

Long Island Rail Road

MTA LONG ISLAND RAIL ROAD
2010 Preliminary Budget
July Financial Plan 2010-2013

Mission Statement and Highlights of Operations

The mission of the MTA Long Island Rail Road is to provide a safe, accessible, clean, cost-effective, customer-focused rail transportation system that runs on time, is comfortable, user-friendly and provides the region with a valued and indispensable service. In order to accomplish this mission, it strategically allocates limited resources to achieve eight critical goals that are linked to the seven MTA's core values/priorities. They are:

- Improve customer and employee safety and security
- Improve customer satisfaction
- Improve service reliability
- Improve cost-effectiveness
- Improve the customer experience through infrastructure investment
- Develop and expand regional approaches to transportation issues
- Maintain a professional, well-trained and motivated workforce
- Contribute to the establishment of an environmentally "green" community

FINANCIAL OVERVIEW

While external factors such as a sluggish regional economy continue to place pressure on the MTA's finances, the LIRR has worked diligently to prepare this 2010 Preliminary Budget and 2010-2013 Financial Plan to advance its core goals while at the same time exhibiting fiscal constraint. The Budget and Plan demonstrate the Rail Road's commitment to its customers, by including continued funding for a series of bold initiatives that will dramatically improve their experience. This includes capturing in the Financial Plan funding in preparation for East Side Access operation.

Customer Safety and Security: The LIRR's recent record in the area of safety and security has been excellent. 2008 customer injury and employee lost time and restricted duty injury rates were the lowest in years at 6.2 customer injuries per one million customers and 2.1 accidents per 200,000 worker hours, respectively. Through the first four months of 2009, customer injuries over last year continue to decrease.

The 2010 Preliminary Budget contains substantial resources dedicated to continuing this progress. In 2010, the Rail Road will continue safety initiatives such as the T.R.A.C.K.S Program and Operation Lifesaver. This is part of the Safety Department's \$2.9 million budget. The Security Department's budget of \$6.9 million includes funding for the Integrated Electronic Surveillance System (IESS). In addition, more than \$16.6 million is earmarked in the 2010 – 2013 Financial Plan for the LIRR's Platform Gap

Mitigation Strategy, including installing new and wider threshold plates on rail cars and adding rubbing board to station platforms to achieve a smaller Gap standard.

Customer Satisfaction: There are numerous ways in which the LIRR can improve the experience of the more than 83 million customers that ride its trains each year. They run the gamut from adding service to upgrading existing facilities. In 2009, the proposed service reductions that were part of the Rail Road's Additional Actions for Budget Balance were restored. These included weekend service on the West Hempstead branch, half-hourly weekend service on the Port Washington Branch and service to Belmont Park during racing season. In 2013, the Financial Plan includes resources that are required to support the Rail Road's efforts to ramp up in support of East Side Access. ESA represents the most significant change to the Rail Road's infrastructure in recent history and launches train service from Long Island to Grand Central Terminal. In addition, customer satisfaction is achieved through deploying 148 station cleaners and 368 car cleaners to clean and maintain the parts of the railroad customer's use on a daily basis. In 2010, key departments that impact Customer Satisfaction include Passenger Services, \$58.7 million and Public Affairs, \$9.6 million.

Service Reliability: The LIRR's on-time performance record of 95.1 percent for 2008 was the best since modern record keeping started in 1979. This was made possible by the dedicated work of its employees, particularly those responsible for maintaining the fleet and right of way in a state of good repair. The Rail Road's fleet of M7 cars was especially reliable, achieving a mean distance between failures of 365,962 miles – far better than expected. Through the first quarter of 2009, on-time performance and mean distance between failures was even better than it was in the prior year.

The 2010 Preliminary Budget contains the resources necessary for the LIRR to continue to maintain a high level of service reliability. In 2010, the Maintenance of Equipment Department, which is responsible for maintaining all rolling stock equipment, has a budget of \$304.7 million. This level supports the ongoing Life Cycle Maintenance (LCM) program. The Engineering Department, which has a \$149.3 million budget in 2010, maintains all infrastructure elements, such as track, signals, and power. Over the past few years, the LIRR has made investments to upgrade and expand the signal system. The 2009 budget reflects additional resources to ensure that the new systems are properly maintained and that the LIRR remains in compliance with the new Hours of Service requirements related to recently passed federal legislation.

Infrastructure Investment: Planning for capital projects must include identifying and providing for ongoing operating needs. Several capital projects with new state of the art technology components are coming on line during the financial plan. These projects were evaluated, and additional resources are being provided, to ensure that the railroad is prepared to operate and maintain the new assets.

In addition to the new initiatives outlined above, the railroad is poised to undergo many system infrastructure changes and improvements that will alter the operational footprint of the railroad during the next few years. East Side Access, Hudson River Yard

Development, and Brookfield Overbuild are just a few of the major changes that will transform the railroad. Funding for ramp-up costs such as training and staffing associated with the Rail Road's preparations for maintaining new asset infrastructure elements associated with East Side Access is included in 2013.

Environmental Sustainability: Contributing to the establishment of an environmentally "green" community is a key priority guiding future investment and strategic planning. As a critical piece of the New York Metropolitan Area's public transportation network, the LIRR is committed to drawing increasing numbers of people away from energy inefficient and highly pollutant automobiles for their travel.

The LIRR will dedicate funding toward environmentally friendly cleaning products. In addition, the railroad will further advance its effort to achieve a light duty vehicle fleet that is 100 percent hybrid by 2011 by purchasing 12 hybrid vehicles in 2009 and 11 in 2010.

Cost-Effectiveness: As noted earlier, the LIRR will pursue these efforts while at the same time streamlining operations and containing costs.

The financial projections in the attached statements reflect the most current projections by the LIRR for the balance of 2009, carrying out into 2013.

2009 Mid-Year Forecast

The LIRR's 2009 Mid-Year Forecast is comprised of non-reimbursable revenue totaling \$549.0 million and non-reimbursable expenses including depreciation, other post employment benefits and environmental remediation of \$1,569.2 billion that generate an operating deficit of \$(1,020.2) billion. The 2009 Mid-Year reimbursable revenue and expenses each total \$188.3 million.

The Baseline Accrued Deficit is \$(80.3) million worse than the 2009 Adopted Budget. The Baseline Cash Deficit is unfavorable \$(52.7) million to the adopted budget, which is mainly due to timing of payments from 2008.

Total Non-Reimbursable revenue is \$(66.9) million unfavorable to the 2009 adopted budget. Farebox Revenue is unfavorable by \$(60.7) million due to a lower than projected fare increase and lower ridership. Other Operating Revenue is unfavorable by \$(6.2) million due to lower projected Titan advertising revenue and the delay in implementation of the AABB associated with train advertising on the exterior of the cars.

Total Non-Reimbursable expenses (excluding depreciation and OPEB) are unfavorable by \$(7.7) million, or (0.7)%. The unfavorable expenses are largely driven by the service restoration of AABBs, crew book and weather-related overtime.

The major cash adjustments from the February plan are for the final LIPA settlement and 2008 reimbursable cash collections.

2010 Preliminary Budget - Baseline

The goals and objectives contained in the 2010 Preliminary Budget are consistent with the LIRR's mission and its aim to continue to improve service attributes. Among the key goals for 2010 are maintaining on-time performance at 95% and maintaining fleet-wide mean distance between failures (MDBF) of 110,000 miles. The budget plan also reflects a continuing commitment to improve both employee and customer safety and security. Other key assumptions incorporated in the baseline are discussed in a later section, along with reconciliation to the February Financial Plan.

The 2010 Revenue budget totals \$772.6 million; Non-reimbursable revenue makes up \$572.7 million of the total and Reimbursable revenues are \$200.0 million. The total expense budget is \$1.790 billion, of which \$1.392 billion is for operating expenses and the balance is associated with such non-cash items as depreciation, other post employment benefits and environmental remediation. Non-reimbursable operating expenses total \$1.192 billion in 2010, while Reimbursable expenses are \$200.0 million in the accrued statements.

The cash budget for 2010 incorporates \$842.2 million in cash receipts and \$1.464 billion in cash disbursements. The baseline net cash requirement is \$(622.0) million, as driven by operating expenses paid for in 2010, revenues received in 2010, and other adjustments to cash flow. While much of the operating budget has a direct impact on cash flow, there are some items such as material purchases for capital work that only appear in the cash budget. In addition, the differences between accrued and cash budgets reflect natural lags between when costs are incurred and when they will be paid for.

On an accrued basis, both revenues and expenses in the 2010 Preliminary Budget are higher than in the 2009 Mid-Year Forecast. Total revenues of \$772.6 million are \$35.3 million higher than in the Mid-Year Forecast, with Non-reimbursable revenues rising by \$23.7 million and Reimbursable revenues up by \$11.7 million. Baseline Ridership in 2010 declines over the 2009 Mid-Year Forecast by (0.5) million rides, or (0.6%). Overall, Farebox Revenue increases due to the full year impact of the June 2009 fare increase. Operating expenses before depreciation of \$1.392 billion reflect growth of \$19.2 million over the 2009 Mid-Year Forecast, \$7.5 million of which is in non-reimbursable expenses. While the resulting total operating baseline deficit declines \$3.2 million to \$(1.017) billion in 2010, the projected baseline cash deficit (or subsidy requirement) of \$(622.0) million in 2010 is lower by \$0.6 million.

Full-time positions total 6,774 in the 2010 Preliminary Budget, with 5,876 non-reimbursable positions and 898 reimbursable positions. Compared to the 2009 Mid-Year Forecast, this reflects a total decrease of 99 positions, 324 non-reimbursable

positions and an increase of 225 reimbursable positions, consistent with anticipated levels of capital funding in 2010.

There is only one major New Need identified in the 2010 Budget. This is for the additional Engineering Signal positions as a result of the new Hours of Service regulations related to the recently enacted Railroad Safety legislation.

2011-2013 Projections

The baseline projections for 2011 through 2013 reflect no notable changes to the LIRR's commitment to its customers. Goals are still in place to continue improving key performance measures in safety, with continued improvements for both employees and customers, and MDBF, which remains at 110,000 miles fleet-wide. Projections are to maintain an on-time performance rating of 95%. During this period, the LIRR will continue its LCM for its M7 fleet, as many components start to enter key maintenance stages. Fulfillment of LCM requirements will continue to place growing demands on resources, in both labor and maintenance materials. In 2013, the LIRR will begin ramping up for service to Grand Central Terminal in 2017.

The baseline projections for 2011-2013 reflect these various impacts. Non-reimbursable revenues grow less than 1.4% in any year, while Reimbursable revenues decrease by 2.8% in 2011, and then increase by 2.6% in 2012 and 1.6% in 2013.

The pace of expense growth is higher, driven by high rates of increase above normal inflation in health and welfare (active and retirees), Traction and Propulsion power, and insurance throughout the plan. Non-reimbursable expenses (before depreciation) grow by 3.0% from \$1.192 billion in 2010 to \$1.228 billion in 2011. They continue to rise by 5.4% in 2012 and 2.9% in 2013, reaching \$1.332 billion. Including funding to support East Side Access preparation and ramp-up costs, expenses grow 4.7% from 2012 to 2013, reaching \$1.355 billion. Reimbursable expenses decline by 2.7% (to \$194.6 million) in 2011 and then increase by 2.7% in 2012 and 1.7% in 2013, reaching \$203.2 million.

The baseline positions in these projections decrease in 2011 by 74 positions over 2010, and then an increase of 18 positions in 2012 and another decrease of 40 positions in 2013. Including East Side Access, positions increase by 143 in 2013. The decrease in 2011 is primarily associated with the transfer of positions to the BSC. The increase in 2012 is primarily related to Life Cycle Maintenance activity. For the period from 2010 to 2013, reimbursable positions decline by 2.5%, or 22 positions. For the same period (excluding East Side Access), non-reimbursable positions decrease by 1.3%, or 74 positions. Including East Side Access, positions increase by 109 positions, or 1.9%.

Appearing in a separate section is a discussion of the major assumptions in the 2011-2013 forecasts and reconciliations to the February plan for the years through 2013.

GAP CLOSING MEASURES

2010 PEG Actions

After factoring in other expense reductions built into the July Financial Plan, 2010 Programs to Eliminate the Gaps (PEGs) totaling \$2.8 million have been identified in a below-the-line section of the Preliminary Budget. \$1.5 million of these PEGs have been identified to start in 2009.

These PEGs include the decision not to proceed with the Network Strategy Study in 2009 and the decision not to outfit the Diesel fleet with GPS in 2010. Several management and administrative positions have been eliminated as well.

Post 2010 PEG Actions

The management and administrative PEG reduction actions taken in 2010 are carried forward into 2011 – 2013. In addition, there are unspecified PEGs of \$12.3 million in 2011, which according to the MTA plan, will be identified in the July 2010 Plan. There are additional unidentified PEGs of \$24.5 million in 2012 and \$36.8 million in 2013.

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

NON-REIMBURSABLE						
	2008	2009	2010			
	Actual	Mid-Year Forecast	Preliminary Budget	2011	2012	2013
Operating Revenue						
Farebox Revenue	\$506.8	\$516.6	\$537.3	\$542.1	\$547.0	\$551.2
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	37.8	32.4	35.3	38.6	39.5	40.1
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$544.6	\$549.0	\$572.7	\$580.7	\$586.4	\$591.3
Operating Expenses						
<u>Labor:</u>						
Payroll	\$413.8	\$428.1	\$425.3	\$432.6	\$446.1	\$465.8
Overtime	89.8	88.8	81.4	82.3	83.9	84.6
Health and Welfare	73.1	75.6	81.3	86.4	92.9	101.9
OPEB Current Payment	47.1	50.7	54.6	58.5	62.7	67.2
Pensions	111.1	127.4	139.1	154.0	167.8	170.9
Other Fringe Benefits	90.4	89.7	90.2	90.8	89.9	100.6
Reimbursable Overhead	(31.9)	(27.9)	(22.8)	(27.1)	(28.4)	(28.3)
Total Labor Expenses	\$793.4	\$832.4	\$849.2	\$877.5	\$914.8	\$962.8
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$75.0	\$80.7	\$88.0	\$96.1	\$103.5	\$110.4
Fuel for Buses and Trains	23.1	13.2	15.6	16.8	17.7	19.8
Insurance	15.8	15.8	16.9	18.2	19.7	21.3
Claims	11.6	15.4	15.8	15.8	16.1	16.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	63.2	77.1	76.4	76.3	78.1	78.1
Professional Service Contracts	21.4	24.1	20.7	20.5	20.0	20.5
Materials & Supplies	101.5	116.3	98.7	95.9	112.6	114.5
Other Business Expenses	6.5	9.8	11.0	11.2	11.5	11.4
Total Non-Labor Expenses	\$318.2	\$352.4	\$343.1	\$350.9	\$379.3	\$392.1
<u>Other Expenses Adjustments:</u>						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	1,111.6	1,184.8	1,192.3	1,228.4	1,294.1	1,354.8
Depreciation	297.1	303.1	312.9	315.0	308.4	301.1
OPEB Obligation	77.6	79.2	82.4	85.7	89.1	92.6
Environmental Remediation	18.8	2.0	2.0	2.0	2.0	2.0
Total Expenses	\$1,505.1	\$1,569.2	\$1,589.6	\$1,631.1	\$1,693.6	\$1,750.6
Baseline Surplus/(Deficit)	(\$960.5)	(\$1,020.2)	(\$1,016.9)	(\$1,050.4)	(\$1,107.1)	(\$1,159.3)
2010 PEGs	0.0	1.5	1.3	0.4	0.4	0.4
Post-2010 PEGs	0.0	0.0	0.0	12.3	24.5	36.8
Total PEGs	0.0	1.5	1.3	12.7	24.9	37.2
Net Surplus/(Deficit)	(\$960.5)	(\$1,018.7)	(\$1,015.6)	(\$1,037.7)	(\$1,082.2)	(\$1,122.1)

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

REIMBURSABLE						
	2008	2009	2010			
	Actual	Mid-Year Forecast	Preliminary Budget	2011	2012	2013
Revenue						
Farebox Revenue						
Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	\$210.8	\$188.3	\$200.0	\$194.6	\$199.8	\$203.2
Total Revenue	\$210.8	\$188.3	\$200.0	\$194.6	\$199.8	\$203.2
Expenses						
<u>Labor:</u>						
Payroll	\$71.9	\$73.7	\$80.9	\$81.8	\$84.1	\$86.1
Overtime	19.6	10.2	10.3	10.2	10.3	10.5
Health and Welfare	12.9	12.3	13.7	14.0	14.5	15.1
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	29.1	23.5	22.4	21.0	21.1	21.0
Other Fringe Benefits	15.9	14.9	16.5	16.9	17.5	18.1
Reimbursable Overhead	31.9	27.9	22.8	27.1	28.4	28.3
Total Labor Expenses	\$181.3	\$162.5	\$166.7	\$171.1	\$175.9	\$179.1
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	1.0	0.9	1.0	1.0	1.0	1.1
Claims	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	9.8	7.9	8.0	8.1	8.2	8.3
Professional Service Contracts	1.5	0.6	0.5	0.5	0.5	0.5
Materials & Supplies	16.4	16.1	23.7	13.9	14.1	14.1
Other Business Expenses	0.6	0.2	0.1	0.1	0.1	0.1
Total Non-Labor Expenses	\$29.5	\$25.7	\$33.3	\$23.5	\$23.9	\$24.1
<u>Other Expenses Adjustments:</u>						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$210.8	\$188.3	\$200.0	\$194.6	\$199.8	\$203.2
Depreciation						
Total Expenses	\$210.8	\$188.3	\$200.0	\$194.6	\$199.8	\$203.2
Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.0	(\$0.0)

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

NON-REIMBURSABLE / REIMBURSABLE						
	2008	2009	2010			
	Actual	Mid-Year	Preliminary	2011	2012	2013
Revenue						
Farebox Revenue	\$506.8	\$516.6	\$537.3	\$542.1	\$547.0	\$551.2
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	37.8	32.4	35.3	38.6	39.5	40.1
Capital and Other Reimbursements	210.8	188.3	200.0	194.6	199.8	203.2
Total Revenue	\$755.4	\$737.3	\$772.6	\$775.3	\$786.2	\$794.5
Expenses						
<u>Labor:</u>						
Payroll	\$485.7	\$501.8	\$506.3	\$514.4	\$530.1	\$551.9
Overtime	109.5	99.0	91.7	92.6	94.2	95.1
Health and Welfare	86.1	87.9	95.0	100.4	107.5	117.0
OPEB Current Payment	47.1	50.7	54.6	58.5	62.7	67.2
Pensions	140.2	150.9	161.5	175.1	188.9	191.9
Other Fringe Benefits	106.2	104.7	106.7	107.7	107.4	118.7
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	\$974.7	\$994.9	\$1,015.9	\$1,048.6	\$1,090.8	\$1,141.8
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$75.2	\$80.7	\$88.0	\$96.1	\$103.5	\$110.4
Fuel for Buses and Trains	23.1	13.2	15.6	16.8	17.7	19.8
Insurance	16.9	16.7	17.9	19.2	20.7	22.3
Claims	11.6	15.4	15.8	15.8	16.1	16.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	73.0	85.0	84.5	84.4	86.2	86.4
Professional Service Contracts	22.9	24.7	21.2	21.0	20.5	21.0
Materials & Supplies	117.9	132.4	122.4	109.8	126.7	128.6
Other Business Expenses	7.1	10.0	11.1	11.3	11.6	11.5
Total Non-Labor Expenses	\$347.6	\$378.2	\$376.4	\$374.4	\$403.1	\$416.2
<u>Other Expenses Adjustments:</u>						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$1,322.4	\$1,373.1	\$1,392.3	\$1,423.0	\$1,493.9	\$1,558.0
Depreciation	297.1	303.1	312.9	315.0	308.4	301.1
OPEB Obligation	77.6	79.2	82.4	85.7	89.1	92.6
Environmental Remediation	18.8	2.0	2.0	2.0	2.0	2.0
Total Expenses	\$1,715.9	\$1,757.4	\$1,789.6	\$1,825.7	\$1,893.3	\$1,953.8
Baseline Surplus/(Deficit)	(\$960.5)	(\$1,020.2)	(\$1,016.9)	(\$1,050.4)	(\$1,107.1)	(\$1,159.3)
2010 PEGs	0.0	1.5	1.3	0.4	0.4	0.4
Post-2010 PEGs	0.0	0.0	0.0	12.3	24.5	36.8
Total PEGs	\$0.0	\$1.5	\$1.3	\$12.7	\$24.9	\$37.2
Net Surplus/(Deficit)	(\$960.5)	(\$1,018.7)	(\$1,015.6)	(\$1,037.7)	(\$1,082.2)	(\$1,122.1)

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

CASH RECEIPTS AND EXPENDITURES						
	2008 Actual	2009 Mid-Year Forecast	2010 Preliminary Budget	2011	2012	2013
Receipts						
Farebox Revenue	\$536.9	\$545.3	\$567.3	\$572.1	\$577.0	\$581.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	37.0	60.1	44.6	47.1	48.0	48.8
Capital and Other Reimbursements	211.5	232.6	230.3	228.3	231.2	237.4
Total Receipts	\$785.4	\$838.0	\$842.2	\$847.5	\$856.3	\$867.4
Expenditures						
<u>Labor:</u>						
Payroll	\$499.1	\$499.8	\$504.3	\$512.4	\$528.2	\$549.9
Overtime	109.7	99.0	91.8	92.6	94.2	95.1
Health and Welfare	92.6	87.9	95.0	100.4	107.5	117.0
OPEB Current Payment	50.6	50.7	54.6	58.5	62.7	67.2
Pensions	70.3	150.9	161.5	175.1	188.9	191.9
Other Fringe Benefits	104.8	104.7	106.7	107.7	107.4	118.7
GASB Account	7.5	7.7	7.3	8.0	8.7	9.4
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$934.5	\$1,000.7	\$1,021.2	\$1,054.7	\$1,097.5	\$1,149.2
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$73.4	\$102.6	\$90.8	\$98.8	\$106.1	\$113.2
Fuel for Buses and Trains	24.3	13.2	15.6	16.8	17.7	19.8
Insurance	25.2	22.1	23.6	26.3	27.1	29.1
Claims	13.9	14.9	14.0	14.0	14.3	14.3
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	84.8	101.6	87.9	87.4	89.2	89.2
Professional Service Contracts	23.2	28.4	22.5	20.3	19.5	20.2
Materials & Supplies	176.9	139.5	147.9	132.7	149.1	151.1
Other Business Expenses	8.0	9.1	10.7	10.9	11.2	11.1
Total Non-Labor Expenditures	\$429.8	\$431.3	\$412.9	\$407.1	\$434.2	\$447.8
<u>Other Expenditure Adjustments:</u>						
Other	29.9	28.7	30.0	30.0	30.0	30.0
Total Other Expenditure Adjustments	\$29.9	\$28.7	\$30.0	\$30.0	\$30.0	\$30.0
Total Expenditures	\$1,394.2	\$1,460.6	\$1,464.2	\$1,491.8	\$1,561.7	\$1,627.0
Cash Timing and Availability Adjustment	1.4	0.0	0.0	0.0	0.0	0.0
Baseline Cash Deficit	(\$607.4)	(\$622.6)	(\$622.0)	(\$644.3)	(\$705.5)	(\$759.7)
2010 PEGs		1.5	1.3	0.4	0.4	0.4
Post-2010 PEGs		0.0	0.0	12.3	24.5	36.8
Total PEGs	\$0.0	\$1.5	\$1.3	\$12.7	\$24.9	\$37.2
Net Cash Deficit	(\$607.4)	(\$621.1)	(\$620.7)	(\$631.6)	(\$680.6)	(\$722.5)

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

CASH FLOW ADJUSTMENTS						
	2008	2009	2010			
	<u>Actual</u>	<u>Forecast</u>	<u>Preliminary Budget</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Receipts						
Farebox Revenue	\$30.1	\$28.7	\$30.0	\$30.0	\$30.0	\$30.0
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	(0.7)	27.7	9.2	8.5	8.6	8.6
Capital and Other Reimbursements	0.7	44.4	30.3	33.7	31.5	34.3
Total Receipts	\$30.0	\$100.7	\$69.5	\$72.2	\$70.0	\$72.9
Expenditures						
<u>Labor:</u>						
Payroll	(\$13.4)	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Overtime	(0.2)	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Health and Welfare	(6.5)	0.0	0.0	0.0	0.0	(0.0)
OPEB Current Payment	(3.5)	(0.0)	0.0	(0.0)	(0.0)	(0.0)
Pensions	69.9	0.0	0.0	0.0	0.0	(0.0)
Other Fringe Benefits	1.4	0.0	0.0	(0.0)	0.0	0.0
GASB Account	(7.5)	(7.7)	(7.3)	(8.0)	(8.7)	(9.4)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$40.2	(\$5.7)	(\$5.3)	(\$6.1)	(\$6.7)	(\$7.4)
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$1.8	(\$21.8)	(\$2.8)	(\$2.7)	(\$2.6)	(\$2.8)
Fuel for Buses and Trains	(1.3)	0.0	0.0	(0.0)	0.0	(0.0)
Insurance	(8.4)	(5.3)	(5.7)	(7.1)	(6.4)	(6.8)
Claims	(2.3)	0.5	1.8	1.8	1.9	1.9
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(11.9)	(16.6)	(3.4)	(3.0)	(3.0)	(2.8)
Professional Service Contracts	(0.3)	(3.7)	(1.3)	0.7	1.0	0.8
Materials & Supplies	(59.0)	(7.1)	(25.5)	(22.9)	(22.4)	(22.4)
Other Business Expenditures	(0.9)	0.9	0.4	0.4	0.4	0.4
Total Non-Labor Expenditures	(\$82.1)	(\$53.1)	(\$36.6)	(\$32.7)	(\$31.1)	(\$31.7)
<u>Other Expenditures Adjustments:</u>						
Other	(29.9)	(28.7)	(30.0)	(30.0)	(30.0)	(30.0)
Total Other Expenditures Adjustments	(\$29.9)	(\$28.7)	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$41.9)	\$13.2	(\$2.4)	\$3.4	\$2.2	\$3.9
Depreciation Adjustment	297.1	303.1	312.9	315.0	308.4	301.1
OPEB Obligation	77.6	79.2	82.4	85.7	89.1	92.6
Environmental Remediation	18.8	2.0	2.0	2.0	2.0	2.0
Cash Timing and Availability Adjustment	1.4	0.0	0.0	0.0	0.0	0.0
Baseline Total Cash Conversion Adjustments	\$353.1	\$397.5	\$394.9	\$406.1	\$401.6	\$399.6
2010 PEGs	0.0	0.0	0.0	0.0	0.0	0.0
Post-2010 PEGs	0.0	0.0	0.0	0.0	0.0	0.0
Total PEGs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Cash Conversion Adjustments	\$353.1	\$397.5	\$394.9	\$406.1	\$401.6	\$399.6

**MTA Long Island Rail Road
2010 Preliminary Budget
July Financial Plan 2010 – 2013
Year-to-Year Changes by Category - Accrual and Cash**

Revenue

Farebox Revenue

- The regional economy and employment trends are the primary drivers.
- Farebox revenue is increasing by 4.0% in 2010 over 2009, despite a projected (0.6)% reduction in ridership, due to the full year impact of the June 2009 fare increase.
- Passenger revenue forecasts in the outer years 2010 - 2012 reveal modest annual growth due to increases in ridership.

Other Operating Revenue

- Other revenues are lower than what was projected in the 2009 budget, primarily due to lower Titan advertising revenue.
- Projected to grow each year primarily through the implementation of the AABB associated with advertising on the exterior of train cars, contractual and inflationary increases.

Capital and Other Reimbursements

- Reflects the 2005 - 2009 Capital Program and other project activity including overbuilds and East Side Access materials.

Expenses

Payroll

- 2010 - 2013 includes increases for management and represented employees of 1.87%, 2.23%, 2.20% and 1.97%, respectively.
- Headcount changes each year are associated with new needs, changes in programs and Capital Program activity.
- 2013 includes East Side Access ramp-up costs.

Overtime

- 2009 - 2010 decrease is primarily associated with lower maintenance, weather-related, and reduction in open job coverage overtime due to new hires.
- 2010 - 2013 increases reflect CPI increases and changes in Capital Program activity.

Health & Welfare

- 2010 reflects an annual rate increase of approximately 9.6% for family and 9.8% for individual coverage over 2009.
- 2010 - 2013 reflects annual rate increases of approximately 7.2% for family and 6.7% for individual.
- Reflects impact of headcount changes each year, including ramp-up costs for East Side Access in 2013.

Pensions

- Reflects the latest actuarial valuation for each year.

Other Fringe Benefits

- Railroad Retirement Tax maximum limits are based on the projected maximum earnings bases from the Railroad Retirement Board; the tax rate for each tier is expected to remain unchanged.
- Railroad Unemployment reflects a slight annual increase in the monthly amount per employee each year.

Traction and Propulsion Power

- 2009 is based on actuals through March.
- 2010 - 2013 reflects price inflators provided by MTA.

Fuel

- 2009 is based on actuals through March.
- 2010 – 2013 reflects price inflators and historical performance.

Insurance

- 2009 is based on actual results through March, which reflect favorable insurance premium payments.
- 2010 - 2013 reflects price inflators.

Claims

- 2009 reflects actual experience through March and the anticipated settlement and payout of claims for the balance of the year.
- 2010 - 2013 reflects inflationary increases.

Maintenance and Other Operating Contracts

- 2009 – 2012 relatively flat with minor inflationary increases.
- 2013 includes East Side Access start-up costs.

Professional Service Contracts

- 2012 – 2013 reflects changes in System Initiative projects.

Material and Supplies

- The decrease in materials from 2009 - 2010 is primarily Life Cycle Maintenance (LCM) material, partially offset by an increase in East Side Access material.
- 2011 – 2012 reflects higher LCM material.
- 2013 includes East Side Access start-up costs.

Other Business Expenses

- 2009 - 2013 includes inflationary increases.

Depreciation

- Reflects depreciation of current assets as well as estimates for capital projects based on their beneficial use.

Cash Adjustments**Expense**

- Pension – cash payments versus accrued expenses.
- Insurance and Claims & Suits – payments versus accrued expenses.
- 2009 - 2013 - timing of material purchases versus charge-outs.
- Depreciation and other non-cash adjustments for each year 2009 - 2013.
- Traction and Propulsion Power – reflects final LIPA settlement.
- 2009 – 2013 reflects capitalization of various IT Initiatives.

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

NON-REIMBURSABLE

Favorable/(Unfavorable)

	2008 Actual	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011	2013	Change 2013 - 2012
Revenue											
Farebox Revenue	\$506.8	\$516.6	\$9.8	\$537.3	\$20.8	\$542.1	\$4.8	\$547.0	\$4.9	\$551.2	\$4.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	37.8	32.4	(5.4)	35.3	2.9	38.6	3.2	39.5	0.9	40.1	0.7
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$544.611	\$549.007	\$4.396	\$572.670	\$23.663	\$580.683	\$8.013	\$586.439	\$5.756	\$591.306	\$4.868
Expenses											
Labor:											
Payroll	\$413.8	\$428.1	(\$14.3)	\$425.3	\$2.7	\$432.6	(\$7.2)	\$446.1	(\$13.5)	\$465.8	(\$19.7)
Overtime	89.8	88.8	1.0	81.4	7.4	82.3	(0.9)	83.9	(1.6)	84.6	(0.7)
Health and Welfare	73.1	75.6	(2.4)	81.3	(5.8)	86.4	(5.1)	92.9	(6.5)	101.9	(9.0)
OPEB Current Payment	47.1	50.7	(3.7)	54.6	(3.9)	58.5	(3.9)	62.7	(4.2)	67.2	(4.5)
Pensions	111.1	127.4	(16.3)	139.1	(11.7)	154.0	(15.0)	167.8	(13.8)	170.9	(3.1)
Other Fringe Benefits	90.4	89.7	0.6	90.2	(0.5)	90.8	(0.6)	89.9	0.9	100.6	(10.7)
Reimbursable Overhead	(31.9)	(27.9)	(4.0)	(22.8)	(5.2)	(27.1)	4.3	(28.4)	1.3	(28.3)	(0.1)
Total Labor Expenses	\$793.4	\$832.4	(\$39.0)	\$849.2	(\$16.8)	\$877.5	(\$28.3)	\$914.8	(\$37.3)	\$962.8	(\$47.9)
Non-Labor:											
Traction and Propulsion Power	\$75.0	\$80.7	(\$5.7)	\$88.0	(\$7.3)	\$96.1	(\$8.1)	\$103.5	(\$7.3)	\$110.4	(\$7.0)
Fuel for Buses and Trains	23.1	13.2	9.9	15.6	(2.5)	16.8	(1.1)	17.7	(1.0)	19.8	(2.0)
Insurance	15.8	15.8	(0.0)	16.9	(1.1)	18.2	(1.3)	19.7	(1.5)	21.3	(1.6)
Claims	11.6	15.4	(3.8)	15.8	(0.4)	15.8	0.0	16.1	(0.3)	16.1	(0.0)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	63.2	77.1	(13.9)	76.4	0.7	76.3	0.1	78.1	(1.7)	78.1	(0.0)
Professional Service Contracts	21.4	24.1	(2.7)	20.7	3.3	20.5	0.2	20.0	0.5	20.5	(0.5)
Materials & Supplies	101.5	116.3	(14.8)	98.7	17.6	95.9	2.7	112.6	(16.7)	114.5	(1.9)
Other Business Expenses	6.5	9.8	(3.3)	11.0	(1.2)	11.2	(0.2)	11.5	(0.3)	11.4	0.1
Total Non-Labor Expenses	\$318.2	\$352.4	(\$34.3)	\$343.1	\$9.3	\$350.9	(\$7.8)	\$379.3	(\$28.4)	\$392.1	(\$12.8)
Other Expenses Adjustments:											
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$1,111.6	\$1,184.8	(\$73.3)	\$1,192.3	(\$7.5)	\$1,228.4	(\$36.1)	\$1,294.1	(\$65.7)	\$1,354.8	(\$60.7)
Depreciation	297.1	303.1	(6.0)	312.9	(9.8)	315.0	(2.1)	308.4	6.6	301.1	7.2
OPEB Obligation	77.6	79.2	(1.6)	82.4	(3.2)	85.7	(3.3)	89.1	(3.4)	92.6	(3.6)
Environmental Remediation	18.8	2.0	16.8	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
Total Expenses	\$1,505.1	\$1,569.2	(\$64.0)	\$1,589.6	(\$20.5)	\$1,631.1	(\$41.5)	\$1,693.6	(\$62.5)	\$1,750.6	(\$57.1)
Baseline Net Surplus/(Deficit)	(\$960.5)	(\$1,020.2)	(\$59.6)	(\$1,016.9)	\$3.2	(\$1,050.4)	(\$33.5)	(\$1,107.1)	(\$56.7)	(\$1,159.3)	(\$52.2)
2010 PEGs	0.0	1.5	1.5	1.3	(0.2)	0.4	(0.9)	0.4	0.0	0.4	0.0
Post-2010 PEGs	0.0	0.0	0.0	0.0	0.0	12.3	12.3	24.5	12.2	36.8	12.3
Net Surplus/(Deficit)	(\$960.5)	(\$1,018.7)	(\$58.1)	(\$1,015.6)	\$3.0	(\$1,037.7)	(\$22.1)	(\$1,082.2)	(\$44.5)	(\$1,122.1)	(\$39.9)

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

REIMBURSABLE

	Favorable/(Unfavorable)										
	2008 Actual	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011	2013	Change 2013 - 2012
Revenue											
Farebox Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursements	210.8	188.3	(22.5)	200.0	11.7	194.6	(5.4)	199.8	5.2	203.2	3.4
Total Revenue	\$210.8	\$188.3	(\$22.5)	\$200.0	\$11.7	\$194.6	(\$5.4)	\$199.8	\$5.2	\$203.2	\$3.4
Expenses											
Labor:											
Payroll	\$71.9	\$73.7	(\$1.8)	\$80.9	(\$7.3)	\$81.8	(\$0.9)	\$84.1	(\$2.2)	\$86.1	(\$2.0)
Overtime	19.6	10.2	9.5	10.3	(0.2)	10.2	0.1	10.3	(0.0)	10.5	(0.2)
Health and Welfare	12.9	12.3	0.6	13.7	(1.4)	14.0	(0.3)	14.5	(0.5)	15.1	(0.5)
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	29.1	23.5	5.5	22.4	1.1	21.0	1.4	21.1	(0.1)	21.0	0.1
Other Fringe Benefits	15.9	14.9	0.9	16.5	(1.6)	16.9	(0.4)	17.5	(0.6)	18.1	(0.6)
Reimbursable Overhead	31.9	27.9	4.0	22.8	5.2	27.1	(4.3)	28.4	(1.3)	28.3	0.1
Total Labor Expenses	\$181.3	\$162.5	\$18.8	\$166.7	(\$4.2)	\$171.1	(\$4.4)	\$175.9	(\$4.8)	\$179.1	(\$3.2)
Non-Labor:											
Traction and Propulsion Power	\$0.2	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	1.0	0.9	0.2	1.0	(0.1)	1.0	(0.0)	1.0	(0.0)	1.1	(0.0)
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	9.8	7.9	1.9	8.0	(0.1)	8.1	(0.1)	8.2	(0.1)	8.3	(0.1)
Professional Service Contracts	1.5	0.6	0.9	0.5	0.2	0.5	(0.0)	0.5	(0.0)	0.5	(0.0)
Materials & Supplies	16.4	16.1	0.3	23.7	(7.7)	13.9	9.8	14.1	(0.2)	14.1	(0.1)
Other Business Expenses	0.6	0.2	0.4	0.1	0.1	0.1	(0.0)	0.1	(0.0)	0.1	(0.0)
Total Non-Labor Expenses	\$29.5	\$25.7	\$3.7	\$33.3	(\$7.5)	\$23.5	\$9.7	\$23.9	(\$0.3)	\$24.1	(\$0.2)
Other Expenses Adjustments:											
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$210.8	\$188.3	\$22.5	\$200.0	(\$11.7)	\$194.6	\$5.4	\$199.8	(\$5.2)	\$203.2	(\$3.4)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	\$210.8	\$188.3	\$22.5	\$200.0	(\$11.7)	\$194.6	\$5.4	\$199.8	(\$5.2)	\$203.2	(\$3.4)
Baseline Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	\$0.0	(\$0.0)	(\$0.0)
2010 PEGs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Post-2010 PEGs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	\$0.0	(\$0.0)	(\$0.0)

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

NON-REIMBURSABLE / REIMBURSABLE

	Favorable/(Unfavorable)										
	2008 Actual	\$2,009.0	Change 2009 - 2008	\$2,010.0	Change 2010 - 2009	\$2,011.0	Change 2011 - 2010	\$2,012.0	Change 2012 - 2011	\$2,013.0	Change 2013 - 2012
Revenue											
Farebox Revenue	\$506.8	\$516.6	\$9.8	\$537.3	\$20.8	\$542.1	\$4.8	\$547.0	\$4.9	\$551.2	\$4.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	37.8	32.4	(5.4)	35.3	2.9	38.6	3.2	39.5	0.9	40.1	0.7
Capital and Other Reimbursements	210.8	188.3	(22.5)	200.0	11.7	194.6	(5.4)	199.8	5.2	203.2	3.4
Total Revenue	\$755.4	\$737.3	(\$18.1)	\$772.6	\$35.3	\$775.3	\$2.6	\$786.2	\$10.9	\$794.5	\$8.2
Expenses											
Labor:											
Payroll	\$485.7	\$501.8	(\$16.1)	\$506.3	(\$4.5)	\$514.4	(\$8.1)	\$530.1	(\$15.8)	\$551.9	(\$21.7)
Overtime	109.5	99.0	10.5	91.7	7.2	92.6	(0.8)	94.2	(1.6)	95.1	(0.9)
Health and Welfare	86.1	87.9	(1.9)	95.0	(7.1)	100.4	(5.4)	107.5	(7.1)	117.0	(9.5)
OPEB Current Payment	47.1	50.7	(3.7)	54.6	(3.9)	58.5	(3.9)	62.7	(4.2)	67.2	(4.5)
Pensions	140.2	150.9	(10.7)	161.5	(10.6)	175.1	(13.6)	188.9	(13.8)	191.9	(3.0)
Other Fringe Benefits	106.2	104.7	1.6	106.7	(2.1)	107.7	(0.9)	107.4	0.3	118.7	(11.4)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	\$974.7	\$994.9	(\$20.2)	\$1,015.9	(\$21.0)	\$1,048.6	(\$32.7)	\$1,090.8	(\$42.2)	\$1,141.8	(\$51.1)
Non-Labor:											
Traction and Propulsion Power	\$75.2	\$80.7	(\$5.5)	\$88.0	(\$7.2)	\$96.1	(\$8.1)	\$103.5	(\$7.3)	\$110.4	(\$7.0)
Fuel for Buses and Trains	23.1	13.2	9.9	15.6	(2.5)	16.8	(1.1)	17.7	(1.0)	19.8	(2.0)
Insurance	16.9	16.7	0.1	17.9	(1.1)	19.2	(1.4)	20.7	(1.5)	22.3	(1.6)
Claims	11.6	15.4	(3.8)	15.8	(0.4)	15.8	0.0	16.1	(0.3)	16.1	(0.0)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	73.0	85.0	(12.1)	84.5	0.6	84.4	0.1	86.2	(1.8)	86.4	(0.1)
Professional Service Contracts	22.9	24.7	(1.8)	21.2	3.5	21.0	0.2	20.5	0.4	21.0	(0.5)
Materials & Supplies	117.9	132.4	(14.4)	122.4	10.0	109.8	12.5	126.7	(16.9)	128.6	(2.0)
Other Business Expenses	7.1	10.0	(2.9)	11.1	(1.1)	11.3	(0.2)	11.6	(0.3)	11.5	0.1
Total Non-Labor Expenses	\$347.6	\$378.2	(\$30.5)	\$376.4	\$1.8	\$374.4	\$2.0	\$403.1	(\$28.7)	\$416.2	(\$13.0)
Other Expenses Adjustments:											
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$1,322.4	\$1,373.1	(\$50.8)	\$1,392.3	(\$19.2)	\$1,423.0	(\$30.7)	\$1,493.9	(\$70.9)	\$1,558.0	(\$64.1)
Depreciation	297.1	303.1	(6.0)	312.9	(9.8)	315.0	(2.1)	308.4	6.6	301.1	7.2
OPEB Obligation	77.6	79.2	(1.6)	82.4	(3.2)	85.7	(3.3)	89.1	(3.4)	92.6	(3.6)
Environmental Remediation	18.8	2.0	16.8	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
Total Expenses	\$1,715.9	\$1,757.4	(\$41.5)	\$1,789.6	(\$32.1)	\$1,825.7	(\$36.1)	\$1,893.3	(\$67.7)	\$1,953.8	(\$60.4)
Baseline Net Surplus/(Deficit)	(\$960.5)	(\$1,020.2)	(\$59.6)	(\$1,016.9)	\$3.2	(\$1,050.4)	(\$33.5)	(\$1,107.1)	(\$56.7)	(\$1,159.3)	(\$52.2)
2010 PEGs	0.0	1.5	1.5	1.3	(0.2)	0.4	(0.9)	0.4	0.0	0.4	0.0
Post-2010 PEGs	0.0	0.0	0.0	0.0	0.0	12.3	12.3	24.5	12.2	36.8	12.3
Net Surplus/(Deficit)	(\$960.5)	(\$1,018.7)	(\$58.1)	(\$1,015.6)	\$3.0	(\$1,037.7)	(\$22.1)	(\$1,082.2)	(\$44.5)	(\$1,122.1)	(\$39.9)

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

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)										
	2008 Actual	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011	2013	Change 2013 - 2012
<u>Receipts</u>											
Farebox Revenue	\$536.9	\$545.3	\$8.4	\$567.3	\$22.1	\$572.1	\$4.8	\$577.0	\$4.9	\$581.2	\$4.2
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	37.0	60.1	23.1	44.6	(15.5)	47.1	2.5	48.0	1.0	48.8	0.7
Capital and Other Reimbursements	211.5	232.6	21.2	230.3	(2.4)	228.3	(2.0)	231.2	3.0	237.4	6.2
Total Receipts	\$785.4	\$838.0	\$52.6	\$842.2	\$4.1	\$847.5	\$5.3	\$856.3	\$8.8	\$867.4	\$11.1
<u>Expenditures</u>											
Labor:											
Payroll	\$499.1	\$499.8	(\$0.7)	\$504.3	(\$4.5)	\$512.4	(\$8.1)	\$528.2	(\$15.7)	\$549.9	(\$21.7)
Overtime	109.7	99.0	10.7	91.8	7.2	92.6	(0.8)	94.2	(1.6)	95.1	(0.9)
Health and Welfare	92.6	87.9	4.6	95.0	(7.1)	100.4	(5.4)	107.5	(7.1)	117.0	(9.5)
OPEB Current Payment	50.6	50.7	(0.1)	54.6	(3.9)	58.5	(3.9)	62.7	(4.2)	67.2	(4.5)
Pensions	70.3	150.9	(80.7)	161.5	(10.6)	175.1	(13.6)	188.9	(13.8)	191.9	(3.0)
Other Fringe Benefits	104.8	104.7	0.2	106.7	(2.1)	107.7	(0.9)	107.4	0.3	118.7	(11.4)
Reimbursable Overhead	7.5	7.7	(0.2)	7.3	0.4	8.0	(0.8)	8.7	(0.7)	9.4	(0.7)
Total Labor Expenditures	\$934.5	\$1,000.7	(\$66.2)	\$1,021.2	(\$20.5)	\$1,054.7	(\$33.4)	\$1,097.5	(\$42.8)	\$1,149.2	(\$51.7)
Non-Labor:											
Traction and Propulsion Power	\$73.4	\$102.6	(\$29.2)	\$90.8	\$11.8	\$98.8	(\$8.0)	\$106.1	(\$7.2)	\$113.2	(\$7.1)
Fuel for Buses and Trains	24.3	13.2	11.2	15.6	(2.5)	16.8	(1.1)	17.7	(1.0)	19.8	(2.0)
Insurance	25.2	22.1	3.2	23.6	(1.5)	26.3	(2.7)	27.1	(0.8)	29.1	(2.0)
Claims	13.9	14.9	(1.0)	14.0	0.9	14.0	0.0	14.3	(0.3)	14.3	(0.0)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	84.8	101.6	(16.8)	87.9	13.8	87.4	0.5	89.2	(1.8)	89.2	0.1
Professional Service Contracts	23.2	28.4	(5.2)	22.5	5.9	20.3	2.2	19.5	0.7	20.2	(0.7)
Materials & Supplies	176.9	139.5	37.4	147.9	(8.4)	132.7	15.2	149.1	(16.4)	151.1	(2.0)
Other Business Expenses	8.0	9.1	(1.2)	10.7	(1.6)	10.9	(0.2)	11.2	(0.3)	11.1	0.1
Total Non-Labor Expenditures	\$429.8	\$431.3	(\$1.5)	\$412.9	\$18.3	\$407.1	\$5.8	\$434.2	(\$27.1)	\$447.8	(\$13.6)
Other Expenditure Adjustments:											
Other	29.9	28.7	1.3	30.0	(1.3)	30.0	0.0	30.0	0.0	30.0	0.0
Total Other Expenditure Adjustments	\$29.9	\$28.7	\$1.3	\$30.0	(\$1.3)	\$30.0	\$0.0	\$30.0	\$0.0	\$30.0	\$0.0
Total Expenditures	\$1,394.2	\$1,460.6	(\$66.4)	\$1,464.2	(\$3.5)	\$1,491.8	(\$27.6)	\$1,561.7	(\$69.9)	\$1,627.0	(\$65.3)
Cash Timing and Availability Adjustment	1.4	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Baseline Net Cash Deficit	(\$607.4)	(\$622.6)	(\$15.2)	(\$622.0)	\$0.6	(\$644.3)	(\$22.3)	(\$705.5)	(\$61.1)	(\$759.7)	(\$54.2)
2010 PEGs	0.0	1.5	1.5	1.3	(0.2)	0.4	(0.9)	0.4	0.0	0.4	0.0
Post-2010 PEGs	0.0	0.0	0.0	0.0	0.0	12.3	12.3	24.5	12.2	36.8	12.3
Net Cash Deficit	(\$607.4)	(\$621.1)	(\$13.7)	(\$620.7)	\$0.4	(\$631.6)	(\$10.9)	(\$680.6)	(\$48.9)	(\$722.5)	(\$41.9)

**MTA Long Island Rail Road
2010 Preliminary Budget
July Financial Plan 2010 - 2013
Summary of Changes between Financial Plans by Category**

2009: July Financial Plan vs. February Financial Plan

2009 July Financial Plan is based on actual performance through March with projections for April through December based on current trends and known activities.

Revenue

- Ridership, (3.6) million, and Passenger Revenue, \$(60.7) million, unfavorable to plan primarily due to lower than projected fare increase.
- Other operating revenue lower due to advertising guarantee and delay in implementation of exterior train car advertising AABB.
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity and lower East Side Access Material.

Expense

- Payroll and benefits – decreased from February Plan due to capturing AABBs within the individual expense categories, open positions, April-May hiring freeze, and a decrease in health and welfare costs, partially offset by actuarial re-evaluation of pension liabilities.
- Higher Traction and Propulsion Power due to greater consumption.
- Lower Fuel for Trains due to higher diesel rates.
- Lower materials and supplies due to timing of East Side Access material, LCM activities and AABBs captured within the individual expense categories.
- All other non-payroll expenses have been re-estimated based on capturing AABBs within the individual expense categories, planned activities and timing of service contracts.

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

Revenue

- 2010 - 2012 decrease in ridership and revenue due to lower than anticipated fare increase (10.2% vs. 23% in 2009).
- Other revenue lower due to lower advertising guarantee and the delay in implementing the AABB associated with placing advertising on the outside of train cars (in 2010).
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity and timing of East Side Access Material.

Expense

- Payroll and benefits – 2010- 2012 decreased from February Plan due to AABB's being captured within the individual expense categories, lower rates for health and welfare, and capital program activity.

- Traction Power is higher due to higher rates. Diesel Fuel is lower primarily resulting from decreased rates.
- Material & Supplies changes each year due to East Side Access material and re-estimate of material costs associated with LCM.
- All other non-payroll expenses have been decreased due to AABB's being captured within the individual expense categories, re-estimates based on planned activities, changes in service contracts and adjustments to inflationary increases.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2009	2010	2011	2012
Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit)	(\$566.0)	(\$534.5)	(\$547.9)	(\$603.0)
Baseline Changes				
Revenue				
Farebox Revenue	(\$12.9)	(\$13.0)	(\$13.1)	(\$13.3)
Reduced Fare/Toll Increase	(47.7)	(72.6)	(73.3)	(74.0)
Additional Actions for Budget Balance: Revenue Impact	(1.5)	(3.0)	(3.0)	(3.0)
Vehicle Toll Revenue	0.0	0.0	0.0	0.0
Other Operating Revenue	(4.7)	(3.3)	(1.9)	(2.7)
Capital and Other Reimbursement	0.0	0.0	0.0	0.0
Total Revenue Changes	(\$66.8)	(\$91.9)	(\$91.4)	(\$93.0)
Expenses				
Labor:				
Payroll and Overtime	(\$2.0)	\$15.1	\$14.9	\$12.6
Health and Welfare	6.3	7.2	8.0	8.6
OPEB Current Payment	0.0	0.6	1.4	2.5
Pensions	1.6	4.3	2.7	2.7
Other Fringe Benefits	3.3	4.5	5.5	9.0
Reimbursable Overhead	(0.2)	(5.9)	(4.1)	(4.3)
Total Labor Expense Changes	\$9.0	\$25.9	\$28.4	\$31.0
Non-Labor:				
Traction and Propulsion Power	(\$0.1)	(\$1.0)	(\$4.1)	(\$6.4)
Fuel for Buses and Trains	6.2	4.8	4.0	3.7
Insurance	0.8	1.0	1.1	1.1
Claims	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	8.2	(0.6)	(0.2)	0.1
Professional Service Contracts	1.2	2.9	3.3	4.0
Materials & Supplies	2.1	12.1	18.3	3.1
Other Business Expenses	(0.9)	(1.8)	(1.9)	(2.0)
Total Non-Labor Expense Changes	\$17.5	\$17.4	\$20.4	\$3.7
Total Expense Changes before Depreciation and GASB Adjs.	\$26.5	\$43.3	\$48.8	\$34.7
Gap Closing Expenses :				
Additional Actions for Budget Balance: Expense Impact	(\$34.2)	(\$47.3)	(\$46.1)	(\$47.5)
Total Gap Closing Expenses	(\$34.2)	(\$47.3)	(\$46.1)	(\$47.5)
Depreciation	(5.2)	(2.4)	(7.3)	(5.0)
OPEB Obligation	(0.0)	0.0	(0.0)	(0.0)
Environmental Remediation	(0.5)	(0.5)	(0.5)	(0.5)
Total Expense Changes	(\$13.4)	(\$6.9)	(\$5.1)	(\$18.3)
Cash Adjustment Changes				
Operating Funded Capital	(5.9)	0.8	1.7	0.4
LIPA Preliminary Settlements	(0.6)	0.1	0.2	0.2
Depreciation, OPEB & Envir. Remediation	5.7	2.9	7.8	5.5
Timing and other cash adjustments	11.7	1.2	1.0	1.2
Total Cash Adjustment Changes	\$10.9	\$5.0	\$10.7	\$7.3
Total Baseline Changes	(\$69.4)	(\$93.8)	(\$85.8)	(\$104.0)
Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit)	(\$635.3)	(\$628.3)	(\$633.7)	(\$707.0)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2009	2010	2011	2012
Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit)	(\$3.9)	(\$0.9)	\$2.5	\$0.0
Baseline Changes				
Revenue				
Farebox Revenue				
Reduced Fare/Toll Increase				
Additional Actions for Budget Balance: Revenue Impact				
Vehicle Toll Revenue				
Capital and Other Reimbursement	(39.8)	(24.4)	(3.5)	(11.0)
Total Revenue Changes	(\$39.8)	(\$24.4)	(\$3.5)	(\$11.0)
Expenses				
Labor:				
Payroll and Overtime	\$11.4	\$3.6	\$3.4	\$3.5
Health and Welfare	2.1	1.5	1.9	2.3
OPEB Current Payment	0.0	0.0	0.0	0.0
Pensions	(3.5)	(4.3)	(2.7)	(2.7)
Other Fringe Benefits	2.4	1.9	2.3	2.7
Reimbursable Overhead	0.2	5.9	4.1	4.3
Total Labor Expense Changes	\$12.6	\$8.5	\$9.1	\$10.2
Non-Labor:				
Traction and Propulsion Power	(\$0.0)	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0
Insurance	(0.3)	(0.3)	(0.3)	(0.3)
Claims	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	0.6	0.7	0.5	0.5
Professional Service Contracts	(0.1)	0.1	0.0	0.0
Materials & Supplies	27.1	15.4	(5.8)	0.6
Other Business Expenses	(0.1)	0.0	0.0	0.0
Total Non-Labor Expense Changes	\$27.2	\$15.9	(\$5.6)	\$0.8
Total Expense Changes	\$39.8	\$24.4	\$3.5	\$11.0
Gap Closing Expenses :				
Additional Actions for Budget Balance: Expense Impact				
Total Gap Closing Expenses	\$0.0	\$0.0	\$0.0	\$0.0
Cash Adjustment Changes				
Capital and Other Reimbursements	\$16.6	\$7.2	(\$13.2)	\$1.5
Total Cash Adjustment Changes	\$16.6	\$7.2	(\$13.2)	\$1.5
Total Baseline Changes	\$16.6	\$7.2	(\$13.2)	\$1.5
Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit)	\$12.7	\$6.3	(\$10.7)	\$1.5

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE

	2009	2010	2011	2012
Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit)	(\$569.9)	(\$535.4)	(\$545.4)	(\$603.0)
Baseline Changes				
Revenue				
Farebox Revenue	(\$12.9)	(\$13.0)	(\$13.1)	(\$13.3)
Reduced Fare/Toll Increase	(47.7)	(72.6)	(73.3)	(74.0)
Additional Actions for Budget Balance: Revenue Impact	(1.5)	(3.0)	(3.0)	(3.0)
Vehicle Toll Revenue	0.0	0.0	0.0	0.0
Other Operating Revenue	(4.7)	(3.3)	(1.9)	(2.7)
Capital and Other Reimbursement	(39.8)	(24.4)	(3.5)	(11.0)
Total Revenue Changes	(\$106.6)	(\$116.3)	(\$94.9)	(\$103.9)
Expenses	(\$6.2)	(\$6.3)	(\$4.9)	(\$5.7)
Labor:				
Payroll and Overtime	\$9.4	\$18.8	\$18.3	\$16.1
Health and Welfare	8.4	8.8	9.9	10.9
OPEB Current Payment	0.0	0.6	1.4	2.5
Pensions	(1.9)	(0.0)	0.0	(0.0)
Other Fringe Benefits	5.7	6.3	7.8	11.7
Reimbursable Overhead	0.0	0.0	0.0	0.0
Total Labor Expense Changes	\$21.7	\$34.4	\$37.5	\$41.1
Non-Labor:				
Traction and Propulsion Power	(\$0.1)	(\$1.0)	(\$4.1)	(\$6.4)
Fuel for Buses and Trains	6.2	4.8	4.0	3.7
Insurance	0.5	0.7	0.7	0.8
Claims	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	8.8	0.2	0.3	0.7
Professional Service Contracts	1.1	3.0	3.3	4.0
Materials & Supplies	29.2	27.4	12.4	3.7
Other Business Expenses	(1.0)	(1.8)	(1.9)	(2.0)
Total Non-Labor Expense Changes	\$44.7	\$33.2	\$14.8	\$4.5
Total Expense Changes before Depreciation and GASB Adjs.	\$66.3	\$67.7	\$52.3	\$45.6
Gap Closing Expenses :				
Additional Actions for Budget Balance: Expense Impact	(\$34.2)	(\$47.3)	(\$46.1)	(\$47.5)
Total Gap Closing Expenses	(\$34.2)	(\$47.3)	(\$46.1)	(\$47.5)
Depreciation	(5.2)	(2.4)	(7.3)	(5.0)
OPEB Obligation	(0.0)	0.0	(0.0)	(0.0)
Environmental Remediation	(0.5)	(0.5)	(0.5)	(0.5)
Total Expense Changes	\$26.4	\$17.5	(\$1.7)	(\$7.3)
Cash Adjustment Changes				
Capital and Other Reimbursements	\$16.6	\$7.2	(\$13.2)	\$1.5
Operating Funded Capital	(5.9)	0.8	1.7	0.4
LIPA Preliminary Settlements	(0.6)	0.1	0.2	0.2
Depreciation, OPEB & Envir. Remediation	5.7	2.9	7.8	5.5
Timing and other cash adjustments	11.7	1.2	1.0	1.2
Total Cash Adjustment Changes	\$27.5	\$12.2	(\$2.5)	\$8.8
Total Baseline Changes	(\$52.7)	(\$86.6)	(\$99.0)	(\$102.5)
Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit)	(\$622.6)	(\$622.0)	(\$644.3)	(\$705.5)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2009	2010	2011	2012
Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit)	(\$569.9)	(\$535.4)	(\$545.4)	(\$603.0)
Restored AABBs	(4.5)	(12.6)	(11.0)	(11.3)
Passenger Fare and Toll Revenue in the Baseline - 23% Yield	(70.0)	(116.3)	(117.4)	(118.4)
Passenger Fare and Toll Revenue - 10% Increase	22.3	43.7	44.1	44.5
Non-Reimbursable Major Changes				
Revenue				
Farebox Revenue	(12.9)	(13.0)	(13.1)	(13.3)
AABB re-estimate (Exterior Train Car Advertising)	(1.5)	(1.5)	0.0	0.0
Titan Advertising	(4.7)	(4.6)	(4.8)	(5.8)
Other Operating Revenue	0.1	(0.1)	(0.1)	0.1
Sub-Total Non-Reimbursable Revenue Changes	(\$19.1)	(\$19.3)	(\$18.1)	(\$19.0)
Expenses				
Mobility Tax	(1.7)	(2.0)	(2.1)	(2.1)
AABB re-estimates	2.2	1.3	(1.2)	(4.6)
Traction & Fuel (primarily rate adjustments exc AABB restorations)	5.6	2.2	(1.7)	(4.3)
ESA Readiness				
Pension - Latest Actuarial Estimate	1.6	4.3	2.7	2.7
Mothball 10 Additional M-3 cars	1.7	1.7	1.7	7.2
Business Service Center adjustments			(.7)	(1.1)
Hours of Service Rule for BRS-Signal	(.4)	(.7)	(.7)	(.8)
Diesel Fleet Modifications and re-estimates	(.2)	(2.4)	(3.3)	(3.3)
M-7 Bombardier Modifications and LCM re-estimates	(2.8)	(5.3)	5.6	(4.1)
Misc Fleet Maintenance activities/timing	(1.9)	7.5	6.5	2.7
Overtime re-estimate (crewbook, weather, etc.)	(4.5)	(1.5)		
Health & Welfare - Active rate adjustments	5.2	4.2	4.9	5.8
Health & Welfare Retiree - rate adjustments		.6	1.4	2.5
Timing of IT Initiatives	(3.3)	(.4)	.4	.1
Assistant Conductor Rate based on progression analysis	(1.6)	(1.5)	(1.5)	(1.6)
Increase pool of qualified conductors to 87%	(.7)			
All other	(2.5)	.6	1.6	(.4)
Sub-Total Non-Reimbursable Expense Changes	(\$3.2)	\$8.6	\$13.6	(\$1.5)
Total Non-Reimbursable Major Changes	(\$74.5)	(\$95.9)	(\$88.7)	(\$105.8)
Reimbursable Major Changes				
Revenue				
Capital and Other Reimbursements	(39.8)	(24.4)	(3.5)	(11.0)
Sub-Total Reimbursable Revenue Changes	(\$39.8)	(\$24.4)	(\$3.5)	(\$11.0)
Expenses				
East Side Access Material	27.0	15.4	(5.6)	0.8
Project Activity	12.7	9.0	9.1	10.2
Sub-Total Reimbursable Expense Changes	\$39.8	\$24.4	\$3.5	\$11.0
Total Reimbursable Major Changes	\$0	\$0	\$0	\$0
Total Accrual Changes	(\$74.5)	(\$95.9)	(\$88.7)	(\$105.8)
Cash Adjustment Changes				
Non-Reimbursable				
Operating Funded Capital	(5.9)	0.8	1.7	0.4
LIPA Preliminary Settlements	(0.6)	0.1	0.2	0.2
Timing and other cash adjustments	11.7	1.2	1.0	1.2
Reimbursable				
Capital and Other Reimbursements	\$16.6	\$7.2	(\$13.2)	\$1.5
Total Cash Adjustment Changes	\$21.8	\$9.3	(\$10.3)	\$3.3
Total Baseline Changes	(\$52.7)	(\$86.6)	(\$99.0)	(\$102.5)
Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit)	(\$622.6)	(\$622.0)	(\$644.3)	(\$705.5)

**MTA Long Island Rail Road
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

RIDERSHIP/UTILIZATION PROJECTIONS

- The regional economy and employment are the primary drivers of passenger ridership and revenue in 2010.
- Ridership projections for the outer years 2011-2013 reveal modest annual growth.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Ridership/Traffic Volume (Utilization)

	2008 Actual	2009 Mid-Year Forecast	2010 Preliminary Budget	2011	2012	2013
Baseline Ridership						
Baseline Total Ridership	87.4	84.1	83.6	84.2	85.1	85.8
Impact of:						
2010 Program to Eliminate the Gap (PEGs)						
Post-2010 Program to Eliminate the Gap (PEGs)						
Total Ridership	87.4	84.1	83.6	84.2	85.1	85.8

MTA Long Island Rail Road
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

		2009		2010		2011		2012		2013	
		Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Administration											
Network Strategy Study			1.500								
Planning and Development Consultant					0.125						
Crew Board				2	0.200	2	0.200	2	0.200	2	0.200
Reduction in Administrative Positions				1	0.082	1	0.085	1	0.087	1	0.090
Reduction in Management Positions				1	0.125	1	0.128	1	0.132	1	0.136
Sub-Total	Administration	0	\$1.500	4	\$0.532	4	\$0.413	4	\$0.419	4	\$0.426
Customer Convenience/Amenities											
Sub-Total	Customer Convenience/Amenities	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance											
Sub-Total	Maintenance	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other											
GPS					0.775						
Sub-Total	Other	0	\$0.000	0	\$0.775	0	\$0.000	0	\$0.000	0	\$0.000
Revenue Enhancement											
Sub-Total	Revenue Enhancement	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Safety											
Sub-Total	Safety	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Security											
Sub-Total	Security	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service											
Sub-Total	Service	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service Support											
Sub-Total	Service Support	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Total Programs		0	\$1.500	4	\$1.307	4	\$ 0.413	4	\$0.419	4	\$0.426

MTA Long Island Rail Road
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

Business Unit	LIRRD	PEG Category	Administration	Implementation Date	Jul-09
PEG / New Need ID	2			Savings Date	2009
Program:	Network Strategy Study				

Description and Implementation Plan A study of the regional transportation needs and how best to plan the LIRR's infrastructure strategy is necessary to meet the growing ridership demands. This study has been deferred indefinitely due to the current economic conditions.

Background Details

	2009	2010	2011	2012	2013
Total Headcount					
Financial Impact	1.500				

MTA Long Island Rail Road
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

Business Unit	LIRRD	PEG Category	Administration	Implementation Date	Jul-09
PEG / New Need ID	3			Savings Date	2010

Program: Planning and Development Consultant (Route 110 Corridor Study)

Description and Implementation Plan

Background Details

	2009	2010	2011	2012	2013
Total Headcount					
Financial Impact		0.125			

MTA Long Island Rail Road
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

Business Unit	LIRRD	PEG Category	Administration	Implementation Date	Jul-09
PEG / New Need ID	4			Savings Date	2010
Program:	Crew Board				
Description and Implementation Plan	Offset two overtime task force positions.				
Background Details					

	2009	2010	2011	2012	2013
Total Headcount		2	2	2	2
Financial Impact		0.200	0.200	0.200	0.200

<p>MTA Long Island Rail Road</p> <p>July Financial Plan 2010-2013</p> <p>2010 Program to Eliminate the Gap (PEGs) Worksheet</p> <p>(\$ in millions)</p>

PEG / New Need ID	5	Savings Date	2010
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Description and Implementation Plan

	2009	2010	2011	2012	2013
Total Headcount		1	1	1	1
Financial Impact		0.082	0.085	0.087	0.090

<p>MTA Long Island Rail Road</p> <p>July Financial Plan 2010-2013</p> <p>2010 Program to Eliminate the Gap (PEGs) Worksheet</p> <p>(\$ in millions)</p>

PEG / New Need ID	6	Savings Date	2010
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Description and Implementation Plan

	2009	2010	2011	2012	2013
Total Headcount		1	1	1	1
Financial Impact		0.125	0.128	0.132	0.136

MTA Long Island Rail Road
 July Financial Plan 2010-2013
 2010 Program to Eliminate the Gap (PEGs) Worksheet
 (\$ in millions)

Business Unit	LIRRD	PEG Category	Other	Implementation Date	Jul-09
PEG / New Need ID	1			Savings Date	2010
Program:	GPS				
Description and Implementation Plan	Cancel the purchase of GPS for the C3 and M3 fleets.				
Background Details					

	2009	2010	2011	2012	2013
Total Headcount					
Financial Impact		0.775			

MTA Long Island Rail Road
July Financial Plan 2010-2013
Summary of Post-2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

		2009		2010		2011		2012		2013	
		Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Administration											
	Sub-Total Administration	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Customer Convenience/Amenities											
	Sub-Total Customer Convenience/Amenities	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance											
	Sub-Total Maintenance	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other											
TBD							12.300		24.500		36.800
	Sub-Total Other	0	\$0.000	0	\$0.000	0	\$12.300	0	\$24.500	0	\$36.800
Revenue Enhancement											
	Sub-Total Revenue Enhancement	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Safety											
	Sub-Total Safety	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Security											
	Sub-Total Security	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service											
	Sub-Total Service	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service Support											
	Sub-Total Service Support	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Total Programs		0	\$0.000	0	\$0.000	0	\$ 12.300	0	\$24.500	0	\$36.800

MTA Long Island Rail Road
July Financial Plan 2010-2013
Post-2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	LIRRD	PEG Category	Other	Implementation Date	2011
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PEG / New Need ID	7			Savings Date	2011
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Program: TBD

Description and Implementation Plan

Background Details

	2009	2010	2011	2012	2013
Total Headcount					
Financial Impact			\$ 12.300	\$ 24.500	\$ 36.800

**MTA Long Island Rail Road
2010 Preliminary Budget
July Financial Plan 2010 – 2013**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required to meet/achieve corporate goals.
- Annual staffing levels include the impact of new needs and re-estimates consistent with the associated cost changes incorporated in the financial plan.
- 2013 includes approximately 183 positions due to East Side Access ramp-up.

REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required for reimbursable activity.
- Annual staffing levels represent the positions required to support the Capital Program, as well as changes in other reimbursable projects.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2008 Actual	2009 Mid-Year Forecast	2010 Preliminary Budget	2011	2012	2013
Administration						
Executive VP	2	2	2	2	2	2
Sr. VP Administration	0	2	2	2	2	2
Labor Relations	11	11	10	10	10	10
Procurement & Logistics (excl. Stores)	82	92	93	93	93	93
Human Resources	109	105	98	84	84	90
Strategic Investments	36	42	42	42	42	42
Diversity Management	2	0	0	0	0	0
President	4	4	4	4	4	4
VP & Chief Financial Officer	105	110	109	75	75	75
Information Technology	162	182	184	179	179	179
VP - East Side Access & Special Projects	26	27	27	27	27	27
Market Dev. & Public Affairs	66	67	67	67	67	67
Gen. Counsel & Secretary	34	38	38	38	38	38
System Safety	22	24	21	21	21	21
Security		6	6	6	6	6
VP Operations/Oper. S/A & Serv. Planning	40	45	44	43	43	43
Total Administration	701	757	747	693	693	699
Operations						
Transportation	1,884	1,863	1,798	1,806	1,812	1,970
Passenger Service (Ticket Clerks & Agents)	204	188	162	163	163	163
Total Operations	2,088	2,051	1,960	1,969	1,975	2,133
Maintenance						
Engineering	1,694	1,715	1,692	1,688	1,682	1,676
Equipment	1,931	1,925	1,951	1,926	1,944	1,929
Passenger Service (excl. Ticket Selling)	187	195	194	194	194	194
Procurement (Stores)	95	98	98	98	98	98
Total Maintenance	3,907	3,933	3,935	3,906	3,918	3,897
Engineering/Capital						
Project Management (CPM & FAM)	110	132	132	132	132	132
Total Engineering/Capital	110	132	132	132	132	132
Total Baseline Positions	6,806	6,873	6,774	6,700	6,718	6,861
<i>Non-Reimbursable</i>	6,050	6,200	5,876	5,820	5,842	5,985
<i>Reimbursable</i>	756	673	898	880	876	876
<i>Total Full-Time</i>	6,806	6,873	6,774	6,700	6,718	6,861
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0
Impact of:						
2010 Program to Eliminate the Gap	-	-	4	4	4	4
Post-2010 Program to Eliminate the Gap	-	-	-	-	-	-
Total Positions	6,806	6,873	6,770	6,696	6,714	6,857
<i>Non-Reimbursable</i>	6,050	6,200	5,872	5,816	5,838	5,981
<i>Reimbursable</i>	756	673	898	880	876	876
<i>Total Full-Time</i>	6,806	6,873	6,770	6,696	6,714	6,857
<i>Total Full-Time Equivalents</i>						

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2010-2013
Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2008 Actual	2009 Mid-Year Forecast	2010 Preliminary Budget	2011	2012	2013
Administration							
	Managers/Supervisors	329	365	362	353	353	355
	Professional, Technical, Clerical	372	392	385	340	340	344
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	701	757	747	693	693	699
Operations							
	Managers/Supervisors	249	276	276	274	274	274
	Professional, Technical, Clerical	200	171	152	153	153	153
	Operational Hourlies	1,639	1,604	1,532	1,542	1,548	1,706
	Total Operations	2,088	2,051	1,960	1,969	1,975	2,133
Maintenance							
	Managers/Supervisors	679	685	740	740	740	741
	Professional, Technical, Clerical	262	283	279	279	279	280
	Operational Hourlies	2,966	2,965	2,916	2,887	2,899	2,876
	Total Maintenance	3,907	3,933	3,935	3,906	3,918	3,897
Engineering/Capital							
	Managers/Supervisors	93	106	106	106	106	106
	Professional, Technical, Clerical	17	26	26	26	26	26
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	110	132	132	132	132	132
Public Safety							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors	1,350	1,432	1,484	1,473	1,473	1,476
	Professional, Technical, Clerical	851	872	842	798	798	803
	Operational Hourlies	4,605	4,569	4,448	4,429	4,447	4,582
	Total Baseline Positions	6,806	6,873	6,774	6,700	6,718	6,861

Metro-North Railroad

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013**

MISSION STATEMENT

The mission of MTA Metro-North Railroad is to preserve and enhance the quality of life and economic health of the region we serve through the efficient provision of transportation service of the highest quality.

This mission statement and its accompanying statement of values have guided Metro-North's decision making for over 25 years. The railroad is additionally guided by seven strategic areas that are common to all MTA agencies to ensure the creation and execution of effective goals and objectives. These seven areas are: customer service, safety & security, workforce development, projects & planning, financial stability, sustainability, and institutional transformation.

DESCRIPTION OF SERVICES

MTA Metro-North Railroad provides passenger rail service to five suburban counties in New York State (Westchester, Putnam, Dutchess, Rockland, and Orange), two in Connecticut (Fairfield and New Haven), and two urban counties in New York City (Bronx and Manhattan). East of Hudson train service extends 85 miles from Manhattan, with terminals to the northeast in New Haven, Waterbury, Danbury, and New Canaan on the New Haven Line; to the north in Wassaic on the Harlem Line, and Poughkeepsie on the Hudson Line. The Harlem, Hudson, and New Haven Lines converge in the Bronx and terminate at Grand Central Terminal in Manhattan. West of the Hudson River, the Pascack Valley Line extends to Spring Valley, New York and the Port Jervis Line to Port Jervis, 95 miles from Hoboken at the border of New York and Pennsylvania. Both lines terminate in Hoboken, New Jersey. Service on the New Haven line is provided by Metro-North pursuant to a contract between the Connecticut Department of Transportation (ConnDOT) and Metro-North/MTA. Service on the Port Jervis and Pascack Valley Lines is operated by New Jersey Transit under contract to Metro-North. The railroad plans to carry 82.6 million customers in 2010 over 385 road miles, to and from 122 stations, operating 667 trains on an average weekday East of Hudson, and 62 trains on an average weekday West of Hudson.

FINANCIAL OVERVIEW

During the second half of 2008 the effects of the worldwide economic downturn began to impact Metro-North's ridership growth. By the end of 2008, the growth stopped and began to reverse as rising regional unemployment levels began posting declines in the number of 2009 customers carried versus record-setting 2008 levels. The resulting revenue losses, in addition to lower projected operating subsidy available from the MTA and Connecticut Department of Transportation (due to recession-driven reductions in projected transit-dedicated tax proceeds), have placed pressure on Metro-North to further reduce operating costs to contribute toward achieving additional budgetary balance.

Consequently, Metro-North has implemented several cost-reduction plans to reduce its subsidy requirements. These plans were developed in accordance with MTA system-wide guidelines and were designed to maintain current safety and service quality standards, and minimize adverse impacts on customers and employees. These cost saving measures include:

- A continuation in 2009 of administrative cost reductions enacted in July 2008.
- 1.5% annual cost reduction measures from 2008-2013 (over \$9 million each year)
- Additional actions to achieve budget balance (over \$27 million starting in 2009)
- A further programmatic review of base costs to garner additional subsidy reductions and fund new needs.

Development of these plans flow from Metro-North's annual planning process, whereby issues impacting the performance of the railroad are reviewed and initiatives developed to achieve the railroad's goals. Consequently, operating resource estimates included in each budget are based on the consideration of factors which affect all aspects of the railroad including current operating trends, projected changes in costs, new initiatives/business decisions which affect service quantity, quality or efficiency, and the impacts of capital improvements on operating expenditures. Each of these factors is carefully reviewed in the context of funding availability from MTA and ConnDOT, the agencies subsidizing Metro-North.

Metro-North has also identified emerging new needs and has earmarked the continuation of existing programs that support strategic focus areas. Examples of these programs are highlighted below:

Customer Service

- In 2009 the new Yankees-E.153rd Street station was opened to provide:
 - baseball season travel to the new Yankee Stadium from all three East of Hudson service lines,
 - a new transportation option for Bronx residents
 - park-and-ride opportunities for tri-state area travelers to midtown Manhattan

- Provisions for additional East of Hudson train service are included during 2010-2013.
- Equipment overhauls and labor and material resources to support the new M8 cars are new needs that ensure service reliability and have been rescheduled in accordance with revised operating plans.
- A new Interactive Voice Response system (IVR) will be implemented to increase the capacity and reliability of the outdated customer telephone information system.
- The phased replacement of Hudson Rail Link shuttle buses will continue through 2012 to ensure the reliability and adequate capacity of this successful connecting service.
- The addition of maintenance staffing has been accelerated for the new Harmon Shop facilities.
- Cyclical station painting and maintenance programs have been incorporated to maintain/improve the environment at outlying stations.

Safety and Security

- Metro-North has incorporated the resources to support the maintenance and monitoring functions associated with the implementation of new security systems in New York and Connecticut.
- Resources are included to comply with new FRA mandates regarding more stringent hours of service rules for signal maintainers, and the expansion of drug testing to include Maintenance of Way employees.

Workforce Development

- A Learning Management System will be implemented to improve the delivery (via employee electronic access to training programs across the railroad) and management of training programs.

Project and Planning

- To maintain and improve the efficiency of Metro-North's information communication network, upgrades to supporting equipment, and the installation of additional security refinements have been planned for implementation starting in 2009.

Financial Stability

- Increase passenger revenues through the implementation of new train service that improves financial performance and promotes long-term ridership growth.
- Incorporate new sources of non-passenger revenue as a result of focused efforts to leverage Metro-North assets for advertising, vending, and transit oriented development projects.
- Expand the implementation of Kronos timekeeping at all facilities to improve the tracking and reporting of personnel costs.
- Remove completed program costs from the financial plan. In 2010, labor and material resources for the M3 CSR program have been phased-out as this program winds down and locomotive overhaul costs have been removed from the financial plan as scheduled work is completed.

- To effectively meet financial plan targets, cost efficiencies focus on reducing proposed programs that improve performance rather than diminish existing service. To this end, planned additions for car seat replacement, increased locomotive shop staffing, and new M8 car maintenance requirements have been deferred in accordance with current operating conditions and schedules.
- Savings in existing costs have been achieved in on-board crews (made possible by reductions in deadhead equipment trains), scaling back extraordinary car and station cleaning (daily cleaning cycles unchanged), and lowering debit/credit card fees (due to reduced ridership).

The financial plan also includes current expenditure trends and continuation of critical operating functions. Consequently, projected cost changes for energy, steel prices and insurance coverage, as well as the financial impact of negotiated wage agreements through June 2010 is incorporated. In addition to these economic factors, cost provisions have been added or maintained for West of Hudson subsidies, security projects, revenue-generating service initiatives, and operating support costs to maintain capital-funded improvements to infrastructure and facilities. To preserve the retail revenue stream in GCT and maintain its landmark status, GCT renovation funds have been earmarked in each year of the plan. Similar to the costs required for the overall GCT retail operation and its management, the cost of GCT restoration/renovation projects are netted in the Financial Plan against GCT Retail Revenue.

2009 MID YEAR FORECAST

The 2009 Mid Year Non-Reimbursable Forecast reflects revenue projections totaling \$547.9 million, and expenses, including depreciation, of \$1,257.2 million that generate an operating deficit of \$709.3 million. Cash adjustments of \$300.7 million reduce that amount to a cash deficit of \$408.5 million, of which \$322.2 million represents MTA share and \$86.3 million ConnDOT share. The 2009 Mid Year Reimbursable revenue and expense projections total \$183.6 million.

The Mid Year Forecast subsidy requirements for non-reimbursable operations are \$44.6 million higher than Adopted 2009 Budget. The increase reflects lower passenger revenues of \$47.6 million due to a lower than projected fare increase (10% vs. 23% budget; \$24.5 million), a later than anticipated opening of the Yankees E. 153rd Street station (\$2.1 million), and ridership declines associated with the unfavorable regional economic conditions (\$20.9 million). These increases are offset by lower expenses which include reduced health and welfare premiums, the net effect of higher employee vacancy levels, favorable impacts from capital project activity in the form of higher overhead cost recoveries, and reductions in electric and diesel fuel expenditures

2010 PRELIMINARY BUDGET-BASELINE

The 2010 Preliminary Non-Reimbursable Budget reflects revenue projections totaling \$570.7 million, and expenses, including depreciation, of \$1,324.6 million that generate an operating deficit of \$753.9 million. Cash adjustments of \$314.0 million reduce that amount to a cash deficit of \$439.9 million, of which \$341.2 million represents the MTA share and \$98.7 million the ConnDOT share. The 2010 Proposed Reimbursable revenues and expenses total \$195.4 million.

The Non-Reimbursable revenue projections reflect current passenger fares and trends in Other Operating Revenue. In 2010, ridership growth of 0.8% is projected and is primarily due to the full year impact of new service to Yankees-E153rd Street station (which began in late May 2009). In 2010, Customer Service initiatives include a modest increase in NHL service as well as efforts to maintain parking and promote connecting services to Metro-North stations. In addition, the financial plan includes funding of new programs to establish cyclical station painting and maintenance programs, the continuation of equipment overhaul programs, and the phased increase in maintenance support staff for new M8 cars and the new Harmon Shop facilities that will ensure the continued reliability of equipment and service delivery. Safety and Security support costs for monitoring systems in New York State have been rescheduled and added in the fourth quarter of 2010, and cost provisions for FRA mandated expansion of employee drug testing and more stringent hours of service rules for signal maintainers have been included. Workforce Development will be strengthened with refocused efforts on employee training in recognition of anticipated changes in Metro-North's employee base. Project and Planning initiatives in the non-reimbursable 2010 financial plan include the on-going replacement of vehicles and installation of security refinements to Ticket Selling Machines. To maintain Financial Stability, current cost trends are incorporated to reflect rising energy and healthcare costs, increasing material prices, and the rescheduling of several programs such as office renovations, M8 car acquisitions and the associated completion of the New Haven Shop and Yard complex. In addition, non-passenger revenues are increasing in 2010 from higher GCT retail revenues and advertising proceeds.

2011-2013 PROJECTIONS

The Non-Reimbursable revenue projections total \$593.0 million in 2011, \$610.1 million in 2012, and \$626.8 million in 2013. Non-Reimbursable expense projections, including depreciation, total \$1,391.2 million in 2011, and \$1,449.6 million in 2012, and \$1,514.6 million in 2013. These revenue and expense projections generate a baseline operating deficit of \$798.2 million in 2011, \$839.5 million in 2012 and, \$887.8 million in 2013. Cash adjustments of \$311.6 million in 2011, \$323.0 million in 2012, and \$337.2 million in 2013 reduce the amounts to a baseline cash deficit projection of \$486.6 million in 2011, \$516.6 million in 2012, and \$550.5 million in 2013. The MTA share of the

baseline cash deficits totals \$372.1 million in 2011, \$388.6 million in 2012, and \$416.3 million in 2013, while the ConnDOT share totals \$114.5 million, \$128.0 million, and \$134.2 million, respectively. The Reimbursable revenues and expenses total \$ 190.7 million in 2011, \$185.7 million in 2012, and \$189.9 million in 2013.

The 2011-2013 expenditure projections will allow Metro-North to continue Customer Service initiatives that maintain existing train service levels, add new service on all lines, continue service reliability programs that maintain rolling stock and the right-of-way and the phasing in of resources to support maintenance requirements on the new M8 car fleet. Safety and Security program expenditures include the support costs for the full implementation of system-wide monitoring and intrusion detection equipment, back-up communication systems in midtown Manhattan, and the full staffing of a GCT fire brigade. Financial Stability measures include the removal of completed programs such as concrete tie replacements and the West of Hudson locomotive overhaul, the transfer of financial and human resource staff to the Business Service Center and the incorporation of projected cost changes in energy, healthcare and material. Major assumptions reflected in the 2010-2013 projections and reconciliation to the February Plan is furnished later in this document.

GAP CLOSING MEASURES

2009 – 2013 PROGRAMS TO ELIMINATE THE GAP (PEGs)

PEG reductions proposed for 2009 – 2013 consist of \$9.7 million in savings from the following initiatives:

- Eliminate 10 administrative positions (\$1.2 million annually).
- Eliminate 13 ticket seller positions as a result of ticket window closings made possible by the increased deployment of ticket vending machines in GCT and at outlying stations (\$1.1 million).
- Defer the addition of eight second shift coach shop mechanics (\$.7 million).
- Reduce train crew costs from the elimination of scheduled Deadhead Equipment trains (\$1.1 million).
- Reduce material and supplies costs with the implementation of joint procurement contracts with the LIRR for rolling stock parts (\$.3 million).
- Eliminate 12 positions in 2010 (8 in 2011-2013) for GCT fire safety duties that will be performed with existing forces.
- Eliminate provisions for new West of Hudson train service (\$1.7 million).
- Reduce the 2010 East of Hudson Service Plan (\$2.2 million).

MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2008 Actual	2009 Mid Year Forecast	2010 Preliminary Budget	2011	2012	2013
Operating Revenue						
Farebox Revenue	\$502.6	\$512.9	\$533.5	\$552.7	\$569.9	\$585.6
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	36.0	35.0	37.2	40.2	40.2	41.2
MNR - MTA	0.0	0.0	0.0	0.0	0.0	0.0
MNR - CDOT	0.0	0.0	0.0	0.0	0.0	0.0
MNR - Other	0.0	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$538.6	\$547.9	\$570.7	\$593.0	\$610.1	\$626.8
Operating Expenses						
Labor:						
Payroll	\$375.7	\$395.2	\$407.7	\$418.8	\$432.0	\$448.7
Overtime	56.0	55.7	55.4	56.7	58.2	59.8
Health and Welfare	66.1	68.4	77.8	84.2	91.1	99.4
OPEB Current Payment	9.7	9.4	10.5	11.4	12.3	13.4
Pensions	33.9	43.9	51.2	57.0	63.3	65.2
Other Fringe Benefits	75.6	79.9	82.3	85.0	87.7	91.2
Reimbursable Overhead	(47.1)	(44.4)	(43.7)	(44.3)	(45.0)	(45.6)
Total Labor	\$569.8	\$608.1	\$641.3	\$668.8	\$699.6	\$732.0
Non-Labor:						
Traction and Propulsion Power	\$63.6	\$68.7	\$75.5	\$84.7	\$94.9	\$106.4
Fuel for Buses and Trains	23.9	12.1	18.3	22.2	22.8	32.3
Insurance	12.1	12.1	13.3	14.8	16.5	18.4
Claims	6.2	12.0	12.0	12.0	12.0	12.0
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	87.8	96.1	103.5	107.9	105.8	101.4
Professional Service Contracts	21.3	25.5	30.1	31.0	31.9	31.9
Materials & Supplies	80.8	85.5	82.2	90.0	95.3	97.9
Other Business Expenses	14.0	13.5	15.4	16.8	17.5	18.4
Total Non-Labor	\$309.7	\$325.5	\$350.3	\$379.4	\$396.7	\$418.7
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$879.5	\$933.6	\$991.6	\$1,048.2	\$1,096.3	\$1,150.7
Depreciation	\$219.9	\$260.6	\$270.0	\$278.1	\$286.4	\$295.0
OPEB Obligation	54.9	55.0	55.0	56.7	58.3	60.1
Environmental Remediation	7.6	8.0	8.0	8.2	8.5	8.8
Total Expenses	\$1,162.0	\$1,257.2	\$1,324.6	\$1,391.2	\$1,449.6	\$1,514.6
Baseline Surplus/(Deficit)	(\$623.4)	(\$709.3)	(\$753.9)	(\$798.2)	(\$839.5)	(\$887.8)
Cash Conversion Adjustments:						
Depreciation	\$219.9	\$260.6	\$270.0	\$278.1	\$286.4	\$295.0
Operating/Capital	(19.7)	(20.8)	(13.0)	(17.7)	(16.0)	(17.0)
Other Cash Adjustments	76.3	61.0	57.0	51.3	52.5	59.2
Total Cash Conversion Adjustments	\$276.5	\$300.7	\$314.0	\$311.6	\$323.0	\$337.2
Baseline Cash Surplus/(Deficit)	(\$347.0)	(\$408.5)	(\$439.9)	(\$486.6)	(\$516.6)	(\$550.5)
Post-2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	19.2	33.0	34.4
2010 Agency Program to Eliminate the Gap	0.0	0.7	9.7	9.4	9.4	9.5
Total PEG's	\$0.0	\$0.7	\$9.7	\$28.5	\$42.4	\$43.9
Net Surplus/(Deficit)	(\$347.0)	(\$407.8)	(\$430.2)	(\$458.1)	(\$474.1)	(\$506.7)

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MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2008 Actual	2009 Mid Year Forecast	2010 Preliminary Budget	2011	2012	2013
Revenue						
Farebox Revenue	\$502.6	\$512.9	\$533.5	\$552.7	\$569.9	\$585.6
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	36.0	35.0	37.2	40.2	40.2	41.2
MNR - MTA	102.4	114.5	117.5	120.5	123.7	126.6
MNR - CDOT	70.5	55.7	55.6	48.2	47.9	49.0
MNR - Other	26.5	13.4	22.3	22.0	14.1	14.4
Capital and Other Reimbursements	199.5	183.6	195.4	190.7	185.7	189.9
Total Revenue	\$738.1	\$731.6	\$766.1	\$783.7	\$795.8	\$816.8
Expenses						
Labor:						
Payroll	\$416.7	\$439.8	\$453.0	\$464.8	\$478.7	\$496.1
Overtime	72.6	72.2	72.0	73.5	75.2	77.0
Health and Welfare	75.6	78.4	89.1	96.2	103.9	113.0
OPEB Current Payment	9.7	9.4	10.5	11.4	12.3	13.4
Pensions	39.0	49.7	58.1	64.6	71.6	73.6
Other Fringe Benefits	85.2	90.1	92.7	95.5	98.4	102.0
Reimbursable Overhead	(3.4)	(1.7)	(0.4)	(0.3)	(0.3)	(0.3)
Total Labor	\$695.3	\$737.9	\$774.9	\$805.7	\$839.9	\$874.8
Non-Labor:						
Traction and Propulsion Power	\$63.6	\$68.7	\$75.5	\$84.7	\$94.9	\$106.4
Fuel for Buses and Trains	23.9	12.1	18.3	22.2	22.8	32.3
Insurance	16.9	17.1	18.3	20.0	21.7	23.7
Claims	6.2	12.0	12.0	12.0	12.0	12.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	120.0	115.0	130.3	125.7	114.3	110.1
Professional Service Contracts	29.5	33.5	38.2	39.3	40.3	40.5
Materials & Supplies	112.8	107.3	104.0	112.4	118.5	122.2
Other Business Expenses	10.9	13.6	15.6	17.0	17.6	18.6
Total Non-Labor	\$383.7	\$379.3	\$412.1	\$433.2	\$442.1	\$465.8
Other Adjustments:						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adj's.	\$1,079.0	\$1,117.2	\$1,187.0	\$1,238.9	\$1,282.0	\$1,340.6
Depreciation	\$219.9	\$260.6	\$270.0	\$278.1	\$286.4	\$295.0
OPEB Obligation	54.9	55.0	55.0	56.7	58.3	60.1
Environmental Remediation	7.6	8.0	8.0	8.2	8.5	8.8
Total Expenses	\$1,361.5	\$1,440.8	\$1,520.0	\$1,581.9	\$1,635.3	\$1,704.5
Baseline Surplus/(Deficit)	(\$623.4)	(\$709.3)	(\$753.9)	(\$798.2)	(\$839.5)	(\$887.8)
Cash Conversion Adjustments:						
Depreciation	\$219.9	\$260.6	\$270.0	\$278.1	\$286.4	\$295.0
Operating/Capital	(19.7)	(20.8)	(13.0)	(17.7)	(16.0)	(17.0)
Other Cash Adjustments	76.3	61.0	57.0	51.3	52.5	59.2
Total Cash Conversion Adjustments	\$ 276.5	\$ 300.7	\$ 314.0	\$ 311.6	\$ 323.0	\$ 337.2
Baseline Cash Surplus/(Deficit)	\$ (347.0)	\$ (408.5)	\$ (439.9)	\$ (486.6)	\$ (516.6)	\$ (550.5)
Post-2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	19.2	33.0	34.4
2010 Agency Program to Eliminate the Gap	0.0	0.7	9.7	9.4	9.4	9.5
Total PEG's	\$0.0	\$0.7	\$9.7	\$28.5	\$42.4	\$43.9
Net Surplus/(Deficit)	(\$347.0)	(\$407.8)	(\$430.2)	(\$458.1)	(\$474.1)	(\$506.7)

**MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Cash Receipts & Expenditures
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES						
	2008 Actual	2009 Mid Year Forecast	2010 Preliminary Budget	2011	2012	2013
Receipts						
Farebox Revenue	\$512.0	\$518.4	\$539.4	\$559.1	\$576.3	\$592.1
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	61.5	53.9	56.2	60.9	61.6	63.2
MNR - MTA	104.1	108.7	120.9	120.1	123.4	126.4
MNR - CDOT	75.1	55.8	55.8	48.4	48.1	49.2
MNR - Other	31.5	21.5	20.0	22.1	16.1	14.3
Capital and Other Reimbursements	210.7	186.0	196.7	190.6	187.5	189.9
Total Receipts	\$784.2	\$758.3	\$792.3	\$810.5	\$825.4	\$845.1
Expenditures						
Payroll	\$410.1	\$437.5	\$450.0	\$463.5	\$480.8	\$493.4
Overtime	73.9	72.8	72.6	74.4	76.7	77.6
Health and Welfare	89.3	90.5	102.3	110.5	119.2	129.3
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	28.4	44.5	58.3	64.8	71.8	73.8
Other Fringe Benefits	86.9	90.0	92.6	95.8	99.6	102.0
GASB Account	5.8	6.5	7.2	8.0	8.7	9.6
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor	\$694.4	\$741.8	\$783.0	\$816.8	\$856.8	\$885.7
Non-Labor:						
Traction and Propulsion Power	\$61.1	\$69.3	\$75.5	\$84.7	\$94.9	\$106.4
Fuel for Buses and Trains	23.9	12.1	18.3	22.2	22.8	32.3
Insurance	20.3	17.4	18.3	20.8	21.5	23.5
Claims	9.6	12.1	12.1	12.1	12.1	12.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	143.7	142.0	154.2	146.7	133.3	129.3
Professional Service Contracts	30.3	34.9	39.8	42.9	43.7	44.1
Materials & Supplies	125.1	116.5	104.9	120.4	125.5	129.8
Other Business Expenses	22.7	20.7	26.0	30.5	31.2	32.4
Total Non-Labor	\$436.8	\$425.0	\$449.2	\$480.3	\$485.1	\$510.0
Other Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash Timing and Availability Adjustment	2.1	0.0	0.0	0.0	0.0	0.0
Total Other Adjustments	\$2.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$1,133.2	\$1,166.8	\$1,232.2	\$1,297.2	\$1,342.0	\$1,395.6
Baseline Cash Deficit	(\$349.1)	(\$408.5)	(\$439.9)	(\$486.6)	(\$516.6)	(\$550.5)
Subsidies						
MTA	(\$276.1)	(\$322.2)	(\$341.2)	(\$372.1)	(\$388.6)	(\$416.3)
CDOT	(73.0)	(86.3)	(98.7)	(114.5)	(128.0)	(134.2)
Total Subsidies	(\$349.1)	(\$408.5)	(\$439.9)	(\$486.6)	(\$516.6)	(\$550.5)
Post-2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	19.2	33.0	34.4
2010 Agency Program to Eliminate the Gap	0.0	0.7	9.7	9.4	9.4	9.5
Total PEG's	\$0.0	\$0.7	\$9.7	\$28.5	\$42.4	\$43.9
Net Surplus/Deficit	(\$349.1)	(\$407.8)	(\$430.2)	(\$458.1)	(\$474.1)	(\$506.7)
MTA share of PEGS	\$0.0	\$0.5	\$8.3	\$23.7	\$35.2	\$36.4
CDOT share of PEGS	0.0	0.2	1.4	4.9	7.2	7.5
Total PEGS	\$0.0	\$0.7	\$9.7	\$28.5	\$42.4	\$43.9
Subsidies						
MTA	(\$276.1)	(\$321.7)	(\$333.0)	(\$348.4)	(\$353.3)	(\$379.9)
CDOT	(73.0)	(86.1)	(97.3)	(109.7)	(120.8)	(126.7)
Total Subsidies	(\$349.1)	(\$407.8)	(\$430.2)	(\$458.1)	(\$474.1)	(\$506.7)

MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2008	2009	2010			
	Actual	Mid Year Forecast	Preliminary Budget	2011	2012	2013
Receipts						
Farebox Revenue	\$9.4	\$5.5	\$5.9	\$6.3	\$6.4	\$6.4
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	25.5	18.9	19.0	20.6	21.4	22.0
MNR - MTA	1.7	(5.8)	3.4	(0.3)	(0.4)	(0.2)
MNR - CDOT	4.5	0.1	0.2	0.2	0.2	0.2
MNR - Other	5.0	8.1	(2.3)	0.1	2.0	(0.1)
Capital and Other Reimbursements	11.2	2.3	1.3	(0.1)	1.8	(0.1)
Total Receipts	\$46.1	\$26.7	\$26.2	\$26.9	\$29.6	\$28.4
Expenditures						
Payroll	\$6.7	\$2.3	\$3.0	\$1.3	(\$2.1)	\$2.7
Overtime	(1.4)	(0.6)	(0.6)	(0.9)	(1.5)	(0.6)
Health and Welfare	(13.7)	(12.1)	(13.2)	(14.3)	(15.3)	(16.2)
OPEB Current Payment	9.7	9.4	10.5	11.4	12.3	13.4
Pensions	10.6	5.2	(0.2)	(0.1)	(0.2)	(0.2)
Other Fringe Benefits	(1.7)	0.1	0.1	(0.3)	(1.1)	0.0
GASB Account	(5.8)	(6.5)	(7.2)	(8.0)	(8.7)	(9.6)
Reimbursable Overhead	(3.4)	(1.7)	(0.4)	(0.3)	(0.3)	(0.3)
Total Labor	\$1.0	(\$3.9)	(\$8.1)	(\$11.1)	(\$16.9)	(\$10.8)
Non-Labor:						
Traction and Propulsion Power	\$2.5	(\$0.6)	\$0.0	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	(3.4)	(0.4)	0.0	(0.9)	0.2	0.2
Claims	(3.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(23.7)	(27.0)	(24.0)	(21.0)	(19.1)	(19.3)
Professional Service Contracts	(0.8)	(1.4)	(1.6)	(3.6)	(3.4)	(3.5)
Materials & Supplies	(12.4)	(9.2)	(1.0)	(8.0)	(7.0)	(7.6)
Other Business Expenditures	(11.9)	(7.1)	(10.4)	(13.5)	(13.6)	(13.8)
Total Non-Labor	(\$53.1)	(\$45.7)	(\$37.1)	(\$47.1)	(\$43.0)	(\$44.2)
Other Adjustments:						
Other	(\$6.0)	(\$22.9)	(\$19.0)	(\$31.4)	(\$30.3)	(\$26.7)
Total Other Expenditure Adjustments	(\$6.0)	(\$22.9)	(\$19.0)	(\$31.4)	(\$30.3)	(\$26.7)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$12.0)	(\$45.7)	(\$37.9)	(\$62.8)	(\$60.7)	(\$53.3)
Depreciation Adjustment	\$219.9	\$260.6	\$270.0	\$278.1	\$286.4	\$295.0
OPEB Obligation	54.9	55.0	55.0	56.7	58.3	60.1
Environmental Remediation	7.6	8.0	8.0	8.2	8.5	8.8
Baseline Total Cash Conversion Adjustments	\$276.5	\$300.7	\$314.0	\$311.6	\$323.0	\$337.2
Post-2010 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total PEG's	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Cash Conversion Adjustments	\$276.5	\$300.7	\$314.0	\$311.6	\$323.0	\$337.2

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013
YEAR-TO-YEAR CHANGES BY CATEGORY BASELINE NARRATIVE**

FAREBOX REVENUE

Non-Reimbursable

- East of Hudson ridership growth is projected at -1.9% in 2009, 0.8% in 2010, 3.5% in 2011 3.2% in 2012, and 2.5% in 2013.
- Reduced rate of customer growth in 2009 reflects the continuation of declining trends in regional employment and economic growth.
- Revenues reflect the impact of the June 2009 10% fare increase, assumes no additional increases, and incorporates the impacts of train service to the new Yankees-E.153rd Street station and the Meadowlands.
- 2010-2013 ridership growth reflects a gradual recovery from the regional economic slowdown in 2010, the full-year impact of the Yankee-E.153rd Street service and the impacts of customer service initiatives that expands train service, parking and connecting services. Through 2013, increase in ridership reflects the resumption of modest employment growth and the continuing impacts of service initiatives.

Reimbursable

- Not applicable

Cash

- 2009-2013 cash adjustments include receipts from the sale of Metro Cards, Westchester County bus fares, and special event promotions, partially offset by credit card fees associated with the purchase of passenger tickets.

Other Operating Revenue

Non-Reimbursable

- 2009 decrease reflects the negative impact of the economy on advertising revenues, as well as commissary sales. These decreases are offset by higher net GCT retail tenant revenues, a decrease in costs for GCT revenue funded projects (reflecting reduced project scopes), and increases from other station rents and concessions, as well as new revenue streams from Yankees-E.153rd Station advertising and other media sources.
- 2010 revenue increase reflects higher revenues from parking expansions and new advertising initiatives which includes the full year impact of Yankees-E.153rd

Street station advertising, bar car wraps and framed advertising posters in GCT North and other passageways, and a lower level of funding for GCT restoration projects during the year.

- 2011-2013 reflects contracted escalations in advertising revenues and higher GCT retail revenue, offset slightly by a higher provision for GCT restoration projects.

Reimbursable

- Not applicable

Cash

- 2009-2013 adjustments include the reclassifications of Amtrak and other railroad reimbursements (from the Maintenance and Other Operating Contracts category), and revenue offsets for GCT revenue funded projects to expenditure categories. Also included are reimbursements from CDOT for station facilities and unitickets, the MTA for electricity charges, payments by former employees for health insurance coverage, reimbursements for claims settlements, scrap sale receipts, settlement for defective concrete ties, and other miscellaneous items.

CAPITAL AND OTHER REIMBURSEMENTS

Non-Reimbursable

- Not applicable

Reimbursable

Capital project cost reimbursements in each year of the financial plan are based on recouping 100% of accrued project expenditures.

- 2010 accrued expenditures (and receipts) are based upon the latest projection of capital project activity. Higher reimbursements in 2010 are primarily attributable to the deferral of the GCT Leaks Remediation Project (NYCDOT Share) from 2009.
- 2011-2013 accrued expenditures (and receipts) are based on a continuation of 2010 project cost levels adjusted for the elimination of significant project changes and the impact of inflation.

Cash

- 2010 includes adjustments for receipt timing differences. In addition, 2009-2013 includes cash adjustments to MTA and CDOT receipts for reimbursable portion of GASB contribution.

PAYROLL

Non-Reimbursable

- Non Agreement salaries include a CPI-driven cost of living increase of 1.87%. In 2011-2013 Non Agreement salaries include increases of 2.23%, 2.20% and 1.97% respectively.
- 2010 includes additional management personnel to support workforce development initiatives, are safety and security programs that are partially funded by the elimination of administrative positions in July 2009.
- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2013 increases are applied starting June 16 of each year at annual rates of 1.87% in 2010, 2.23% in 2011, 2.20% in 2012, and 1.97% in 2013.
- 2010 includes additional labor costs for Safety and Security improvements that support new intrusion detection and security monitoring systems in New York and Connecticut (\$6.million) and support personnel for the new Harmon Shop facilities (\$.9 million) and the servicing of new M8 cars (\$.8 million).
- 2010 includes staffing for new cyclical station painting and maintenance programs (\$.5 million), a lower vacancy provision (\$.5 million), and positions to support 2010 service plan changes (\$.6 million).
- 2010 increases are partially offset by a reduction in maintenance forces of (\$1.0 million) due to the winding down of the M3 CSR program, the full year impact of 2009 implemented AABB reductions (\$.9 million for ticket selling, customer information, and station and car cleaning positions), and savings from the installation of the Kronos timekeeping system throughout the railroad (\$.6 million). On-board crew cost savings will be achieved from reduced Yankee Stadium service (\$.5 million) and the elimination of scheduled deadhead equipment trains (\$.5 million).
- 2010 and 2012 include FRA mandated emergency preparedness training.
- 2011-2013 includes additional staffing for the New Haven Shop and Yard complex of \$3.4, \$1.4, and \$2.0 million respectively.
- 2011-2013 includes additional T&E staffing to cover added service improvements of \$1.4 million in 2011 and 2012 and \$3.5 million in 2013.
- 2011 includes signal improvements on the Danbury branch (\$.4 million) and security enhancements (\$.5 million). These increases are partially offset by reductions in staffing due to the transfer of additional positions to the BSC (\$1.3 million) a reduction in maintenance forces with the completion of the M3 CSR program (\$.3 million).

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above

Cash

- 2009-2013 cash adjustments include differences between expense accruals and cash disbursements for the number of days paid, vacation and sick day provisions, employee health club memberships, agreement employee allowance for tools and safety shoes, and employee contribution to health care coverage.

OVERTIME

Non-Reimbursable

- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2013 increases are applied starting June 16 of each year at annual rates of 1.87% in 2010, 2.23% in 2011, 2.20% in 2012, and 1.97% in 2013.
- 2010 includes additional overtime for maintenance and repairs, and signal system maintenance due to FRA mandated changes in hours of service rules. These increases are partially offset by reductions in Yankee Stadium service coverage and expected savings from scheduling changes.
- 2011-2013 includes higher overtime of \$.2 million per year due to on-board coverage requirements for service increases.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above

HEALTH AND WELFARE

Non-Reimbursable

- 2009 forecast reflects revised net premium rate increases for the NYS Empire Plan for employees with family coverage of 1.2% and for individual coverage a decrease of .4%.
- 2010-2013 include estimated annual premium increases for NYS Empire Plan health care and insurance premiums of 9.7% in 2010 and 7.0 % for 2011-2013, as well as changes in enrollment levels, retirees and employees on leave of absence status. Adjustments in staffing levels due to programmatic changes are incorporated into each year of the financial plan for Maintenance Improvements, Service Enhancements, Customer Service Amenities, Security, and Administration.

Reimbursable

- Projected inflationary increases follow the same pattern as non-reimbursable costs noted above.

Cash

- 2009-2013 cash adjustments include current and former management employee contributions toward health insurance costs.

OPEB CURRENT PAYMENT (GASB 45)

Non-Reimbursable

- Other Post Employment Benefit (OPEB) current payments reflect Metro-North's estimated annual cost of healthcare for current retirees. The estimated annual costs for 2010-2013 are \$10.5 million in 2010, \$11.4 million in 2011, \$12.3 million in 2012, and \$13.4 million in 2013.

Reimbursable

- No Cost.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2009-2013 pension costs represent the inclusion of all non-represented and most represented Metro-North employees in the MTA Defined Benefit Plan (DB Plan). Those employees not joining the DB Plan are participants in the MTA 401K Plan. Metro-North's projected share of the incremental funding requirements for the DB Plan is based on a draft projection prepared by actuarial consultants several years ago, adjusted for increases in employee levels. Future actuarial valuations are expected to reflect more accurate estimates of the pension liabilities on behalf of these employees.

Cash

- 2009 includes a reduction to cash requirements due to the prepayment of pension costs by the MTA in 2007 (Metro-North applied \$18.3 million of the prepayment to 2008 and \$5.4 million to 2009).
- 2009-2013 adjustments include the difference between expense accruals and cash disbursements.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2010-2013 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$109,695 in 2010, \$112,986 in 2011, \$116,375 in 2012, and \$119,867 in 2013.

- Maximum earnings level for Tier II is estimated at \$81,576 in 2010, \$ 84,023 in 2011, \$86,544 in 2012, and \$89,140 in 2013.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates and earnings maximums follow the same assumptions as the non-reimbursable costs noted above.

Cash

- 2009-2013 adjustments include difference between expense accruals and cash disbursements.

GASB Account

Cash

- 2009-2013 includes cash expenditures to fund a contribution to a special GASB 45 (Government Accounting Standards Board) fund earmarked for post-retirement liabilities of "Other than Pension Benefits".

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead Cost Recoveries are derived from Reimbursable Capital Project Estimates. Assumptions are described in the Reimbursable section below.

Reimbursable

- Overhead costs for 2010 are based on a percentage share of direct labor costs charged to reimbursable projects. 2011-2013 overhead costs are based on the continuation of 2010 forecast levels, adjusted for inflation-based increases in labor costs.
- Material handling and equipment recovery increases are predicated on CPI-based inflation rates from 2010-2013 at 1.55%, 2.12%, 2.31% and 2.35% respectively.

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2009 forecasted prices reflect an 11.0% increase in NYPA supplied power and a 5.0% increase in CL&P rates and a 10% increase in Con Ed delivery rates.
- In 2010-2013 cost increases reflect anticipated price increases from NYPA, CL&P and NYSEG. As a result, annual increases are estimated at 11.3% in 2010, 11.6% in 2011, 9.3% in 2012, and 9.3 % in 2013

- 2010-2013 also incorporates the net effect of the rolling stock equipment plans for the NHL and H&H service, which reduces cost by \$1.5 million in 2010 and \$.4 million in 2011; in 2011 and 2012 costs increase by \$.8 million and \$.7 million respectively. Changes over this period are primarily due to the timing of the incorporation of the new M8 cars into NHL service offset by the gradual retirement of the M2 car fleet.
- Service additions increase propulsion costs by \$.6 million in 2011 \$1.0 million in 2012 and \$1.1 million in 2013.

Reimbursable

- No Cost.

Cash

- 2009 includes adjustment for accrued 2008 NHL costs paid in 2009 (\$0.6 million).

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2009 estimated prices have been decreased by 31% as compared to the 2009 Adopted Budget based on current prices.
- Fuel Prices reflect higher rates in 2010 of 22.0%, 2011 9.0%, and 6.0% in 2012, and 13.0% in 2013.
- 2010-2013 incorporates the cost of Service Plan increases.

Reimbursable

- No Cost.

Cash

- No adjustments.

INSURANCE

Non-Reimbursable and Reimbursable

- Increases in 2009-2013 reflect revised insurance premium estimates.

Cash

- 2009-2013 reflects increase in force account payments as well as All-Agency insurance costs. 2009-2013 also includes the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2009 - 2013 reflect current claims trends.

Reimbursable

- No Cost.

Cash

- 2009-2013 payments reflect current claim settlement trends.

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- CPI increases in 2010-2013 of 1.55%, 2.12%, 2.31%, and 2.35% are applied respectively.
- 2010-2013 includes fluctuating costs for East and West of Hudson locomotive overhauls as work is performed or completed. In 2010 these costs increase \$3.4 million; 2011-2013 include reductions of \$3.0 million, \$5.0 million and \$2.9 million respectively as program costs wind down or are completed.
- 2010 includes cost provisions for office space renovations (\$.9 million), GCT maintenance (\$.5 million), and security monitoring services (\$.9 million).
- 2011 includes the cost of Customer and Employee Communications initiatives \$.6 million.
- 2010–2011 incorporates lower West of Hudson subsidy payments of \$1.7 million, \$1.0 million, and \$.7 million in 2012 and 2013, related to contract cost escalations and removal of service enhancements.
- 2011-2012 includes equipment disposal costs primarily for M2 cars of \$4.3 million and \$2.1 million respectively; in 2013 disposal costs are reduced by \$4.3 million.

Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.
- In 2010, increased expenditures reflect the deferral of the GCT Leaks Remediation Project (NYCDOT Share) from 2009; in 2011, decreased expenditures reflect the completion of the NHL End Door Bombardier Coaches Mid Life Overhaul; and, in 2012, the decrease reflects the completion of the GCT Leaks Remediation Project (NYCDOT Share).

Cash

- 2009 cash adjustments include the elimination of non-cash GASB 49 environmental accruals and payment of 2008 accruals for equipment overhauls. 2009-2013 also includes the reclassifications of Amtrak and other railroad reimbursements to Other Operating Revenue and revenue offsets for GCT revenue funded projects to expenditure categories. 2009-2013 also includes payments on behalf of CDOT for station facilities and the MTA for electricity charges.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- CPI increases in 2010-2013 of 1.55%, 2.12%, 2.31%, and 2.35% are applied respectively.
- 2010 includes the restoration of a cost provision for general advertising fees (\$.4 million), a one-time provision for PeopleSoft systems modifications (\$.8 million), and an increase in the allocation of MTA Police costs (\$2.5 million).
- 2011 includes Metro North's cost of the NHL share of BSC operations (\$2.5 million).

Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.

MATERIAL AND SUPPLIES

Non-Reimbursable

- Inflationary increases based on the Chained Price Index for Industrial Building Materials were applied to prices in 2010-2013. 2009 inflation is projected to decline by .33%, and increase by 2.28%, 3.89%, and 4.72% respectively in 2011-2013.
- 2010 includes \$.7 million earmarked for office space renovations at the Graybar building, GCT, and 525 Broadway (in North White Plains).
- 2009-2013 includes the net cost impacts of Metro-North's equipment maintenance and replacement strategies that are driven by Customer Service goals to maintain and improve service reliability and performance.
 - 2010 includes the savings from the completion of the Gear Box Overhaul program (\$2.5 million) and changes in the H&H Equipment Replacement Plan (includes M1 car retirement savings of \$1.0 million).
 - 2011 includes additional material requirements for the NHL Equipment Replacement Plan (\$.6 million) and \$4.4 million for new M8 car spare parts, offset by the winding down of the M3 overhaul program (\$2.4 million). 2011 also includes additional material requirements for the seat change out program on the M7 cars \$5.1 million
 - 2012 includes higher costs for the NHL Equipment Replacement Plan (.9 million) and additional expenditures for new M8 car spare parts (\$1.8 million).
 - 2013 includes the gradual reduction in expenditures for M8 car spare parts (\$2.6 million) offset by higher costs for the NHL Equipment Replacement Plan (\$.8 million).

Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.

Cash

- Cash adjustments reflect differences between expense accruals and cash requirements:
 - 2010 includes reductions in cash requirements due to 2008 advance inventory purchases (\$3.5 million).
 - 2009-2013 includes adjustment for obsolete material reserve (\$.6 million per year)

OTHER BUSINESS EXPENSES

Non-Reimbursable

- CPI increases in 2010-2013 of 1.55%, 2.12%, 2.31%, and 2.35% are applied respectively.
- 2010 primarily represents the annualized impact of AABB reductions and other miscellaneous provisions.
- 2011 includes the tri-annual cost of providing winter gear to agreement employees that is eliminated in 2012.

Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.

Cash

- 2009-2013 cash adjustments include payments for receipt of MetroCards, Westchester County bus fares, special promotions, and employee health club memberships, partially offset by the reclassification of credit card fees as an offset to Farebox Revenue, the reclassification of a credit for defective concrete ties as a receipt to Other Operating Revenue, and safety shoe and tool allowance to the Payroll category.

DEPRECIATION

Non-Reimbursable

- 2009-2012 includes provisions for the incorporation of new assets including the introduction of M8s in the latter part of 2009.

Reimbursable

- No Cost

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2010 -2013 includes provisions of \$55.0 million, \$56.7 million, \$58.3 million, and \$60.1 million respectively pertaining to GASB 45 representing estimated annual cost of Post Retirement Benefits for future retirees.

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Reimbursable

- No Cost.

ENVIRONMENTAL REMEDIATION (GASB 49)

Non-Reimbursable

- 2010-2013 includes provisions of \$8.0 million, \$8.2 million, \$8.5 million, and \$8.8 million respectively pertaining to estimated expected outlays for pollution remediation associated with capital projects.

Reimbursable

- No Cost

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

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2009	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011	2013	Change 2013 - 2012
Revenue									
Farebox Revenue	\$512.9	\$533.5	\$20.6	\$552.7	\$19.3	\$569.9	\$17.2	\$585.6	\$15.8
Vehicle Toll Revenue									
Other Operating Revenue	35.0	37.2	2.2	40.2	3.0	40.2	(0.1)	41.2	1.0
Capital and Other Reimbursements									
Total Revenue	\$547.9	\$570.7	\$22.7	\$593.0	\$22.3	\$610.1	\$17.1	\$626.8	\$16.7
Expenses									
Labor:									
Payroll	\$395.2	\$407.7	(\$12.5)	\$418.8	(\$11.1)	\$432.0	(\$13.2)	\$448.7	(\$16.7)
Overtime	55.7	55.4	0.3	56.7	(1.3)	58.2	(1.5)	59.8	(1.6)
Health and Welfare	68.4	77.8	(9.5)	84.2	(6.4)	91.1	(6.9)	99.4	(8.3)
OPEB Current Payment	9.4	10.5	(1.1)	11.4	(0.9)	12.3	(1.0)	13.4	(1.0)
Pensions	43.9	51.2	(7.3)	57.0	(5.8)	63.3	(6.3)	65.2	(1.9)
Other Fringe Benefits	79.9	82.3	(2.4)	85.0	(2.7)	87.7	(2.7)	91.2	(3.4)
Reimbursable Overhead	(44.4)	(43.7)	(0.7)	(44.3)	0.5	(45.0)	0.7	(45.6)	0.7
Total Labor Expenses	\$608.1	\$641.3	(\$33.2)	\$668.8	(\$27.5)	\$699.6	(\$30.8)	\$732.0	(\$32.3)
Non-Labor:									
Traction and Propulsion Power	68.7	75.5	(6.7)	84.7	(9.2)	94.9	(10.3)	106.4	(11.4)
Fuel for Buses and Trains	12.1	18.3	(6.2)	22.2	(3.9)	22.8	(0.5)	32.3	(9.5)
Insurance	12.1	13.3	(1.2)	14.8	(1.5)	16.5	(1.7)	18.4	(1.9)
Claims	12.0	12.0	0.0	12.0	0.0	12.0	0.0	12.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	96.1	103.5	(7.4)	107.9	(4.4)	105.8	2.1	101.4	4.4
Professional Service Contracts	25.5	30.1	(4.6)	31.0	(0.9)	31.9	(0.9)	31.9	(0.0)
Materials & Supplies	85.5	82.2	3.3	90.0	(7.8)	95.3	(5.3)	97.9	(2.6)
Other Business Expenses	13.5	15.4	(2.0)	16.8	(1.4)	17.5	(0.6)	18.4	(1.0)
Total Non-Labor Expenses	\$325.5	\$350.3	(\$24.8)	\$379.4	(\$29.1)	\$396.7	(\$17.3)	\$418.7	(\$22.1)
Other Expenses Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$933.6	\$991.6	(\$58.0)	\$1,048.2	(\$56.6)	\$1,096.3	(\$48.1)	\$1,150.7	(\$54.4)
Depreciation	260.6	270.0	(9.4)	278.1	(8.1)	286.4	(8.3)	295.0	(8.6)
OPEB Obligation	55.0	55.0	0.0	56.7	(1.7)	58.3	(1.7)	60.1	(1.8)
Environmental Remediation	8.0	8.0	0.0	8.2	(0.2)	8.5	(0.3)	8.8	(0.3)
Total Expenses	\$1,257.2	\$1,324.6	(\$67.4)	\$1,391.2	(\$66.6)	\$1,449.6	(\$58.4)	\$1,514.6	(\$65.0)
Baseline Net Surplus/(Deficit)	(\$709.3)	(\$753.9)	(\$44.7)	(\$798.2)	(\$44.3)	(\$839.5)	(\$41.3)	(\$887.8)	(\$48.2)
Post 2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	19.2	19.2	33.0	13.9	34.4	1.4
2010 Agency Program to Eliminate the Gap (PEGs)	0.7	9.7	8.9	9.4	(0.3)	9.4	0.0	9.5	0.1
Total PEGS	0.7	9.7	8.9	28.5	18.9	42.4	13.9	43.9	1.4
Net Surplus/(Deficit)	(\$708.5)	(\$744.2)	(\$35.7)	(\$769.7)	(\$25.5)	(\$797.1)	(\$27.4)	(\$843.9)	(\$46.8)

REIMBURSABLE

[illegible]

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

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2009	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011	2013	Change 2013 - 2012
Revenue									
Farebox Revenue	\$512.9	\$533.5	\$20.6	\$552.7	\$19.3	\$569.9	\$17.2	\$585.6	\$15.8
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	35.0	37.2	2.2	40.2	3.0	40.2	(0.1)	41.2	1.0
Capital and Other Reimbursements	183.6	195.4	11.8	190.7	(4.7)	185.7	(5.0)	189.9	4.2
Total Revenue	\$731.6	\$766.1	\$34.5	\$783.7	\$17.6	\$795.8	\$12.1	\$816.8	\$21.0
Expenses									
Labor:									
Payroll	\$439.8	\$453.0	(\$13.2)	\$464.8	(\$11.8)	\$478.7	(\$13.9)	\$496.1	(\$17.4)
Overtime	72.2	72.0	0.1	73.5	(1.5)	75.2	(1.7)	77.0	(1.8)
Health and Welfare	78.4	89.1	(10.6)	96.2	(7.1)	103.9	(7.7)	113.0	(9.2)
OPEB Current Payment	9.4	10.5	(1.1)	11.4	(0.9)	12.3	(1.0)	13.4	(1.0)
Pensions	49.7	58.1	(8.4)	64.6	(6.5)	71.6	(7.0)	73.6	(2.0)
Other Fringe Benefits	90.1	92.7	(2.6)	95.5	(2.9)	98.4	(2.9)	102.0	(3.6)
Reimbursable Overhead	(1.7)	(0.4)	(1.3)	(0.3)	(0.2)	(0.3)	0.0	(0.3)	0.0
Total Labor Expenses	\$737.9	\$774.9	(\$37.0)	\$805.7	(\$30.8)	\$839.9	(\$34.2)	\$874.8	(\$35.0)
Non-Labor:									
Traction and Propulsion Power	\$68.7	\$75.5	(\$6.7)	\$84.7	(\$9.2)	\$94.9	(\$10.3)	\$106.4	(\$11.4)
Fuel for Buses and Trains	12.1	18.3	(6.2)	22.2	(3.9)	22.8	(0.5)	32.3	(9.5)
Insurance	17.1	18.3	(1.3)	20.0	(1.6)	21.7	(1.8)	23.7	(2.0)
Claims	12.0	12.0	0.0	12.0	0.0	12.0	0.0	12.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	115.0	130.3	(15.3)	125.7	4.6	114.3	11.4	110.1	4.2
Professional Service Contracts	33.5	38.2	(4.7)	39.3	(1.1)	40.3	(1.1)	40.5	(0.2)
Materials & Supplies	107.3	104.0	3.4	112.4	(8.5)	118.5	(6.1)	122.2	(3.7)
Other Business Expenses	13.6	15.6	(2.0)	17.0	(1.4)	17.6	(0.6)	18.6	(1.0)
Total Non-Labor Expenses	\$379.3	\$412.1	(\$32.8)	\$433.2	(\$21.1)	\$442.1	(\$8.9)	\$465.8	(\$23.6)
Other Expenses Adjustments:	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$1,117.2	\$1,187.0	(\$69.8)	\$1,238.9	(\$51.9)	\$1,282.0	(\$43.1)	\$1,340.6	(\$58.6)
Depreciation	\$260.6	\$270.0	(\$9.4)	\$278.1	(\$8.1)	\$286.4	(\$8.3)	\$295.0	(\$8.6)
OPEB Obligation	55.0	55.0	0.0	56.7	(1.7)	58.3	(1.7)	60.1	(1.8)
Environmental Remediation	8.0	8.0	0.0	8.2	(0.2)	8.5	(0.3)	8.8	(0.3)
Total Expenses	\$1,440.8	\$1,520.0	(\$79.2)	\$1,581.9	(\$61.9)	\$1,635.3	(\$53.4)	\$1,704.5	(\$69.2)
Baseline Net Surplus/(Deficit)	(\$709.3)	(\$753.9)	(\$44.7)	(\$798.2)	(\$44.3)	(\$839.5)	(\$41.3)	(\$887.8)	(\$48.2)
Post 2010 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$19.2	\$19.2	\$33.0	\$13.9	\$34.4	\$1.4
2010 Agency Program to Eliminate the Gap (PEGs)	0.7	9.7	8.9	9.4	(0.3)	9.4	0.0	9.5	0.1
Total PEGS	\$0.7	\$9.7	\$8.9	\$28.5	\$18.9	\$42.4	\$13.9	\$43.9	\$1.4
Net Surplus/(Deficit)	(\$708.5)	(\$744.2)	(\$35.7)	(\$769.7)	(\$25.5)	(\$797.1)	(\$27.4)	(\$843.9)	(\$46.8)

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2009	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011	2013	Change 2013 - 2012
Cash Receipts & Expenditures									
<u>Receipts</u>									
Farebox Revenue	\$518.4	\$539.4	\$21.0	\$559.1	\$19.7	\$576.3	\$17.2	\$592.1	\$15.8
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	53.9	56.2	2.3	60.9	4.6	61.6	0.7	63.2	1.6
Capital and Other Reimbursements	186.0	196.7	10.7	190.6	(6.1)	187.5	(3.1)	189.9	2.3
Total Receipts	\$758.3	\$792.3	\$34.0	\$810.5	\$18.2	\$825.4	\$14.8	\$845.1	\$19.7
<u>Expenditures</u>									
Labor:									
Payroll	\$437.5	\$450.0	(\$12.5)	\$463.5	(\$13.4)	\$480.8	(\$17.3)	\$493.4	(\$12.6)
Overtime	72.8	72.6	0.2	74.4	(1.8)	76.7	(2.4)	77.6	(0.8)
Health and Welfare	90.5	102.3	(11.8)	110.5	(8.2)	119.2	(8.8)	129.3	(10.1)
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	44.5	58.3	(13.8)	64.8	(6.4)	71.8	(7.0)	73.8	(2.0)
Other Fringe Benefits	90.0	92.6	(2.5)	95.8	(3.2)	99.6	(3.8)	102.0	(2.5)
Reimbursable Overhead	6.5	7.2	(0.7)	8.0	(0.8)	8.7	(0.8)	9.6	(0.9)
Total Labor Expenditures	\$741.8	\$783.0	(\$41.2)	\$816.8	(\$33.8)	\$856.8	(\$40.0)	\$885.7	(\$28.8)
Non-Labor:									
Traction and Propulsion Power	\$69.3	\$75.5	(\$6.2)	\$84.7	(\$9.2)	\$94.9	(\$10.3)	\$106.4	(\$11.4)
Fuel for Buses and Trains	12.1	18.3	(6.2)	22.2	(3.9)	22.8	(0.5)	32.3	(9.5)
Insurance	17.4	18.3	(0.9)	20.8	(2.5)	21.5	(0.7)	23.5	(2.0)
Claims	12.1	12.1	0.0	12.1	0.0	12.1	0.0	12.1	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other									
Operating Contracts	142.0	154.2	(12.3)	146.7	7.5	133.3	13.4	129.3	4.0
Professional Service Contracts	34.9	39.8	(4.9)	42.9	(3.1)	43.7	(0.9)	44.1	(0.3)
Materials & Supplies	116.5	104.9	11.5	120.4	(15.4)	125.5	(5.1)	129.8	(4.3)
Other Business Expenses	20.7	26.0	(5.3)	30.5	(4.5)	31.2	(0.7)	32.4	(1.2)
Total Non-Labor Expenditures	\$425.0	\$449.2	(\$24.2)	\$480.3	(\$31.1)	\$485.1	(\$4.8)	\$510.0	(\$24.8)
Other Expenditure Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenditure Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$1,166.8	\$1,232.2	(\$65.4)	\$1,297.2	(\$64.9)	\$1,342.0	(\$44.8)	\$1,395.6	(\$53.7)
Baseline Net Cash Deficit	(\$408.5)	(\$439.9)	(\$31.4)	(\$486.6)	(\$46.7)	(\$516.6)	(\$30.0)	(\$550.5)	(\$33.9)
<u>Subsidies</u>									
MTA	(\$322.2)	(\$341.2)	(\$19.0)	(\$372.1)	(\$30.9)	(\$388.6)	(\$16.5)	(\$416.3)	(\$27.8)
CDOT	(86.3)	(98.7)	(12.3)	(114.5)	(15.9)	(128.0)	(13.5)	(134.2)	(6.2)
Total Subsidies	(\$408.5)	(\$439.9)	(\$31.4)	(\$486.6)	(\$46.7)	(\$516.6)	(\$30.0)	(\$550.5)	(\$33.9)
Post 2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	19.2	19.2	33.0	13.9	34.4	1.4
2010 Agency Program to Eliminate the Gap (PEGs)	0.7	9.7	8.9	9.4	(0.3)	9.4	0.0	9.5	0.1
Total PEGs	\$0.7	\$9.7	\$8.9	\$28.5	\$18.9	\$42.4	\$13.9	\$43.9	\$1.4
Net Cash Deficit	(\$407.8)	(\$430.2)	(\$22.4)	(\$458.1)	(\$27.9)	(\$474.1)	(\$16.1)	(\$506.7)	(\$32.5)
MTA share of PEGS	\$0.5	\$8.3	\$7.7	\$23.7	\$15.4	\$35.2	\$11.5	\$36.4	\$1.2
CDOT share of PEGS	0.2	1.4	1.2	4.9	3.4	7.2	2.4	7.5	0.2
Total PEGS	\$0.7	\$9.7	\$8.9	\$28.5	\$18.9	\$42.4	\$13.9	\$43.9	\$1.4
<u>Subsidies</u>									
MTA	(\$321.7)	(\$333.0)	(\$11.3)	(\$348.4)	(\$15.5)	(\$353.3)	(\$4.9)	(\$379.9)	(\$26.6)
CDOT	(86.1)	(97.3)	(11.1)	(109.7)	(12.4)	(120.8)	(11.1)	(126.7)	(5.9)
Total Subsidies	(\$407.8)	(\$430.2)	(\$22.4)	(\$458.1)	(\$27.9)	(\$474.1)	(\$16.1)	(\$506.7)	(\$32.5)

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

Revisions to Metro-North's financial plan for the 2009-2012 period reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of new needs identified for the period.

2009: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN

The 2009 July Financial Plan subsidy requirements for non-reimbursable operations are \$44.6 million higher than February Financial Plan. The increase reflects lower East of Hudson passenger revenues of \$47.6 million due to a lower than projected fare increase (10% vs. 23% budget; \$24.5 million), a later than anticipated opening of the Yankees E. 153rd St. station (\$2.3 million), and ridership declines associated with the unfavorable regional economic conditions (\$20.9 million). West of Hudson, lower fare increases result in \$1.3 million higher operating subsidies. In addition, \$7.6 million of service-related budget reductions in the February Financial Plan were restored in the July plan update per MTA guidelines. These increases are offset by lower expenses which include reduced health and welfare premiums, the net effect of higher employee vacancy levels and favorable impacts from capital project activity in the form of higher overhead cost recoveries, and reductions in electric and diesel fuel expenditures.

In addition to these cost trend adjustments, office space renovation costs have been deferred, security plan support has been rescheduled based on project plan updates for the deployment of monitoring and intrusion detection equipment, equipment utilization costs have been adjusted to reflect current operating plans, and on-board crew costs will be reduced in the latter part of the year to adjust for reduced ridership levels.

Reimbursable project costs (and receipts) for 2009 are \$4.0 million higher than the February Plan reflecting multiple project cost refinements and minor scheduling changes.

2010: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN

The July Financial Plan subsidy requirements are \$73.3 million higher than in the February Financial Plan. The increase reflects lower East of Hudson passenger revenues of \$61.9 million due to a lower than projected fare increase (10% vs. 23% budget; \$39.2 million), and ridership declines associated with the 2009 unfavorable regional economic conditions (\$22.6 million). West of Hudson, lower fare increases result in \$2.2 million higher operating subsidies. In addition, \$7.8 million of service-

related budget reductions in the February Financial Plan were restored in the July plan update per MTA guidelines. These increases are offset by lower health and welfare premiums, higher overhead recovery credits from capital projects, and reductions in electric and diesel fuel expenditures.

Additional cost savings result from the rescheduling of M8 car fleet delivery (including the acquisition of spare parts), deferral of the M7 seat change-out program, and the reduction in debit/credit card fees in accordance with lower ridership. 2010 cost increases include the costs to support the new Harmon Shop facility and office space renovations at various work locations (including furnishings for the new 525 Broadway facility).

Reimbursable project costs (and receipts) for 2010 are \$18.2 million higher than the February Plan and essentially reflect a continuation of project levels similar to the 2009 Mid-Year Forecast plus the deferral of the GCT Leaks Remediation Project (NYCDOT Share) from 2009.

2011 - 2012: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL

The July Financial Plan subsidy requirements are higher than the February Financial Plan by \$85.1 million in 2011, and \$92.3 million in 2012. These increases reflect substantial reductions in East of Hudson passenger revenues over this period due to a lower than projected 2009 fare increase (10% vs. 23% budget), and declines in the ridership base associated with the long term effect of the decline in the region economy. West of Hudson, lower fare increases result in higher operating subsidies. In addition, \$7.8 million of service-related budget reductions in the February Financial Plan were restored each year in the July plan update per MTA guidelines. These increases are offset by lower expenses which include reduced health and welfare premiums, higher overhead recovery credits from capital projects, and reductions in electric and diesel fuel expenditures through 2012.

Reimbursable project costs (and receipts) compared to the February Plan are higher by \$22.4 million in 2011, and higher by \$14.6 million in 2012 reflecting a continuation of project levels similar to the 2009 Mid-Year Forecast.

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE				
	2009	2010	2011	2012
Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit)	(\$363.9)	(\$366.6)	(\$401.5)	(\$424.3)
Restored AABBs	(\$7.6)	(\$7.8)	(\$7.8)	(\$7.8)
Passenger Fare and Toll Revenue in the Baseline - 23% Yield	(40.0)	(67.6)	(69.7)	(71.9)
Passenger Fare and Toll Revenue - 10% Increase	15.4	28.4	29.4	30.3
West of Hudson Subsidy Change - 23% Increase	(1.9)	(3.3)	(3.6)	(3.7)
West of Hudson Subsidy Change - 10% Increase	0.6	1.1	1.1	1.2
Baseline Changes				
Revenue				
Farebox Revenue	(\$23.0)	(\$22.6)	(\$19.0)	(\$18.6)
Vehicle Toll Revenue	0.0	0.0	0.0	0.0
Other Operating Revenue	(2.8)	(3.1)	(2.4)	(4.4)
Capital and Other Reimbursement	0.0	0.0	0.0	0.0
Total Revenue Changes	(\$25.8)	(\$25.7)	(\$21.4)	(\$23.0)
Expenses				
<i>Labor:</i>				
Payroll	\$1.7	(\$0.7)	(\$2.3)	(\$3.3)
Overtime	(1.1)	(0.1)	0.0	0.1
Health and Welfare	4.9	2.2	2.0	2.4
OPEB Current Payment	0.0	0.0	0.0	0.0
Pensions	0.3	(0.8)	0.6	1.2
Other Fringe Benefits	(0.4)	(0.2)	(0.0)	(0.3)
Reimbursable Overhead	2.3	3.1	3.2	3.2
Total Labor Expense Changes	\$7.7	\$3.5	\$3.5	\$3.2
<i>Non-Labor:</i>				
Traction and Propulsion Power	\$3.9	\$5.9	\$2.6	\$0.4
Fuel for Buses and Trains	6.6	2.2	(1.0)	(0.7)
Insurance	0.8	0.9	0.8	0.6
Claims	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	4.8	(3.8)	(6.4)	(4.4)
Professional Service Contracts	(2.6)	(7.3)	(7.7)	(8.2)
Materials & Supplies	0.8	12.1	8.5	4.2
Other Business Expenses	(0.4)	1.1	3.0	3.8
Total Non-Labor Expense Changes	\$14.0	\$11.0	(\$0.3)	(\$4.4)
<i>Gap Closing Expenses:</i>				
Fare Increase 6/1/09 (West of Hudson Subsidy Change)				
1Additional Actions for Budget Balance: Expense Impact				
Total Gap Closing Expenses				
Total Expenses before Depreciation and GASB Adjustments	\$21.8	\$14.4	\$3.3	(\$1.1)
Depreciation	\$5.0	\$5.6	\$7.5	\$9.2
OPEB Obligations	(2.0)	(0.3)	(0.4)	(0.1)
Environmental Remediation	(1.5)	(1.3)	(1.3)	(1.4)
Total Expense Changes	\$23.3	\$18.5	\$9.1	\$6.5
Cash Conversion Adjustment Changes				
Depreciation	(\$5.0)	(\$5.6)	(\$7.5)	(\$9.2)
Operating/Capital	(5.6)	(7.4)	(13.6)	(11.6)
Other Cash Adjustments	2.0	(3.7)	(1.2)	(3.1)
Total Cash Conversion Adjustments	(\$8.6)	(\$16.7)	(\$22.3)	(\$23.9)
Total Baseline Changes	(\$11.1)	(\$24.0)	(\$34.6)	(\$40.4)
Baseline 2009 July Financial Plan - Operating Cash	(\$408.5)	(\$439.9)	(\$486.6)	(\$516.6)

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE				
	2009	2010	2011	2012
Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0
Baseline Changes				
Revenue				
Farebox Revenue	\$0.0	\$0.0	\$0.0	\$0.0
Vehicle Toll Revenue	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0
Capital and Other Reimbursement	4.0	18.2	22.4	14.6
Total Revenue Changes	\$4.0	\$18.2	\$22.4	\$14.6
Expenses				
Labor:				
Payroll	(\$2.9)	(\$2.9)	(\$2.9)	(\$3.0)
Overtime	(3.4)	(3.4)	(3.5)	(3.5)
Health and Welfare	(0.6)	(0.9)	(1.0)	(1.0)
OPEB Current Payment	0.0	0.0	0.0	0.0
Pensions	(0.8)	(1.7)	(2.1)	(2.7)
Other Fringe Benefits	(1.0)	(1.0)	(1.0)	(1.0)
Reimbursable Overhead	(3.0)	(3.1)	(3.1)	(3.2)
Total Labor Expense Changes	(\$11.7)	(\$13.1)	(\$13.6)	(\$14.3)
Non-Labor:				
Traction and Propulsion Power	\$0.0	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0
Insurance	(0.5)	(0.5)	(0.6)	(0.6)
Claims	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	13.0	(0.7)	(4.7)	3.7
Professional Service Contracts	(4.3)	(4.4)	(4.5)	(4.6)
Materials & Supplies	(0.5)	0.5	1.0	1.3
Other Business Expenses	0.0	0.0	0.0	0.0
Total Non-Labor Expense Changes	\$7.7	(\$5.1)	(\$8.7)	(\$2.2)
Gap Closing Expenses:				
Fare Increase 6/1/09 (West of Hudson Subsidy Change)				
Additional Actions for Budget Balance: Expense Impact				
Total Gap Closing Expenses				
Total Expenses before Depreciation and GASB Adjustments	(\$4.0)	(\$18.2)	(\$22.4)	(\$14.6)
Depreciation	0.0	0.0	0.0	0.0
OPEB Obligationn	0.0	0.0	0.0	0.0
Environmental Remediation	0.0	0.0	0.0	0.0
Total Expense Changes	(\$4.0)	(\$18.2)	(\$22.4)	(\$14.6)
Cash Conversion Adjustment Changes				
Depreciation	0.0	0.0	0.0	0.0
Operating/Capital	0.0	0.0	0.0	0.0
Other Cash Adjustments	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	\$0.0	\$0.0	\$0.0	\$0.0
Total Baseline Changes	(\$0.0)	\$0.0	\$0.0	(\$0.0)
Income/(Deficit)	(\$0.0)	\$0.0	\$0.0	(\$0.0)

MTA METRO-NORTH RAILROAD
July Financial Plan 2010-2013
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2009	2010	2011	2012
Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit)	(\$363.9)	(\$366.6)	(\$401.5)	(\$424.3)
Restored AABBs	(\$7.6)	(\$7.8)	(\$7.8)	(\$7.8)
Passenger Fare and Toll Revenue in the Baseline - 23% Yield	(40.0)	(67.6)	(69.7)	(71.9)
Passenger Fare and Toll Revenue - 10% Increase	15.4	28.4	29.4	30.3
West of Hudson Subsidy Change - 23% Increase	(1.9)	(3.3)	(3.6)	(3.7)
West of Hudson Subsidy Change - 10% Increase	0.6	1.1	1.1	1.2
Baseline Changes				
Revenue				
Farebox Revenue	(\$23.0)	(\$22.6)	(\$19.0)	(\$18.6)
Vehicle Toll Revenue	0.0	0.0	0.0	0.0
Other Operating Revenue	(2.8)	(3.1)	(2.4)	(4.4)
Capital and Other Reimbursement	4.0	18.2	22.4	14.6
Total Revenue Changes	(\$21.8)	(\$7.5)	\$1.0	(\$8.4)
Expenses				
Labor:				
Payroll	(\$1.1)	(\$3.5)	(\$5.2)	(\$6.3)
Overtime	(4.5)	(3.6)	(3.4)	(3.4)
Health and Welfare	4.3	1.3	1.1	1.4
OPEB Current Payment	0.0	0.0	0.0	0.0
Pensions	(0.5)	(2.5)	(1.5)	(1.5)
Other Fringe Benefits	(1.5)	(1.3)	(1.1)	(1.3)
Reimbursable Overhead	(0.7)	0.0	0.1	0.1
Total Labor Expense Changes	(\$4.0)	(\$9.6)	(\$10.1)	(\$11.1)
Non-Labor:				
Traction and Propulsion Power	\$3.9	\$5.9	\$2.6	\$0.4
Fuel for Buses and Trains	6.6	2.2	(1.0)	(0.7)
Insurance	0.3	0.4	0.2	(0.0)
Claims	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	17.8	(4.6)	(11.1)	(0.8)
Professional Service Contracts	(6.9)	(11.7)	(12.2)	(12.7)
Materials & Supplies	0.3	12.6	9.6	5.5
Other Business Expenses	(0.4)	1.1	3.0	3.8
Total Non-Labor Expense Changes	\$21.7	\$5.9	(\$9.0)	(\$4.6)
Gap Closing Expenses:				
Fare Increase 6/1/09 (West of Hudson Subsidy Change)				
Additional Actions for Budget Balance: Expense Impact				
Total Gap Closing Expenses				
Total Expenses before Depreciation and GASB Adjustments	\$17.8	(\$3.8)	(\$19.1)	(\$15.7)
Depreciation	\$5.0	\$5.6	\$7.5	\$9.2
OPEB Obligationn	(2.0)	(0.3)	(0.4)	(0.1)
Environmental Remediation	(1.5)	(1.3)	(1.3)	(1.4)
Total Expense Changes	\$19.3	\$3	(\$13.3)	(\$8.1)
Cash Conversion Adjustment Changes				
Depreciation	(\$5.0)	(\$5.6)	(\$7.5)	(\$9.2)
Operating/Capital	(5.6)	(7.4)	(13.6)	(11.6)
Other Cash Adjustments	2.0	(3.7)	(1.2)	(3.1)
Total Cash Conversion Adjustments	(\$8.6)	(\$16.7)	(\$22.3)	(\$23.9)
Total Baseline Changes	(\$11.1)	(\$24.0)	(\$34.6)	(\$40.4)
Income/(Deficit)	(\$408.5)	(\$439.9)	(\$486.6)	(\$516.6)

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

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2009	2010	2011	2012
Baseline 2009 February Financial Plan - Operating Cash Income/(Deficit)	(\$363.9)	(\$366.6)	(\$401.5)	(\$424.3)
Restored AABBs	(\$7.6)	(\$7.8)	(\$7.8)	(\$7.8)
Passenger Fare and Toll Revenue in the Baseline - 23% Yield	(40.0)	(67.6)	(69.7)	(71.9)
Passenger Fare and Toll Revenue - 10% Increase	15.4	28.4	29.4	30.3
West of Hudson Subsidy Change - 23% Increase	(1.9)	(3.3)	(3.6)	(3.7)
West of Hudson Subsidy Change - 10% Increase	0.6	1.1	1.1	1.2
Non-Reimbursable Major Changes				
Revenue				
Passenger Revenue	(23.0)	(22.6)	(19.0)	(18.6)
Non Passenger Revenue	(2.8)	(3.1)	(2.4)	(4.4)
Sub-Total Non-Reimbursable Revenue Changes	(\$25.8)	(\$25.7)	(\$21.4)	(\$23.0)
Expenses				
OFFICE SPACE RENOVATION - MADISON AVENUE	1.0	(0.4)	(1.0)	0.0
T&E SAVINGS FROM REDUCED RIDERSHIP	0.1	0.4	0.4	0.4
EQUIP STRATEGY - M8 SPARE PART INVENTORY	0.0	3.5	3.5	(2.6)
CREDIT/DEBIT CARD FEES	0.0	1.2	1.2	1.2
OFFICE SPACE - GRAYBAR, NWP, GCT	1.1	(1.1)	0.0	0.0
SECURITY PLAN - IESS/3C SYSTEM AND PHYSICAL	1.3	1.2	0.0	0.0
EQUIPMENT REPLACEMENT PLAN - H&H (OP. COSTS)	0.6	4.0	2.4	2.5
EQUIPMENT REPLACEMENT PLAN - NHL (OP. COSTS - 2009)	0.8	1.9	2.2	3.8
SEAT CHANGE-OUT PLAN (One Year Deferral)	0.0	5.1	(0.0)	(0.0)
OVERHEAD RECOVERY CHANGE	2.3	3.1	3.2	3.2
INSURANCE PREMIUM DIFFERENCE	0.8	0.9	0.8	0.6
CHANGE IN ELECTRIC AND DIESEL EXPENSE	10.6	8.1	1.6	(0.4)
HEALTH & WELFARE PREMIUM CHANGE	4.9	2.2	2.0	2.4
EQUIP STRATEGY - GENESIS LOCOMOTIVE OVERHAUL	0.0	0.0	(1.4)	(1.4)
AABB IMPLEMENTATION LAG	(1.3)	0.0	0.0	0.0
2009 EXTRAORDINARY VACANCY SAVINGS	3.2	0.0	0.0	0.0
2009 PEG PROGRAM RE-ESTIMATE	0.0	(5.0)	(5.0)	(5.0)
OTHER POST EMPLOYMENT BENEFIT PROVISION	(2.0)	(0.3)	(0.4)	(0.2)
ENVIRONMENTAL REMEDIATION ACCRUAL	(1.5)	(1.3)	(1.3)	(1.4)
PENSION CONTRIBUTION CHANGE	0.3	(0.8)	0.6	1.2
NYS CORPORATE PAYROLL TAX	(0.9)	(1.2)	(1.2)	(1.3)
CHANGE IN MTA POLICE SERVICE DEPLOYMENT	0.0	(2.5)	(2.5)	(2.5)
DEPRECIATION	5.0	5.6	7.5	9.2
HARMON SHOP REPLACEMENT - MASTER PLAN	(0.3)	(2.7)	(2.7)	(2.7)
ALL OTHER	(2.7)	(3.4)	(0.7)	(0.5)
Sub-Total Non-Reimbursable Expense Changes	\$23.3	\$18.5	\$9.1	\$6.5
Total Non-Reimbursable Major Changes	(\$2.5)	(\$7.3)	(\$12.3)	(\$16.5)
Reimbursable Major Changes				
Revenue				
Projections for 2009-2012 assume capital project activity levels similar to 2009 MYF	4.0	18.2	22.4	14.6
Sub-Total Reimbursable Revenue Changes	\$4.0	\$18.2	\$22.4	\$14.6
Expenses				
Projections for 2009-2012 assume capital project activity levels similar to 2009 MYF	(4.0)	(18.2)	(22.4)	(14.6)
Sub-Total Reimbursable Expense Changes	(\$4.0)	(\$18.2)	(\$22.4)	(\$14.6)
Total Reimbursable Major Changes	\$0	\$0	\$0	\$0
Total Accrual Changes	(\$2.5)	(\$7.3)	(\$12.3)	(\$16.5)
Cash Adjustment Changes				
Change In Force Account Lag	(4.1)	(2.9)	(0.7)	1.1
Amtrak Settlement For Shell At Grade Project	6.0	0.0	0.0	0.0
Operating Capital	(5.6)	(7.4)	(13.6)	(11.6)
Depreciation	(5.0)	(5.6)	(7.5)	(9.2)
Other	0.1	(0.8)	(0.4)	(4.2)
Total Cash Adjustment Changes	(\$8.6)	(\$16.7)	(\$22.3)	(\$23.9)
Total Baseline Changes	(\$11.1)	(\$24.0)	(\$34.6)	(\$40.4)
Baseline 2009 July Financial Plan - Operating Cash Income/(Deficit)	(\$408.5)	(\$439.9)	(\$486.6)	(\$516.6)

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013**

RIDERSHIP/UTILIZATION PROJECTIONS

Ridership projections are developed primarily by the application of line segment ridership forecasting models that incorporate current trends and the impact of economic and demographic factors and government-supported mass transit initiatives. In addition, internal programs that affect service, customer awareness, and access to Metro-North are also incorporated into ridership forecasts.

The 2009 July Mid Year Forecast reflects East of Hudson service ridership that is 4.4% lower than the Adopted 2009 Budget and 1.9% lower than 2008 actual results. These disappointing results reflect the economic downturn faced throughout the Railroad's service region. In 2010, 2011, 2012 and 2013, ridership is projected to grow 0.8%, 3.5%, 3.2% and 2.5% respectively. 2010 assumes no fare increases, minimal service expansion, a full year operation of the Yankees-E.153rd Street station, and the impact of advertising, parking expansion and connecting service operations. In 2011-2013 efforts to promote ridership growth continue with increases in service, parking and advertising, and a resumption of modest regional employment growth.

West of Hudson utilization reflects 2009 customer levels that are 2.7% lower than 2008 actual results. In 2010, 2011, 2012 and 2013, West of Hudson ridership is projected to grow 0.2%, 4.4%, 3.9% and 4.9%, respectively. The substantial growth rates during the 2011–2013 period reflects the improvement in the economic climate and a resumption of customer growth in peak periods, a continuation of Pascack Valley line customer increases during off-peak periods, and an increase in Pt Jervis line service in 2011.

**MTA Metro-North Railroad
July Financial Plan 2010-2013
Ridership (Utilization)
(in millions)**

	2008 Actual	2009 Mid Year Forecast	2010 Preliminary Budget	2011	2012	2013
<u>Farebox Revenue</u>						
Harlem Line	\$146.6	\$152.5	\$159.5	\$164.4	\$168.7	\$173.0
Hudson Line	107.4	111.1	116.9	121.7	126.0	129.1
New Haven Line	248.0	248.6	256.4	265.9	274.5	282.8
West of Hudson Mail & Ride	0.6	0.7	0.7	0.7	0.7	0.8
Baseline Total Farebox Revenue	\$502.6	\$512.9	\$533.5	\$552.7	\$569.9	\$585.6
<i>Impact of:</i>						
2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Post-2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total PEG's	0.0	0.0	0.0	0.0	0.0	0.0
Total Farebox Revenue	\$502.6	\$512.9	\$533.5	\$552.7	\$569.9	\$585.6
<u>Ridership</u>						
Harlem Line	27.4	26.8	26.8	27.6	28.3	28.9
Hudson Line	16.2	16.0	16.1	16.7	17.2	17.6
New Haven Line	37.9	37.1	37.7	39.1	40.5	41.7
Baseline Total Ridership	81.5	79.9	80.6	83.4	86.1	88.3
<i>Impact of:</i>						
2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Post-2010 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total PEG's	0.0	0.0	0.0	0.0	0.0	0.0
Total Ridership	81.5	79.9	80.6	83.4	86.1	88.3

MTA Metro-North Railroad
July Financial Plan 2010-2013
Summary of 2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

			2009		2010		2011		2012		2013	
			<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Administration												
Administration position reductions			8	0.450	10	1.170	10	1.192	10	1.217	10	1.241
	Sub-Total	Administration	8	\$0.450	10	\$1.170	10	\$1.192	10	\$1.217	10	\$1.241
Customer Convenience/Amenities												
Tvm strategy				0.000	13	1.097	13	1.110	13	1.132	13	1.155
	Sub-Total	Customer Convenience/Amenities	0	\$0.000	13	\$1.097	13	\$1.110	13	\$1.132	13	\$1.155
Maintenance												
Establish second shift coach shop				0.000	8	0.709	0	(0.030)		(0.044)		(0.059)
	Sub-Total	Maintenance	0	\$0.000	8	\$0.709	0	-\$0.030	0	(\$0.044)	0	-\$0.059
Other												
T&e savings from reduce deadhead equip trains			4	0.275	4	1.133	4	1.168	4	1.180	4	1.203
Review procurement/purchasing			0	0.000	0	0.341	0	0.355	0	0.371	0	0.387
	Sub-Total	Other	4	\$0.275	4	\$1.474	4	\$1.523	4	\$1.551	4	\$1.590
Revenue enhancement												
	Sub-Total	Revenue Enhancement	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Safety												
security plan - gct halls/trainshed fire safety				0.000	12	1.245	8	0.864	8	0.882	8	0.900
	Sub-Total	Safety	0	\$0.000	12	\$1.245	8	\$0.864	8	\$0.882	8	\$0.900
Security												
	Sub-Total	Security	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service												
w of h service plan reduction			0	0.000	0	1.740		1.740		1.740		1.740
service plan 2010			0	0.000	9	2.238	9	2.951	9	2.915	9	2.886
	Sub-Total	Service	0	\$0.000	9	\$3.978	9	\$4.691	9	\$4.655	9	\$4.626
Service Support												
	Sub-Total	Service Support	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Total Programs			12	\$0.725	56	\$9.673	44	\$9.350	44	\$9.393	44	\$9.453

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Administration	Implementation Date	7/1/2009
PEG / New Need ID	MNR 2010-1		Savings Date	7/1/2009
Program:	Administration Position Reductions			

Description and Implementation Plan

In conjunction with the review of administrative staffing levels, Metro-North will eliminate 10 administrative positions starting July 1, 2009 to reduce costs and streamline the organization. Position eliminated are all vacant and do not require any layoffs of personnel. These reductions span various functional areas of the company and include managers, analysts/specialists and clerical positions.

Background Details

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	8	10	10	10	10
Financial Impact	\$0.450	\$1.170	\$1.192	\$1.217	\$1.241

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Customer Convenience	Implementation Date	1/1/2010
PEG / New Need ID	MNR 2010-2		Savings Date	1/1/2010
Program:	TVM Strategy			

Description and Implementation Plan

The deployment of ticket vending machines and the continued growth in Mail-n-Ride and Web Ticket sales has shifted significant portions of ticket sales away from manned, ticket office windows. These changes as well as the deployment of an additional 52 TVM machines will enable a further reduction in ticket selling staff. Starting January 2010 13 positions will be eliminated at the following stations:

- GCT - reduce two ticket sellers at ticket windows and eliminate one Extra List position (eliminate 3 Full Time positions)
- Close Ticket Offices at Darien, Ossining, Hartsdale (eliminate 3 Full Time positions)
- Reduce ticket window hours at 3 New Haven Line Stations South Norwalk, Rye, Fordham (eliminate 3 Part Time positions)
- Close Ticket Offices at Fleetwood, Chappaqua, Larchmont (eliminate 3 Full Time positions)
- Reduce ticket window hours during 1st and 2nd shifts at New Haven station (eliminate 1 Full Time position)

Background Details:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	-	13	13	13	13
Financial Impact	\$0.000	\$1.097	\$1.110	\$1.132	\$1.155

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Maintenance	Implementation Date	1/1/2010
PEG / New Need ID	MNR 2010-3		Savings Date	1/1/2010
Program:	Establish Second Shift Coach Shop			

Description and Implementation Plan

Increases in the coach and locomotive fleet over the last decade have not resulted in a commensurate increase in maintenance staffing. As the fleet is aging additional maintenance requirements are absorbed on overtime or delayed. To more effectively maintain the equipment and meet AM Peak consist requirements, a second shift at the Harmon Coach Shop has been proposed. Originally included in the February 2009 Financial Plan for 2010, this initiative has been

Background Details

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	-	-	8	-	-
Financial Impact	\$0.000	\$0.000	\$0.709	(\$0.030)	(\$0.044)

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Other	Implementation Date	11/1/2009
PEG / New Need ID	MNR 2010-4		Savings Date	11/1/2009
Program:	T&E Savings from Reduce Deadhead Equip Trains			

Description and Implementation Plan

- Review lightly used Dead Head Equipment trains for elimination
- Estimated savings are 2 conductors and 2 Engineers (1 each on Hudson and NH Lines). Cost savings of \$1.0- \$1.25 million annually starting October 2009.

Background Details

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	4	4	4	4	4
Financial Impact	\$0.275	\$1.133	\$1.168	\$1.180	\$1.203

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Other	Implementation Date	1/1/2010
PEG / New Need ID	MNR 2010-5		Savings Date	1/1/2010
Program:	Review Procurement/Purchasing			

Description and Implementation Plan

MNR's portion of the \$256 million OEM joint procurement contracts with the LIRR is \$81.9 million. An estimated expenditure savings of 2% yields a \$1.637 million cost avoidance/savings for the 5 year term of the contracts; \$.327 million per year. This PEG incorporates the projected annual savings in the Financial Plan.

This amount is a preliminary estimate subject to changes in final vendor pricing agreements and the timing and quantities of materials procured. Metro-North estimates that potential savings may be generated from the following vendor contracts:

- SEPSA
- Merak Air Conditioning Parts
- Knorr Air Brake Parts
- Wabtec Coupler and air brake parts
- Bombardier
- Back Simpson
- Vapor Door Parts

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	-	-	-	-	-
Financial Impact	\$0.000	\$0.341	\$0.355	\$0.371	\$0.387

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Safety	Implementation Date	1/1/2010
PEG / New Need ID	MNR 2010-6		Savings Date	1/1/2010
Program:	Security Plan - GCT Halls/Trainshed Fire Safety			

Description and Implementation Plan

Substantial portion (8 positions) of planned safety functions related to GCT Halls/Train shed Fire Safety will be absorbed in other safety initiatives (IESS project) and by existing staff. Consequently, of the positions originally included in the February 2009 Financial Plan for 2010, eight will be permanently eliminated and 4 will be deferred until 2011.

Background Details

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	-	12	8	8	8
Financial Impact	\$0.000	\$1.245	\$0.864	\$0.882	\$0.900

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Service	Implementation Date	1/1/2010
PEG / New Need ID	MNR 2010-8		Savings Date	1/1/2010
Program:	West of Hudson Service Plan			

Description and Implementation Plan

In 2008, additional service on the Port Jervis Line was scheduled to start in 2009.

- Late evening Outbound trains
- Additional weekend service (3RT per day) (Deferred from '08 Service Enhancement Initiative)
- Additional weekday OP RT (Deferred from '08 Service Enhancement Initiative)
- Split 2 weekend RT's to create NYS expresses

Due to cost constraints later that year, these changes were deferred from 2009 to 2010. Due to the recent financial concerns, improvements are now being eliminated from 2010.

Background Details

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	-	-	-	-	-
Financial Impact	\$0.000	\$1.740	\$1.740	\$1.740	\$1.740

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (PEGs) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Service	Implementation Date	4/1/2010
PEG / New Need ID	MNR 2010-7		Savings Date	4/1/2010
Program:	East of Hudson Service Plan			

Description and Implementation Plan

Original February Plan was \$3.3 million as of April 2009 for the following service changes:

Hudson - Peak - Additional Upper Hudson peak trains (2RT)
Hudson - Off Peak - Early AM outbound Upper Hudson
New Haven - Peak - Danbury shuttle to operate thru to/from GCT 1RT
New Haven - Peak - New South Norwalk zone train to relieve 1833 (1RT)
New Haven - Weekend - Extend 1/2 Hourly service on outer NH at key times (2RT Sat & 3RT Sun)
All lines - Ridership Growth (cost required to increase revenue collection coverage)

To reduce costs, the 2010 Service Plan was scaled back. Only New Haven 1/2 hr local service will be added from Stamford to GCT on Sundays for \$1.0 million as of April 2010, resulting in \$2.3 million reduction.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	-	9	9	9	9
Financial Impact	\$0.000	\$2.238	\$2.951	\$2.915	\$2.886

MTA Metro-North Railroad
July Financial Plan 2010-2013
Summary of Post-2010 Program to Eliminate the Gap (PEGs)
(\$ in millions)

			<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>	
			<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Administration												
	Sub-Total	Administration	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>
Customer Convenience/Amenities												
	Sub-Total	Customer Convenience/Amenities	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>
Maintenance												
	Sub-Total	Maintenance	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>
Other												
	Sub-Total	Other	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$19.190</u>	<u>0</u>	<u>\$33.045</u>	<u>0</u>	<u>\$34.400</u>
Revenue Enhancement												
	Sub-Total	Revenue Enhancement	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$19.190</u>	<u>0</u>	<u>\$33.045</u>	<u>0</u>	<u>\$34.400</u>
Safety												
	Sub-Total	Safety	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>
Security												
	Sub-Total	Security	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>
Service												
	Sub-Total	Service	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>
Service Support												
	Sub-Total	Service Support	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>
Total Programs			<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$ 19.190</u>	<u>0</u>	<u>\$33.045</u>	<u>0</u>	<u>\$34.400</u>

MTA Metro-North Railroad
July Financial Plan 2010-2013
2010 Program to Eliminate the Gap (Post PEG) Worksheet
(\$ in millions)

Business Unit	MNR	PEG Category: Other	Implementation Date	1/1/2011
Post PEG / New Need ID	MNR 2010-1		Savings Date	1/1/2011
Program:	Other			

Description and Implementation Plan

Cost Reduction Measures to be Determined

Background Details

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Headcount	-	-	-	-	-
Financial Impact	\$0.000	\$0.000	\$19.190	\$33.045	\$34.400

**MTA METRO-NORTH RAILROAD
2010 PRELIMINARY BUDGET
JULY FINANCIAL PLAN 2010-2013**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS

Positions are stated as of December 31 of each year and reflect employees estimated to be paid. Consequently, position totals incorporate existing vacancy and turnover estimates, as well as seasonal fluctuations in staffing requirements for capital projects.

Annual non-reimbursable staffing levels also include the impact of new program additions, deferrals, eliminations, or re-estimates, consistent with the associated cost changes incorporated into the financial plan.

2009 reimbursable staffing levels reflect changes in project requirements. The 2010-2013 staffing levels assume a continuation of 2009 project activity levels.

YEAR-TO-YEAR CHANGES

2009 - 2010

The 2009 Mid Year Forecast includes a reduction of 43 positions paid as compared to the 2009 Adopted Budget. This reduction is due to an increase in vacancies related to the slowing of personnel hiring to meet cost reduction targets and avoid potential employees layoffs (26 non reimbursable and 25 reimbursable), and a reduction of 15 on-board crew positions related to train service adjustments. These decreases are partially offset by the addition of a cyclical station painting gang added in the second half of the year (5 positions) and the restoration of 18 service-related positions that were scheduled to be abolished as part of the AABB program included in the February Financial Plan.

The 2010 Preliminary Budget assumes the return of vacancies to their normal level and the addition of 75 non-reimbursable positions which is largely comprised of the addition of 28 positions in support of New Haven Maintenance Facility Shop Complex, 15 positions supporting the Harmon Shop Replacement, 17 T&E positions for new train service, 22 positions to support security improvements, 3 positions to support the FRA mandated expanded drug testing program, additional maintenance personnel to support completed right-of-way and other facility improvements, and two positions to support accounting and training functions. These increases are offset by the reduction of 27 positions due to the completion of the M3 overhaul program and M1 car retirements as well as storeroom position reductions.

2010 - 2011

The increase of 33 non-reimbursable paid positions reflects the addition of 46 maintenance positions to support the New Haven Maintenance Facility Shop Complex, 17 T&E positions for new train service, 16 positions to support security improvements, an additional position for both Training and Turnout Replacement Mainline/High Speed programs as well as 6 positions in support of signal improvements on the Danbury Branch, 3 positions toward Harlem/Hudson Power Improvements, and the net reduction of 57 positions due to transfers from both the Human Resources and Controller departments to the BSC.

2011 - 2012

The increase of 61 non-reimbursable paid positions reflects 46 maintenance positions to support the New Haven Maintenance Facility Shop Complex, 14 T&E positions for the Service Plan, and one additional position for Training.

2012 - 2013

The increase of 91 non-reimbursable paid positions reflects 18 maintenance positions to support the New Haven Maintenance Facility Shop Complex, 39 T&E positions for new train service and additional coverage, 21 additional coach cleaner positions, 13 various QC support positions.

MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2008 Actual	2009 Mid Year Forecast	2010 Preliminary Budget	2011	2012	2013
Administration						
President	5	3	3	3	3	3
Labor Relations	12	13	13	13	13	13
Safety	18	17	29	29	29	29
Corporate Communications	18	21	21	21	21	21
Customer Service	243	231	247	247	247	247
Legal	15	16	17	17	17	17
Claims Services	16	17	20	20	20	20
Environmental Compliance & Serv	6	6	7	7	7	7
VP Human Resources	4	4	4	4	4	4
Human Resources & Diversity	46	45	47	20	20	20
Training	30	29	33	34	35	35
Employee Relations & Diversity	3	4	4	4	4	4
VP Planning Procurem't & Bus Dev Admin	2	2	2	2	2	2
Operations Planning & Analysis	20	20	20	20	20	20
Capital Planning & Programming	14	14	14	14	14	14
Business Development Facilities & Mktg	20	22	22	22	22	22
Long Range Planning	10	9	10	10	10	10
VP Finance & Info Systems	1	2	2	2	2	2
Controller	119	119	120	90	90	90
Information Technology & Project Mgmt	108	111	111	111	111	111
Budget	16	16	16	16	16	16
Corporate *	-	-	(40)	(40)	(40)	(40)
Total Administration	726	721	722	666	667	667
Operations						
VP Operations	51	51	54	54	54	67
Operations Services	1,705	1,779	1,816	1,844	1,866	1,936
Metro-North West	30	27	27	27	27	27
Total Operations	1,786	1,857	1,897	1,925	1,947	2,030
Maintenance						
GCT	350	335	347	359	359	359
Maintenance of Equipment	1,274	1,295	1,307	1,326	1,364	1,372
Maintenance of Way	1,512	1,548	1,597	1,626	1,626	1,626
Procurement & Material Management	168	167	174	175	175	175
Total Maintenance	3,304	3,345	3,425	3,486	3,524	3,532
Engineering/Capital						
Project Budget	-	-	-	-	-	-
Construction Management	36	38	38	38	38	38
Engineering & Design	65	66	66	66	66	66
Total Engineering/Capital	101	104	104	104	104	104
Baseline Total Positions	5,917	6,027	6,148	6,181	6,242	6,333
<i>Non-Reimbursable</i>	5,306	5,423	5,544	5,577	5,638	5,729
<i>Reimbursable</i>	611	604	604	604	604	604
<i>Total Full-Time</i>	5,912	6,024	6,147	6,180	6,241	6,332
<i>Total Full-Time-Equivalents</i>	5	3	1	1	1	1
Impact of:						
2010 Program to Eliminate the Gap		12	56	44	44	44
Post 2010 Program to Eliminate the Gap			-	-	-	-
Total Positions	5,917	6,015	6,092	6,137	6,198	6,289
<i>Non-Reimbursable</i>	5,306	5,411	5,488	5,533	5,594	5,685
<i>Reimbursable</i>	611	604	604	604	604	604
<i>Total Full-Time</i>	5,912	6,012	6,091	6,136	6,197	6,288
<i>Total Full-Time-Equivalents</i>	5	3	1	1	1	1

* Reflects turnover vacancies in December not included in department totals.

MTA Metro-North Railroad
July Financial Plan 2010 - 2013
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2008 Actual	2009 Mid Year Forecast	2010 Preliminary Budget	2011	2012	2013
Administration						
Managers/Supervisors	40	49	50	50	50	50
Professional, Technical, Clerical	657	642	633	577	578	578
Operational Hourlies	29	30	39	39	39	39
Total Administration	726	721	722	666	667	667
Operations						
Managers/Supervisors	23	24	24	24	24	24
Professional, Technical, Clerical	318	311	325	325	325	336
Operational Hourlies	1,445	1,522	1,548	1,576	1,598	1,670
Total Operations	1,786	1,857	1,897	1,925	1,947	2,030
Maintenance						
Managers/Supervisors	39	41	41	41	41	41
Professional, Technical, Clerical	1,024	996	1,022	1,034	1,034	1,034
Operational Hourlies	2,241	2,308	2,362	2,411	2,449	2,457
Total Maintenance	3,304	3,345	3,425	3,486	3,524	3,532
Engineering/Capital						
Managers/Supervisors	28	30	30	30	30	30
Professional, Technical, Clerical	73	74	74	74	74	74
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	101	104	104	104	104	104
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
MTA Metro-North Consolidated Baseline						
Managers/Supervisors	130	144	145	145	145	145
Professional, Technical, Clerical	2,072	2,023	2,054	2,010	2,011	2,022
Operational Hourlies	3,715	3,860	3,949	4,026	4,086	4,166
Total MTA Metro-North Consolidated Baseline	5,917	6,027	6,148	6,181	6,242	6,333
	-	-	-	-	-	-

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