

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	34.439	37.110	(2.671)	40.185	(3.075)	42.235	(2.050)	42.235	0.000	42.235	0.000
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	\$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 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	\$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				
<i>Labor:</i>				
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)
<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	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>
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		<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						
<u>Labor:</u>						
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
<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	0.000	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
<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 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 Adj.	\$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
Total Non-Reimbursable Major Changes	(\$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
Total Reimbursable Major Changes	\$.000	\$.000	\$.000	\$.000
Total Accrual Changes	(\$1.878)	\$0.336	\$0.374	\$0.140
<i>Cash Adjustment Changes</i>				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$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>	
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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					
<p>Within the Authority's Operations environment, Deputy Superintendents monitor the service performance of train crews, the appearance of stations and rolling stock station/cars, 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.</p>					

	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	SIRT	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>
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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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