - | - | - | - |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Public Safety | - | - | - | - | - | - |
| Total Baseline Positions | | | | | | | |
| | Managers/Supervisors | 1,350 | 1,432 | 1,484 | 1,473 | 1,473 | 1,476 |
| | Professional, Technical, Clerical | 851 | 872 | 842 | 798 | 798 | 803 |
| | Operational Hourlies | 4,605 | 4,569 | 4,448 | 4,429 | 4,447 | 4,582 |
| | Total Baseline Positions | 6,806 | 6,873 | 6,774 | 6,700 | 6,718 | 6,861 |

Metro-North Railroad

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013**

MISSION STATEMENT

The mission of MTA Metro-North Railroad is to preserve and enhance the quality of life and economic health of the region we serve through the efficient provision of transportation service of the highest quality.

This mission statement and its accompanying statement of values have guided Metro-North's decision making for over 25 years. The railroad is additionally guided by seven strategic areas that are common to all MTA agencies to ensure the creation and execution of effective goals and objectives. These seven areas are: customer service, safety & security, workforce development, projects & planning, financial stability, sustainability, and institutional transformation.

DESCRIPTION OF SERVICES

MTA Metro-North Railroad provides passenger rail service to five suburban counties in New York State (Westchester, Putnam, Dutchess, Rockland, and Orange), two in Connecticut (Fairfield and New Haven), and two urban counties in New York City (Bronx and Manhattan). East of Hudson train service extends 85 miles from Manhattan, with terminals to the northeast in New Haven, Waterbury, Danbury, and New Canaan on the New Haven Line; to the north in Wassaic on the Harlem Line, and Poughkeepsie on the Hudson Line. The Harlem, Hudson, and New Haven Lines converge in the Bronx and terminate at Grand Central Terminal in Manhattan. West of the Hudson River, the Pascack Valley Line extends to Spring Valley, New York and the Port Jervis Line to Port Jervis, 95 miles from Hoboken at the border of New York and Pennsylvania. Both lines terminate in Hoboken, New Jersey. Service on the New Haven line is provided by Metro-North pursuant to a contract between the Connecticut Department of Transportation (ConnDOT) and Metro-North/MTA. Service on the Port Jervis and Pascack Valley Lines is operated by New Jersey Transit under contract to Metro-North. The railroad plans to carry 82.6 million customers in 2010 over 385 road miles, to and from 122 stations, operating 667 trains on an average weekday East of Hudson, and 62 trains on an average weekday West of Hudson.

FINANCIAL OVERVIEW

During the second half of 2008 the effects of the worldwide economic downturn began to impact Metro-North's ridership growth. By the end of 2008, the growth stopped and began to reverse as rising regional unemployment levels began posting declines in the number of 2009 customers carried versus record-setting 2008 levels. The resulting revenue losses, in addition to lower projected operating subsidy available from the MTA and Connecticut Department of Transportation (due to recession-driven reductions in projected transit-dedicated tax proceeds), have placed pressure on Metro-North to further reduce operating costs to contribute toward achieving additional budgetary balance.

Consequently, Metro-North has implemented several cost-reduction plans to reduce its subsidy requirements. These plans were developed in accordance with MTA system-wide guidelines and were designed to maintain current safety and service quality standards, and minimize adverse impacts on customers and employees. These cost saving measures include:

- A continuation in 2009 of administrative cost reductions enacted in July 2008.
- 1.5% annual cost reduction measures from 2008-2013 (over \$9 million each year)
- Additional actions to achieve budget balance (over \$27 million starting in 2009)
- A further programmatic review of base costs to garner additional subsidy reductions and fund new needs.

Development of these plans flow from Metro-North's annual planning process, whereby issues impacting the performance of the railroad are reviewed and initiatives developed to achieve the railroad's goals. Consequently, operating resource estimates included in each budget are based on the consideration of factors which affect all aspects of the railroad including current operating trends, projected changes in costs, new initiatives/business decisions which affect service quantity, quality or efficiency, and the impacts of capital improvements on operating expenditures. Each of these factors is carefully reviewed in the context of funding availability from MTA and ConnDOT, the agencies subsidizing Metro-North.

Metro-North has also identified emerging new needs and has earmarked the continuation of existing programs that support strategic focus areas. Examples of these programs are highlighted below:

Customer Service

- In 2009 the new Yankees-E.153rd Street station was opened to provide:
 - baseball season travel to the new Yankee Stadium from all three East of Hudson service lines,
 - a new transportation option for Bronx residents
 - park-and-ride opportunities for tri-state area travelers to midtown Manhattan

- Provisions for additional East of Hudson train service are included during 2010-2013.
- Equipment overhauls and labor and material resources to support the new M8 cars are new needs that ensure service reliability and have been rescheduled in accordance with revised operating plans.
- A new Interactive Voice Response system (IVR) will be implemented to increase the capacity and reliability of the outdated customer telephone information system.
- The phased replacement of Hudson Rail Link shuttle buses will continue through 2012 to ensure the reliability and adequate capacity of this successful connecting service.
- The addition of maintenance staffing has been accelerated for the new Harmon Shop facilities.
- Cyclical station painting and maintenance programs have been incorporated to maintain/improve the environment at outlying stations.

Safety and Security

- Metro-North has incorporated the resources to support the maintenance and monitoring functions associated with the implementation of new security systems in New York and Connecticut.
- Resources are included to comply with new FRA mandates regarding more stringent hours of service rules for signal maintainers, and the expansion of drug testing to include Maintenance of Way employees.

Workforce Development

- A Learning Management System will be implemented to improve the delivery (via employee electronic access to training programs across the railroad) and management of training programs.

Project and Planning

- To maintain and improve the efficiency of Metro-North's information communication network, upgrades to supporting equipment, and the installation of additional security refinements have been planned for implementation starting in 2009.

Financial Stability

- Increase passenger revenues through the implementation of new train service that improves financial performance and promotes long-term ridership growth.
- Incorporate new sources of non-passenger revenue as a result of focused efforts to leverage Metro-North assets for advertising, vending, and transit oriented development projects.
- Expand the implementation of Kronos timekeeping at all facilities to improve the tracking and reporting of personnel costs.
- Remove completed program costs from the financial plan. In 2010, labor and material resources for the M3 CSR program have been phased-out as this program winds down and locomotive overhaul costs have been removed from the financial plan as scheduled work is completed.

- To effectively meet financial plan targets, cost efficiencies focus on reducing proposed programs that improve performance rather than diminish existing service. To this end, planned additions for car seat replacement, increased locomotive shop staffing, and new M8 car maintenance requirements have been deferred in accordance with current operating conditions and schedules.
- Savings in existing costs have been achieved in on-board crews (made possible by reductions in deadhead equipment trains), scaling back extraordinary car and station cleaning (daily cleaning cycles unchanged), and lowering debit/credit card fees (due to reduced ridership).

The financial plan also includes current expenditure trends and continuation of critical operating functions. Consequently, projected cost changes for energy, steel prices and insurance coverage, as well as the financial impact of negotiated wage agreements through June 2010 is incorporated. In addition to these economic factors, cost provisions have been added or maintained for West of Hudson subsidies, security projects, revenue-generating service initiatives, and operating support costs to maintain capital-funded improvements to infrastructure and facilities. To preserve the retail revenue stream in GCT and maintain its landmark status, GCT renovation funds have been earmarked in each year of the plan. Similar to the costs required for the overall GCT retail operation and its management, the cost of GCT restoration/renovation projects are netted in the Financial Plan against GCT Retail Revenue.

2009 MID YEAR FORECAST

The 2009 Mid Year Non-Reimbursable Forecast reflects revenue projections totaling \$547.9 million, and expenses, including depreciation, of \$1,257.2 million that generate an operating deficit of \$709.3 million. Cash adjustments of \$300.7 million reduce that amount to a cash deficit of \$408.5 million, of which \$322.2 million represents MTA share and \$86.3 million ConnDOT share. The 2009 Mid Year Reimbursable revenue and expense projections total \$183.6 million.

The Mid Year Forecast subsidy requirements for non-reimbursable operations are \$44.6 million higher than Adopted 2009 Budget. The increase reflects lower passenger revenues of \$47.6 million due to a lower than projected fare increase (10% vs. 23% budget; \$24.5 million), a later than anticipated opening of the Yankees E. 153rd Street station (\$2.1 million), and ridership declines associated with the unfavorable regional economic conditions (\$20.9 million). These increases are offset by lower expenses which include reduced health and welfare premiums, the net effect of higher employee vacancy levels, favorable impacts from capital project activity in the form of higher overhead cost recoveries, and reductions in electric and diesel fuel expenditures

2010 PRELIMINARY BUDGET-BASELINE

The 2010 Preliminary Non-Reimbursable Budget reflects revenue projections totaling \$570.7 million, and expenses, including depreciation, of \$1,324.6 million that generate an operating deficit of \$753.9 million. Cash adjustments of \$314.0 million reduce that amount to a cash deficit of \$439.9 million, of which \$341.2 million represents the MTA share and \$98.7 million the ConnDOT share. The 2010 Proposed Reimbursable revenues and expenses total \$195.4 million.

The Non-Reimbursable revenue projections reflect current passenger fares and trends in Other Operating Revenue. In 2010, ridership growth of 0.8% is projected and is primarily due to the full year impact of new service to Yankees-E153rd Street station (which began in late May 2009). In 2010, Customer Service initiatives include a modest increase in NHL service as well as efforts to maintain parking and promote connecting services to Metro-North stations. In addition, the financial plan includes funding of new programs to establish cyclical station painting and maintenance programs, the continuation of equipment overhaul programs, and the phased increase in maintenance support staff for new M8 cars and the new Harmon Shop facilities that will ensure the continued reliability of equipment and service delivery. Safety and Security support costs for monitoring systems in New York State have been rescheduled and added in the fourth quarter of 2010, and cost provisions for FRA mandated expansion of employee drug testing and more stringent hours of service rules for signal maintainers have been included. Workforce Development will be strengthened with refocused efforts on employee training in recognition of anticipated changes in Metro-North's employee base. Project and Planning initiatives in the non-reimbursable 2010 financial plan include the on-going replacement of vehicles and installation of security refinements to Ticket Selling Machines. To maintain Financial Stability, current cost trends are incorporated to reflect rising energy and healthcare costs, increasing material prices, and the rescheduling of several programs such as office renovations, M8 car acquisitions and the associated completion of the New Haven Shop and Yard complex. In addition, non-passenger revenues are increasing in 2010 from higher GCT retail revenues and advertising proceeds.

2011-2013 PROJECTIONS

The Non-Reimbursable revenue projections total \$593.0 million in 2011, \$610.1 million in 2012, and \$626.8 million in 2013. Non-Reimbursable expense projections, including depreciation, total \$1,391.2 million in 2011, and \$1,449.6 million in 2012, and \$1,514.6 million in 2013. These revenue and expense projections generate a baseline operating deficit of \$798.2 million in 2011, \$839.5 million in 2012 and, \$887.8 million in 2013. Cash adjustments of \$311.6 million in 2011, \$323.0 million in 2012, and \$337.2 million in 2013 reduce the amounts to a baseline cash deficit projection of \$486.6 million in 2011, \$516.6 million in 2012, and \$550.5 million in 2013. The MTA share of the

baseline cash deficits totals \$372.1 million in 2011, \$388.6 million in 2012, and \$416.3 million in 2013, while the ConnDOT share totals \$114.5 million, \$128.0 million, and \$134.2 million, respectively. The Reimbursable revenues and expenses total \$ 190.7 million in 2011, \$185.7 million in 2012, and \$189.9 million in 2013.

The 2011-2013 expenditure projections will allow Metro-North to continue Customer Service initiatives that maintain existing train service levels, add new service on all lines, continue service reliability programs that maintain rolling stock and the right-of-way and the phasing in of resources to support maintenance requirements on the new M8 car fleet. Safety and Security program expenditures include the support costs for the full implementation of system-wide monitoring and intrusion detection equipment, back-up communication systems in midtown Manhattan, and the full staffing of a GCT fire brigade. Financial Stability measures include the removal of completed programs such as concrete tie replacements and the West of Hudson locomotive overhaul, the transfer of financial and human resource staff to the Business Service Center and the incorporation of projected cost changes in energy, healthcare and material. Major assumptions reflected in the 2010-2013 projections and reconciliation to the February Plan is furnished later in this document.

GAP CLOSING MEASURES

2009 – 2013 PROGRAMS TO ELIMINATE THE GAP (PEGs)

PEG reductions proposed for 2009 – 2013 consist of \$9.7 million in savings from the following initiatives:

- Eliminate 10 administrative positions (\$1.2 million annually).
- Eliminate 13 ticket seller positions as a result of ticket window closings made possible by the increased deployment of ticket vending machines in GCT and at outlying stations (\$1.1 million).
- Defer the addition of eight second shift coach shop mechanics (\$.7 million).
- Reduce train crew costs from the elimination of scheduled Deadhead Equipment trains (\$1.1 million).
- Reduce material and supplies costs with the implementation of joint procurement contracts with the LIRR for rolling stock parts (\$.3 million).
- Eliminate 12 positions in 2010 (8 in 2011-2013) for GCT fire safety duties that will be performed with existing forces.
- Eliminate provisions for new West of Hudson train service (\$1.7 million).
- Reduce the 2010 East of Hudson Service Plan (\$2.2 million).

MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE | | | | | | |
|--|------------------------|---------------------------------------|--|------------------|------------------|------------------|
| | 2008 Actual | 2009 Mid Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
| Operating Revenue | | | | | | |
| Farebox Revenue | \$502.6 | \$512.9 | \$533.5 | \$552.7 | \$569.9 | \$585.6 |
| Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 36.0 | 35.0 | 37.2 | 40.2 | 40.2 | 41.2 |
| MNR - MTA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MNR - CDOT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MNR - Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital and Other Reimbursements | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Revenue | \$538.6 | \$547.9 | \$570.7 | \$593.0 | \$610.1 | \$626.8 |
| Operating Expenses | | | | | | |
| Labor: | | | | | | |
| Payroll | \$375.7 | \$395.2 | \$407.7 | \$418.8 | \$432.0 | \$448.7 |
| Overtime | 56.0 | 55.7 | 55.4 | 56.7 | 58.2 | 59.8 |
| Health and Welfare | 66.1 | 68.4 | 77.8 | 84.2 | 91.1 | 99.4 |
| OPEB Current Payment | 9.7 | 9.4 | 10.5 | 11.4 | 12.3 | 13.4 |
| Pensions | 33.9 | 43.9 | 51.2 | 57.0 | 63.3 | 65.2 |
| Other Fringe Benefits | 75.6 | 79.9 | 82.3 | 85.0 | 87.7 | 91.2 |
| Reimbursable Overhead | (47.1) | (44.4) | (43.7) | (44.3) | (45.0) | (45.6) |
| Total Labor | \$569.8 | \$608.1 | \$641.3 | \$668.8 | \$699.6 | \$732.0 |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | \$63.6 | \$68.7 | \$75.5 | \$84.7 | \$94.9 | \$106.4 |
| Fuel for Buses and Trains | 23.9 | 12.1 | 18.3 | 22.2 | 22.8 | 32.3 |
| Insurance | 12.1 | 12.1 | 13.3 | 14.8 | 16.5 | 18.4 |
| Claims | 6.2 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Paratransit Service Contracts | | | | | | |
| Maintenance and Other Operating Contracts | 87.8 | 96.1 | 103.5 | 107.9 | 105.8 | 101.4 |
| Professional Service Contracts | 21.3 | 25.5 | 30.1 | 31.0 | 31.9 | 31.9 |
| Materials & Supplies | 80.8 | 85.5 | 82.2 | 90.0 | 95.3 | 97.9 |
| Other Business Expenses | 14.0 | 13.5 | 15.4 | 16.8 | 17.5 | 18.4 |
| Total Non-Labor | \$309.7 | \$325.5 | \$350.3 | \$379.4 | \$396.7 | \$418.7 |
| Other Expenses Adjustments: | | | | | | |
| Other | | | | | | |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation and GASB Adjs. | \$879.5 | \$933.6 | \$991.6 | \$1,048.2 | \$1,096.3 | \$1,150.7 |
| Depreciation | \$219.9 | \$260.6 | \$270.0 | \$278.1 | \$286.4 | \$295.0 |
| OPEB Obligation | 54.9 | 55.0 | 55.0 | 56.7 | 58.3 | 60.1 |
| Environmental Remediation | 7.6 | 8.0 | 8.0 | 8.2 | 8.5 | 8.8 |
| Total Expenses | \$1,162.0 | \$1,257.2 | \$1,324.6 | \$1,391.2 | \$1,449.6 | \$1,514.6 |
| Baseline Surplus/(Deficit) | (\$623.4) | (\$709.3) | (\$753.9) | (\$798.2) | (\$839.5) | (\$887.8) |
| Cash Conversion Adjustments: | | | | | | |
| Depreciation | \$219.9 | \$260.6 | \$270.0 | \$278.1 | \$286.4 | \$295.0 |
| Operating/Capital | (19.7) | (20.8) | (13.0) | (17.7) | (16.0) | (17.0) |
| Other Cash Adjustments | 76.3 | 61.0 | 57.0 | 51.3 | 52.5 | 59.2 |
| Total Cash Conversion Adjustments | \$276.5 | \$300.7 | \$314.0 | \$311.6 | \$323.0 | \$337.2 |
| Baseline Cash Surplus/(Deficit) | (\$347.0) | (\$408.5) | (\$439.9) | (\$486.6) | (\$516.6) | (\$550.5) |
| Post-2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 19.2 | 33.0 | 34.4 |
| 2010 Agency Program to Eliminate the Gap | 0.0 | 0.7 | 9.7 | 9.4 | 9.4 | 9.5 |
| Total PEG's | \$0.0 | \$0.7 | \$9.7 | \$28.5 | \$42.4 | \$43.9 |
| Net Surplus/(Deficit) | (\$347.0) | (\$407.8) | (\$430.2) | (\$458.1) | (\$474.1) | (\$506.7) |

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MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE / REIMBURSABLE | | | | | | |
|--|-------------------|------------------------------|-------------------------------|-------------------|-------------------|-------------------|
| | 2008 Actual | 2009 Mid Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
| Revenue | | | | | | |
| Farebox Revenue | \$502.6 | \$512.9 | \$533.5 | \$552.7 | \$569.9 | \$585.6 |
| Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 36.0 | 35.0 | 37.2 | 40.2 | 40.2 | 41.2 |
| MNR - MTA | 102.4 | 114.5 | 117.5 | 120.5 | 123.7 | 126.6 |
| MNR - CDOT | 70.5 | 55.7 | 55.6 | 48.2 | 47.9 | 49.0 |
| MNR - Other | 26.5 | 13.4 | 22.3 | 22.0 | 14.1 | 14.4 |
| Capital and Other Reimbursements | 199.5 | 183.6 | 195.4 | 190.7 | 185.7 | 189.9 |
| Total Revenue | \$738.1 | \$731.6 | \$766.1 | \$783.7 | \$795.8 | \$816.8 |
| Expenses | | | | | | |
| Labor: | | | | | | |
| Payroll | \$416.7 | \$439.8 | \$453.0 | \$464.8 | \$478.7 | \$496.1 |
| Overtime | 72.6 | 72.2 | 72.0 | 73.5 | 75.2 | 77.0 |
| Health and Welfare | 75.6 | 78.4 | 89.1 | 96.2 | 103.9 | 113.0 |
| OPEB Current Payment | 9.7 | 9.4 | 10.5 | 11.4 | 12.3 | 13.4 |
| Pensions | 39.0 | 49.7 | 58.1 | 64.6 | 71.6 | 73.6 |
| Other Fringe Benefits | 85.2 | 90.1 | 92.7 | 95.5 | 98.4 | 102.0 |
| Reimbursable Overhead | (3.4) | (1.7) | (0.4) | (0.3) | (0.3) | (0.3) |
| Total Labor | \$695.3 | \$737.9 | \$774.9 | \$805.7 | \$839.9 | \$874.8 |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | \$63.6 | \$68.7 | \$75.5 | \$84.7 | \$94.9 | \$106.4 |
| Fuel for Buses and Trains | 23.9 | 12.1 | 18.3 | 22.2 | 22.8 | 32.3 |
| Insurance | 16.9 | 17.1 | 18.3 | 20.0 | 21.7 | 23.7 |
| Claims | 6.2 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 120.0 | 115.0 | 130.3 | 125.7 | 114.3 | 110.1 |
| Professional Service Contracts | 29.5 | 33.5 | 38.2 | 39.3 | 40.3 | 40.5 |
| Materials & Supplies | 112.8 | 107.3 | 104.0 | 112.4 | 118.5 | 122.2 |
| Other Business Expenses | 10.9 | 13.6 | 15.6 | 17.0 | 17.6 | 18.6 |
| Total Non-Labor | \$383.7 | \$379.3 | \$412.1 | \$433.2 | \$442.1 | \$465.8 |
| Other Adjustments: | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation and GASB Adjs. | \$1,079.0 | \$1,117.2 | \$1,187.0 | \$1,238.9 | \$1,282.0 | \$1,340.6 |
| Depreciation | \$219.9 | \$260.6 | \$270.0 | \$278.1 | \$286.4 | \$295.0 |
| OPEB Obligation | 54.9 | 55.0 | 55.0 | 56.7 | 58.3 | 60.1 |
| Environmental Remediation | 7.6 | 8.0 | 8.0 | 8.2 | 8.5 | 8.8 |
| Total Expenses | \$1,361.5 | \$1,440.8 | \$1,520.0 | \$1,581.9 | \$1,635.3 | \$1,704.5 |
| Baseline Surplus/(Deficit) | (\$623.4) | (\$709.3) | (\$753.9) | (\$798.2) | (\$839.5) | (\$887.8) |
| Cash Conversion Adjustments: | | | | | | |
| Depreciation | \$219.9 | \$260.6 | \$270.0 | \$278.1 | \$286.4 | \$295.0 |
| Operating/Capital | (19.7) | (20.8) | (13.0) | (17.7) | (16.0) | (17.0) |
| Other Cash Adjustments | 76.3 | 61.0 | 57.0 | 51.3 | 52.5 | 59.2 |
| Total Cash Conversion Adjustments | \$ 276.5 | \$ 300.7 | \$ 314.0 | \$ 311.6 | \$ 323.0 | \$ 337.2 |
| Baseline Cash Surplus/(Deficit) | \$ (347.0) | \$ (408.5) | \$ (439.9) | \$ (486.6) | \$ (516.6) | \$ (550.5) |
| Post-2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 19.2 | 33.0 | 34.4 |
| 2010 Agency Program to Eliminate the Gap | 0.0 | 0.7 | 9.7 | 9.4 | 9.4 | 9.5 |
| Total PEG's | \$0.0 | \$0.7 | \$9.7 | \$28.5 | \$42.4 | \$43.9 |
| Net Surplus/(Deficit) | (\$347.0) | (\$407.8) | (\$430.2) | (\$458.1) | (\$474.1) | (\$506.7) |

**MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Cash Receipts & Expenditures
(\$ in millions)**

| CASH RECEIPTS AND EXPENDITURES | | | | | | |
|---|------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
| | 2008 Actual | 2009 Mid Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Farebox Revenue | \$512.0 | \$518.4 | \$539.4 | \$559.1 | \$576.3 | \$592.1 |
| Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 61.5 | 53.9 | 56.2 | 60.9 | 61.6 | 63.2 |
| MNR - MTA | 104.1 | 108.7 | 120.9 | 120.1 | 123.4 | 126.4 |
| MNR - CDOT | 75.1 | 55.8 | 55.8 | 48.4 | 48.1 | 49.2 |
| MNR - Other | 31.5 | 21.5 | 20.0 | 22.1 | 16.1 | 14.3 |
| Capital and Other Reimbursements | 210.7 | 186.0 | 196.7 | 190.6 | 187.5 | 189.9 |
| Total Receipts | \$784.2 | \$758.3 | \$792.3 | \$810.5 | \$825.4 | \$845.1 |
| Expenditures | | | | | | |
| Payroll | \$410.1 | \$437.5 | \$450.0 | \$463.5 | \$480.8 | \$493.4 |
| Overtime | 73.9 | 72.8 | 72.6 | 74.4 | 76.7 | 77.6 |
| Health and Welfare | 89.3 | 90.5 | 102.3 | 110.5 | 119.2 | 129.3 |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | 28.4 | 44.5 | 58.3 | 64.8 | 71.8 | 73.8 |
| Other Fringe Benefits | 86.9 | 90.0 | 92.6 | 95.8 | 99.6 | 102.0 |
| GASB Account | 5.8 | 6.5 | 7.2 | 8.0 | 8.7 | 9.6 |
| Reimbursable Overhead | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Labor | \$694.4 | \$741.8 | \$783.0 | \$816.8 | \$856.8 | \$885.7 |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | \$61.1 | \$69.3 | \$75.5 | \$84.7 | \$94.9 | \$106.4 |
| Fuel for Buses and Trains | 23.9 | 12.1 | 18.3 | 22.2 | 22.8 | 32.3 |
| Insurance | 20.3 | 17.4 | 18.3 | 20.8 | 21.5 | 23.5 |
| Claims | 9.6 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 143.7 | 142.0 | 154.2 | 146.7 | 133.3 | 129.3 |
| Professional Service Contracts | 30.3 | 34.9 | 39.8 | 42.9 | 43.7 | 44.1 |
| Materials & Supplies | 125.1 | 116.5 | 104.9 | 120.4 | 125.5 | 129.8 |
| Other Business Expenses | 22.7 | 20.7 | 26.0 | 30.5 | 31.2 | 32.4 |
| Total Non-Labor | \$436.8 | \$425.0 | \$449.2 | \$480.3 | \$485.1 | \$510.0 |
| Other Adjustments: | | | | | | |
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Cash Timing and Availability Adjustment | 2.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Adjustments | \$2.1 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenditures | \$1,133.2 | \$1,166.8 | \$1,232.2 | \$1,297.2 | \$1,342.0 | \$1,395.6 |
| Baseline Cash Deficit | (\$349.1) | (\$408.5) | (\$439.9) | (\$486.6) | (\$516.6) | (\$550.5) |
| Subsidies | | | | | | |
| MTA | (\$276.1) | (\$322.2) | (\$341.2) | (\$372.1) | (\$388.6) | (\$416.3) |
| CDOT | (73.0) | (86.3) | (98.7) | (114.5) | (128.0) | (134.2) |
| Total Subsidies | (\$349.1) | (\$408.5) | (\$439.9) | (\$486.6) | (\$516.6) | (\$550.5) |
| Post-2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 19.2 | 33.0 | 34.4 |
| 2010 Agency Program to Eliminate the Gap | 0.0 | 0.7 | 9.7 | 9.4 | 9.4 | 9.5 |
| Total PEG's | \$0.0 | \$0.7 | \$9.7 | \$28.5 | \$42.4 | \$43.9 |
| Net Surplus/Deficit | (\$349.1) | (\$407.8) | (\$430.2) | (\$458.1) | (\$474.1) | (\$506.7) |
| MTA share of PEGS | \$0.0 | \$0.5 | \$8.3 | \$23.7 | \$35.2 | \$36.4 |
| CDOT share of PEGS | 0.0 | 0.2 | 1.4 | 4.9 | 7.2 | 7.5 |
| Total PEGS | \$0.0 | \$0.7 | \$9.7 | \$28.5 | \$42.4 | \$43.9 |
| Subsidies | | | | | | |
| MTA | (\$276.1) | (\$321.7) | (\$333.0) | (\$348.4) | (\$353.3) | (\$379.9) |
| CDOT | (73.0) | (86.1) | (97.3) | (109.7) | (120.8) | (126.7) |
| Total Subsidies | (\$349.1) | (\$407.8) | (\$430.2) | (\$458.1) | (\$474.1) | (\$506.7) |

MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| CASH FLOW ADJUSTMENTS | | | | | | |
|---|-----------------|-------------------|--------------------|-----------------|-----------------|-----------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Farebox Revenue | \$9.4 | \$5.5 | \$5.9 | \$6.3 | \$6.4 | \$6.4 |
| Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 25.5 | 18.9 | 19.0 | 20.6 | 21.4 | 22.0 |
| MNR - MTA | 1.7 | (5.8) | 3.4 | (0.3) | (0.4) | (0.2) |
| MNR - CDOT | 4.5 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| MNR - Other | 5.0 | 8.1 | (2.3) | 0.1 | 2.0 | (0.1) |
| Capital and Other Reimbursements | 11.2 | 2.3 | 1.3 | (0.1) | 1.8 | (0.1) |
| Total Receipts | \$46.1 | \$26.7 | \$26.2 | \$26.9 | \$29.6 | \$28.4 |
| Expenditures | | | | | | |
| Payroll | \$6.7 | \$2.3 | \$3.0 | \$1.3 | (\$2.1) | \$2.7 |
| Overtime | (1.4) | (0.6) | (0.6) | (0.9) | (1.5) | (0.6) |
| Health and Welfare | (13.7) | (12.1) | (13.2) | (14.3) | (15.3) | (16.2) |
| OPEB Current Payment | 9.7 | 9.4 | 10.5 | 11.4 | 12.3 | 13.4 |
| Pensions | 10.6 | 5.2 | (0.2) | (0.1) | (0.2) | (0.2) |
| Other Fringe Benefits | (1.7) | 0.1 | 0.1 | (0.3) | (1.1) | 0.0 |
| GASB Account | (5.8) | (6.5) | (7.2) | (8.0) | (8.7) | (9.6) |
| Reimbursable Overhead | (3.4) | (1.7) | (0.4) | (0.3) | (0.3) | (0.3) |
| Total Labor | \$1.0 | (\$3.9) | (\$8.1) | (\$11.1) | (\$16.9) | (\$10.8) |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | \$2.5 | (\$0.6) | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Fuel for Buses and Trains | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Insurance | (3.4) | (0.4) | 0.0 | (0.9) | 0.2 | 0.2 |
| Claims | (3.4) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | (23.7) | (27.0) | (24.0) | (21.0) | (19.1) | (19.3) |
| Professional Service Contracts | (0.8) | (1.4) | (1.6) | (3.6) | (3.4) | (3.5) |
| Materials & Supplies | (12.4) | (9.2) | (1.0) | (8.0) | (7.0) | (7.6) |
| Other Business Expenditures | (11.9) | (7.1) | (10.4) | (13.5) | (13.6) | (13.8) |
| Total Non-Labor | (\$53.1) | (\$45.7) | (\$37.1) | (\$47.1) | (\$43.0) | (\$44.2) |
| Other Adjustments: | | | | | | |
| Other | (\$6.0) | (\$22.9) | (\$19.0) | (\$31.4) | (\$30.3) | (\$26.7) |
| Total Other Expenditure Adjustments | (\$6.0) | (\$22.9) | (\$19.0) | (\$31.4) | (\$30.3) | (\$26.7) |
| Total Cash Conversion Adjustments before Depreciation and GASB Adjs. | (\$12.0) | (\$45.7) | (\$37.9) | (\$62.8) | (\$60.7) | (\$53.3) |
| Depreciation Adjustment | \$219.9 | \$260.6 | \$270.0 | \$278.1 | \$286.4 | \$295.0 |
| OPEB Obligation | 54.9 | 55.0 | 55.0 | 56.7 | 58.3 | 60.1 |
| Environmental Remediation | 7.6 | 8.0 | 8.0 | 8.2 | 8.5 | 8.8 |
| Baseline Total Cash Conversion Adjustments | \$276.5 | \$300.7 | \$314.0 | \$311.6 | \$323.0 | \$337.2 |
| Post-2010 Agency Program to Eliminate the Gap | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total PEG's | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Cash Conversion Adjustments | \$276.5 | \$300.7 | \$314.0 | \$311.6 | \$323.0 | \$337.2 |

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013
YEAR-TO-YEAR CHANGES BY CATEGORY BASELINE NARRATIVE**

FAREBOX REVENUE

Non-Reimbursable

- East of Hudson ridership growth is projected at -1.9% in 2009, 0.8% in 2010, 3.5% in 2011 3.2% in 2012, and 2.5% in 2013.
- Reduced rate of customer growth in 2009 reflects the continuation of declining trends in regional employment and economic growth.
- Revenues reflect the impact of the June 2009 10% fare increase, assumes no additional increases, and incorporates the impacts of train service to the new Yankees-E.153rd Street station and the Meadowlands.
- 2010-2013 ridership growth reflects a gradual recovery from the regional economic slowdown in 2010, the full-year impact of the Yankee-E.153rd Street service and the impacts of customer service initiatives that expands train service, parking and connecting services. Through 2013, increase in ridership reflects the resumption of modest employment growth and the continuing impacts of service initiatives.

Reimbursable

- Not applicable

Cash

- 2009-2013 cash adjustments include receipts from the sale of Metro Cards, Westchester County bus fares, and special event promotions, partially offset by credit card fees associated with the purchase of passenger tickets.

Other Operating Revenue

Non-Reimbursable

- 2009 decrease reflects the negative impact of the economy on advertising revenues, as well as commissary sales. These decreases are offset by higher net GCT retail tenant revenues, a decrease in costs for GCT revenue funded projects (reflecting reduced project scopes), and increases from other station rents and concessions, as well as new revenue streams from Yankees-E.153rd Station advertising and other media sources.
- 2010 revenue increase reflects higher revenues from parking expansions and new advertising initiatives which includes the full year impact of Yankees-E.153rd

Street station advertising, bar car wraps and framed advertising posters in GCT North and other passageways, and a lower level of funding for GCT restoration projects during the year.

- 2011-2013 reflects contracted escalations in advertising revenues and higher GCT retail revenue, offset slightly by a higher provision for GCT restoration projects.

Reimbursable

- Not applicable

Cash

- 2009-2013 adjustments include the reclassifications of Amtrak and other railroad reimbursements (from the Maintenance and Other Operating Contracts category), and revenue offsets for GCT revenue funded projects to expenditure categories. Also included are reimbursements from CDOT for station facilities and unitickets, the MTA for electricity charges, payments by former employees for health insurance coverage, reimbursements for claims settlements, scrap sale receipts, settlement for defective concrete ties, and other miscellaneous items.

CAPITAL AND OTHER REIMBURSEMENTS

Non-Reimbursable

- Not applicable

Reimbursable

Capital project cost reimbursements in each year of the financial plan are based on recouping 100% of accrued project expenditures.

- 2010 accrued expenditures (and receipts) are based upon the latest projection of capital project activity. Higher reimbursements in 2010 are primarily attributable to the deferral of the GCT Leaks Remediation Project (NYCDOT Share) from 2009.
- 2011-2013 accrued expenditures (and receipts) are based on a continuation of 2010 project cost levels adjusted for the elimination of significant project changes and the impact of inflation.

Cash

- 2010 includes adjustments for receipt timing differences. In addition, 2009-2013 includes cash adjustments to MTA and CDOT receipts for reimbursable portion of GASB contribution.

PAYROLL

Non-Reimbursable

- Non Agreement salaries include a CPI-driven cost of living increase of 1.87%. In 2011-2013 Non Agreement salaries include increases of 2.23%, 2.20% and 1.97% respectively.
- 2010 includes additional management personnel to support workforce development initiatives, are safety and security programs that are partially funded by the elimination of administrative positions in July 2009.
- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2013 increases are applied starting June 16 of each year at annual rates of 1.87% in 2010, 2.23% in 2011, 2.20% in 2012, and 1.97% in 2013.
- 2010 includes additional labor costs for Safety and Security improvements that support new intrusion detection and security monitoring systems in New York and Connecticut (\$6.million) and support personnel for the new Harmon Shop facilities (\$.9 million) and the servicing of new M8 cars (\$.8 million).
- 2010 includes staffing for new cyclical station painting and maintenance programs (\$.5 million), a lower vacancy provision (\$.5 million), and positions to support 2010 service plan changes (\$.6 million).
- 2010 increases are partially offset by a reduction in maintenance forces of (\$1.0 million) due to the winding down of the M3 CSR program, the full year impact of 2009 implemented AABB reductions (\$.9 million for ticket selling, customer information, and station and car cleaning positions), and savings from the installation of the Kronos timekeeping system throughout the railroad (\$.6 million). On-board crew cost savings will be achieved from reduced Yankee Stadium service (\$.5 million) and the elimination of scheduled deadhead equipment trains (\$.5 million).
- 2010 and 2012 include FRA mandated emergency preparedness training.
- 2011-2013 includes additional staffing for the New Haven Shop and Yard complex of \$3.4, \$1.4, and \$2.0 million respectively.
- 2011-2013 includes additional T&E staffing to cover added service improvements of \$1.4 million in 2011 and 2012 and \$3.5 million in 2013.
- 2011 includes signal improvements on the Danbury branch (\$.4 million) and security enhancements (\$.5 million). These increases are partially offset by reductions in staffing due to the transfer of additional positions to the BSC (\$1.3 million) a reduction in maintenance forces with the completion of the M3 CSR program (\$.3 million).

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above

Cash

- 2009-2013 cash adjustments include differences between expense accruals and cash disbursements for the number of days paid, vacation and sick day provisions, employee health club memberships, agreement employee allowance for tools and safety shoes, and employee contribution to health care coverage.

OVERTIME

Non-Reimbursable

- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2013 increases are applied starting June 16 of each year at annual rates of 1.87% in 2010, 2.23% in 2011, 2.20% in 2012, and 1.97% in 2013.
- 2010 includes additional overtime for maintenance and repairs, and signal system maintenance due to FRA mandated changes in hours of service rules. These increases are partially offset by reductions in Yankee Stadium service coverage and expected savings from scheduling changes.
- 2011-2013 includes higher overtime of \$.2 million per year due to on-board coverage requirements for service increases.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above

HEALTH AND WELFARE

Non-Reimbursable

- 2009 forecast reflects revised net premium rate increases for the NYS Empire Plan for employees with family coverage of 1.2% and for individual coverage a decrease of .4%.
- 2010-2013 include estimated annual premium increases for NYS Empire Plan health care and insurance premiums of 9.7% in 2010 and 7.0 % for 2011-2013, as well as changes in enrollment levels, retirees and employees on leave of absence status. Adjustments in staffing levels due to programmatic changes are incorporated into each year of the financial plan for Maintenance Improvements, Service Enhancements, Customer Service Amenities, Security, and Administration.

Reimbursable

- Projected inflationary increases follow the same pattern as non-reimbursable costs noted above.

Cash

- 2009-2013 cash adjustments include current and former management employee contributions toward health insurance costs.

OPEB CURRENT PAYMENT (GASB 45)

Non-Reimbursable

- Other Post Employment Benefit (OPEB) current payments reflect Metro-North's estimated annual cost of healthcare for current retirees. The estimated annual costs for 2010-2013 are \$10.5 million in 2010, \$11.4 million in 2011, \$12.3 million in 2012, and \$13.4 million in 2013.

Reimbursable

- No Cost.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2009-2013 pension costs represent the inclusion of all non-represented and most represented Metro-North employees in the MTA Defined Benefit Plan (DB Plan). Those employees not joining the DB Plan are participants in the MTA 401K Plan. Metro-North's projected share of the incremental funding requirements for the DB Plan is based on a draft projection prepared by actuarial consultants several years ago, adjusted for increases in employee levels. Future actuarial valuations are expected to reflect more accurate estimates of the pension liabilities on behalf of these employees.

Cash

- 2009 includes a reduction to cash requirements due to the prepayment of pension costs by the MTA in 2007 (Metro-North applied \$18.3 million of the prepayment to 2008 and \$5.4 million to 2009).
- 2009-2013 adjustments include the difference between expense accruals and cash disbursements.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2010-2013 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$109,695 in 2010, \$112,986 in 2011, \$116,375 in 2012, and \$119,867 in 2013.

- Maximum earnings level for Tier II is estimated at \$81,576 in 2010, \$ 84,023 in 2011, \$86,544 in 2012, and \$89,140 in 2013.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates and earnings maximums follow the same assumptions as the non-reimbursable costs noted above.

Cash

- 2009-2013 adjustments include difference between expense accruals and cash disbursements.

GASB Account

Cash

- 2009-2013 includes cash expenditures to fund a contribution to a special GASB 45 (Government Accounting Standards Board) fund earmarked for post-retirement liabilities of "Other than Pension Benefits".

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead Cost Recoveries are derived from Reimbursable Capital Project Estimates. Assumptions are described in the Reimbursable section below.

Reimbursable

- Overhead costs for 2010 are based on a percentage share of direct labor costs charged to reimbursable projects. 2011-2013 overhead costs are based on the continuation of 2010 forecast levels, adjusted for inflation-based increases in labor costs.
- Material handling and equipment recovery increases are predicated on CPI-based inflation rates from 2010-2013 at 1.55%, 2.12%, 2.31% and 2.35% respectively.

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2009 forecasted prices reflect an 11.0% increase in NYPA supplied power and a 5.0% increase in CL&P rates and a 10% increase in Con Ed delivery rates.
- In 2010-2013 cost increases reflect anticipated price increases from NYPA, CL&P and NYSEG. As a result, annual increases are estimated at 11.3% in 2010, 11.6% in 2011, 9.3% in 2012, and 9.3 % in 2013

- 2010-2013 also incorporates the net effect of the rolling stock equipment plans for the NHL and H&H service, which reduces cost by \$1.5 million in 2010 and \$.4 million in 2011; in 2011 and 2012 costs increase by \$.8 million and \$.7 million respectively. Changes over this period are primarily due to the timing of the incorporation of the new M8 cars into NHL service offset by the gradual retirement of the M2 car fleet.
- Service additions increase propulsion costs by \$.6 million in 2011 \$1.0 million in 2012 and \$1.1 million in 2013.

Reimbursable

- No Cost.

Cash

- 2009 includes adjustment for accrued 2008 NHL costs paid in 2009 (\$0.6 million).

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2009 estimated prices have been decreased by 31% as compared to the 2009 Adopted Budget based on current prices.
- Fuel Prices reflect higher rates in 2010 of 22.0%, 2011 9.0%, and 6.0% in 2012, and 13.0% in 2013.
- 2010-2013 incorporates the cost of Service Plan increases.

Reimbursable

- No Cost.

Cash

- No adjustments.

INSURANCE

Non-Reimbursable and Reimbursable

- Increases in 2009-2013 reflect revised insurance premium estimates.

Cash

- 2009-2013 reflects increase in force account payments as well as All-Agency insurance costs. 2009-2013 also includes the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2009 - 2013 reflect current claims trends.

Reimbursable

- No Cost.

Cash

- 2009-2013 payments reflect current claim settlement trends.

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- CPI increases in 2010-2013 of 1.55%, 2.12%, 2.31%, and 2.35% are applied respectively.
- 2010-2013 includes fluctuating costs for East and West of Hudson locomotive overhauls as work is performed or completed. In 2010 these costs increase \$3.4 million; 2011-2013 include reductions of \$3.0 million, \$5.0 million and \$2.9 million respectively as program costs wind down or are completed.
- 2010 includes cost provisions for office space renovations (\$.9 million), GCT maintenance (\$.5 million), and security monitoring services (\$.9 million).
- 2011 includes the cost of Customer and Employee Communications initiatives \$.6 million.
- 2010–2011 incorporates lower West of Hudson subsidy payments of \$1.7 million, \$1.0 million, and \$.7 million in 2012 and 2013, related to contract cost escalations and removal of service enhancements.
- 2011-2012 includes equipment disposal costs primarily for M2 cars of \$4.3 million and \$2.1 million respectively; in 2013 disposal costs are reduced by \$4.3 million.

Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.
- In 2010, increased expenditures reflect the deferral of the GCT Leaks Remediation Project (NYCDOT Share) from 2009; in 2011, decreased expenditures reflect the completion of the NHL End Door Bombardier Coaches Mid Life Overhaul; and, in 2012, the decrease reflects the completion of the GCT Leaks Remediation Project (NYCDOT Share).

Cash

- 2009 cash adjustments include the elimination of non-cash GASB 49 environmental accruals and payment of 2008 accruals for equipment overhauls. 2009-2013 also includes the reclassifications of Amtrak and other railroad reimbursements to Other Operating Revenue and revenue offsets for GCT revenue funded projects to expenditure categories. 2009-2013 also includes payments on behalf of CDOT for station facilities and the MTA for electricity charges.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- CPI increases in 2010-2013 of 1.55%, 2.12%, 2.31%, and 2.35% are applied respectively.
- 2010 includes the restoration of a cost provision for general advertising fees (\$.4 million), a one-time provision for PeopleSoft systems modifications (\$.8 million), and an increase in the allocation of MTA Police costs (\$2.5 million).
- 2011 includes Metro North's cost of the NHL share of BSC operations (\$2.5 million).

Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.

MATERIAL AND SUPPLIES

Non-Reimbursable

- Inflationary increases based on the Chained Price Index for Industrial Building Materials were applied to prices in 2010-2013. 2009 inflation is projected to decline by .33%, and increase by 2.28%, 3.89%, and 4.72% respectively in 2011-2013.
- 2010 includes \$.7 million earmarked for office space renovations at the Graybar building, GCT, and 525 Broadway (in North White Plains).
- 2009-2013 includes the net cost impacts of Metro-North's equipment maintenance and replacement strategies that are driven by Customer Service goals to maintain and improve service reliability and performance.
 - 2010 includes the savings from the completion of the Gear Box Overhaul program (\$2.5 million) and changes in the H&H Equipment Replacement Plan (includes M1 car retirement savings of \$1.0 million).
 - 2011 includes additional material requirements for the NHL Equipment Replacement Plan (\$.6 million) and \$4.4 million for new M8 car spare parts, offset by the winding down of the M3 overhaul program (\$2.4 million). 2011 also includes additional material requirements for the seat change out program on the M7 cars \$5.1 million
 - 2012 includes higher costs for the NHL Equipment Replacement Plan (.9 million) and additional expenditures for new M8 car spare parts (\$1.8 million).
 - 2013 includes the gradual reduction in expenditures for M8 car spare parts (\$2.6 million) offset by higher costs for the NHL Equipment Replacement Plan (\$.8 million).

Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.

Cash

- Cash adjustments reflect differences between expense accruals and cash requirements:
 - 2010 includes reductions in cash requirements due to 2008 advance inventory purchases (\$3.5 million).
 - 2009-2013 includes adjustment for obsolete material reserve (\$.6 million per year)

OTHER BUSINESS EXPENSES

Non-Reimbursable

- CPI increases in 2010-2013 of 1.55%, 2.12%, 2.31%, and 2.35% are applied respectively.
- 2010 primarily represents the annualized impact of AABB reductions and other miscellaneous provisions.
- 2011 includes the tri-annual cost of providing winter gear to agreement employees that is eliminated in 2012.

Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.

Cash

- 2009-2013 cash adjustments include payments for receipt of MetroCards, Westchester County bus fares, special promotions, and employee health club memberships, partially offset by the reclassification of credit card fees as an offset to Farebox Revenue, the reclassification of a credit for defective concrete ties as a receipt to Other Operating Revenue, and safety shoe and tool allowance to the Payroll category.

DEPRECIATION

Non-Reimbursable

- 2009-2012 includes provisions for the incorporation of new assets including the introduction of M8s in the latter part of 2009.

Reimbursable

- No Cost

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2010 -2013 includes provisions of \$55.0 million, \$56.7 million, \$58.3 million, and \$60.1 million respectively pertaining to GASB 45 representing estimated annual cost of Post Retirement Benefits for future retirees.

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Reimbursable

- No Cost.

ENVIRONMENTAL REMEDIATION (GASB 49)

Non-Reimbursable

- 2010-2013 includes provisions of \$8.0 million, \$8.2 million, \$8.5 million, and \$8.8 million respectively pertaining to estimated expected outlays for pollution remediation associated with capital projects.

Reimbursable

- No Cost

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | |
|--|-------------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| <u>Revenue</u> | | | | | | | | | |
| Farebox Revenue | \$512.9 | \$533.5 | \$20.6 | \$552.7 | \$19.3 | \$569.9 | \$17.2 | \$585.6 | \$15.8 |
| Vehicle Toll Revenue | | | | | | | | | |
| Other Operating Revenue | 35.0 | 37.2 | 2.2 | 40.2 | 3.0 | 40.2 | (0.1) | 41.2 | 1.0 |
| Capital and Other Reimbursements | | | | | | | | | |
| Total Revenue | \$547.9 | \$570.7 | \$22.7 | \$593.0 | \$22.3 | \$610.1 | \$17.1 | \$626.8 | \$16.7 |
| <u>Expenses</u> | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$395.2 | \$407.7 | (\$12.5) | \$418.8 | (\$11.1) | \$432.0 | (\$13.2) | \$448.7 | (\$16.7) |
| Overtime | 55.7 | 55.4 | 0.3 | 56.7 | (1.3) | 58.2 | (1.5) | 59.8 | (1.6) |
| Health and Welfare | 68.4 | 77.8 | (9.5) | 84.2 | (6.4) | 91.1 | (6.9) | 99.4 | (8.3) |
| OPEB Current Payment | 9.4 | 10.5 | (1.1) | 11.4 | (0.9) | 12.3 | (1.0) | 13.4 | (1.0) |
| Pensions | 43.9 | 51.2 | (7.3) | 57.0 | (5.8) | 63.3 | (6.3) | 65.2 | (1.9) |
| Other Fringe Benefits | 79.9 | 82.3 | (2.4) | 85.0 | (2.7) | 87.7 | (2.7) | 91.2 | (3.4) |
| Reimbursable Overhead | (44.4) | (43.7) | (0.7) | (44.3) | 0.5 | (45.0) | 0.7 | (45.6) | 0.7 |
| Total Labor Expenses | \$608.1 | \$641.3 | (\$33.2) | \$668.8 | (\$27.5) | \$699.6 | (\$30.8) | \$732.0 | (\$32.3) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | 68.7 | 75.5 | (6.7) | 84.7 | (9.2) | 94.9 | (10.3) | 106.4 | (11.4) |
| Fuel for Buses and Trains | 12.1 | 18.3 | (6.2) | 22.2 | (3.9) | 22.8 | (0.5) | 32.3 | (9.5) |
| Insurance | 12.1 | 13.3 | (1.2) | 14.8 | (1.5) | 16.5 | (1.7) | 18.4 | (1.9) |
| Claims | 12.0 | 12.0 | 0.0 | 12.0 | 0.0 | 12.0 | 0.0 | 12.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 96.1 | 103.5 | (7.4) | 107.9 | (4.4) | 105.8 | 2.1 | 101.4 | 4.4 |
| Professional Service Contracts | 25.5 | 30.1 | (4.6) | 31.0 | (0.9) | 31.9 | (0.9) | 31.9 | (0.0) |
| Materials & Supplies | 85.5 | 82.2 | 3.3 | 90.0 | (7.8) | 95.3 | (5.3) | 97.9 | (2.6) |
| Other Business Expenses | 13.5 | 15.4 | (2.0) | 16.8 | (1.4) | 17.5 | (0.6) | 18.4 | (1.0) |
| Total Non-Labor Expenses | \$325.5 | \$350.3 | (\$24.8) | \$379.4 | (\$29.1) | \$396.7 | (\$17.3) | \$418.7 | (\$22.1) |
| Other Expenses Adjustments: | | | | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation and GASB Adjs. | \$933.6 | \$991.6 | (\$58.0) | \$1,048.2 | (\$56.6) | \$1,096.3 | (\$48.1) | \$1,150.7 | (\$54.4) |
| Depreciation | 260.6 | 270.0 | (9.4) | 278.1 | (8.1) | 286.4 | (8.3) | 295.0 | (8.6) |
| OPEB Obligation | 55.0 | 55.0 | 0.0 | 56.7 | (1.7) | 58.3 | (1.7) | 60.1 | (1.8) |
| Environmental Remediation | 8.0 | 8.0 | 0.0 | 8.2 | (0.2) | 8.5 | (0.3) | 8.8 | (0.3) |
| Total Expenses | \$1,257.2 | \$1,324.6 | (\$67.4) | \$1,391.2 | (\$66.6) | \$1,449.6 | (\$58.4) | \$1,514.6 | (\$65.0) |
| Baseline Net Surplus/(Deficit) | (\$709.3) | (\$753.9) | (\$44.7) | (\$798.2) | (\$44.3) | (\$839.5) | (\$41.3) | (\$887.8) | (\$48.2) |
| Post 2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 19.2 | 19.2 | 33.0 | 13.9 | 34.4 | 1.4 |
| 2010 Agency Program to Eliminate the Gap (PEGs) | 0.7 | 9.7 | 8.9 | 9.4 | (0.3) | 9.4 | 0.0 | 9.5 | 0.1 |
| Total PEGS | 0.7 | 9.7 | 8.9 | 28.5 | 18.9 | 42.4 | 13.9 | 43.9 | 1.4 |
| Net Surplus/(Deficit) | (\$708.5) | (\$744.2) | (\$35.7) | (\$769.7) | (\$25.5) | (\$797.1) | (\$27.4) | (\$843.9) | (\$46.8) |

REIMBURSABLE

[illegible]

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | |
|---|-------------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | |
| Farebox Revenue | \$512.9 | \$533.5 | \$20.6 | \$552.7 | \$19.3 | \$569.9 | \$17.2 | \$585.6 | \$15.8 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 35.0 | 37.2 | 2.2 | 40.2 | 3.0 | 40.2 | (0.1) | 41.2 | 1.0 |
| Capital and Other Reimbursements | 183.6 | 195.4 | 11.8 | 190.7 | (4.7) | 185.7 | (5.0) | 189.9 | 4.2 |
| Total Revenue | \$731.6 | \$766.1 | \$34.5 | \$783.7 | \$17.6 | \$795.8 | \$12.1 | \$816.8 | \$21.0 |
| Expenses | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$439.8 | \$453.0 | (\$13.2) | \$464.8 | (\$11.8) | \$478.7 | (\$13.9) | \$496.1 | (\$17.4) |
| Overtime | 72.2 | 72.0 | 0.1 | 73.5 | (1.5) | 75.2 | (1.7) | 77.0 | (1.8) |
| Health and Welfare | 78.4 | 89.1 | (10.6) | 96.2 | (7.1) | 103.9 | (7.7) | 113.0 | (9.2) |
| OPEB Current Payment | 9.4 | 10.5 | (1.1) | 11.4 | (0.9) | 12.3 | (1.0) | 13.4 | (1.0) |
| Pensions | 49.7 | 58.1 | (8.4) | 64.6 | (6.5) | 71.6 | (7.0) | 73.6 | (2.0) |
| Other Fringe Benefits | 90.1 | 92.7 | (2.6) | 95.5 | (2.9) | 98.4 | (2.9) | 102.0 | (3.6) |
| Reimbursable Overhead | (1.7) | (0.4) | (1.3) | (0.3) | (0.2) | (0.3) | 0.0 | (0.3) | 0.0 |
| Total Labor Expenses | \$737.9 | \$774.9 | (\$37.0) | \$805.7 | (\$30.8) | \$839.9 | (\$34.2) | \$874.8 | (\$35.0) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | \$68.7 | \$75.5 | (\$6.7) | \$84.7 | (\$9.2) | \$94.9 | (\$10.3) | \$106.4 | (\$11.4) |
| Fuel for Buses and Trains | 12.1 | 18.3 | (6.2) | 22.2 | (3.9) | 22.8 | (0.5) | 32.3 | (9.5) |
| Insurance | 17.1 | 18.3 | (1.3) | 20.0 | (1.6) | 21.7 | (1.8) | 23.7 | (2.0) |
| Claims | 12.0 | 12.0 | 0.0 | 12.0 | 0.0 | 12.0 | 0.0 | 12.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 115.0 | 130.3 | (15.3) | 125.7 | 4.6 | 114.3 | 11.4 | 110.1 | 4.2 |
| Professional Service Contracts | 33.5 | 38.2 | (4.7) | 39.3 | (1.1) | 40.3 | (1.1) | 40.5 | (0.2) |
| Materials & Supplies | 107.3 | 104.0 | 3.4 | 112.4 | (8.5) | 118.5 | (6.1) | 122.2 | (3.7) |
| Other Business Expenses | 13.6 | 15.6 | (2.0) | 17.0 | (1.4) | 17.6 | (0.6) | 18.6 | (1.0) |
| Total Non-Labor Expenses | \$379.3 | \$412.1 | (\$32.8) | \$433.2 | (\$21.1) | \$442.1 | (\$8.9) | \$465.8 | (\$23.6) |
| Other Expenses Adjustments: | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation | \$1,117.2 | \$1,187.0 | (\$69.8) | \$1,238.9 | (\$51.9) | \$1,282.0 | (\$43.1) | \$1,340.6 | (\$58.6) |
| Depreciation | \$260.6 | \$270.0 | (\$9.4) | \$278.1 | (\$8.1) | \$286.4 | (\$8.3) | \$295.0 | (\$8.6) |
| OPEB Obligation | 55.0 | 55.0 | 0.0 | 56.7 | (1.7) | 58.3 | (1.7) | 60.1 | (1.8) |
| Environmental Remediation | 8.0 | 8.0 | 0.0 | 8.2 | (0.2) | 8.5 | (0.3) | 8.8 | (0.3) |
| Total Expenses | \$1,440.8 | \$1,520.0 | (\$79.2) | \$1,581.9 | (\$61.9) | \$1,635.3 | (\$53.4) | \$1,704.5 | (\$69.2) |
| Baseline Net Surplus/(Deficit) | (\$709.3) | (\$753.9) | (\$44.7) | (\$798.2) | (\$44.3) | (\$839.5) | (\$41.3) | (\$887.8) | (\$48.2) |
| Post 2010 Agency Program to Eliminate the Gap | \$0.0 | \$0.0 | \$0.0 | \$19.2 | \$19.2 | \$33.0 | \$13.9 | \$34.4 | \$1.4 |
| 2010 Agency Program to Eliminate the Gap (PEGs) | 0.7 | 9.7 | 8.9 | 9.4 | (0.3) | 9.4 | 0.0 | 9.5 | 0.1 |
| Total PEGS | \$0.7 | \$9.7 | \$8.9 | \$28.5 | \$18.9 | \$42.4 | \$13.9 | \$43.9 | \$1.4 |
| Net Surplus/(Deficit) | (\$708.5) | (\$744.2) | (\$35.7) | (\$769.7) | (\$25.5) | (\$797.1) | (\$27.4) | (\$843.9) | (\$46.8) |

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

| | Favorable/(Unfavorable) | | | | | | | | |
|---|-------------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Cash Receipts & Expenditures | | | | | | | | | |
| <u>Receipts</u> | | | | | | | | | |
| Farebox Revenue | \$518.4 | \$539.4 | \$21.0 | \$559.1 | \$19.7 | \$576.3 | \$17.2 | \$592.1 | \$15.8 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 53.9 | 56.2 | 2.3 | 60.9 | 4.6 | 61.6 | 0.7 | 63.2 | 1.6 |
| Capital and Other Reimbursements | 186.0 | 196.7 | 10.7 | 190.6 | (6.1) | 187.5 | (3.1) | 189.9 | 2.3 |
| Total Receipts | \$758.3 | \$792.3 | \$34.0 | \$810.5 | \$18.2 | \$825.4 | \$14.8 | \$845.1 | \$19.7 |
| <u>Expenditures</u> | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$437.5 | \$450.0 | (\$12.5) | \$463.5 | (\$13.4) | \$480.8 | (\$17.3) | \$493.4 | (\$12.6) |
| Overtime | 72.8 | 72.6 | 0.2 | 74.4 | (1.8) | 76.7 | (2.4) | 77.6 | (0.8) |
| Health and Welfare | 90.5 | 102.3 | (11.8) | 110.5 | (8.2) | 119.2 | (8.8) | 129.3 | (10.1) |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | 44.5 | 58.3 | (13.8) | 64.8 | (6.4) | 71.8 | (7.0) | 73.8 | (2.0) |
| Other Fringe Benefits | 90.0 | 92.6 | (2.5) | 95.8 | (3.2) | 99.6 | (3.8) | 102.0 | (2.5) |
| Reimbursable Overhead | 6.5 | 7.2 | (0.7) | 8.0 | (0.8) | 8.7 | (0.8) | 9.6 | (0.9) |
| Total Labor Expenditures | \$741.8 | \$783.0 | (\$41.2) | \$816.8 | (\$33.8) | \$856.8 | (\$40.0) | \$885.7 | (\$28.8) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | \$69.3 | \$75.5 | (\$6.2) | \$84.7 | (\$9.2) | \$94.9 | (\$10.3) | \$106.4 | (\$11.4) |
| Fuel for Buses and Trains | 12.1 | 18.3 | (6.2) | 22.2 | (3.9) | 22.8 | (0.5) | 32.3 | (9.5) |
| Insurance | 17.4 | 18.3 | (0.9) | 20.8 | (2.5) | 21.5 | (0.7) | 23.5 | (2.0) |
| Claims | 12.1 | 12.1 | 0.0 | 12.1 | 0.0 | 12.1 | 0.0 | 12.1 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other | | | | | | | | | |
| Operating Contracts | 142.0 | 154.2 | (12.3) | 146.7 | 7.5 | 133.3 | 13.4 | 129.3 | 4.0 |
| Professional Service Contracts | 34.9 | 39.8 | (4.9) | 42.9 | (3.1) | 43.7 | (0.9) | 44.1 | (0.3) |
| Materials & Supplies | 116.5 | 104.9 | 11.5 | 120.4 | (15.4) | 125.5 | (5.1) | 129.8 | (4.3) |
| Other Business Expenses | 20.7 | 26.0 | (5.3) | 30.5 | (4.5) | 31.2 | (0.7) | 32.4 | (1.2) |
| Total Non-Labor Expenditures | \$425.0 | \$449.2 | (\$24.2) | \$480.3 | (\$31.1) | \$485.1 | (\$4.8) | \$510.0 | (\$24.8) |
| Other Expenditure Adjustments: | | | | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expenditure Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenditures | \$1,166.8 | \$1,232.2 | (\$65.4) | \$1,297.2 | (\$64.9) | \$1,342.0 | (\$44.8) | \$1,395.6 | (\$53.7) |
| Baseline Net Cash Deficit | (\$408.5) | (\$439.9) | (\$31.4) | (\$486.6) | (\$46.7) | (\$516.6) | (\$30.0) | (\$550.5) | (\$33.9) |
| <u>Subsidies</u> | | | | | | | | | |
| MTA | (\$322.2) | (\$341.2) | (\$19.0) | (\$372.1) | (\$30.9) | (\$388.6) | (\$16.5) | (\$416.3) | (\$27.8) |
| CDOT | (86.3) | (98.7) | (12.3) | (114.5) | (15.9) | (128.0) | (13.5) | (134.2) | (6.2) |
| Total Subsidies | (\$408.5) | (\$439.9) | (\$31.4) | (\$486.6) | (\$46.7) | (\$516.6) | (\$30.0) | (\$550.5) | (\$33.9) |
| Post 2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 19.2 | 19.2 | 33.0 | 13.9 | 34.4 | 1.4 |
| 2010 Agency Program to Eliminate the Gap (PEGs) | 0.7 | 9.7 | 8.9 | 9.4 | (0.3) | 9.4 | 0.0 | 9.5 | 0.1 |
| Total PEGs | \$0.7 | \$9.7 | \$8.9 | \$28.5 | \$18.9 | \$42.4 | \$13.9 | \$43.9 | \$1.4 |
| Net Cash Deficit | (\$407.8) | (\$430.2) | (\$22.4) | (\$458.1) | (\$27.9) | (\$474.1) | (\$16.1) | (\$506.7) | (\$32.5) |
| MTA share of PEGS | \$0.5 | \$8.3 | \$7.7 | \$23.7 | \$15.4 | \$35.2 | \$11.5 | \$36.4 | \$1.2 |
| CDOT share of PEGS | 0.2 | 1.4 | 1.2 | 4.9 | 3.4 | 7.2 | 2.4 | 7.5 | 0.2 |
| Total PEGS | \$0.7 | \$9.7 | \$8.9 | \$28.5 | \$18.9 | \$42.4 | \$13.9 | \$43.9 | \$1.4 |
| <u>Subsidies</u> | | | | | | | | | |
| MTA | (\$321.7) | (\$333.0) | (\$11.3) | (\$348.4) | (\$15.5) | (\$353.3) | (\$4.9) | (\$379.9) | (\$26.6) |
| CDOT | (86.1) | (97.3) | (11.1) | (109.7) | (12.4) | (120.8) | (11.1) | (126.7) | (5.9) |
| Total Subsidies | (\$407.8) | (\$430.2) | (\$22.4) | (\$458.1) | (\$27.9) | (\$474.1) | (\$16.1) | (\$506.7) | (\$32.5) |

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

Revisions to Metro-North's financial plan for the 2009-2012 period reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of new needs identified for the period.

2009: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN

The 2009 July Financial Plan subsidy requirements for non-reimbursable operations are \$44.6 million higher than February Financial Plan. The increase reflects lower East of Hudson passenger revenues of \$47.6 million due to a lower than projected fare increase (10% vs. 23% budget; \$24.5 million), a later than anticipated opening of the Yankees E. 153rd St. station (\$2.3 million), and ridership declines associated with the unfavorable regional economic conditions (\$20.9 million). West of Hudson, lower fare increases result in \$1.3 million higher operating subsidies. In addition, \$7.6 million of service-related budget reductions in the February Financial Plan were restored in the July plan update per MTA guidelines. These increases are offset by lower expenses which include reduced health and welfare premiums, the net effect of higher employee vacancy levels and favorable impacts from capital project activity in the form of higher overhead cost recoveries, and reductions in electric and diesel fuel expenditures.

In addition to these cost trend adjustments, office space renovation costs have been deferred, security plan support has been rescheduled based on project plan updates for the deployment of monitoring and intrusion detection equipment, equipment utilization costs have been adjusted to reflect current operating plans, and on-board crew costs will be reduced in the latter part of the year to adjust for reduced ridership levels.

Reimbursable project costs (and receipts) for 2009 are \$4.0 million higher than the February Plan reflecting multiple project cost refinements and minor scheduling changes.

2010: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN

The July Financial Plan subsidy requirements are \$73.3 million higher than in the February Financial Plan. The increase reflects lower East of Hudson passenger revenues of \$61.9 million due to a lower than projected fare increase (10% vs. 23% budget; \$39.2 million), and ridership declines associated with the 2009 unfavorable regional economic conditions (\$22.6 million). West of Hudson, lower fare increases result in \$2.2 million higher operating subsidies. In addition, \$7.8 million of service-

related budget reductions in the February Financial Plan were restored in the July plan update per MTA guidelines. These increases are offset by lower health and welfare premiums, higher overhead recovery credits from capital projects, and reductions in electric and diesel fuel expenditures.

Additional cost savings result from the rescheduling of M8 car fleet delivery (including the acquisition of spare parts), deferral of the M7 seat change-out program, and the reduction in debit/credit card fees in accordance with lower ridership. 2010 cost increases include the costs to support the new Harmon Shop facility and office space renovations at various work locations (including furnishings for the new 525 Broadway facility).

Reimbursable project costs (and receipts) for 2010 are \$18.2 million higher than the February Plan and essentially reflect a continuation of project levels similar to the 2009 Mid-Year Forecast plus the deferral of the GCT Leaks Remediation Project (NYCDOT Share) from 2009.

2011 - 2012: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL

The July Financial Plan subsidy requirements are higher than the February Financial Plan by \$85.1 million in 2011, and \$92.3 million in 2012. These increases reflect substantial reductions in East of Hudson passenger revenues over this period due to a lower than projected 2009 fare increase (10% vs. 23% budget), and declines in the ridership base associated with the long term effect of the decline in the region economy. West of Hudson, lower fare increases result in higher operating subsidies. In addition, \$7.8 million of service-related budget reductions in the February Financial Plan were restored each year in the July plan update per MTA guidelines. These increases are offset by lower expenses which include reduced health and welfare premiums, higher overhead recovery credits from capital projects, and reductions in electric and diesel fuel expenditures through 2012.

Reimbursable project costs (and receipts) compared to the February Plan are higher by \$22.4 million in 2011, and higher by \$14.6 million in 2012 reflecting a continuation of project levels similar to the 2009 Mid-Year Forecast.

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| NON-REIMBURSABLE | | | | |
|--|------------------|------------------|------------------|------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$363.9) | (\$366.6) | (\$401.5) | (\$424.3) |
| Restored AABBs | (\$7.6) | (\$7.8) | (\$7.8) | (\$7.8) |
| Passenger Fare and Toll Revenue in the Baseline - 23% Yield | (40.0) | (67.6) | (69.7) | (71.9) |
| Passenger Fare and Toll Revenue - 10% Increase | 15.4 | 28.4 | 29.4 | 30.3 |
| West of Hudson Subsidy Change - 23% Increase | (1.9) | (3.3) | (3.6) | (3.7) |
| West of Hudson Subsidy Change - 10% Increase | 0.6 | 1.1 | 1.1 | 1.2 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (\$23.0) | (\$22.6) | (\$19.0) | (\$18.6) |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | (2.8) | (3.1) | (2.4) | (4.4) |
| Capital and Other Reimbursement | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Revenue Changes | (\$25.8) | (\$25.7) | (\$21.4) | (\$23.0) |
| Expenses | | | | |
| <i>Labor:</i> | | | | |
| Payroll | \$1.7 | (\$0.7) | (\$2.3) | (\$3.3) |
| Overtime | (1.1) | (0.1) | 0.0 | 0.1 |
| Health and Welfare | 4.9 | 2.2 | 2.0 | 2.4 |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | 0.3 | (0.8) | 0.6 | 1.2 |
| Other Fringe Benefits | (0.4) | (0.2) | (0.0) | (0.3) |
| Reimbursable Overhead | 2.3 | 3.1 | 3.2 | 3.2 |
| Total Labor Expense Changes | \$7.7 | \$3.5 | \$3.5 | \$3.2 |
| <i>Non-Labor:</i> | | | | |
| Traction and Propulsion Power | \$3.9 | \$5.9 | \$2.6 | \$0.4 |
| Fuel for Buses and Trains | 6.6 | 2.2 | (1.0) | (0.7) |
| Insurance | 0.8 | 0.9 | 0.8 | 0.6 |
| Claims | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 4.8 | (3.8) | (6.4) | (4.4) |
| Professional Service Contracts | (2.6) | (7.3) | (7.7) | (8.2) |
| Materials & Supplies | 0.8 | 12.1 | 8.5 | 4.2 |
| Other Business Expenses | (0.4) | 1.1 | 3.0 | 3.8 |
| Total Non-Labor Expense Changes | \$14.0 | \$11.0 | (\$0.3) | (\$4.4) |
| <i>Gap Closing Expenses:</i> | | | | |
| Fare Increase 6/1/09 (West of Hudson Subsidy Change) | | | | |
| 1Additional Actions for Budget Balance: Expense Impact | | | | |
| Total Gap Closing Expenses | | | | |
| Total Expenses before Depreciation and GASB Adjustments | \$21.8 | \$14.4 | \$3.3 | (\$1.1) |
| Depreciation | \$5.0 | \$5.6 | \$7.5 | \$9.2 |
| OPEB Obligationn | (2.0) | (0.3) | (0.4) | (0.1) |
| Environmental Remediation | (1.5) | (1.3) | (1.3) | (1.4) |
| Total Expense Changes | \$23.3 | \$18.5 | \$9.1 | \$6.5 |
| Cash Conversion Adjustment Changes | | | | |
| Depreciation | (\$5.0) | (\$5.6) | (\$7.5) | (\$9.2) |
| Operating/Capital | (5.6) | (7.4) | (13.6) | (11.6) |
| Other Cash Adjustments | 2.0 | (3.7) | (1.2) | (3.1) |
| Total Cash Conversion Adjustments | (\$8.6) | (\$16.7) | (\$22.3) | (\$23.9) |
| Total Baseline Changes | (\$11.1) | (\$24.0) | (\$34.6) | (\$40.4) |
| Baseline 2009 July Financial Plan - Operating Cash | (\$408.5) | (\$439.9) | (\$486.6) | (\$516.6) |

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| REIMBURSABLE | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital and Other Reimbursement | 4.0 | 18.2 | 22.4 | 14.6 |
| Total Revenue Changes | \$4.0 | \$18.2 | \$22.4 | \$14.6 |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | (\$2.9) | (\$2.9) | (\$2.9) | (\$3.0) |
| Overtime | (3.4) | (3.4) | (3.5) | (3.5) |
| Health and Welfare | (0.6) | (0.9) | (1.0) | (1.0) |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | (0.8) | (1.7) | (2.1) | (2.7) |
| Other Fringe Benefits | (1.0) | (1.0) | (1.0) | (1.0) |
| Reimbursable Overhead | (3.0) | (3.1) | (3.1) | (3.2) |
| Total Labor Expense Changes | (\$11.7) | (\$13.1) | (\$13.6) | (\$14.3) |
| Non-Labor: | | | | |
| Traction and Propulsion Power | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Fuel for Buses and Trains | 0.0 | 0.0 | 0.0 | 0.0 |
| Insurance | (0.5) | (0.5) | (0.6) | (0.6) |
| Claims | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 13.0 | (0.7) | (4.7) | 3.7 |
| Professional Service Contracts | (4.3) | (4.4) | (4.5) | (4.6) |
| Materials & Supplies | (0.5) | 0.5 | 1.0 | 1.3 |
| Other Business Expenses | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Non-Labor Expense Changes | \$7.7 | (\$5.1) | (\$8.7) | (\$2.2) |
| Gap Closing Expenses: | | | | |
| Fare Increase 6/1/09 (West of Hudson Subsidy Change) | | | | |
| Additional Actions for Budget Balance: Expense Impact | | | | |
| Total Gap Closing Expenses | | | | |
| Total Expenses before Depreciation and GASB Adjustments | (\$4.0) | (\$18.2) | (\$22.4) | (\$14.6) |
| Depreciation | 0.0 | 0.0 | 0.0 | 0.0 |
| OPEB Obligationn | 0.0 | 0.0 | 0.0 | 0.0 |
| Environmental Remediation | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Expense Changes | (\$4.0) | (\$18.2) | (\$22.4) | (\$14.6) |
| Cash Conversion Adjustment Changes | | | | |
| Depreciation | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating/Capital | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Cash Adjustments | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Cash Conversion Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Baseline Changes | (\$0.0) | \$0.0 | \$0.0 | (\$0.0) |
| Income/(Deficit) | (\$0.0) | \$0.0 | \$0.0 | (\$0.0) |

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|------------------|------------------|------------------|------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$363.9) | (\$366.6) | (\$401.5) | (\$424.3) |
| Restored AABBs | (\$7.6) | (\$7.8) | (\$7.8) | (\$7.8) |
| Passenger Fare and Toll Revenue in the Baseline - 23% Yield | (40.0) | (67.6) | (69.7) | (71.9) |
| Passenger Fare and Toll Revenue - 10% Increase | 15.4 | 28.4 | 29.4 | 30.3 |
| West of Hudson Subsidy Change - 23% Increase | (1.9) | (3.3) | (3.6) | (3.7) |
| West of Hudson Subsidy Change - 10% Increase | 0.6 | 1.1 | 1.1 | 1.2 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (\$23.0) | (\$22.6) | (\$19.0) | (\$18.6) |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue | (2.8) | (3.1) | (2.4) | (4.4) |
| Capital and Other Reimbursement | 4.0 | 18.2 | 22.4 | 14.6 |
| Total Revenue Changes | (\$21.8) | (\$7.5) | \$1.0 | (\$8.4) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | (\$1.1) | (\$3.5) | (\$5.2) | (\$6.3) |
| Overtime | (4.5) | (3.6) | (3.4) | (3.4) |
| Health and Welfare | 4.3 | 1.3 | 1.1 | 1.4 |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | (0.5) | (2.5) | (1.5) | (1.5) |
| Other Fringe Benefits | (1.5) | (1.3) | (1.1) | (1.3) |
| Reimbursable Overhead | (0.7) | 0.0 | 0.1 | 0.1 |
| Total Labor Expense Changes | (\$4.0) | (\$9.6) | (\$10.1) | (\$11.1) |
| Non-Labor: | | | | |
| Traction and Propulsion Power | \$3.9 | \$5.9 | \$2.6 | \$0.4 |
| Fuel for Buses and Trains | 6.6 | 2.2 | (1.0) | (0.7) |
| Insurance | 0.3 | 0.4 | 0.2 | (0.0) |
| Claims | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Service Contracts | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance and Other Operating Contracts | 17.8 | (4.6) | (11.1) | (0.8) |
| Professional Service Contracts | (6.9) | (11.7) | (12.2) | (12.7) |
| Materials & Supplies | 0.3 | 12.6 | 9.6 | 5.5 |
| Other Business Expenses | (0.4) | 1.1 | 3.0 | 3.8 |
| Total Non-Labor Expense Changes | \$21.7 | \$5.9 | (\$9.0) | (\$4.6) |
| Gap Closing Expenses: | | | | |
| Fare Increase 6/1/09 (West of Hudson Subsidy Change) | | | | |
| Additional Actions for Budget Balance: Expense Impact | | | | |
| Total Gap Closing Expenses | | | | |
| Total Expenses before Depreciation and GASB Adjustments | \$17.8 | (\$3.8) | (\$19.1) | (\$15.7) |
| Depreciation | \$5.0 | \$5.6 | \$7.5 | \$9.2 |
| OPEB Obligationn | (2.0) | (0.3) | (0.4) | (0.1) |
| Environmental Remediation | (1.5) | (1.3) | (1.3) | (1.4) |
| Total Expense Changes | \$19.3 | \$3 | (\$13.3) | (\$8.1) |
| Cash Conversion Adjustment Changes | | | | |
| Depreciation | (\$5.0) | (\$5.6) | (\$7.5) | (\$9.2) |
| Operating/Capital | (5.6) | (7.4) | (13.6) | (11.6) |
| Other Cash Adjustments | 2.0 | (3.7) | (1.2) | (3.1) |
| Total Cash Conversion Adjustments | (\$8.6) | (\$16.7) | (\$22.3) | (\$23.9) |
| Total Baseline Changes | (\$11.1) | (\$24.0) | (\$34.6) | (\$40.4) |
| Income/(Deficit) | (\$408.5) | (\$439.9) | (\$486.6) | (\$516.6) |

MTA Metro-North Railroad
July Financial Plan 2010-2013
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|------------------|------------------|------------------|------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$363.9) | (\$366.6) | (\$401.5) | (\$424.3) |
| Restored AABBs | (\$7.6) | (\$7.8) | (\$7.8) | (\$7.8) |
| Passenger Fare and Toll Revenue in the Baseline - 23% Yield | (40.0) | (67.6) | (69.7) | (71.9) |
| Passenger Fare and Toll Revenue - 10% Increase | 15.4 | 28.4 | 29.4 | 30.3 |
| West of Hudson Subsidy Change - 23% Increase | (1.9) | (3.3) | (3.6) | (3.7) |
| West of Hudson Subsidy Change - 10% Increase | 0.6 | 1.1 | 1.1 | 1.2 |
| Non-Reimbursable Major Changes | | | | |
| Revenue | | | | |
| Passenger Revenue | (23.0) | (22.6) | (19.0) | (18.6) |
| Non Passenger Revenue | (2.8) | (3.1) | (2.4) | (4.4) |
| Sub-Total Non-Reimbursable Revenue Changes | (\$25.8) | (\$25.7) | (\$21.4) | (\$23.0) |
| Expenses | | | | |
| OFFICE SPACE RENOVATION - MADISON AVENUE | 1.0 | (0.4) | (1.0) | 0.0 |
| T&E SAVINGS FROM REDUCED RIDERSHIP | 0.1 | 0.4 | 0.4 | 0.4 |
| EQUIP STRATEGY - M8 SPARE PART INVENTORY | 0.0 | 3.5 | 3.5 | (2.6) |
| CREDIT/DEBIT CARD FEES | 0.0 | 1.2 | 1.2 | 1.2 |
| OFFICE SPACE - GRAYBAR, NWP, GCT | 1.1 | (1.1) | 0.0 | 0.0 |
| SECURITY PLAN - IESS/3C SYSTEM AND PHYSICAL | 1.3 | 1.2 | 0.0 | 0.0 |
| EQUIPMENT REPLACEMENT PLAN - H&H (OP. COSTS) | 0.6 | 4.0 | 2.4 | 2.5 |
| EQUIPMENT REPLACEMENT PLAN - NHL (OP. COSTS - 2009) | 0.8 | 1.9 | 2.2 | 3.8 |
| SEAT CHANGE-OUT PLAN (One Year Deferral) | 0.0 | 5.1 | (0.0) | (0.0) |
| OVERHEAD RECOVERY CHANGE | 2.3 | 3.1 | 3.2 | 3.2 |
| INSURANCE PREMIUM DIFFERENCE | 0.8 | 0.9 | 0.8 | 0.6 |
| CHANGE IN ELECTRIC AND DIESEL EXPENSE | 10.6 | 8.1 | 1.6 | (0.4) |
| HEALTH & WELFARE PREMIUM CHANGE | 4.9 | 2.2 | 2.0 | 2.4 |
| EQUIP STRATEGY - GENESIS LOCOMOTIVE OVERHAUL | 0.0 | 0.0 | (1.4) | (1.4) |
| AABB IMPLEMENTATION LAG | (1.3) | 0.0 | 0.0 | 0.0 |
| 2009 EXTRAORDINARY VACANCY SAVINGS | 3.2 | 0.0 | 0.0 | 0.0 |
| 2009 PEG PROGRAM RE-ESTIMATE | 0.0 | (5.0) | (5.0) | (5.0) |
| OTHER POST EMPLOYMENT BENEFIT PROVISION | (2.0) | (0.3) | (0.4) | (0.2) |
| ENVIRONMENTAL REMEDIATION ACCRUAL | (1.5) | (1.3) | (1.3) | (1.4) |
| PENSION CONTRIBUTION CHANGE | 0.3 | (0.8) | 0.6 | 1.2 |
| NYS CORPORATE PAYROLL TAX | (0.9) | (1.2) | (1.2) | (1.3) |
| CHANGE IN MTA POLICE SERVICE DEPLOYMENT | 0.0 | (2.5) | (2.5) | (2.5) |
| DEPRECIATION | 5.0 | 5.6 | 7.5 | 9.2 |
| HARMON SHOP REPLACEMENT - MASTER PLAN | (0.3) | (2.7) | (2.7) | (2.7) |
| ALL OTHER | (2.7) | (3.4) | (0.7) | (0.5) |
| Sub-Total Non-Reimbursable Expense Changes | \$23.3 | \$18.5 | \$9.1 | \$6.5 |
| Total Non-Reimbursable Major Changes | (\$2.5) | (\$7.3) | (\$12.3) | (\$16.5) |
| Reimbursable Major Changes | | | | |
| Revenue | | | | |
| Projections for 2009-2012 assume capital project activity levels similar to 2009 MYF | 4.0 | 18.2 | 22.4 | 14.6 |
| Sub-Total Reimbursable Revenue Changes | \$4.0 | \$18.2 | \$22.4 | \$14.6 |
| Expenses | | | | |
| Projections for 2009-2012 assume capital project activity levels similar to 2009 MYF | (4.0) | (18.2) | (22.4) | (14.6) |
| Sub-Total Reimbursable Expense Changes | (\$4.0) | (\$18.2) | (\$22.4) | (\$14.6) |
| Total Reimbursable Major Changes | \$0 | \$0 | \$0 | \$0 |
| Total Accrual Changes | (\$2.5) | (\$7.3) | (\$12.3) | (\$16.5) |
| Cash Adjustment Changes | | | | |
| Change In Force Account Lag | (4.1) | (2.9) | (0.7) | 1.1 |
| Amtrak Settlement For Shell At Grade Project | 6.0 | 0.0 | 0.0 | 0.0 |
| Operating Capital | (5.6) | (7.4) | (13.6) | (11.6) |
| Depreciation | (5.0) | (5.6) | (7.5) | (9.2) |
| Other | 0.1 | (0.8) | (0.4) | (4.2) |
| Total Cash Adjustment Changes | (\$8.6) | (\$16.7) | (\$22.3) | (\$23.9) |
| Total Baseline Changes | (\$11.1) | (\$24.0) | (\$34.6) | (\$40.4) |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | (\$408.5) | (\$439.9) | (\$486.6) | (\$516.6) |

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013**

RIDERSHIP/UTILIZATION PROJECTIONS

Ridership projections are developed primarily by the application of line segment ridership forecasting models that incorporate current trends and the impact of economic and demographic factors and government-supported mass transit initiatives. In addition, internal programs that affect service, customer awareness, and access to Metro-North are also incorporated into ridership forecasts.

The 2009 July Mid Year Forecast reflects East of Hudson service ridership that is 4.4% lower than the Adopted 2009 Budget and 1.9% lower than 2008 actual results. These disappointing results reflect the economic downturn faced throughout the Railroad's service region. In 2010, 2011, 2012 and 2013, ridership is projected to grow 0.8%, 3.5%, 3.2% and 2.5% respectively. 2010 assumes no fare increases, minimal service expansion, a full year operation of the Yankees-E.153rd Street station, and the impact of advertising, parking expansion and connecting service operations. In 2011-2013 efforts to promote ridership growth continue with increases in service, parking and advertising, and a resumption of modest regional employment growth.

West of Hudson utilization reflects 2009 customer levels that are 2.7% lower than 2008 actual results. In 2010, 2011, 2012 and 2013, West of Hudson ridership is projected to grow 0.2%, 4.4%, 3.9% and 4.9%, respectively. The substantial growth rates during the 2011–2013 period reflects the improvement in the economic climate and a resumption of customer growth in peak periods, a continuation of Pascack Valley line customer increases during off-peak periods, and an increase in Pt Jervis line service in 2011.

**MTA Metro-North Railroad
July Financial Plan 2010-2013
Ridership (Utilization)
(in millions)**

| | 2008 Actual | 2009 Mid Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---|------------------------|---------------------------------------|--|----------------|----------------|----------------|
| <u>Farebox Revenue</u> | | | | | | |
| Harlem Line | \$146.6 | \$152.5 | \$159.5 | \$164.4 | \$168.7 | \$173.0 |
| Hudson Line | 107.4 | 111.1 | 116.9 | 121.7 | 126.0 | 129.1 |
| New Haven Line | 248.0 | 248.6 | 256.4 | 265.9 | 274.5 | 282.8 |
| West of Hudson Mail & Ride | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 |
| Baseline Total Farebox Revenue | \$502.6 | \$512.9 | \$533.5 | \$552.7 | \$569.9 | \$585.6 |
| <i>Impact of:</i> | | | | | | |
| 2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Post-2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total PEG's | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Farebox Revenue | \$502.6 | \$512.9 | \$533.5 | \$552.7 | \$569.9 | \$585.6 |
| <u>Ridership</u> | | | | | | |
| Harlem Line | 27.4 | 26.8 | 26.8 | 27.6 | 28.3 | 28.9 |
| Hudson Line | 16.2 | 16.0 | 16.1 | 16.7 | 17.2 | 17.6 |
| New Haven Line | 37.9 | 37.1 | 37.7 | 39.1 | 40.5 | 41.7 |
| Baseline Total Ridership | 81.5 | 79.9 | 80.6 | 83.4 | 86.1 | 88.3 |
| <i>Impact of:</i> | | | | | | |
| 2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Post-2010 Agency Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total PEG's | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Ridership | 81.5 | 79.9 | 80.6 | 83.4 | 86.1 | 88.3 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|---|-----------|--------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | | | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> |
| Administration | | | | | | | | | | | | |
| Administration position reductions | | | 8 | 0.450 | 10 | 1.170 | 10 | 1.192 | 10 | 1.217 | 10 | 1.241 |
| | Sub-Total | Administration | 8 | \$0.450 | 10 | \$1.170 | 10 | \$1.192 | 10 | \$1.217 | 10 | \$1.241 |
| Customer Convenience/Amenities | | | | | | | | | | | | |
| Tvm strategy | | | | 0.000 | 13 | 1.097 | 13 | 1.110 | 13 | 1.132 | 13 | 1.155 |
| | Sub-Total | Customer Convenience/Amenities | 0 | \$0.000 | 13 | \$1.097 | 13 | \$1.110 | 13 | \$1.132 | 13 | \$1.155 |
| Maintenance | | | | | | | | | | | | |
| Establish second shift coach shop | | | | 0.000 | 8 | 0.709 | 0 | (0.030) | | (0.044) | | (0.059) |
| | Sub-Total | Maintenance | 0 | \$0.000 | 8 | \$0.709 | 0 | -\$0.030 | 0 | (\$0.044) | 0 | -\$0.059 |
| Other | | | | | | | | | | | | |
| T&e savings from reduce deadhead equip trains | | | 4 | 0.275 | 4 | 1.133 | 4 | 1.168 | 4 | 1.180 | 4 | 1.203 |
| Review procurement/purchasing | | | 0 | 0.000 | 0 | 0.341 | 0 | 0.355 | 0 | 0.371 | 0 | 0.387 |
| | Sub-Total | Other | 4 | \$0.275 | 4 | \$1.474 | 4 | \$1.523 | 4 | \$1.551 | 4 | \$1.590 |
| Revenue enhancement | | | | | | | | | | | | |
| | Sub-Total | Revenue Enhancement | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Safety | | | | | | | | | | | | |
| security plan - gct halls/trainshed fire safety | | | | 0.000 | 12 | 1.245 | 8 | 0.864 | 8 | 0.882 | 8 | 0.900 |
| | Sub-Total | Safety | 0 | \$0.000 | 12 | \$1.245 | 8 | \$0.864 | 8 | \$0.882 | 8 | \$0.900 |
| Security | | | | | | | | | | | | |
| | Sub-Total | Security | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service | | | | | | | | | | | | |
| w of h service plan reduction | | | 0 | 0.000 | 0 | 1.740 | | 1.740 | | 1.740 | | 1.740 |
| service plan 2010 | | | 0 | 0.000 | 9 | 2.238 | 9 | 2.951 | 9 | 2.915 | 9 | 2.886 |
| | Sub-Total | Service | 0 | \$0.000 | 9 | \$3.978 | 9 | \$4.691 | 9 | \$4.655 | 9 | \$4.626 |
| Service Support | | | | | | | | | | | | |
| | Sub-Total | Service Support | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Total Programs | | | 12 | \$0.725 | 56 | \$9.673 | 44 | \$9.350 | 44 | \$9.393 | 44 | \$9.453 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | |
|--------------------------|------------------------------------|-------------------------------------|----------------------------|----------|
| Business Unit | MNR | PEG Category: Administration | Implementation Date | 7/1/2009 |
| PEG / New Need ID | MNR 2010-1 | | Savings Date | 7/1/2009 |
| Program: | Administration Position Reductions | | | |

Description and Implementation Plan

In conjunction with the review of administrative staffing levels, Metro-North will eliminate 10 administrative positions starting July 1, 2009 to reduce costs and streamline the organization. Position eliminated are all vacant and do not require any layoffs of personnel. These reductions span various functional areas of the company and include managers, analysts/specialists and clerical positions.

Background Details

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | 8 | 10 | 10 | 10 | 10 |
| Financial Impact | \$0.450 | \$1.170 | \$1.192 | \$1.217 | \$1.241 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | |
|--------------------------|--------------|---|----------------------------|----------|
| Business Unit | MNR | PEG Category: Customer Convenience | Implementation Date | 1/1/2010 |
| PEG / New Need ID | MNR 2010-2 | | Savings Date | 1/1/2010 |
| Program: | TVM Strategy | | | |

Description and Implementation Plan

The deployment of ticket vending machines and the continued growth in Mail-n-Ride and Web Ticket sales has shifted significant portions of ticket sales away from manned, ticket office windows. These changes as well as the deployment of an additional 52 TVM machines will enable a further reduction in ticket selling staff. Starting January 2010 13 positions will be eliminated at the following stations:

- GCT - reduce two ticket sellers at ticket windows and eliminate one Extra List position (eliminate 3 Full Time positions)
- Close Ticket Offices at Darien, Ossining, Hartsdale (eliminate 3 Full Time positions)
- Reduce ticket window hours at 3 New Haven Line Stations South Norwalk, Rye, Fordham (eliminate 3 Part Time positions)
- Close Ticket Offices at Fleetwood, Chappaqua, Larchmont (eliminate 3 Full Time positions)
- Reduce ticket window hours during 1st and 2nd shifts at New Haven station (eliminate 1 Full Time position)

Background Details:

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | 13 | 13 | 13 | 13 |
| Financial Impact | \$0.000 | \$1.097 | \$1.110 | \$1.132 | \$1.155 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | |
|--------------------------|-----------------------------------|----------------------------------|----------------------------|----------|
| Business Unit | MNR | PEG Category: Maintenance | Implementation Date | 1/1/2010 |
| PEG / New Need ID | MNR 2010-3 | | Savings Date | 1/1/2010 |
| Program: | Establish Second Shift Coach Shop | | | |

Description and Implementation Plan

Increases in the coach and locomotive fleet over the last decade have not resulted in a commensurate increase in maintenance staffing. As the fleet is aging additional maintenance requirements are absorbed on overtime or delayed. To more effectively maintain the equipment and meet AM Peak consist requirements, a second shift at the Harmon Coach Shop has been proposed. Originally included in the February 2009 Financial Plan for 2010, this initiative has been

Background Details

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | 8 | - | - |
| Financial Impact | \$0.000 | \$0.000 | \$0.709 | (\$0.030) | (\$0.044) |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | |
|--------------------------|---|----------------------------|----------------------------|-----------|
| Business Unit | MNR | PEG Category: Other | Implementation Date | 11/1/2009 |
| PEG / New Need ID | MNR 2010-4 | | Savings Date | 11/1/2009 |
| Program: | T&E Savings from Reduce Deadhead Equip Trains | | | |

Description and Implementation Plan

- Review lightly used Dead Head Equipment trains for elimination
- Estimated savings are 2 conductors and 2 Engineers (1 each on Hudson and NH Lines). Cost savings of \$1.0- \$1.25 million annually starting October 2009.

Background Details

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | 4 | 4 | 4 | 4 | 4 |
| Financial Impact | \$0.275 | \$1.133 | \$1.168 | \$1.180 | \$1.203 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | |
|--------------------------|-------------------------------|----------------------------|----------------------------|----------|
| Business Unit | MNR | PEG Category: Other | Implementation Date | 1/1/2010 |
| PEG / New Need ID | MNR 2010-5 | | Savings Date | 1/1/2010 |
| Program: | Review Procurement/Purchasing | | | |

Description and Implementation Plan

MNR's portion of the \$256 million OEM joint procurement contracts with the LIRR is \$81.9 million. An estimated expenditure savings of 2% yields a \$1.637 million cost avoidance/savings for the 5 year term of the contracts; \$.327 million per year. This PEG incorporates the projected annual savings in the Financial Plan.

This amount is a preliminary estimate subject to changes in final vendor pricing agreements and the timing and quantities of materials procured. Metro-North estimates that potential savings may be generated from the following vendor contracts:

- SEPSA
- Merak Air Conditioning Parts
- Knorr Air Brake Parts
- Wabtec Coupler and air brake parts
- Bombardier
- Back Simpson
- Vapor Door Parts

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.000 | \$0.341 | \$0.355 | \$0.371 | \$0.387 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | |
|--------------------------|---|-----------------------------|----------------------------|----------|
| Business Unit | MNR | PEG Category: Safety | Implementation Date | 1/1/2010 |
| PEG / New Need ID | MNR 2010-6 | | Savings Date | 1/1/2010 |
| Program: | Security Plan - GCT Halls/Trainshed Fire Safety | | | |

Description and Implementation Plan

Substantial portion (8 positions) of planned safety functions related to GCT Halls/Train shed Fire Safety will be absorbed in other safety initiatives (IESS project) and by existing staff. Consequently, of the positions originally included in the February 2009 Financial Plan for 2010, eight will be permanently eliminated and 4 will be deferred until 2011.

Background Details

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 12 | 8 | 8 | 8 |
| Financial Impact | \$0.000 | \$1.245 | \$0.864 | \$0.882 | \$0.900 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | |
|--------------------------|-----------------------------|------------------------------|----------------------------|----------|
| Business Unit | MNR | PEG Category: Service | Implementation Date | 1/1/2010 |
| PEG / New Need ID | MNR 2010-8 | | Savings Date | 1/1/2010 |
| Program: | West of Hudson Service Plan | | | |

Description and Implementation Plan

In 2008, additional service on the Port Jervis Line was scheduled to start in 2009.

- Late evening Outbound trains
- Additional weekend service (3RT per day) (Deferred from '08 Service Enhancement Initiative)
- Additional weekday OP RT (Deferred from '08 Service Enhancement Initiative)
- Split 2 weekend RT's to create NYS expresses

Due to cost constraints later that year, these changes were deferred from 2009 to 2010. Due to the recent financial concerns, improvements are now being eliminated from 2010.

Background Details

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.000 | \$1.740 | \$1.740 | \$1.740 | \$1.740 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | |
|--------------------------|-----------------------------|------------------------------|----------------------------|----------|
| Business Unit | MNR | PEG Category: Service | Implementation Date | 4/1/2010 |
| PEG / New Need ID | MNR 2010-7 | | Savings Date | 4/1/2010 |
| Program: | East of Hudson Service Plan | | | |

Description and Implementation Plan

Original February Plan was \$3.3 million as of April 2009 for the following service changes:

Hudson - Peak - Additional Upper Hudson peak trains (2RT)
Hudson - Off Peak - Early AM outbound Upper Hudson
New Haven - Peak - Danbury shuttle to operate thru to/from GCT 1RT
New Haven - Peak - New South Norwalk zone train to relieve 1833 (1RT)
New Haven - Weekend - Extend 1/2 Hourly service on outer NH at key times (2RT Sat & 3RT Sun)
All lines - Ridership Growth (cost required to increase revenue collection coverage)

To reduce costs, the 2010 Service Plan was scaled back. Only New Haven 1/2 hr local service will be added from Stamford to GCT on Sundays for \$1.0 million as of April 2010, resulting in \$2.3 million reduction.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 9 | 9 | 9 | 9 |
| Financial Impact | \$0.000 | \$2.238 | \$2.951 | \$2.915 | \$2.886 |

MTA Metro-North Railroad
July Financial Plan 2010-2013
Summary of Post-2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | | <u>2009</u> | | <u>2010</u> | | <u>2011</u> | | <u>2012</u> | | <u>2013</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> | <u>Positions</u> | <u>Dollars</u> |
| Administration | | | | | | | | | | | | |
| | Sub-Total | Administration | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Customer Convenience/Amenities | | | | | | | | | | | | |
| | Sub-Total | Customer Convenience/Amenities | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Maintenance | | | | | | | | | | | | |
| | Sub-Total | Maintenance | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Other | | | | | | | | | | | | |
| | Sub-Total | Other | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$19.190</u> | <u>0</u> | <u>\$33.045</u> | <u>0</u> | <u>\$34.400</u> |
| Revenue Enhancement | | | | | | | | | | | | |
| | Sub-Total | Revenue Enhancement | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$19.190</u> | <u>0</u> | <u>\$33.045</u> | <u>0</u> | <u>\$34.400</u> |
| Safety | | | | | | | | | | | | |
| | Sub-Total | Safety | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Security | | | | | | | | | | | | |
| | Sub-Total | Security | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Service | | | | | | | | | | | | |
| | Sub-Total | Service | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Service Support | | | | | | | | | | | | |
| | Sub-Total | Service Support | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Total Programs | | | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$ 19.190</u> | <u>0</u> | <u>\$33.045</u> | <u>0</u> | <u>\$34.400</u> |

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (Post PEG) Worksheet
(\$ in millions)

| | | | | |
|-------------------------------|------------|----------------------------|----------------------------|----------|
| Business Unit | MNR | PEG Category: Other | Implementation Date | 1/1/2011 |
| Post PEG / New Need ID | MNR 2010-1 | | Savings Date | 1/1/2011 |
| Program: | Other | | | |

Description and Implementation Plan

Cost Reduction Measures to be Determined

Background Details

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.000 | \$0.000 | \$19.190 | \$33.045 | \$34.400 |

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS

Positions are stated as of December 31 of each year and reflect employees estimated to be paid. Consequently, position totals incorporate existing vacancy and turnover estimates, as well as seasonal fluctuations in staffing requirements for capital projects.

Annual non-reimbursable staffing levels also include the impact of new program additions, deferrals, eliminations, or re-estimates, consistent with the associated cost changes incorporated into the financial plan.

2009 reimbursable staffing levels reflect changes in project requirements. The 2010-2013 staffing levels assume a continuation of 2009 project activity levels.

YEAR-TO-YEAR CHANGES

2009 - 2010

The 2009 Mid Year Forecast includes a reduction of 43 positions paid as compared to the 2009 Adopted Budget. This reduction is due to an increase in vacancies related to the slowing of personnel hiring to meet cost reduction targets and avoid potential employees layoffs (26 non reimbursable and 25 reimbursable), and a reduction of 15 on-board crew positions related to train service adjustments. These decreases are partially offset by the addition of a cyclical station painting gang added in the second half of the year (5 positions) and the restoration of 18 service-related positions that were scheduled to be abolished as part of the AABB program included in the February Financial Plan.

The 2010 Preliminary Budget assumes the return of vacancies to their normal level and the addition of 75 non-reimbursable positions which is largely comprised of the addition of 28 positions in support of New Haven Maintenance Facility Shop Complex, 15 positions supporting the Harmon Shop Replacement, 17 T&E positions for new train service, 22 positions to support security improvements, 3 positions to support the FRA mandated expanded drug testing program, additional maintenance personnel to support completed right-of-way and other facility improvements, and two positions to support accounting and training functions. These increases are offset by the reduction of 27 positions due to the completion of the M3 overhaul program and M1 car retirements as well as storeroom position reductions.

2010 - 2011

The increase of 33 non-reimbursable paid positions reflects the addition of 46 maintenance positions to support the New Haven Maintenance Facility Shop Complex, 17 T&E positions for new train service, 16 positions to support security improvements, an additional position for both Training and Turnout Replacement Mainline/High Speed programs as well as 6 positions in support of signal improvements on the Danbury Branch, 3 positions toward Harlem/Hudson Power Improvements, and the net reduction of 57 positions due to transfers from both the Human Resources and Controller departments to the BSC.

2011 - 2012

The increase of 61 non-reimbursable paid positions reflects 46 maintenance positions to support the New Haven Maintenance Facility Shop Complex, 14 T&E positions for the Service Plan, and one additional position for Training.

2012 - 2013

The increase of 91 non-reimbursable paid positions reflects 18 maintenance positions to support the New Haven Maintenance Facility Shop Complex, 39 T&E positions for new train service and additional coverage, 21 additional coach cleaner positions, 13 various QC support positions.

MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actual | 2009 Mid Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| Administration | | | | | | |
| President | 5 | 3 | 3 | 3 | 3 | 3 |
| Labor Relations | 12 | 13 | 13 | 13 | 13 | 13 |
| Safety | 18 | 17 | 29 | 29 | 29 | 29 |
| Corporate Communications | 18 | 21 | 21 | 21 | 21 | 21 |
| Customer Service | 243 | 231 | 247 | 247 | 247 | 247 |
| Legal | 15 | 16 | 17 | 17 | 17 | 17 |
| Claims Services | 16 | 17 | 20 | 20 | 20 | 20 |
| Environmental Compliance & Serv | 6 | 6 | 7 | 7 | 7 | 7 |
| VP Human Resources | 4 | 4 | 4 | 4 | 4 | 4 |
| Human Resources & Diversity | 46 | 45 | 47 | 20 | 20 | 20 |
| Training | 30 | 29 | 33 | 34 | 35 | 35 |
| Employee Relations & Diversity | 3 | 4 | 4 | 4 | 4 | 4 |
| VP Planning Procurem't & Bus Dev Admin | 2 | 2 | 2 | 2 | 2 | 2 |
| Operations Planning & Analysis | 20 | 20 | 20 | 20 | 20 | 20 |
| Capital Planning & Programming | 14 | 14 | 14 | 14 | 14 | 14 |
| Business Development Facilities & Mktg | 20 | 22 | 22 | 22 | 22 | 22 |
| Long Range Planning | 10 | 9 | 10 | 10 | 10 | 10 |
| VP Finance & Info Systems | 1 | 2 | 2 | 2 | 2 | 2 |
| Controller | 119 | 119 | 120 | 90 | 90 | 90 |
| Information Technology & Project Mgmt | 108 | 111 | 111 | 111 | 111 | 111 |
| Budget | 16 | 16 | 16 | 16 | 16 | 16 |
| Corporate * | - | - | (40) | (40) | (40) | (40) |
| Total Administration | 726 | 721 | 722 | 666 | 667 | 667 |
| Operations | | | | | | |
| VP Operations | 51 | 51 | 54 | 54 | 54 | 67 |
| Operations Services | 1,705 | 1,779 | 1,816 | 1,844 | 1,866 | 1,936 |
| Metro-North West | 30 | 27 | 27 | 27 | 27 | 27 |
| Total Operations | 1,786 | 1,857 | 1,897 | 1,925 | 1,947 | 2,030 |
| Maintenance | | | | | | |
| GCT | 350 | 335 | 347 | 359 | 359 | 359 |
| Maintenance of Equipment | 1,274 | 1,295 | 1,307 | 1,326 | 1,364 | 1,372 |
| Maintenance of Way | 1,512 | 1,548 | 1,597 | 1,626 | 1,626 | 1,626 |
| Procurement & Material Management | 168 | 167 | 174 | 175 | 175 | 175 |
| Total Maintenance | 3,304 | 3,345 | 3,425 | 3,486 | 3,524 | 3,532 |
| Engineering/Capital | | | | | | |
| Project Budget | - | - | - | - | - | - |
| Construction Management | 36 | 38 | 38 | 38 | 38 | 38 |
| Engineering & Design | 65 | 66 | 66 | 66 | 66 | 66 |
| Total Engineering/Capital | 101 | 104 | 104 | 104 | 104 | 104 |
| Baseline Total Positions | 5,917 | 6,027 | 6,148 | 6,181 | 6,242 | 6,333 |
| <i>Non-Reimbursable</i> | 5,306 | 5,423 | 5,544 | 5,577 | 5,638 | 5,729 |
| <i>Reimbursable</i> | 611 | 604 | 604 | 604 | 604 | 604 |
| <i>Total Full-Time</i> | 5,912 | 6,024 | 6,147 | 6,180 | 6,241 | 6,332 |
| <i>Total Full-Time-Equivalents</i> | 5 | 3 | 1 | 1 | 1 | 1 |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap | | 12 | 56 | 44 | 44 | 44 |
| Post 2010 Program to Eliminate the Gap | | | - | - | - | - |
| Total Positions | 5,917 | 6,015 | 6,092 | 6,137 | 6,198 | 6,289 |
| <i>Non-Reimbursable</i> | 5,306 | 5,411 | 5,488 | 5,533 | 5,594 | 5,685 |
| <i>Reimbursable</i> | 611 | 604 | 604 | 604 | 604 | 604 |
| <i>Total Full-Time</i> | 5,912 | 6,012 | 6,091 | 6,136 | 6,197 | 6,288 |
| <i>Total Full-Time-Equivalents</i> | 5 | 3 | 1 | 1 | 1 | 1 |

* Reflects turnover vacancies in December not included in department totals.

MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

| FUNCTION/OCCUPATIONAL GROUP | 2008 Actual | 2009 Mid Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| Administration | | | | | | |
| Managers/Supervisors | 40 | 49 | 50 | 50 | 50 | 50 |
| Professional, Technical, Clerical | 657 | 642 | 633 | 577 | 578 | 578 |
| Operational Hourlies | 29 | 30 | 39 | 39 | 39 | 39 |
| Total Administration | 726 | 721 | 722 | 666 | 667 | 667 |
| Operations | | | | | | |
| Managers/Supervisors | 23 | 24 | 24 | 24 | 24 | 24 |
| Professional, Technical, Clerical | 318 | 311 | 325 | 325 | 325 | 336 |
| Operational Hourlies | 1,445 | 1,522 | 1,548 | 1,576 | 1,598 | 1,670 |
| Total Operations | 1,786 | 1,857 | 1,897 | 1,925 | 1,947 | 2,030 |
| Maintenance | | | | | | |
| Managers/Supervisors | 39 | 41 | 41 | 41 | 41 | 41 |
| Professional, Technical, Clerical | 1,024 | 996 | 1,022 | 1,034 | 1,034 | 1,034 |
| Operational Hourlies | 2,241 | 2,308 | 2,362 | 2,411 | 2,449 | 2,457 |
| Total Maintenance | 3,304 | 3,345 | 3,425 | 3,486 | 3,524 | 3,532 |
| Engineering/Capital | | | | | | |
| Managers/Supervisors | 28 | 30 | 30 | 30 | 30 | 30 |
| Professional, Technical, Clerical | 73 | 74 | 74 | 74 | 74 | 74 |
| Operational Hourlies | - | - | - | - | - | - |
| Total Engineering/Capital | 101 | 104 | 104 | 104 | 104 | 104 |
| Public Safety | | | | | | |
| Managers/Supervisors | - | - | - | - | - | - |
| Professional, Technical, Clerical | - | - | - | - | - | - |
| Operational Hourlies | - | - | - | - | - | - |
| Total Public Safety | - | - | - | - | - | - |
| MTA Metro-North Consolidated Baseline | | | | | | |
| Managers/Supervisors | 130 | 144 | 145 | 145 | 145 | 145 |
| Professional, Technical, Clerical | 2,072 | 2,023 | 2,054 | 2,010 | 2,011 | 2,022 |
| Operational Hourlies | 3,715 | 3,860 | 3,949 | 4,026 | 4,086 | 4,166 |
| Total MTA Metro-North Consolidated Baseline | 5,917 | 6,027 | 6,148 | 6,181 | 6,242 | 6,333 |
| | - | - | - | - | - | - |

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MTA Headquarters

**MTA Headquarters
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

Highlights of Operations

The MTA Headquarters Preliminary Budget continues expense reduction efforts that were begun in previous budgets. The July Financial Plan includes all the non-service related Additional Actions for Budget Balance (AABBs), totaling \$8.6 million of the \$10.8 million that were recommended in the February Plan. Since none of the \$8.6 million of AABBs threatened a decrease in security to its facilities, customers, or employees, or would have resulted in reductions in customer service, they have not been rescinded. Operating expenses for the Business Service Center (BSC) are included in the July Financial Plan. By combining administrative functions for all the MTA agencies by using one Enterprise Resource Planning (ERP) Financial and Human resources payroll system along with other technologies to process administrative and back-office transactions, the BSC will be able to achieve substantial real savings by 2012. MTA Headquarters has included a 2010 PEG that reduces the internal funding to MTA Police for patrol work done on an overtime basis. The MTA Office of Security will seek federal funds to support this initiative.

Financial Overview

The economic climate that overshadows the MTA region and the MTA itself continues to adversely impact MTA Headquarters. While MTA Headquarters continues to reduce spending, the 2010 Preliminary Budget reflects the MTA's leadership in issues important to the MTA commuting region. The Financial Plan enclosed contemplates funding only those programs that are self-funded, or for those issues deemed the highest priority by MTA management. These issues include Sustainability. The issuance of the Final Report of the MTA's Blue Ribbon Commission on Sustainability projects that over the next 40 years metropolitan areas such as New York City will need to develop around transit. As the MTA system grows so will its contributions to regional and national sustainability, while reducing and managing the MTA's energy consumption, carbon emissions, waste, water use, and other elements of MTA's ecological footprint. MTA Headquarters has embraced the initiatives identified by the Blue Ribbon Commission on Sustainability and is initiating a process of both recording and verifying MTA's impact on the regional carbon footprint and computing possible carbon credits from it and analyzing the MTA's operations and expansion so as to reduce their carbon implications.

Because the training and retention of the MTA workforce is so important, implementation of recommendations including the report issued by the Blue Ribbon Panel on Workforce Development continues promoting workforce development, succession planning, organizational culture, employee availability, and labor-management relations. Organizational Development and Training conducted leadership training which identified effective leadership skills and methods from prospective future MTA leaders.

Since 9/11, the security of MTA facilities, customers, and employees has been a major consideration. The MTA Headquarters Financial Plan includes operating funds for the Integrated Electronic Security System (IESS) facility. This facility provides for the deployment of various electronic technologies with the aim of detecting, deterring, identifying, delaying, and/or preventing terrorist security threats.

In order to ensure the MTA's financial stability and to promote institutional transformation, MTA Headquarters has acted on the findings of two studies to determine the cost benefits of a shared services business service center (BSC). Under BSC, select administrative functions for all the MTA agencies are combined and use one Enterprise Resource Planning (ERP) Financial and Human Resources Payroll system along with other technologies to process administrative and back-office transactions. Also, the MTA Defined Benefit Pension Plan, a complex multi-article pension plan with represented and non-represented participants in MNR, LIRR, LI Bus, MTA Bus, MTA PD and SIRTGA, will be centralized in the BSC. The MTA Board's decision in February 2008 to go forward with the BSC will result in substantial real savings to the MTA in the latter part of the plan period. The BSC will open its doors in 2011 and will complete consolidation of back office functions throughout that year. Operating funds for the BSC are now included in the MTA Headquarters Financial Plan.

Funding is also included for Projects and Planning related expenses, specifically for oversight of the West Side Yards Development project. All funding is reimbursable by the project developer.

While the MTA has made significant strategic improvements in its operations, it continues to seek opportunities to downsize and maximize efficiencies. Savings from the MTA Police Overtime Reduction 2010 "Program to Eliminate the Gap" (PEG) have already begun and will reduce expenses by \$4.2 million in 2009, \$4.3 million in 2010, \$4.4 million in 2011, \$4.5 million in 2012 and \$4.6 million in 2013.

2009 Mid-Year Forecast

As MTA Headquarters continues to implement the recommendations of several Blue Ribbon Commissions looking into priorities guiding the MTA's future it continues to hold the line on unnecessary expenditures. The MTA Headquarters Mid-Year Forecast projects a Baseline Deficit of \$386.7 million in 2009 before PEGs. This represents an increase of \$8.3 million from the 2009 Adopted Budget of \$378.3 million. This is primarily attributable to increased subsidies to LI Bus to cover shortfalls between revenues and expenses; and the reinstatement of the Rockaway Resident - Cross Bay Bridge Program which was presented as part of B&T's AABBs and for which MTA Headquarters was to receive reimbursement. Increases have been limited primarily to inflationary trends and those self-funded New Needs that were approved prior to the July 2009 Plan.

Headcount of 1,565 positions in 2009 is unchanged from the 2009 Adopted Budget. The addition of 7 positions due to the transfer of 7 Audit positions from New York City

Transit was offset by an overall net reduction in BSC headcount after MTA Headquarters transfers.

2010 Preliminary Budget- Baseline

MTA Headquarters projects a Baseline Deficit of \$407.3 million in the 2010 Preliminary Budget before PEGs. This is \$26.6 million above the February Plan of \$380.7 million. The increase is primarily attributable to increased subsidies to LI Bus to cover shortfalls between revenues and expenses; the reinstatement of the Rockaway Resident - Cross Bay Bridge Program which was presented as part of B&T's AABBs and for which MTA Headquarters was to receive reimbursement; higher re-estimated costs at the BSC for higher rental expenses due to the need for increased office space as the BSC's headcount increases, as well as the office furniture and equipment needed for the increase in employees; and higher depreciation charges.

The baseline budget assumes headcount levels of 782 employees at MTA Headquarters and 786 employees in Public Safety, totaling 1,568 employees. The below-the-line 2010 PEGs and Post-2010 PEG actions are discussed in Gap closing measures.

2011-2013 Projections

The Baseline Net Deficit for 2011 increases to \$444.6 million from the February Plan of \$419.5 million. The increase is primarily attributable to increased subsidies to LI Bus to cover shortfalls between revenues and expenses; the reinstatement of the Rockaway Resident - Cross Bay Bridge Program which was presented as part of B&T's AABBs and for which MTA Headquarters was to receive reimbursement. The baseline headcount decreases from the February Plan from 1,820 employees to 1,765 employees due to reductions at the BSC.

The Baseline Net Deficit for 2012 increases to \$443.0 million from the February Plan of \$415.5 million. The increase is primarily attributable to increased subsidies to LI Bus to cover shortfalls between revenues and expenses; the reinstatement of the Rockaway Resident - Cross Bay Bridge Program which was presented as part of B&T's AABBs and for which MTA Headquarters was to receive reimbursement. The baseline headcount remains the same as the February Plan of 1,779 employees.

An increase in the Baseline Net Deficit for 2013 to \$463.5 million is mainly attributable to inflationary pressures.

Gap Closing Measures

2010 PEG and Post-2010 PEG Actions

In light of current fiscal constraints, MTA Headquarters has reduced the internal funding to MTA Police for patrol work done on an overtime basis. In the future, the MTA Office of Security will seek federal funds to support this initiative. This has enabled MTA Headquarters to provide savings of \$4.2 million beginning in 2009, \$4.3 million in 2010, \$4.4 million in 2011, \$4.5 million in 2012, and \$4.6 million in 2013.

No Post-2010 PEG actions are currently scheduled.

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MTA HEADQUARTERS
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE | | | | | | |
|--|--------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actuals | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Operating Revenue | | | | | | |
| Fare Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| <u>Other Operating Revenue</u> | | | | | | |
| Rental Income | 47.871 | 50.852 | 50.929 | 52.534 | 53.689 | 54.876 |
| Other | 4.105 | 3.605 | 3.689 | 3.805 | 3.889 | 3.975 |
| Total Other Operating Revenue | 51.976 | 54.457 | 54.618 | 56.339 | 57.578 | 58.851 |
| Capital and Other Reimbursements | | | | | | |
| Total Revenue | \$51.976 | \$54.457 | \$54.618 | \$56.339 | \$57.578 | \$58.851 |
| Operating Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$130.110 | \$132.047 | \$138.355 | \$155.600 | \$155.468 | \$157.866 |
| Overtime | 14.978 | 14.303 | 14.474 | 14.812 | 15.157 | 15.510 |
| Health and Welfare | 15.956 | 16.065 | 18.939 | 22.853 | 24.577 | 28.565 |
| OPEB Current Payment | 4.488 | 6.500 | 7.900 | 9.400 | 11.100 | 12.800 |
| Pensions | 16.583 | 20.897 | 23.503 | 25.708 | 27.972 | 28.960 |
| Other Fringe Benefits | 10.468 | 11.294 | 12.462 | 12.914 | 13.294 | 13.864 |
| Reimbursable Overhead | (39.527) | (44.258) | (45.007) | (48.790) | (49.941) | (51.004) |
| Total Labor Expenses | \$153.056 | \$156.849 | \$170.627 | \$192.496 | \$197.626 | \$206.561 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | (7.736) | 3.340 | 3.596 | 3.956 | 4.351 | 4.786 |
| Claims | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 24.948 | 38.521 | 41.581 | 44.000 | 46.308 | 47.331 |
| Professional Service Contracts | 40.023 | 42.144 | 43.496 | 44.959 | 45.940 | 46.955 |
| Materials & Supplies | 4.096 | 4.941 | 3.531 | 14.497 | 2.508 | 2.592 |
| <u>Other Business Expenses</u> | | | | | | |
| MTA Internal Subsidy | 39.550 | 51.239 | 55.157 | 57.415 | 61.245 | 67.091 |
| Other Business Expenses | 37.774 | 48.820 | 45.730 | 47.787 | 48.638 | 49.630 |
| Total Other Business Expenses | 77.324 | 100.060 | 100.887 | 105.203 | 109.883 | 116.721 |
| Total Non-Labor Expenses | \$138.655 | \$189.005 | \$193.091 | \$212.614 | \$208.990 | \$218.386 |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation and GASB Adjs. | \$291.711 | \$345.854 | \$363.718 | \$405.110 | \$406.616 | \$424.947 |
| Depreciation | 33.526 | 31.071 | 31.060 | 25.588 | 20.800 | 20.800 |
| OPEB Obligation | 61.612 | 64.200 | 67.100 | 70.200 | 73.200 | 76.600 |
| Total Expenses | \$386.849 | \$441.125 | \$461.878 | \$500.898 | \$500.616 | \$522.347 |
| Baseline Surplus/(Deficit) | (\$334.873) | (\$386.668) | (\$407.260) | (\$444.559) | (\$443.038) | (\$463.496) |
| 2010 PEGs | 0.000 | 4.179 | 4.277 | 4.376 | 4.478 | 4.583 |
| Post-2010 PEGs | 0.000 | - | - | - | - | - |
| Total PEGs | 0.000 | 4.179 | 4.277 | 4.376 | 4.478 | 4.583 |
| Net Surplus/(Deficit) | (\$334.873) | (\$382.489) | (\$402.983) | (\$440.183) | (\$438.560) | (\$458.913) |

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MTA HEADQUARTERS
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE / REIMBURSABLE | | | | | | |
|---|--------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actuals | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Revenue | | | | | | |
| Fare Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| <u>Other Operating Revenue</u> | | | | | | |
| Rental Income | 47.871 | 50.852 | 50.929 | 52.534 | 53.689 | 54.876 |
| Other | 4.105 | 3.605 | 3.689 | 3.805 | 3.889 | 3.975 |
| Total Other Operating Revenue | 51.976 | 54.457 | 54.618 | 56.339 | 57.578 | 58.851 |
| Capital and Other Reimbursements | 46.109 | 61.383 | 72.257 | 80.114 | 81.585 | 80.885 |
| Total Revenue | \$98.085 | \$115.840 | \$126.876 | \$136.453 | \$139.163 | \$139.736 |
| Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$132.375 | \$135.040 | \$142.468 | \$159.805 | \$159.765 | \$162.248 |
| Overtime | 14.995 | 14.303 | 14.474 | 14.812 | 15.157 | 15.510 |
| Health and Welfare | 16.193 | 16.446 | 19.513 | 23.465 | 25.243 | 29.335 |
| OPEB Current Payment | 4.488 | 6.500 | 7.900 | 9.400 | 11.100 | 12.800 |
| Pensions | 16.733 | 21.174 | 23.895 | 26.112 | 28.394 | 29.400 |
| Other Fringe Benefits | 10.929 | 11.521 | 12.791 | 13.246 | 13.641 | 14.226 |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenses | \$195.713 | \$204.986 | \$221.041 | \$246.839 | \$253.299 | \$263.518 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | (7.736) | 3.340 | 3.596 | 3.956 | 4.351 | 4.786 |
| Claims | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 24.949 | 38.525 | 41.586 | 44.005 | 46.313 | 47.336 |
| Professional Service Contracts | 43.425 | 55.226 | 65.180 | 70.566 | 71.684 | 70.712 |
| Materials & Supplies | 4.109 | 5.016 | 3.608 | 14.577 | 2.590 | 2.676 |
| <u>Other Business Expenses</u> | | | | | | |
| MTA Internal Subsidy | 39.550 | 51.239 | 55.157 | 57.415 | 61.245 | 67.091 |
| Other Business Expenses | 37.810 | 48.907 | 45.807 | 47.866 | 48.719 | 49.712 |
| Total Other Business Expenses | 77.360 | 100.146 | 100.964 | 105.281 | 109.964 | 116.803 |
| Total Non-Labor Expenses | \$142.107 | \$202.252 | \$214.935 | \$238.385 | \$234.902 | \$242.314 |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation and GASB Adj. | \$337.820 | \$407.237 | \$435.976 | \$485.224 | \$488.201 | \$505.832 |
| Depreciation | 33.526 | 31.071 | 31.060 | 25.588 | 20.800 | 20.800 |
| OPEB Obligation | 61.612 | 64.200 | 67.100 | 70.200 | 73.200 | 76.600 |
| Total Expenses | \$432.958 | \$502.508 | \$534.135 | \$581.012 | \$582.201 | \$603.232 |
| Baseline Surplus/(Deficit) | (\$334.873) | (\$386.668) | (\$407.260) | (\$444.559) | (\$443.038) | (\$463.496) |
| 2010 PEGs | 0.000 | 4.179 | 4.277 | 4.376 | 4.478 | 4.583 |
| Post-2010 PEGs | 0.000 | - | - | - | - | - |
| Total PEGs | 0.000 | 4.179 | 4.277 | 4.376 | 4.478 | 4.583 |
| Net Surplus/(Deficit) | (\$334.873) | (\$382.489) | (\$402.983) | (\$440.183) | (\$438.560) | (\$458.913) |

MTA HEADQUARTERS
July Financial Plan 2010-2013
Cash Receipts & Expenditures
(\$ in millions)

| CASH RECEIPTS AND EXPENDITURES | | | | | | |
|--|--------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actuals | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Fare Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| <u>Other Operating Revenue</u> | | | | | | |
| Rental Income | 47.863 | 50.852 | 50.929 | 52.534 | 53.689 | 54.876 |
| Other | 6.614 | 6.349 | 7.049 | 7.618 | 7.785 | 7.957 |
| Total Other Operating Revenue | 54.477 | 57.201 | 57.978 | 60.151 | 61.475 | 62.833 |
| Capital and Other Reimbursements | 42.138 | 61.383 | 72.257 | 80.114 | 81.585 | 80.885 |
| Total Receipts | \$96.615 | \$118.584 | \$130.236 | \$140.265 | \$143.059 | \$143.718 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$127.943 | \$133.744 | \$139.618 | \$156.609 | \$156.570 | \$159.003 |
| Overtime | 14.995 | 14.303 | 14.474 | 14.812 | 15.157 | 15.510 |
| Health and Welfare | 15.892 | 15.460 | 18.466 | 22.382 | 24.137 | 28.204 |
| OPEB Current Payment | 4.488 | 6.500 | 7.900 | 9.400 | 11.100 | 12.800 |
| Pensions | 12.415 | 21.010 | 23.747 | 25.979 | 28.274 | 29.292 |
| Other Fringe Benefits | 10.595 | 11.671 | 12.739 | 13.191 | 13.584 | 14.167 |
| GASB Account | 0.000 | 0.986 | 1.046 | 1.082 | 1.107 | 1.131 |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenditures | \$186.328 | \$203.676 | \$217.991 | \$243.455 | \$249.927 | \$260.106 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | - | - | - | - | - | - |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | 3.784 | \$3.173 | \$3.416 | \$3.758 | \$4.134 | \$4.547 |
| Claims | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 23.276 | 37.369 | 40.338 | 42.685 | 44.923 | 45.916 |
| Professional Service Contracts | 32.767 | 52.464 | 61.921 | 67.037 | 68.100 | 67.177 |
| Materials & Supplies | 3.631 | 4.865 | 3.500 | 14.140 | 2.512 | 2.596 |
| <u>Other Business Expenses</u> | | | | | | |
| MTA Internal Subsidy | 37.550 | \$51.239 | \$55.157 | \$57.415 | \$61.245 | \$67.091 |
| Other Business Expenses | 39.426 | \$45.461 | \$40.516 | \$42.473 | \$43.283 | \$44.227 |
| Total Other Business Expenses | 76.976 | 96.700 | 95.674 | 99.888 | 104.528 | 111.317 |
| Total Non-Labor Expenditures | \$140.434 | \$194.572 | \$204.850 | \$227.509 | \$224.197 | \$231.553 |
| <u>Other Expenditure Adjustments:</u> | | | | | | |
| Capital | \$2.343 | \$14.242 | \$20.800 | \$20.800 | \$20.800 | \$20.800 |
| Total Other Expenditure Adjustments | \$2.343 | \$14.242 | \$20.800 | \$20.800 | \$20.800 | \$20.800 |
| Total Expenditures | \$329.105 | \$412.489 | \$443.641 | \$491.763 | \$494.924 | \$512.459 |
| Baseline Cash Deficit | (\$232.490) | (\$293.905) | (\$313.405) | (\$351.498) | (\$351.865) | (\$368.741) |
| 2010 PEGs | 0.000 | 4.179 | 4.277 | 4.376 | 4.478 | 4.583 |
| Post-2010 PEGs | 0.000 | - | - | - | - | - |
| Total PEGs | 0.000 | 4.179 | 4.277 | 4.376 | 4.478 | 4.583 |
| Net Cash Deficit | (\$232.490) | (\$289.726) | (\$309.128) | (\$347.122) | (\$347.387) | (\$364.158) |

MTA HEADQUARTERS
July Financial Plan 2010-2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| CASH FLOW ADJUSTMENTS | | | | | | |
|---|------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actuals | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Fare Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 2.501 | 2.744 | 3.360 | 3.812 | 3.896 | 3.982 |
| Capital and Other Reimbursements | (3.971) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Receipts | (\$1.470) | \$2.744 | \$3.360 | \$3.812 | \$3.896 | \$3.982 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$4.432 | \$1.296 | \$2.849 | \$3.196 | \$3.195 | \$3.245 |
| Overtime | - | - | - | - | - | - |
| Health and Welfare | 0.301 | 0.986 | 1.046 | 1.082 | 1.107 | 1.131 |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 4.318 | 0.164 | 0.148 | 0.133 | 0.120 | 0.108 |
| Other Fringe Benefits | 0.334 | (0.150) | 0.052 | 0.055 | 0.057 | 0.059 |
| GASB Account | 0.000 | (0.986) | (1.046) | (1.082) | (1.107) | (1.131) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenditures | \$9.385 | \$1.310 | \$3.050 | \$3.384 | \$3.372 | \$3.412 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | (11.520) | 0.167 | 0.180 | 0.198 | 0.218 | 0.239 |
| Claims | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 1.673 | 1.156 | 1.248 | 1.320 | 1.389 | 1.420 |
| Professional Service Contracts | 10.658 | 2.761 | 3.259 | 3.528 | 3.584 | 3.536 |
| Materials & Supplies | 0.478 | 0.150 | 0.108 | 0.437 | 0.078 | 0.080 |
| <u>Other Business Expenses</u> | | | | | | |
| MTA Internal Subsidy | 2.000 | - | 0.000 | 0.000 | 0.000 | - |
| Other Business Expenses | (1.616) | 3.445 | 5.290 | 5.393 | 5.436 | 5.486 |
| Total Other Business Expenses | 0.384 | 3.445 | 5.290 | 5.393 | 5.436 | 5.486 |
| Total Non-Labor Expenditures | \$1.673 | \$7.680 | \$10.085 | \$10.877 | \$10.705 | \$10.761 |
| <u>Other Expenditure Adjustments:</u> | | | | | | |
| Capital | (\$2.343) | (\$14.242) | (\$20.800) | (\$20.800) | (\$20.800) | (\$20.800) |
| Unallocated Service Enhancement Policy Action | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Other Expenditure Adjustments | (\$2.343) | (\$14.242) | (\$20.800) | (\$20.800) | (\$20.800) | (\$20.800) |
| Total Cash Conversion Adjustments before Depreciation and GASB Adjs. | \$7.245 | (\$2.508) | (\$4.305) | (\$2.727) | (\$2.827) | (\$2.644) |
| Depreciation Adjustment | 33.526 | 31.071 | 31.060 | 25.588 | 20.800 | 20.800 |
| OPEB Obligation | 61.612 | 64.200 | 67.100 | 70.200 | 73.200 | 76.600 |
| Baseline Total Cash Conversion Adjustments | \$102.383 | \$92.763 | \$93.854 | \$93.061 | \$91.173 | \$94.756 |
| 2010 PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Post-2010 PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total PEGs | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Cash Conversion Adjustments | \$102.383 | \$92.763 | \$93.854 | \$93.061 | \$91.173 | \$94.756 |

**MTA Headquarters
July Financial Plan 2009-2013
Year-to-Year Changes by Category
Accrual and Cash**

Baseline Assumptions:

The following explanations refer to the year-to-year variances in MTA Baseline assumptions for the July Financial Plan 2010-2013:

Receipts:

Rental Income, Data Center Billings, and Other

- The 2009 July Financial Plan reflects a re-estimate of charge backs to Agencies for work performed by MTA Headquarters on their behalf. Thereafter, 2010, 2011, 2012, 2013 are inflated by the CPI-Urban 2.33%, 3.15%, 2.20%, and 2.21%, respectively.

Expenditures:

Payroll

- Decreases in the July Financial Plan from the February Financial Plan in 2009 primarily reflect reduced BSC costs due to the timing of new hires as well as the impact of savings from the 60-day hiring delay and the hard-freeze on hires, partly offset by the inclusion of the AABBs in the baseline.
- A decrease in 2010 primarily reflects reductions in BSC salaries due to the salary mix of new hires.
- Thereafter 2011, 2012, and 2013 reflect MTA Headquarters and MTA Police civilian salaries inflated at CPI-Urban rates assumed in the February Financial Plan.
- MTA Police represented salaries are inflated according to prevailing patterned bargaining rates.

Overtime

- Expenses throughout the July Financial Plan have been reduced from the February Plan as the MTA Office of Security plans to seek federal funds to support future initiatives.
- Expense in 2010, 2011, 2012, and 2013 are inflated by prevailing pattern bargaining rates.

Health and Welfare

- Increases in the July Financial Plan for 2010 primarily result from Health and Welfare premium rates in 2009 projected to increase at a rate of 9.7% over 2008, 9.8% in 2009 and 7.0% in each year thereafter.

Pensions

- The July Financial Plan primarily reflects increases based on the CPI-Urban rates of 2.33% in 2010, 3.15% in 2011, 2.20% in 2012, and 2.21% in 2013.

Other Fringe Benefits

- Increases in all years of the plan for 2010, 2011, 2012 and 2013 are inflated by the CPI-Urban rates of 2.33%, 3.15%, 2.20%, and 2.21%, respectively

Insurance

- Insurance premiums for 2009, 2010, and 2011 are inflated at approximately 10% annually with some off-setting adjustments.

Maintenance and Other Operating Contracts

- The July Financial Plan primarily reflects the inclusion of the Integrated Electronic Security System All Agency maintenance contract as well as adjustments in contracts that were renegotiated in 2008 for maintenance and repair work for MTA Headquarters facilities.
- Thereafter, 2010, 2011, 2012 and 2013 are inflated by the CPI-Urban rates of 2.33%, 3.15%, 2.20%, and 2.21%, respectively.

Professional Service Contracts

- Increases in the July Financial Plan reflect the inclusion of certain re-estimated services as well as one time expenses that were required in 2009.
- Thereafter, 2010, 2011, 2012 and 2013 are inflated by the CPI-Urban rates of 2.33%, 3.15%, 2.20%, and 2.21%, respectively, with adjustments made to reflect the conclusion of some currently contracted services.

Materials & Supplies

- Increases in the July Financial Plan in 2009 from the February Plan mainly reflect transfers of expenses from other non-labor categories.
- Thereafter, 2010, 2011, 2012, and 2013 are inflated by the CPI-Urban rates of 2.33%, 3.15%, 2.20%, and 2.21%, respectively.

MTA Internal Subsidy

- All years reflect MTA support requirements for SIRTOA and Long Island Bus and the Cross Bay Toll based on projected revenue and support shortfalls from state and local governments.

Other Business Expenses

- Other Business Expenses reflect increases from the February Plan mainly due to re-estimated expenses that will be recovered from the benefiting agencies. Increases in 2010, 2011, 2012 and 2013 are inflated by the CPI-Urban rates of 2.33%, 3.15%, 2.20%, and 2.21%, respectively.

Other Expenditure Adjustments:

Capital Expenditures

- 2009 expenditures of \$14.2 million reflect reduced spending from the February Plan.
- Capital expenditures in 2010 are \$20.8 million and remain constant at \$20.8 million for 2011-2013.

MTA HEADQUARTERS
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | |
|---|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | |
| Farebox Revenue | | | | | | | | | |
| Vehicle Toll Revenue | | | | | | | | | |
| Other Operating Revenue | | | | | | | | | |
| Rental Income | 50.852 | 50.929 | 0.077 | 52.534 | 1.604 | 53.689 | 1.156 | 54.876 | 1.187 |
| Data Center Billings | - | - | - | - | - | - | - | - | - |
| Other | 3.605 | 3.689 | 0.084 | 3.805 | 0.116 | 3.889 | 0.084 | 3.975 | 0.086 |
| Capital and Other Reimbursements | - | - | - | - | - | - | - | - | - |
| Total Revenue | \$54.457 | \$54.618 | \$0.161 | \$56.339 | \$1.720 | \$57.578 | \$1.239 | \$58.851 | \$1.272 |
| Expenses | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | 132.047 | 138.355 | (6.308) | 155.600 | (17.246) | 155.468 | 0.132 | 157.866 | (2.398) |
| Overtime | 14.303 | 14.474 | (0.171) | 14.812 | (0.337) | 15.157 | (0.345) | 15.510 | (0.353) |
| Health and Welfare | 16.065 | 18.939 | (2.874) | 22.853 | (3.914) | 24.577 | (1.725) | 28.565 | (3.988) |
| OPEB Current Payment | 6.500 | 7.900 | (1.400) | 9.400 | (1.500) | 11.100 | (1.700) | 12.800 | (1.700) |
| Pensions | 20.897 | 23.503 | (2.606) | 25.708 | (2.205) | 27.972 | (2.264) | 28.960 | (0.989) |
| Other Fringe Benefits | 11.294 | 12.462 | (1.168) | 12.914 | (0.452) | 13.294 | (0.380) | 13.864 | (0.571) |
| Reimbursable Overhead | (44.258) | (45.007) | 0.749 | (48.790) | 3.784 | (49.941) | 1.151 | (51.004) | 1.063 |
| Total Labor Expenses | \$156.849 | \$170.627 | (\$13.778) | \$192.496 | (\$21.869) | \$197.626 | (\$5.131) | \$206.561 | (\$8.935) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | - | - | - | - | - | - | - | - | - |
| Fuel for Buses and Trains | - | - | - | - | - | - | - | - | - |
| Insurance | 3.340 | 3.596 | (0.256) | 3.956 | (0.360) | 4.351 | (0.396) | 4.786 | (0.435) |
| Claims | - | - | - | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 38.521 | 41.581 | (3.060) | 44.000 | (2.419) | 46.308 | (2.307) | 47.331 | (1.023) |
| Professional Service Contracts | 42.144 | 43.496 | (1.352) | 44.959 | (1.462) | 45.940 | (0.981) | 46.955 | (1.015) |
| Materials & Supplies | 4.941 | 3.531 | 1.410 | 14.497 | (10.967) | 2.508 | 11.990 | 2.592 | (0.085) |
| MTA Internal Subsidy | 51.239 | 55.157 | (3.918) | 57.415 | (2.258) | 61.245 | (3.830) | 67.091 | (5.846) |
| Other Business Expenses | 48.820 | 45.730 | 3.091 | 47.787 | (2.057) | 48.638 | (0.851) | 49.630 | (0.991) |
| Total Non-Labor Expenses | \$189.005 | \$193.091 | (\$4.086) | \$212.614 | (\$19.523) | \$208.990 | \$3.624 | \$218.386 | (\$9.396) |
| Other Expenses Adjustments: | | | | | | | | | |
| Other | - | - | - | - | - | - | - | - | - |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation and GASB Adjts. | \$345.854 | \$363.718 | (\$17.864) | \$405.110 | (\$41.392) | \$406.616 | (\$1.506) | \$424.947 | (\$18.331) |
| Depreciation | 31.071 | 31.060 | 0.011 | 25.588 | 5.472 | 20.800 | 4.788 | 20.800 | - |
| OPEB Obligation | 64.200 | 67.100 | (2.900) | 70.200 | (3.100) | 73.200 | (3.000) | 76.600 | (3.400) |
| Total Expenses | \$441.125 | \$461.878 | (\$20.753) | \$500.898 | (\$39.020) | \$500.616 | \$0.282 | \$522.347 | (\$21.731) |
| Baseline Net Surplus/(Deficit) | (\$386.668) | (\$407.260) | (\$20.592) | (\$444.559) | (\$37.300) | (\$443.038) | \$1.521 | (\$463.496) | (\$20.458) |
| 2010 PEGs | 4.179 | 4.277 | 0.098 | 4.376 | 0.099 | 4.478 | 4.379 | 4.583 | 0.204 |
| Post-2010 PEGs | - | - | - | - | - | - | - | - | - |
| Net Surplus/(Deficit) | (\$382.489) | (\$402.983) | (\$20.494) | (\$440.183) | (\$37.201) | (\$438.560) | \$1.623 | (\$458.913) | (\$20.353) |

REIMBURSABLE

[illegible]

MTA HEADQUARTERS
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

| | Favorable/(Unfavorable) | | | | | | | | |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | |
| Farebox Revenue | | | | | | | | | |
| Vehicle Toll Revenue | | | | | | | | | |
| Other Operating Revenue | | | | | | | | | |
| Rental Income | 50.852 | 50.929 | 0.077 | 52.534 | 1.604 | 53.689 | 1.156 | 54.876 | 1.187 |
| Data Center Billings | - | - | - | - | - | - | - | - | - |
| Other | 6.349 | 7.049 | 0.700 | 7.618 | 0.569 | 7.785 | 0.168 | 7.957 | 0.172 |
| Capital and Other Reimbursements | 61.383 | 72.257 | 10.874 | 80.114 | 7.857 | 81.585 | 1.471 | 80.885 | (0.700) |
| Total Revenue | \$118.584 | \$130.236 | \$11.652 | \$140.265 | \$10.030 | \$143.059 | \$2.794 | \$143.718 | \$0.659 |
| Expenses | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | 133.744 | 139.618 | (5.874) | 156.609 | (16.991) | 156.570 | 0.039 | 159.003 | (2.433) |
| Overtime | 14.303 | 14.474 | (0.171) | 14.812 | (0.337) | 15.157 | (0.345) | 15.510 | (0.353) |
| Health and Welfare | 15.460 | 18.466 | (3.006) | 22.382 | (3.916) | 24.137 | (1.754) | 28.204 | (4.067) |
| OPEB Current Payment | 6.500 | 7.900 | (1.400) | 9.400 | (1.500) | 11.100 | (1.700) | 12.800 | (1.700) |
| Pensions | 21.010 | 23.747 | (2.737) | 25.979 | (2.231) | 28.274 | (2.295) | 29.292 | (1.018) |
| Other Fringe Benefits | 11.671 | 12.739 | (1.068) | 13.191 | (0.452) | 13.584 | (0.392) | 14.167 | (0.583) |
| GASB Account | 0.986 | 1.046 | (0.060) | 1.082 | - | 1.107 | - | 1.131 | - |
| Reimbursable Overhead | - | - | - | - | - | - | - | - | - |
| Total Labor Expenditures | \$203.676 | \$217.991 | (\$14.316) | \$243.455 | (\$25.427) | \$249.927 | (\$6.448) | \$260.106 | (\$10.154) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | - | - | - | - | - | - | - | - | - |
| Fuel for Buses and Trains | - | - | - | - | - | - | - | - | - |
| Insurance | 3.173 | 3.416 | (0.243) | 3.758 | (0.342) | 4.134 | (0.376) | 4.547 | (0.413) |
| Claims | - | - | - | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 37.369 | 40.338 | (2.969) | 42.685 | (2.347) | 44.923 | (2.238) | 45.916 | (0.993) |
| Professional Service Contracts | 52.464 | 61.921 | (9.457) | 67.037 | (5.116) | 68.100 | (1.063) | 67.177 | 0.923 |
| Materials & Supplies | 4.865 | 3.500 | 1.365 | 14.140 | (10.640) | 2.512 | 11.628 | 2.596 | (0.084) |
| MTA Internal Subsidy | 51.239 | 55.157 | (3.918) | 57.415 | (2.258) | 61.245 | (3.830) | 67.091 | (5.846) |
| Other Business Expenses | 45.461 | 40.516 | 4.945 | 42.473 | (1.957) | 43.283 | (0.810) | 44.227 | (0.943) |
| Total Non-Labor Expenditures | \$194.572 | \$204.850 | (\$10.278) | \$227.509 | (\$22.659) | \$224.197 | \$3.312 | \$231.553 | (\$7.356) |
| Other Expenditure Adjustments: | | | | | | | | | |
| Capital | 14.242 | 20.800 | (6.558) | 20.800 | - | 20.800 | - | 20.800 | - |
| Total Other Expenditure Adjustments | \$14.242 | \$20.800 | (\$6.558) | \$20.800 | \$0.000 | \$20.800 | \$0.000 | \$20.800 | \$0.000 |
| Total Expenditures | \$412.489 | \$443.641 | (\$31.152) | \$491.763 | (\$48.086) | \$494.924 | (\$3.137) | \$512.459 | (\$17.510) |
| Baseline Net Cash Deficit | (\$293.905) | (\$313.405) | (\$19.500) | (\$351.498) | (\$38.093) | (\$351.865) | (\$0.367) | (\$368.741) | (\$16.876) |
| 2010 PEGs | | | | | | | | | |
| Post-2010 PEGs | 4.179 | 4.277 | 0.098 | 4.376 | 0.099 | 4.478 | 0.102 | 4.583 | 0.105 |
| Net Cash Deficit | (\$289.726) | (\$309.128) | (\$19.402) | (\$347.122) | (\$37.994) | (\$347.387) | (\$0.265) | (\$364.158) | (\$16.771) |

MTA Headquarters
July Financial Plan 2010-2013
Summary of Major Changes Between Financial Plans by Category

The following explanations summarize the total differences between the July Financial Plan and the February Financial Plan:

2009: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$293.9 million is a \$0.5 million improvement from the February Plan of \$294.4 million. The decrease is primarily attributable to lower operating capital expenditures partly offset by higher subsidies to LI Bus to cover shortfalls between revenues and expenses, and the reinstatement of the Rockaway Resident - Cross Bay Bridge Program which was presented as part of B&T's AABBs and for which MTA Headquarters was to receive reimbursement.

2010: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$313.4 million is a \$19.8 million increase from the February Plan of \$293.6 million and is primarily attributable to higher subsidies to LI Bus to cover shortfalls between revenues and expenses, and to the reinstatement of the Rockaway Resident - Cross Bay Bridge Program which was presented as part of B&T's AABBs and for which MTA Headquarters was to receive reimbursement.

2011 and 2012: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$351.5 million in 2011 is a \$24.2 million increase from the February Plan of \$327.3 million. The Baseline Cash Deficit in the July Financial Plan of \$351.9 million in 2012 is a \$27.0 million increase from the February Plan of \$324.8 million.

MTA HEADQUARTERS
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|--------------------|--------------------|--------------------|--------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$294.391) | (\$293.632) | (\$327.293) | (\$324.834) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | | | | |
| Reduced Fare/Toll Increase | | | | |
| Additional Actions for Budget Balance: Revenue Impact | | | | |
| Vehicle Toll Revenue | | | | |
| Rental Income | \$2.150 | \$1.317 | \$1.815 | \$1.855 |
| Data Center Billings | - | - | - | - |
| Other | - | 0.017 | 0.051 | 0.052 |
| Capital and Other Reimbursement | - | - | - | - |
| Total Revenue Changes | \$2.150 | \$1.333 | \$1.866 | \$1.907 |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | \$1.332 | \$3.278 | \$2.127 | \$1.833 |
| Overtime | (0.101) | (0.004) | (0.051) | (0.051) |
| Health and Welfare | 0.813 | 0.343 | (0.626) | (0.831) |
| OPEB Current Payment | - | - | - | - |
| Pensions | (2.005) | (1.584) | 0.322 | 0.899 |
| Other Fringe Benefits | (0.895) | (1.337) | (0.630) | (0.720) |
| Reimbursable Overhead | (0.523) | (0.533) | (0.198) | (0.336) |
| Total Labor Expense Changes | (\$1.380) | \$1.164 | \$1.944 | \$1.794 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | - | - | - | - |
| Insurance | 0.155 | 0.259 | 0.295 | 0.336 |
| Claims | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - |
| Maintenance and Other Operating Contracts | 2.865 | 1.021 | 0.416 | 0.179 |
| Professional Service Contracts | 5.748 | 2.128 | 1.794 | 1.848 |
| Materials & Supplies | (0.194) | (0.373) | (0.263) | (0.332) |
| MTA Internal Subsidy | (6.264) | (14.854) | (16.943) | (18.774) |
| Other Business Expenses | (0.624) | (0.764) | (0.238) | (0.236) |
| Total Non-Labor Expense Changes | \$1.686 | (\$12.583) | (\$14.938) | (\$16.980) |
| Gap Closing Expenses : | | | | |
| Additional Actions for Budget Balance: Expense Impact | (\$10.800) | (\$12.628) | (\$12.934) | (\$13.245) |
| Total Gap Closing Expenses | (\$10.800) | (\$12.628) | (\$12.934) | (\$13.245) |
| Total Expenses before Depreciation and GASB Adjs. | | | | |
| Depreciation | \$0.000 | (\$2.850) | \$0.000 | \$0.000 |
| OPEB Obligation | - | - | - | - |
| Environmental Remediation | - | - | - | - |
| Total Expense Changes | (\$10.493) | (\$27.898) | (\$26.928) | (\$29.431) |
| Cash Adjustment Changes | | | | |
| Revenue Adjustments | (\$0.915) | (\$0.373) | \$0.007 | \$0.013 |
| Other Expense Adjustments | (1.979) | (.060) | .851 | .481 |
| Operating Capital | 11.722 | 4.374 | .000 | .000 |
| Depreciation Adjustment | .000 | 2.850 | .000 | .000 |
| Total Cash Adjustment Changes | \$8.829 | \$6.791 | \$0.858 | \$0.494 |
| Total Baseline Changes | \$0.486 | (\$19.773) | (\$24.205) | (\$27.030) |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | (\$293.905) | (\$313.405) | (\$351.498) | (\$351.865) |

MTA HEADQUARTERS
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|------------------|------------------|------------------|------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | | | | |
| Reduced Fare/Toll Increase | | | | |
| Additional Actions for Budget Balance: Revenue Impact | | | | |
| Vehicle Toll Revenue | | | | |
| Rental Income | | | | |
| Data Center Billings | | | | |
| Other | | | | |
| Capital and Other Reimbursement | (\$1.749) | (\$0.558) | (\$0.325) | (\$0.381) |
| Total Revenue Changes | (\$1.749) | (\$0.558) | (\$0.325) | (\$0.381) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | \$0.776 | (\$0.208) | (\$0.179) | (\$0.236) |
| Overtime | - | - | - | - |
| Health and Welfare | 0.140 | 0.002 | 0.021 | 0.016 |
| OPEB Current Payment | - | - | - | - |
| Pensions | 0.101 | 0.007 | 0.016 | 0.012 |
| Other Fringe Benefits | 0.074 | (0.012) | 0.002 | (0.002) |
| Reimbursable Overhead | 0.523 | 0.533 | 0.198 | 0.336 |
| Total Labor Expense Changes | \$1.613 | \$0.322 | \$0.057 | \$0.126 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | - | - | - | - |
| Fuel for Buses and Trains | - | - | - | - |
| Insurance | 0.106 | 0.117 | 0.119 | 0.121 |
| Claims | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - |
| Maintenance and Other Operating Contracts | 0.029 | 0.028 | 0.029 | 0.030 |
| Professional Services | (0.005) | 0.076 | 0.106 | 0.090 |
| Materials & Supplies | 0.002 | 0.000 | (0.000) | (0.000) |
| MTA Internal Subsidy | - | - | - | - |
| Other Business Expenses | 0.003 | 0.015 | 0.014 | 0.014 |
| Total Non-Labor Expense Changes | \$0.135 | \$0.236 | \$0.268 | \$0.254 |
| Gap Closing Expenses : | | | | |
| Additional Actions for Budget Balance: Expense Impact | | | | |
| Total Gap Closing Expenses | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$1.749 | \$0.558 | \$0.325 | \$0.381 |
| Depreciation | | | | |
| Total Expense Changes | \$1.749 | \$0.558 | \$0.326 | \$0.381 |
| Cash Adjustment Changes | | | | |
| Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

MTA Headquarters
July Financial Plan 2010-2013
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|--------------------|--------------------|--------------------|--------------------|
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$294.391) | (\$293.632) | (\$327.293) | (\$324.834) |
| Restored AABBs | (2.200) | (3.947) | (4.035) | (4.124) |
| Passenger Fare and Toll Revenue in the Baseline - 23% Yield | | | | |
| Passenger Fare and Toll Revenue - 10% Increase | | | | |
| Non-Reimbursable Major Changes | | | | |
| Revenue | | | | |
| Higher Rental Income | 2.150 | 1.317 | 1.815 | 1.855 |
| Sub-Total Non-Reimbursable Revenue Changes | \$2.150 | \$1.317 | \$1.815 | \$1.855 |
| Expenses | | | | |
| Changes in Business Service Center Budget | 2.832 | 1.728 | (0.266) | (0.966) |
| Command Promotions in MTA PD | (0.201) | (0.207) | (0.214) | (0.218) |
| Inflationary Changes | - | (0.480) | (1.489) | (1.542) |
| Revised Pension | (1.905) | (1.577) | 0.338 | 0.911 |
| Health & Welfare | 0.953 | 0.345 | (0.605) | (0.815) |
| All Other Fringe Changes | (0.821) | (1.349) | (0.628) | (0.722) |
| Depreciation Adjustment | - | (2.850) | - | - |
| Payroll Mobility Tax | (0.423) | (0.470) | (0.529) | (0.533) |
| Change in Reimbursable Overhead | (0.523) | (0.533) | (0.198) | (0.336) |
| Change in Support for Subsidiary Levels | (6.264) | (14.854) | (16.943) | (18.774) |
| Transfer of 7 Audit positions from NYCT | (0.708) | (0.858) | (0.896) | (0.925) |
| Higher Two Broadway Rent Expense | (2.073) | (2.496) | (2.575) | (2.631) |
| All Other | \$0.840 | (\$0.334) | \$1.161 | \$1.297 |
| Sub-Total Non-Reimbursable Expense Changes | (\$8.294) | (\$23.934) | (\$22.843) | (\$25.254) |
| Total Non-Reimbursable Major Changes | (\$8.344) | (\$26.564) | (\$25.063) | (\$27.524) |
| Reimbursable Major Changes | | | | |
| Revenue | | | | |
| Lower Reimbursements | (1.749) | (0.558) | (0.325) | (0.381) |
| Sub-Total Reimbursable Revenue Changes | (\$1.749) | (\$.558) | (\$.325) | (\$.381) |
| Expenses | | | | |
| Lower Recoverable Expenses | 1.749 | 0.558 | 0.326 | 0.381 |
| Sub-Total Reimbursable Expense Changes | \$1.749 | \$.558 | \$.326 | \$.381 |
| Total Reimbursable Major Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Accrual Changes | (\$8.343) | (\$26.564) | (\$25.063) | (\$27.524) |
| Cash Adjustment Changes | | | | |
| Revenue Adjustments | (\$0.915) | (\$0.373) | \$0.007 | \$0.013 |
| Other Expense Adjustments | (\$1.979) | (\$0.060) | \$0.851 | \$0.481 |
| Operating Capital | \$11.722 | \$4.374 | \$0.000 | \$0.000 |
| Depreciation Adjustment | \$0.000 | \$2.850 | \$0.000 | \$0.000 |
| Total Cash Adjustment Changes | \$8.829 | \$6.791 | \$0.858 | \$0.494 |
| Total Baseline Changes | \$0.485 | (\$19.773) | (\$24.205) | (\$27.030) |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | (\$293.905) | (\$313.405) | (\$351.498) | (\$351.865) |

MTA Headquarters
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | <u>2009</u> | | <u>2010</u> | | <u>2011</u> | | <u>2012</u> | | <u>2013</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> | <u>Positions</u> | <u>Dollars</u> |
| Administration | | | | | | | | | | | |
| | Sub-Total Administration | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Customer Convenience/Amenities | | | | | | | | | | | |
| | Sub-Total Customer Convenience/Amenities | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Maintenance | | | | | | | | | | | |
| | Sub-Total Maintenance | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Other | | | | | | | | | | | |
| | Sub-Total Other | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Revenue Enhancement | | | | | | | | | | | |
| | Sub-Total Revenue Enhancement | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Safety | | | | | | | | | | | |
| | Sub-Total Safety | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Security | | | | | | | | | | | |
| MTA Police Overtime Reduction | | | 4.179 | | 4.277 | | 4.376 | | 4.478 | | 4.583 |
| | Sub-Total Security | 0 | \$4.179 | 0 | \$4.277 | 0 | \$4.376 | 0 | \$4.478 | 0 | \$4.583 |
| Service | | | | | | | | | | | |
| | Sub-Total Service | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service Support | | | | | | | | | | | |
| | Sub-Total Service Support | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Total Programs | | <u>0</u> | <u>\$4.179</u> | <u>0</u> | <u>\$4.277</u> | <u>0</u> | <u>\$ 4.376</u> | <u>0</u> | <u>\$4.478</u> | <u>0</u> | <u>\$4.583</u> |

MTA Headquarters
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

| | | | | | |
|--|---|---------------------|----------|----------------------------|------------|
| Business Unit | MTAHQ | PEG Category | Security | Implementation Date | 08/01/2009 |
| PEG / New Need ID | | | | Savings Date | 08/01/2009 |
| Program: | MTA Police Overtime Reduction | | | | |
| Description and Implementation Plan | Beginning in 2009, reduce the level of MTA funding for police patrols performed on overtime. | | | | |
| Background Details | In light of current fiscal constraints, MTAHQ has reduced the internal funding to MTA Police for patrol work done on an overtime basis. The MTA Office of Security will seek federal funds to support this initiative | | | | |

| <u>Account</u> | <u>Product</u> | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------|----------------|-------|-------|-------|-------|-------|
| | | 4.179 | 4.277 | 4.376 | 4.478 | 4.583 |

| | | | | | | | | | | |
|------------------|----|-------|----|-------|----|-------|----|-------|----|-------|
| Total Headcount | | | | | | | | | | |
| | | | | | | | | | | |
| Financial Impact | \$ | 4.179 | \$ | 4.277 | \$ | 4.376 | \$ | 4.478 | \$ | 4.583 |

**MTA Headquarters
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

Other Assumptions

Position Table

A baseline headcount of 1,565 positions is forecasted for 2009, unchanged from the February Financial Plan. The transfer of 7 Audit positions from New York City Transit is offset by a net reduction in BSC positions after MTA Headquarters' transfers. In 2010 headcount increases that are either reimbursable or recoverable from the benefiting agencies, and approved in last year's Plan, are the main reasons for the increase to 1,568 positions. The level of employees will increase to 1,765 in 2011, 1,779 in 2012, and then drop to 1,763 in 2013, primarily due to a continuous improvement program at the BSC.

MTA HEADQUARTERS
July Financial Plan 2010-2013
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full-Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| Administration | | | | | | |
| Executive | 8 | 6 | 6 | 6 | 6 | 6 |
| Administration | 216 | 211 | 211 | 211 | 211 | 211 |
| Audit | 96 | 102 | 102 | 102 | 102 | 102 |
| Chief Financial Officer | 93 | 103 | 103 | 74 | 74 | 74 |
| Corporate and Community Affairs | 50 | 50 | 50 | 50 | 50 | 50 |
| Policy and Media Relations | 11 | 11 | 11 | 11 | 11 | 11 |
| General Counsel | 96 | 66 | 66 | 66 | 66 | 66 |
| Office of Diversity | - | 35 | 35 | 35 | 35 | 35 |
| Chief of Staff/Senior Policy Advisor | 52 | 33 | 33 | 33 | 33 | 33 |
| Spec. Project Develop/Planning | 9 | 9 | 9 | 9 | 9 | 9 |
| Labor Relations | 5 | 5 | 5 | 5 | 5 | 5 |
| PCAC | 4 | 5 | 5 | 5 | 5 | 5 |
| Vending Fare Media | 6 | 6 | 6 | 6 | 6 | 6 |
| Corporate Account | - | 4 | 4 | 4 | 5 | 6 |
| Business Service Center | 8 | 133 | 136 | 362 | 375 | 358 |
| Total Administration | 654 | 779 | 782 | 979 | 993 | 977 |
| Public Safety | 760 | 786 | 786 | 786 | 786 | 786 |
| Baseline Total Positions | 1,414 | 1,565 | 1,568 | 1,765 | 1,779 | 1,763 |
| <i>Non-Reimbursable</i> | 1,414 | 1,517 | 1,517 | 1,712 | 1,725 | 1,709 |
| <i>Reimbursable</i> | | 48 | 51 | 53 | 54 | 54 |
| <i>Full-Time</i> | 1,414 | 1,565 | 1,568 | 1,765 | 1,779 | 1,763 |
| <i>Full-Time Equivalents</i> | - | - | - | - | - | - |
| | | | | | | |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap | 0 | 0 | 0 | 0 | 0 | 0 |
| Post-2010 Program to Eliminate the Gap | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Positions | 1,414 | 1,565 | 1,568 | 1,765 | 1,779 | 1,763 |
| <i>Non-Reimbursable</i> | 1,414 | 1,517 | 1,517 | 1,712 | 1,725 | 1,709 |
| <i>Reimbursable</i> | 0 | 48 | 51 | 53 | 54 | 54 |
| <i>Total Full-Time</i> | 1,414 | 1,565 | 1,568 | 1,765 | 1,779 | 1,763 |
| <i>Total Full-Time Equivalents</i> | - | - | - | - | - | - |

MTA HEADQUARTERS
July Financial Plan 2010-2013
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

| FUNCTION/OCCUPATIONAL GROUP | | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|-----------------------------------|----------------|------------------------------|-------------------------------|-------|-------|-------|
| Administration | | | | | | | |
| | Managers/Supervisors | 398 | 460 | 460 | 498 | 506 | 503 |
| | Professional, Technical, Clerical | 256 | 319 | 322 | 481 | 487 | 474 |
| | Operational Hourlies | | | | | | |
| | Total Administration | 654 | 779 | 782 | 979 | 993 | 977 |
| Operations | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | - | - | - | - | - | - |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Operations | - | - | - | - | - | - |
| Maintenance | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | - | - | - | - | - | - |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Maintenance | - | - | - | - | - | - |
| Engineering/Capital | | | | | | | |
| | Managers/Supervisors | - | - | - | - | - | - |
| | Professional, Technical, Clerical | - | - | - | - | - | - |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Engineering/Capital | - | - | - | - | - | - |
| Public Safety (includes DED-Safety & Security) MGRs/Sups inc Sworn Mgrs | | | | | | | |
| | Managers/Supervisors | 33 | 38 | 38 | 38 | 38 | 38 |
| | Professional, Technical, Clerical | 59 | 81 | 81 | 81 | 81 | 81 |
| | Operational Hourlies (Uniformed) | 668 | 667 | 667 | 667 | 667 | 667 |
| | Total Public Safety | 760 | 786 | 786 | 786 | 786 | 786 |
| Total Baseline Positions | | | | | | | |
| | Managers/Supervisors | 431 | 498 | 498 | 536 | 544 | 541 |
| | Professional, Technical, Clerical | 315 | 400 | 403 | 562 | 568 | 555 |
| | Operational Hourlies | 668 | 667 | 667 | 667 | 667 | 667 |
| | Total Baseline Positions | 1,414 | 1,565 | 1,568 | 1,765 | 1,779 | 1,763 |

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**INSPECTOR GENERAL
2010 Preliminary Budget
July Financial Plan 2010-2013**

Highlights of Operations

The Office of Inspector General's budget is predominately driven by the wages and benefits necessary to support our investigative unit, including attorneys, investigators, and personnel with financial investigations expertise; our audit and analysis unit with staff that have qualitative and quantitative analytical skills; and an administrative and support function, including but not limited to personnel for purchasing, information systems, accounting and reception. These resources are used to investigate and audit matters of concern throughout the MTA and its subsidiaries.

Financial Overview

The budget for the Office of Inspector General for the years 2009-2013 reflect expense reductions consistent with the guidelines and assumptions used by MTA Headquarters.

2009 Mid-Year Forecast

The 2009 Mid-Year Forecast reflects a new need for on-going legal matters and a confidential investigation shared by the Manhattan District Attorney and the Port Authority Inspector General's offices. The investigation has led to indictments and is continuing. Other joint cases with our investigative prosecutorial partners within both local and federal jurisdictions may require similar efforts in the second half of 2009 and 2010. The 2009 Mid-Year Forecast also reflects \$227 thousand in PEG reductions that began in 2008; \$23 thousand in Administrative reductions that began in 2009 and finally, \$484 thousand in Additional Actions for Budget Balance that also began in 2009.

2010 Preliminary Budget – Baseline

The 2010 Preliminary Budget reflects recurring savings from the 2008 PEG and Additional Actions for Budget Balance.

2011-2013 Projections

The budget for the Office of Inspector General for the years 2011-2013 maintains the base funding from the previous year and provides inflationary growth according to the guidelines and assumptions used by MTA Headquarters.

[illegible]

| | | | | | | |
|------------------|---------|---------|---------|---------|---------|---------|
| Net Cash Deficit | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
|------------------|---------|---------|---------|---------|---------|---------|

INSPECTOR GENERAL
July Financial Plan 2010 - 2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| CASH FLOW ADJUSTMENTS | | | | | | |
|--|------------------------|---------------------------------------|--|------------------|------------------|------------------|
| | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Farebox Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | - | - | - | - | - | - |
| Capital and Other Reimbursements | (0.458) | (0.319) | (0.790) | (0.790) | (1.210) | (0.790) |
| Total Receipts | (\$0.458) | (\$0.319) | (\$0.790) | (\$0.790) | (\$1.210) | (\$0.790) |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Overtime | - | - | - | - | - | - |
| Health and Welfare | - | - | - | - | - | - |
| OPEB Current Payment | - | - | - | - | - | - |
| Pensions | - | - | - | - | - | - |
| Other Fringe Benefits | - | - | - | - | - | - |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenditures | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | - | - | - | - | - | - |
| Claims | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | - | (0.001) | - | - | - | - |
| Professional Service Contracts | - | - | - | - | - | - |
| Materials & Supplies | - | - | - | - | - | - |
| Other Business Expenditures | - | 0.001 | - | - | - | - |
| Total Non-Labor Expenditures | \$0.000 | (\$0.000) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Other Expenditures Adjustments:</u> | | | | | | |
| Other | \$0.000 | \$0.122 | \$0.180 | \$0.180 | \$0.600 | \$0.180 |
| Total Other Expenditures Adjustments | \$0.000 | \$0.122 | \$0.180 | \$0.180 | \$0.600 | \$0.180 |
| Total Cash Conversion Adjustments before Depreciation | (\$0.458) | (\$0.197) | (\$0.610) | (\$0.610) | (\$0.610) | (\$0.610) |
| Depreciation Adjustment | 0.458 | 0.197 | 0.610 | 0.610 | 0.610 | 0.610 |
| Total Cash Conversion Adjustments | \$0.000 | \$0.000 | (\$0.000) | \$0.000 | (\$0.000) | \$0.000 |

REIMBURSABLE

[illegible]

MTA Inspector General
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

| | Favorable/(Unfavorable) | | | | | | | | |
|--|-------------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Cash Receipts & Expenditures | | | | | | | | | |
| <u>Receipts</u> | | | | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | - | - | - | - | - | - | - | - | - |
| Other Operating Revenue | - | - | - | - | - | - | - | - | - |
| Capital and Other Reimbursements | 13.229 | 12.481 | (\$0.748) | 12.986 | \$0.505 | 12.961 | (\$0.025) | 13.876 | \$0.915 |
| Total Receipts | \$13.229 | \$12.481 | (\$0.748) | \$12.986 | \$0.505 | \$12.961 | (\$0.025) | \$13.876 | \$0.915 |
| <u>Expenditures</u> | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$7.286 | \$7.343 | (\$0.057) | \$7.574 | (\$0.231) | \$7.741 | (\$0.167) | \$7.912 | (\$0.171) |
| Overtime | - | - | - | - | - | - | - | - | - |
| Health and Welfare | 0.855 | 1.003 | (\$0.148) | 1.102 | (\$0.099) | 1.200 | (\$0.098) | 1.390 | (\$0.190) |
| OPEB Current Payment | - | - | - | - | - | - | - | - | - |
| Pensions | 0.647 | 0.684 | (\$0.037) | 0.728 | (\$0.044) | 0.760 | (\$0.032) | 0.794 | (\$0.034) |
| Other Fringe Benefits | 0.560 | 0.564 | (\$0.004) | 0.598 | (\$0.034) | 0.625 | (\$0.027) | 0.653 | (\$0.028) |
| Reimbursable Overhead | - | - | - | - | - | - | - | - | - |
| Total Labor Expenditures | \$9.348 | \$9.594 | (\$0.246) | \$10.002 | (\$0.408) | \$10.326 | (\$0.324) | \$10.749 | (\$0.423) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | - | - | - | - | - | - | - | - | - |
| Insurance | 0.015 | 0.018 | (\$0.003) | 0.021 | (\$0.003) | 0.024 | (\$0.003) | 0.029 | (\$0.005) |
| Claims | - | - | - | - | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - | - | - | - |
| Maintenance and Other | | | | | | | | | |
| Operating Contracts | 0.241 | 0.246 | (\$0.005) | 0.254 | (\$0.008) | 0.260 | (\$0.006) | 0.265 | (\$0.005) |
| Professional Service Contracts | 1.007 | 0.007 | \$1.000 | 0.007 | \$0.000 | 0.008 | (\$0.001) | 0.008 | \$0.000 |
| Materials & Supplies | 0.129 | 0.112 | \$0.017 | 0.114 | (\$0.002) | 0.118 | (\$0.004) | 0.120 | (\$0.002) |
| MTA Internal Subsidy | - | - | - | - | - | - | - | - | - |
| Other Business Expenses | 2.611 | 2.684 | (\$0.073) | 2.768 | (\$0.084) | 2.825 | (\$0.057) | 2.885 | (\$0.060) |
| Total Non-Labor Expenditures | \$4.003 | \$3.067 | \$0.936 | \$3.164 | (\$0.097) | \$3.235 | (\$0.071) | \$3.307 | (\$0.072) |
| Other Expenditure Adjustments: | | | | | | | | | |
| Other | (0.122) | (0.180) | \$0.058 | (0.180) | \$0.000 | (0.600) | \$0.420 | (0.180) | (\$0.420) |
| Total Other Expenditure Adjustments | (\$0.122) | (\$0.180) | \$0.058 | (\$0.180) | \$0.000 | (\$0.600) | \$0.420 | (\$0.180) | (\$0.420) |
| Total Expenditures | \$13.229 | \$12.481 | \$0.748 | \$12.986 | (\$0.505) | \$12.961 | \$0.025 | \$13.876 | (\$0.915) |
| Baseline Net Cash Deficit | \$0.000 | \$0.000 | (\$0.000) | \$0.000 | \$0.000 | \$0.000 | (\$0.000) | \$0.000 | \$0.000 |
| 2010 Program to Eliminate the Gap | - | - | - | - | - | - | - | - | - |
| Post-2010 Program to Eliminate the Gap | - | - | - | - | - | - | - | - | - |
| Net Cash Deficit | \$0.000 | \$0.000 | (\$0.000) | \$0.000 | \$0.000 | \$0.000 | (\$0.000) | \$0.000 | \$0.000 |

INSPECTOR GENERAL
July Financial Plan 2010 - 2013
Summary of Changes Between Financial Plans by Category
(\$ in millions)

REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|-------------------|-------------------|-------------------|-------------------|
| 2009 February Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline: | | | | |
| Changes | | | | |
| Revenue: | | | | |
| Capital and Other Reimbursements | \$ 0.697 | \$ 0.021 | \$ 0.179 | \$ 0.194 |
| Sub-Total Revenue Changes | \$ 0.697 | \$ 0.021 | \$ 0.179 | \$ 0.194 |
| Expenses: | | | | |
| Payroll | 0.018 | 0.119 | 0.032 | 0.024 |
| Overtime | - | - | - | - |
| Health and Welfare | 0.004 | (0.061) | (0.075) | (0.078) |
| OPEB Current Payment | - | - | - | - |
| Pensions | 0.077 | 0.071 | 0.056 | 0.056 |
| Other Fringe Benefits | 0.032 | 0.053 | 0.043 | 0.043 |
| Reimbursable Overhead | - | - | - | - |
| Insurance | 0.001 | - | (0.002) | (0.003) |
| Claims | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - |
| Maintenance and Other | | | | |
| Operating Contracts | (0.054) | (0.055) | (0.058) | (0.060) |
| Professional Service Contracts | (1.003) | (0.003) | (0.002) | (0.003) |
| Materials & Supplies | (0.029) | (0.010) | (0.011) | (0.013) |
| Other Business Expenses | (0.131) | (0.110) | (0.137) | (0.135) |
| Depreciation | 0.388 | (0.025) | (0.025) | (0.025) |
| Sub-Total Expense Changes | \$ (0.697) | \$ (0.021) | \$ (0.179) | \$ (0.194) |
| Cash Adjustments: | | | | |
| Revenue | | | | |
| Expense | | | | |
| Sub-Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Programmatic New Needs | | | | |
| 2010 PEG Program | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Post-2010 PEG Program | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| 2009 July Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

INSPECTOR GENERAL
July Financial Plan 2010 - 2013
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actual | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|-------------------------------------|------------------------|---------------------------------------|--|---------------|---------------|---------------|
| Administration | | | | | | |
| Office of the Inspector General | 83 | 86 | 86 | 86 | 86 | 86 |
| Total Administration | 83 | 86 | 86 | 86 | 86 | 86 |
| Baseline Total Positions | 83 | 86 | 86 | 86 | 86 | 86 |
| Non-Reimbursable | 0 | 0 | 0 | 0 | 0 | 0 |
| Reimbursable | 83 | 86 | 86 | 86 | 86 | 86 |
| Total | 83 | 86 | 86 | 86 | 86 | 86 |
| Total Full-Time | 83 | 86 | 86 | 86 | 86 | 86 |
| Total Full-Time Equivalents | 0 | 0 | 0 | 0 | 0 | 0 |

**First Mutual Transportation Assurance Co.
(FMTAC)**

MTA First Mutual Transportation Assurance Company
2010 Preliminary Budget
July Financial Plan 2010-2013

In accordance with MTA approved Budget procedures, the following information presents MTA First Mutual Transportation Assurance Company's (FMTAC), 2009 Mid-Year Forecast, 2010 Preliminary Budget and the Financial Plan for 2010 - 2013.

The attached also includes schedules detailing the monthly allocation of financial data based on the 2009 Mid-Year Forecast for the purpose of reporting actual results on a monthly basis to the Board.

Mission Statement

The mission of the First Mutual Transportation Assurance Company (FMTAC) is to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 subdivision 5 of the Public Authorities Law of the State of New York. FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. FMTAC was established to maximize the flexibility and effectiveness of the MTA's insurance program.

FINANCIAL OVERVIEW

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. It is the goal of FMTAC to maximize the efficiency and flexibility of the insurance programs while minimizing costs to the MTA and its subsidiaries. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Insurance premiums from the Agencies (revenue) are recorded as credits to the Insurance expense line. Premiums are increasing 10% each year for most policies but for Paratransit and Comprehensive Automobile Liability expenses are increasing 20% each year.

Paratransit increases are due to more exposure resulting from more vehicles. Additional expenses consist primarily of Claims and Other Business Expenses.

MTA First Mutual Transportation Assurance Company
2010 Preliminary Budget
July Financial Plan 2010-2013

2009 Mid-Year Forecast

In the July 2009 Financial Plan, a total of \$24.857 million is projected in Net Surplus compared to the \$1.965 million Net Deficit in the 2009 Adopted Budget. This consists of an increase of \$11.594 millions in revenues as well as a decrease in expenses of \$15.228 million. The favorable outcome is primarily due to higher Insurance (premium revenue) projected in the 2009 Mid Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets. Insurance premiums are higher due to Paratransit going up 20% and Comprehensive Automobile Liability going up 20%. The favorable outcome was offset by unfavorable developments in expenses for claims due to updated estimates from the actuary. Claims are based on actuarial analysis of claim activity on an estimated basis. Revenue and Other Business Expenses are based on actual results through April 2009 on an annualized basis.

2010 Preliminary Budget – Baseline

In the 2010 Preliminary Budget, a total of \$27.537 million is projected in Baseline Surplus compared to the \$4.032 million Baseline Deficit in the 2009 February Plan. This consists of an increase of \$11.885 million in revenues as well as a decrease in expenses of \$19.683 million. The favorable outcome is primarily due to higher Insurance (premium revenue) projected in the 2009 Mid Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets. The favorable outcome was offset by unfavorable developments in expenses for claims due to updated estimates from the actuary. Claims are based on actuarial analysis of claim activity on an estimated basis.

2010 – 2013 Projections

2010 – 2013 Projections are representative of 2009 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase of 2009 projections at a rate equal to CPI. Insurance is estimated to increase over 2009 estimates at a rate of 15% to 16% each year due to Paratransit going up 20% and Comprehensive Automobile Liability going up 20%. Claims are based on actuarial analysis of projected claims activities and adjustments, whether favorable or unfavorable in required reserves. Other Business Expenses are estimated to increase over 2009 at a rate of 2% each year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE | | | | | | |
|---|-------------------|------------------|--------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year | Preliminary | 2011 | 2012 | 2013 |
| | | Forecast | Budget | | | |
| Operating Revenue | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 19.243 | 9.486 | 9.707 | 10.013 | 10.233 | 10.459 |
| Investment Income | (30.457) | 6.753 | 6.910 | 7.128 | 7.285 | 7.446 |
| Capital and Other Reimbursements | - | - | - | - | - | - |
| Total Revenue | (\$11.214) | \$16.239 | \$16.617 | \$17.141 | \$17.518 | \$17.905 |
| Operating Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Overtime | - | - | - | - | - | - |
| Health and Welfare | - | - | - | - | - | - |
| Pensions | - | - | - | - | - | - |
| Other Fringe Benefits | - | - | - | - | - | - |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenses | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | (55.412) | (62.765) | (71.903) | (82.629) | (95.733) | (110.567) |
| Claims | 46.919 | 46.554 | 53.239 | 59.466 | 65.843 | 71.263 |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | - | - | - | - | - | - |
| Professional Service Contracts | - | - | - | - | - | - |
| Materials & Supplies | - | - | - | - | - | - |
| Other Business Expenses | 10.204 | 7.593 | 7.745 | 7.900 | 8.058 | 8.219 |
| Total Non-Labor Expenses | \$1.711 | (\$8.618) | (\$10.919) | (\$15.263) | (\$21.832) | (\$31.085) |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$1.711 | (\$8.618) | (\$10.919) | (\$15.263) | (\$21.832) | (\$31.085) |
| Depreciation | - | - | - | - | - | - |
| Total Expenses | \$1.711 | (\$8.618) | (\$10.919) | (\$15.263) | (\$21.832) | (\$31.085) |
| Baseline Surplus/(Deficit) | (\$12.925) | \$24.857 | \$27.537 | \$32.404 | \$39.350 | \$48.990 |

[illegible]

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2010-2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| CASH FLOW ADJUSTMENTS | | | | | | |
|--|----------------------|------------------------|---------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | <u>Actual</u> | <u>Mid-Year</u> | <u>Preliminary</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| | | <u>Forecast</u> | <u>Budget</u> | | | |
| Receipts | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Investment Income | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and Other Reimbursements | - | - | - | - | - | - |
| Total Receipts | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Overtime | - | - | - | - | - | - |
| Health and Welfare | - | - | - | - | - | - |
| Pensions | - | - | - | - | - | - |
| Other Fringe Benefits | - | - | - | - | - | - |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenditures | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Claims | 0.000 | 5.356 | 6.125 | 6.841 | 8.086 | 8.752 |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | - | - | - | - | - | - |
| Professional Service Contracts | - | - | - | - | - | - |
| Materials & Supplies | - | - | - | - | - | - |
| Other Business Expenditures | - | - | - | - | - | - |
| Total Non-Labor Expenditures | \$0.000 | \$5.356 | \$6.125 | \$6.841 | \$8.086 | \$8.752 |
| <u>Other Expenditures Adjustments:</u> | | | | | | |
| Other | \$12.925 | (\$30.213) | (\$33.662) | (\$39.245) | (\$47.436) | (\$57.742) |
| Total Other Expenditures Adjustments | \$12.925 | (\$30.213) | (\$33.662) | (\$39.245) | (\$47.436) | (\$57.742) |
| Total Cash Conversion Adjustments before Depreciation | \$12.925 | (\$24.857) | (\$27.537) | (\$32.404) | (\$39.350) | (\$48.990) |
| Depreciation Adjustment | - | - | - | - | - | - |
| Total Cash Conversion Adjustments | \$12.925 | (\$24.857) | (\$27.537) | (\$32.404) | (\$39.350) | (\$48.990) |

**MTA First Mutual Transportation Assurance Company
July Financial Plan 2010-2013
Year-to-Year Changes by Category Baseline Narrative**

Revenue

Investment Income

- Investment income is derived through FMTAC based on the investments held with Dwight Asset Management.
- Investment income is projected based on the All Urban Consumer CPI inflation rates as provided in the Economic & Demographic Forecasts April 6, 2009.
- Combined Other Operating Revenue and Investment Income increased by \$27.608 million in 2009. This is due primarily to a projected drop in unrealized losses based on results through April 2009. Unrealized losses incurred at the end of 2008 were \$30.457 million.

Expenses

Insurance

- Insurance (premiums paid to FMTAC) is from the 2009 Mid Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets and are based on increases in the market as well as increases in the claims expense and reserve adjustments.
- Insurance (premiums) is estimated to increase 15% to 16% each for 2010 – 2013.

Claims

- Claims expenses are determined by actuarial projection for 2010 – 2013 actual claim expense paid and any adjustment either favorable or unfavorable to reserves.

Other Business Expenses

- Other Business Expenses increase 2% for 2010 – 2013 and are representative of general increases for professional services provided and expenses not directly related to claims.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | | | |
|---|-------------------------|------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| <u>Revenue</u> | | | | | | | | | | | |
| Farebox Revenue | | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 |
| Vehicle Toll Revenue | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Other Operating Revenue | 19.243 | 9.486 | (9.757) | 9.707 | 0.221 | 10.013 | 0.306 | 10.233 | 0.220 | 10.459 | 0.226 |
| Investment Income | (30.457) | 6.753 | 37.210 | 6.910 | 0.157 | 7.128 | 0.218 | 7.285 | 0.157 | 7.446 | 0.161 |
| Capital and Other Reimbursements | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Total Revenue | (\$11.214) | \$16.239 | \$27.453 | \$16.617 | \$0.378 | \$17.141 | \$0.523 | \$17.518 | \$0.377 | \$17.905 | \$0.387 |
| <u>Expenses</u> | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 |
| Overtime | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Health and Welfare | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| OPEB Current Payment | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Pensions | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Other Fringe Benefits | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Reimbursable Overhead | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Total Labor Expenses | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 | | \$0.000 |
| Fuel for Buses and Trains | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Insurance | (55.412) | (62.765) | 7.353 | (71.903) | 9.138 | (82.629) | 10.726 | (95.733) | 13.104 | (110.567) | 14.834 |
| Claims | 46.919 | 46.554 | 0.365 | 53.239 | (6.685) | 59.466 | (6.227) | 65.843 | (6.377) | 71.263 | (5.420) |
| Paratransit Service Contracts | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Maintenance and Other Operating Contracts | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Professional Service Contracts | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Materials & Supplies | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Other Business Expenses | 10.204 | 7.593 | 2.611 | 7.745 | (0.152) | 7.900 | (0.155) | 8.058 | (0.158) | 8.219 | (0.161) |
| Total Non-Labor Expenses | \$1.711 | (\$8.618) | \$10.329 | (\$10.919) | \$2.301 | (\$15.263) | \$4.344 | (\$21.832) | \$6.569 | (\$31.085) | \$9.253 |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$1.711 | (\$8.618) | \$10.329 | (\$10.919) | \$2.301 | (\$15.263) | \$4.344 | (\$21.832) | \$6.569 | (\$31.085) | \$9.253 |
| Depreciation | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Total Expenses | \$1.711 | (\$8.618) | \$10.329 | (\$10.919) | \$2.301 | (\$15.263) | \$4.344 | (\$21.832) | \$6.569 | (\$31.085) | \$9.253 |
| Baseline Net Surplus/(Deficit) | (\$12.925) | \$24.857 | \$37.782 | \$27.537 | \$2.680 | \$32.404 | \$4.868 | \$39.350 | \$6.946 | \$48.990 | \$9.640 |
| 2010 PEGs | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Post-2010 PEGs | | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| Net Surplus/(Deficit) | (\$12.925) | \$24.857 | \$37.782 | \$27.537 | \$2.680 | \$32.404 | \$4.868 | \$39.350 | \$6.946 | \$48.990 | \$9.640 |

CASH RECEIPTS & EXPENDITURES

[illegible]

MTA First Mutual Transportation Assurance Company
July Financial Plan 2010-2013
Summary of Changes Between Financial Plans by Category

2009 – 2013 July Financial Plan vs February Financial Plan

Revenue

Revenue changes from the February Plan over the 2009 – 2012 periods include:

- An increase baseline estimate for 2009 and 2010 due to an improvement in unrealized losses for the first four months of 2009.

Expenses

Expense changes from the February Plan over the 2009 – 2012 periods include:

- An increase in Insurance (premium revenue) as projected in the 2009 Mid Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets.
- Claim expenses resulted in unfavorable developments due to updated loss projections from actuarial projections.
- Other Business Expense decreased due to updated estimates based on actual results through April 2009. The inflation rate for Other Business Expense is adjusted to 2% per year to accurately reflect inflation rates.

First Mutual Transportation Assurance Company
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| NON-REIMBURSABLE | | | | |
|--|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Operating Cash | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | | | | |
| Vehicle Toll Revenue | | | | |
| Other Operating Revenue | (13.576) | (13.786) | (14.004) | (14.312) |
| Investment Income | 25.170 | 25.671 | 26.307 | 26.886 |
| Capital and Other Reimbursement | | | | |
| Total Revenue Changes | \$11.594 | \$11.885 | \$12.303 | \$12.574 |
| Expenses | | | | |
| <i>Labor:</i> | | | | |
| Payroll | | | | |
| Health and Welfare | | | | |
| OPEB Current Payment | | | | |
| Pensions | | | | |
| Other Fringe Benefits | | | | |
| Reimbursable Overhead | | | | |
| Total Labor Expense Changes | \$.000 | \$.000 | \$.000 | \$.000 |
| <i>Non-Labor:</i> | | | | |
| Traction and Propulsion Power | | | | |
| Fuel for Buses and Trains | | | | |
| Insurance | \$8.646 | \$15.078 | \$22.963 | \$33.084 |
| Claims | (\$2.456) | (\$4.614) | (\$5.261) | (\$10.553) |
| Paratransit Service Contracts | | | | |
| Maintenance and Other Operating Contracts | | | | |
| Materials & Supplies | | | | |
| Other Business Expenses | 9.038 | 9.219 | 9.403 | 9.591 |
| Total Non-Labor Expense Changes | \$15.228 | \$19.683 | \$27.105 | \$32.122 |
| Total Expenses before Depreciation and GASB Adjs. | | | | |
| Depreciation | | | | |
| OPEB Obligation | | | | |
| Environmental Remediation | | | | |
| Total Expense Changes | \$15.228 | \$19.683 | \$27.105 | \$32.122 |
| Cash Adjustment Changes | | | | |
| <i>Revenue:</i> | | | | |
| Other Operating Revenue | 0 | 0 | 0 | 0 |
| <i>Expenses:</i> | | | | |
| Claims | 3.256 | 3.809 | 4.260 | 5.453 |
| Other Business Expenses | | | | |
| Total Expense Changes | \$3.256 | \$3.809 | \$4.260 | \$5.453 |
| Restricted Cash Adjustment | (30.078) | (35.378) | (43.668) | (50.149) |
| Total Cash Adjustment Changes | (\$26.822) | (\$31.569) | (\$39.408) | (\$44.696) |
| Total Baseline Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

First Mutual Transportation Assurance Company
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| REIMBURSABLE | | | | |
|--|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Operating Cash | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <i>Baseline Changes</i> | | | | |
| Revenue | | | | |
| Farebox Revenue | | | | |
| Vehicle Toll Revenue | | | | |
| Other Operating Revenue | | | | |
| Investment Income | | | | |
| Capital and Other Reimbursement | | | | |
| <i>Total Revenue Changes</i> | \$.000 | \$.000 | \$.000 | \$.000 |
| Expenses | | | | |
| <i>Labor:</i> | | | | |
| Payroll | | | | |
| Health and Welfare | | | | |
| OPEB Current Payment | | | | |
| Pensions | | | | |
| Other Fringe Benefits | | | | |
| Reimbursable Overhead | | | | |
| <i>Total Labor Expense Changes</i> | \$.000 | \$.000 | \$.000 | \$.000 |
| <i>Non-Labor:</i> | | | | |
| Traction and Propulsion Power | | | | |
| Fuel for Buses and Trains | | | | |
| Insurance | | | | |
| Claims | | | | |
| Paratransit Service Contracts | | | | |
| Maintenance and Other Operating Contracts | | | | |
| Materials & Supplies | | | | |
| Other Business Expenses | | | | |
| <i>Total Non-Labor Expense Changes</i> | \$.000 | \$.000 | \$.000 | \$.000 |
| <i>Total Expense Changes</i> | \$.000 | \$.000 | \$.000 | \$.000 |
| <i>Cash Adjustment Changes</i> | | | | |
| Other Business Expenses | | | | |
| <i>Total Cash Adjustment Changes</i> | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <i>Total Baseline Changes</i> | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

First Mutual Transportation Assurance Company
July Financial Plan 2010-2013
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|------------------------|------------------------|------------------------|------------------------|
| Baseline 2009 February Financial Plan - Net Operating Income | | | | |
| <i>Non-Reimbursable Major Changes</i> | | | | |
| Revenue | \$11.594 | \$11.885 | \$12.303 | \$12.574 |
| | | | | |
| Sub-Total Non-Reimbursable Revenue Changes | \$11.594 | \$11.885 | \$12.303 | \$12.574 |
| | | | | |
| Expenses | \$15.228 | \$19.683 | \$27.105 | \$32.122 |
| | | | | |
| Sub-Total Non-Reimbursable Expense Changes | \$15.228 | \$19.683 | \$27.105 | \$32.122 |
| <i>Total Non-Reimbursable Major Changes</i> | <i>\$26.822</i> | <i>\$31.569</i> | <i>\$39.408</i> | <i>\$44.696</i> |
| <i>Reimbursable Major Changes</i> | | | | |
| Revenue | | | | |
| | | | | |
| Sub-Total Reimbursable Revenue Changes | | | | |
| | | | | |
| Expenses | | | | |
| | | | | |
| Sub-Total Reimbursable Expense Changes | | | | |
| <i>Total Reimbursable Major Changes</i> | <i>\$0.000</i> | <i>\$0.000</i> | <i>\$0.000</i> | <i>\$0.000</i> |
| Total Accrual Changes | \$26.822 | \$31.569 | \$39.408 | \$44.696 |
| Cash Adjustment Changes | <i>(\$26.822)</i> | <i>(\$31.569)</i> | <i>(\$39.408)</i> | <i>(\$44.696)</i> |
| Total Cash Adjustment Changes | (\$26.822) | (\$31.569) | (\$39.408) | (\$44.696) |
| <i>Total Baseline Changes</i> | <i>\$0.000</i> | <i>\$0.000</i> | <i>\$0.000</i> | <i>\$0.000</i> |
| Baseline 2009 July Financial Plan - Net Operating Income | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

New York City Transit

**MTA New York City Transit
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

MISSION STATEMENT

The mission of MTA New York City Transit is to provide customers with safe, reliable and convenient public transportation in a cost effective manner.

FINANCIAL OVERVIEW

MTA NYC Transit carries out its mission by providing effective and cost-efficient transportation services through:

- a subway system operating 6,395 subway cars on 26 routes over 231 route miles and 659 miles of mainline track, serving 468 stations located in four of New York City's (City) boroughs;
- a bus system of more than 4,500 buses operating approximately 103 million revenue vehicle miles per year on 208 local and 36 express routes in all five boroughs, and;
- Access-a-Ride, a paratransit service that operates throughout the City under private contractors to serve persons whose disabilities preclude their use of bus and subway services.

The 2010 Preliminary Budget and projections for the years 2011-2013 provide sufficient funding to maintain both a continuation of current service levels as well as MTA's commitment to safety and security. This is accomplished primarily through the implementation of organizational and operational efficiencies -- Programs to Eliminate the GAP (PEGs) -- that optimize the use of resources to achieve agency goals. Ongoing and extensive internal efforts are being made by MTA NYC Transit to reduce non-critical spending and improve operating efficiency.

MTA KEY PRIORITIES

NYC Transit has continued its work in support of the MTA's seven key priorities. Towards that end, NYC Transit has established agency performance and production based goals with associated initiatives and milestones that fit within the framework of the MTA priorities. The seven key MTA priorities, the NYCT goals established to meet these priorities and highlights of agency initiatives that support them are as follows:

1) MTA Priority Area: Customer Service

- a) Goal: Improve Service Reliability
 - 1. SMS programs for subways cars, elevators and escalators
 - 2. In-house capital track programs: mainline/yard track and switch replacement, continuous welded rail
 - 3. Continue the identification, evaluation, and testing of new bus technologies, including Design Line Hybrid and Articulated buses
 - 4. Implementation of a newly developed Scheduled Maintenance System for the Hybrid bus fleet
 - 5. Improve bus access and bus speeds jointly with NYCDOT
- b) Goal: Enhance the Customer Environment
 - 1. Implementation of action plan to address Local Bus Rider Report Card concerns
 - 2. Pilot Contactless Fare Payment System
 - 3. Strategic modernization of MetroCard System
 - 4. Expand EasyPay Xpress to local subway & bus customers
- c) Goal: Provide Transportation Services for Persons with Disabilities
 - 1. Implement elevator and escalator maintenance support applications
 - 2. Install Automatic Vehicle Location Monitoring on entire Paratransit fleet
 - 3. Establish an in-house operation of Paratransit services

2) MTA Priority Area: Financial Stability

- a) Goal: Improve Efficiency of Administrative & Support Functions
 - 1. Replace manually collected National Transportation Database Bus unlinked trips and passenger miles data with MetroCard data
 - 2. Deploy data collection on PDAs (Personal Digital Assistants) for all Bus PES (Passenger Environmental Surveys).
- b) Goal: Improve Productivity of Subway and Bus Operations
 - 1. Implement New Subway Scheduling System
 - 2. Complete lifecycle cost analysis of CNG vs. Hybrid buses
 - 3. Provide Kitting Support to buses and subways

3) MTA Priority Area: Institutional Transformation

- a) Goal: Increase Integration Between NYC Transit and Other Agencies
 - 1. Pilot a regional fare payment solution based on “open” contactless banking payments
- b) Goal: Adopt New Technologies and Best Practices
 - 1. Implement Subway General Manager Program

4) MTA Priority Area: Projects/Planning

- a) Goal: Implement New Services
 - 1. Support ongoing expansion of Select Bus Service (SBS) bus rapid transit service
 - 2. Staten Island North Shore Right of Way Study

- b) Goal: Improve Service Management and Customer Information
 1. Introduce Delay Verification on Web
 2. Evaluate the potential of the Intelligent Vehicle Network system to support additional functionality, including bus stop announcements, customer information systems, and passenger load counts
- c) Goal: Develop, Upgrade and Maintain Capital Infrastructure
 1. Open Medical Assessment Center (MAC) in Staten Island
 2. Open fourth depot for Staten Island at Meredith Ave

5) MTA Priority Area: Safety/Security

- a) Goal: Reduce Customer Injuries
 1. Implement throttle delay program on all Hybrid buses
 2. High frequency customer Slip/Trip/Fall accident station audit program
- b) Goal: Reduce Employee Accidents
 1. Conduct analysis of potential employee contact type near miss incidents
 2. Continue to conduct joint union/management safety audits
 3. Continue joint union/management effort to evaluate options for bus operator safety partitions
- c) Goal: Improve Security
 1. Implement MVM/MEM security protocols for customer card transactions
 2. Install bus cameras on the B46 route and the SBS fleet

6) MTA Priority Area: Sustainability

- a) Goal: Improve Air Quality
 1. Acceptance and placement into service of 520 new Hybrid buses
 2. Procure new CNG buses
- b) Goal: Implement “Green” Design and Construction Principles
 1. Increase recycled construction and demolition debris
 2. Continue to implement the rebuilding plan for Mother Clara Hale Depot, which includes the goal of LEED Certification
- c) Goal: Reduce Energy Consumption
 1. Complete energy-efficiency upgrades with New York Power Authority (NYPA)

7) MTA Priority Area: Workforce Development

- a) Goal: Improve Employee-Management Relations
 1. Initiation of joint labor management committees
 2. Creation of labor management teams
 3. Continue employee facility rehabilitations and provide employee quality-of-life improvements at work facilities
- b) Goal: Enhance Employee Training

1. Standardize Track Safety and Flagging Training
2. Implement a new program on conflict avoidance for employees

2009 Mid-Year Forecast-Baseline

MTA NYC Transit's 2009 Mid-Year Forecast includes total expenses before depreciation and other post-employment benefits of \$7,023.2 million, consisting of \$6,100.6 million of non-reimbursable expenses and \$922.7 million of reimbursable expenses. Total revenues are projected to be \$4,293.1 million, of which \$3,370.4 million are operating revenues and \$922.7 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 48,475 (42,920 non-reimbursable positions and 5,555 reimbursable positions).

After excluding the impacts of revised fare increase assumptions and the restoration of scheduled service reductions included in the Additional Actions for Budget Balance (AABBs), enabled by recent legislative action, the 2009 baseline net cash deficit is projected to increase by \$154.5 million from the 2009 Adopted Budget.

Major non-reimbursable cash changes include:

- The unfavorable timing of capital reimbursements of \$56.7 million, partly from advanced reimbursements occurring in 2008 and reimbursements now projected to be received in 2010.
- A re-estimate of farebox revenue based on projected lower employment levels resulting in a reduction of \$48.0 million.
- Lower other operating revenues of \$44.8 million including:
 1. A NYS legislative change resulting in a reduction of student fare reimbursements of \$19.7 million
 2. A \$19.7 million reduction in paratransit Urban taxes (taxes on commercial property transactions) due to real estate market/credit difficulties
 3. A projected underrun in advertising revenues of \$6.2 million due to advertising agency financial difficulties
- A projected increase in NYCERS pension costs of \$24.7 million based on the most recent actuarial valuation.
- An increase in public liability (claims) payouts of \$11.6 million due to higher court judgments than anticipated.
- A favorable \$38.5 million due to the effect of revised inflation assumptions primarily involving lower fuel prices.

Reimbursable expenses are projected to increase in 2009 by \$12.0 million. This increase is offset by a corresponding reimbursement increase.

Total baseline positions are projected to increase by 1,636, due mostly to an increase of 1,539 from the restoration of most of the planned AABB actions and a reimbursable position increase of 59 due to additional project requirements.

Programs to Eliminate the GAP (PEGs): 2009

The 2009 impact of 2010 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described later in this report, is a projected deficit reduction of \$13.2 million.

2010 Preliminary Budget-Baseline

MTA NYC Transit's 2010 Preliminary Budget includes total expenses before depreciation and other post-employment benefits of \$7,234.7 million, consisting of \$6,338.6 million of non-reimbursable expenses and \$896.1 million of reimbursable expenses. Total revenues are projected to be \$4,436.8 million, of which \$3,540.7 million are operating revenues and \$896.1 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,926, including 42,643 non-reimbursable positions and 5,283 reimbursable positions.

The 2010 baseline net cash deficit is projected to worsen by \$51.3 million from the February Financial Plan. Major non-reimbursable cash variances include:

- A re-estimate of farebox revenue based on projected lower employment levels resulting in a reduction of \$77.0 million.
- A projected increase in NYCERS pension costs of \$35.9 million based on the most recent actuarial valuation.
- Lower other operating revenues of \$17.4 million including:
 1. A \$12.1 million reduction in paratransit Urban taxes (taxes on commercial property transactions) due to real estate market/credit difficulties
 2. A projected underrun in advertising revenues of \$6.2 million due to advertising agency financial difficulties
- A favorable \$46.1 million due to the effect of revised inflation assumptions primarily involving lower fuel prices and labor/material.
- The favorable timing of capital reimbursements of \$34.3 million.

Reimbursable expenses are projected to increase in 2010 by \$15.3 million. This increase is offset by a corresponding reimbursement increase.

Total baseline positions are projected to increase by 1,297, due mostly to an increase of 1,403 from the restoration of most of the planned AABB actions and a position decrease of 96 based on the timing of subways scheduled maintenance requirements.

Programs to Eliminate the GAP (PEGs): 2010

The 2010 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described later in this report, are projected to yield a deficit reduction of \$48.0 million in 2010.

2011-2012 Projections-Baseline

Baseline net cash deficits are projected to increase by \$105.1 million in 2011 and \$200.8 million in 2012 relative to the February Financial Plan. Major non-reimbursable cash changes include:

- Re-estimates of farebox revenue based on projected lower employment levels resulting in a reduction of \$74.9 million in 2011 and \$86.6 million in 2012.
- Projected increases in NYCERS pension costs of \$50.2 million in 2011 and \$48.6 million in 2012 based on the most recent actuarial valuation.
- Lower other operating revenues of \$14.4 million in 2011 and \$19.6 million in 2012 due primarily to reductions in paratransit urban taxes (taxes on commercial property transactions) caused by real estate market/credit difficulties and lower advertising revenues due to advertising agency financial difficulties.
- Additional paratransit costs of \$16.3 million in 2011 and \$20.7 million in 2012 for sedan fleet expansion, higher vendor contractual costs (trip scheduling), increased ridership and a shortfall in carrier productivity.
- A reestimate of subways scheduled maintenance work scope requirements and maintenance cycle timing results in a projected cost reduction of \$15.2 million in 2011 and a cost increase of \$44.8 million in 2012.
- The effect of revised inflation assumptions resulting in a net favorable \$21.6 million change in 2011 and an unfavorable net change of \$2.6 million in 2012 (includes primarily fuel, power, insurance, labor, and material).

Reimbursable expenses are projected to increase by \$10.6 million in 2011 and \$5.4 million in 2012. These increases are offset by corresponding reimbursement increases.

Total baseline positions are projected to increase by 1,213 in 2011 and 1,553 in 2012, due mostly to increases of 1,288 in 2011 and 1,179 in 2012 from the restoration of most of the planned AABB actions. Additionally, in 2012, an increase of 452 positions is projected based on the timing of subways scheduled maintenance requirements.

Programs to Eliminate the GAP (PEGs): 2011-2013

The 2010 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables, are described below. PEGs are projected to yield deficit reductions of \$50.8 million in 2011, \$51.2 million in 2012 and \$53.9 million in 2013.

Major assumptions and reconciliations to the February Plan are addressed later in this section.

GAP CLOSING MEASURES

2010 Program to Eliminate the Gap (PEGs)

MTA NYC Transit has developed programs resulting in significant cost savings and position reductions. These reductions are largely achieved through administrative actions and operating efficiencies.

2009 Mid-Year Forecast

In 2009, PEG savings are projected at \$13.2 million, including 78 end-of-year position reductions (101 full-time reductions net of an increase of 23 full-time equivalent part-time positions). Major contributors include:

- Maintenance savings of \$5.2 million and 70 full-time position reductions including:
 1. \$1.9 million from the elimination of 58 terminal subway car cleaning positions while maintaining cleaning goals
 2. \$1.3 million from the elimination of the Bus Facility Rehabilitation Program as most of the rehabilitation projects will be completed by the end of 2009.
 3. \$0.9 million from Electronic Maintenance efficiencies to be generated by strict overtime controls and vacancy maintenance
 4. \$0.8 million due to the postponement of adding 10 positions until new rail grinder equipment (Planer Mill) becomes operational in 2010.
- Administrative savings of \$5.4 including:
 1. \$4.0 million in Buses from early implementation of scheduled administrative reductions and aggressive salvaging of bus parts from scrapped buses
 2. \$0.9 million in technology efficiencies from a delay in contracting out various services
 3. \$0.3 million by reducing the cycle for normal replacement of desktop equipment and servers.
- Service Support/Other savings of \$2.7 million and 31 full-time position reductions including:
 1. \$1.7 million from a reduction in uniform purchases based on a review of the historical usage pattern and updated vendor information
 2. \$1.0 million of fuel savings from the use of less expensive fuel

2010 (Preliminary Budget)-2013

PEG savings and net position reductions are projected as follows: 2010=\$48.0 million, 291; 2011=\$50.8 million, 283; 2012=\$51.2 million, 274 and 2013=\$53.9 million, 317. The net position reductions include an increase each year of 18 full-time equivalent part-time positions. Major highlights include:

- Maintenance savings are projected as follows: 2010=\$32.5 million; 2011=\$32.8 million; 2012=\$33.5 million and 2013=\$36.6 million. Major highlights include:
 1. \$8.8 million each year from elimination of the Station Painting Program
 2. \$5.3 million in 2010 and \$6.0 million for each year 2011-2013 from the elimination of the Bus Facility Rehabilitation Program as all projects will be completed
 3. \$4.8 million in 2010, \$4.1 million in 2011, \$5.0 million in 2012 and \$8.0 million in 2013 in bus efficiencies from extending the current three-year overhaul schedule to a four year cycle on many fleets
 4. \$4.1 million each year from the elimination of terminal subway car cleaning positions while maintaining cleaning goals
 5. \$1.8 million each year from the elimination of station maintainers enabled by efficiencies from better management/resource allocations.
 6. \$1.6 million each year from the elimination of station cleaners enabled by efficiencies from better management/resource allocations.
 7. \$1.5 million in 2010, \$2.6 million in 2011 and 2012, and \$2.7 million in 2013 from the elimination of car inspector positions by increasing the inspection cycle for the older car fleet (R44-R68A) and achieving maintenance supervisor efficiencies by increasing the SMS (Scheduled Maintenance System) span of control hourly ratio to supervisor.
 8. \$1.1 million each year from reduced consumption of non-bus material items such as tools, absorbent pads, cleaners, gloves and towels/rags.
- Administrative savings are projected as follows: 2010=\$5.2 million; 2011=\$6.2 million; 2012=\$5.9 million and 2013=\$5.5 million including:
 1. \$1.7 million in 2010, \$1.3 million in 2011, \$0.9 million in 2012 and \$0.6 million in 2013 in Buses from aggressive salvaging of bus parts from scrapped buses
 2. \$0.8 million in 2010 and \$0.7 million in each year 2011-2013 in the Law Dept. from position reductions and several programs to reduce expenses in Workers' Compensation medical and other areas
 3. \$0.6 million in 2010 and \$0.9 million in each year 2011-2013 primarily from position reductions within divisions of the EVP office
 4. \$0.6 million each year in the Dept. of Corporate Communications from several programs generated through the use of technology, business reorientation and expense reductions
 5. \$0.5 million each year from position reductions in Workforce Development
 6. \$0.5 million in 2010 and \$0.6 million for each year 2011-2013 from technology efficiencies including position reductions and performing laptop repairs in-house instead of outside contracting

7. \$0.3 million in 2010 and \$1.4 million for each year 2011-2013 primarily by reducing the cycle for normal replacement of desktop equipment and servers.
- Service Support/Other savings are projected as follows: 2010=\$10.3 million and 2011-2013= \$11.8 million per year including:
 1. \$7.6 million each year of fuel savings from the use of less expensive fuel and the extended availability of alternative fuel excise tax credits
 2. \$1.0 million per year by performing drug testing at bus depots instead of employees traveling to a Medical Assessment Center resulting in improved availability and avoidance of car service contract costs
 3. \$0.6 million in 2010 and \$1.6 million for each year 2011-2013 from position reductions based on modification of security post coverage

MTA New York City Transit
July Financial Plan 2010 - 2013
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

| | 2008 Actuals | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---|--------------------|------------------------------|-------------------------------|--------------------|--------------------|--------------------|
| Revenue | | | | | | |
| Farebox Revenue: | | | | | | |
| Subway | \$2,176.1 | \$2,218.0 | \$2,309.0 | \$2,345.1 | \$2,372.8 | \$2,389.9 |
| Bus | \$802.3 | \$826.1 | \$857.5 | \$870.7 | \$881.0 | \$887.3 |
| Paratransit | \$11.6 | \$14.6 | \$17.7 | \$20.3 | \$23.3 | \$26.8 |
| Fare Media Liability | \$39.4 | \$47.1 | \$47.8 | \$48.1 | \$48.2 | \$48.2 |
| Total Farebox Revenue | \$3,029.4 | \$3,105.8 | \$3,231.9 | \$3,284.2 | \$3,325.4 | \$3,352.2 |
| Vehicle Toll Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Operating Revenue: | | | | | | |
| Fare Reimbursement | \$101.8 | \$84.0 | \$103.8 | \$103.8 | \$103.8 | \$103.8 |
| Paratransit Reimbursement | \$81.9 | \$75.7 | \$94.3 | \$111.8 | \$132.6 | \$158.3 |
| Other | \$107.8 | \$104.8 | \$110.8 | \$117.2 | \$118.6 | \$122.7 |
| Total Other Operating Revenue | \$291.5 | \$264.6 | \$308.8 | \$332.8 | \$354.9 | \$384.8 |
| Capital and Other Reimbursements | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Revenue | \$3,320.9 | \$3,370.4 | \$3,540.7 | \$3,617.0 | \$3,680.3 | \$3,737.0 |
| Expenses | | | | | | |
| Labor: | | | | | | |
| Payroll | \$2,761.0 | \$2,798.8 | \$2,851.3 | \$2,898.4 | \$2,948.6 | \$3,013.7 |
| Overtime | \$239.6 | \$245.3 | \$242.2 | \$245.9 | \$250.7 | \$255.8 |
| Total Salaries & Wages | \$3,000.6 | \$3,044.1 | \$3,093.5 | \$3,144.3 | \$3,199.3 | \$3,269.4 |
| Health and Welfare | \$455.0 | \$481.7 | \$521.5 | \$564.7 | \$613.6 | \$673.1 |
| OPEB Current Payment | \$234.5 | \$260.2 | \$280.0 | \$306.5 | \$335.3 | \$366.8 |
| Pensions | \$685.8 | \$745.8 | \$741.2 | \$725.7 | \$727.3 | \$731.5 |
| Other Fringe Benefits | \$276.6 | \$241.1 | \$248.2 | \$256.2 | \$261.1 | \$267.0 |
| Total Fringe Benefits | \$1,651.9 | \$1,728.8 | \$1,790.9 | \$1,853.0 | \$1,937.3 | \$2,038.3 |
| Reimbursable Overhead | (\$185.2) | (\$206.1) | (\$199.6) | (\$189.7) | (\$189.3) | (\$191.6) |
| Total Labor Expenses | \$4,467.3 | \$4,566.8 | \$4,684.8 | \$4,807.7 | \$4,947.4 | \$5,116.1 |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | \$165.5 | \$195.8 | \$220.9 | \$251.5 | \$283.5 | \$319.6 |
| Fuel for Buses and Trains | \$183.4 | \$130.1 | \$146.9 | \$164.4 | \$177.6 | \$204.7 |
| Insurance | \$42.4 | \$55.0 | \$58.5 | \$65.5 | \$76.5 | \$87.0 |
| Claims | \$63.4 | \$76.5 | \$78.5 | \$78.5 | \$78.5 | \$78.5 |
| Paratransit Service Contracts | \$299.0 | \$375.9 | \$413.4 | \$465.9 | \$547.2 | \$641.0 |
| Mtce. and Other Operating Contracts | \$222.0 | \$228.8 | \$252.7 | \$262.8 | \$278.9 | \$302.2 |
| Professional Service Contracts | \$94.8 | \$102.7 | \$92.9 | \$95.5 | \$95.3 | \$97.0 |
| Materials & Supplies | \$302.8 | \$323.1 | \$341.6 | \$333.6 | \$341.7 | \$355.9 |
| Other Business Expenses | \$41.6 | \$45.9 | \$48.4 | \$49.2 | \$49.8 | \$50.4 |
| Total Non-Labor Expenses | \$1,414.9 | \$1,533.8 | \$1,653.8 | \$1,766.9 | \$1,929.0 | \$2,136.4 |
| Other Expense Adjustments: | | | | | | |
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation, OPEB, ER | \$5,882.2 | \$6,100.6 | \$6,338.6 | \$6,574.6 | \$6,876.4 | \$7,252.5 |
| Depreciation | \$1,121.8 | \$1,250.0 | \$1,325.0 | \$1,400.0 | \$1,475.0 | \$1,550.0 |
| OPEB Obligation | \$1,026.5 | \$1,055.4 | \$1,098.9 | \$1,144.8 | \$1,191.6 | \$1,240.3 |
| Environmental Remediation | \$15.8 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses | \$8,046.2 | \$8,406.0 | \$8,762.5 | \$9,119.4 | \$9,543.0 | \$10,042.8 |
| Baseline Net Surplus/(Deficit) | (\$4,725.3) | (\$5,035.6) | (\$5,221.8) | (\$5,502.4) | (\$5,862.7) | (\$6,305.8) |
| 2010 Program to Eliminate the Gap | \$0.0 | \$13.2 | \$48.0 | \$50.8 | \$51.2 | \$53.9 |
| Post-2010 Program to Eliminate the GAP | \$0.0 | \$0.0 | \$0.0 | \$61.7 | \$123.4 | \$185.1 |
| Net Surplus/(Deficit) | (\$4,725.3) | (\$5,022.4) | (\$5,173.8) | (\$5,389.9) | (\$5,688.1) | (\$6,066.8) |

REIMBURSABLE

[illegible]

MTA New York City Transit
July Financial Plan 2010 - 2013
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

Revenue

| | 2008 Actuals | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|----------------------------------|-------------------------|---------------------------------------|--|------------------|------------------|------------------|
| Farebox Revenue: | | | | | | |
| Subway | \$2,176.1 | \$2,218.0 | \$2,309.0 | \$2,345.1 | \$2,372.8 | \$2,389.9 |
| Bus | \$802.3 | \$826.1 | \$857.5 | \$870.7 | \$881.0 | \$887.3 |
| Paratransit | \$11.6 | \$14.6 | \$17.7 | \$20.3 | \$23.3 | \$26.8 |
| Fare Media Liability | \$39.4 | \$47.1 | \$47.8 | \$48.1 | \$48.2 | \$48.2 |
| Total Farebox Revenue | \$3,029.4 | \$3,105.8 | \$3,231.9 | \$3,284.2 | \$3,325.4 | \$3,352.2 |
| Vehicle Toll Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Operating Revenue: | | | | | | |
| Fare Reimbursement | \$101.8 | \$84.0 | \$103.8 | \$103.8 | \$103.8 | \$103.8 |
| Paratransit Reimbursement | \$81.9 | \$75.7 | \$94.3 | \$111.8 | \$132.6 | \$158.3 |
| Other | \$107.8 | \$104.8 | \$110.8 | \$117.2 | \$118.6 | \$122.7 |
| Total Other Operating Revenue | \$291.5 | \$264.6 | \$308.8 | \$332.8 | \$354.9 | \$384.8 |
| Capital and Other Reimbursements | \$883.1 | \$922.7 | \$896.1 | \$864.5 | \$871.3 | \$874.0 |
| Total Revenue | \$4,204.0 | \$4,293.1 | \$4,436.8 | \$4,481.5 | \$4,551.6 | \$4,611.0 |

Expenses

| | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Labor: | | | | | | |
| Payroll | \$3,130.9 | \$3,197.6 | \$3,243.3 | \$3,277.9 | \$3,329.6 | \$3,398.2 |
| Overtime | \$314.7 | \$312.6 | \$307.4 | \$311.5 | \$317.5 | \$323.7 |
| Total Salaries & Wages | \$3,445.7 | \$3,510.2 | \$3,550.7 | \$3,589.4 | \$3,647.1 | \$3,721.9 |
| Health and Welfare | \$475.2 | \$503.7 | \$545.0 | \$589.9 | \$640.7 | \$702.0 |
| OPEB Current Payment | \$234.5 | \$260.2 | \$280.0 | \$306.5 | \$335.3 | \$366.8 |
| Pensions | \$703.3 | \$764.2 | \$759.7 | \$743.9 | \$745.1 | \$749.1 |
| Other Fringe Benefits | \$375.0 | \$346.1 | \$350.2 | \$353.7 | \$358.6 | \$365.0 |
| Total Fringe Benefits | \$1,788.0 | \$1,874.2 | \$1,935.0 | \$1,994.0 | \$2,079.7 | \$2,182.9 |
| Reimbursable Overhead | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Labor Expenses | \$5,233.6 | \$5,384.4 | \$5,485.6 | \$5,583.4 | \$5,726.8 | \$5,904.8 |

Non-Labor:

| | | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Traction and Propulsion Power | \$165.5 | \$195.8 | \$220.9 | \$251.5 | \$283.5 | \$319.6 |
| Fuel for Buses and Trains | \$183.4 | \$130.1 | \$146.9 | \$164.4 | \$177.6 | \$204.7 |
| Insurance | \$42.4 | \$55.0 | \$58.5 | \$65.5 | \$76.5 | \$87.0 |
| Claims | \$63.5 | \$76.5 | \$78.5 | \$78.5 | \$78.5 | \$78.5 |
| Paratransit Service Contracts | \$299.0 | \$375.9 | \$413.4 | \$465.9 | \$547.2 | \$641.0 |
| Mtce. and Other Operating Contracts | \$261.7 | \$259.1 | \$281.5 | \$291.7 | \$307.7 | \$331.0 |
| Professional Service Contracts | \$113.8 | \$119.3 | \$109.1 | \$110.9 | \$111.8 | \$109.6 |
| Materials & Supplies | \$361.4 | \$381.0 | \$391.5 | \$377.9 | \$388.1 | \$399.5 |
| Other Business Expenses | \$41.0 | \$46.0 | \$48.7 | \$49.5 | \$50.1 | \$50.7 |
| Total Non-Labor Expenses | \$1,531.7 | \$1,638.8 | \$1,749.0 | \$1,855.7 | \$2,021.0 | \$2,221.7 |

Other Expense Adjustments:

| | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

Total Expenses before

| | | | | | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Depreciation, OPEB, ER | \$6,765.3 | \$7,023.2 | \$7,234.7 | \$7,439.1 | \$7,747.7 | \$8,126.5 |
| Depreciation | \$1,121.8 | \$1,250.0 | \$1,325.0 | \$1,400.0 | \$1,475.0 | \$1,550.0 |
| OPEB Obligation | \$1,026.5 | \$1,055.4 | \$1,098.9 | \$1,144.8 | \$1,191.6 | \$1,240.3 |
| Environmental Remediation | \$15.8 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

| | | | | | | |
|-----------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| Total Expenses | \$8,929.3 | \$9,328.6 | \$9,658.6 | \$9,983.9 | \$10,414.3 | \$10,916.8 |
|-----------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|

| | | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Baseline Net Surplus/(Deficit) | (\$4,725.3) | (\$5,035.6) | (\$5,221.8) | (\$5,502.4) | (\$5,862.7) | (\$6,305.8) |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

| | | | | | | |
|--|-------|--------|--------|--------|---------|---------|
| 2010 Program to Eliminate the Gap | \$0.0 | \$13.2 | \$48.0 | \$50.8 | \$51.2 | \$53.9 |
| Post-2010 Program to Eliminate the GAP | \$0.0 | \$0.0 | \$0.0 | \$61.7 | \$123.4 | \$185.1 |

| | | | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Surplus/(Deficit) | (\$4,725.3) | (\$5,022.4) | (\$5,173.8) | (\$5,389.9) | (\$5,688.1) | (\$6,066.8) |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

MTA New York City Transit
July Financial Plan 2010 - 2013
Cash Receipts & Expenditures
(\$ in millions)

| | 2008 Actuals | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|-------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
| <u>Receipts</u> | | | | | | |
| Farebox Revenue | \$3,046.9 | \$3,115.3 | \$3,233.8 | \$3,286.1 | \$3,327.3 | \$3,354.2 |
| Vehicle Toll Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Operating Revenue: | | | | | | |
| Fare Reimbursement | \$101.9 | \$84.0 | \$103.8 | \$103.8 | \$103.8 | \$103.8 |
| Paratransit Reimbursement | \$86.2 | \$75.1 | \$94.0 | \$111.6 | \$132.2 | \$157.9 |
| Other | \$139.3 | \$117.3 | \$113.3 | \$119.7 | \$121.1 | \$125.2 |
| Total Other Operating Revenue | \$327.4 | \$276.4 | \$311.1 | \$335.0 | \$357.1 | \$386.9 |
| Capital and Other Reimbursements | \$845.5 | \$959.6 | \$936.1 | \$870.6 | \$869.4 | \$872.9 |
| Total Receipts | \$4,219.8 | \$4,351.3 | \$4,481.0 | \$4,491.7 | \$4,553.8 | \$4,614.0 |
| <u>Expenditures</u> | | | | | | |
| Labor: | | | | | | |
| Payroll | \$3,121.2 | \$3,180.6 | \$3,219.7 | \$3,253.4 | \$3,295.0 | \$3,372.1 |
| Overtime | \$314.5 | \$310.9 | \$305.1 | \$309.1 | \$314.2 | \$321.2 |
| Total Salaries & Wages | \$3,435.7 | \$3,491.5 | \$3,524.8 | \$3,562.6 | \$3,609.2 | \$3,693.3 |
| Health and Welfare | \$487.7 | \$493.0 | \$541.5 | \$586.1 | \$636.6 | \$697.7 |
| OPEB Current Payment | \$234.5 | \$260.2 | \$280.0 | \$306.5 | \$335.3 | \$366.8 |
| Pensions | \$574.6 | \$738.0 | \$757.6 | \$748.6 | \$750.6 | \$750.9 |
| Other Fringe Benefits | \$308.8 | \$322.6 | \$329.3 | \$333.1 | \$338.0 | \$345.6 |
| Total Fringe Benefits | \$1,605.6 | \$1,813.8 | \$1,908.4 | \$1,974.2 | \$2,060.5 | \$2,160.9 |
| GASB Account | \$39.3 | \$41.2 | \$42.3 | \$43.4 | \$44.3 | \$45.8 |
| Reimbursable Overhead | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Labor Expenditures | \$5,080.6 | \$5,346.4 | \$5,475.5 | \$5,580.1 | \$5,714.0 | \$5,900.0 |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | \$161.6 | \$197.8 | \$220.9 | \$251.5 | \$283.5 | \$319.6 |
| Fuel for Buses and Trains | \$192.2 | \$125.9 | \$146.9 | \$164.4 | \$177.6 | \$204.7 |
| Insurance | \$39.1 | \$55.4 | \$58.9 | \$65.8 | \$80.3 | \$88.1 |
| Claims | \$68.7 | \$71.1 | \$60.9 | \$62.4 | \$64.0 | \$65.6 |
| Paratransit Service Contracts | \$272.3 | \$378.9 | \$408.4 | \$460.9 | \$542.2 | \$636.0 |
| Mtce. and Other Operating Contracts | \$271.3 | \$269.4 | \$292.2 | \$302.4 | \$318.4 | \$341.7 |
| Professional Service Contracts | \$102.9 | \$114.3 | \$104.1 | \$105.9 | \$106.8 | \$104.6 |
| Materials & Supplies | \$371.8 | \$373.2 | \$393.5 | \$379.9 | \$390.1 | \$401.5 |
| Other Business Expenditures | \$40.4 | \$46.0 | \$48.7 | \$49.5 | \$50.1 | \$50.7 |
| Total Non-Labor Expenditures | \$1,520.3 | \$1,632.0 | \$1,734.5 | \$1,842.6 | \$2,013.0 | \$2,212.6 |
| Other Expenditure Adjustments: | | | | | | |
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Other Expenditure Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenditures | \$6,600.9 | \$6,978.5 | \$7,210.0 | \$7,422.8 | \$7,727.0 | \$8,112.6 |
| Baseline Net Cash Deficit | (\$2,381.1) | (\$2,627.1) | (\$2,729.0) | (\$2,931.0) | (\$3,173.2) | (\$3,498.6) |
| 2010 Program to Eliminate the Gap | | | | | | |
| | \$0.0 | \$13.2 | \$48.0 | \$50.8 | \$51.2 | \$53.9 |
| Post-2010 Program to Eliminate the GAP | | | | | | |
| | \$0.0 | \$0.0 | \$0.0 | \$61.7 | \$123.4 | \$185.1 |
| Net Cash Deficit | (\$2,381.1) | (\$2,613.9) | (\$2,681.0) | (\$2,818.6) | (\$2,998.6) | (\$3,259.6) |

MTA New York City Transit
July Financial Plan 2010 - 2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| | 2008 Actuals | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|-------------------------|---------------------------------------|--|----------------|----------------|----------------|
| <u>Receipts</u> | | | | | | |
| Farebox Revenue | 17.5 | 9.5 | 1.9 | 1.9 | 1.9 | 1.9 |
| Vehicle Toll Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Operating Revenue: | | | | | | |
| Fare Reimbursement | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paratransit Reimbursement | 4.3 | (0.7) | (0.2) | (0.2) | (0.4) | (0.4) |
| Other | 31.5 | 12.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Total Other Operating Revenue | 35.9 | 11.8 | 2.3 | 2.3 | 2.1 | 2.1 |
| Capital and Other Reimbursements | (37.6) | 36.9 | 40.0 | 6.1 | (1.9) | (1.1) |
| Total Receipt Adjustments | 15.8 | 58.3 | 44.2 | 10.3 | 2.1 | 3.0 |
| <u>Expenditures</u> | | | | | | |
| Labor: | | | | | | |
| Payroll | 9.8 | 17.0 | 23.6 | 24.5 | 34.6 | 26.1 |
| Overtime | 0.2 | 1.7 | 2.2 | 2.3 | 3.3 | 2.5 |
| Total Salaries & Wages | 10.0 | 18.7 | 25.8 | 26.8 | 37.9 | 28.6 |
| Health and Welfare | (12.5) | 10.7 | 3.6 | 3.8 | 4.1 | 4.4 |
| OPEB Current Payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pensions | 128.7 | 26.2 | 2.1 | (4.7) | (5.5) | (1.8) |
| Other Fringe Benefits | 66.2 | 23.5 | 20.9 | 20.6 | 20.6 | 19.5 |
| Total Fringe Benefits | 182.4 | 60.5 | 26.6 | 19.8 | 19.1 | 22.1 |
| GASB Account | (39.3) | (41.2) | (42.3) | (43.4) | (44.3) | (45.8) |
| Reimbursable Overhead | | | | | | |
| Total Labor Expenditures | 153.0 | 38.0 | 10.2 | 3.2 | 12.8 | 4.9 |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | 3.9 | (2.0) | 0.0 | 0.0 | 0.0 | 0.0 |
| Fuel for Buses and Trains | (8.8) | 4.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Insurance | 3.3 | (0.3) | (0.3) | (0.2) | (3.7) | (1.1) |
| Claims | (5.2) | 5.5 | 17.5 | 16.0 | 14.5 | 12.9 |
| Paratransit Service Contracts | 26.7 | (3.0) | 5.0 | 5.0 | 5.0 | 5.0 |
| Mtce. and Other Operating Contracts | (9.6) | (10.3) | (10.7) | (10.7) | (10.7) | (10.7) |
| Professional Service Contracts | 10.9 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Materials & Supplies | (10.4) | 7.8 | (2.0) | (2.0) | (2.0) | (2.0) |
| Other Business Expenditures | 0.6 | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 |
| Total Non-Labor Expenditures | 11.4 | 6.8 | 14.5 | 13.1 | 8.0 | 9.1 |
| Other Expenditure Adjustments: | | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Expenditure Adjustments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Expenditure Adjustments | 164.4 | 44.8 | 24.7 | 16.3 | 20.8 | 13.9 |
| Total Cash Conversion Adjustments before Depreciation, OPEB, ER | 180.2 | 103.0 | 68.9 | 26.6 | 22.9 | 16.9 |
| Depreciation Adjustment | 1,121.8 | 1,250.0 | 1,325.0 | 1,400.0 | 1,475.0 | 1,550.0 |
| OPEB Obligation | 1,026.5 | 1,055.4 | 1,098.9 | 1,144.8 | 1,191.6 | 1,240.3 |
| Environmental Remediation | 15.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Baseline Total Cash Conversion Adj. | 2,344.2 | 2,408.4 | 2,492.8 | 2,571.4 | 2,689.5 | 2,807.2 |
| 2010 Program to Eliminate the Gap | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Post-2010 Program to Eliminate the GAP | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Cash Conversion Adjustments | 2,344.2 | 2,408.4 | 2,492.8 | 2,571.4 | 2,689.5 | 2,807.2 |

MTA New York City Transit
July Financial Plan 2010-2013
Year-To-Year Major Changes by Category-Baseline Narrative

TOTAL REVENUE/RECEIPTS

Farebox Revenue

- Subway/bus farebox revenue improvement in 2010 includes annualization of the 2009 fare increase. Subsequent annual growth based largely on Global Insight projected NYC employment levels.
- Paratransit farebox revenue improvement in 2010 includes annualization of the 2009 fare increase. Subsequent annual growth is based on an assumption of 15%, consistent with recent ridership growth.
- Includes adjustments for expired MetroCards and the timing of cash receipts from counting and depositing, which can cause some fluctuations in cash received from year to year.

Other Operating Revenue

- Paratransit reimbursements include contractually-capped annual increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses and Urban tax revenue generated from Commercial Real Estate Market transactions.
- Other revenues include annual increases mostly from advertising revenues based upon current contracts in place.
- 2009 includes non-recurring cash receipts of \$11.0 million representing a drawdown of prior years' accumulated Transit Adjudication Bureau funds originally scheduled for 2008.

Capital and Other Reimbursements

- Annual reimbursement levels fluctuate year-to-year based upon reimbursable expense levels driven mostly by capital project requirements.
- 2009 includes \$19.2 million of unfavorable timing of receipts planned for 2009 but actually received in 2008.
- Annual cash adjustments are included to recognize changes in the timing of receipts.

TOTAL EXPENSES/EXPENDITURES

Payroll

- 2010-2013 projections include primarily CPI-based rate increases as follows: 2010=1.87%, 2011=2.23%, 2012=2.20% and 2013=1.97%.
- 2009 includes \$0.7 million of favorable cash timing adjustments from 2008.

Overtime

- 2010-2013 payroll wage rate increase assumptions apply.

Health & Welfare

- Inflation assumptions for 2010-2013 are 7.1% per year for annual employees and 9.2% per year for hourly employees.
- 2009 includes \$7.4 million of favorable cash timing adjustments from 2008.

Pension

- Projections are consistent with current actuarial information.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.
- 2009 includes \$0.4 million of unfavorable cash timing adjustments from 2008.

Traction and Propulsion Power

- The financial plan reflects projected weighted average New York Power Authority/Con Edison energy rate increases as follows: 2010=13.1%, 2011=14.0%, 2012=12.7% and 2013=12.7%.
- 2009 includes \$2.0 million of unfavorable cash timing adjustments from 2008.

Fuel for Buses and Trains

- Diesel fuel inflation assumptions are as follows: 2010=22.0%, 2011=9.0%, 2012=6.0% and 2013=13.0%.
- 2009 includes \$2.7 million of favorable cash timing adjustments from 2008.

Insurance

- Inflation assumptions were provided by the MTA.

Claims

- The plan assumes an annual inflation rate of 2.5% for 2010 through 2013.

Paratransit Service Contracts

- The primary driver of expense increases is projected annual ridership growth of 15%.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI, budgeted at 3% per year.
- 2009 includes an \$8.0 million unfavorable cash timing adjustment from 2008.

Maintenance and Other Operating Contracts

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010=1.55%, 2011=2.12%, 2012=2.31% and 2013=2.35%.
- Facility power inflation assumptions are based on projected weighted average New York Power Authority/Con Edison energy rate increases as follows: 2010=13.1%, 2011=14.0%, 2012=12.7% and 2013=12.7%.
- 2009 includes a \$5.1 million unfavorable cash timing adjustment from 2008.

Professional Service Contracts

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010=1.55%, 2011=2.12%, 2012=2.31% and 2013=2.35%.
- 2009 includes a \$2.1 million unfavorable cash timing adjustment from 2008.

Materials and Supplies

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010=0.00%, 2011=0.50%, 2012=0.98% and 2013=1.39%.
- 2009 includes a \$2.0 million unfavorable cash timing adjustment from 2008.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance program requirements.

Other Business Expenses

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010=1.55%, 2011=2.12%, 2012=2.31% and 2013=2.35%.

Depreciation (non-cash)

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include subway station rehabilitations, track & switches, new subway cars and buses.

MTA New York City Transit
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | |
|---|-------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | 2009 | 2010 | Change 2010-2009 | 2011 | Change 2011-2010 | 2012 | Change 2012-2011 | 2013 | Change 2013-2012 |
| <u>Revenue</u> | | | | | | | | | |
| Farebox Revenue: | | | | | | | | | |
| Subway | \$2,218.0 | \$2,309.0 | \$91.0 | \$2,345.1 | \$36.1 | \$2,372.8 | \$27.7 | \$2,389.9 | \$17.1 |
| Bus | \$826.1 | \$857.5 | \$31.3 | \$870.7 | \$13.2 | \$881.0 | \$10.3 | \$887.3 | \$6.2 |
| Paratransit | \$14.6 | \$17.7 | \$3.0 | \$20.3 | \$2.6 | \$23.3 | \$3.0 | \$26.8 | \$3.5 |
| Fare Media Liability | \$47.1 | \$47.8 | \$0.7 | \$48.1 | \$0.3 | \$48.2 | \$0.1 | \$48.2 | \$0.0 |
| Total Farebox Revenue | \$3,105.8 | \$3,231.9 | \$126.1 | \$3,284.2 | \$52.3 | \$3,325.4 | \$41.2 | \$3,352.2 | \$26.9 |
| Vehicle Toll Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Operating Revenue: | | | | | | | | | |
| Fare Reimbursement | \$84.0 | \$103.8 | \$19.7 | \$103.8 | \$0.0 | \$103.8 | \$0.0 | \$103.8 | \$0.0 |
| Paratransit Reimbursement | \$75.7 | \$94.3 | \$18.5 | \$111.8 | \$17.6 | \$132.6 | \$20.7 | \$158.3 | \$25.7 |
| Other | \$104.8 | \$110.8 | \$6.0 | \$117.2 | \$6.4 | \$118.6 | \$1.5 | \$122.7 | \$4.1 |
| Total Other Operating Revenue | \$264.6 | \$308.8 | \$44.2 | \$332.8 | \$24.0 | \$354.9 | \$22.2 | \$384.8 | \$29.8 |
| Capital and Other Reimbursements | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Revenue | \$3,370.4 | \$3,540.7 | \$170.3 | \$3,617.0 | \$76.2 | \$3,680.3 | \$63.3 | \$3,737.0 | \$56.7 |
| <u>Expenses</u> | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$2,798.8 | \$2,851.3 | (\$52.5) | \$2,898.4 | (\$47.1) | \$2,948.6 | (\$50.2) | \$3,013.7 | (\$65.1) |
| Overtime | \$245.3 | \$242.2 | \$3.1 | \$245.9 | (\$3.7) | \$250.7 | (\$4.8) | \$255.8 | (\$5.1) |
| Total Salaries & Wages | \$3,044.1 | \$3,093.5 | (\$49.4) | \$3,144.3 | (\$50.8) | \$3,199.3 | (\$54.9) | \$3,269.4 | (\$70.1) |
| Health and Welfare | \$481.7 | \$521.5 | (\$39.8) | \$564.7 | (\$43.1) | \$613.6 | (\$49.0) | \$673.1 | (\$59.4) |
| OPEB Current Payment | \$260.2 | \$280.0 | (\$19.8) | \$306.5 | (\$26.4) | \$335.3 | (\$28.8) | \$366.8 | (\$31.5) |
| Pensions | \$745.8 | \$741.2 | \$4.6 | \$725.7 | \$15.4 | \$727.3 | (\$1.6) | \$731.5 | (\$4.2) |
| Other Fringe Benefits | \$241.1 | \$248.2 | (\$7.1) | \$256.2 | (\$7.9) | \$261.1 | (\$5.0) | \$267.0 | (\$5.8) |
| Total Fringe Benefits | \$1,728.8 | \$1,790.9 | (\$62.2) | \$1,853.0 | (\$62.1) | \$1,937.3 | (\$84.3) | \$2,038.3 | (\$100.9) |
| Reimbursable Overhead | (\$206.1) | (\$199.6) | (\$6.5) | (\$189.7) | (\$10.0) | (\$189.3) | (\$0.4) | (\$191.6) | \$2.3 |
| Total Labor Expenses | \$4,566.8 | \$4,684.8 | (\$118.0) | \$4,807.7 | (\$122.9) | \$4,947.4 | (\$139.7) | \$5,116.1 | (\$168.7) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | \$195.8 | \$220.9 | (\$25.1) | \$251.5 | (\$30.6) | \$283.5 | (\$32.0) | \$319.6 | (\$36.1) |
| Fuel for Buses and Trains | \$130.1 | \$146.9 | (\$16.8) | \$164.4 | (\$17.5) | \$177.6 | (\$13.3) | \$204.7 | (\$27.1) |
| Insurance | \$55.0 | \$58.5 | (\$3.5) | \$65.5 | (\$7.0) | \$76.5 | (\$11.0) | \$87.0 | (\$10.5) |
| Claims | \$76.5 | \$78.5 | (\$2.0) | \$78.5 | \$0.0 | \$78.5 | \$0.0 | \$78.5 | \$0.0 |
| Paratransit Service Contracts | \$375.9 | \$413.4 | (\$37.5) | \$465.9 | (\$52.5) | \$547.2 | (\$81.3) | \$641.0 | (\$93.8) |
| Mtce. and Other Operating Contracts | \$228.8 | \$252.7 | (\$23.9) | \$262.8 | (\$10.1) | \$278.9 | (\$16.0) | \$302.2 | (\$23.4) |
| Professional Service Contracts | \$102.7 | \$92.9 | \$9.7 | \$95.5 | (\$2.6) | \$95.3 | \$0.2 | \$97.0 | (\$1.7) |
| Materials & Supplies | \$323.1 | \$341.6 | (\$18.5) | \$333.6 | \$8.0 | \$341.7 | (\$8.1) | \$355.9 | (\$14.2) |
| Other Business Expenses | \$45.9 | \$48.4 | (\$2.5) | \$49.2 | (\$0.8) | \$49.8 | (\$0.7) | \$50.4 | (\$0.5) |
| Total Non-Labor Expenses | \$1,533.8 | \$1,653.8 | (\$120.0) | \$1,766.9 | (\$113.1) | \$1,929.0 | (\$162.2) | \$2,136.4 | (\$207.4) |
| Other Expense Adjustments: | | | | | | | | | |
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation | \$6,100.6 | \$6,338.6 | (\$238.0) | \$6,574.6 | (\$236.0) | \$6,876.4 | (\$301.8) | \$7,252.5 | (\$376.1) |
| Depreciation | \$1,250.0 | \$1,325.0 | (\$75.0) | \$1,400.0 | (\$75.0) | \$1,475.0 | (\$75.0) | \$1,550.0 | (\$75.0) |
| OPEB Obligation | \$1,055.4 | \$1,098.9 | (\$43.5) | \$1,144.8 | (\$45.9) | \$1,191.6 | (\$46.8) | \$1,240.3 | (\$48.7) |
| Environmental Remediation | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses | \$8,406.0 | \$8,762.5 | (\$356.5) | \$9,119.4 | (\$356.9) | \$9,543.0 | (\$423.6) | \$10,042.8 | (\$499.8) |
| Baseline Net Surplus/(Deficit) | (\$5,035.6) | (\$5,221.8) | (\$186.2) | (\$5,502.4) | (\$280.6) | (\$5,862.7) | (\$360.3) | (\$6,305.8) | (\$443.2) |
| 2010 Program to Eliminate the Gap | \$13.2 | \$48.0 | \$34.8 | \$50.8 | \$2.8 | \$51.2 | \$0.4 | \$53.9 | \$2.8 |
| Post-2010 Program to Eliminate the GAP | \$0.0 | \$0.0 | \$0.0 | \$61.7 | \$61.7 | \$123.4 | \$61.7 | \$185.1 | \$61.7 |
| Net Surplus/(Deficit) | (\$5,022.4) | (\$5,173.8) | (\$151.4) | (\$5,389.9) | (\$216.1) | (\$5,688.1) | (\$298.2) | (\$6,066.8) | (\$378.7) |

REIMBURSABLE

[illegible]

MTA New York City Transit
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

| NON-REIMBURSABLE and REIMBURSABLE | Favorable/(Unfavorable) | | | | | | | | |
|---|-------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | 2009 | 2010 | Change 2010-2009 | 2011 | Change 2011-2010 | 2012 | Change 2012-2011 | 2013 | Change 2013-2012 |
| Revenue | | | | | | | | | |
| Farebox Revenue: | | | | | | | | | |
| Subway | \$2,218.0 | \$2,309.0 | \$91.0 | \$2,345.1 | \$36.1 | \$2,372.8 | \$27.7 | \$2,389.9 | \$17.1 |
| Bus | \$826.1 | \$857.5 | \$31.3 | \$870.7 | \$13.2 | \$881.0 | \$10.3 | \$887.3 | \$6.2 |
| Paratransit | \$14.6 | \$17.7 | \$3.0 | \$20.3 | \$2.6 | \$23.3 | \$3.0 | \$26.8 | \$3.5 |
| Fare Media Liability | \$47.1 | \$47.8 | \$0.7 | \$48.1 | \$0.3 | \$48.2 | \$0.1 | \$48.2 | \$0.0 |
| Total Farebox Revenue | \$3,105.8 | \$3,231.9 | \$126.1 | \$3,284.2 | \$52.3 | \$3,325.4 | \$41.2 | \$3,352.2 | \$26.9 |
| Vehicle Toll Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Operating Revenue: | | | | | | | | | |
| Fare Reimbursement | \$84.0 | \$103.8 | \$19.7 | \$103.8 | \$0.0 | \$103.8 | \$0.0 | \$103.8 | \$0.0 |
| Paratransit Reimbursement | \$75.7 | \$94.3 | \$18.5 | \$111.8 | \$17.6 | \$132.6 | \$20.7 | \$158.3 | \$25.7 |
| Other | \$104.8 | \$110.8 | \$6.0 | \$117.2 | \$6.4 | \$118.6 | \$1.5 | \$122.7 | \$4.1 |
| Total Other Operating Revenue | \$264.6 | \$308.8 | \$44.2 | \$332.8 | \$24.0 | \$354.9 | \$22.2 | \$384.8 | \$29.8 |
| Capital and Other Reimbursements | \$922.7 | \$896.1 | (\$26.6) | \$864.5 | (\$31.5) | \$871.3 | \$6.8 | \$874.0 | \$2.7 |
| Total Revenue | \$4,293.1 | \$4,436.8 | \$143.7 | \$4,481.5 | \$44.7 | \$4,551.6 | \$70.2 | \$4,611.0 | \$59.4 |
| Expenses | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$3,197.6 | \$3,243.3 | (\$45.7) | \$3,277.9 | (\$34.6) | \$3,329.6 | (\$51.7) | \$3,398.2 | (\$68.6) |
| Overtime | \$312.6 | \$307.4 | \$5.2 | \$311.5 | (\$4.1) | \$317.5 | (\$6.0) | \$323.7 | (\$6.2) |
| Total Salaries & Wages | \$3,510.2 | \$3,550.7 | (\$40.5) | \$3,589.4 | (\$38.7) | \$3,647.1 | (\$57.7) | \$3,721.9 | (\$74.8) |
| Health and Welfare | \$503.7 | \$545.0 | (\$41.3) | \$589.9 | (\$44.9) | \$640.7 | (\$50.8) | \$702.0 | (\$61.4) |
| OPEB Current Payment | \$260.2 | \$280.0 | (\$19.8) | \$306.5 | (\$26.4) | \$335.3 | (\$28.8) | \$366.8 | (\$31.5) |
| Pensions | \$764.2 | \$759.7 | \$4.4 | \$743.9 | \$15.8 | \$745.1 | (\$1.2) | \$749.1 | (\$4.0) |
| Other Fringe Benefits | \$346.1 | \$350.2 | (\$4.1) | \$353.7 | (\$3.5) | \$358.6 | (\$4.9) | \$365.0 | (\$6.4) |
| Total Fringe Benefits | \$1,874.2 | \$1,935.0 | (\$60.7) | \$1,994.0 | (\$59.0) | \$2,079.7 | (\$85.7) | \$2,182.9 | (\$103.3) |
| Reimbursable Overhead | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.0) | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Labor Expenses | \$5,384.4 | \$5,485.6 | (\$101.2) | \$5,583.4 | (\$97.7) | \$5,726.8 | (\$143.4) | \$5,904.8 | (\$178.1) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | \$195.8 | \$220.9 | (\$25.1) | \$251.5 | (\$30.6) | \$283.5 | (\$32.0) | \$319.6 | (\$36.1) |
| Fuel for Buses and Trains | \$130.1 | \$146.9 | (\$16.8) | \$164.4 | (\$17.5) | \$177.6 | (\$13.3) | \$204.7 | (\$27.1) |
| Insurance | \$55.0 | \$58.5 | (\$3.5) | \$65.5 | (\$7.0) | \$76.5 | (\$11.0) | \$87.0 | (\$10.5) |
| Claims | \$76.5 | \$78.5 | (\$2.0) | \$78.5 | \$0.0 | \$78.5 | \$0.0 | \$78.5 | \$0.0 |
| Paratransit Service Contracts | \$375.9 | \$413.4 | (\$37.5) | \$465.9 | (\$52.5) | \$547.2 | (\$81.3) | \$641.0 | (\$93.8) |
| Mtce. and Other Operating Contracts | \$259.1 | \$281.5 | (\$22.4) | \$291.7 | (\$10.1) | \$307.7 | (\$16.0) | \$331.0 | (\$23.4) |
| Professional Service Contracts | \$119.3 | \$109.1 | \$10.2 | \$110.9 | (\$1.8) | \$111.8 | (\$0.9) | \$109.6 | \$2.2 |
| Materials & Supplies | \$381.0 | \$391.5 | (\$10.5) | \$377.9 | \$13.6 | \$388.1 | (\$10.2) | \$399.5 | (\$11.5) |
| Other Business Expenses | \$46.0 | \$48.7 | (\$2.7) | \$49.5 | (\$0.8) | \$50.1 | (\$0.6) | \$50.7 | (\$0.5) |
| Total Non-Labor Expenses | \$1,638.8 | \$1,749.0 | (\$110.2) | \$1,855.7 | (\$106.7) | \$2,021.0 | (\$165.3) | \$2,221.7 | (\$200.7) |
| Other Expense Adjustments: | | | | | | | | | |
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Other Expense Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses before Depreciation | \$7,023.2 | \$7,234.7 | (\$211.4) | \$7,439.1 | (\$204.4) | \$7,747.7 | (\$308.6) | \$8,126.5 | (\$378.8) |
| Depreciation | \$1,250.0 | \$1,325.0 | (\$75.0) | \$1,400.0 | (\$75.0) | \$1,475.0 | (\$75.0) | \$1,550.0 | (\$75.0) |
| OPEB Obligation | \$1,055.4 | \$1,098.9 | (\$43.5) | \$1,144.8 | (\$45.9) | \$1,191.6 | (\$46.8) | \$1,240.3 | (\$48.7) |
| Environmental Remediation | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenses | \$9,328.6 | \$9,658.6 | (\$329.9) | \$9,983.9 | (\$325.3) | \$10,414.3 | (\$430.4) | \$10,916.8 | (\$502.5) |
| Baseline Net Surplus/(Deficit) | (\$5,035.6) | (\$5,221.8) | (\$186.2) | (\$5,502.4) | (\$280.6) | (\$5,862.7) | (\$360.3) | (\$6,305.8) | (\$443.2) |
| 2010 Program to Eliminate the Gap | \$13.2 | \$48.0 | \$34.8 | \$50.8 | \$2.8 | \$51.2 | \$0.4 | \$53.9 | \$2.8 |
| Post-2010 Program to Eliminate the GAP | \$0.0 | \$0.0 | \$0.0 | \$61.7 | \$61.7 | \$123.4 | \$61.7 | \$185.1 | \$61.7 |
| Net Surplus/(Deficit) | (\$5,022.4) | (\$5,173.8) | (\$151.4) | (\$5,389.9) | (\$216.1) | (\$5,688.1) | (\$298.2) | (\$6,066.8) | (\$378.7) |

MTA New York City Transit
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

| | Favorable/(Unfavorable) | | | | | | | | |
|--|-------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | 2009 | 2010 | Change 2010-2009 | 2011 | Change 2011-2010 | 2012 | Change 2012-2011 | 2013 | Change 2013-2012 |
| <u>Receipts</u> | | | | | | | | | |
| Farebox Revenue | \$3,115.3 | \$3,233.8 | \$118.5 | \$3,286.1 | \$52.3 | \$3,327.3 | \$41.2 | \$3,354.2 | \$26.9 |
| Vehicle Toll Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Operating Revenue: | | | | | | | | | |
| Fare Reimbursement | \$84.0 | \$103.8 | \$19.7 | \$103.8 | \$0.0 | \$103.8 | \$0.0 | \$103.8 | \$0.0 |
| Paratransit Reimbursement | \$75.1 | \$94.0 | \$19.0 | \$111.6 | \$17.6 | \$132.2 | \$20.6 | \$157.9 | \$25.7 |
| Other | \$117.3 | \$113.3 | (\$4.0) | \$119.7 | \$6.4 | \$121.1 | \$1.5 | \$125.2 | \$4.1 |
| Total Other Operating Revenue | \$276.4 | \$311.1 | \$34.7 | \$335.0 | \$24.0 | \$357.1 | \$22.0 | \$386.9 | \$29.8 |
| Capital and Other Reimbursements | \$959.6 | \$936.1 | (\$23.5) | \$870.6 | (\$65.5) | \$869.4 | (\$1.2) | \$872.9 | \$3.5 |
| Total Receipts | \$4,351.3 | \$4,481.0 | \$129.7 | \$4,491.7 | \$10.7 | \$4,553.8 | \$62.0 | \$4,614.0 | \$60.2 |
| <u>Expenditures</u> | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$3,180.6 | \$3,219.7 | (\$39.1) | \$3,253.4 | (\$33.7) | \$3,295.0 | (\$41.5) | \$3,372.1 | (\$77.1) |
| Overtime | \$310.9 | \$305.1 | \$5.8 | \$309.1 | (\$4.0) | \$314.2 | (\$5.1) | \$321.2 | (\$7.0) |
| Total Salaries & Wages | \$3,491.5 | \$3,524.8 | (\$33.4) | \$3,562.6 | (\$37.7) | \$3,609.2 | (\$46.6) | \$3,693.3 | (\$84.1) |
| Health and Welfare | \$493.0 | \$541.5 | (\$48.5) | \$586.1 | (\$44.6) | \$636.6 | (\$50.5) | \$697.7 | (\$61.1) |
| OPEB Current Payment | \$260.2 | \$280.0 | (\$19.8) | \$306.5 | (\$26.4) | \$335.3 | (\$28.8) | \$366.8 | (\$31.5) |
| Pensions | \$738.0 | \$757.6 | (\$19.6) | \$748.6 | \$9.0 | \$750.6 | (\$2.1) | \$750.9 | (\$0.3) |
| Other Fringe Benefits | \$322.6 | \$329.3 | (\$6.7) | \$333.1 | (\$3.8) | \$338.0 | (\$4.9) | \$345.6 | (\$7.5) |
| Total Fringe Benefits | \$1,813.8 | \$1,908.4 | (\$94.6) | \$1,974.2 | (\$65.8) | \$2,060.5 | (\$86.3) | \$2,160.9 | (\$100.4) |
| GASB Account | \$41.2 | \$42.3 | (\$1.1) | \$43.4 | (\$1.1) | \$44.3 | (\$0.9) | (\$0.1) | \$44.4 |
| Reimbursable Overhead | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.0) | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Labor Expenditures | \$5,346.4 | \$5,475.5 | (\$129.1) | \$5,580.1 | (\$104.6) | \$5,714.0 | (\$133.9) | \$5,900.0 | (\$186.0) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | \$197.8 | \$220.9 | (\$23.1) | \$251.5 | (\$30.6) | \$283.5 | (\$32.0) | \$319.6 | (\$36.1) |
| Fuel for Buses and Trains | \$125.9 | \$146.9 | (\$20.9) | \$164.4 | (\$17.5) | \$177.6 | (\$13.3) | \$204.7 | (\$27.1) |
| Insurance | \$55.4 | \$58.9 | (\$3.5) | \$65.8 | (\$6.9) | \$80.3 | (\$14.5) | \$88.1 | (\$7.9) |
| Claims | \$71.1 | \$60.9 | \$10.1 | \$62.4 | (\$1.5) | \$64.0 | (\$1.6) | \$65.6 | (\$1.6) |
| Paratransit Service Contracts | \$378.9 | \$408.4 | (\$29.5) | \$460.9 | (\$52.5) | \$542.2 | (\$81.3) | \$636.0 | (\$93.8) |
| Mtce. and Other Operating Contracts | \$269.4 | \$292.2 | (\$22.8) | \$302.4 | (\$10.1) | \$318.4 | (\$16.0) | \$341.7 | (\$23.4) |
| Professional Service Contracts | \$114.3 | \$104.1 | \$10.2 | \$105.9 | (\$1.8) | \$106.8 | (\$0.9) | \$104.6 | \$2.2 |
| Materials & Supplies | \$373.2 | \$393.5 | (\$20.3) | \$379.9 | \$13.6 | \$390.1 | (\$10.2) | \$401.5 | (\$11.5) |
| Other Business Expenditures | \$46.0 | \$48.7 | (\$2.7) | \$49.5 | (\$0.8) | \$50.1 | (\$0.6) | \$50.7 | (\$0.5) |
| Total Non-Labor Expenditures | \$1,632.0 | \$1,734.5 | (\$102.5) | \$1,842.6 | (\$108.1) | \$2,013.0 | (\$170.3) | \$2,212.6 | (\$199.6) |
| Other Expenditure Adjustments: | | | | | | | | | |
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Other Expenditure Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenditures | \$6,978.5 | \$7,210.0 | (\$231.5) | \$7,422.8 | (\$212.8) | \$7,727.0 | (\$304.2) | \$8,112.6 | (\$385.6) |
| Baseline Net Cash Deficit | (\$2,627.1) | (\$2,729.0) | (\$101.9) | (\$2,931.0) | (\$202.0) | (\$3,173.2) | (\$242.2) | (\$3,498.6) | (\$325.4) |
| 2010 Program to Eliminate the Gap | \$13.2 | \$48.0 | \$34.8 | \$50.8 | \$2.8 | \$51.2 | \$0.4 | \$53.9 | \$2.8 |
| Post-2010 Program to Eliminate the GAP | \$0.0 | \$0.0 | \$0.0 | \$61.7 | \$61.7 | \$123.4 | \$61.7 | \$185.1 | \$61.7 |
| Net Cash Deficit | (\$2,613.9) | (\$2,681.0) | (\$67.1) | (\$2,818.6) | (\$137.5) | (\$2,998.6) | (\$180.1) | (\$3,259.6) | (\$261.0) |

MTA New York City Transit
November Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| | Favorable/(Unfavorable) | | | | | | | | |
|--|-------------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
| | 2009 | 2010 | Change 2010-2009 | 2011 | Change 2011-2010 | 2012 | Change 2012-2011 | 2013 | Change 2013-2012 |
| Receipts | | | | | | | | | |
| Farebox Revenue | \$9.5 | \$1.9 | (\$7.6) | \$1.9 | \$0.0 | \$1.9 | \$0.0 | \$1.9 | \$0.0 |
| Vehicle Toll Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Operating Revenue: | | | | | | | | | |
| Fare Reimbursement | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Paratransit Reimbursement | (\$0.7) | (\$0.2) | \$0.4 | (\$0.2) | (\$0.0) | (\$0.4) | (\$0.1) | (\$0.4) | (\$0.0) |
| Other | \$12.5 | \$2.5 | (\$10.0) | \$2.5 | \$0.0 | \$2.5 | \$0.0 | \$2.5 | \$0.0 |
| Total Other Operating Revenue | \$11.8 | \$2.3 | (\$9.6) | \$2.3 | (\$0.0) | \$2.1 | (\$0.1) | \$2.1 | (\$0.0) |
| Capital and Other Reimbursements | \$36.9 | \$40.0 | \$3.1 | \$6.1 | (\$34.0) | (\$1.9) | (\$8.0) | (\$1.1) | \$0.9 |
| Total Receipt Adjustments | \$58.3 | \$44.2 | (\$14.0) | \$10.3 | (\$34.0) | \$2.1 | (\$8.1) | \$3.0 | \$0.9 |
| Expenditures | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | \$17.0 | \$23.6 | \$6.5 | \$24.5 | \$0.9 | \$34.6 | \$10.1 | \$26.1 | (\$8.5) |
| Overtime | \$1.7 | \$2.2 | \$0.6 | \$2.3 | \$0.1 | \$3.3 | \$1.0 | \$2.5 | (\$0.8) |
| Total Salaries & Wages | \$18.7 | \$25.8 | \$7.1 | \$26.8 | \$1.0 | \$37.9 | \$11.1 | \$28.6 | (\$9.3) |
| Health and Welfare | \$10.7 | \$3.6 | (\$7.2) | \$3.8 | \$0.2 | \$4.1 | \$0.3 | \$4.4 | \$0.3 |
| OPEB Current Payment | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Pensions | \$26.2 | \$2.1 | (\$24.1) | (\$4.7) | (\$6.8) | (\$5.5) | (\$0.9) | (\$1.8) | \$3.7 |
| Other Fringe Benefits | \$23.5 | \$20.9 | (\$2.6) | \$20.6 | (\$0.3) | \$20.6 | (\$0.0) | \$19.5 | (\$1.1) |
| Total Fringe Benefits | \$60.5 | \$26.6 | (\$33.9) | \$19.8 | (\$6.8) | \$19.1 | (\$0.6) | \$22.1 | \$2.9 |
| GASB Account | (\$41.2) | (\$42.3) | (\$1.1) | (\$43.4) | (\$1.1) | (\$44.3) | (\$0.9) | (\$45.8) | (\$1.5) |
| Reimbursable Overhead | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Labor Expenditures | \$38.0 | \$10.2 | (\$27.8) | \$3.2 | (\$6.9) | \$12.8 | \$9.5 | \$4.9 | (\$7.9) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | (\$2.0) | \$0.0 | \$2.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Fuel for Buses and Trains | \$4.1 | \$0.0 | (\$4.1) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Insurance | (\$0.3) | (\$0.3) | \$0.0 | (\$0.2) | \$0.1 | (\$3.7) | (\$3.5) | (\$1.1) | \$2.7 |
| Claims | \$5.5 | \$17.5 | \$12.1 | \$16.0 | (\$1.5) | \$14.5 | (\$1.6) | \$12.9 | (\$1.6) |
| Paratransit Service Contracts | (\$3.0) | \$5.0 | \$8.0 | \$5.0 | \$0.0 | \$5.0 | \$0.0 | \$5.0 | \$0.0 |
| Mtce. and Other Operating Contracts | (\$10.3) | (\$10.7) | (\$0.4) | (\$10.7) | \$0.0 | (\$10.7) | \$0.0 | (\$10.7) | \$0.0 |
| Professional Service Contracts | \$5.0 | \$5.0 | \$0.0 | \$5.0 | \$0.0 | \$5.0 | \$0.0 | \$5.0 | \$0.0 |
| Materials & Supplies | \$7.8 | (\$2.0) | (\$9.8) | (\$2.0) | \$0.0 | (\$2.0) | \$0.0 | (\$2.0) | \$0.0 |
| Other Business Expenditures | (\$0.0) | (\$0.0) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.0) | \$0.0 | \$0.0 |
| Total Non-Labor Expenditures | \$6.8 | \$14.5 | \$7.7 | \$13.1 | (\$1.4) | \$8.0 | (\$5.1) | \$9.1 | \$1.1 |
| Other Expenditure Adjustments: | | | | | | | | | |
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Other Expenditure Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Expenditure Adjustments | \$44.8 | \$24.7 | (\$20.1) | \$16.3 | (\$8.3) | \$20.8 | \$4.4 | \$13.9 | (\$6.8) |
| Total Cash Conversion Adjustments before Depreciation | \$103.0 | \$68.9 | (\$34.1) | \$26.6 | (\$42.3) | \$22.9 | (\$3.7) | \$16.9 | (\$6.0) |
| Depreciation Adjustment | \$1,250.0 | \$1,325.0 | \$75.0 | \$1,400.0 | \$75.0 | \$1,475.0 | \$75.0 | \$1,550.0 | \$75.0 |
| OPEB Obligation | \$1,055.4 | \$1,098.9 | \$43.5 | \$1,144.8 | \$45.9 | \$1,191.6 | \$46.8 | \$1,240.3 | \$48.7 |
| Environmental Remediation | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Baseline Total Cash Conversion Adj. | \$2,408.4 | \$2,492.8 | \$84.4 | \$2,571.4 | \$78.6 | \$2,689.5 | \$118.1 | \$2,807.2 | \$117.7 |
| 2010 Program to Eliminate the Gap | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Post-2010 Program to Eliminate the GAP | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Cash Conversion Adjustments | \$2,408.4 | \$2,492.8 | \$84.4 | \$2,571.4 | \$78.6 | \$2,689.5 | \$118.1 | \$2,807.2 | \$117.7 |

**MTA New York City Transit
July Financial Plan 2010-2013
Summary of Major Plan-to-Plan Changes**

2009: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenue changes from the February Financial Plan resulted in a decrease of \$80.8 million. Major changes include:

- A re-estimate of farebox revenue based on projected lower employment levels resulting in a reduction of \$48.0 million.
- Lower other operating revenues of \$44.8 million including:
 1. A NYS legislative change resulting in a reduction of student fare reimbursements of \$19.7 million
 2. A \$19.7 million reduction in paratransit Urban taxes (taxes on commercial property transactions) due to real estate market/credit difficulties
 3. A projected underrun in advertising revenues of \$6.2 million due to advertising agency financial difficulties
- An increase in capital reimbursements of \$12.0 million consistent with changes in reimbursable expense levels.

Expense Changes

Excluding depreciation expense reestimates, changes from the February Financial Plan result in an increase in expenses of \$15.7 million. Major unfavorable changes include:

- A projected increase in NYCERS pension expenses of \$43.5 million based on the most recent actuarial valuation.
- Paratransit costs are projected to increase by \$15.1 million due to higher vendor contractual costs (trip scheduling), increased ridership and a shortfall in carrier productivity.
- Reimbursable expenses increase by \$12.0 million based on capital project requirements.
- NYS Transportation Payroll Mobility Tax of \$6.3 million based on recent legislation.

Major favorable changes include:

- \$38.5 million due to the effect of revised inflation assumptions primarily involving lower fuel prices.
- A re-estimate of Workers' Compensation expenses resulting in a decrease of \$22.1 million.

Cash Adjustments

Net cash adjustments were favorable by \$6.7 million. Major changes include:

- A favorable cash offset of \$64.8 million to a depreciation expense reestimate
- A favorable \$18.8 million due to the timing of pension payments
- An unfavorable \$56.7 million due to the timing of capital reimbursements
- An unfavorable cash offset of \$22.1 million to a Workers' Compensation expense reestimate

2010-2012: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenue changes from the February Financial Plan result in decreases of \$79.1 million in 2010, \$78.7 million in 2011 and \$100.7 million in 2012.

Major changes include:

- Re-estimates of farebox revenue based on projected lower employment levels resulting in a reduction of \$77.0 million in 2010, \$74.9 million in 2011 and \$86.6 million in 2012.
- Lower other operating revenues of \$17.4 million in 2010, \$14.4 million in 2011 and \$19.6 million in 2012 due primarily to reductions in paratransit Urban taxes (taxes on commercial property transactions) caused by real estate market/credit difficulties and lower advertising revenues due to advertising agency financial difficulties.
- Capital reimbursement increases of \$15.3 million in 2010, \$10.6 million in 2011 and \$5.4 million in 2012, consistent with changes in reimbursable expense levels based on capital project requirements.

Expense Changes

Excluding depreciation expense reestimates, changes from the February Financial Plan result in a net decrease of \$3.9 million in 2010 and expense increases of \$8.5 million in 2011 and \$69.1 million in 2012. Major changes include:

- Projected increases in NYCERS pension expenses of \$49.4 million in 2010, \$52.8 million in 2011 and \$43.7 million in 2012 based on the most recent actuarial valuation.
- Paratransit costs are projected to increase by \$8.9 million in 2010, \$16.3 million in 2011 and \$20.7 million in 2012 due to sedan fleet expansion, higher vendor contractual costs (trip scheduling), increased ridership and a shortfall in carrier productivity.

- A reestimate of subways scheduled maintenance work scope requirements and maintenance cycle timing results in projected reductions of \$16.9 million in 2010 and \$15.2 million in 2011 and an increase of \$44.8 million in 2012.
- Reimbursable expenses are projected to increase by \$15.3 million in 2010, \$10.6 million in 2011 and \$5.4 million in 2012 based on capital project requirements.
- NYS Transportation Payroll Mobility Tax of \$11.2 million in 2010, \$11.3 million in 2011 and \$11.4 million in 2012 based on recent legislation.
- Favorable impacts of \$46.1 million in 2010, \$21.6 million in 2011 and an unfavorable impact of \$2.6 million in 2012 result from the effect of revised inflation assumptions (includes primarily fuel, power, insurance, labor and material).
- A reestimate of Workers' Compensation expenses resulting in decreases of \$24.0 million in 2010 and 2011 and \$24.5 million in 2012.
- Direct service normal business adjustments based on projected ridership changes resulting in favorable expense adjustments of \$5.4 million in 2010, \$15.9 million in 2011 and \$18.3 million in 2012.

Cash Adjustments

Cash adjustments are projected to be favorable by \$82.5 million in 2010, \$60.6 million in 2011 and \$67.5 million in 2012.

Major changes include:

- Favorable cash offsets to depreciation expense reestimates of \$58.5 million in 2010, \$78.5 million in 2011 and \$98.5 million in 2012.
- The favorable timing of capital reimbursements of \$34.3 million in 2010, \$1.0 million in 2011 and \$1.1 million in 2012.
- Unfavorable cash offsets to Workers' Compensation reestimates of \$24.0 million in 2010 and 2011 and \$24.5 million in 2012.

MTA New York City Transit
July Financial Plan 2010-2013
Summary of Major Plan-to-Plan Changes
Ridership (Utilization)

The July 2009 Financial Plan baseline ridership forecast assumes that the May 2009 year-to-date trend, which was 1.2% below budget for subway and on budget for bus, will worsen as the year progresses, based on the February 2009 Global Insight forecast of a 3.9% decline in New York City employment in 2009. In 2010, subway and bus ridership is projected to decline by approximately 0.6% based on Global Insight's 2010 employment forecast. The February 2009 plan assumed a 1.4% employment decline in 2009, and a 0.5% increase in 2010. As a result of the lower 2009 and 2010 employment forecasts, ridership (excluding fare increase and service adjustment impacts) is 35.0 million lower than the February Plan in 2009 and 56.8 million lower in 2010.

Working off the revised 2010 projection, 2011-2013 ridership growth forecasts are based on the February 2009 Global Insight employment forecast, which projects a slightly higher employment increase in 2011 than the October 2008 forecast used in the February 2009 Plan, and a smaller employment increase in 2012. The resulting ridership (excluding fare increase and service adjustment impacts) is expected to be 55.2 million lower than the February Plan in 2011 and 63.9 million lower in 2012.

The February 2009 Plan included ridership losses due to budget balancing actions that would have reduced subway and bus service and cancelled the takeover of the X23/24 express bus service from Atlantic Express. The July Plan eliminates all the budget balancing actions except the X23/24 cancellation, resulting in a net ridership gain of 4.2 million over the February Plan in 2009 and 7.8 million in the years 2010 through 2012.

The February 2009 Plan assumed a 23% fare increase on June 1, 2009 that was projected to decrease subway and bus ridership by approximately 1.6%. The July Plan assumes a smaller 10% fare increase on June 28, 2009 and a lower ridership loss, resulting in a net ridership increase over the February Plan of 15.2 million in 2009, 23.9 million in 2010, 24.2 million in 2011 and 24.6 million in 2012.

The resulting total subway and bus ridership forecast is lower than the February 2009 Plan by 15.6 million in 2009, 25.1 million in 2010, 23.2 million in 2011 and 31.5 in 2012.

**MTA New York City Transit
July Financial Plan 2010-2013
Summary of Major Plan-to-Plan Changes
Total Non-reimbursable and Reimbursable Baseline Positions**

2009: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to increase by 1,636, due mostly to an increase of 1,539 from the restoration of most of the planned AABB actions and a reimbursable position increase of 59 due to additional project requirements.

2010: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to increase by 1,297, due mostly to an increase of 1,403 from the restoration of most of the planned AABB actions and a position decrease of 96 based on the timing of subways scheduled maintenance requirements.

2011-2012: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to increase by 1,213 in 2011 and 1,553 in 2012, due mostly to increases of 1,288 in 2011 and 1,179 in 2012 from the restoration of most of the planned AABB actions. Additionally, in 2012, an increase of 452 positions is projected based on the timing of subways scheduled maintenance requirements.

MTA New York City Transit
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| NON-REIMBURSABLE | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Cash Deficit | (\$2,220.5) | (\$2,112.8) | (\$2,271.3) | (\$2,410.1) |
| Restored AABBs | (\$96.4) | (\$182.9) | (\$167.0) | (\$159.7) |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | (\$395.7) | (\$670.0) | (\$679.7) | (\$690.2) |
| Passenger Fare & Toll Revenue - 10% Increase | \$146.4 | \$282.2 | \$286.9 | \$290.6 |
| Revised February 2009 Financial Plan - Cash Deficit | (\$2,566.2) | (\$2,683.5) | (\$2,831.0) | (\$2,969.4) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (\$48.0) | (\$77.0) | (\$74.9) | (\$86.6) |
| Other Operating Revenue | (\$44.8) | (\$17.4) | (\$14.4) | (\$19.6) |
| Capital and Other Reimbursement | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Total Revenue Changes | (\$92.7) | (\$94.4) | (\$89.3) | (\$106.1) |
| Expenses | | | | |
| <i>Labor:</i> | | | | |
| Payroll | (\$2.9) | \$2.5 | \$4.3 | (\$17.9) |
| Overtime | \$3.0 | \$6.7 | \$8.9 | \$9.5 |
| Health and Welfare | \$10.3 | \$12.1 | \$14.1 | \$12.2 |
| OPEB Current Payment | \$1.7 | \$4.5 | \$5.5 | \$6.5 |
| Pensions | (\$45.7) | (\$53.7) | (\$57.6) | (\$48.5) |
| Other Fringe Benefits | \$13.8 | \$10.6 | \$8.5 | \$2.7 |
| Reimbursable Overhead | \$3.9 | \$4.8 | \$3.1 | \$1.4 |
| Total Labor Expense Changes | (\$16.0) | (\$12.6) | (\$13.2) | (\$34.1) |
| <i>Non-Labor:</i> | | | | |
| Traction and Propulsion Power | (\$3.0) | \$6.1 | (\$8.7) | (\$23.8) |
| Fuel for Buses and Trains | \$44.2 | \$20.8 | \$7.5 | \$6.1 |
| Insurance | (\$6.1) | (\$2.6) | (\$1.5) | (\$3.0) |
| Claims | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Paratransit Service Contracts | (\$14.6) | (\$2.5) | (\$4.8) | (\$6.2) |
| Maintenance and Other Operating Contracts | \$5.2 | \$3.1 | (\$0.3) | (\$7.4) |
| Professional Service Contracts | (\$8.0) | (\$0.8) | (\$2.3) | (\$4.1) |
| Materials & Supplies | (\$4.3) | \$9.9 | \$27.8 | \$11.3 |
| Other Business Expenses | (\$1.1) | (\$2.2) | (\$2.3) | (\$2.4) |
| Total Non-Labor Expense Changes | \$12.3 | \$31.8 | \$15.3 | (\$29.5) |
| Depreciation | (\$64.8) | (\$58.5) | (\$78.5) | (\$98.5) |
| Total Expense Changes | (\$68.5) | (\$39.3) | (\$76.3) | (\$162.1) |
| Cash Adjustment Changes | | | | |
| Revenue | \$9.5 | \$0.0 | \$0.2 | \$0.1 |
| Expense | (\$11.0) | (\$10.4) | (\$19.1) | (\$32.2) |
| Depreciation | \$64.8 | \$58.5 | \$78.5 | \$98.5 |
| Total Cash Adjustment Changes | \$63.4 | \$48.2 | \$59.6 | \$66.4 |
| Total Baseline Changes | (\$97.9) | (\$85.6) | (\$106.0) | (\$201.9) |
| Baseline 2009 July Financial Plan - Cash Deficit | (\$2,664.1) | (\$2,769.0) | (\$2,937.1) | (\$3,171.3) |

MTA New York City Transit
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| REIMBURSABLE | | | | |
|---|-----------------|-----------------|-----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Cash Deficit | \$93.6 | \$5.7 | \$5.1 | (\$3.0) |
| Restored AABBs | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Passenger Fare & Toll Revenue - 10% Increase | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Revised February 2009 Financial Plan - Cash Deficit | \$93.6 | \$5.7 | \$5.1 | (\$3.0) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Operating Revenue | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Capital and Other Reimbursement | \$12.0 | \$15.3 | \$10.6 | \$5.4 |
| Total Revenue Changes | \$12.0 | \$15.3 | \$10.6 | \$5.4 |
| Expenses | | | | |
| <i>Labor:</i> | | | | |
| Payroll | (\$3.6) | (\$6.8) | (\$4.8) | (\$2.6) |
| Overtime | (\$1.7) | (\$0.7) | (\$0.4) | (\$0.3) |
| Health and Welfare | \$0.4 | \$0.5 | \$0.4 | \$0.5 |
| OPEB Current Payment | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Pensions | (\$0.6) | (\$0.9) | (\$0.7) | (\$0.3) |
| Other Fringe Benefits | (\$1.7) | (\$2.6) | (\$2.0) | (\$1.2) |
| Reimbursable Overhead | (\$3.9) | (\$4.8) | (\$3.1) | (\$1.4) |
| Total Labor Expense Changes | (\$11.2) | (\$15.3) | (\$10.6) | (\$5.4) |
| <i>Non-Labor:</i> | | | | |
| Traction and Propulsion Power | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Fuel for Buses and Trains | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Insurance | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Claims | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Paratransit Service Contracts | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Maintenance and Other Operating Contracts | (\$1.2) | (\$0.1) | (\$0.1) | (\$0.1) |
| Professional Service Contracts | (\$0.1) | \$0.0 | \$0.0 | \$0.0 |
| Materials & Supplies | \$0.4 | (\$0.0) | (\$0.0) | (\$0.0) |
| Other Business Expenses | \$0.2 | \$0.0 | \$0.0 | \$0.0 |
| Total Non-Labor Expense Changes | (\$0.8) | (\$0.1) | (\$0.1) | (\$0.1) |
| Total Expense Changes | (\$12.0) | (\$15.3) | (\$10.6) | (\$5.4) |
| Cash Adjustment Changes | | | | |
| Capital Reimbursement Timing | (\$56.7) | \$34.3 | \$1.0 | \$1.1 |
| Total Cash Adjustment Changes | (\$56.7) | \$34.3 | \$1.0 | \$1.1 |
| Total Baseline Changes | (\$56.7) | \$34.3 | \$1.0 | \$1.1 |
| Baseline 2009 July Financial Plan - Cash Deficit | \$36.9 | \$40.0 | \$6.1 | (\$1.9) |

MTA New York City Transit
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| NON-REIMBURSABLE and REIMBURSABLE | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Cash Deficit | (\$2,126.9) | (\$2,107.1) | (\$2,266.2) | (\$2,413.1) |
| Restored AABBs | (\$96.4) | (\$182.9) | (\$167.0) | (\$159.7) |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | (\$395.7) | (\$670.0) | (\$679.7) | (\$690.2) |
| Passenger Fare & Toll Revenue - 10% Increase | \$146.4 | \$282.2 | \$286.9 | \$290.6 |
| Revised 2009 February Financial Plan - Cash Deficit | (\$2,472.6) | (\$2,677.7) | (\$2,826.0) | (\$2,972.4) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (\$48.0) | (\$77.0) | (\$74.9) | (\$86.6) |
| Other Operating Revenue | (\$44.8) | (\$17.4) | (\$14.4) | (\$19.6) |
| Capital and Other Reimbursement | \$12.0 | \$15.3 | \$10.6 | \$5.4 |
| Total Revenue Changes | (\$80.8) | (\$79.1) | (\$78.7) | (\$100.7) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | (\$6.5) | (\$4.4) | (\$0.5) | (\$20.5) |
| Overtime | \$1.3 | \$6.1 | \$8.5 | \$9.3 |
| Health and Welfare | \$10.6 | \$12.6 | \$14.6 | \$12.7 |
| OPEB Current Payment | \$1.7 | \$4.5 | \$5.5 | \$6.5 |
| Pensions | (\$46.4) | (\$54.6) | (\$58.3) | (\$48.9) |
| Other Fringe Benefits | \$12.1 | \$8.0 | \$6.5 | \$1.4 |
| Reimbursable Overhead | \$0.0 | \$0.0 | (\$0.0) | \$0.0 |
| Total Labor Expense Changes | (\$27.2) | (\$27.9) | (\$23.7) | (\$39.5) |
| Non-Labor: | | | | |
| Traction and Propulsion Power | (\$3.0) | \$6.1 | (\$8.7) | (\$23.8) |
| Fuel for Buses and Trains | \$44.2 | \$20.8 | \$7.5 | \$6.1 |
| Insurance | (\$6.1) | (\$2.6) | (\$1.5) | (\$3.0) |
| Claims | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Paratransit Service Contracts | (\$14.6) | (\$2.5) | (\$4.8) | (\$6.2) |
| Maintenance and Other Operating Contracts | \$4.0 | \$3.1 | (\$0.4) | (\$7.5) |
| Professional Service Contracts | (\$8.1) | (\$0.8) | (\$2.3) | (\$4.1) |
| Materials & Supplies | (\$3.9) | \$9.9 | \$27.8 | \$11.3 |
| Other Business Expenses | (\$0.9) | (\$2.2) | (\$2.3) | (\$2.4) |
| Total Non-Labor Expense Changes | \$11.5 | \$31.7 | \$15.3 | (\$29.6) |
| Depreciation | (\$64.8) | (\$58.5) | (\$78.5) | (\$98.5) |
| Total Expense Changes | (\$80.5) | (\$54.6) | (\$87.0) | (\$167.6) |
| Cash Adjustment Changes | | | | |
| Revenue | \$9.5 | \$0.0 | \$0.2 | \$0.1 |
| Expense | (\$11.0) | (\$10.4) | (\$19.1) | (\$32.2) |
| Capital Reimbursement Timing | (\$56.7) | \$34.3 | \$1.0 | \$1.1 |
| Depreciation | \$64.8 | \$58.5 | \$78.5 | \$98.5 |
| Total Cash Adjustment Changes | \$6.7 | \$82.5 | \$60.6 | \$67.5 |
| Total Baseline Changes | (\$154.5) | (\$51.3) | (\$105.1) | (\$200.8) |
| Baseline 2009 July Financial Plan - Cash Deficit | (\$2,627.1) | (\$2,729.0) | (\$2,931.0) | (\$3,173.2) |

MTA New York City Transit
July Financial Plan 2010 - 2013
Summary of Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE AND REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|--------------------|--------------------|--------------------|--------------------|
| Baseline 2009 February Financial Plan - Net Cash Deficit | (\$2,126.9) | (\$2,107.1) | (\$2,266.2) | (\$2,413.1) |
| Restored AABBs | (\$96.4) | (\$182.9) | (\$167.0) | (\$159.7) |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | (\$395.7) | (\$670.0) | (\$679.7) | (\$690.2) |
| Passenger Fare & Toll Revenue - 10% Increase | \$146.4 | \$282.2 | \$286.9 | \$290.6 |
| Revised 2009 February Financial Plan - Net Cash Deficit | (\$2,472.6) | (\$2,677.7) | (\$2,826.0) | (\$2,972.4) |
| Baseline Changes: | | | | |
| Revenue | | | | |
| Farebox Revenue Re-estimate | (\$48.0) | (\$77.0) | (\$74.9) | (\$86.6) |
| Other Operating Revenue Re-estimate | (\$44.8) | (\$17.4) | (\$14.4) | (\$19.6) |
| Capital Reimbursement Revision | \$12.0 | \$15.3 | \$10.6 | \$5.4 |
| Sub-Total Revenue Changes | (\$80.8) | (\$79.1) | (\$78.7) | (\$100.7) |
| Expenses | | | | |
| Expense Re-estimates: | | | | |
| Inflation/Related: | | | | |
| Bus/Heating Fuel | \$54.9 | \$29.8 | \$13.6 | \$13.2 |
| Insurance | (\$6.3) | (\$2.4) | \$1.2 | (\$5.9) |
| Labor/Material/Other | (\$1.2) | \$14.7 | \$23.6 | \$27.6 |
| Electric Power | (\$8.8) | \$4.0 | (\$16.8) | (\$37.4) |
| Sub-total Inflation-Related | \$38.5 | \$46.1 | \$21.6 | (\$2.6) |
| Other Changes/Re-estimates: | | | | |
| Paratransit Service Support | (\$6.6) | (\$6.2) | (\$7.9) | (\$11.8) |
| Paratransit Services | (\$8.5) | (\$0.6) | (\$2.5) | (\$1.0) |
| Paratransit Fleet Plan | \$0.0 | (\$2.2) | (\$5.9) | (\$7.9) |
| Direct Service-Normal Business Adjustments | \$0.0 | \$5.4 | \$15.9 | \$18.3 |
| Subways Scheduled Maintenance Revision | (\$0.5) | \$16.9 | \$15.2 | (\$44.8) |
| Excess Bulk Maintainers/Bulkhead Repair | (\$4.4) | \$0.0 | \$0.0 | \$0.0 |
| Quality Control Vandal Shields | (\$0.5) | (\$3.1) | (\$3.1) | (\$3.1) |
| NYS Transportation Payroll Mobility Tax | (\$6.3) | (\$11.2) | (\$11.3) | (\$11.4) |
| Pension Re-estimate | (\$43.5) | (\$49.4) | (\$52.8) | (\$43.7) |
| Workers' Compensation Accrual Adjustment | \$22.1 | \$24.0 | \$24.0 | \$24.5 |
| Timing of Fulton Street Station Renovation Opening | \$0.0 | \$0.0 | \$0.0 | \$6.8 |
| Rescheduling of Expenses | \$3.5 | (\$10.6) | \$0.0 | \$0.0 |
| Reimbursable Expenses | (\$12.0) | (\$15.3) | (\$10.6) | (\$5.4) |
| Other Re-estimates | \$2.6 | \$10.0 | \$8.9 | \$13.3 |
| Sub-Total Other Changes/Re-estimates | (\$54.2) | (\$42.2) | (\$30.1) | (\$66.5) |
| Sub-Total Expense Changes before Depreciation | (\$15.7) | \$3.9 | (\$8.5) | (\$69.1) |
| Depreciation Re-estimate | (\$64.8) | (\$58.5) | (\$78.5) | (\$98.5) |
| Sub-Total Expenses Changes | (\$80.5) | (\$54.6) | (\$87.0) | (\$167.6) |
| Cash Adjustments | | | | |
| Revenue | | | | |
| Timing of Capital Reimbursements | (\$56.7) | \$34.3 | \$1.0 | \$1.1 |
| Other Revenue Timing of Receipts | \$9.5 | \$0.0 | \$0.2 | \$0.1 |
| Expense | | | | |
| Depreciation Re-estimate-Non Cash Offset | \$64.8 | \$58.5 | \$78.5 | \$98.5 |
| Worker's Compensation-Non Cash Offset | (\$22.1) | (\$24.0) | (\$24.0) | (\$24.5) |
| Timing of Pension Payments | \$18.8 | \$13.5 | \$2.6 | (\$4.9) |
| Public Liability (Claims) Additional Payments | (\$11.6) | \$0.0 | \$0.0 | \$0.0 |
| Health & Welfare Payment Timing | \$7.4 | \$0.0 | \$0.0 | \$0.0 |
| Paratransit Service Contracts Payment Lag Re-estimate | (\$8.0) | \$0.0 | \$0.0 | \$0.0 |
| Materials and Supplies Payment Timing | \$2.8 | \$0.0 | \$0.0 | \$0.0 |
| Other Cash Adjustments | \$1.6 | \$0.2 | \$2.4 | (\$2.9) |
| Sub-Total Cash Adjustment Changes | \$6.7 | \$82.5 | \$60.6 | \$67.5 |
| Total Baseline Changes | (\$154.5) | (\$51.3) | (\$105.1) | (\$200.8) |
| Programs to Eliminate the GAP (PEGS) | | | | |
| 2010 Program | \$13.2 | \$48.0 | \$50.8 | \$51.2 |
| Post-2010 Program-Unspecified | \$0.0 | \$0.0 | \$61.7 | \$123.4 |
| 2009 July Financial Plan - Net Cash Deficit | (\$2,613.9) | (\$2,681.0) | (\$2,818.6) | (\$2,998.6) |

MTA New York City Transit
July Financial Plan 2010 - 2013
Ridership/Traffic Volume (Utilization)
(in millions)

| | 2008 | 2009 | 2010 | | | |
|---------------------------------|----------------|-----------------|--------------------|----------------|----------------|----------------|
| | Actuals | Mid-Year | Preliminary | 2011 | 2012 | 2013 |
| | | Forecast | Budget | | | |
| Subway | 1,623.9 | 1,562.8 | 1,550.5 | 1,573.6 | 1,591.4 | 1,602.4 |
| Bus | 747.0 | 728.6 | 720.7 | 730.8 | 738.7 | 743.5 |
| Paratransit | 7.2 | 8.5 | 9.8 | 11.2 | 12.9 | 14.9 |
| Baseline Total Ridership | 2,378.1 | 2,299.9 | 2,281.0 | 2,315.7 | 2,343.0 | 2,360.7 |
| Impact of: PEG Program | | | | | | |
| Total Ridership | 2,378.1 | 2,299.9 | 2,281.0 | 2,315.7 | 2,343.0 | 2,360.7 |

MTA New York City Transit
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|--|--------------------------------|--|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | | | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> |
| Administration | | | | | | | | | | | | |
| Administrative Efficiencies - Administration | | | | | | \$0.223 | | \$0.223 | | \$0.223 | | \$0.223 |
| Administrative Efficiencies - Buses | | | 0 | \$3.953 | | \$1.702 | | \$1.253 | | \$0.925 | | \$0.572 |
| Administrative Efficiencies - Corporate | | | | \$0.000 | | \$0.626 | | \$0.626 | | \$0.626 | | \$0.626 |
| Administrative Efficiencies - EVP | | | 0 | \$0.200 | 4 | \$0.639 | 4 | \$0.919 | 4 | \$0.919 | 4 | \$0.919 |
| Administrative Efficiencies - Law | | | 0 | \$0.030 | 2 | \$0.773 | 2 | \$0.673 | 2 | \$0.673 | 2 | \$0.673 |
| Administrative Efficiencies - Workforce | | | | \$0.000 | 6 | \$0.522 | 6 | \$0.522 | 6 | \$0.522 | 6 | \$0.522 |
| Normal Replacement Savings | | | 0 | \$0.250 | | \$0.250 | | \$1.400 | | \$1.400 | | \$1.400 |
| Technology Efficiencies | | | 0 | \$0.936 | 2 | \$0.474 | 2 | \$0.563 | 2 | \$0.563 | 2 | \$0.563 |
| Sub-Total | Administration | | 0 | \$5.369 | 14 | \$5.209 | 14 | \$6.179 | 14 | \$5.851 | 14 | \$5.498 |
| Customer Convenience/Amenities | | | | | | | | | | | | |
| Sub-Total | Customer Convenience/Amenities | | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Maintenance | | | | | | | | | | | | |
| Employee Facility Rehabilitation Savings - DOB | | | | \$1.300 | 47 | \$5.277 | 47 | \$5.967 | 47 | \$5.967 | 47 | \$5.967 |
| Maintenance Efficiencies - Buses | | | | \$0.000 | 26 | \$4.756 | 16 | \$4.074 | 6 | \$4.966 | 48 | \$7.979 |
| Maintenance Efficiencies - Car Equipment | | | | \$0.000 | 28 | \$1.457 | 29 | \$2.596 | 29 | \$2.596 | 30 | \$2.703 |
| Maintenance Efficiencies - EMD | | | | \$0.929 | | \$0.916 | | \$0.559 | | \$0.320 | | \$0.320 |
| Maintenance Efficiencies - Infrastructure | | | | \$0.000 | 7 | \$0.580 | 3 | \$0.248 | 4 | \$0.331 | 4 | \$0.331 |
| New Equipment Efficiencies | | | 10 | \$0.754 | 5 | \$0.614 | 5 | \$0.407 | 5 | \$0.407 | 5 | \$0.407 |
| Non Bus Material Reduction | | | | \$0.000 | | \$1.119 | | \$1.119 | | \$1.119 | | \$1.119 |
| Station Cleaning | | | | \$0.000 | 25 | \$1.614 | 25 | \$1.614 | 25 | \$1.614 | 25 | \$1.614 |
| Station Maintenance | | | | \$0.000 | 22 | \$1.829 | 22 | \$1.829 | 22 | \$1.829 | 22 | \$1.829 |
| Station Painting | | | | \$0.000 | | \$8.800 | | \$8.800 | | \$8.800 | | \$8.800 |
| Supervisory Broad Banding | | | | \$0.000 | 2 | \$0.215 | 2 | \$0.215 | 2 | \$0.215 | 2 | \$0.215 |
| Supply Logistics Efficiencies | | | 2 | \$0.279 | 8 | \$0.734 | 8 | \$0.808 | 8 | \$0.808 | 8 | \$0.808 |
| Supply Logistics Pilot Program | | | | \$0.000 | 4 | \$0.432 | 4 | \$0.432 | 4 | \$0.432 | 4 | \$0.432 |
| Terminal Car Cleaning | | | 58 | \$1.898 | 58 | \$4.124 | 58 | \$4.124 | 58 | \$4.124 | 58 | \$4.124 |
| Sub-Total | Maintenance | | 70 | \$5.160 | 232 | \$32.467 | 219 | \$32.792 | 210 | \$33.528 | 253 | \$36.648 |
| Other | | | | | | | | | | | | |
| Fuel Economies | | | | \$0.950 | | \$7.627 | | \$7.627 | | \$7.627 | | \$7.627 |
| Random Drug Testing | | | | | 12 | \$0.954 | 12 | \$0.954 | 12 | \$0.954 | 12 | \$0.954 |
| Security Post Reductions | | | | (\$0.170) | 15 | \$0.557 | 20 | \$1.569 | 20 | \$1.569 | 20 | \$1.569 |
| Sub-Total | Other | | 0 | \$0.780 | 27 | \$9.138 | 32 | \$10.150 | 32 | \$10.150 | 32 | \$10.150 |
| Revenue Enhancement | | | | | | | | | | | | |
| Sub-Total | Revenue Enhancement | | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Safety | | | | | | | | | | | | |
| Sub-Total | Safety | | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Security | | | | | | | | | | | | |
| Sub-Total | Security | | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |

MTA New York City Transit
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | | <u>2009</u> | | <u>2010</u> | | <u>2011</u> | | <u>2012</u> | | <u>2013</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> | <u>Positions</u> | <u>Dollars</u> |
| Service | | | | | | | | | | | | |
| | Sub-Total | Service | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 | 0 | \$0.000 |
| Service Support | | | | | | | | | | | | |
| Revenue Collection Efficiencies | | | 6 | \$0.247 | 8 | \$0.608 | 8 | \$0.608 | 8 | \$0.608 | 8 | \$0.608 |
| Traffic Checking Efficiencies | | | 25 | (\$0.002) | 28 | \$0.379 | 28 | \$0.379 | 28 | \$0.379 | 28 | \$0.379 |
| Uniform Savings | | | | \$1.665 | | \$0.185 | | \$0.659 | | \$0.659 | | \$0.659 |
| | Sub-Total | Service Support | 31 | \$1.910 | 36 | \$1.172 | 36 | \$1.646 | 36 | \$1.646 | 36 | \$1.646 |
| | | | <u>101</u> | <u>\$13.219</u> | <u>309</u> | <u>\$47.986</u> | <u>301</u> | <u>\$50.767</u> | <u>292</u> | <u>\$51.175</u> | <u>335</u> | <u>\$53.942</u> |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|--|---------------------|----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Administration | Implementation Date | 1/1/10 |
| PEG / New Need ID | 01 | | | Savings Date | 1/1/10 |
| Program: | Administrative Efficiencies - Administration | | | | |

Description and Implementation Plan

The Department of Administration intends to eliminate the Sick Customer Response (SCR) Program. The purpose of the program was to provide faster medical response to sick customers, thereby reducing service delays. After monitoring the impact on on-time performance, it has been determined that the SCR program has not materially reduced delays any more than when NYC's Emergency Response Personnel perform this function.

Background Details

The Sick Customer Response Program contracts with a third party vendor to staff six stations (Grand Central, 14th Street, Queens Plaza, 125th Street, 5th Avenue & 53rd Street, Roosevelt Avenue) with an Emergency Medical Technician (EMT). Each of the stations, with the exception of Fulton Street and 14th Street, is staffed by one EMT for three hours during the AM rush (usually 6AM to 9AM) and for three hours during the PM rush (4PM to 7PM). Fulton Street and 14th Street are staffed only during the AM rush.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.000 | \$0.223 | \$0.223 | \$0.223 | \$0.223 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-------------------------------------|---------------------|----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Administration | Implementation Date | 1/1/09 |
| PEG / New Need ID | 02 | | | Savings Date | 1/1/09 |
| Program: | Administrative Efficiencies - Buses | | | | |

Description and Implementation Plan

Through early implementation of scheduled administrative reductions and aggressive salvaging of bus parts from scrapped buses, the Department of Buses (DOB) has achieved significant savings in 2009.

Background Details

As a part of administrative reductions included in the Additional Action for Budget Balance (AABB), DOB was to eliminate 64 administrative positions by June 2009. DOB has realized additional savings of \$2.0M in 2009 by holding vacancies prior to the scheduled elimination of these positions. In addition DOB through its Bus Unit Recycling Program has been aggressively salvaging bus units/parts from scrapped buses at the Eastchester facility for re-use. These parts, once deemed reusable, are entered into the material inventory and are being used for bus repairs offsetting maintenance material expenses for the older Nova and Orion fleets. As these fleets are scrapped/replaced with newer model buses these parts will not be reusable and therefore savings are estimated based on the vehicle retirement schedule.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$3.953 | \$1.702 | \$1.253 | \$0.925 | \$0.572 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|--|---------------------|----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Administration | Implementation Date | 1/1/10 |
| PEG / New Need ID | 03 | | | Savings Date | 1/1/10 |
| Program: | Administrative Efficiencies - Corporate Communications | | | | |

Description and Implementation Plan

The Department of Corporate Communications has identified several programs where savings can be generated either through the use of technology (e.g., Trip Planner Voice system), changing the way it does business (e.g., Rider Report Card, MetroCard Claims Operations, in-system safety campaign) or by a commitment to reduce expenses (e.g. service change advertising).

Background Details

Trip Planner-Voice was introduced in January 2009 to provide travel information by telephone without agent assistance. This application is being moved to the beginning of the telephone menu, increasing customer use for travel itineraries, thereby reducing the number of calls to be answered by a telephone agent. Subway Line Managers will be responsible for the distribution of Rider Report Cards, thereby eliminating contracted distribution costs (savings also reflect lower than expected translation service costs). A new design of the in-system safety campaign will allow for the English message and Spanish translation to be printed on one overhead rack card and poster, thereby eliminating a separate Spanish printing. Corporate Communications has committed to reduce the cost of its MetroCard Claims Operations and service change advertising as well.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.000 | \$0.626 | \$0.626 | \$0.626 | \$0.626 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-----------------------------------|---------------------|----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Administration | Implementation Date | 7/1/09 |
| PEG / New Need ID | 04 | | | Savings Date | 7/1/09 |
| Program: | Administrative Efficiencies - EVP | | | | |

Description and Implementation Plan

The Office of the Executive Vice-President has committed to position reductions in the Office of Management and Budget, AFC Program Management & Sales, Materiel and the Controllers Office, as well as a small reduction in unscheduled overtime. In addition, reductions are being taken in refuse and recycling, extended sales network costs, bank fees and copier maintenance costs.

Background Details

Position reductions will be achieved with improved productivity of the remaining staff. OTPS reductions will be achieved via rate reductions and lower usage.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 4 | 4 | 4 | 4 |
| Financial Impact | \$0.200 | \$0.639 | \$0.919 | \$0.919 | \$0.919 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-----------------------------------|---------------------|----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Administration | Implementation Date | 7/1/09 |
| PEG / New Need ID | 05 | | | Savings Date | 7/1/09 |
| Program: | Administrative Efficiencies - Law | | | | |

Description and Implementation Plan

The Law Department is eliminating two analyst positions and downgrading a managerial nurse position to a clerical position. It is also reducing its Westlaw charges as a result of a recent contract renegotiation. The Law Department has also identified several programs to reduce Public Liability expense: increased independent medical examination (IME) cycle for injured-on-duty employees (IOD), greater scrutiny in using neurological exams in torts cases, and participation (for one year) in a law firm graduate program whereby NYCT will receive the services of a recent law school graduate at no cost.

Background Details

NYCT is changing the cycle of its IME examinations from four weeks to six weeks for all Workers Compensation claims, thereby reducing medical expenses in this area. The Law Department has instructed its attorneys to conduct neurological examinations only after a specific need for them has been determined on a case-by-case basis.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 2 | 2 | 2 | 2 |
| Financial Impact | \$0.030 | \$0.773 | \$0.673 | \$0.673 | \$0.673 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

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|--------------------------|---|---------------------|----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Administration | Implementation Date | 1/1/10 |
| PEG / New Need ID | 06 | | | Savings Date | 1/1/10 |
| Program: | Administrative Efficiencies - Workforce Development | | | | |

Description and Implementation Plan

Workforce Development will eliminate a total of six positions: one in Electrical training, one in Car Equipment training and four positions in Right-to Know and Computer-Based training. The four positions in Right-to-Know and Computer-Based training serve as roving instructors in the classes and will be replaced by lower cost proctors.

Background Details

The training work in Electrical and Car Equipment will be absorbed by remaining staff.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 6 | 6 | 6 | 6 |
| Financial Impact | \$0.000 | \$0.522 | \$0.522 | \$0.522 | \$0.522 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|----------------------------|---------------------|----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Administration | Implementation Date | 2/1/09 |
| PEG / New Need ID | 07 | | | Savings Date | 2/1/09 |
| Program: | Normal Replacement Savings | | | | |

Description and Implementation Plan

Reduce the budget for normal replacement of desktop equipment and servers.

Background Details

The replacement policy of desktop equipment has been modified, effective 2/1/09. Desktop PC's will no longer be routinely replaced after five years of service. Instead, all desktop equipment (including PC's, network and personal printers, and laptops) will be upgraded or replaced only when they do not support the user's business functions. Any equipment that cannot be repaired will be evaluated by the Technology and Information Services Division (TIS) to determine whether replacement or upgrade is more cost effective. If a replacement is needed, one with equivalent functionality will be provided. This modification will result in normal replacement savings.

TIS is also implementing several management actions plans (e.g. server consolidation and virtualization) to reduce the server inventory and a reduction in the number of servers to be replaced.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.250 | \$0.250 | \$1.400 | \$1.400 | \$1.400 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-------------------------|---------------------|----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Administration | Implementation Date | 1/1/09 |
| PEG / New Need ID | 08 | | | Savings Date | 1/1/09 |
| Program: | Technology Efficiencies | | | | |

Description and Implementation Plan

Technology savings are from the delay in contracting out Data Center Mid-range services and award of the PA Canarsie maintenance contract, and performing laptop repair in-house instead of contracting out. In addition, the Division of Technology and Information Services (TIS) has committed to reduce staffing by two positions.

Background Details

Move of midrange equipment operations from Livingston Plaza data center to IBM's data center was delayed until May, resulting in four months of savings. Similarly, PA Canarsie maintenance was budgeted for the full-year, however, due to procurement delays, it is expected to be awarded in 8/09. Laptop hardware/software repair was performed by an outside vendor. After monitoring laptop repair statistics, it was determined that performing this function in-house was more cost effective. Position reductions will be achieved with improved productivity of the remaining staff.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 2 | 2 | 2 | 2 |
| Financial Impact | \$0.936 | \$0.474 | \$0.563 | \$0.563 | \$0.563 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|--|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/09 |
| PEG / New Need ID | 09 | | | Savings Date | 1/1/09 |
| Program: | Employee Facility Rehabilitation Savings - DOB | | | | |

Description and Implementation Plan

This proposal eliminates the Employee Facility Rehabilitation Program in the Department of Buses. All current rehabilitation and renovation projects will be completed as scheduled with a percentage of the jobs being completed under the In-House Capital Construction Program. Future upgrades and maintenance will be part of normal business operations within both the operating and capital programs.

Background Details

The Employee Facility Rehabilitation Program was created to address facility maintenance backlogs to improve employee amenity locations (i.e., locker rooms, bathrooms, etc.) Of the existing 112 projects currently scheduled in the program 65 have been completed in 2008, 37 will be complete in 2009, and of the 10 remaining projects, 7 will be absorbed under the In-House Capital Construction Program and 3 by the Operating Budget. All future facility maintenance needs will be addressed by either the existing operating budget or through the capital program. To maximize the savings and complete ongoing work, the 20 TA hourly employees will complete current projects by September 1, 2009 and then will be reassigned to the In-House Capital Construction Program. The 19 OA hourly employees will be phased out through 2010. This initiative also reduces 3 Managers, 2 Professional, Technical, & Engineering (P T & E) positions, and 3 Supervisors by end of year 2010.

| | | | | | |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Total Headcount | - | 47 | 47 | 47 | 47 |
| Financial Impact | \$1.300 | \$5.277 | \$5.967 | \$5.967 | \$5.967 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|----------------------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/10 |
| PEG / New Need ID | 10 | | | Savings Date | 1/1/10 |
| Program: | Maintenance Efficiencies - Buses | | | | |

Description and Implementation Plan

The Department of Buses is extending the current three-year overhaul schedule to a four-year cycle on many fleets. These scope of work and program efficiencies will reduce overall costs while allowing for reinvestment in other critical maintenance requirements.

Background Details

Savings and efficiencies include deferral of many program upgrades from a three-year to four-year cycle, anticipated reduced accident repair requirements, reductions in 1997 and 1998 New Flyer Artic fleet upgrades due to purchase of 90 new Articulated buses and significant shop workscope reductions for the Hybrid bus fleet. Hybrid bus work scope reductions were identified based on a detailed review of bus tear-downs for evaluation of wear and tear on bus components and systems. These deferrals and workscope reductions will allow for the completion and retention of various other programs including, 100% paint and seat inserts, bulkhead repairs on additional 1999 Orion and Nova buses in the 2010 shop overhaul program (note: these vehicles are not addressed in the critical 2009 repair campaign due to less severe bulkhead deterioration), overhauls of the Orion 1999 fleet in 2010, increased engine overhauls, and increased work scopes on the 2000 New Flyer Artic fleet to address fleet aging issues.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 26 | 16 | 6 | 48 |
| Financial Impact | \$0.000 | \$4.756 | \$4.074 | \$4.966 | \$7.979 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|--|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/10 |
| PEG / New Need ID | 11 | | | Savings Date | 1/1/10 |
| Program: | Maintenance Efficiencies - Car Equipment | | | | |

Description and Implementation Plan

Car Inspector position savings will be realized by increasing the inspection cycle for the older fleet (R44 - R68A cars) from 10,000 miles or 66 days to 11,000 miles or 73 days between inspections. In addition, Maintenance Supervisor efficiencies will be realized by increasing the SMS span of control ratio from an average of 7.5 hourlies to 1 supervisor, to 8 hourlies to 1 supervisor.

Background Details

There are two initiatives being implemented. First is an increased inspection interval. The current subway car inspection interval for the older fleets of R44 through R68A cars is 10,000 miles or 66 days, whichever comes first. Car Equipment Engineering is currently piloting a change of inspection interval on these car classes to 11,000 miles, or 73 days, and is closely monitoring their performance. The second initiative is an improved span of control during SMS. The current supervisory span of control for the SMS Program is 7.5 hourlies to 1 supervisor. The nature of component repair will allow flexibility in staffing levels for different work and thereby allow for an increase in average span of control.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 28 | 29 | 29 | 30 |
| Financial Impact | \$0.000 | \$1.457 | \$2.596 | \$2.596 | \$2.703 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|--------------------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/09 |
| PEG / New Need ID | 12 | | | Savings Date | 1/1/09 |
| Program: | Maintenance Efficiencies - EMD | | | | |

Description and Implementation Plan

Strict overtime controls are currently in place at the Electronics Maintenance Division's (EMD) Central Electronic Shop, which will result in overtime savings. In addition, EMD will hold non-reimbursable P&T positions vacant to achieve savings.

Background Details

The continuation of strict overtime controls currently in place at the Central Electronic Shop (CES) will yield savings of at least \$0.3M beginning in 2009. Although there will be some impact on CES's turn around time, this will be offset by improved management of the prioritization of repair work. Strict controls on the filling of P&T positions in the Telecommunications subdivision has resulted in an average vacancy rate of 8 positions. A favorable variance of \$0.5M in 2009, \$0.6M in 2010, and \$0.2M in 2011 is projected resulting in savings that are the equivalent of five positions in 2009 and 2010, and two positions in 2011.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.929 | \$0.916 | \$0.559 | \$0.320 | \$0.320 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|---|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/10 |
| PEG / New Need ID | 13 | | | Savings Date | 1/1/10 |
| Program: | Maintenance Efficiencies - Infrastructure | | | | |

Description and Implementation Plan

This proposal adjusts previously planned Elevator and Escalator headcount increases to maintain new equipment installed through the Capital Program. Positions are added to the budget based on a formula developed by OMB and Infrastructure (0.48 mtr/elevator and 0.65 mtr/escalator) and anticipated beneficial use dates.

Background Details

In 2007, based on expected future capital installations and maintenance needs, increased resources were added to the budget. However, taking into account the 2009 headcount increases associated with the approved Elevator and Escalator functional reorganization, the current number of units in-service along with the present roll-out schedule for new units, it has been determined that the planned increases can be adjusted.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 7 | 3 | 4 | 4 |
| Financial Impact | \$0.000 | \$0.580 | \$0.248 | \$0.331 | \$0.331 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|----------------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/09 |
| PEG / New Need ID | 14 | | | Savings Date | 1/1/09 |
| Program: | New Equipment Efficiencies | | | | |

Description and Implementation Plan

The Planer Mill allows for in-house fabrication of guard rail. Once the Planer Mill is placed in service, Track will use existing headcount resources for operation and maintenance.

The Rail Grinder positions are for General Order set-up and to extinguish the many small track fires that occur while the grinder is in operation. Due to manufacturing and delivery delays NYCT has not yet taken possession of the rail grinder. Beneficial use is not expected until mid-2010. The positions will be restored to the budget once the Rail Grinder is operational.

Background Details

This proposal reduces the 5 positions added to Track's budget to operate and maintain the new Planer Mill at Linden Shop. The crew consists of 1 supervisory and 4 hourly positions.

This proposal also postpones (until July 2010) the 5 positions added to Track's budget to operate and maintain the new rail grinder that was expected to have already been delivered. The crew consists of one supervisor, 2 Track Equipment Maintainers to operate and maintain the equipment, and 2 Trackworkers to extinguish small track fires.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | 10 | 5 | 5 | 5 | 5 |
| Financial Impact | \$0.754 | \$0.614 | \$0.407 | \$0.407 | \$0.407 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|----------------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/10 |
| PEG / New Need ID | 15 | | | Savings Date | 1/1/10 |
| Program: | Non-Bus Material Reduction | | | | |

Description and Implementation Plan

The Department of Buses (DOB) has initiated a program to monitor and reduce consumption of all non-bus material items. This program will closely monitor usage across all DOB facilities and will reduce spending by \$1.1 million per year.

Background Details

To achieve these savings, the Department of Buses (DOB) will closely manage usage of non-bus material items such as tools, absorbent pads, cleaners, gloves and towels/rags. Current forecasts supported by the 2009 budget indicate 2009 expense levels of \$9.1M. Actual 2008 expenditures were \$8.0M. DOB will monitor usage of these items to reduce expenses to 2008 levels.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.000 | \$1.119 | \$1.119 | \$1.119 | \$1.119 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/10 |
| PEG / New Need ID | 16 | | | Savings Date | 1/1/10 |
| Program: | Station Cleaning | | | | |

Description and Implementation Plan

This proposal adjusts previous Station Cleaning increases provided to clean stations rehabilitated through the Capital Program. Positions are added to the budget based on anticipated beneficial use at 1 Cleaner/2 subway stations rehabilitated and 1 Cleaner/3 outdoor stations rehabilitated. Additional cleaning resources were required for rehabilitated stations due to the number and complexity of fixtures and finishes installed during the rehabilitations.

Background Details

Between 2005 and 2009, 25 cleaners were added based on the number and type of completed station rehabilitations. Efficiencies gained in management and resource allocation since implementing Line General Management through the 2009 Subways' reorganization, allows for this reduction.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 25 | 25 | 25 | 25 |
| Financial Impact | \$0.000 | \$1.614 | \$1.614 | \$1.614 | \$1.614 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|---------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/10 |
| PEG / New Need ID | 17 | | | Savings Date | 1/1/10 |
| Program: | Station Maintenance | | | | |

Description and Implementation Plan

This proposal adjusts previous station maintainer headcount increases to maintain stations rehabilitated through the Capital Program. Positions are added to the budget based on anticipated beneficial use at 1 maintainer/2 subway stations rehabilitated. Additional maintenance resources were required for rehabilitated stations due to the number and complexity of fixtures and finishes installed during the rehabilitations.

Background Details

Between 2005 and 2009, 22 maintainers have been added based on the number of completed subway station rehabilitations. Efficiencies gained in management and resource allocation with Line General Management and the 2009 Subways' reorganization, allows for the increases to be eliminated with minimal impact.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 22 | 22 | 22 | 22 |
| Financial Impact | \$0.000 | \$1.829 | \$1.829 | \$1.829 | \$1.829 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

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|--------------------------|------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 9/1/09 |
| PEG / New Need ID | 18 | | | Savings Date | 9/1/09 |
| Program: | Station Painting | | | | |

Description and Implementation Plan

This proposal eliminates the operating budget program. Savings assumes that the contracts awarded in 2008/2009 will be completed and that no further contracts will be pursued. The resultant savings are \$8.8M in 2010 and beyond.

Background Details

After many years of not having a dedicated painting program, in 2007 operating funds were provided to establish a program that would supplement station painting included in capital projects. The original goal was to paint 35 stations annually over a ten-year period so that, in combination with 118 stations to be addressed by the Capital Program, all 468 stations would be painted over the next ten years. The cost estimate based on prior contracts was \$250K per station or \$8.8 million annually. However, since the program was formulated, a number of factors were identified that combined to increase the cost estimate to approximately \$800K - \$1.1M per station (e.g. lead abatement, increased flagging requirements, general order diversion support and the need for in-house inspection and monitoring). To date 23 stations have been or are in the process of being painted under this initiative.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.000 | \$8.800 | \$8.800 | \$8.800 | \$8.800 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

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|--------------------------|---------------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/10 |
| PEG / New Need ID | 19 | | | Savings Date | 1/1/10 |
| Program: | Supervisory Broad Banding | | | | |

Description and Implementation Plan

This proposal involves consolidating bus revenue equipment maintenance functions by broadbanding supervisory titles in the Electronics Maintenance Division (EMD). Currently maintenance is provided by two separate units; the Bus Electronics Maintenance Subdivision performs bus electronic component repair and the AFC Maintenance Subdivision performs farebox repair. Since bus depots are geographically dispersed, combining titles and job functions will result in efficiencies.

Background Details

In the last Supervisory Agreement, EMD won the right to impose "broad banding" in limited circumstances, i.e. the right to have Operating Supervisors of one discipline (such as Revenue) oversee hourly employees of other disciplines, when necessary. This flexibility provides efficiency in the deployment of supervisors and hourlies. Currently, EMD is evaluating several options for supervisory broadbanding that will allow for reduction of two positions beginning in 2010.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 2 | 2 | 2 | 2 |
| Financial Impact | \$0.000 | \$0.215 | \$0.215 | \$0.215 | \$0.215 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-------------------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 6/1/09 |
| PEG / New Need ID | 20 | | | Savings Date | 6/1/09 |
| Program: | Supply Logistics Efficiencies | | | | |

Description and Implementation Plan

Supply Logistics has examined its operations and is reducing its resources in areas that will have a minimal impact on operations.

Background Details

Supply Logistics is reducing four positions at its Central Warehouse Operations in Maspeth, one position each in its North & South Field Support storerooms, and two positions in Meredith Avenue Depot (as a result of the decision to cut back maintenance from 7 x 24 to 5 x 24). Meredith Avenue reduction begins June 2009 - all others start January 1, 2010. In addition, Supply Logistics is reducing its OTPS expenditures.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | 2 | 8 | 8 | 8 | 8 |
| Financial Impact | \$0.279 | \$0.734 | \$0.808 | \$0.808 | \$0.808 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|--------------------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 1/1/10 |
| PEG / New Need ID | 21 | | | Savings Date | 1/1/10 |
| Program: | Supply Logistics Pilot Program | | | | |

Description and Implementation Plan

The Division of Supply Logistics will pilot a program to reduce supervisory oversight of satellite storeroom operations by providing part time coverage at eight facilities.

Background Details

The pilot program will reduce supervisory coverage from full time to part time at eight satellite storeroom locations. Currently, one supervisor is assigned to each location and is responsible for overseeing all storeroom activity, reviewing records and transactions, and meeting with the customers. The pilot will eliminate four supervisors. Each of the remaining four supervisors will be responsible for operations at two storerooms.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 4 | 4 | 4 | 4 |
| Financial Impact | \$0.000 | \$0.432 | \$0.432 | \$0.432 | \$0.432 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-----------------------|---------------------|-------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Maintenance | Implementation Date | 7/1/09 |
| PEG / New Need ID | 22 | | | Savings Date | 7/1/09 |
| Program: | Terminal Car Cleaning | | | | |

Description and Implementation Plan

Terminal Car Cleaning resources are being reduced with no expected impact. Early in 2009, a review of terminal cleaning results indicated that the budgeted resources could be reduced by 20% with no impact on cleaning goals and consequently the program was scaled back by 28 Cleaner positions and 1 Supervisor position. Further reductions in terminal cleaning can be implemented now with a strong line management team in place resultant from the Subways Re-organization.

Background Details

A total of 143 positions were added in 2007 to establish a second terminal cleaning operation on the #7 (Flushing) and L (Canarsie) lines, as well as enhance cleaning efforts at the existing terminal location. On the Flushing Line, 63 cleaner and 9 supervisory positions were added at Main Street and the new terminal car cleaning operation at Times Square. On the Canarsie Line, 62 cleaner and 9 supervisory positions were added at Rockaway Parkway and the new terminal car cleaning operation at 8th Avenue/14th Street. During the pilot period, Operations Planning monitored the cleanliness of the stations on a bi-weekly basis. The reports were reviewed and evaluated by the Line Manager for program effectiveness and as a result, resources can be reduced while maintaining cleaning goals.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | 58 | 58 | 58 | 58 | 58 |
| Financial Impact | \$1.898 | \$4.124 | \$4.124 | \$4.124 | \$4.124 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|----------------|---------------------|-------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Other | Implementation Date | 1/1/10 |
| PEG / New Need ID | 23 | | | Savings Date | 1/1/10 |
| Program: | Fuel Economies | | | | |

Description and Implementation Plan

This proposal reflects two Department of Buses (DOB) initiatives. First, DOB will replace Ultra Low Sulphur Kerosene #1 as its bus fuel with less expensive and more readily available Ultra Low Sulphur Diesel #2 commencing on September 15th, 2009. In addition, the current alternative fuel excise tax credit that has been available for the last three years is expected to be extended to 2010 and beyond, significantly reducing its Compressed Natural Gas fuel costs for the CNG fleet of buses.

Background Details

Savings estimates of \$3.8M annually for switching fuels from USLK#1 to USLD#2 are based on anticipated savings for the 9 warmest months of the year. The Department of Buses (DOB) is evaluating the impact of using USLD#2 in the winter months since extremely low temperatures can affect the flow of fuel in the bus engines.

The CNG Tax Credit had been set to expire in September 2009. Recently the tax credit has been extended for the last quarter of 2009. Based on 2008 annual usage, the tax credit results in an annual savings of \$3.8 million.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.950 | \$7.627 | \$7.627 | \$7.627 | \$7.627 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|---------------------|---------------------|-------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Other | Implementation Date | 1/1/10 |
| PEG / New Need ID | 24 | | | Savings Date | 1/1/10 |
| Program: | Random Drug Testing | | | | |

Description and Implementation Plan

Random drug testing and post-accident testing will take place at the depots, rather than having bus operators travel to a Medical Assessment Center (MAC) for testing. This will result in 1/4 day of availability improvement by eliminating travel time, and will also eliminate the need for car service contracts used to support current testing procedures. In addition, this program will provide more efficient scheduling of drug tests, while maintaining time-based proportionality of tests.

Background Details

Savings anticipated from performing random drug testing at all Depots is nearly \$1.0 million. The program requires 25% testing annually (approximately 50 Bus Operators per week) and that tests are proportionally allocated based on work days and regular-days-off (RDOs). In addition, these tests are scheduled based on a 25% allocation between Pre-Tour (A), 1st Half of Tour (B), 2nd Half of Tour (C) or Post-Shift (D). The program will be piloted in the Bronx Division in 2009, with full roll-out anticipated in January of 2010.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 12 | 12 | 12 | 12 |
| Financial Impact | \$0.000 | \$0.954 | \$0.954 | \$0.954 | \$0.954 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|--------------------------|---------------------|-------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Other | Implementation Date | 7/1/09 |
| PEG / New Need ID | 26 | | | Savings Date | 1/1/10 |
| Program: | Security Post Reductions | | | | |

Description and Implementation Plan

The Department of Security has identified several locations where current coverage can be reduced or eliminated without adversely affecting the safety and security of employees or NYC Transit property. Current coverage changes are the result of operational changes and/or technological changes (e.g. use of alarm systems/CCTV's and motion detectors).

Background Details

The Department of Security will modify security post coverage at 207th Street Yard, Haven Place lot (at East New York), the 239th Street Yard, Fresh Pond Depot, Kingsbridge Depot, Queens Village Depot and the Amsterdam Depot.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | 15 | 20 | 20 | 20 |
| Financial Impact | (\$0.170) | \$0.557 | \$1.569 | \$1.569 | \$1.569 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|---------------------------------|---------------------|-----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Service Support | Implementation Date | 6/1/09 |
| PEG / New Need ID | 27 | | | Savings Date | 6/1/09 |
| Program: | Revenue Collection Efficiencies | | | | |

Description and Implementation Plan

The Division of Revenue Control will convert six non-reimbursable positions to reimbursable non-capital, corresponding to the Memorandum of Understanding and the billing methodology for collection/processing support to MTA Long Island Railroad, MTA Bus and MTA Bridges and Tunnels. In addition, two positions supporting Select Bus Service collections will be eliminated due to collection efficiencies.

Background Details

Conversion of six Collecting Agent (TA) positions to reimbursable can be realized effective 6/1/09. Reduction of two Collecting Agents supporting Select Bus Service can be realized 1/1/10.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | 6 | 8 | 8 | 8 | 8 |
| Financial Impact | \$0.247 | \$0.608 | \$0.608 | \$0.608 | \$0.608 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-------------------------------|---------------------|-----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Service Support | Implementation Date | 7/1/09 |
| PEG / New Need ID | 28 | | | Savings Date | 1/1/10 |
| Program: | Traffic Checking Efficiencies | | | | |

Description and Implementation Plan

NYCT currently uses Traffic Checkers (part time and full time) to collect information to support schedule changes, monitor on-time performance, estimate the number of riders on bus and subway routes, conduct passenger environmental surveys as well as monitor performance goals for the Cleaning Initiatives enacted during 2007.

Background Details

Savings in this initiative (3 full-time / 8 part-time positions) is derived from using MetroCard records to pinpoint which routes to point check (e.g. traffic checker situated at a bus stop) rather than ride check (e.g. traffic checker rides the bus) -- point checks are more efficient and less costly. In addition, there will be no Monday or Friday checks. This initiative also reflects a the conversion of twenty-five full-time traffic checkers to thirty-nine part-time positions, corresponding with actual incumbents.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | 25 | 28 | 28 | 28 | 28 |
| Financial Impact | (\$0.002) | \$0.379 | \$0.379 | \$0.379 | \$0.379 |

MTA New York City Transit
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-----------------|---------------------|-----------------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Service Support | Implementation Date | 1/1/09 |
| PEG / New Need ID | 29 | | | Savings Date | 1/1/09 |
| Program: | Uniform Savings | | | | |

Description and Implementation Plan

The budget for uniforms is based on entitled employees ordering the allotted number of garments (shirts, pants, jackets, ties, etc.) at certain intervals (at the time of hire, and then every three or five years depending on whether the garment is for innerwear or outerwear). The projected annual savings adjusts the budget based on historical usage pattern, as well as updated information (entitlement, pricing, etc.) provided by the vendor.

Background Details

Uniforms are provided to certain Hourly and Supervisory titles as set forth in union contractual agreements.

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$1.665 | \$0.185 | \$0.659 | \$0.659 | \$0.659 |

MTA New York City Transit
 July Financial Plan 2010-2013
 Summary of Post-2010 Program to Eliminate the Gap (PEGs)
 (\$ in millions)

| | | <u>2009</u> | | <u>2010</u> | | <u>2011</u> | | <u>2012</u> | | <u>2013</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> | <u>Positions</u> | <u>Dollars</u> |
| Other | | | | | | | | | | | |
| | Unspecified | | | | | 61.700 | | 123.300 | | 185.000 | |
| | Sub-Total Other | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$61.700</u> | <u>0</u> | <u>\$123.300</u> | <u>0</u> | <u>\$185.000</u> |
| Total Programs | | <u>0</u> | <u>\$ -</u> | <u>0</u> | <u>\$ -</u> | <u>0</u> | <u>\$ 61.700</u> | <u>0</u> | <u>\$ 123.300</u> | <u>0</u> | <u>\$ 185.000</u> |

MTA New York City Transit
July Financial Plan 2010-2013
2010-Post Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-------------|---------------------|-------|----------------------------|--------|
| Business Unit | NYCT | PEG Category | Other | Implementation Date | 1/1/11 |
| PEG / New Need ID | 30 | | | Savings Date | 1/1/11 |
| Program: | Unspecified | | | | |

Description and Implementation Plan
Unspecified

Background Details
Unspecified

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Headcount | - | - | - | - | - |
| Financial Impact | \$0.000 | \$0.000 | \$61.700 | \$123.300 | \$185.000 |

MTA New York City Transit
July Financial Plan 2010-2013
Non-Reimbursable and Reimbursable by Function and Department
Full-Time Positions and Full-Time Equivalents

| | | 2009 | 2010 | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Mid-Year | Preliminary | | | |
| | 2008 Actuals | Forecast | Budget | 2011 | 2012 | 2013 |
| Administration | | | | | | |
| Office of the President | 5 | 5 | 5 | 5 | 5 | 5 |
| Workforce Development | 196 | 185 | 185 | 185 | 185 | 185 |
| Law | 302 | 293 | 291 | 291 | 291 | 291 |
| Office of the EVP | 30 | 31 | 29 | 28 | 28 | 28 |
| Office of Management and Budget | 35 | 36 | 36 | 36 | 36 | 36 |
| Capital Planning & Budget | 36 | 35 | 35 | 35 | 35 | 35 |
| Corporate Communications | 276 | 262 | 261 | 261 | 261 | 261 |
| AFC Program Management & Sales | 62 | 60 | 60 | 60 | 60 | 60 |
| Technology & Information Services | 558 | 561 | 585 | 556 | 528 | 528 |
| Non-Departmental | 43 | - | 30 | 30 | 30 | 30 |
| Administration | 448 | 432 | 432 | 432 | 262 | 262 |
| Materiel | 274 | 257 | 255 | 253 | 252 | 252 |
| Controller | 230 | 218 | 216 | 160 | 130 | 130 |
| Total Administration | 2,495 | 2,375 | 2,420 | 2,332 | 2,103 | 2,103 |
| Operations | | | | | | |
| Subways Group 1 IRT West | * | 2,075 | 2,075 | 2,075 | 2,075 | 2,075 |
| Subways Group 2 IRT East | * | 1,466 | 1,466 | 1,466 | 1,466 | 1,466 |
| Subways Group 4 BMT/IND | * | 2,110 | 2,110 | 2,110 | 2,110 | 2,110 |
| Subways Senior VP - Chief of Staff | * | 391 | 391 | 391 | 391 | 391 |
| Subways RTO | * | 3,892 | 3,788 | 3,780 | 3,773 | 3,743 |
| Subways Stations | * | 974 | 828 | 716 | 613 | 515 |
| Subtotal - Subways | 11,470 | 10,908 | 10,658 | 10,538 | 10,428 | 10,300 |
| Buses | 10,806 | 10,704 | 10,649 | 10,622 | 10,622 | 10,622 |
| Paratransit | 143 | 152 | 152 | 152 | 152 | 152 |
| Operations Planning | 434 | 445 | 419 | 419 | 419 | 419 |
| Revenue Control | 446 | 451 | 451 | 451 | 451 | 451 |
| Total Operations | 23,299 | 22,660 | 22,329 | 22,182 | 22,072 | 21,944 |
| Maintenance | | | | | | |
| Subways Group 1 IRT West | * | 2,092 | 2,097 | 2,097 | 2,097 | 2,097 |
| Subways Group 2 IRT East | * | 1,333 | 1,333 | 1,333 | 1,333 | 1,333 |
| Subways Group 4 BMT/IND | * | 2,120 | 2,120 | 2,120 | 2,120 | 2,120 |
| Subways Senior VP - Chief of Staff | * | 473 | 459 | 455 | 454 | 454 |
| Subways Engineering | * | 344 | 322 | 291 | 279 | 279 |
| Subways Car Equipment | * | 3,216 | 3,029 | 3,111 | 3,161 | 3,159 |
| Subways Infrastructure | * | 1,448 | 1,432 | 1,432 | 1,437 | 1,436 |
| Subways Stations | * | 1,016 | 1,011 | 950 | 1,028 | 1,022 |
| Subways Track | * | 1,864 | 1,864 | 1,863 | 1,863 | 1,863 |
| Subways Electrical | * | 1,439 | 1,385 | 1,319 | 1,273 | 1,273 |
| Subways Electronics Maintenance | * | 1,420 | 1,399 | 1,377 | 1,377 | 1,377 |
| Subtotal - Subways | 16,497 | 16,765 | 16,451 | 16,348 | 16,422 | 16,413 |
| Buses | 3,998 | 3,932 | 3,982 | 3,982 | 3,982 | 4,091 |
| Revenue Control | 137 | 137 | 137 | 137 | 137 | 137 |
| Supply Logistics | 571 | 566 | 566 | 566 | 566 | 566 |
| System Safety | 95 | 93 | 93 | 93 | 93 | 93 |
| Total Maintenance | 21,298 | 21,493 | 21,229 | 21,126 | 21,200 | 21,300 |
| Engineering/Capital | | | | | | |
| Capital Program Management | 1,420 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 |
| Total Engineering/Capital | 1,420 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 |
| Public Safety | | | | | | |
| Security | 497 | 509 | 510 | 510 | 510 | 510 |
| Total Public Safety | 497 | 509 | 510 | 510 | 510 | 510 |
| Baseline Total Positions | 49,009 | 48,475 | 47,926 | 47,588 | 47,323 | 47,295 |

MTA New York City Transit
July Financial Plan 2010-2013
Non-Reimbursable and Reimbursable by Function and Department
Full-Time Positions and Full-Time Equivalents

| | | 2009 | 2010 | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Mid-Year | Preliminary | | | |
| | 2008 Actuals | Forecast | Budget | 2011 | 2012 | 2013 |
| Non-Reimbursable | 44,166 | 42,920 | 42,643 | 42,564 | 42,377 | 42,402 |
| Reimbursable | 4,843 | 5,555 | 5,283 | 5,024 | 4,946 | 4,893 |
| Total Full-Time | 48,760 | 48,302 | 47,776 | 47,438 | 47,173 | 47,145 |
| Total Full-Time Equivalents | 249 | 173 | 150 | 150 | 150 | 150 |
| | | | | | | |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap | - | (78) | (291) | (283) | (274) | (317) |
| Total Positions | 49,009 | 48,397 | 47,635 | 47,305 | 47,049 | 46,978 |
| Non-Reimbursable | 44,166 | 42,842 | 42,352 | 42,281 | 42,103 | 42,085 |
| Reimbursable | 4,843 | 5,555 | 5,283 | 5,024 | 4,946 | 4,893 |
| Total Full-Time | 48,760 | 48,201 | 47,467 | 47,137 | 46,881 | 46,810 |
| Total Full-Time Equivalents | 249 | 196 | 168 | 168 | 168 | 168 |

MTA New York City Transit
July Financial Plan 2010-2013
Non-Reimbursable and Reimbursable by Function and Occupational Group
Full-time Positions and Full-time Equivalents

| FUNCTION/OCCUPATIONAL GROUP | 2008 Actual | 2009 Mid- Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|------------------------------------|------------------------|--|--|---------------|---------------|---------------|
| Administration | | | | | | |
| Managers/Supervisors | 838 | 836 | 825 | 807 | 759 | 759 |
| Professional, Technical, Clerical | 1,577 | 1,501 | 1,527 | 1,457 | 1,278 | 1,278 |
| Operational Hourlies | 80 | 38 | 68 | 68 | 66 | 66 |
| Total Administration | 2,495 | 2,375 | 2,420 | 2,332 | 2,103 | 2,103 |
| Operations | | | | | | |
| Managers/Supervisors | 2,535 | 2,469 | 2,470 | 2,461 | 2,459 | 2,452 |
| Professional, Technical, Clerical | 409 | 374 | 369 | 369 | 369 | 369 |
| Operational Hourlies | 20,355 | 19,817 | 19,490 | 19,352 | 19,244 | 19,123 |
| Total Operations | 23,299 | 22,660 | 22,329 | 22,182 | 22,072 | 21,944 |
| Maintenance | | | | | | |
| Managers/Supervisors | 3,840 | 3,890 | 3,806 | 3,781 | 3,784 | 3,773 |
| Professional, Technical, Clerical | 1,187 | 1,237 | 1,192 | 1,147 | 1,132 | 1,130 |
| Operational Hourlies | 16,271 | 16,366 | 16,231 | 16,198 | 16,284 | 16,397 |
| Total Maintenance | 21,298 | 21,493 | 21,229 | 21,126 | 21,200 | 21,300 |
| Engineering/Capital | | | | | | |
| Managers/Supervisors | 301 | 324 | 324 | 324 | 324 | 324 |
| Professional, Technical, Clerical | 1,117 | 1,112 | 1,112 | 1,112 | 1,112 | 1,112 |
| Operational Hourlies | 2 | 2 | 2 | 2 | 2 | 2 |
| Total Engineering/Capital | 1,420 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 |
| Public Safety | | | | | | |
| Managers/Supervisors | 91 | 91 | 93 | 93 | 93 | 93 |
| Professional, Technical, Clerical | 27 | 34 | 34 | 34 | 34 | 34 |
| Operational Hourlies | 379 | 384 | 383 | 383 | 383 | 383 |
| Total Public Safety | 497 | 509 | 510 | 510 | 510 | 510 |
| Total Baseline Positions | | | | | | |
| Managers/Supervisors | 7,605 | 7,610 | 7,518 | 7,466 | 7,419 | 7,401 |
| Professional, Technical, Clerical | 4,317 | 4,258 | 4,234 | 4,119 | 3,925 | 3,923 |
| Operational Hourlies | 37,087 | 36,607 | 36,174 | 36,003 | 35,979 | 35,971 |
| Total Baseline Positions | 49,009 | 48,475 | 47,926 | 47,588 | 47,323 | 47,295 |
| Non-Reimbursable | 44,166 | 42,920 | 42,643 | 42,564 | 42,377 | 42,402 |
| Reimbursable | 4,843 | 5,555 | 5,283 | 5,024 | 4,946 | 4,893 |
| Total Full-Time | 48,760 | 48,302 | 47,776 | 47,438 | 47,173 | 47,145 |
| Total Full-Time Equivalents | 249 | 173 | 150 | 150 | 150 | 150 |
| Impact of Gap Closing Actions: | | | | | | |
| Managers/Supervisors | - | (11) | (32) | (33) | (33) | (34) |
| Professional, Technical, Clerical | - | (1) | (13) | (13) | (13) | (13) |
| Operational Hourlies | - | (66) | (246) | (237) | (228) | (270) |
| Program to Eliminate the Gap | - | (78) | (291) | (283) | (274) | (317) |
| Total Positions | 49,009 | 48,397 | 47,635 | 47,305 | 47,049 | 46,978 |
| Managers/Supervisors | 7,605 | 7,599 | 7,486 | 7,433 | 7,386 | 7,367 |
| Professional, Technical, Clerical | 4,317 | 4,257 | 4,221 | 4,106 | 3,912 | 3,910 |
| Operational Hourlies | 37,087 | 36,541 | 35,928 | 35,766 | 35,751 | 35,701 |
| | 49,009 | 48,397 | 47,635 | 47,305 | 47,049 | 46,978 |

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MTA Bus Company

MTA Bus Company 2010 Preliminary Budget July Financial Plan 2010–2013

Mission Statement and Highlight of Operations

The MTA Bus Company (MTA Bus) is committed to providing safe, reliable, convenient and efficient bus service throughout the boroughs of Manhattan, the Bronx, Brooklyn and Queens, as well as parts of Yonkers and western Nassau County.

MTA Bus operates the tenth largest transit fleet in the United States. Service is provided on 81 routes by over 1,300 local and express buses including 303 low floor hybrid electric buses and 295 CNG buses.

MTA Bus operates under an agreement with the City of New York which consolidated the operations of seven private bus companies. The agreement, approved by the MTA Board, stipulated that the City of New York will pay MTA Bus the difference between the actual cost of route service operations and all revenues and subsidies received by MTA Bus. Thus, the current costs of MTA Bus operations are 100% reimbursable by the City.

In 2008, a consolidation of operational responsibilities for MTA Bus, New York City Transit's Department of Buses (NYCT-DOB) and Long Island Bus (LI Bus) was initiated to streamline management and support functions, thereby providing all bus customers served by each agency of the MTA with the same level of service using seven strategic goals as the template for policy standardization. Objectives include Customer Service, Financial Stability, Institutional Transformation, Projects & Planning, Safety & Security, Sustainability and Workforce Development. Achievements to date include:

- Establishing a single management structure which will serve as policy-makers for all three companies and ensure coordination in all aspects of management and operations.
- Standardizing maintenance procedures and service manuals.
- Assimilating information systems and standards.
- Unifying Bus Command Center functions of MTA Bus and NYCT-DOB and increasing coordination with LI Bus.
- Incorporating road operation management which can now be assigned to geographic locales rather than by company.
- Ensuring effective and consistent training regiments across all three companies.
- Consolidating procurements to ensure best terms are achieved.
- Sharing of fleet and facility resources (MTA Bus can now layover buses in NYCT-DOB facilities).

MTA Bus Company 2010 Preliminary Budget July Financial Plan 2010–2013

Financial Overview

The 2010 Preliminary Budget and projections for the years 2011-2013 provide sufficient funding levels to continue current service levels as well as providing a safe and secure environment for our customers.

Recent changes to the economic and employment outlook in the New York region have negatively impacted revenue and ridership projections. While bolstered by the 10% fare increase instituted this year, plans for a larger fare increase of 23% were restored and severe service level reductions were restored increasing budget deficit projections. Further, advertising revenue guidance indicates a reduction of 31% with lowered projections in the remainder of the plan.

Utilization, while trending downward in recent months is still 3.3% above Adopted Budget projections through May 2009, however farebox revenue is only fractionally higher at 0.4% primarily because of ridership losses in express service and increases in local service. This decreasing ridership trend is expected to continue and result in a 0.1% loss by year-end. 2010 also includes a 0.6% reduction, followed by small increases in the remaining years of the Plan.

MTA Bus settled a major labor contract with the TWU in June of 2009 for the period covering April 1, 2006 through March 31, 2009. This contract will trigger retroactive wage payments and benefits dating back to 2006 as well as wage parity with New York City Transit employees going forward. Offsetting economies associated with TWU depot integration and employees bearing a portion of their health care coverage were also achieved. Negotiations with the ATU continue and settlement for previous periods is expected during the year. No agreements have been reached going forward with any bargaining units therefore CPI inflators were used as per MTA guidance for this plan.

Capital projects for upgrading facilities, modernizing communication systems, purchasing depot equipment and replacing service vehicles are dependent on limited federal funding likely to be available, which by itself is insufficient to meet all the agency's capital needs. However, given current funding levels in the 2010 – 2014 Capital Program, the number of buses which will have exceeded their twelve year useful life and still be in revenue service at the end of the 5-year period will be approximately 225 vehicles. This reduced availability of required funds may have a direct impact on performance, as well as maintenance needs and operating expenses.

These financial plans also include savings related to the accepted AABB economies including administrative reductions, loading guidelines, improved fuel pricing projections, use of Ultra Low Sulfur Diesel #2 blend, OTPS economies, as well as maintenance economies related to Regional Bus zero-based allocation models and the completion of the rollout of Spear.

Finally, investments in new needs include the addition of headcount for the additional road and inside dispatchers needed to achieve optimized staffing levels including complete coverage for all daily operations, the incremental store room staff required to ensure 24/7 coverage, the introduction of IVN on-board maintenance management, the revision of shop programs and reimbursable programs, as well as the inclusion of the recently enacted mobility tax.

2009 Mid-Year Forecast

After excluding the impacts of revised fare increase assumptions and the restoration of most of the Additional Actions for Budget Balance (AABBs), the total revenue in the July Plan is projected to be \$176.5 million, of which \$156.7 million is expected from farebox receipts. This reflects baseline changes from the February Plan in the amount of \$8.7 million, as well as the revision of fare increase plans from a 23% yield \$14.6 million to 10% \$7.0 million.

Based on MTA guidance, ridership projections were lowered to better reflect the current and projected economic environment of the MTA Bus service area, resulting in a projected Farebox Revenue decrease of \$3.3 million. Additionally, Other Operating Revenue is projected to decrease by \$3.2 million based lower than initially anticipated advertising revenue.

MTA Bus Company's Mid-Year Forecast reflects total non-reimbursable baseline expenses of \$447.8 million before Depreciation and OPEB obligations. The deficit increased by \$57.1 million from the Adopted Budget which was primarily driven by \$54.5 million in cash adjustments from 2008, these include:

- \$42.3 million in retro-active wage adjustments for all hourly union employees, off-set by \$5.6 million in employee health and welfare contributions.
- \$7.2 million in pension costs based on a third-party actuarial evaluation.
- \$5.2 million in claim settlements.
- \$5.4 million in all other cash rollovers.

Labor expenses increased by \$7.8 million as compared to the Adopted Budget. This includes costs associated with:

- \$4.8 million in Payroll and Overtime for TWU wage parity and additional road supervision, off-set by the hiring freeze implemented after the Adopted Budget went into effect.
- \$3.4 million in Pension (as determined by a third-party actuarial valuation).
- \$3.0 million in Other Fringe Benefits and Reimbursable Overhead including the addition of a new mobility tax.

This also includes partially offsetting savings of:

- \$3.3 million in Health & Welfare based on revised guidance and TWU employee contributions.

Non-labor decreased by \$11.7 million compared to the Adopted Budget and is primarily driven by decreases of \$9.0 million in projected fuel costs which are attributable to both lower pricing guidance and the savings realized by the utilization of Ultra Low Sulfur Diesel #2 which meets EPA certifications in place of Ultra Low Sulfur Kerosene #1 (ULSK). An additional decrease of \$2.7 million in all other OTPS economies includes scrap bus material recycling, better parts pricing through shared procurements and greater controls regarding all material usage.

The reimbursable expense budget was reduced by \$30.7 million to \$1.7 million for the July Plan. The reimbursable budget for MTA Bus includes in-house labor needed to manage, inspect and support facility projects from initial concept through final completion. It also includes the purchase of capital vehicles and equipment, which will be paid initially by the operating budget and then reimbursed from the Capital Program. Labor is being reduced by \$1.7 million due to project timing. Non-labor is being reduced by \$29.0 million. This is because most capital contracts and consultant services are paid directly by MTA HQ. These expenses should not be reflected in the MTA Bus operating budget.

2010 Preliminary Budget-Baseline

After excluding the impacts of revised fare increase assumptions and the restoration of most of the Additional Actions for Budget Balance (AABBs), the total revenue in the July Plan is projected to be \$183.4 million, of which \$162.8 million is expected from farebox receipts. This reflects baseline changes from February by the restoration of \$15.6 million related to AABB reductions combined with changes in the fare increase plans from a 23% yield \$24.7 million to 10% \$13.9 million.

Based on MTA guidance, ridership projections were lowered to better reflect the current and projected economic environment of the MTA Bus service area. This results in a projected Farebox Revenue decrease of \$4.8 million. Additionally, Other Operating Revenue is projected to decrease by \$2.4 million based lower than initially anticipated advertising revenue.

MTA Bus Company's Preliminary Forecast reflects total non-reimbursable expenses of \$462.2 million before depreciation and OPEB obligations. The accrual deficit increased by \$7.9 million from the Adopted Budget revised cash deficit which was driven by:

Labor expenses increased by \$8.1 million as compared to the Adopted Budget. This includes costs associated with:

- \$5.1 million in Payroll and Overtime is primarily due to wage parity as determined in the new contract, as well as the costs of additional road supervision, inside dispatchers and store room personnel.
- \$3.5 million in Pension (as determined by a third-party actuarial valuation).
- \$2.8 million in Other Fringe Benefits and Reimbursable Overhead including the addition of a new mobility tax.

This also includes partially offsetting savings of:

- \$3.3 million in Health & Welfare based on revised guidance and TWU employee contributions.

Non-labor decreased by \$7.4 million compared to the Adopted Budget and is primarily due to a decrease of \$6.9 million in projected fuel costs driven by lower pricing and a savings realized by the introduction of Ultra Low Sulfur Diesel #2 blend in place of Ultra Low Sulfur Kerosene #1 (ULSK). An additional savings of \$0.5 million in all other OTPS economies includes scrap bus material recycling, better parts pricing through shared procurements and greater control on over all material usage.

The reimbursable expense budget was reduced by \$17.6 million to \$6.2 million for the July Plan. The reimbursable budget for MTA Bus includes in-house labor needed to manage, inspect and support facility projects from initial concept through final completion. It also includes the purchase of capital vehicles and equipment, which will be paid initially by the operating budget and then reimbursed from the Capital Program. Labor is being increased by \$0.5 million while non labor is being reduced by \$18.1 million. This is because most capital contracts and consultant services are paid directly by MTA HQ. These expenses should not be reflected in the MTA Bus operating budget.

2011 – 2013 Projections

The 2011 through 2013 expenses before depreciation and OPEB obligation and revenue are as follows:

- Expenses:
 - 2011 – \$485 million
 - 2012 - \$503 million
 - 2013 - \$537 million
- Revenue:
 - 2011 – \$197 million of which farebox is \$164.9 million
 - 2012 - \$199 million of which farebox is \$166.6 million
 - 2013 - \$201 million of which farebox is \$167.9 million

Farebox revenue projections are based on the July Plan model that uses current economic data (employment) to forecast ridership levels that translates in revenue. Small increases in ridership and revenue is projected in each of the plan years. The reduction in the annual receipts from the revised Advertising contract negatively impacts each of the plan years.

MTA BUS COMPANY
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE | | | | | | |
|---|--------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Operating Revenue | | | | | | |
| Farebox Revenue | \$155.321 | \$156.702 | \$162.808 | \$164.928 | \$166.623 | \$167.928 |
| Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 24.664 | 19.780 | 20.580 | 21.699 | 21.877 | 22.249 |
| Capital and Other Reimbursements | | | | | | |
| Total Revenue | \$179.985 | \$176.482 | \$183.388 | \$186.627 | \$188.500 | \$190.177 |
| Operating Expenses | | | | | | |
| Labor: | | | | | | |
| Payroll | 207.860 | 213.085 | 217.750 | 218.291 | 223.745 | 231.679 |
| Overtime | 38.198 | 39.977 | 40.960 | 41.739 | 42.730 | 43.774 |
| Health and Welfare | 41.043 | 33.869 | 36.628 | 39.400 | 42.464 | 46.057 |
| OPEB Current Payment | 10.915 | 12.600 | 13.230 | 13.892 | 14.586 | 15.315 |
| Pensions | 22.200 | 22.021 | 24.055 | 26.211 | 28.278 | 28.898 |
| Other Fringe Benefits | 19.217 | 20.528 | 21.101 | 21.215 | 21.740 | 22.465 |
| Reimbursable Overhead | | (0.191) | (0.590) | (0.690) | (0.705) | (0.721) |
| Total Labor Expenses | \$339.433 | \$341.890 | \$353.133 | \$360.058 | \$372.838 | \$387.467 |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | | | | | | |
| Fuel for Buses and Trains | 43.144 | 29.366 | 28.626 | 32.655 | 34.353 | 41.773 |
| Insurance | 12.720 | 10.951 | 12.020 | 13.195 | 14.515 | 15.937 |
| Claims | 18.140 | 4.300 | 5.846 | 7.547 | 9.418 | 12.752 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 23.847 | 24.631 | 23.283 | 25.447 | 26.525 | 27.933 |
| Professional Service Contracts | 2.970 | 6.369 | 7.038 | 4.256 | 4.256 | 4.630 |
| Materials & Supplies | 21.106 | 24.229 | 26.014 | 25.446 | 24.466 | 29.707 |
| Other Business Expenses | 6.368 | 6.091 | 6.233 | 6.283 | 6.225 | 6.206 |
| Total Non-Labor Expenses | \$128.296 | \$105.938 | \$109.060 | \$114.829 | \$119.757 | \$138.938 |
| Other Expenses Adjustments: | | | | | | |
| Other | | | | | | |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$467.729 | \$447.828 | \$462.193 | \$474.887 | \$492.594 | \$526.405 |
| Depreciation | \$34.439 | \$37.110 | \$40.185 | \$42.235 | \$42.235 | \$42.235 |
| OPEB Obligation | \$48.785 | \$51.700 | \$53.600 | \$55.500 | \$57.800 | \$60.112 |
| Environmental Remediation | | | | | | |
| Total Expenses | \$550.953 | \$536.638 | \$555.978 | \$572.622 | \$592.629 | \$628.752 |
| Baseline Surplus/(Deficit) | (\$370.968) | (\$360.156) | (\$372.590) | (\$385.995) | (\$404.129) | (\$438.575) |
| 2010 PEG's | | | | | | |
| Post-2010 PEG's | | | \$0.000 | 5.369 | 10.738 | 16.107 |
| Total PEG's | \$0.000 | \$0.000 | \$0.000 | \$5.369 | \$10.738 | \$16.107 |
| Net Surplus/(Deficit) | (\$370.968) | (\$360.156) | (\$372.590) | (\$380.626) | (\$393.391) | (\$422.468) |

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MTA BUS COMPANY
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE / REIMBURSABLE | | | | | | |
|---|--------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Revenue | | | | | | |
| Farebox Revenue | \$155.321 | 156.702 | 162.808 | 164.928 | 166.623 | 167.928 |
| Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 24.664 | 19.780 | 20.580 | 21.699 | 21.877 | 22.249 |
| Capital and Other Reimbursements | - | 1.674 | 6.178 | 9.944 | 10.163 | 10.718 |
| Total Revenue | \$179.985 | \$178.156 | \$189.566 | \$196.571 | \$198.663 | \$200.895 |
| Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | 207.860 | 213.743 | 219.785 | 220.672 | 226.178 | 234.165 |
| Overtime | 38.198 | 39.977 | 40.960 | 41.739 | 42.730 | 43.774 |
| Health and Welfare | 41.043 | 33.990 | 36.992 | 39.826 | 42.899 | 46.501 |
| OPEB Current Payment | 10.915 | 12.600 | 13.230 | 13.892 | 14.586 | 15.315 |
| Pensions | 22.200 | 22.074 | 24.220 | 26.404 | 28.475 | 29.099 |
| Other Fringe Benefits | 19.217 | 20.579 | 21.260 | 21.401 | 21.930 | 22.660 |
| Pattern Labor Provision | | | | | | |
| Reimbursable Overhead | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenses | \$339.433 | \$342.964 | \$356.445 | \$363.933 | \$376.798 | \$391.515 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | | | | | | |
| Fuel for Buses and Trains | 43.144 | 29.366 | 28.626 | 32.655 | 34.353 | 41.773 |
| Insurance | 12.720 | 10.951 | 12.020 | 13.195 | 14.515 | 15.937 |
| Claims | 18.140 | 4.300 | 5.846 | 7.547 | 9.418 | 12.752 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 23.847 | 25.231 | 26.148 | 31.517 | 32.728 | 34.604 |
| Professional Service Contracts | 2.970 | 6.369 | 7.038 | 4.256 | 4.256 | 4.630 |
| Materials & Supplies | 21.106 | 24.229 | 26.014 | 25.446 | 24.466 | 29.707 |
| Other Business Expenses | 6.368 | 6.091 | 6.233 | 6.283 | 6.225 | 6.206 |
| Total Non-Labor Expenses | \$128.296 | \$106.538 | \$111.925 | \$120.899 | \$125.959 | \$145.608 |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$467.729 | \$449.502 | \$468.370 | \$484.831 | \$502.757 | \$537.123 |
| Depreciation | 34.439 | 37.110 | 40.185 | 42.235 | 42.235 | 42.235 |
| OPEB Obligation | 48.785 | 51.700 | 53.600 | 55.500 | 57.800 | 60.112 |
| Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses | \$550.953 | \$538.312 | \$562.155 | \$582.566 | \$602.792 | \$639.470 |
| Baseline Surplus/(Deficit) | (\$370.968) | (\$360.156) | (\$372.590) | (\$385.995) | (\$404.129) | (\$438.575) |
| 2010 PEG's | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Post-2010 PEG's | 0.000 | 0.000 | 0.000 | 5.369 | 10.738 | 16.107 |
| Total PEG's | \$0.000 | \$0.000 | \$0.000 | \$5.369 | \$10.738 | \$16.107 |
| Net Surplus/(Deficit) | (\$370.968) | (\$360.156) | (\$372.590) | (\$380.626) | (\$393.391) | (\$422.468) |

MTA BUS COMPANY
July Financial Plan 2010-2013
Cash Receipts & Expenditures
(\$ in millions)

| CASH RECEIPTS AND EXPENDITURES | | | | | | |
|--|--------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Farebox Revenue | \$156.176 | \$156.702 | \$162.808 | \$164.928 | \$166.623 | \$167.928 |
| Vehicle Toll Revenue | | | | | | |
| Other Operating Revenue | 21.926 | 19.780 | 20.580 | 21.699 | 21.877 | 22.249 |
| Capital and Other Reimbursements | 0.000 | 1.674 | 6.178 | 9.944 | 10.163 | 10.718 |
| Total Receipts | \$178.102 | \$178.156 | \$189.566 | \$196.571 | \$198.663 | \$200.895 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | 179.800 | 255.362 | 219.785 | 220.672 | 226.178 | 234.165 |
| Overtime | 38.413 | 39.977 | 40.960 | 41.739 | 42.730 | 43.774 |
| Health and Welfare | 48.256 | 28.383 | 36.992 | 39.826 | 42.899 | 46.501 |
| OPEB Current Payment | 1.265 | 12.600 | 13.230 | 13.892 | 14.586 | 15.315 |
| Pensions | 17.254 | 29.294 | 24.220 | 26.404 | 28.475 | 29.099 |
| Other Fringe Benefits | 16.167 | 23.629 | 21.260 | 21.401 | 21.930 | 22.660 |
| GASB Account | 2.967 | 3.305 | 3.579 | 3.948 | 4.317 | 5.317 |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenditures | \$304.122 | \$392.551 | \$360.024 | \$367.881 | \$381.115 | \$396.832 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | | | | | | |
| Fuel for Buses and Trains | 44.482 | 29.366 | 28.626 | 32.655 | 34.353 | 41.773 |
| Insurance | 5.991 | 10.951 | 12.020 | 13.195 | 14.515 | 15.937 |
| Claims | 3.311 | 9.500 | 5.846 | 7.547 | 9.418 | 12.752 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 21.903 | 27.097 | 26.148 | 31.517 | 32.728 | 34.604 |
| Professional Service Contracts | 3.557 | 6.369 | 7.038 | 4.256 | 4.256 | 4.630 |
| Materials & Supplies | 26.086 | 24.229 | 26.014 | 25.446 | 24.466 | 29.707 |
| Other Business Expenses | 5.196 | 7.263 | 6.233 | 6.283 | 6.225 | 6.206 |
| Total Non-Labor Expenditures | \$110.527 | \$114.776 | \$111.925 | \$120.899 | \$125.959 | \$145.608 |
| <u>Other Expenditure Adjustments:</u> | | | | | | |
| Other | | | | | | |
| Total Other Expenditure Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Gap Closing Actions:</u> | | | | | | |
| <i>Additional Actions for Budget Balance: Expense Impact</i> | | | | | | |
| Total Gap Closing Actions | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenditures | \$414.648 | \$507.327 | \$471.949 | \$488.779 | \$507.074 | \$542.440 |
| Baseline Cash Deficit | (\$236.546) | (\$329.171) | (\$282.384) | (\$292.208) | (\$308.411) | (\$341.545) |
| 2010 PEG's | | | | | | |
| Post-2010 PEG's | | 0.000 | 0.000 | 5.369 | 10.738 | 16.107 |
| Total PEG's | \$0.000 | \$0.000 | \$0.000 | \$5.369 | \$10.738 | \$16.107 |
| Net Cash Deficit | (\$236.546) | (\$329.171) | (\$282.384) | (\$286.839) | (\$297.673) | (\$325.438) |

MTA BUS COMPANY
July Financial Plan 2010-2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| CASH FLOW ADJUSTMENTS | | | | | | |
|--|------------------|-------------------|--------------------|------------------|------------------|------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year | Preliminary | 2011 | 2012 | 2013 |
| | | Forecast | Budget | | | |
| Receipts | | | | | | |
| Farebox Revenue | \$0.855 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | (2.738) | - | - | - | - | - |
| Capital and Other Reimbursements | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Receipts | (\$1.883) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$28.060 | (\$41.619) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Overtime | (0.215) | - | - | - | - | - |
| Health and Welfare | (7.213) | 5.607 | - | - | - | - |
| OPEB Current Payment | 9.650 | - | - | - | - | - |
| Pensions | 4.946 | (7.220) | - | - | - | - |
| Other Fringe Benefits | 3.050 | (3.050) | - | - | - | - |
| Pattern Labor Provision | - | - | - | - | - | - |
| GASB Account | (2.967) | (3.305) | (3.579) | (3.948) | (4.317) | (5.317) |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenditures | \$35.312 | (\$49.587) | (\$3.579) | (\$3.948) | (\$4.317) | (\$5.317) |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | (1.338) | - | - | - | - | - |
| Insurance | 6.730 | - | - | - | - | - |
| Claims | 14.829 | (5.200) | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 1.944 | (1.866) | - | - | - | - |
| Professional Service Contracts | (0.587) | - | - | - | - | - |
| Materials & Supplies | (4.980) | - | - | - | - | - |
| Other Business Expenditures | 1.172 | (1.172) | - | - | - | - |
| Total Non-Labor Expenditures | \$17.769 | (\$8.238) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Other Expenditures Adjustments:</u> | | | | | | |
| Other | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Other Expenditures Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Cash Conversion Adjustments before Depreciation | \$51.197 | (\$57.825) | (\$3.579) | (\$3.948) | (\$4.317) | (\$5.317) |
| Depreciation Adjustment | 34.439 | 37.110 | 40.185 | 42.235 | 42.235 | 42.235 |
| OPEB Obligation | 48.785 | 51.700 | 53.600 | 55.500 | 57.800 | 60.112 |
| Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Baseline Total Cash Conversion Adjustments | \$134.421 | \$30.985 | \$90.206 | \$93.787 | \$95.718 | \$97.030 |
| 2010 PEG's | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Post-2010 PEG's | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total PEG's | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Cash Conversion Adjustments | \$134.421 | \$30.985 | \$90.206 | \$93.787 | \$95.718 | \$97.030 |

**MTA Bus Company
2010 Preliminary Budget
July Financial Plan 2010 - 2013
Year-to-Year Summary of Changes**

TOTAL REVENUE / RECEIPTS

Farebox Revenue

- Annual changes in bus farebox revenue are based on forecasted changes in NYC employment as well as the 10% fare increase.

Other Operating Revenue

- Other revenues include annual changes mostly from advertising revenues based on the revised contracts currently in place.

Capital and Other Reimbursements

- Annual reimbursement levels fluctuate year-to-year based on reimbursable expense levels driven mostly by capital project requirements.

TOTAL EXPENSES / EXPENDITURES

Payroll

- Payroll costs were affected by wage parity as determined in the new contracts, as well as the following CPI-based rate increases for 2010 - 2013:
 - 2010: 1.87%.
 - 2011: 2.23%.
 - 2012: 2.20%.
 - 2013: 1.97%.
- 2009 includes cash adjustments of (\$25.9) million in 2008 RWA and (\$15.7) million in pre-2008 RWA

Overtime

- 2010 – 2013 payroll wage rate increase assumptions apply.

Health & Welfare

- 2009 includes CPI guidance of an increase 1.2% for families and a decrease of (0.4%) for individuals.
- 2010 assumption is based on guidance from TA and represents 7.65%.
- Inflation assumption for subsequent years (composite general inflators) is on average 7.0% (7.2% family, 6.7% individual).
- A cash adjustment of \$5.6 million to account for hourly employee Health & Welfare Contributions for 2006 – 2008 as determined by the new contract

Pension

- Projections are consistent with the current third-party actuarial valuation, MTA top-side adjustments and 2010 – 2013 payroll wage rate increase assumptions.
- 2009 includes a cash adjustment of (\$7.2) million based on the third-party actuarial valuation for 2008 needs.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.
- 2009 includes cash adjustments of (\$0.7) million for 2008 RWA and (\$2.4) million in 2008 timing.

Fuel for Buses and Trains

- Diesel fuel projections, including delivery charges and bio-diesel for 2009 and beyond were based on guidance received from the MTA. The 2009 forecasted average price per gallon of bus fuel is \$2.29, a decrease of \$1.17 or 33.8% below the 2008 actual average price per gallon of \$3.46. Projected average price per gallons are as follows:
 - 2010 = \$2.26 representing a 1.3% decrease compared to 2009
 - 2011 = \$2.43 representing a 7.5% increase compared to 2010.
 - 2012 = \$2.57 representing a 5.8% increase compared to 2011.
 - 2013 = \$2.87 representing an 11.7% increase compared to 2012.
- CNG fuel projections for 2009 and beyond were based on guidance received from the MTA. The 2009 forecasted average price per gallon of bus fuel is \$1.27, a decrease of \$0.97 or 39.8% below the 2008 actual average price per gallon of \$2.24. Projected average price per gallons are as follows:
 - 2010 = \$1.72 representing a 35.0% decrease compared to 2009.
 - 2011 = \$1.89 representing a 10.0% increase compared to 2010.
 - 2012 = \$1.94 representing a 3.0% increase compared to 2011.
 - 2013 = \$2.04 representing a 5.0% increase compared to 2012.

Insurance

- Inflation assumptions were provided by the MTA.

Claims

- Projections are consistent with the current third-party actuarial valuation.
- 2009 includes a cash adjustments of (\$5.2) million for actual claims settled.

Maintenance and Other Operating Contracts

- 2010 – 2013 inflation assumptions are based upon Global Insight's estimates as follows:
 - 2010: 2.33%.
 - 2011: 3.15%.
 - 2012: 2.20%.
 - 2013: 2.21%.
- 2009 includes a cash adjustment of (\$1.9) million based on 2008 timing.

Professional Service Contracts

- 2010 – 2013 inflation assumptions are based upon Global Insight's estimates previously shown in Maintenance and Other Operating Contracts.

Materials and Supplies

- 2010 – 2013 inflation assumptions are based upon Global Insight's estimates previously shown in Maintenance and Other Operating Contracts.

Other Business Expenses

- 2010 – 2013 inflation assumptions are based upon Global Insight's estimates previously shown in Maintenance and Other Operating Contracts.
- 2009 includes a cash adjustment of (\$1.2) million based on 2008 timing.

Depreciation (non-cash)

- Annual expense changes are due to projections of additional capital assets (e.g., buses) reaching beneficial use.

MTA BUS COMPANY
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | | | |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | | | |
| Farebox Revenue | \$155.321 | \$156.702 | \$1.381 | \$162.808 | \$6.106 | \$164.928 | \$2.120 | \$166.623 | \$1.695 | \$167.928 | \$1.305 |
| Other Operating Revenue | 24.664 | 19.780 | (4.884) | 20.580 | 0.800 | 21.699 | 1.119 | 21.877 | 0.178 | 22.249 | 0.372 |
| Capital and Other Reimbursements | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Revenue | \$179.985 | \$176.482 | (\$3.503) | \$183.388 | \$6.906 | \$186.627 | \$3.239 | \$188.500 | \$1.873 | \$190.177 | \$1.677 |
| Expenses | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$207.860 | \$213.085 | (\$5.225) | \$217.750 | (\$4.665) | \$218.291 | (\$0.541) | \$223.745 | (\$5.454) | \$231.679 | (\$7.933) |
| Overtime | 38.198 | 39.977 | (1.779) | 40.960 | (0.982) | 41.739 | (0.779) | 42.730 | (0.991) | 43.774 | (1.045) |
| Health and Welfare | 41.043 | 33.869 | 7.173 | 36.628 | (2.758) | 39.400 | (2.773) | 42.464 | (3.064) | 46.057 | (3.592) |
| OPEB Current Payment | 10.915 | 12.600 | (1.685) | 13.230 | (0.630) | 13.892 | (0.662) | 14.586 | (0.695) | 15.315 | (0.729) |
| Pensions | 22.200 | 22.021 | 0.179 | 24.055 | (2.034) | 26.211 | (2.156) | 28.278 | (2.067) | 28.898 | (0.620) |
| Other Fringe Benefits | 19.217 | 20.528 | (1.310) | 21.101 | (0.573) | 21.215 | (0.114) | 21.740 | (0.524) | 22.465 | (0.726) |
| Reimbursable Overhead | 0.000 | (0.191) | 0.191 | (0.590) | 0.399 | (0.690) | 0.100 | (0.705) | 0.015 | (0.721) | 0.016 |
| Total Labor Expenses | \$339.433 | \$341.890 | (\$2.457) | \$353.133 | (\$11.243) | \$360.058 | (\$6.925) | \$372.838 | (\$12.780) | \$387.467 | (\$14.630) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | | | | | | | | | | | |
| Fuel for Buses and Trains | \$43.144 | \$29.366 | \$13.778 | \$28.626 | \$0.740 | \$32.655 | (\$4.028) | \$34.353 | (\$1.698) | \$41.773 | (\$7.420) |
| Insurance | 12.720 | 10.951 | 1.769 | 12.020 | (1.069) | 13.195 | (1.175) | 14.515 | (1.320) | 15.937 | (1.422) |
| Claims | 18.140 | 4.300 | 13.840 | 5.846 | (1.546) | 7.547 | (1.701) | 9.418 | (1.871) | 12.752 | (3.334) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 23.847 | 24.631 | (0.783) | 23.283 | 1.348 | 25.447 | (2.165) | 26.525 | (1.077) | 27.933 | (1.409) |
| Professional Service Contracts | 2.970 | 6.369 | (3.399) | 7.038 | (0.669) | 4.256 | 2.782 | 4.256 | 0.000 | 4.630 | (0.374) |
| Materials & Supplies | 21.106 | 24.229 | (3.123) | 26.014 | (1.784) | 25.446 | 0.568 | 24.466 | 0.980 | 29.707 | (5.241) |
| Other Business Expenses | 6.368 | 6.091 | 0.276 | 6.233 | (0.142) | 6.283 | (0.050) | 6.225 | 0.058 | 6.206 | 0.019 |
| Total Non-Labor Expenses | \$128.296 | \$105.938 | \$22.358 | \$109.060 | (\$3.122) | \$114.829 | (\$5.770) | \$119.757 | (\$4.927) | \$138.938 | (\$19.181) |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation and GASB Adjs. | \$467.729 | \$447.828 | \$19.901 | \$462.193 | (\$14.365) | \$474.887 | (\$12.694) | \$492.594 | (\$17.707) | \$526.405 | (\$33.811) |
| Depreciation | | | | | | | | | | | |
| OPEB Obligation | 48.785 | 51.700 | (2.915) | 53.600 | (1.900) | 55.500 | (1.900) | 57.800 | (2.300) | 60.112 | (2.312) |
| Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses | \$550.953 | \$536.638 | \$14.315 | \$555.978 | (\$19.340) | \$572.622 | (\$16.644) | \$592.629 | (\$20.007) | \$628.752 | (\$33.811) |
| Baseline Net Surplus/(Deficit) | (\$370.968) | (\$360.156) | \$10.812 | (\$372.590) | (\$12.434) | (\$385.995) | (\$13.405) | (\$404.129) | (\$18.134) | (\$438.575) | (\$32.134) |
| 2010 PEGs | | | | | | | | | | | |
| Post-2010 PEGs | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$5.369 | (\$5.369) | \$10.738 | (\$5.369) | \$16.107 | (\$5.369) |
| Net Surplus/(Deficit) | (\$370.968) | (\$360.156) | \$10.812 | (\$372.590) | (\$12.434) | (\$380.626) | (\$18.774) | (\$393.391) | (\$23.503) | (\$422.468) | (\$37.503) |

MTA BUS COMPANY
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | | | |
|---|-------------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Operating Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and Other Reimbursements | 0.000 | 1.674 | 1.674 | 6.178 | 4.504 | 9.944 | 3.767 | 10.163 | 0.219 | 10.718 | 0.555 |
| Total Revenue | \$0.000 | \$1.674 | \$1.674 | \$6.178 | \$4.504 | \$9.944 | \$3.767 | \$10.163 | \$0.219 | \$10.718 | \$0.555 |
| Expenses | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$0.000 | \$0.658 | (\$0.658) | \$2.035 | (\$1.377) | \$2.380 | (\$0.346) | \$2.432 | (\$0.052) | \$2.486 | (\$0.054) |
| Overtime | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Health and Welfare | 0.000 | 0.121 | (0.121) | 0.364 | (0.243) | 0.426 | (0.062) | 0.435 | (0.009) | 0.445 | (0.010) |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 0.000 | 0.053 | (0.053) | 0.165 | (0.112) | 0.193 | (0.028) | 0.197 | (0.004) | 0.201 | (0.004) |
| Other Fringe Benefits | 0.000 | 0.051 | (0.051) | 0.159 | (0.108) | 0.186 | (0.027) | 0.190 | (0.004) | 0.194 | (0.004) |
| Reimbursable Overhead | 0.000 | 0.191 | (0.191) | 0.590 | (0.399) | 0.690 | (0.100) | 0.705 | (0.015) | 0.721 | (0.016) |
| Total Labor Expenses | \$0.000 | \$1.074 | (\$1.074) | \$3.312 | (\$2.239) | \$3.875 | (\$0.563) | \$3.960 | (\$0.085) | \$4.048 | (\$0.088) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | | | | | | | | | | | |
| Fuel for Buses and Trains | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Insurance | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 0.000 | 0.600 | (0.600) | 2.865 | (2.265) | 6.069 | (3.204) | 6.203 | (0.134) | 6.671 | (0.468) |
| Professional Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Materials & Supplies | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Business Expenses | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Non-Labor Expenses | \$0.000 | \$0.600 | (\$0.600) | \$2.865 | (\$2.265) | \$6.069 | (\$3.204) | \$6.203 | (\$0.134) | \$6.671 | (\$0.468) |
| Other Expenses Adjustments: | | | | | | | | | | | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Gap Closing Expenses : | | | | | | | | | | | |
| Additional Actions for Budget Balance: Expense Impact | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Gap Closing Expenses | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$0.000 | \$1.674 | (\$1.674) | \$6.178 | (\$4.504) | \$9.944 | (\$3.767) | \$10.163 | (\$0.219) | \$10.718 | (\$0.555) |
| Depreciation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses | \$0.000 | \$1.674 | (\$1.674) | \$6.178 | (\$4.504) | \$9.944 | (\$3.767) | \$10.163 | (\$0.219) | \$10.718 | (\$0.555) |
| Baseline Net Surplus/(Deficit) | \$0.000 | \$0.000 | (\$3.347) | \$0.000 | (\$9.008) | \$0.000 | (\$7.533) | \$0.000 | (\$0.438) | \$0.000 | (\$1.111) |
| 2010 PEGs | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Post-2010 PEGs | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Net Surplus/(Deficit) | \$0.000 | \$0.000 | (\$3.347) | \$0.000 | (\$9.008) | \$0.000 | (\$7.533) | \$0.000 | (\$0.438) | \$0.000 | (\$1.111) |

MTA BUS COMPANY
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

| CASH RECEIPTS & EXPENDITURES | Favorable/(Unfavorable) | | | | | | | | | | |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| | 2008 Actual | 2009 | Change 2009 - 2008 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Receipts | | | | | | | | | | | |
| Farebox Revenue | \$156.176 | \$156.702 | \$0.526 | \$162.808 | \$6.106 | \$164.928 | \$2.120 | \$166.623 | \$1.695 | \$167.928 | \$1.305 |
| Other Operating Revenue | 21.926 | 19.780 | (2.146) | 20.580 | 0.800 | 21.699 | 1.119 | 21.877 | 0.178 | 22.249 | 0.372 |
| Capital and Other Reimbursements | 0.000 | 1.674 | 1.674 | 6.178 | 4.504 | 9.944 | 3.767 | 10.163 | 0.219 | 10.718 | 0.555 |
| Total Receipts | \$178.102 | \$178.156 | \$0.054 | \$189.566 | \$11.410 | \$196.571 | \$7.006 | \$198.663 | \$2.092 | \$200.895 | \$2.232 |
| Expenditures | | | | | | | | | | | |
| Labor: | | | | | | | | | | | |
| Payroll | \$179.800 | \$255.362 | (\$75.562) | \$219.785 | \$35.577 | \$220.672 | (\$0.887) | \$226.178 | (\$5.506) | \$234.165 | (\$7.987) |
| Overtime | 38.413 | 39.977 | (1.564) | 40.960 | (0.982) | 41.739 | (0.779) | 42.730 | (0.991) | 43.774 | (1.045) |
| Health and Welfare | 48.256 | 28.383 | 19.873 | 36.992 | (8.608) | 39.826 | (2.834) | 42.899 | (3.073) | 46.501 | (3.602) |
| OPEB Current Payment | 1.265 | 12.600 | (11.335) | 13.230 | (0.630) | 13.892 | (0.662) | 14.586 | (0.695) | 15.315 | (0.729) |
| Pensions | 17.254 | 29.294 | (12.040) | 24.220 | 5.074 | 26.404 | (2.184) | 28.475 | (2.071) | 29.099 | (0.624) |
| Other Fringe Benefits | 16.167 | 23.629 | (7.462) | 21.260 | 2.369 | 21.401 | (0.141) | 21.930 | (0.528) | 22.660 | (0.730) |
| GASB Account | 2.967 | 3.305 | (0.339) | 3.579 | (0.274) | 3.948 | (0.369) | 4.317 | (0.369) | 5.317 | (1.000) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenditures | \$304.122 | \$392.551 | (\$88.429) | \$360.024 | \$32.526 | \$367.881 | (\$7.856) | \$381.115 | (\$13.234) | \$396.832 | (\$15.717) |
| Non-Labor: | | | | | | | | | | | |
| Traction and Propulsion Power | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Fuel for Buses and Trains | 44.482 | 29.366 | 15.116 | 28.626 | 0.740 | 32.655 | (4.028) | 34.353 | (1.698) | 41.773 | (7.420) |
| Insurance | 5.991 | 10.951 | (4.961) | 12.020 | (1.069) | 13.195 | (1.175) | 14.515 | (1.320) | 15.937 | (1.422) |
| Claims | 3.311 | 9.500 | (6.189) | 5.846 | 3.654 | 7.547 | (1.701) | 9.418 | (1.871) | 12.752 | (3.334) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 21.903 | 27.097 | (5.193) | 26.148 | 0.949 | 31.517 | (5.369) | 32.728 | (1.211) | 34.604 | (1.876) |
| Professional Service Contracts | 3.557 | 6.369 | (2.812) | 7.038 | (0.669) | 4.256 | 2.782 | 4.256 | 0.000 | 4.630 | (0.374) |
| Materials & Supplies | 26.086 | 24.229 | 1.857 | 26.014 | (1.784) | 25.446 | 0.568 | 24.466 | 0.980 | 29.707 | (5.241) |
| Other Business Expenses | 5.196 | 7.263 | (2.068) | 6.233 | 1.030 | 6.283 | (0.050) | 6.225 | 0.058 | 6.206 | 0.019 |
| Total Non-Labor Expenditures | \$110.527 | \$114.776 | (\$4.249) | \$111.925 | \$2.851 | \$120.899 | (\$8.974) | \$125.959 | (\$5.061) | \$145.608 | (\$19.649) |
| Other Expenditure Adjustments: | | | | | | | | | | | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Other Expenditure Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenditures | \$414.648 | \$507.327 | (\$92.678) | \$471.949 | \$35.377 | \$488.779 | (\$16.830) | \$507.074 | (\$18.295) | \$542.440 | (\$35.366) |
| Baseline Net Cash Deficit | (\$236.546) | (\$329.171) | (\$92.625) | (\$282.384) | \$46.787 | (\$292.208) | (\$9.824) | (\$308.411) | (\$16.203) | (\$341.545) | (\$33.134) |
| 2010 PEGs | | | | | | | | | | | |
| 2010 PEGs | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Post-2010 PEGs | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$5.369 | \$5.369 | \$10.738 | \$5.369 | \$16.107 | \$5.369 |
| Net Cash Deficit | (\$236.546) | (\$329.171) | (\$92.625) | (\$282.384) | \$46.787 | (\$286.839) | (\$4.455) | (\$297.673) | (\$10.834) | (\$325.438) | (\$27.765) |

**MTA Bus Company
2010 Preliminary Budget
July Financial Plan 2010 - 2013
Summary of Major Plan-to-Plan Changes**

Accrual

The February baseline cash deficit adjustments include the restored AABB reductions, the elimination of the 23% fare yield and the adoption of a 10% fare increase.

Total 2009 revenue of 178.2 million versus Expenses before Depreciation of \$449.5 million resulted in a change from the Adopted Budget, comprised mostly of:

- Revenue - \$6.5 million decrease in revenues resulting from a Farebox Revenue decrease of \$3.3 million coupled with a decrease of \$3.2 million from advertising revenue.
- Fuel – \$9.0 million improvements based on current pricing forecasts.
- Other Programmatic Changes – \$5.1 million increase primarily driven by: \$4.1 million in wage parity, \$3.3 million pension actuarial adjustments, \$1.8 million for additional road supervisors, \$1.1 million in other fringe benefits re-estimate, \$1.0 million in insurance & reimbursable overhead and \$0.7 million to cover the impact of the new mobility tax which are off-set by \$0.4 million savings from a hiring freeze, \$1.4 million from re-estimated health costs, \$2.2 million from employee health care contributions and \$2.9 million savings from OTPS economies.

2010 - \$7.2 million lower revenue combined with other expense categories of \$0.6 million for total baseline changes of \$7.9 million. This includes new investments of \$1.0 million in inside dispatcher coverage, \$1.0 million for additional storeroom support, \$0.8 million related to changes within the shop overhaul cycle and \$0.2 million for Intelligent Vehicle Network support which are offset by \$0.9 million associated with the utilization of Ultra Low Sulfur Diesel #2 blend, \$1.8 million for economies associated with depot integration and \$2.7 million for savings related to loading guidelines.

2011 - \$5.5 million lower revenue combined with other expense categories of \$0.2 million for total baseline changes of \$5.2 million. This includes new savings of \$1.1 million which is attributable to a reduction of support needed for Spear administration.

2012 - \$5.3 million lower revenue combined with other expense categories of \$2.0 million for total baseline changes of \$7.3 million. These changes are primarily driven by changes to the shop overhaul cycle.

Cash

Cash for all plans mirror the Non-reimbursable / Reimbursable accrual tables however the following additional cash adjustments were made in 2009 only:

- \$26.6 million in 2008 RWA.
 - \$25.9 million in Salary & Wages
 - \$0.7 million in Other Fringe Benefits
- \$15.7 million in pre-2008 RWA.
- \$7.2 million in Pension as determined by a third-party actuarial valuation.
- \$5.2 million in Claims.
- \$5.4 million in 2008 Cash Timing.
 - \$2.3 million in Other Fringe Benefits
 - \$1.9 million in Maintenance & Other Operating Contracts
 - \$1.2 million in Other Business Expenses
- \$5.6 million in Health & Welfare employee contribution based on the recently settled contract with the TWU.

**MTA Bus Company
2010 Preliminary Budget
July Financial Plan 2010-2013
Summary of Major Plan-to-Plan Changes**

POSITIONS

Total Non-Reimbursable and Reimbursable Baseline Positions

2009: July Financial Plan vs. February Financial Plan

Total 2009 operating positions increase by 143 from the February Plan, bringing the total head count to 3,516 of which 22 are reimbursable.

- +125 positions (AABB restorations)
- +12 positions added for increased road supervision
- +6 positions added to manage capital programs

Note: 43 of the 168 positions originally marked as AABB reductions will remain as permanent reductions; these include 18 administrative and 25 hourly positions resulting from zero-base allocation models.

2010-2013: July Financial Plan vs. February Financial Plan

Though the remainder of the plan, total baseline positions are projected to change as follows:

2010 – Net change of -7 positions from 2009:

- +11 positions added for inside dispatcher coverage to provide optimum levels of depot coverage
- +9 positions added for changes to the shop overhaul plan
- +10 positions added to provide storerooms with 24/7 coverage
- -28 positions subtracted due to the adoption of loading guidelines
- -15 positions subtracted due to the impacts of depot integration
- +4 positions added to manage capital programs
- +2 positions for IVN management

2011 – Net change of -49 positions from 2010:

- -8 positions for changes to the shop overhaul plan
- -8 positions for Spear system integration
- -33 positions reallocated to Business Service Center

2012 – Net change of 0 positions from 2011:

2013 – Net change of +22 positions from 2012:

- +21 positions for changes to the shop overhaul plan
- +1 position for IVN management

MTA Bus
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| NON-REIMBURSABLE | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Cash Deficit | (\$255.708) | (\$248.149) | (\$260.394) | (\$273.819) |
| Restored AABBs | (8.709) | (15.577) | (15.714) | (16.310) |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | (14.588) | (24.700) | (24.923) | (25.172) |
| Passenger Fare & Toll Revenue - 10% Increase | 6.974 | 13.933 | 14.058 | 14.199 |
| Revised February 2009 Financial Plan - Cash Deficit | (\$272.031) | (\$274.493) | (\$286.973) | (\$301.102) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (\$3.315) | (\$4.780) | (\$4.168) | (\$4.164) |
| Other Operating Revenue | (3.225) | (2.425) | (1.306) | (1.128) |
| Capital and Other Reimbursement | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Revenue Changes | (\$6.540) | (\$7.205) | (\$5.474) | (\$5.292) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | (\$3.588) | (\$3.656) | (\$1.873) | (\$2.409) |
| Overtime | (1.168) | (1.442) | (1.337) | (1.440) |
| Health and Welfare | 3.347 | 3.274 | 3.311 | 3.256 |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | (3.375) | (3.464) | (3.433) | (3.509) |
| Other Fringe Benefits | (2.267) | (2.473) | (2.173) | (2.279) |
| Reimbursable Overhead | (0.753) | (0.373) | (0.293) | (0.299) |
| Total Labor Expense Changes | (\$7.804) | (\$8.135) | (\$5.798) | (\$6.680) # |
| Non-Labor: | | | | |
| Traction and Propulsion Power | | | | |
| Fuel for Buses and Trains | \$8.994 | \$6.935 | \$5.018 | \$4.150 |
| Insurance | (0.212) | (0.216) | (0.219) | (0.347) |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | (0.381) | 0.381 | (2.182) | (3.801) |
| Professional Service Contracts | 2.254 | 1.011 | 2.808 | 2.188 |
| Materials & Supplies | 3.039 | 1.428 | 2.839 | 4.555 |
| Other Business Expenses | (1.970) | (2.089) | (2.227) | (2.083) |
| Total Non-Labor Expense Changes | \$11.724 | \$7.449 | \$6.037 | \$4.663 |
| Depreciation | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expense Changes | \$3.920 | (\$0.685) | \$0.239 | (\$2.016) |
| Cash Adjustment Changes | | | | |
| Revenue | 0.000 | 0.000 | 0.000 | 0.000 |
| Expense | (\$54.520) | 0.000 | 0.000 | 0.000 |
| Depreciation | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Cash Adjustment Changes | (\$54.520) | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | (\$57.140) | (\$7.890) | (\$5.235) | (\$7.308) |
| Baseline 2009 July Financial Plan - Cash Deficit | (\$329.171) | (\$282.383) | (\$292.208) | (\$308.411) |

MTA Bus
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| REIMBURSABLE | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Cash Deficit | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Restored AABBs | 0.000 | 0.000 | 0.000 | 0.000 |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | 0.000 | 0.000 | 0.000 | 0.000 |
| Passenger Fare & Toll Revenue - 10% Increase | 0.000 | 0.000 | 0.000 | 0.000 |
| Revised February 2009 Financial Plan - Cash Deficit | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Operating Revenue | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and Other Reimbursement | (30.686) | (17.677) | (13.087) | (13.350) |
| Total Revenue Changes | (\$30.686) | (\$17.677) | (\$13.087) | (\$13.350) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | \$0.688 | (\$0.645) | (\$0.950) | (\$0.972) |
| Overtime | 0.000 | 0.000 | 0.000 | 0.000 |
| Health and Welfare | (0.121) | (0.364) | (0.426) | (0.435) |
| OPEB Current Payment | | | | |
| Pensions | 0.033 | (0.075) | (0.101) | (0.103) |
| Other Fringe Benefits | 0.349 | 0.254 | 0.240 | 0.244 |
| Reimbursable Overhead | 0.753 | 0.373 | 0.293 | 0.299 |
| Total Labor Expense Changes | \$1.703 | (\$0.457) | (\$0.944) | (\$0.968) |
| Non-Labor: | | | | |
| Traction and Propulsion Power | 0.000 | 0.000 | 0.000 | 0.000 |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 0.000 | 0.000 | 0.000 | 0.000 |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 25.283 | 14.435 | 11.031 | 11.255 |
| Professional Service Contracts | 1.500 | 1.500 | 0.800 | 0.817 |
| Materials & Supplies | 2.200 | 2.200 | 2.200 | 2.246 |
| Other Business Expenses | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Non-Labor Expense Changes | \$28.983 | \$18.135 | \$14.031 | \$14.318 |
| Total Expense Changes | \$30.686 | \$17.677 | \$13.087 | \$13.350 |
| Cash Adjustment Changes | | | | |
| Capital Reimbursement Timing | | | | |
| Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | \$0.000 | (\$0.000) | (\$0.000) | \$0.000 |
| Baseline 2009 July Financial Plan - Cash Deficit | \$0.000 | (\$0.000) | (\$0.000) | \$0.000 |

MTA Bus
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| NON-REIMBURSABLE and REIMBURSABLE | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Cash Deficit | (\$255.708) | (\$248.149) | (\$260.394) | (\$273.819) |
| Restored AABs | (\$8.709) | (\$15.577) | (\$15.714) | (\$16.310) |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | (\$14.588) | (\$24.700) | (\$24.923) | (\$25.172) |
| Passenger Fare & Toll Revenue - 10% Increase | \$6.974 | \$13.933 | \$14.058 | \$14.199 |
| Revised 2009 February Financial Plan - Cash Deficit | (\$272.031) | (\$274.493) | (\$286.973) | (\$301.102) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (\$3.315) | (\$4.780) | (\$4.168) | (\$4.164) |
| Other Operating Revenue | (3.225) | (2.425) | (1.306) | (1.128) |
| Capital and Other Reimbursement | (30.686) | (17.677) | (13.087) | (13.350) |
| Total Revenue Changes | (\$37.226) | (\$24.882) | (\$18.561) | (\$18.642) |
| Expenses | | | | |
| <i>Labor:</i> | | | | |
| Payroll | (\$2.899) | (\$4.302) | (\$2.823) | (\$3.381) |
| Overtime | (1.168) | (1.442) | (1.337) | (1.440) |
| Health and Welfare | 3.226 | 2.910 | 2.886 | 2.820 |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | (3.342) | (3.540) | (3.534) | (3.612) |
| Other Fringe Benefits | (1.918) | (2.219) | (1.934) | (2.035) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expense Changes | (\$6.101) | (\$8.592) | (\$6.741) | (\$7.648) |
| <i>Non-Labor:</i> | | | | |
| Traction and Propulsion Power | 0.000 | 0.000 | 0.000 | 0.000 |
| Fuel for Buses and Trains | 8.994 | 6.935 | 5.018 | 4.150 |
| Insurance | (0.212) | (0.216) | (0.219) | (0.347) |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | 24.902 | 14.815 | 8.849 | 7.454 |
| Professional Service Contracts | 3.754 | 2.511 | 3.608 | 3.005 |
| Materials & Supplies | 5.239 | 3.628 | 5.039 | 6.801 |
| Other Business Expenses | (1.970) | (2.089) | (2.227) | (2.083) |
| Total Non-Labor Expense Changes | \$40.707 | \$25.584 | \$20.068 | \$18.981 |
| Depreciation | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expense Changes | \$34.606 | \$16.992 | \$13.326 | \$11.334 |
| Cash Adjustment Changes | | | | |
| Revenue | 0.000 | 0.000 | 0.000 | 0.000 |
| Expense | (54.520) | 0.000 | 0.000 | 0.000 |
| Capital Reimbursement Timing | 0.000 | 0.000 | 0.000 | 0.000 |
| Depreciation | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Cash Adjustment Changes | (\$54.520) | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | (\$57.140) | (\$7.890) | (\$5.235) | (\$7.308) |
| Baseline 2009 July Financial Plan - Cash Deficit | (\$329.171) | (\$282.383) | (\$292.208) | (\$308.411) |

MTA Bus
July Financial Plan 2010 - 2013
Summary of Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE AND REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|---|--------------------|--------------------|--------------------|--------------------|
| Baseline 2009 February Financial Plan - Net Cash Deficit | (255.708) | (248.149) | (260.394) | (273.819) |
| Restored AABBs | (8.709) | (15.577) | (15.714) | (16.310) |
| Passenger Fare & Toll Revenue in the Baseline-23% Yield | (14.588) | (24.700) | (24.923) | (25.172) |
| Passenger Fare & Toll Revenue - 10% Increase | 6.974 | 13.933 | 14.058 | 14.199 |
| Revised 2009 February Financial Plan - Net Cash Deficit | (\$272.031) | (\$274.493) | (\$286.973) | (\$301.102) |
| Baseline Changes: | | | | |
| Revenue | | | | |
| Farebox Revenue Re-estimate | (3.315) | (4.780) | (4.168) | (4.164) |
| Other Operating Revenue Re-estimate | (3.225) | (2.425) | (1.306) | (1.128) |
| Capital Reimbursement Revision | | | | |
| Sub-Total Revenue Changes | (\$6.540) | (\$7.205) | (\$5.474) | (\$5.292) |
| Expenses | | | | |
| Expense Re-estimates: | | | | |
| Inflation/Related: | | | | |
| Bus/Heating Fuel | 8.994 | 5.149 | 3.165 | 2.248 |
| Insurance | | | | |
| Labor/Material/Other | | | | |
| Electric Power | | | | |
| Sub-total Inflation-Related | 8.994 | 5.149 | 3.165 | 2.248 |
| Other Changes/Re-estimates: | | | | |
| Rates/Parity | (4.068) | (4.163) | (4.294) | (4.389) |
| Pension Actuarial adjustment | (3.267) | (3.364) | (3.495) | (3.527) |
| Mobility Tax | (0.736) | (0.895) | (0.907) | (0.928) |
| Other Fringe Re-estimate | (1.132) | (1.179) | (1.015) | (1.050) |
| Health and Welfare Re-estimate | 1.386 | 1.296 | 0.990 | 1.029 |
| Health and Welfare Employee contribution | 2.189 | 2.189 | 2.189 | 2.189 |
| ULSD #2 Diesel blend | - | 0.938 | 0.938 | 0.938 |
| Depot Integration | - | 1.774 | 1.850 | 1.916 |
| Loading Guidelines | - | 2.693 | 2.791 | 2.884 |
| OTPS Economies | 2.942 | 0.295 | 0.790 | 0.402 |
| Insurance, Reimbursable OH, | (0.965) | (0.589) | (0.513) | (0.645) |
| Hiring Freeze | 0.350 | - | - | - |
| Spear | - | - | 1.123 | 1.148 |
| Inside Disptchers | - | (0.978) | (1.008) | (1.031) |
| Road Dispatchers | (1.773) | (1.814) | (1.871) | (1.912) |
| Shop Program | - | (0.825) | 0.755 | - |
| Intellegent Vehicle Network | - | (0.227) | (0.234) | (0.241) |
| Storeroom | - | (0.986) | (1.015) | (1.047) |
| Sub-Total Other Changes/Re-estimates | (\$5.074) | (\$5.834) | (\$2.926) | (\$4.265) |
| Sub-Total Expense Changes before Depreciation | \$3.920 | (\$0.685) | \$0.239 | (\$2.016) |
| Depreciation Re-estimate | | | | |
| Sub-Total Expenses Changes | \$3.920 | (\$0.685) | \$0.239 | (\$2.016) |
| Cash Adjustments | | | | |
| Revenue | | | | |
| 2008 Employee H&W Contribution | 2.112 | 0.000 | 0.000 | 0.000 |
| 2007 Employee H&W Contribution | 2.025 | 0.000 | 0.000 | 0.000 |
| 2006 Employee H&W Contribution | 1.469 | 0.000 | 0.000 | 0.000 |
| Expense | | | | |
| RWA (2008) | (26.598) | 0.000 | 0.000 | 0.000 |
| RWA (pre-2008) | (15.702) | 0.000 | 0.000 | 0.000 |
| 2008 Pension retro | (7.220) | 0.000 | 0.000 | 0.000 |
| 2009 Claims (2) | (5.200) | 0.000 | 0.000 | 0.000 |
| 2008 Cash | (5.406) | 0.000 | 0.000 | 0.000 |
| Sub-Total Cash Adjustment Changes | (\$54.520) | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | (\$57.139) | (\$7.890) | (\$5.235) | (\$7.308) |
| Programs to Eliminate the GAP (PEGS) | | | | |
| 2010 Program | 0.000 | 0.000 | 0.000 | 0.000 |
| Post-2010 Program-Unspecified | 0.000 | 0.000 | \$5.369 | \$10.738 |
| 2009 July Financial Plan - Net Cash Deficit | (\$329.171) | (\$282.383) | (\$286.839) | (\$297.673) |

**MTA Bus Company
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

Ridership / Utilization

Fixed Route Ridership:

Utilization, while trending downward in recent months is still 3.3% above Adopted Budget projections to date, however farebox revenue is only fractionally higher at 0.4% primarily because of ridership losses in express service and increases in local service. This decreasing ridership trend is expected to continue reflecting a 3.9% reduction in NYC non-farm employment resulting in a 0.1% loss by year-end against the Adopted Budget after excluding the impacts of revised fare increase assumptions and the restoration of most of the Additional Actions for Budget Balance (AABBs). As compared to 2008 actual, ridership decreased 3.0%. 2010 includes a 0.6% reduction, followed by small increases for the remainder of the Plan years.

Revenue:

Recent changes to the economic and employment outlook in the New York region have negatively impacted revenue and ridership projections. Accordingly, the 2009 February Plan cash deficit was revised to reflect a 10% fare increase instituted this year, while plans for a larger increase were restored and service level reductions were restored, thereby increasing budget deficit level projections.

After excluding the impacts of revised fare increase assumptions and the restoration of most of the Additional Actions for Budget Balance (AABBs), utilization represents a \$3.3 million reduction based on NYC non-farm employment projections. Other Operating Revenue also includes a \$3.2 million reduction based on lower advertising revenue guidance throughout the remainder of the Plan.

MTA BUS COMPANY
July Financial Plan 2010-2013
RIDERSHIP/TRAFFIC VOLUME (UTILIZATION)
(\$ in millions)

| | 2008 Actuals | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|-----------------|------------------------------|-------------------------------|----------------|----------------|----------------|
| <u>Baseline</u> | | | | | | |
| Fixed Route | 121.028 | 117.450 | 116.781 | 118.346 | 119.565 | 120.605 |
| Baseline Total Ridership | 121.028 | 117.450 | 116.781 | 118.346 | 119.565 | 120.605 |
| <u>Farebox Revenue</u> | | | | | | |
| Fixed Route | 155.321 | 156.702 | 162.808 | 164.928 | 166.622 | 167.927 |
| Baseline Total Revenue | 155.321 | 156.702 | 162.808 | 164.928 | 166.622 | 167.927 |
| <i>Impact of:</i> | | | | | | |
| 2010 Agency Program to Eliminate the Gap | | | | | | |
| Post -2010 Agency Program to Eliminate the Gap | | | | | | |
| Total Ridership | 121.028 | 117.450 | 116.781 | 118.346 | 119.565 | 120.605 |
| Total Revenue | 155.321 | 156.702 | 162.808 | 164.928 | 166.622 | 167.927 |

| |
|--|
| <p align="center">MTA Bus Company July Financial Plan 2010-2013 Summary of Post-2010 Program to Eliminate the Gap (PEGs) (\$ in millions)</p> |
|--|

| | | <u>2009</u> | | <u>2010</u> | | <u>2011</u> | | <u>2012</u> | | <u>2013</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> | <u>Positions</u> | <u>Dollars</u> |
| Administration | | | | | | | | | | | |
| | Sub-Total Administration | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Customer Convenience/Amenities | | | | | | | | | | | |
| | Sub-Total Customer Convenience/Amenities | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Maintenance | | | | | | | | | | | |
| | Sub-Total Maintenance | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Other | | | | | | | | | | | |
| | | | | | | | 5.369 | | 10.738 | | 16.107 |
| | Sub-Total Other | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$5.369</u> | <u>0</u> | <u>\$10.738</u> | <u>0</u> | <u>\$16.107</u> |
| Revenue Enhancement | | | | | | | | | | | |
| | Sub-Total Revenue Enhancement | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Safety | | | | | | | | | | | |
| | Sub-Total Safety | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Security | | | | | | | | | | | |
| | Sub-Total Security | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Service | | | | | | | | | | | |
| | Sub-Total Service | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Service Support | | | | | | | | | | | |
| | Sub-Total Service Support | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Total Programs | | <u><u>0</u></u> | <u><u>\$0.000</u></u> | <u><u>0</u></u> | <u><u>\$0.000</u></u> | <u><u>0</u></u> | <u><u>\$ 5.369</u></u> | <u><u>0</u></u> | <u><u>\$10.738</u></u> | <u><u>0</u></u> | <u><u>\$16.107</u></u> |

| |
|---|
| <p align="center"> MTA Bus Company July Financial Plan 2010-2013 Post-2010 Program to Eliminate the Gap (PEGs) Worksheet (\$ in millions) </p> |
|---|

| Business Unit | PEG Category | Other | Implementation Date |
|-------------------------------------|------------------|-------|---------------------|
| PEG / New Need ID | | | Savings Date |
| Program: | To be determined | | |
| Description and Implementation Plan | | | |
| Background Details | | | |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|------|---------|----------|----------|
| Total Headcount | | | | | |
| Financial Impact | | | \$5.369 | \$10.738 | \$16.107 |

MTA BUS COMPANY
July Financial Plan 2010-2013
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actuals | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|--|-------------------------|---------------------------------------|--|--------------|--------------|--------------|
| Administration | | | | | | |
| Office of the EVP | 5 | 5 | 5 | 5 | 5 | 5 |
| Human Resources | 7 | 7 | 7 | 5 | 5 | 5 |
| Office of Management and Budget | 6 | 11 | 11 | 11 | 11 | 11 |
| Technology & Information Services | 13 | 26 | 26 | 18 | 18 | 18 |
| Materiel | 17 | 19 | 19 | 19 | 19 | 19 |
| Controller | 36 | 45 | 45 | 15 | 15 | 15 |
| Office of the President | 4 | 4 | 4 | 4 | 4 | 4 |
| System Safety Administration | 3 | 5 | 5 | 5 | 5 | 5 |
| Law | 18 | 24 | 24 | 24 | 24 | 24 |
| Corporate Communications | 4 | 1 | 1 | 1 | 1 | 1 |
| Labor Relations | 0 | 5 | 5 | 4 | 4 | 4 |
| Non Departmental | 3 | 0 | 0 | 0 | 0 | 0 |
| Total Administration | 116 | 152 | 152 | 111 | 111 | 111 |
| Operations | | | | | | |
| Buses | 2,153 | 2,158 | 2,135 | 2,135 | 2,135 | 2,135 |
| Office of Senior Vice President | 0 | 0 | 0 | 0 | 0 | 0 |
| Office of the Executive Vice President, Regional | 7 | 7 | 7 | 7 | 7 | 7 |
| Safety & Training | 17 | 24 | 24 | 24 | 24 | 24 |
| Road Operations | 110 | 122 | 122 | 122 | 122 | 122 |
| Transportation Support | 12 | 22 | 22 | 22 | 22 | 22 |
| Operations Planning | 14 | 18 | 18 | 18 | 18 | 18 |
| Revenue Control | 6 | 27 | 27 | 27 | 27 | 27 |
| Total Operations | 2,319 | 2,378 | 2,355 | 2,355 | 2,355 | 2,355 |
| Maintenance | | | | | | |
| Buses | 815 | 758 | 749 | 749 | 749 | 749 |
| Maintenance Support/CMF | 21 | 54 | 65 | 57 | 57 | 79 |
| Facilities | 22 | 72 | 72 | 72 | 72 | 72 |
| Supply Logistics | 17 | 69 | 79 | 79 | 79 | 79 |
| Total Maintenance | 875 | 953 | 965 | 957 | 957 | 979 |
| Engineering/Capital | | | | | | |
| Capital Program Management | 0 | 20 | 24 | 24 | 24 | 24 |
| Public Safety | | | | | | |
| Office of the Senior Vice President | 12 | 13 | 13 | 13 | 13 | 13 |
| Total Positions | 3,322 | 3,516 | 3,509 | 3,460 | 3,460 | 3,482 |
| Non-Reimbursable | 3322 | 3494 | 3483 | 3434 | 3434 | 3456 |
| Reimbursable | 0 | 22 | 26 | 26 | 26 | 26 |
| Total Full-Time | 3322 | 3516 | 3509 | 3460 | 3460 | 3482 |
| Total Full-Time Equivalents | | | | | | |
| <hr/> | | | | | | |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap | 0 | 0 | 0 | 0 | 0 | 0 |
| Post-2010 Program to Eliminate the Gap | - | - | - | - | - | - |
| Total Positions | 3,322 | 3,516 | 3,509 | 3,460 | 3,460 | 3,482 |
| Non-Reimbursable | 3322 | 3494 | 3483 | 3434 | 3434 | 3456 |
| Reimbursable | 0 | 22 | 26 | 26 | 26 | 26 |
| Total Full-Time | 3322 | 3516 | 3509 | 3460 | 3460 | 3482 |
| Total Full-Time Equivalents | - | - | - | - | - | - |

MTA BUS COMPANY
July Financial Plan 2010-2013
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group

| FUNCTION/OCCUPATIONAL GROUP | | 2008 Actuals | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|-----------------------------|-----------------------------------|-----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| Administration | | | | | | | |
| | Managers/Supervisors | 33 | 54 | 54 | 39 | 39 | 39 |
| | Professional, Technical, Clerical | 83 | 98 | 98 | 72 | 72 | 72 |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Administration | 116 | 152 | 152 | 111 | 111 | 111 |
| Operations | | | | | | | |
| | Managers/Supervisors | 274 | 304 | 318 | 318 | 318 | 318 |
| | Professional, Technical, Clerical | 50 | 47 | 47 | 47 | 47 | 47 |
| | Operational Hourlies | 1,995 | 2,027 | 1,990 | 1,990 | 1,990 | 1,990 |
| | Total Operations | 2,319 | 2,378 | 2,355 | 2,355 | 2,355 | 2,355 |
| Maintenance | | | | | | | |
| | Managers/Supervisors | 172 | 180 | 179 | 179 | 179 | 180 |
| | Professional, Technical, Clerical | 11 | 12 | 13 | 13 | 13 | 13 |
| | Operational Hourlies | 692 | 761 | 773 | 765 | 765 | 786 |
| | Total Maintenance | 875 | 953 | 965 | 957 | 957 | 979 |
| Engineering/Capital | | | | | | | |
| | Managers/Supervisors | - | 10 | 12 | 12 | 12 | 12 |
| | Professional, Technical, Clerical | - | 10 | 12 | 12 | 12 | 12 |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Engineering/Capital | - | 20 | 24 | 24 | 24 | 24 |
| Public Safety | | | | | | | |
| | Managers/Supervisors | 3 | 5 | 5 | 5 | 5 | 5 |
| | Professional, Technical, Clerical | 4 | 3 | 3 | 3 | 3 | 3 |
| | Operational Hourlies | 5 | 5 | 5 | 5 | 5 | 5 |
| | Total Public Safety | 12 | 13 | 13 | 13 | 13 | 13 |
| Total Positions | | | | | | | |
| | Managers/Supervisors | 482 | 553 | 568 | 553 | 553 | 554 |
| | Professional, Technical, Clerical | 148 | 170 | 173 | 147 | 147 | 147 |
| | Operational Hourlies | 2,692 | 2,793 | 2,768 | 2,760 | 2,760 | 2,781 |
| | Total Baseline Positions | 3,322 | 3,516 | 3,509 | 3,460 | 3,460 | 3,482 |

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Staten Island Railway

**MTA Staten Island Railway
2010 Preliminary Budget
July Financial Plan 2010 - 2013**

MISSION STATEMENT

The mission of MTA Staten Island Railway is to provide customers with safe, reliable, and convenient public transportation in a cost-effective manner.

FINANCIAL OVERVIEW

MTA Staten Island Railway carries out its mission by providing effective and cost-efficient transportation services through a heavy rail system operating 64 subway cars over 14.3 route miles and 28.6 miles of mainline track, serving 22 stations located primarily on the south shore of Staten Island.

The 2010 Preliminary Budget and projections for the years 2011-2013 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. This is accomplished primarily through implementation of operational efficiencies that optimize the utilization of resources to achieve agency goals. Performance indicators including mean distance between failures and on-time performance remain within targeted levels. Additionally, in concert with MTA New York City Transit, efforts are underway to establish initiatives in order to meet key MTA priorities including workforce development, customer service, financial stability, safety and security and sustainability. With the recent completion of a new signal system, a program of signals and switches inspection has been implemented.

2009 Mid-Year Forecast-Baseline

MTA Staten Island Railway's 2009 Mid-Year Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$45.6 million, including \$44.1 million of non-reimbursable expenses and \$1.5 million of reimbursable expenses. Total revenues are projected to be \$8.0 million, of which \$6.6 million are operating revenues and \$1.5 million represent capital reimbursements. Total full-time positions are 277, including 274 non-reimbursable positions and 3 reimbursable positions.

The July Mid-Year Forecast operating cash deficit is projected to worsen by \$2.7 million. Major changes include:

- Unfavorable timing adjustments from 2008 (mostly fleet maintenance costs) which increase expenses by \$2.1 million.
- Lower farebox revenues of \$0.9 million due mostly to reduced fare increase assumptions from 23% to 10%, a reduction due to a 4 month delay in the implementation of fare collection at the Tompkinsville Station and lower projected baseline revenues
- More favorable inflation projections which reduce expenses by \$0.266 million.
- Inclusion of NYS Transportation Mobility Tax expense of under \$0.047 million

2009 savings, as part of the 2010 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield a deficit reduction of \$0.090 million and a position reduction of 2 in 2009.

2010 Preliminary Budget - Baseline

MTA Staten Island Railway's 2010 Preliminary Budget reflects total expenses before depreciation and OPEB of \$39.6 million, including \$38.0 million of non-reimbursable expenses and \$1.5 million of reimbursable expenses. Total revenues are projected to be \$8.9 million, of which \$7.4 million are operating revenues and \$1.5 million represent capital reimbursements. Total full-time positions are 277, including 274 non-reimbursable positions and 3 reimbursable positions.

The 2009 Preliminary Budget operating cash deficit is projected to worsen by \$0.6 million. Major changes include:

- Lower farebox revenues of \$0.9 million due to reduced fare increase assumptions from 23% to 10% and lower projected baseline revenues and ridership
- More favorable inflation projections which reduce expenses by \$0.394 million.
- Inclusion of NYS Transportation Mobility Tax expense of \$0.058 million

The 2010 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield a deficit reduction of \$0.330 million and 3 positions eliminated in 2010.

2011-2013 Projections-Baseline

The operating cash deficits are projected to increase by \$0.6 million in 2011, \$0.8 million in 2012 and \$1.5 million in 2013. Major changes include:

- Lower farebox revenues of \$0.99 million in 2011, \$0.9 million in 2012 and \$1.0 million in 2013 due to reduced fare increase assumptions from 23% to 10% and lower projected baseline revenues and ridership
- More favorable inflation projections which reduce expenses by \$0.432 million in 2011, \$0.200 million in 2012 and increase expenses in 2013 by \$0.5 million.
- Inclusion of NYS Transportation Mobility Tax expense of \$0.058 million in 2011, \$0.060 million in 2012 and \$0.061 million in 2013.

The 2010 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield deficit reductions of \$0.420 million and 4 position reductions for each year 2011, 2012 and 2013.

Major assumptions and reconciliations are discussed later in this section.

GAP CLOSING MEASURES

2010 Programs to Eliminate the Gap (PEGs)

These programs in total project deficit reductions of \$0.090 million in 2009, \$0.330 million in 2010 and \$0.420 million for each projection year 2011-2013. Position reductions are projected at 2 by the end of 2009, 3 at the end of 2010 and 4 by the end of each projection year 2011-2013. Major programs are summarized as follows:

- Streamlining of performance monitoring function is projected to result in savings of \$0.055 million and 1 position in 2009 and \$0.132 million and 1 position for each year 2010-2013.
- OTPS efficiencies are projected to save \$0.026 million for 2010 and less than \$0.030 million for each year 2011-2013.
- A St. George booth staff reduction is projected to save \$0.035 million and 1 position in 2009 and \$0.086 million and 1 position for each year 2010-2013.
- Improved productivity in the Signal Maintenance and Testing function is projected to save \$0.086 million and 1 position in 2010 and \$0.172 million and 2 positions for each year 2011-2013.

Post-2010 Programs to Eliminate the GAP

- Post-2010 Programs to Eliminate the GAP of \$0.350 in 2011, \$0.7 in 2012 and \$1.1 in 2013 are currently unspecified.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| Non-Reimbursable | | | | | | |
|--|-------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Operating Revenue | | | | | | |
| Farebox Revenue | \$ 4.365 | \$ 4.480 | \$ 5.305 | \$ 5.377 | \$ 5.427 | \$ 5.463 |
| Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 1.923 | 2.071 | 2.071 | 2.071 | 2.071 | 2.071 |
| Capital and Other Reimbursements | - | - | - | - | - | - |
| Total Revenue | \$6.288 | \$6.551 | \$7.376 | \$7.448 | \$7.498 | \$7.534 |
| Operating Expenses | | | | | | |
| Labor: | | | | | | |
| Payroll | \$ 14.520 | \$ 15.537 | \$ 16.057 | \$ 16.266 | \$ 16.626 | \$ 16.957 |
| Overtime | 0.958 | 0.762 | 0.776 | 0.794 | 0.812 | 0.828 |
| Health and Welfare | 2.870 | 2.825 | 3.024 | 3.237 | 3.464 | 3.708 |
| OPEB Current Payment | 0.462 | 0.508 | 0.545 | 0.585 | 0.628 | 0.673 |
| Pensions | 2.788 | 5.434 | 6.415 | 7.227 | 8.276 | 8.046 |
| Other Fringe Benefits | 1.374 | 1.218 | 1.256 | 1.295 | 1.324 | 1.353 |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenses | \$22.972 | \$26.284 | \$28.073 | \$29.404 | \$31.130 | \$31.565 |
| Non-Labor: | | | | | | |
| Traction and Propulsion Power | \$ 2.409 | \$ 3.128 | \$ 3.513 | \$ 3.969 | \$ 4.485 | \$ 5.068 |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | 0.347 | 0.269 | 0.303 | 0.436 | 0.361 | 0.393 |
| Claims | 1.040 | 0.260 | 0.266 | 0.275 | 0.281 | 0.287 |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 2.395 | 12.691 | 4.508 | 2.756 | 2.912 | 3.113 |
| Professional Service Contracts | 0.401 | 0.394 | 0.347 | 0.358 | 0.366 | 0.374 |
| Materials & Supplies | 1.026 | 1.011 | 1.010 | 1.015 | 1.025 | 1.039 |
| Other Business Expenses | 0.000 | 0.005 | 0.005 | 0.005 | 0.005 | 0.006 |
| Total Non-Labor Expenses | \$7.618 | \$17.758 | \$9.952 | \$8.814 | \$9.435 | \$10.280 |
| Other Expenses Adjustments: | | | | | | |
| Other | | | | | | |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation and GASB Adjs. | \$30.590 | \$44.042 | \$38.025 | \$38.218 | \$40.565 | \$41.845 |
| Depreciation | 6.999 | 10.337 | 10.337 | 10.337 | 10.337 | 10.337 |
| OPEB Obligation | 2.600 | 2.700 | 2.800 | 2.800 | 3.000 | 3.000 |
| Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses | \$40.189 | \$57.079 | \$51.162 | \$51.355 | \$53.902 | \$55.182 |
| Baseline Surplus/(Deficit) | (\$33.901) | (\$50.528) | (\$43.786) | (\$43.907) | (\$46.404) | (\$47.648) |
| 2010 Program to Eliminate the Gap (PEGs) | - | 0.090 | 0.330 | 0.420 | 0.420 | 0.420 |
| Post 2010 Program to Eliminate the Gap (PEGs) | - | - | - | 0.350 | 0.700 | 1.050 |
| Net Surplus/(Deficit) | (\$33.901) | (\$50.438) | (\$43.456) | (\$43.137) | (\$45.284) | (\$46.178) |

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MTA STATEN ISLAND RAILWAY
July Financial Plan 2010-2013
Accrual Statement of Operations by Category
(\$ in millions)

| NON-REIMBURSABLE / REIMBURSABLE | | | | | | |
|---|-------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Revenue | | | | | | |
| Farebox Revenue | \$ 4.365 | \$ 4.480 | \$ 5.305 | \$ 5.377 | \$ 5.427 | \$ 5.463 |
| Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 1.923 | 2.071 | 2.071 | 2.071 | 2.071 | 2.071 |
| Capital and Other Reimbursements | 0.901 | 1.487 | 1.545 | 1.605 | 1.672 | 1.674 |
| Total Revenue | \$7.189 | \$8.038 | \$8.921 | \$9.053 | \$9.170 | \$9.208 |
| Expenses | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$ 14.796 | \$ 15.808 | \$ 16.334 | \$ 16.548 | \$ 16.914 | \$ 17.244 |
| Overtime | 1.246 | 1.426 | 1.453 | 1.484 | 1.516 | 1.532 |
| Health and Welfare | 3.044 | 3.216 | 3.451 | 3.703 | 3.973 | 4.221 |
| OPEB Current Payment | 0.462 | 0.508 | 0.545 | 0.585 | 0.628 | 0.673 |
| Pensions | 2.910 | 5.523 | 6.505 | 7.319 | 8.370 | 8.140 |
| Other Fringe Benefits | 1.415 | 1.290 | 1.330 | 1.370 | 1.401 | 1.429 |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenses | \$23.873 | \$27.771 | \$29.618 | \$31.009 | \$32.802 | \$33.239 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$ 2.409 | \$ 3.128 | \$ 3.513 | \$ 3.969 | \$ 4.485 | \$ 5.068 |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | 0.347 | 0.269 | 0.303 | 0.436 | 0.361 | 0.393 |
| Claims | 1.040 | 0.260 | 0.266 | 0.275 | 0.281 | 0.287 |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 2.395 | 12.691 | 4.508 | 2.756 | 2.912 | 3.113 |
| Professional Service Contracts | 0.401 | 0.394 | 0.347 | 0.358 | 0.366 | 0.374 |
| Materials & Supplies | 1.026 | 1.011 | 1.010 | 1.015 | 1.025 | 1.039 |
| Other Business Expenses | - | 0.005 | 0.005 | 0.005 | 0.005 | 0.006 |
| Total Non-Labor Expenses | \$7.618 | \$17.758 | \$9.952 | \$8.814 | \$9.435 | \$10.280 |
| <u>Other Expenses Adjustments:</u> | | | | | | |
| Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$31.491 | \$45.529 | \$39.570 | \$39.823 | \$42.237 | \$43.519 |
| Depreciation | 6.999 | 10.337 | 10.337 | 10.337 | 10.337 | 10.337 |
| OPEB Obligation | 2.600 | 2.700 | 2.800 | 2.800 | 3.000 | 3.000 |
| Environmental Remediation | - | - | - | - | - | - |
| Total Expenses | \$41.090 | \$58.566 | \$52.707 | \$52.960 | \$55.574 | \$56.856 |
| Baseline Surplus/(Deficit) | (\$33.901) | (\$50.528) | (\$43.786) | (\$43.907) | (\$46.404) | (\$47.648) |
| 2010 Program to Eliminate the Gap (PEGs) | - | 0.090 | 0.330 | 0.420 | 0.420 | 0.420 |
| Post 2010 Program to Eliminate the Gap (PEGs) | - | - | - | 0.350 | 0.700 | 1.050 |
| Net Surplus/(Deficit) | (\$33.901) | (\$50.438) | (\$43.456) | (\$43.137) | (\$45.284) | (\$46.178) |

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010-2013
Cash Receipts & Expenditures
(\$ in millions)

| CASH RECEIPTS AND EXPENDITURES | | | | | | |
|---|-------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Farebox Revenue | \$ 4.342 | \$ 4.480 | \$ 5.305 | \$ 5.377 | \$ 5.427 | \$ 5.463 |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| Other Operating Revenue | 2.089 | 2.071 | 2.071 | 2.071 | 2.071 | 2.071 |
| Capital and Other Reimbursements | 0.681 | 1.487 | 1.545 | 1.605 | 1.672 | 1.674 |
| Total Receipts | \$7.112 | \$8.038 | \$8.921 | \$9.053 | \$9.170 | \$9.208 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$ 14.738 | \$ 15.808 | \$ 16.334 | \$ 16.548 | \$ 16.914 | \$ 17.244 |
| Overtime | 1.195 | 1.426 | 1.453 | 1.484 | 1.516 | 1.532 |
| Health and Welfare | 3.127 | 3.216 | 3.451 | 3.703 | 3.973 | 4.221 |
| OPEB Current Payment | 0.462 | 0.508 | 0.545 | 0.585 | 0.628 | 0.673 |
| Pensions | 2.070 | 5.523 | 6.505 | 7.319 | 8.370 | 8.140 |
| Other Fringe Benefits | 1.618 | 1.290 | 1.330 | 1.370 | 1.401 | 1.429 |
| GASB Account | 0.230 | 0.265 | 0.290 | 0.317 | 0.347 | 0.379 |
| Reimbursable Overhead | | | | | | |
| Total Labor Expenditures | \$23.440 | \$28.036 | \$29.908 | \$31.326 | \$33.149 | \$33.618 |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$ 2.409 | \$ 3.128 | \$ 3.513 | \$ 3.969 | \$ 4.485 | \$ 5.068 |
| Fuel for Buses and Trains | | | | | | |
| Insurance | 0.382 | 0.269 | 0.303 | 0.436 | 0.361 | 0.393 |
| Claims | 0.797 | 0.260 | 0.266 | 0.275 | 0.281 | 0.287 |
| Paratransit Service Contracts | | | | | | |
| Maintenance and Other Operating Contracts | 2.133 | 12.691 | 4.508 | 2.756 | 2.912 | 3.113 |
| Professional Service Contracts | 0.343 | 0.394 | 0.347 | 0.358 | 0.366 | 0.374 |
| Materials & Supplies | 1.431 | 1.011 | 1.010 | 1.015 | 1.025 | 1.039 |
| Other Business Expenses | - | 0.005 | 0.005 | 0.005 | 0.005 | 0.006 |
| Total Non-Labor Expenditures | \$7.495 | \$17.758 | \$9.952 | \$8.814 | \$9.435 | \$10.280 |
| <u>Other Expenditure Adjustments:</u> | | | | | | |
| Other | | | | | | |
| Total Other Expenditure Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenditures | \$30.935 | \$45.794 | \$39.860 | \$40.140 | \$42.584 | \$43.898 |
| Baseline Cash Deficit | (\$23.823) | (\$37.756) | (\$30.939) | (\$31.087) | (\$33.414) | (\$34.690) |
| 2010 Program to Eliminate the Gap (PEGs) | - | 0.090 | 0.330 | 0.420 | 0.420 | 0.420 |
| Post 2010 Program to Eliminate the Gap (PEGs) | - | - | - | 0.350 | 0.700 | 1.050 |
| Net Cash Deficit | (\$23.823) | (\$37.666) | (\$30.609) | (\$30.317) | (\$32.294) | (\$33.220) |

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010-2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

| CASH FLOW ADJUSTMENTS | | | | | | |
|---|------------------|--------------------------|---------------------------|------------------|------------------|------------------|
| | 2008 | 2009 | 2010 | | | |
| | Actual | Mid-Year Forecast | Preliminary Budget | 2011 | 2012 | 2013 |
| Receipts | | | | | | |
| Farebox Revenue | \$ (0.023) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Vehicle Toll Revenue | - | - | - | - | - | - |
| Fare Increase 6/1/09 | - | - | - | - | - | - |
| Additional Actions for Budget Balance: Revenue Impact | - | - | - | - | - | - |
| Other Operating Revenue | 0.166 | - | - | - | - | - |
| Capital and Other Reimbursements | (0.220) | - | - | - | - | - |
| Total Receipts | (\$0.077) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Expenditures | | | | | | |
| <u>Labor:</u> | | | | | | |
| Payroll | \$ 0.058 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Overtime | 0.051 | - | - | - | - | - |
| Health and Welfare | (0.083) | - | - | - | - | - |
| OPEB Current Payment | - | - | - | - | - | - |
| Pensions | 0.840 | - | - | - | - | - |
| Other Fringe Benefits | (0.203) | - | - | - | - | - |
| GASB Account | (0.230) | (0.265) | (0.290) | (0.317) | (0.347) | (0.379) |
| Reimbursable Overhead | - | - | - | - | - | - |
| Total Labor Expenditures | \$0.433 | (\$0.265) | (\$0.290) | (\$0.317) | (\$0.347) | (\$0.379) |
| <u>Non-Labor:</u> | | | | | | |
| Traction and Propulsion Power | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fuel for Buses and Trains | - | - | - | - | - | - |
| Insurance | (0.035) | - | - | - | - | - |
| Claims | 0.243 | - | - | - | - | - |
| Paratransit Service Contracts | - | - | - | - | - | - |
| Maintenance and Other Operating Contracts | 0.262 | - | - | - | - | - |
| Professional Service Contracts | 0.058 | - | - | - | - | - |
| Materials & Supplies | (0.405) | - | - | - | - | - |
| Other Business Expenditures | - | - | - | - | - | - |
| Total Non-Labor Expenditures | \$0.123 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <u>Other Expenditures Adjustments:</u> | | | | | | |
| Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Other Expenditures Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Cash Conversion Adjustments before Depreciation and GASB Adjs. | \$0.479 | (\$0.265) | (\$0.290) | (\$0.317) | (\$0.347) | (\$0.379) |
| Depreciation Adjustment | 6.999 | 10.337 | 10.337 | 10.337 | 10.337 | 10.337 |
| OPEB Obligation | 2.600 | 2.700 | 2.800 | 2.800 | 3.000 | 3.000 |
| Environmental Remediation | - | - | - | - | - | - |
| Baseline Total Cash Conversion Adjustments | \$10.078 | \$12.772 | \$12.847 | \$12.820 | \$12.990 | \$12.958 |
| 2010 Program to Eliminate the Gap (PEGs) | - | - | - | - | - | - |
| Post 2010 Program to Eliminate the Gap (PEGs) | - | - | - | - | - | - |
| Total Cash Conversion Adjustments | \$10.078 | \$12.772 | \$12.847 | \$12.820 | \$12.990 | \$12.958 |

**MTA Staten Island Railway
July Financial Plan 2010-2013
Year-Over-Year Changes by Category-Baseline Narrative**

TOTAL REVENUES/RECEIPTS

Farebox Revenue

- Farebox revenue improvements of: 2010=\$0.825 million (18.4%), 2011=\$0.072 million (1.4%), 2012=\$0.050 million (0.9%), and 2013=\$0.036 million (0.7%) are due primarily to the full year effect in 2010 of implementation of fare collection at the Tompkinsville Station during 2009, and global insight revenue projections in the out years.

Other Operating Revenue

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2010 through 2013 to provide for reimbursement consistent with projected inflationary increases.

TOTAL EXPENSES/EXPENDITURES

Payroll

- Includes projected wage inflation as follows: 2010=1.87%, 2011=2.23%, 2012=2.20% and 2013=1.97%.

Overtime

- Includes projected wage inflation as follows: 2010=1.87%, 2011=2.23%, 2012=2.20% and 2013=1.97%.

Health & Welfare

- Includes projected rate increases of 7.0% for 2010-2013.

OPEB

- Increases represent projected rate increases for 2010-2013.

Pension

- Increases are based on current actuarial information.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- 2010-2013 reflects projected New York Power Authority (NYPA) increases provided by MTA.

Insurance

- 2010-2013 assumptions provided by MTA.

Claims

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010=2.33%, 2011=3.15%, 2012=2.20%, and 2013=2.21%.

Maintenance and Other Operating Contracts

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010=2.33%, 2011=3.15%, 2012=2.20%, and 2013=2.21%.
- 2010-2013 lighting expense reflects projected New York Power Authority (NYPA) increases.
- 2010-2013 fuel expense reflects projected increases based on assumptions provided by MTA.
- 2009-2010 includes an estimated \$11.0 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.
- 2009 includes \$2.042 million of expenses delayed from 2008.

Professional Service Contracts

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010=2.33%, 2011=3.15%, 2012=2.20%, and 2013=2.21%.
- 2009 includes \$0.055 million of expenses delayed from 2008.

Materials and Supplies

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010= (0.16%), 2011=0.50%, 2012=0.98%, and 2013=1.39%.

Other Business Expenses

- 2010-2013 inflation assumptions are based upon Global Insight's estimates as follows: 2010=2.33%, 2011=3.15%, 2012=2.20%, and 2013=2.21%.

Depreciation

- Annual expenses do not increase during the Financial Plan period, as no additional capital assets are projected to reach beneficial use.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | |
|---|-------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | |
| Farebox Revenue | \$4.480 | \$5.305 | \$0.825 | \$5.377 | \$0.072 | \$5.427 | \$0.050 | \$5.463 | \$0.036 |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Operating Revenue | 2.071 | 2.071 | 0.000 | 2.071 | 0.000 | 2.071 | 0.000 | 2.071 | 0.000 |
| Capital and Other Reimbursements | 0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 |
| Total Revenue | \$6.551 | \$7.376 | \$0.825 | \$7.448 | \$0.072 | \$7.498 | \$0.050 | \$7.534 | \$0.036 |
| Expenses | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | 15.537 | 16.057 | (0.520) | 16.266 | (0.209) | 16.626 | (0.360) | 16.957 | (0.331) |
| Overtime | 0.762 | 0.776 | (0.014) | 0.794 | (0.018) | 0.812 | (0.018) | 0.828 | (0.016) |
| Health and Welfare | 2.825 | 3.024 | (0.199) | 3.237 | (0.213) | 3.464 | (0.227) | 3.708 | (0.244) |
| OPEB Current Payment | 0.508 | 0.545 | (0.037) | 0.585 | (0.040) | 0.628 | (0.043) | 0.673 | (0.045) |
| Pensions | 5.434 | 6.415 | (0.981) | 7.227 | (0.812) | 8.276 | (1.049) | 8.046 | 0.230 |
| Other Fringe Benefits | 1.218 | 1.256 | (0.038) | 1.295 | (0.039) | 1.324 | (0.029) | 1.353 | (0.029) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenses | \$26.284 | \$28.073 | (\$1.789) | \$29.404 | (\$1.331) | \$31.130 | (\$1.726) | \$31.565 | (\$0.435) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | 3.128 | 3.513 | (0.385) | 3.969 | (0.456) | 4.485 | (0.516) | 5.068 | (0.583) |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 0.269 | 0.303 | (0.034) | 0.436 | (0.133) | 0.361 | 0.075 | 0.393 | (0.032) |
| Claims | 0.260 | 0.266 | (0.006) | 0.275 | (0.009) | 0.281 | (0.006) | 0.287 | (0.006) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other | | | | | | | | | |
| Operating Contracts | 12.691 | 4.508 | 8.183 | 2.756 | 1.752 | 2.912 | (0.156) | 3.113 | (0.201) |
| Professional Service Contracts | 0.394 | 0.347 | 0.047 | 0.358 | (0.011) | 0.366 | (0.008) | 0.374 | (0.008) |
| Materials & Supplies | 1.011 | 1.010 | 0.001 | 1.015 | (0.005) | 1.025 | (0.010) | 1.039 | (0.014) |
| Other Business Expenses | 0.005 | 0.005 | 0.000 | 0.005 | 0.000 | 0.005 | 0.000 | 0.006 | (0.001) |
| Total Non-Labor Expenses | \$17.758 | \$9.952 | \$7.806 | \$8.814 | \$1.138 | \$9.435 | (\$0.621) | \$10.280 | (\$0.845) |
| Other Expenses Adjustments: | | | | | | | | | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Other Expense Adjustments | \$0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 | 0.000 | \$0.000 |
| Total Expenses before Depreciation and GASB Adjts. | \$44.042 | \$38.025 | \$6.017 | \$38.218 | (\$0.193) | \$40.565 | (\$2.347) | \$41.845 | (\$1.280) |
| Depreciation | 10.337 | 10.337 | 0.000 | 10.337 | 0.000 | 10.337 | 0.000 | 10.337 | 0.000 |
| OPEB Obligation | 2.700 | 2.800 | (0.100) | 2.800 | 0.000 | 3.000 | (0.200) | 3.000 | 0.000 |
| Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses | \$57.079 | \$51.162 | \$5.917 | \$51.355 | (\$0.193) | \$53.902 | (\$2.547) | \$55.182 | (\$1.280) |
| Baseline Net Surplus/(Deficit) | (\$50.528) | (\$43.786) | \$6.742 | (\$43.907) | (\$0.121) | (\$46.404) | (\$2.497) | (\$47.648) | (\$1.244) |
| 2010 Agency Prog. to Elim. the GAP | 0.090 | 0.330 | 0.240 | 0.420 | 0.090 | 0.420 | 0.000 | 0.420 | 0.000 |
| Post-2010 Agency Prog. to Elim. The Gap | 0.000 | 0.000 | 0.000 | 0.350 | 0.350 | 0.700 | 0.350 | 1.050 | 0.350 |
| Net Surplus/(Deficit) | (\$50.438) | (\$43.456) | \$6.982 | (\$43.137) | \$0.319 | (\$45.284) | (\$2.147) | (\$46.178) | (\$0.894) |

REIMBURSABLE

| | Favorable/(Unfavorable) | | | | | | | | |
|---|-------------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| Revenue | | | | | | | | | |
| Farebox Revenue | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Operating Revenue | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and Other Reimbursements | 1.487 | 1.545 | \$0.058 | 1.605 | \$0.060 | 1.672 | \$0.067 | 1.674 | \$0.002 |
| Total Revenue | \$1.487 | \$1.545 | \$0.058 | \$1.605 | \$0.060 | \$1.672 | \$0.067 | \$1.674 | \$0.002 |
| Expenses | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | 0.271 | 0.277 | (0.006) | 0.282 | (0.005) | 0.288 | (0.006) | 0.287 | 0.001 |
| Overtime | 0.664 | 0.677 | (0.013) | 0.690 | (0.013) | 0.704 | (0.014) | 0.704 | 0.000 |
| Health and Welfare | 0.391 | 0.427 | (0.036) | 0.466 | (0.039) | 0.509 | (0.043) | 0.513 | (0.004) |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 0.089 | 0.090 | (0.001) | 0.092 | (0.002) | 0.094 | (0.002) | 0.094 | 0.000 |
| Other Fringe Benefits | 0.072 | 0.074 | (0.002) | 0.075 | (0.001) | 0.077 | (0.002) | 0.076 | 0.001 |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expenses | \$1.487 | \$1.545 | (\$0.058) | \$1.605 | (\$0.060) | \$1.672 | (\$0.067) | \$1.674 | (\$0.002) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Claims | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Operating Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Professional Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Materials & Supplies | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Business Expenses | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Non-Labor Expenses | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Other Expenses Adjustments: | | | | | | | | | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenses before Depreciation | \$1.487 | \$1.545 | (\$0.058) | \$1.605 | (\$0.060) | \$1.672 | (\$0.067) | \$1.674 | (\$0.002) |
| Depreciation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Expenses | \$1.487 | \$1.545 | (\$0.058) | \$1.605 | (\$0.060) | \$1.672 | (\$0.067) | \$1.674 | (\$0.002) |
| Baseline Net Surplus/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| 2010 Agency Prog. to Elim. the GAP | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Post-2010 Agency Prog. to Elim. The Gap | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Net Surplus/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010 - 2013
Year-to-Year Changes by Category - Cash Receipts and Expenditures
(\$ in millions)

| | Favorable/(Unfavorable) | | | | | | | | |
|--|-------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| | 2009 | 2010 | Change 2010 - 2009 | 2011 | Change 2011 - 2010 | 2012 | Change 2012 - 2011 | 2013 | Change 2013 - 2012 |
| <u>Receipts</u> | | | | | | | | | |
| Farebox Revenue | \$4.480 | \$5.305 | \$0.825 | \$5.377 | \$0.072 | \$5.427 | \$0.050 | \$5.463 | \$0.036 |
| Other Operating Revenue | 2.071 | 2.071 | 0.000 | 2.071 | 0.000 | 2.071 | 0.000 | 2.071 | 0.000 |
| Capital and Other Reimbursements | 1.487 | 1.545 | 0.058 | 1.605 | 0.060 | 1.672 | 0.067 | 1.674 | 0.002 |
| Total Receipts | \$8.038 | \$8.921 | \$0.883 | \$9.053 | \$0.132 | \$9.170 | \$0.117 | \$9.208 | \$0.038 |
| <u>Expenditures</u> | | | | | | | | | |
| Labor: | | | | | | | | | |
| Payroll | 15.808 | 16.334 | (0.526) | 16.548 | (0.214) | 16.914 | (0.366) | 17.244 | (0.330) |
| Overtime | 1.426 | 1.453 | (0.027) | 1.484 | (0.031) | 1.516 | (0.032) | 1.532 | (0.016) |
| Health and Welfare | 3.216 | 3.451 | (0.235) | 3.703 | (0.252) | 3.973 | (0.270) | 4.221 | (0.248) |
| OPEB Current Payment | 0.508 | 0.545 | (0.037) | 0.585 | (0.040) | 0.628 | (0.043) | 0.673 | (0.045) |
| Pensions | 5.523 | 6.505 | (0.982) | 7.319 | (0.814) | 8.370 | (1.051) | 8.140 | 0.230 |
| Other Fringe Benefits | 1.290 | 1.330 | (0.040) | 1.370 | (0.040) | 1.401 | (0.031) | 1.429 | (0.028) |
| Reimbursable Overhead | 0.265 | 0.290 | (0.025) | 0.317 | (0.027) | 0.347 | (0.030) | 0.379 | (0.032) |
| Total Labor Expenditures | \$28.036 | \$29.908 | (\$1.872) | \$31.326 | (\$1.418) | \$33.149 | (\$1.823) | \$33.618 | (\$0.469) |
| Non-Labor: | | | | | | | | | |
| Traction and Propulsion Power | 3.128 | 3.513 | (0.385) | 3.969 | (0.456) | 4.485 | (0.516) | 5.068 | (0.583) |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 0.269 | 0.303 | (0.034) | 0.436 | (0.133) | 0.361 | 0.075 | 0.393 | (0.032) |
| Claims | 0.260 | 0.266 | (0.006) | 0.275 | (0.009) | 0.281 | (0.006) | 0.287 | (0.006) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other | | | | | | | | | |
| Operating Contracts | 12.691 | 4.508 | 8.183 | 2.756 | 1.752 | 2.912 | (0.156) | 3.113 | (0.201) |
| Professional Service Contracts | 0.394 | 0.347 | 0.047 | 0.358 | (0.011) | 0.366 | (0.008) | 0.374 | (0.008) |
| Materials & Supplies | 1.011 | 1.010 | 0.001 | 1.015 | (0.005) | 1.025 | (0.010) | 1.039 | (0.014) |
| Other Business Expenses | 0.005 | 0.005 | 0.000 | 0.005 | 0.000 | 0.005 | 0.000 | 0.006 | (0.001) |
| Total Non-Labor Expenditures | \$17.758 | \$9.952 | \$7.806 | \$8.814 | \$1.138 | \$9.435 | (\$0.621) | \$10.280 | (\$0.845) |
| Other Expenditure Adjustments: | | | | | | | | | |
| Other | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Other Expenditure Adjustments | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expenditures | \$45.794 | \$39.860 | \$5.934 | \$40.140 | (\$0.280) | \$42.584 | (\$2.444) | \$43.898 | (\$1.314) |
| Baseline Net Cash Deficit | (37.756) | (30.939) | 6.817 | (31.087) | (0.148) | (33.414) | (2.327) | (34.690) | (1.276) |
| 2010 Agency Prog. to Elim. the GAP | 0.090 | 0.330 | 0.240 | 0.420 | 0.090 | 0.420 | 0.000 | 0.420 | 0.000 |
| Post-2010 Agency Prog. to Elim. The Gap | 0.000 | 0.000 | 0.000 | 0.350 | 0.350 | 0.700 | 0.350 | 1.050 | 0.350 |
| Net Cash Deficit | (\$37.666) | (\$30.609) | \$7.057 | (\$30.317) | \$0.292 | (\$32.294) | (\$1.977) | (\$33.220) | (\$0.926) |

**MTA Staten Island Railway
July Financial Plan 2010-2013
Summary of Plan to Plan Changes-Baseline Narrative**

2009: July Financial Plan vs. February Financial Plan

Revenue Re-estimates

- Lower farebox revenues of \$0.9 million due mostly to reduced fare increase assumptions from 23% to 10%, a reduction due to a 4 month delay in the implementation of fare collection at the Tompkinsville Station and lower projected baseline revenues.

Expense Re-estimates

- Unfavorable timing adjustments from 2008 (mostly fleet maintenance costs) which increase expenses by \$2.1 million.
- More favorable inflation projections which reduce expenses by \$0.266 million.

2010-2013: July Financial Plan vs. February Financial Plan

Revenue Re-estimates

- Lower farebox revenues of \$0.9 million in 2010, \$0.9 million in 2011 and \$0.939 million in 2012 due to reduced fare increase assumptions from 23% to 10% and lower projected baseline revenues.

Expense Re-estimates

- More favorable inflation projections which reduce expenses by \$0.394 million in 2010, \$0.432 million in 2011 and \$0.200 million in 2012.
- Inclusion of NYS Transportation Mobility Tax expense of \$0.058 million in 2010 and 2011 and \$0.060 million in 2012.

**MTA Staten Island Railway
July Financial Plan 2010-2013
Summary of Plan to Plan Changes-Baseline Narrative
Ridership (Utilization)**

- Re-estimates of non-student/student ridership is projected to decrease ridership below the February Financial Plan by 0.193 million in 2009, 0.231 million in 2010, 0.231 million in 2011 and 0.247 million in 2012.
- The fare increase reduction is projected to increase ridership above the February Financial Plan by 0.023 million in 2009, 0.037 million in 2010, 0.037 million in 2011 and 0.038 million in 2012.
- In 2009, ridership versus the February Financial Plan includes a reduction of 0.154 million due to a four month delay in implementation of fare collection at the Tompkinsville Station.

**MTA Staten Island Railway
July Financial Plan 2010-2013
Summary of Plan to Plan Changes-Baseline Narrative
Positions**

- Full-time baseline positions are unchanged from the February Financial Plan for each year.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| NON-REIMBURSABLE | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | (\$35.007) | (\$30.372) | (\$30.550) | (\$32.615) |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | (0.871) | (0.903) | (0.911) | (0.939) |
| Other Operating Revenue | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and Other Reimbursement | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Revenue Changes | (\$0.871) | (\$0.903) | (\$0.911) | (\$0.939) |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | 0.000 | 0.000 | 0.000 | 0.000 |
| Health and Welfare | 0.289 | 0.346 | 0.343 | 0.376 |
| OPEB Current Payment | 0.000 | 0.000 | 0.000 | 0.000 |
| Pensions | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Fringe Benefits | (0.002) | 0.001 | (0.020) | (0.021) |
| Reimbursable Overhead | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Labor Expense Changes | \$0.287 | \$0.347 | \$0.323 | \$0.355 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | (0.141) | 0.051 | (0.156) | (0.405) |
| Fuel for Buses and Trains | 0.000 | 0.000 | 0.000 | 0.000 |
| Insurance | 0.000 | (0.009) | (0.018) | (0.008) |
| Claims | 0.013 | 0.012 | 0.009 | 0.009 |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | 0.000 |
| Maintenance and Other Operating Contracts | (2.017) | (0.148) | 0.110 | 0.068 |
| Professional Service Contracts | (0.038) | 0.016 | 0.013 | 0.013 |
| Materials & Supplies | 0.018 | 0.067 | 0.093 | 0.108 |
| Other Business Expenses | 0.000 | 0.000 | 0.000 | 0.000 |
| Additional Actions for Budget Balance: Expense Impact | | | | |
| Total Non-Labor Expense Changes | (\$2.165) | (\$0.011) | \$0.051 | (\$0.215) |
| Total Expense Changes before Depreciation & GASB Adjs. | (\$1.878) | \$0.336 | \$0.374 | \$0.140 |
| Depreciation | 0.000 | 0.000 | 0.000 | 0.000 |
| OPEB Obligation | 0.000 | 0.000 | 0.000 | 0.000 |
| Environmental Remediation | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Depreciation and GASB Adjs. Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Cash Adjustment Changes | | | | |
| Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | (\$2.749) | (\$0.567) | (\$0.537) | (\$0.799) |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | (\$37.756) | (\$30.939) | (\$31.087) | (\$33.414) |

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010 - 2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

| REIMBURSABLE | | | | |
|---|---------|---------|---------|---------|
| | 2009 | 2010 | 2011 | 2012 |
| Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline Changes | | | | |
| Revenue | | | | |
| Farebox Revenue | | | | |
| Other Operating Revenue | | | | |
| Capital and Other Reimbursement | | | | |
| Total Revenue Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Expenses | | | | |
| Labor: | | | | |
| Payroll | | | | |
| Health and Welfare | | | | |
| OPEB Current Payment | | | | |
| Pensions | | | | |
| Other Fringe Benefits | | | | |
| Reimbursable Overhead | | | | |
| Total Labor Expense Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Non-Labor: | | | | |
| Traction and Propulsion Power | | | | |
| Fuel for Buses and Trains | | | | |
| Insurance | | | | |
| Claims | | | | |
| Paratransit Service Contracts | | | | |
| Maintenance and Other Operating Contracts | | | | |
| Materials & Supplies | | | | |
| Other Business Expenses | | | | |
| Total Non-Labor Expense Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Expense Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Cash Adjustment Changes | | | | |
| Total Cash Adjustment Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Baseline Changes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit) | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

MTA Staten Island Railway
July Financial Plan 2010-2013
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

| | 2009 | 2010 | 2011 | 2012 |
|--|-------------------|-------------------|-------------------|-------------------|
| Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit) | (\$35.007) | (\$30.372) | (\$30.550) | (\$32.615) |
| <i>Non-Reimbursable Major Changes</i> | | | | |
| Revenue | | | | |
| Baseline Revenue Re-estimate | (0.228) | (0.276) | (0.276) | (0.295) |
| Passenger Fare and Toll Revenue in the Baseline - 23% Yield | (0.644) | (1.161) | (1.176) | (1.190) |
| Passenger Fare and Toll Revenue - 10% Increase | 0.244 | 0.534 | 0.541 | 0.546 |
| Tompkinsville Fare Collection Implementation Delay (four months) | (0.243) | | | |
| Sub-Total Non-Reimbursable Revenue Changes | (0.871) | (0.903) | (0.911) | (0.939) |
| Expenses | | | | |
| Revised Inflatons | 0.266 | 0.394 | 0.432 | 0.200 |
| R-44 Fleet Maintenance Timing from 2008 | (2.042) | | | |
| Bridge Inspection Program | (0.055) | | | |
| NYS Transportation Payroll Mobility Tax | (0.047) | (0.058) | (0.058) | (0.060) |
| Sub-Total Non-Reimbursable Expense Changes | (\$1.878) | \$.336 | \$.374 | \$.140 |
| <i>Total Non-Reimbursable Major Changes</i> | (\$1.878) | \$.336 | \$.374 | \$.140 |
| <i>Reimbursable Major Changes</i> | | | | |
| Sub-Total Reimbursable Revenue Changes | 0 | 0 | 0 | 0 |
| Expenses | | | | |
| Sub-Total Reimbursable Expense Changes | 0 | 0 | 0 | 0 |
| <i>Total Reimbursable Major Changes</i> | \$.000 | \$.000 | \$.000 | \$.000 |
| <i>Total Accrual Changes</i> | (\$1.878) | \$0.336 | \$0.374 | \$0.140 |
| <i>Cash Adjustment Changes</i> | | | | |
| <i>Total Cash Adjustment Changes</i> | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| <i>Total Baseline Changes</i> | (\$2.749) | (\$0.567) | (\$0.537) | (\$0.799) |
| Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit) | (\$37.756) | (\$30.939) | (\$31.087) | (\$33.414) |

**MTA Staten Island Railway
July Financial Plan 2010-2013
Ridership/Traffic Volume (Utilization)
(in millions)**

| | 2009 Mid-Year Forecast | 2010 Preliminary Budget | 2011 | 2012 | 2013 |
|---------------------------------|---------------------------------------|--|-------------|-------------|-------------|
| Baseline Total Ridership | 4.236 | 4.594 | 4.647 | 4.685 | 4.712 |
| <i>Impact of:</i> | | | | | |
| 2010 PEG Program | 0 | 0 | 0 | 0 | 0 |
| Post-2010 PEG Program | 0 | 0 | 0 | 0 | 0 |
| Total Ridership | 4.236 | 4.594 | 4.647 | 4.685 | 4.712 |

MTA Staten Island Railway
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | |
|--|--|--|------------------|-----------------------|------------------|------------------------|------------------|------------------------|------------------|------------------------|------------------|------------------------|
| | | | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> |
| Administration | | | | | | | | | | | | |
| Reduced Performance Monitoring | | | 1 | 0.055 | 1 | 0.132 | 1 | 0.132 | 1 | 0.132 | 1 | 0.132 |
| OTPS Efficiencies | | | - | - | - | 0.026 | - | 0.030 | - | 0.030 | - | 0.030 |
| Sub-Total Administration | | | <u>1</u> | <u>\$0.055</u> | <u>1</u> | <u>\$0.158</u> | <u>1</u> | <u>\$0.162</u> | <u>1</u> | <u>\$0.162</u> | <u>1</u> | <u>\$0.162</u> |
| Customer Convenience/Amenities | | | | | | | | | | | | |
| St. George Booth -Staff Reduction | | | 1 | 0.035 | 1 | 0.086 | 1 | 0.086 | 1 | 0.086 | 1 | 0.086 |
| Sub-Total Customer Convenience/Amenities | | | <u>1</u> | <u>\$0.035</u> | <u>1</u> | <u>\$ 0.086</u> | <u>1</u> | <u>\$ 0.086</u> | <u>1</u> | <u>\$ 0.086</u> | <u>1</u> | <u>\$ 0.086</u> |
| Maintenance | | | | | | | | | | | | |
| Signal Maintenance & Testing | | | | | 1 | 0.086 | 2 | 0.172 | 2 | 0.172 | 2 | 0.172 |
| Sub-Total Maintenance | | | <u>-</u> | <u>\$ -</u> | <u>1</u> | <u>\$ 0.086</u> | <u>2</u> | <u>\$ 0.172</u> | <u>2</u> | <u>\$ 0.172</u> | <u>2</u> | <u>\$ 0.172</u> |
| Other | | | | | | | | | | | | |
| Sub-Total Other | | | <u>-</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Revenue Enhancement | | | | | | | | | | | | |
| Sub-Total Revenue Enhancement | | | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> |
| Safety | | | | | | | | | | | | |
| Sub-Total Safety | | | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> |
| Security | | | | | | | | | | | | |
| Sub-Total Security | | | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> |
| Service | | | | | | | | | | | | |
| Sub-Total Service | | | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> |
| Service Support | | | | | | | | | | | | |
| Sub-Total Service Support | | | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> |
| Total Programs | | | <u><u>2</u></u> | <u><u>\$0.090</u></u> | <u><u>3</u></u> | <u><u>\$ 0.330</u></u> | <u><u>4</u></u> | <u><u>\$ 0.420</u></u> | <u><u>4</u></u> | <u><u>\$ 0.420</u></u> | <u><u>4</u></u> | <u><u>\$ 0.420</u></u> |

| |
|--|
| <p align="center"> MTA Staten Island Railway July Financial Plan 2010-2013 2010 Program to Eliminate the Gap (PEGs) Worksheet (\$ in millions) </p> |
|--|

| | | | | | |
|---|-----------------------------------|---------------------|----------------|----------------------------|----------|
| Business Unit | SIRTA | PEG Category | Administration | Implementation Date | 8/1/2009 |
| PEG / New Need ID | | | | Savings Date | 8/1/2009 |
| Program: | Reduced Performance Monitoring | | | | |
| Description and Implementation Plan | | | | | |
| One (1) Deputy Superintendent position will be eliminated through attrition. | | | | | |
| Background Details | | | | | |
| Within the Authority's Operations environment, Deputy Superintendents monitor the service performance of train crews, the appearance of stations and rolling stock station/can appearance personnel, and ensure compliance with rules and regulations, including roadway worker protection. Over the past several years, an effort has been made to streamline the organization and become more proactive to problems before they arise. Elimination of one (1) Deputy Superintendent position will minimally impact service; however, routine performance monitoring will be reduced and result in a more reactive response to problems as they exist. | | | | | |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|----------|----------|----------|----------|----------|
| Total Headcount | 1 | 1 | 1 | 1 | 1 |
| Financial Impact | \$ 0.055 | \$ 0.132 | \$ 0.132 | \$ 0.132 | \$ 0.132 |

MTA Staten Island Railway
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-------|---------------------|----------------|----------------------------|----------|
| Business Unit | SIRTA | PEG Category | Administration | Implementation Date | 1/1/2010 |
| PEG / New Need ID | | | | Savings Date | 1/1/2010 |

Program: OTPS Efficiencies

Description and Implementation Plan

As a result of the proposed non-service related labor reductions, OTPS savings can be realized.

Background Details

The Other Than Personal Services (OTPS) expenditures required to support operations, maintenance and administrative business areas are periodically evaluated to review the OTPS related requirements of these business areas.

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|----------|----------|----------|----------|----------|
| Total Headcount | 0 | 0 | 0 | 0 | 0 |
| Financial Impact | \$ 0.000 | \$ 0.026 | \$ 0.030 | \$ 0.030 | \$ 0.030 |

MTA Staten Island Railway
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

| | | | | | |
|--------------------------|-------|---------------------|--------------------------------|----------------------------|----------|
| Business Unit | SIRTA | PEG Category | Customer Convenience/Amenities | Implementation Date | 8/1/2009 |
| PEG / New Need ID | | | | Savings Date | 8/1/2009 |

Program: St. George Booth - Staff Reduction

Description and Implementation Plan

Booth sales in the weekday A.M. will be supplemented by MetroCard MEM's and MVM's allowing for the elimination of one (1) position through attrition beginning 8/1/09.

Background Details

The Staten Island Railway operates 24 hours, 7 days per week. Passengers pay to enter or leave the system only at the St. George terminal. Consequently, the booth in St. George is manned with two (2) employees to handle A.M. and P.M. weekday tours and one (1) employee for overnight and weekend customers. To supplement this need, MEM's and MVM's are available on both sides of the fare control line.

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|----------|----------|----------|----------|----------|
| Total Headcount | 1 | 1 | 1 | 1 | 1 |
| Financial Impact | \$ 0.035 | \$ 0.086 | \$ 0.086 | \$ 0.086 | \$ 0.086 |

| |
|--|
| <p align="center"> MTA Staten Island Railway July Financial Plan 2010-2013 2010 Program to Eliminate the Gap (PEGs) Worksheet (\$ in millions) </p> |
|--|

| | | | | | |
|--|------------------------------|---------------------|-------------|----------------------------|----------|
| Business Unit | SIRTA | PEG Category | Maintenance | Implementation Date | 1/1/2010 |
| PEG / New Need ID | | | | Savings Date | 1/1/2010 |
| Program: | Signal Maintenance & Testing | | | | |
| Description and Implementation Plan | | | | | |
| <p>The new Staten Island Railway Signal Modernization Project is completed. This has resulted in a substantial improvement in operational safety and service quality. The new signal system has improved operational flexibility and significantly reduces manpower requirements for special operations. However, to meet the increased maintenance demands in 2006, the Authority added five (5) Signal Maintainer positions to the budget.</p> | | | | | |
| Background Details | | | | | |
| <p>Since taking beneficial use of our new signal system, procedures and schedules were established for periodic testing and maintenance cycles. Over time, training and increased efficiencies in performing these functions have significantly improved productivity. As such, two (2) of the additional Signal Maintainer positions added in 2006 will be eliminated through attrition, one each in 2010 and 2011.</p> | | | | | |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|----------|----------|----------|----------|----------|
| Total Headcount | 0 | 1 | 2 | 2 | 2 |
| Financial Impact | \$ 0.000 | \$ 0.086 | \$ 0.172 | \$ 0.172 | \$ 0.172 |

MTA Staten Island Railway
July Financial Plan 2010-2013
Summary of Post-2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

| | | <u>2009</u> | | <u>2010</u> | | <u>2011</u> | | <u>2012</u> | | <u>2013</u> | |
|---------------------------------------|--------------------------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | <u>Position</u> | <u>Dollars</u> | <u>Position</u> | <u>Dollars</u> | <u>Position</u> | <u>Dollars</u> | <u>Position</u> | <u>Dollars</u> | <u>Position</u> | <u>Dollars</u> |
| Administration | | - | - | - | - | - | | - | | - | |
| Sub-Total | Administration | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> | <u>-</u> | <u>\$0.000</u> |
| Customer Convenience/Amenities | | | | | | | | | | | |
| Sub-Total | Customer Convenience/Amenities | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Maintenance | | | | | | | | | | | |
| Sub-Total | Maintenance | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> |
| Other | | | | | | | | | | | |
| | Unspecified | | | | | | 0.350 | | 0.700 | | 1.050 |
| Sub-Total | Other | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.000</u> | <u>0</u> | <u>\$0.350</u> | <u>0</u> | <u>\$0.700</u> | <u>0</u> | <u>\$1.050</u> |
| Total Programs | | <u>0</u> | <u>\$ -</u> | <u>0</u> | <u>\$ -</u> | <u>0</u> | <u>\$ 0.350</u> | <u>0</u> | <u>\$ 0.700</u> | <u>0</u> | <u>\$ 1.050</u> |

MTA Staten Island Railway
 July Financial Plan 2010-2013
 Post-2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

| | | | | | |
|--|-------------|---------------------|-------|----------------------------|----------|
| Business Unit | SIRTA | PEG Category | Other | Implementation Date | 1/1/2011 |
| PEG / New Need ID | | | | Savings Date | 1/1/2011 |
| Program: | Unspecified | | | | |
| Description and Implementation Plan | | | | | |
| Unspecified | | | | | |
| Background Details | | | | | |
| Unspecified | | | | | |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------|----------|----------|----------|----------|----------|
| Total Headcount | | 0 | 0 | 0 | 0 |
| Financial Impact | \$ 0.000 | \$ 0.000 | \$ 0.350 | \$ 0.700 | \$ 1.050 |

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010-2013
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

| FUNCTION/DEPARTMENT | 2008 Actual | 2009 Forecast | 2010 Forecast | 2011 | 2012 | 2013 |
|--|----------------|------------------|------------------|------------|------------|------------|
| Administration | | | | | | |
| Executive | 11 | 10 | 10 | 10 | 10 | 10 |
| General Office | 10 | 10 | 10 | 8 | 8 | 8 |
| Purchasing/Stores | 7 | 6 | 6 | 6 | 6 | 6 |
| Total Administration | 28 | 26 | 26 | 24 | 24 | 24 |
| Operations | | | | | | |
| Transportation | 93 | 99 | 99 | 98 | 98 | 98 |
| Maintenance | | | | | | |
| Mechanical | 35 | 36 | 36 | 36 | 36 | 36 |
| Car and Station Cleaning | 16 | 18 | 18 | 18 | 18 | 18 |
| Power/Signals | 24 | 27 | 27 | 27 | 27 | 27 |
| Maintenance of Way | 48 | 48 | 48 | 48 | 48 | 48 |
| Bridge and Buildings | 21 | 21 | 21 | 21 | 21 | 21 |
| Material Handling | 2 | 2 | 2 | 2 | 2 | 2 |
| Total Maintenance | 146 | 152 | 152 | 152 | 152 | 152 |
| Engineering/Capital | | | | | | |
| None | - | - | - | - | - | - |
| Public Safety | | | | | | |
| Police | - | - | - | - | - | - |
| Baseline Total Positions | 267 | 277 | 277 | 274 | 274 | 274 |
| Non-Reimbursable | 264 | 274 | 274 | 271 | 271 | 271 |
| Reimbursable | 3 | 3 | 3 | 3 | 3 | 3 |
| Total Full-Time | 267 | 277 | 277 | 274 | 274 | 274 |
| Total Full-Time Equivalents | | | | | | |
| <hr/> | | | | | | |
| Impact of: | | | | | | |
| 2010 Program to Eliminate the Gap | - | 2 | 3 | 4 | 4 | 4 |
| Post 2010 Program to Eliminate the Gap | - | - | - | - | - | - |
| Total Positions | 267 | 275 | 274 | 270 | 270 | 270 |
| Non-Reimbursable | 264 | 272 | 271 | 267 | 267 | 267 |
| Reimbursable | 3 | 3 | 3 | 3 | 3 | 3 |
| Total Full-Time | 267 | 275 | 274 | 270 | 270 | 270 |
| Total Full-Time Equivalents | - | - | - | - | - | - |

MTA STATEN ISLAND RAILWAY
July Financial Plan 2010-2013

Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group

| FUNCTION/OCCUPATIONAL GROUP | | 2008 Actual | 2009 Forecast | 2010 Forecast | 2011 | 2012 | 2013 |
|--|-----------------------------------|----------------|------------------|------------------|------------|------------|------------|
| Administration | | | | | | | |
| | Managers/Supervisors | 14 | 12 | 12 | 12 | 12 | 12 |
| | Professional, Technical, Clerical | 14 | 14 | 14 | 12 | 12 | 12 |
| | Operational Hourlies | - | - | - | - | - | - |
| | Total Administration | 28 | 26 | 26 | 24 | 24 | 24 |
| Operations | | | | | | | |
| | Managers/Supervisors | 8 | 9 | 9 | 9 | 9 | 9 |
| | Professional, Technical, Clerical | 5 | 4 | 4 | 4 | 4 | 4 |
| | Operational Hourlies | 80 | 86 | 86 | 85 | 85 | 85 |
| | Total Operations | 93 | 99 | 99 | 98 | 98 | 98 |
| Maintenance | | | | | | | |
| | Managers/Supervisors | 7 | 8 | 8 | 8 | 8 | 8 |
| | Professional, Technical, Clerical | 3 | 3 | 3 | 3 | 3 | 3 |
| | Operational Hourlies | 136 | 141 | 141 | 141 | 141 | 141 |
| | Total Maintenance | 146 | 152 | 152 | 152 | 152 | 152 |
| Engineering/Capital | | | | | | | |
| | Managers/Supervisors | | | | | | |
| | Professional, Technical, Clerical | | | | | | |
| | Operational Hourlies | | | | | | |
| | Total Engineering/Capital | - | - | - | - | - | - |
| Public Safety | | | | | | | |
| | Managers/Supervisors | | | | | | |
| | Professional, Technical, Clerical | | | | | | |
| | Operational Hourlies | | | | | | |
| | Total Public Safety | - | - | - | - | - | - |
| Total Baseline Positions | | | | | | | |
| | Managers/Supervisors | 29 | 29 | 29 | 29 | 29 | 29 |
| | Professional, Technical, Clerical | 22 | 21 | 21 | 19 | 19 | 19 |
| | Operational Hourlies | 216 | 227 | 227 | 226 | 226 | 226 |
| | Total Baseline Positions | 267 | 277 | 277 | 274 | 274 | 274 |
| <i>Non-Reimbursable</i> | | 264 | 274 | 274 | 271 | 271 | 271 |
| <i>Reimbursable</i> | | 3 | 3 | 3 | 3 | 3 | 3 |
| <i>Total Full-Time</i> | | 267 | 277 | 277 | 274 | 274 | 274 |
| <i>Total Full-Time Equivalents</i> | | 0 | 0 | 0 | 0 | 0 | 0 |
| Impact of: | | | | | | | |
| 2010 Program to Eliminate the Gap | | - | 2 | 3 | 4 | 4 | 4 |
| Post 2010 Program to Eliminate the Gap | | - | - | - | - | - | - |
| Total Positions | | 267 | 275 | 274 | 270 | 270 | 270 |
| Non-Reimbursable | | 264 | 272 | 271 | 267 | 267 | 267 |
| Reimbursable | | 3 | 3 | 3 | 3 | 3 | 3 |
| Total Full-Time | | 267 | 275 | 274 | 270 | 270 | 270 |
| Total Full-Time Equivalents | | | | | | | |

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