

MTA

2010 Adopted Budget

February Financial Plan

2010 – 2013



February 2010



Metropolitan Transportation Authority

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I. Introduction

Introduction

This document includes the 2010 Adopted Budget approved by the Board in December and the 2010-2013 Financial Plan. The purpose of the February Plan is to fully incorporate the December Board-approved actions and Technical Adjustments into the Agencies' November Financial Plan budgets and forecasts, and to establish a 12-month allocation of the Adopted Budget.

The February Financial Plan does not include any of the changes proposed in the New York State 2010-2011 Executive Budget.

Most of the December Board-approved actions, including Policy Actions, Gap Closing Programs and Cash Management Actions, presented below-the-baseline in December are now incorporated into the baseline, including appropriate allocations to the Agencies. The December Plan captured below-the-line re-estimates of subsidies and expenses from November. These are also now incorporated into the baseline.

This process also gives the Agencies the chance to make minor technical adjustments to their budgets and forecasts which will result in improved reporting. These adjustments are minor and result in immaterial changes to the bottom line. In some cases Agencies also made minor technical adjustments to PEGs and Additional Actions for Budget Balance (AABBs). Unlike the July and November Plans, the February Plan does not include any new proposals. As such, the detailed explanations of the programs and assumptions supporting this Plan can be found in the November and December 2009 Financial Plan books, which are posted on the MTA web site (www.mta.info).

This document includes all relevant financial tables and reconciliations. It also contains schedules detailing the 12-month allocation of the 2010 Adopted Budget. These monthly allocations of the budget will be compared with actual results and the variances will be analyzed and reported to the Board committees.

This report contains summary Agency information regarding budgeted positions, scheduled Post-2010 PEG programs and AABB's, which are now captured within Agency forecasts. The post-2010 PEGs and the proposed 2011 fare/toll increase, which have yet to be acted on by the Board, remain below the line. As the 2011 budget process proceeds, these proposals and associated Agency targeted spending levels will be reassessed. The Preliminary 2011 Budget is scheduled for presentation to the Board at the July 2010 meeting. The Final Proposed Budget for 2011 will be presented to the Board in November and submitted for adoption in December 2010. This process provides enough time so that public and elected officials can comment on the proposals before the anticipated Board action in December.

The February Plan includes closing cash balances of \$27 million in 2009 and \$2 million in 2010; cash deficits for the years 2011 and 2012 are \$13 million and \$191 million respectively, with 2013 having a cash balance of \$58 million.

Technical Adjustments are immaterial and for the most part only involve changes between accounts with a small impact to the bottom line. These adjustments, which are highlighted in the Reconciliation to the December Plan, have zero net impact on MTA's cash position over the 2009-2010 period. They also involve changes in the categorization and number of headcount which are captured in the Positions section of this Plan.

The incorporation of the 2010 PEGs, technical adjustments and AABBs into the baseline decreased positions by 1,661 in 2010, 1,542 in 2011, 1,438 in 2012, and 1,415 in 2013.

POLICY ACTIONS, GAP CLOSING PROGRAMS, CASH MANAGEMENT ACTIONS and RE-ESTIMATES

The following items were approved by the Board in December as below-the-line items:

POLICY ACTIONS

- B&T Holdback – The Plan reflects the Board approved decision to set-aside a portion of the 7.5% toll increases for 2011 and 2013 (equivalent to 2.5% in each year) that will be used to fund new B&T capital projects through pay-as-you-go funding and additional debt service. This policy action continues to be shown below-the-line.
- Pay-As-You-Go Capital – The February Plan consolidated baseline continues to assume that a portion of the new tax revenues will be contributed to the capital program in the form of “pay-as-you-go” capital. These payments, which represent \$50 million in 2010 and incremental increases of \$50 million through 2013, have been incorporated into the baseline. As noted in the December Plan, this level of contribution will be necessary to support the first two years of required local funding of the next capital program, including support for “mega” projects like East Side Access and the Second Avenue Subway.
- Reinstate Additional Actions for Budget Balance (AABB's) – The February Plan baseline reflects Additional Actions for Budget Balance which were adopted by the Board in December (pending an environmental review) in response to reduced dedicated tax forecasts and declining state and local aid. These additional actions are expected to generate savings of \$65 million in 2010, \$131 million in 2011, \$124 million in 2012 and \$119 million in 2013 and are now captured within the baselines of individual Agencies.
- Furlough – Agency baselines reflect the impact of additional administrative/re-engineering savings (e.g. payroll-lag or furlough for non-represented administrative employees) beyond those taken in the PEGs, AABBs or Business Service Center. Savings are projected at \$49 million in 2010.

- Administrative Savings – Long-term administrative savings, targeted at \$65 million per year, have not yet been apportioned to specific Agencies and remain below the line.
- Student Fare Restoration – The February Plan baseline of New York City Transit has been updated to reflect the elimination of the free Student Fare program. Students currently riding with a Student Fare MetroCard that permits free travel will be required to pay half-fare beginning in September 2010; beginning in September 2011 all students, including those currently paying half-fare, will be required to pay full fare. The net impact of this gap-closing program, reflecting the loss of the City School Fare Reimbursement, is projected to be \$31 million in 2010, \$62 million in 2011, and \$170 million every year thereafter.
- Paratransit Savings – New York City Transit's baseline captures Paratransit Savings of \$40 million in 2010 followed by annual savings of \$80 million thereafter.

GAP CLOSING PROGRAMS

Internal Actions:

- 2010 Agency Program to Eliminate the Gap – The incorporation of the 2010 PEGs into the baseline resulted in changes to each Agency's financials, but had virtually no effect on MTA Consolidated cash. Projected savings from these PEGs are \$23 million in 2009, \$71 million in 2010, \$70 million in 2011, \$70 million in 2012 and \$73 million in 2013. For Agency-specific PEGs, including Post-2010 PEGs, see Agency sections.
- Post-2010 Agency Program to Eliminate the Gap – MTA Agencies are expected to achieve targeted savings equivalent to a 1.5% reduction in controllable expenses in each of the Plan years (4.5% cumulative by the end of 2013). Agencies will identify these PEGs beginning in 2011 during next year's budget cycle. Therefore, the vast majority of the Post-2010 PEG program remains unspecified at this time. On an MTA-wide basis, the value of these "unspecified" PEGs is \$96 million in 2011, \$199 million in 2012, and \$296 million in 2013. These savings include MTA Bus' PEGs which would serve to reduce the City subsidy to MTA Bus by \$5 million in 2011, \$11 million in 2012 and \$16 million in 2013.
- New Contract Labor Contribution – For those Agencies that traditionally follow the TWU labor pattern, represented wage assumptions have been updated to reflect the budgeted assumptions regarding the TWU interest arbitration ruling which was upheld on the initial appeal. A further partial appeal has been commenced, challenging the award insofar as it grants a 3% increase to workers in the third contract year (2011) and reduces employee medical contributions.

For LIRR, MNR and SIR the wage assumptions remain unchanged from the November Plan.

- Non-Represented Wage Freeze in 2009 – Agency baselines reflect the impact of a contribution from Non-Represented employees, through a wage-freeze for one year, which helped close future-year budget gaps.

External Actions:

- Federal Legislative Actions – The MTA continues to propose changes in federal legislation that would eliminate certain federal mandates for commuter rail employees without impacting employee benefits.

Fare/Toll:

- 2011 Increased Fare and Toll Yields – A 7.5% increase in MTA consolidated farebox and toll revenue yields is proposed for implementation on January 1, 2011. Consolidated fare and toll revenues, excluding MTA Bus revenues, are expected to increase by \$408 million in 2011, \$425 million in 2012 and \$429 million in 2013. MTA Bus revenue is expected to increase by \$12 million in 2011 and by \$13 million in 2012 and 2013. These additional MTA Bus revenues will be used to hold down the NYC subsidy used to cover the costs associated with MTA Bus operations. This action reflects MTA policy to implement small alternate year fare and toll increases to cover inflation.
- 2013 Increased Fare and Toll Yields – Another 7.5% consolidated farebox and toll revenue yield increase is also proposed for implementation on January 1, 2013, and is estimated to yield an additional \$449 million in 2013, excluding yield increases for MTA Bus. The 7.5% farebox yield increase at MTA Bus is expected to generate additional revenue of \$14 million in 2013, and will be used to hold down the NYC subsidy to MTA Bus.

CASH MANAGEMENT ACTIONS

- Forward Energy Contracts – The February Plan consolidated baseline assumes an energy hedging strategy to lock in fuel prices for 2010. The February Plan baseline incorporates the set-aside of \$73 million in 2009 that locked in pricing for approximately one-third of MTA's fuel budget for 2010. Remaining below-the-line is a set-aside hedge of \$82 million to lock in a portion of MTA's expected 2011 fuel requirement.
- Delay 2009 Pension Payment – A delay in pension payments of \$98 million was captured in NYCT's baseline.

RE-ESTIMATES

These updated forecasts were approved by the Board in December as below-the-line items and are now captured within the February Baseline Financial Plan:

- State Dedicated Taxes – MMTOA appropriated tax receipts for 2009 were revised downward by \$122.4 million for New York City Transit and the Commuter Railroads and \$409 thousand for Long Island Bus when the State implemented its Deficit Reduction Plan (DRP) in December 2009. Further DRP cuts include \$18.9 million in Student Fares, now captured in New York City Transit's baseline, and \$1.6 million of the 2009 AMTAP payment to Long Island Bus.

MMTOA receipts were revised downward by \$4 million in 2010 and \$29 million in each year from 2011 through 2013. A further reduction of \$45 million per year for reimbursement of School Fare is captured within NYCT's Operating Revenue.

- New State Taxes and Fees – To reflect New York State DOB's December re-estimate of Payroll Mobility Tax (PMT), MTA's estimate of PMT receipts for 2009 through 2013 were revised downward by \$50 million in each year. In addition, the 2010 PMT estimate reflects an additional \$179 million, which was carried over from 2009 on the assumption that a significant portion of the 2009 shortfall in collections would be recouped in 2010. This resulted in a total reduction of \$229 million in 2009 and a net favorable change of \$129 million in 2010.
- Agencies Baseline – Timing adjustments are captured in Agency baselines.
- Debt Service – This re-estimate is now incorporated into the February Plan Consolidated Baseline.

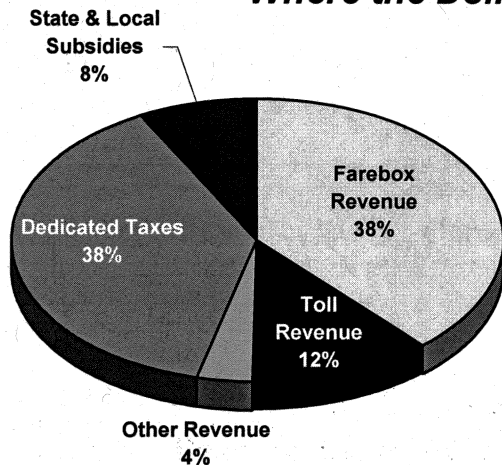
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II. MTA Consolidated 2010-2013 Financial Plan

MTA 2010 Adopted Budget

Baseline Before Policy and Gap Closing Actions

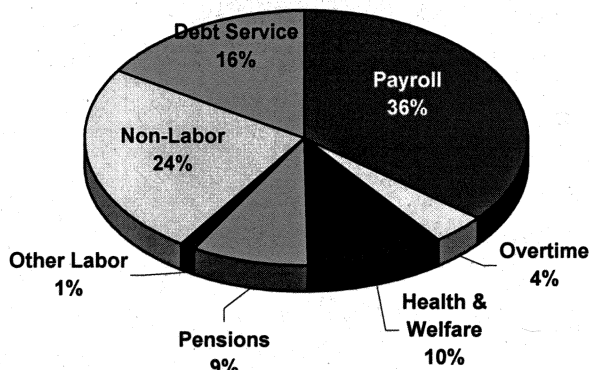
Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$4,577
Toll Revenue	1,402
Other Revenue	453
Dedicated Taxes	4,533
State & Local Subsidies	940
Total	\$11,905

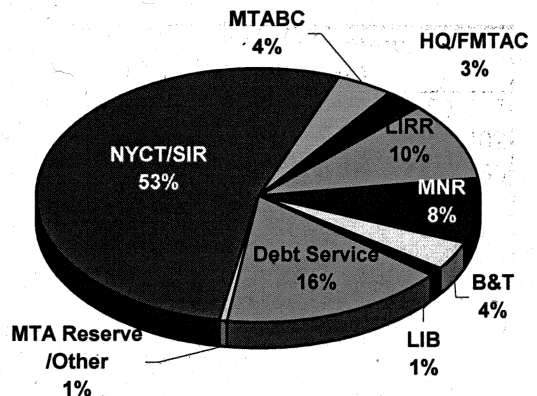
Where the Dollars Go ...

By Expense Category



By Expense Category (\$ in millions)	
Payroll	\$4,228
Overtime	475
Health & Welfare	1,153
Pensions	1,042
Other Labor	107
Non-Labor	2,880
Debt Service	1,914
Total	\$11,800

By MTA Agency



By MTA Agency (\$ in millions)	
NYCT/SIR	\$6,256
MTABC	497
HQ/FMTAC	330
LIRR	1,178
MNR	973
B&T	445
LIB	133
Debt Service	1,914
MTA Reserve/Other	75
Total	\$11,800

Expenses exclude Depreciation, OPEB obligation and Environmental Remediation.

The difference between revenues and expenses is \$105 million. This is offset by cash flow timing adjustments.

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METROPOLITAN TRANSPORTATION AUTHORITY

February Financial Plan 2010 - 2013

MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line No.		2008	2009	2010	2011	2012	2013
		Actual	Final Estimate	Adopted Budget			
7	Non-Reimbursable						
10	Operating Revenue						
11	Farebox Revenue	\$4,241	\$4,357	\$4,529	\$4,621	\$4,707	\$4,765
12	Student Fare	-	-	49	90	215	215
12	Additional Actions for Budget Balance: Revenue Impact	-	-	(1)	(1)	(1)	(1)
13	Toll Revenue	1,274	1,331	1,402	1,411	1,419	1,419
14	Other Revenue	449	445	453	453	478	513
15	Total Operating Revenue	\$5,964	\$6,133	\$6,432	\$6,574	\$6,818	\$6,911
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$4,087	\$4,142	\$4,228	\$4,431	\$4,536	\$4,649
20	Overtime	472	479	475	491	503	513
21	Health & Welfare	685	711	780	841	910	993
22	OPEB Current Payment	319	340	373	407	444	483
23	Pensions	897	1,004	1,042	1,109	1,189	1,256
24	Other-Fringe Benefits	503	458	457	481	494	513
25	Reimbursable Overhead	(311)	(328)	(350)	(332)	(335)	(333)
26	Sub-total Labor Expenses	\$6,652	\$6,806	\$7,006	\$7,429	\$7,742	\$8,074
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	307	334	382	429	479	532
30	Fuel for Buses and Trains	287	184	208	234	248	269
31	Insurance	29	43	42	44	48	50
32	Claims	152	176	186	193	201	208
33	Paratransit Service Contracts	299	375	383	394	467	561
34	Maintenance and Other Operating Contracts	594	613	650	675	705	725
35	Professional Service Contracts	197	211	223	219	224	229
36	Materials & Supplies	533	554	613	599	626	649
37	Other Business Expenses	155	203	212	220	226	231
38	Sub-total Non-Labor Expenses	\$2,553	\$2,695	\$2,900	\$3,009	\$3,225	\$3,454
40	Other Expense Adjustments:						
41	Other	(\$14)	(\$22)	(\$29)	(\$25)	(\$28)	(\$29)
42	General Reserve	0	0	75	75	75	75
43	Sub-total Other Expense Adjustments	(\$14)	(\$22)	\$46	\$50	\$47	\$46
45	Gap Closing Expenses:						
46	Additional Actions for Budget Balance: Expense Impact	-	-	(65)	(132)	(126)	(120)
45	Total Operating Expense before Non-Cash Liability Adjs.	\$9,191	\$9,479	\$9,886	\$10,355	\$10,888	\$11,454
47	Depreciation	\$1,791	\$1,964	\$2,034	\$2,120	\$2,196	\$2,277
48	OPEB Obligation	1,349	1,414	1,470	1,529	1,591	1,657
49	Environmental Remediation	42	10	10	10	10	11
51	Total Operating Expense	\$12,373	\$12,867	\$13,399	\$14,015	\$14,686	\$15,398
53	Net Operating Deficit Before Subsidies and Debt Service	(\$6,410)	(\$6,734)	(\$6,967)	(\$7,441)	(\$7,869)	(\$8,488)
55	Dedicated Taxes and State/Local Subsidies	\$4,078	\$4,200	\$5,473	\$5,478	\$5,774	\$6,054
56	Debt Service (excludes Service Contract Bonds)	(1,516)	(1,414)	(1,914)	(2,078)	(2,230)	(2,401)
58	Net Deficit After Subsidies and Debt Service	(\$3,848)	(\$3,948)	(\$3,408)	(\$4,041)	(\$4,325)	(\$4,836)
60	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,182	\$3,388	\$3,513	\$3,659	\$3,798	\$3,945
61	Conversion to Cash Basis: GASB Account	(56)	(58)	(54)	(57)	(60)	(63)
62	Conversion to Cash Basis: All Other	490	381	(15)	(243)	(314)	(231)
63	Net Cash Balance from Previous Year	495	263	27	63	0	0
65	Baseline Net Cash Balance	\$263	\$27	\$63	(\$618)	(\$900)	(\$1,184)
67	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$232)	(\$237)	\$36	(\$681)	(\$900)	(\$1,184)
68	POLICY ACTIONS	0	0	0	11	22	9
69	GAP CLOSING PROGRAMS	0	0	21	572	687	1,233
70	CASH MANAGEMENT ACTION	0	0	(82)	84	0	0
71	PRIOR-YEAR CARRY-OVER	495	263	27	2	0	0
72	NET CASH BALANCE	\$263	\$27	\$2	(\$13)	(\$191)	\$58

METROPOLITAN TRANSPORTATION AUTHORITY

February Financial Plan 2010 - 2013

Gap Closing, Cash Management and Policy Actions

(\$ in millions)

Line No.		2009 Final Estimate	2010 Adopted Budget	2011	2012	2013
11	December Cash Balance Before Prior-Year Carry-Over	(\$237)	\$36	(\$681)	(\$900)	(\$1,184)
12						
13	<u>POLICY ACTIONS:</u>					
14	B&T Holdback	0	0	(54)	(44)	(56)
15	Administrative Savings	0	0	65	65	65
16	<i>Sub-Total</i>	0	0	11	22	9
17						
18	<u>GAP CLOSING PROGRAMS:</u>					
19	Internal Actions:					
20	Post-2010 Agency Program to Eliminate the Gap	0	0	90	188	279
21	New Contracts Labor Contribution	0	6	11	11	11
22	<i>Sub-Total</i>	0	6	101	199	290
23						
24	External Actions:					
25	Federal Legislative Actions	0	15	62	63	66
26						
27	Fare/Toll:					
28	Fare/Toll Yields on 1/1/11: 7.5%	0	0	408	425	429
29	Fare/Toll Yields on 1/1/13: 7.5%	0	0	0	0	449
30	<i>Sub-Total</i>	0	0	408	425	878
31						
32	<u>CASH MANAGEMENT ACTION:</u>					
33	Forward Energy Contracts	0	(82)	84	0	0
34						
35	TOTAL ADJUSTMENTS	0	(61)	666	709	1,242
36						
37	<i>Prior-Year Carry-Over</i>	263	27	2	0	0
38						
39	Net Cash Surplus/(Deficit)	\$27	\$2	(\$13)	(\$191)	\$58

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

Line No	Non-Reimbursable	2008 Actual	2009 Final Estimate	2010 Adopted Budget	2011	2012	2013
9	<u>Total Operating Revenue</u>						
10	New York City Transit	\$3,321	\$3,381	\$3,571	\$3,672	\$3,876	\$3,940
11	Bridges and Tunnels	1,287	1,343	1,412	1,422	1,430	1,430
12	Metro-North Railroad	539	539	547	565	584	601
13	Long Island Rail Road	545	543	567	576	584	591
14	MTA Bus Company	180	179	184	188	190	192
15	MTA Headquarters	52	54	55	55	57	58
16	Long Island Bus	45	44	44	44	45	45
17	Staten Island Railway	6	6	7	7	7	8
18	First Mutual Transportation Assurance Company	(11)	43	44	44	45	46
19	Total	\$5,964	\$6,133	\$6,432	\$6,574	\$6,818	\$6,911
21	<u>Total Operating Expenses before Non-Cash Liability Adjs. ¹</u>						
22	New York City Transit	\$5,882	\$6,034	\$6,215	\$6,519	\$6,896	\$7,305
23	Bridges and Tunnels	408	414	445	471	489	510
24	Metro-North Railroad	880	920	973	1,033	1,085	1,133
25	Long Island Rail Road	1,112	1,160	1,178	1,216	1,281	1,338
26	MTA Bus Company	468	465	497	513	529	551
27	MTA Headquarters	292	344	369	392	400	415
28	Long Island Bus	130	129	133	137	141	145
29	Staten Island Railway	31	42	40	38	40	41
30	First Mutual Transportation Assurance Company	2	(7)	(10)	(14)	(21)	(30)
31	Other	(12)	(22)	46	50	47	46
32	Total	\$9,191	\$9,479	\$9,886	\$10,355	\$10,888	\$11,454
34	<u>Depreciation</u>						
35	New York City Transit	\$1,122	\$1,250	\$1,325	\$1,400	\$1,475	\$1,550
36	Bridges and Tunnels	77	81	85	89	94	99
37	Metro-North Railroad	220	254	232	240	248	257
38	Long Island Rail Road	297	303	313	315	308	301
39	MTA Bus Company	34	37	40	42	42	42
40	MTA Headquarters	34	31	31	26	21	21
41	Long Island Bus	0	0	0	0	0	0
42	Staten Island Railway	7	8	8	8	8	8
43	First Mutual Transportation Assurance Company	0	0	0	0	0	0
44	Total	\$1,791	\$1,964	\$2,034	\$2,120	\$2,196	\$2,277
46	<u>Other Post Employment Benefits</u>						
47	New York City Transit	\$1,026	\$1,055	\$1,099	\$1,145	\$1,192	\$1,240
48	Bridges and Tunnels	66	71	76	79	83	87
49	Metro-North Railroad	55	60	63	67	71	75
50	Long Island Rail Road	78	83	83	86	89	93
51	MTA Bus Company	49	67	68	69	70	72
52	MTA Headquarters	62	64	67	70	73	77
53	Long Island Bus	11	11	11	11	11	11
54	Staten Island Railway	3	3	3	3	3	3
55	Total	\$1,349	\$1,414	\$1,470	\$1,529	\$1,591	\$1,657
57	<u>Environmental Remediation</u>						
58	New York City Transit	\$16	\$0	\$0	\$0	\$0	\$0
59	Metro-North Railroad	8	8	8	8	8	9
60	Long Island Rail Road	19	3	2	2	2	2
61	Total	\$42	\$10	\$10	\$10	\$10	\$11
63	<u>Net Operating Income/(Deficit)</u>						
64	New York City Transit	(\$4,725)	(\$4,959)	(\$5,068)	(\$5,392)	(\$5,688)	(\$6,156)
65	Bridges and Tunnels	736	777	806	782	764	735
66	Metro-North Railroad	(623)	(703)	(728)	(783)	(828)	(873)
67	Long Island Rail Road	(961)	(1,005)	(1,009)	(1,044)	(1,096)	(1,143)
68	MTA Bus Company	(371)	(390)	(421)	(437)	(451)	(473)
69	MTA Headquarters	(335)	(385)	(413)	(432)	(438)	(454)
70	Long Island Bus	(95)	(97)	(99)	(103)	(107)	(110)
71	Staten Island Railway	(34)	(46)	(44)	(41)	(43)	(45)
72	First Mutual Transportation Assurance Company	(13)	51	53	58	65	75
73	Other	12	22	(46)	(50)	(47)	(46)
74	Total	(\$6,410)	(\$6,734)	(\$6,967)	(\$7,441)	(\$7,869)	(\$8,488)

Note: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY

February Financial Plan 2010 - 2013

MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2008 Actual	2009 Final Estimate	2010 Adopted Budget	2011	2012	2013
9							
10							
11	Receipts						
12	Farebox Revenue	\$4,299	\$4,401	\$4,570	\$4,662	\$4,742	\$4,812
13	Student Fare	0	0	49	90	215	215
14	Additional Actions for Budget Balance: Revenue Impact	0	0	(1)	(1)	(1)	(1)
15	Other Operating Revenue	497	496	476	477	503	538
16	Capital and Other Reimbursements	1,345	1,504	1,570	1,527	1,535	1,536
17	Total Receipts	\$6,141	\$6,401	\$6,664	\$6,756	\$6,994	\$7,100
18							
19	Expenditures						
20	<u>Labor:</u>						
21	Payroll	\$4,431	\$4,543	\$4,657	\$4,812	\$4,913	\$5,031
22	Overtime	559	556	546	555	567	578
23	Health and Welfare	752	722	806	868	939	1,022
24	OPEB Current Payment	293	330	361	394	430	469
25	Pensions	712	902	1,169	1,135	1,212	1,272
26	Other Fringe Benefits	539	559	570	589	605	625
27	Contribution to GASB Fund	56	58	54	57	60	63
28	Total Labor Expenditures	\$7,342	\$7,669	\$8,163	\$8,411	\$8,726	\$9,059
29							
30	<u>Non-Labor:</u>						
31	Traction and Propulsion Power	\$299	\$349	\$385	\$432	\$482	\$535
32	Fuel for Buses and Trains	300	180	208	233	248	269
33	Insurance	41	46	45	48	52	51
34	Claims	147	161	154	160	172	184
35	Paratransit Service Contracts	272	368	378	389	462	556
36	Maintenance and Other Operating Contracts	556	554	637	634	651	658
37	Professional Service Contracts	203	234	253	245	247	248
38	Materials & Supplies	714	656	732	712	749	770
39	Other Business Expenditures	163	211	225	230	236	241
40	Total Non-Labor Expenditures	\$2,693	\$2,759	\$3,017	\$3,084	\$3,298	\$3,513
41							
42	<u>Other Expenditure Adjustments:</u>						
43	Other	\$9	\$35	\$122	\$116	\$124	\$135
44	General Reserve	0	0	75	75	75	75
45	Total Other Expenditure Adjustments	\$9	\$35	\$197	\$191	\$199	\$210
46							
47	<u>Gap Closing Expenses:</u>						
48	Additional Actions for Budget Balance: Expense Impact	\$0	\$0	(\$64)	(\$129)	(\$122)	(\$116)
47	Total Expenditures	\$10,045	\$10,464	\$11,313	\$11,556	\$12,102	\$12,665
48							
49	Net Cash Deficit Before Subsidies and Debt Service	(\$3,904)	(\$4,063)	(\$4,649)	(\$4,801)	(\$5,108)	(\$5,566)
50							
51	Dedicated Taxes and State/Local Subsidies	\$4,669	\$4,718	\$5,961	\$5,545	\$5,767	\$6,081
52	Debt Service (excludes Service Contract Bonds)	(997)	(892)	(1,277)	(1,425)	(1,560)	(1,700)
53							
54	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$232)	(\$237)	\$36	(\$681)	(\$900)	(\$1,184)
55	POLICY ACTIONS	0	0	0	11	22	9
56	GAP CLOSING PROGRAMS	0	0	21	572	687	1,233
57	CASH MANAGEMENT ACTION	0	0	(82)	84	0	0
58	PRIOR-YEAR CARRY-OVER	495	263	27	2	0	0
59	NET CASH BALANCE	\$263	\$27	\$2	(\$13)	(\$191)	\$58

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

Line Number		2008 Actual	2009 Final Estimate	2010 Adopted Budget	2011	2012	2013
8							
9	<u>Total Receipts</u>						
10	New York City Transit	\$4,220	\$4,369	\$4,550	\$4,596	\$4,796	\$4,873
11	Metro-North Railroad	784	761	801	835	852	868
12	Long Island Rail Road	785	831	851	846	861	869
13	MTA Bus Company	178	182	192	199	202	204
14	MTA Headquarters	97	119	130	138	141	142
15	Long Island Bus	52	51	51	51	52	52
16	Staten Island Railway	7	8	9	9	9	9
17	Capital Construction Company	29	37	37	36	38	37
18	First Mutual Transportation Assurance Company	(11)	43	44	44	45	46
19	Total	\$6,141	\$6,401	\$6,664	\$6,756	\$6,994	\$7,100
20							
21	<u>Total Expenditures</u>						
22	New York City Transit	\$6,601	\$6,768	\$7,275	\$7,410	\$7,792	\$8,209
23	Metro-North Railroad	1,131	1,140	1,268	1,326	1,383	1,424
24	Long Island Rail Road	1,393	1,446	1,469	1,488	1,556	1,614
25	MTA Bus Company	415	511	497	516	537	565
26	MTA Headquarters	329	387	455	478	488	502
27	Long Island Bus	134	141	139	143	147	151
28	Staten Island Railway	31	46	42	40	42	43
29	Capital Construction Company	29	37	37	36	38	37
30	First Mutual Transportation Assurance Company	(11)	43	44	44	45	46
31	Other	(7)	(55)	87	75	75	75
32	Total	\$10,045	\$10,464	\$11,313	\$11,556	\$12,102	\$12,665
33							
34	<u>Net Operating Surplus/(Deficit)</u>						
35	New York City Transit	(\$2,381)	(\$2,399)	(\$2,725)	(\$2,814)	(\$2,996)	(\$3,336)
36	Metro-North Railroad	(347)	(379)	(468)	(490)	(531)	(556)
37	Long Island Rail Road	(607)	(615)	(618)	(642)	(695)	(746)
38	MTA Bus Company	(237)	(330)	(305)	(318)	(335)	(360)
39	MTA Headquarters	(232)	(269)	(325)	(340)	(347)	(360)
40	Long Island Bus	(82)	(90)	(88)	(92)	(96)	(99)
41	Staten Island Railway	(24)	(38)	(33)	(31)	(33)	(34)
42	Capital Construction Company	0	0	0	0	0	0
43	First Mutual Transportation Assurance Company	0	0	0	0	0	0
44	Other	7	55	(87)	(75)	(75)	(75)
45	Total	(\$3,904)	(\$4,063)	(\$4,649)	(\$4,801)	(\$5,108)	(\$5,566)

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

	Favorable/(Unfavorable)				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
DECEMBER PLAN NET CASH SURPLUS/(DEFICIT)	\$31	\$2	\$1	(\$188)	\$65
Technical Changes:					
Agency Adjustments:	(\$3)	(\$2)	(\$3)	(\$2)	(\$1)
New York City Transit	0	(3)	(3)	(2)	(1)
MTA Headquarters	(3)	2	1	1	1
Long Island Bus	0	(1)	(1)	(1)	(1)
Subsidy Adjustments	4	(2)	(0)	(4)	(5)
Other	(\$6)	\$9	(\$10)	\$3	(\$1)
Total Technical Changes	(\$4)	\$4	(\$14)	(\$3)	(\$7)
Adjusted Net Cash Balance from Previous Year	0	(4)	(0)	0	0
FEBRUARY PLAN NET CASH SURPLUS/(DEFICIT)	\$27	\$2	(\$13)	(\$191)	\$58

METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN 2010-2013
BASELINE FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS
 INCLUDES PEG's¹, TECHNICAL ADJUSTMENTS and AABBS²

FAREBOX RECOVERY RATIOS

	2009 Final Estimate	2010 Adopted Budget	2011 Forecast	2012 Forecast	2013 Forecast
New York City Transit	35.4%	35.1%	34.1%	33.9%	32.6%
Staten Island Railway	9.9%	12.0%	12.6%	12.1%	11.9%
Long Island Rail Road	29.3%	28.7%	27.9%	27.7%	27.2%
Metro-North Railroad	35.7%	35.1%	34.1%	33.5%	33.0%
Long Island Bus	28.7%	28.6%	27.8%	27.5%	27.1%
Bus Company	29.5%	28.4%	27.9%	27.6%	26.9%
MTA Total Agency Average	34.2%	33.8%	32.8%	32.7%	31.6%

FAREBOX OPERATING RATIOS

	2009 Final Estimate	2010 Adopted Budget	2011 Forecast	2012 Forecast	2013 Forecast
New York City Transit	53.2%	54.2%	52.9%	52.6%	50.1%
Staten Island Railway	14.2%	17.2%	18.6%	17.6%	17.2%
Long Island Rail Road	43.9%	44.2%	44.0%	42.8%	41.2%
Metro-North Railroad	54.1%	53.3%	51.8%	51.2%	50.4%
Long Island Bus	32.0%	31.7%	30.8%	30.3%	29.8%
Bus Company	37.0%	35.4%	34.8%	34.2%	33.2%
MTA Total Agency Average	50.7%	51.3%	50.2%	49.7%	47.7%

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

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

¹ 2010 Agency Programs to Eliminate the Gap; ² Additional Actions for Budget Balance.

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