

# MTA 2011 Preliminary Budget July Financial Plan 2011 – 2014



**Volume 2**  
**July 2010**



Metropolitan Transportation Authority

**MTA 2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014  
VOLUME 1**

The MTA's July Plan is divided into two volumes. Volume 1 consists of financial schedules supporting the complete MTA-Consolidated Financial Plan, including an Executive Summary, baseline and below-the-line Fare/Toll, MTA Initiatives and Policy Actions. Volume 1 also includes descriptions of the below-the-line actions as well as the Letter and required Certification by the Chairman and Chief Executive Officer.

Volume 2 includes MTA-Consolidated financial and position schedules as well as narratives that support the baseline projections included in the 2011 Preliminary Budget and the Financial Plan for 2011 through 2014. Also included are the Agency sections which incorporate descriptions of Agency Programs, supporting baseline tables and details regarding proposed Agency Budget Reduction Programs (BRP). Volume 2 also includes required information related to the MTA Capital Program.

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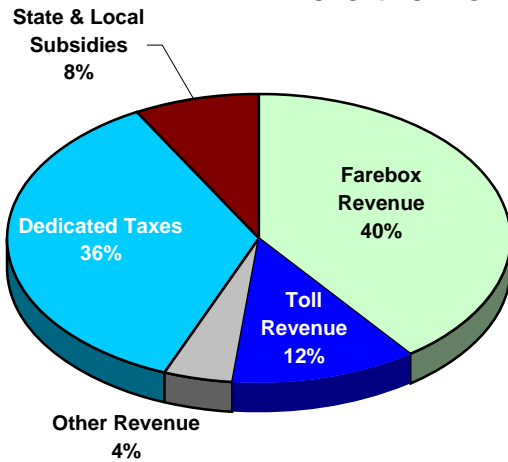
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# **I. MTA Consolidated 2010-2014 Financial Plan-Baseline**

# MTA 2011 Preliminary Budget

## Baseline Before Below-the-Line Adjustments

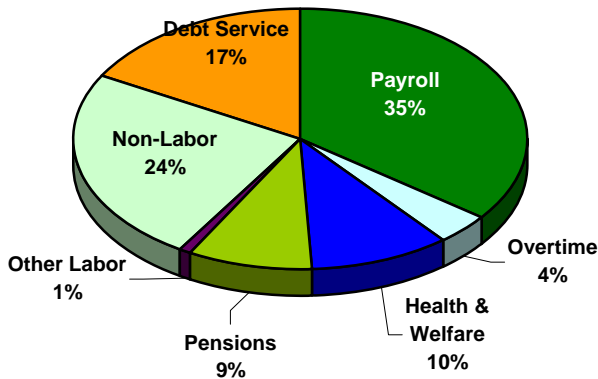
### Where the Dollars Come From ...



| By Revenue Source<br>(\$ in millions) |                 |
|---------------------------------------|-----------------|
| Farebox Revenue                       | \$4,675         |
| Toll Revenue                          | 1,421           |
| Other Revenue                         | 524             |
| Dedicated Taxes                       | 4,218           |
| State & Local Subsidies               | 951             |
| <b>Total</b>                          | <b>\$11,789</b> |

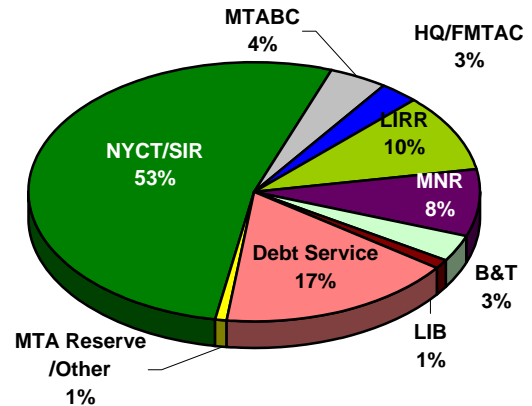
### Where the Dollars Go ...

By Expense Category



| By Expense Category<br>(\$ in millions) |                 |
|---|-----------------|
| Payroll                                 | \$4,258         |
| Overtime                                | 443             |
| Health & Welfare                        | 1,204           |
| Pensions                                | 1,069           |
| Other Labor                             | 126             |
| Non-Labor                               | 2,886           |
| Debt Service                            | 2,052           |
| <b>Total</b>                            | <b>\$12,038</b> |

By MTA Agency



| By MTA Agency<br>(\$ in millions) |                 |
|-----------------------------------|-----------------|
| NYCT/SIR                          | \$6,339         |
| MTABC                             | 510             |
| HQ/FMTAC                          | 339             |
| LIRR                              | 1,178           |
| MNR                               | 985             |
| B&T                               | 402             |
| LIB                               | 134             |
| Debt Service                      | 2,052           |
| MTA Reserve                       | 100             |
| <b>Total</b>                      | <b>\$12,038</b> |

*Expenses exclude Depreciation, OPEB obligation and Environmental Remediation.*

The difference between revenues and expenses is (\$248) million. This is offset by cash flow timing adjustments, use of prior year cash balances and below-the-line actions.

# METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2011 - 2014

## MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line

No.

|    |  |                     |                          |                           |                  |                  |                  |
|----|--|---------------------|--------------------------|---------------------------|------------------|------------------|------------------|
| 7  | <b>Non-Reimbursable</b>  |                     |                          |                           |                  |                  |                  |
| 8  |  | <b>2009</b>         | <b>2010</b>              | <b>2011</b>               |                  |                  |                  |
| 9  |  | <b>Actual</b>       | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>      | <b>2013</b>      | <b>2014</b>      |
| 10 | <b>Operating Revenue</b>                                       |                     |                          |                           |                  |                  |                  |
| 11 | Farebox Revenue  | \$4,350             | \$4,587                  | \$4,675                   | \$4,785          | \$4,856          | \$4,923          |
| 12 | Student Fare   | -                   | -                        | -                         | -                | -                | -                |
| 13 | Toll Revenue   | 1,332               | 1,411                    | 1,421                     | 1,432            | 1,434            | 1,439            |
| 14 | Other Revenue  | 461                 | 504                      | 524                       | 553              | 584              | 619              |
| 15 | Capital and Other Reimbursements                               | 0                   | (0)                      | 0                         | 0                | (0)              | 0                |
| 16 | <b>Total Operating Revenue</b>                                 | <b>\$6,144</b>      | <b>\$6,501</b>           | <b>\$6,620</b>            | <b>\$6,770</b>   | <b>\$6,874</b>   | <b>\$6,980</b>   |
| 17 |  |                     |                          |                           |                  |                  |                  |
| 18 | <b>Operating Expense</b>                                       |                     |                          |                           |                  |                  |                  |
| 19 | <b>Labor Expenses:</b>   |                     |                          |                           |                  |                  |                  |
| 20 | Payroll  | \$4,163             | \$4,169                  | \$4,258                   | \$4,363          | \$4,463          | \$4,567          |
| 21 | Overtime   | 499                 | 452                      | 443                       | 454              | 462              | 471              |
| 22 | Health & Welfare   | 689                 | 739                      | 801                       | 868              | 947              | 1,033            |
| 23 | OPEB Current Payment   | 346                 | 367                      | 403                       | 439              | 478              | 522              |
| 24 | Pensions   | 1,021               | 1,024                    | 1,069                     | 1,130            | 1,182            | 1,266            |
| 25 | Other-Fringe Benefits  | 517                 | 462                      | 463                       | 476              | 494              | 509              |
| 26 | Reimbursable Overhead  | (322)               | (349)                    | (337)                     | (339)            | (338)            | (338)            |
| 27 | <b>Sub-total Labor Expenses</b>                                | <b>\$6,914</b>      | <b>\$6,864</b>           | <b>\$7,100</b>            | <b>\$7,391</b>   | <b>\$7,689</b>   | <b>\$8,030</b>   |
| 28 |  |                     |                          |                           |                  |                  |                  |
| 29 | <b>Non-Labor Expenses:</b>                                     |                     |                          |                           |                  |                  |                  |
| 30 | Traction and Propulsion Power                                  | 318                 | 342                      | 363                       | 389              | 422              | 451              |
| 31 | Fuel for Buses and Trains                                      | 180                 | 199                      | 210                       | 223              | 239              | 254              |
| 32 | Insurance  | 34                  | 34                       | 34                        | 38               | 44               | 54               |
| 33 | Claims   | 238                 | 187                      | 196                       | 205              | 212              | 219              |
| 34 | Paratransit Service Contracts                                  | 370                 | 381                      | 384                       | 462              | 553              | 660              |
| 35 | Maintenance and Other Operating Contracts                      | 562                 | 608                      | 617                       | 635              | 651              | 675              |
| 36 | Professional Service Contracts                                 | 199                 | 214                      | 216                       | 222              | 227              | 236              |
| 37 | Materials & Supplies   | 526                 | 577                      | 574                       | 592              | 624              | 644              |
| 38 | Other Business Expenses  | 184                 | 200                      | 212                       | 218              | 223              | 241              |
| 39 | <b>Sub-total Non-Labor Expenses</b>                            | <b>\$2,612</b>      | <b>\$2,742</b>           | <b>\$2,806</b>            | <b>\$2,985</b>   | <b>\$3,196</b>   | <b>\$3,434</b>   |
| 40 |  |                     |                          |                           |                  |                  |                  |
| 41 | <b>Other Expense Adjustments:</b>                              |                     |                          |                           |                  |                  |                  |
| 42 | Other  | (\$15)              | (\$23)                   | (\$20)                    | (\$21)           | (\$22)           | (\$24)           |
| 43 | General Reserve  | 0                   | 50                       | 100                       | 100              | 100              | 100              |
| 44 | <b>Sub-total Other Expense Adjustments</b>                     | <b>(\$15)</b>       | <b>\$27</b>              | <b>\$80</b>               | <b>\$79</b>      | <b>\$78</b>      | <b>\$76</b>      |
| 45 |  |                     |                          |                           |                  |                  |                  |
| 46 | <b>Total Operating Expense before Non-Cash Liability Adjs.</b> | <b>\$9,512</b>      | <b>\$9,632</b>           | <b>\$9,986</b>            | <b>\$10,454</b>  | <b>\$10,963</b>  | <b>\$11,540</b>  |
| 47 |  |                     |                          |                           |                  |                  |                  |
| 48 | Depreciation   | \$1,941             | \$2,012                  | \$2,105                   | \$2,201          | \$2,281          | \$2,364          |
| 49 | OPEB Obligation  | 1,136               | 1,434                    | 1,493                     | 1,554            | 1,618            | 1,678            |
| 50 | Environmental Remediation                                      | 6,062               | 11                       | 10                        | 11               | 11               | 11               |
| 51 |  |                     |                          |                           |                  |                  |                  |
| 52 | <b>Total Operating Expense</b>                                 | <b>\$12,594</b>     | <b>\$13,090</b>          | <b>\$13,595</b>           | <b>\$14,220</b>  | <b>\$14,873</b>  | <b>\$15,593</b>  |
| 53 |  |                     |                          |                           |                  |                  |                  |
| 54 | <b>Net Operating Deficit Before Subsidies and Debt Service</b> | <b>(\$6,450.57)</b> | <b>(\$6,589)</b>         | <b>(\$6,974)</b>          | <b>(\$7,450)</b> | <b>(\$7,999)</b> | <b>(\$8,613)</b> |
| 55 |  |                     |                          |                           |                  |                  |                  |
| 56 | Dedicated Taxes and State/Local Subsidies                      | \$4,137             | \$4,937                  | \$5,169                   | \$5,467          | \$5,716          | \$5,895          |
| 57 | Debt Service (excludes Service Contract Bonds)                 | (1,404)             | (1,841)                  | (2,052)                   | (2,204)          | (2,376)          | (2,555)          |
| 58 |  |                     |                          |                           |                  |                  |                  |
| 59 | <b>Net Deficit After Subsidies and Debt Service</b>            | <b>(\$3,718)</b>    | <b>(\$3,493)</b>         | <b>(\$3,857)</b>          | <b>(\$4,187)</b> | <b>(\$4,659)</b> | <b>(\$5,273)</b> |
| 60 |  |                     |                          |                           |                  |                  |                  |
| 61 | Conversion to Cash Basis: Non-Cash Liability Adjs.             | \$3,083             | \$3,457                  | \$3,609                   | \$3,766          | \$3,910          | \$4,053          |
| 62 | Conversion to Cash Basis: GASB Account                         | (54)                | (57)                     | (57)                      | (60)             | (63)             | (66)             |
| 63 | Conversion to Cash Basis: All Other                            | 556                 | (108)                    | (195)                     | (322)            | (236)            | (305)            |
| 64 |  |                     |                          |                           |                  |                  |                  |
| 65 | <b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>               | <b>(\$133)</b>      | <b>(\$200)</b>           | <b>(\$500)</b>            | <b>(\$803)</b>   | <b>(\$1,048)</b> | <b>(\$1,590)</b> |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011 - 2014**  
**MTA Consolidated Accrued Statement of Operations By Agency**  
(\$ in millions)

| Line No | Non-Reimbursable  | 2009<br>Actual      | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012             | 2013             | 2014             |
|---------|---|---------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
| 8       |   |                     |                              |                               |                  |                  |                  |
| 9       | <b><u>Total Operating Revenue</u></b>   |                     |                              |                               |                  |                  |                  |
| 10      | New York City Transit   | \$3,385             | \$3,596                      | \$3,680                       | \$3,787          | \$3,865          | \$3,944          |
| 11      | Bridges and Tunnels   | 1,346               | 1,423                        | 1,432                         | 1,443            | 1,445            | 1,450            |
| 12      | Metro-North Railroad  | 542                 | 565                          | 579                           | 596              | 607              | 617              |
| 13      | Long Island Rail Road   | 546                 | 566                          | 573                           | 582              | 589              | 596              |
| 14      | MTA Bus Company   | 181                 | 183                          | 186                           | 189              | 191              | 194              |
| 15      | MTA Headquarters  | 54                  | 57                           | 58                            | 59               | 60               | 61               |
| 16      | Long Island Bus   | 45                  | 45                           | 45                            | 46               | 46               | 46               |
| 17      | Staten Island Railway   | 6                   | 7                            | 7                             | 7                | 8                | 8                |
| 18      | First Mutual Transportation Assurance Company                                       | 38                  | 59                           | 60                            | 61               | 62               | 63               |
| 19      | <b>Total</b>  | <b>\$6,144</b>      | <b>\$6,501</b>               | <b>\$6,620</b>                | <b>\$6,770</b>   | <b>\$6,874</b>   | <b>\$6,980</b>   |
| 20      |   |                     |                              |                               |                  |                  |                  |
| 21      | <b><u>Total Operating Expenses before Non-Cash Liability Adjs. <sup>1</sup></u></b> |                     |                              |                               |                  |                  |                  |
| 22      | New York City Transit   | \$6,099             | \$6,134                      | \$6,302                       | \$6,637          | \$7,000          | \$7,419          |
| 23      | Bridges and Tunnels   | 398                 | 410                          | 402                           | 417              | 438              | 459              |
| 24      | Metro-North Railroad  | 891                 | 940                          | 985                           | 1,020            | 1,068            | 1,104            |
| 25      | Long Island Rail Road   | 1,160               | 1,140                        | 1,178                         | 1,239            | 1,294            | 1,360            |
| 26      | MTA Bus Company   | 458                 | 484                          | 510                           | 526              | 544              | 558              |
| 27      | MTA Headquarters  | 339                 | 350                          | 373                           | 379              | 390              | 408              |
| 28      | Long Island Bus   | 123                 | 130                          | 134                           | 138              | 140              | 145              |
| 29      | Staten Island Railway   | 45                  | 38                           | 36                            | 39               | 39               | 41               |
| 30      | First Mutual Transportation Assurance Company                                       | 14                  | (10)                         | (14)                          | (20)             | (29)             | (41)             |
| 31      | Other   | (15)                | 17                           | 80                            | 79               | 78               | 88               |
| 32      | <b>Total</b>  | <b>\$9,512</b>      | <b>\$9,632</b>               | <b>\$9,986</b>                | <b>\$10,454</b>  | <b>\$10,963</b>  | <b>\$11,540</b>  |
| 33      |   |                     |                              |                               |                  |                  |                  |
| 34      | <b><u>Depreciation</u></b>  |                     |                              |                               |                  |                  |                  |
| 35      | New York City Transit   | \$1,231             | \$1,325                      | \$1,400                       | \$1,475          | \$1,550          | \$1,625          |
| 36      | Bridges and Tunnels   | 80                  | 82                           | 86                            | 90               | 94               | 104              |
| 37      | Metro-North Railroad  | 248                 | 215                          | 231                           | 248              | 257              | 266              |
| 38      | Long Island Rail Road   | 307                 | 316                          | 318                           | 317              | 309              | 298              |
| 39      | MTA Bus Company   | 36                  | 40                           | 42                            | 42               | 42               | 42               |
| 40      | MTA Headquarters  | 30                  | 27                           | 21                            | 21               | 21               | 21               |
| 41      | Long Island Bus   | 0                   | 0                            | 0                             | 0                | 0                | 0                |
| 42      | Staten Island Railway   | 8                   | 8                            | 8                             | 8                | 8                | 8                |
| 43      | First Mutual Transportation Assurance Company                                       | 0                   | 0                            | 0                             | 0                | 0                | 0                |
| 44      | <b>Total</b>  | <b>\$1,941</b>      | <b>\$2,012</b>               | <b>\$2,105</b>                | <b>\$2,201</b>   | <b>\$2,281</b>   | <b>\$2,364</b>   |
| 45      |   |                     |                              |                               |                  |                  |                  |
| 46      | <b><u>Other Post Employment Benefits</u></b>  |                     |                              |                               |                  |                  |                  |
| 47      | New York City Transit   | \$828               | \$1,099                      | \$1,145                       | \$1,192          | \$1,240          | \$1,291          |
| 48      | Bridges and Tunnels   | 82                  | 55                           | 57                            | 59               | 63               | 60               |
| 49      | Metro-North Railroad  | 44                  | 63                           | 67                            | 71               | 75               | 79               |
| 50      | Long Island Rail Road   | 60                  | 73                           | 75                            | 77               | 80               | 82               |
| 51      | MTA Bus Company   | 47                  | 68                           | 69                            | 70               | 72               | 73               |
| 52      | MTA Headquarters  | 64                  | 64                           | 67                            | 71               | 75               | 79               |
| 53      | Long Island Bus   | 8                   | 11                           | 11                            | 11               | 11               | 11               |
| 54      | Staten Island Railway   | 2                   | 3                            | 3                             | 3                | 3                | 3                |
| 55      | <b>Total</b>  | <b>\$1,136</b>      | <b>\$1,434</b>               | <b>\$1,493</b>                | <b>\$1,554</b>   | <b>\$1,618</b>   | <b>\$1,678</b>   |
| 56      |   |                     |                              |                               |                  |                  |                  |
| 57      | <b><u>Environmental Remediation</u></b>   |                     |                              |                               |                  |                  |                  |
| 58      | New York City Transit   | (\$2)               | \$0                          | \$0                           | \$0              | \$0              | \$0              |
| 59      | Bridges and Tunnels   | 0                   | 0                            | 0                             | 0                | 0                | 0                |
| 60      | Metro-North Railroad  | 5                   | 9                            | 8                             | 8                | 8                | 9                |
| 61      | Long Island Rail Road   | 0                   | 2                            | 2                             | 2                | 2                | 2                |
| 62      | MTA Bus Company   | 2                   | 0                            | 0                             | 0                | 0                | 0                |
| 63      | Staten Island Railway   | 0                   | 0                            | 0                             | 0                | 0                | 0                |
| 64      | <b>Total</b>  | <b>\$6</b>          | <b>\$11</b>                  | <b>\$10</b>                   | <b>\$11</b>      | <b>\$11</b>      | <b>\$11</b>      |
| 65      |   |                     |                              |                               |                  |                  |                  |
| 66      | <b><u>Net Operating Income/(Deficit)</u></b>  |                     |                              |                               |                  |                  |                  |
| 67      | New York City Transit   | (\$4,772)           | (\$4,962)                    | (\$5,167)                     | (\$5,517)        | (\$5,925)        | (\$6,391)        |
| 68      | Bridges and Tunnels   | 785                 | 876                          | 887                           | 877              | 851              | 826              |
| 69      | Metro-North Railroad  | (646)               | (662)                        | (712)                         | (752)            | (801)            | (840)            |
| 70      | Long Island Rail Road   | (982)               | (964)                        | (1,000)                       | (1,053)          | (1,096)          | (1,146)          |
| 71      | MTA Bus Company   | (362)               | (409)                        | (435)                         | (449)            | (467)            | (479)            |
| 72      | MTA Headquarters  | (378)               | (384)                        | (403)                         | (412)            | (425)            | (447)            |
| 73      | Long Island Bus   | (86)                | (95)                         | (99)                          | (103)            | (105)            | (109)            |
| 74      | Staten Island Railway   | (49)                | (42)                         | (40)                          | (42)             | (43)             | (44)             |
| 75      | First Mutual Transportation Assurance Company                                       | 24                  | 70                           | 74                            | 81               | 92               | 105              |
| 76      | Other   | 15                  | (17)                         | (80)                          | (79)             | (78)             | (88)             |
| 77      | <b>Total</b>  | <b>(\$6,450.57)</b> | <b>(\$6,589)</b>             | <b>(\$6,974)</b>              | <b>(\$7,450)</b> | <b>(\$7,999)</b> | <b>(\$8,613)</b> |

Note: <sup>1</sup> Excludes Debt Service



**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011 - 2014**  
**MTA Consolidated Cash Receipts and Expenditures**  
(\$ in millions)

| Line No | CASH RECEIPTS AND EXPENDITURES                            | 2009             | 2010              | 2011               |                  |                  |                  |
|---------|---|------------------|-------------------|--------------------|------------------|------------------|------------------|
|         |   | 2009             | 2010              | 2011               |                  |                  |                  |
|         |   | Actual           | Mid-Year Forecast | Preliminary Budget | 2012             | 2013             | 2014             |
| 11      | <b>Receipts</b>   |                  |                   |                    |                  |                  |                  |
| 12      | Farebox Revenue   | \$4,403          | \$4,629           | \$4,719            | \$4,823          | \$4,906          | \$4,967          |
| 13      | Student Fare  | 0                | 0                 | 0                  | 0                | 0                | 0                |
| 14      | Other Operating Revenue                                   | 478              | 556               | 545                | 576              | 607              | 641              |
| 15      | Capital and Other Reimbursements                          | 1,495            | 1,490             | 1,547              | 1,493            | 1,496            | 1,514            |
| 16      | <b>Total Receipts</b>                                     | <b>\$6,376</b>   | <b>\$6,675</b>    | <b>\$6,812</b>     | <b>\$6,891</b>   | <b>\$7,008</b>   | <b>\$7,123</b>   |
| 18      | <b>Expenditures</b>                                       |                  |                   |                    |                  |                  |                  |
| 19      | <b><u>Labor:</u></b>                                      |                  |                   |                    |                  |                  |                  |
| 20      | Payroll   | \$4,479          | \$4,639           | \$4,647            | \$4,750          | \$4,854          | \$4,971          |
| 21      | Overtime  | 577              | 528               | 511                | 523              | 531              | 543              |
| 22      | Health and Welfare  | 730              | 774               | 841                | 910              | 992              | 1,081            |
| 23      | OPEB Current Payment                                      | 331              | 347               | 381                | 415              | 452              | 494              |
| 24      | Pensions  | 892              | 1,160             | 1,073              | 1,134            | 1,182            | 1,240            |
| 25      | Other Fringe Benefits                                     | 561              | 582               | 572                | 587              | 606              | 625              |
| 26      | Contribution to GASB Fund                                 | 54               | 57                | 57                 | 60               | 63               | 66               |
| 27      | <b>Total Labor Expenditures</b>                           | <b>\$7,624</b>   | <b>\$8,087</b>    | <b>\$8,081</b>     | <b>\$8,379</b>   | <b>\$8,681</b>   | <b>\$9,021</b>   |
| 29      | <b><u>Non-Labor:</u></b>                                  |                  |                   |                    |                  |                  |                  |
| 30      | Traction and Propulsion Power                             | \$313            | \$371             | \$366              | \$392            | \$425            | \$454            |
| 31      | Fuel for Buses and Trains                                 | 180              | 199               | 210                | 223              | 239              | 254              |
| 32      | Insurance   | 15               | 52                | 38                 | 44               | 49               | 60               |
| 33      | Claims  | 190              | 170               | 167                | 181              | 192              | 201              |
| 34      | Paratransit Service Contracts                             | 364              | 387               | 379                | 457              | 548              | 655              |
| 35      | Maintenance and Other Operating Contracts                 | 536              | 624               | 617                | 613              | 624              | 631              |
| 36      | Professional Service Contracts                            | 207              | 234               | 238                | 246              | 249              | 255              |
| 37      | Materials & Supplies                                      | 667              | 662               | 673                | 694              | 718              | 754              |
| 38      | Other Business Expenditures                               | 201              | 211               | 220                | 226              | 231              | 249              |
| 39      | <b>Total Non-Labor Expenditures</b>                       | <b>\$2,672</b>   | <b>\$2,911</b>    | <b>\$2,908</b>     | <b>\$3,075</b>   | <b>\$3,274</b>   | <b>\$3,514</b>   |
| 41      | <b><u>Other Expenditure Adjustments:</u></b>              |                  |                   |                    |                  |                  |                  |
| 42      | Other   | \$56             | \$108             | \$133              | \$141            | \$153            | \$166            |
| 43      | General Reserve   | 0                | 50                | 100                | 100              | 100              | 100              |
| 44      | <b>Total Other Expenditure Adjustments</b>                | <b>\$56</b>      | <b>\$158</b>      | <b>\$233</b>       | <b>\$241</b>     | <b>\$253</b>     | <b>\$266</b>     |
| 46      | <b>Total Expenditures</b>                                 | <b>\$10,352</b>  | <b>\$11,155</b>   | <b>\$11,223</b>    | <b>\$11,695</b>  | <b>\$12,207</b>  | <b>\$12,800</b>  |
| 48      | <b>Net Cash Deficit Before Subsidies and Debt Service</b> | <b>(\$3,976)</b> | <b>(\$4,481)</b>  | <b>(\$4,411)</b>   | <b>(\$4,804)</b> | <b>(\$5,199)</b> | <b>(\$5,678)</b> |
| 50      | Dedicated Taxes and State/Local Subsidies                 | \$4,724          | \$5,510           | \$5,324            | \$5,554          | \$5,853          | \$5,936          |
| 51      | Debt Service (excludes Service Contract Bonds)            | (881)            | (1,229)           | (1,413)            | (1,554)          | (1,702)          | (1,848)          |
| 53      | <b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>          | <b>(\$133)</b>   | <b>(\$200)</b>    | <b>(\$500)</b>     | <b>(\$803)</b>   | <b>(\$1,048)</b> | <b>(\$1,590)</b> |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011 - 2014**  
**MTA Consolidated Cash Statement of Operations By Agency**  
(\$ in millions)

| Line<br>Number |   | 2009             | 2010<br>Mid-Year | 2011<br>Preliminary |                  |                  |                  |
|----------------|---|------------------|------------------|---------------------|------------------|------------------|------------------|
|                |   | <u>Actual</u>    | <u>Forecast</u>  | <u>Budget</u>       | <u>2012</u>      | <u>2013</u>      | <u>2014</u>      |
| 8              |   |                  |                  |                     |                  |                  |                  |
| 9              | <b><u>Total Receipts</u></b>                  |                  |                  |                     |                  |                  |                  |
| 10             | New York City Transit                         | \$4,383          | \$4,529          | \$4,664             | \$4,715          | \$4,806          | \$4,894          |
| 11             | Metro-North Railroad                          | 778              | 800              | 815                 | 813              | 823              | 838              |
| 12             | Long Island Rail Road                         | 806              | 882              | 842                 | 858              | 865              | 874              |
| 13             | MTA Bus Company                               | 180              | 194              | 197                 | 200              | 203              | 206              |
| 14             | MTA Headquarters                              | 103              | 116              | 138                 | 147              | 150              | 149              |
| 15             | Long Island Bus                               | 52               | 54               | 52                  | 53               | 53               | 54               |
| 16             | Staten Island Railway                         | 7                | 9                | 9                   | 9                | 9                | 9                |
| 17             | Capital Construction Company                  | 29               | 33               | 35                  | 35               | 36               | 36               |
| 18             | First Mutual Transportation Assurance Company | 38               | 59               | 60                  | 61               | 62               | 63               |
| 19             | <b>Total</b>                                  | <b>\$6,376</b>   | <b>\$6,675</b>   | <b>\$6,812</b>      | <b>\$6,891</b>   | <b>\$7,008</b>   | <b>\$7,123</b>   |
| 20             |   |                  |                  |                     |                  |                  |                  |
| 21             | <b><u>Total Expenditures</u></b>              |                  |                  |                     |                  |                  |                  |
| 22             | New York City Transit                         | \$6,741          | \$7,219          | \$7,182             | \$7,527          | \$7,901          | \$8,314          |
| 23             | Metro-North Railroad                          | 1,156            | 1,220            | 1,247               | 1,268            | 1,310            | 1,361            |
| 24             | Long Island Rail Road                         | 1,410            | 1,463            | 1,446               | 1,510            | 1,564            | 1,644            |
| 25             | MTA Bus Company                               | 455              | 533              | 512                 | 533              | 557              | 572              |
| 26             | MTA Headquarters                              | 354              | 410              | 463                 | 476              | 488              | 504              |
| 27             | Long Island Bus                               | 132              | 144              | 140                 | 144              | 147              | 151              |
| 28             | Staten Island Railway                         | 42               | 43               | 38                  | 41               | 41               | 43               |
| 29             | Capital Construction Company                  | 29               | 33               | 35                  | 35               | 36               | 36               |
| 30             | First Mutual Transportation Assurance Company | 38               | 59               | 60                  | 61               | 62               | 63               |
| 31             | Other   | (5)              | 33               | 100                 | 100              | 100              | 112              |
| 32             | <b>Total</b>                                  | <b>\$10,352</b>  | <b>\$11,155</b>  | <b>\$11,223</b>     | <b>\$11,695</b>  | <b>\$12,207</b>  | <b>\$12,800</b>  |
| 33             |   |                  |                  |                     |                  |                  |                  |
| 34             | <b><u>Net Operating Surplus/(Deficit)</u></b> |                  |                  |                     |                  |                  |                  |
| 35             | New York City Transit                         | (2,358)          | (2,690)          | (2,518)             | (2,812)          | (3,094)          | (3,420)          |
| 36             | Metro-North Railroad                          | (378)            | (420)            | (431)               | (455)            | (487)            | (523)            |
| 37             | Long Island Rail Road                         | (604)            | (581)            | (604)               | (652)            | (699)            | (770)            |
| 38             | MTA Bus Company                               | (275)            | (339)            | (315)               | (333)            | (354)            | (366)            |
| 39             | MTA Headquarters                              | (251)            | (294)            | (325)               | (329)            | (338)            | (355)            |
| 40             | Long Island Bus                               | (80)             | (90)             | (88)                | (92)             | (94)             | (98)             |
| 41             | Staten Island Railway                         | (35)             | (34)             | (29)                | (32)             | (32)             | (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   | 5                | (33)             | (100)               | (100)            | (100)            | (112)            |
| 45             | <b>Total</b>                                  | <b>(\$3,976)</b> | <b>(\$4,481)</b> | <b>(\$4,411)</b>    | <b>(\$4,804)</b> | <b>(\$5,199)</b> | <b>(\$5,678)</b> |

**Metropolitan Transportation Authority**  
**July Financial Plan 2011 - 2014**  
**MTA Consolidated July Financial Plan Compared with February Financial Plan**  
**Cash Reconciliation**  
(\$ in millions)

|   | Favorable/(Unfavorable) |                |                |                  |
|---|-------------------------|----------------|----------------|------------------|
|   | 2010                    | 2011           | 2012           | 2013             |
| <b>FEBRUARY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER</b> | <b>\$36</b>             | <b>(\$681)</b> | <b>(\$900)</b> | <b>(\$1,184)</b> |
| <b>MTA Savings Initiatives</b>                                    | <b>\$276</b>            | <b>\$324</b>   | <b>\$324</b>   | <b>\$333</b>     |
| Budget Reduction Program (BRP)                                    | 202                     | 198            | 197            | 205              |
| Administration Savings <sup>1</sup>                               | 74                      | 101            | 102            | 103              |
| Additional Overtime Reductions                                    | 0                       | 25             | 25             | 25               |
| <b>February Plan Adjustments</b>                                  | <b>(\$114)</b>          | <b>(\$131)</b> | <b>(\$124)</b> | <b>(\$119)</b>   |
| Reversal of AABBS Discrete line <sup>2</sup>                      | (65)                    | (131)          | (124)          | (119)            |
| Reversal of 2010 Furlough <sup>1</sup>                            | (49)                    | 0              | 0              | 0                |
| <b>Other Adjustments</b>  | <b>(\$56)</b>           | <b>\$101</b>   | <b>(\$33)</b>  | <b>(\$27)</b>    |
| Passenger/Toll Revenue  | 67                      | 64             | 91             | 106              |
| Other Revenue   | 51                      | 71             | 74             | 71               |
| Student Fare Restoration <sup>3</sup>                             | (49)                    | (90)           | (215)          | (215)            |
| NYCT Capital Reimbursement Timing                                 | (50)                    | 50             | (0)            | 0                |
| Retroactive Wage Adjustments                                      | (46)                    | 0              | 0              | 0                |
| General Reserve   | 25                      | (25)           | (25)           | (25)             |
| All Other <sup>4</sup>  | (53)                    | 31             | 41             | 35               |
| <b>Uncontrollable Expenses</b>                                    | <b>\$114</b>            | <b>\$174</b>   | <b>\$221</b>   | <b>\$265</b>     |
| Traction and Propulsion Power                                     | 40                      | 67             | 90             | 111              |
| Fuel for Buses and Trains   | 9                       | 24             | 25             | 30               |
| Health & Welfare (including OPEB)                                 | 48                      | 44             | 48             | 51               |
| Pensions  | 18                      | 40             | 59             | 74               |
| B&T Adjustments <sup>5</sup>                                      | (53)                    | (78)           | (84)           | (85)             |
| <b>Net Baseline Change</b>  | <b>\$168</b>            | <b>\$390</b>   | <b>\$304</b>   | <b>\$367</b>     |
| <b>General Reserve</b>  | <b>\$25</b>             | <b>(\$25)</b>  | <b>(\$25)</b>  | <b>(\$25)</b>    |
| <b>Subsidies</b>  | <b>(\$452)</b>          | <b>(\$221)</b> | <b>(\$213)</b> | <b>(\$228)</b>   |
| Payroll Mobility Tax  | (386)                   | (219)          | (231)          | (245)            |
| Real Estate Taxes   | (112)                   | (102)          | (105)          | (122)            |
| MMTA  | (33)                    | 58             | 60             | 62               |
| PBT   | (32)                    | (27)           | (8)            | (6)              |
| CDOT Subsidy  | (14)                    | (17)           | (21)           | (13)             |
| City Subsidy for MTA Bus  | 19                      | 3              | (2)            | (6)              |
| B&T Operating Surplus Transfer                                    | 70                      | 89             | 101            | 110              |
| Other   | 37                      | (6)            | (6)            | (7)              |
| <b>Debt Service (excluding B&amp;T)</b>                           | <b>\$47</b>             | <b>\$12</b>    | <b>\$6</b>     | <b>(\$2)</b>     |
| <b>JULY BASELINE CASH BALANCE before PRIOR-YEAR CARRYOVER</b>     | <b>(\$200)</b>          | <b>(\$500)</b> | <b>(\$803)</b> | <b>(\$1,048)</b> |

**Note:**

<sup>1</sup> In the February Plan, these furlough savings for 2010 were in Agency baselines; however, for 2011 and beyond they were captured below-the-line as Administrative Savings.

<sup>2</sup> AABBS have now been distributed to generic expense categories that comprise MTA's traditional financial statements.

<sup>3</sup> Tariff Change (revenue) only

<sup>4</sup> Includes AABBS restorations and re-estimates

<sup>5</sup> B&T is captured as a subsidy and is not included in the agency portion of the cash baseline. While B&T impacts are captured in individual reconciliation categories, they are eliminated with this adjustment. Consequently, all B&T impacts, except Budget Reduction Program savings are removed, including Toll Revenue, AABBS's and Other Baseline Re-Estimates.

**METROPOLITAN TRANSPORTATION AUTHORITY  
JULY FINANCIAL PLAN 2011-2014  
BASELINE FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS**

**FAREBOX RECOVERY RATIOS**

|                                 | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012<br/>Forecast</b> | <b>2013<br/>Forecast</b> | <b>2014<br/>Forecast</b> |
|---------------------------------|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| New York City Transit           | 36.7%                                 | 36.0%                                  | 35.0%                    | 33.7%                    | 32.3%                    |
| Staten Island Railway           | 12.0%                                 | 12.5%                                  | 12.1%                    | 12.0%                    | 11.8%                    |
| Long Island Rail Road           | 30.4%                                 | 29.8%                                  | 29.0%                    | 28.3%                    | 27.5%                    |
| Metro-North Railroad            | 38.8%                                 | 37.5%                                  | 36.9%                    | 35.9%                    | 35.1%                    |
| Long Island Bus                 | 29.9%                                 | 29.3%                                  | 28.8%                    | 28.6%                    | 28.0%                    |
| Bus Company                     | <u>29.4%</u>                          | <u>28.3%</u>                           | <u>27.9%</u>             | <u>27.4%</u>             | <u>27.1%</u>             |
| <b>MTA Total Agency Average</b> | <b>35.6%</b>                          | <b>34.8%</b>                           | <b>33.9%</b>             | <b>32.8%</b>             | <b>31.6%</b>             |

**FAREBOX OPERATING RATIOS**

|                                 | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2011<br/>Forecast</b> | <b>2013<br/>Forecast</b> | <b>2014<br/>Forecast</b> |
|---------------------------------|---------------------------------------|--|--------------------------|--------------------------|--------------------------|
| New York City Transit           | 55.5%                                 | 55.0%                                  | 53.5%                    | 51.5%                    | 49.2%                    |
| Staten Island Railway           | 17.8%                                 | 18.9%                                  | 18.2%                    | 18.0%                    | 17.6%                    |
| Long Island Rail Road           | 46.2%                                 | 45.6%                                  | 43.9%                    | 42.6%                    | 40.9%                    |
| Metro-North Railroad            | 56.8%                                 | 55.6%                                  | 55.2%                    | 53.7%                    | 52.9%                    |
| Long Island Bus                 | 33.2%                                 | 32.5%                                  | 31.8%                    | 31.5%                    | 30.8%                    |
| Bus Company                     | <u>36.8%</u>                          | <u>35.3%</u>                           | <u>34.7%</u>             | <u>33.9%</u>             | <u>33.5%</u>             |
| <b>MTA Total Agency Average</b> | <b>52.9%</b>                          | <b>52.3%</b>                           | <b>51.0%</b>             | <b>49.2%</b>             | <b>47.3%</b>             |

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

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

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## **II. Major Assumptions 2011-2014 Projections- Baseline**

**Utilization**  
**(Revenue, Ridership, Vehicle Traffic)**

## UTILIZATION

Utilization figures presented in this section do not reflect fare media liability or paratransit operations at New York City Transit and Long Island Bus; these items are included in the Agency and MTA consolidated tables in the Financial Plan. Additionally, utilization for Metro-North Railroad's west-of-Hudson operations is also not included in this section; in the Agency and MTA consolidated financial tables, west-of-Hudson utilization is netted against expenses and is not included in revenue.

### **2010 Ridership, Traffic and Revenue**

The 2010 Mid-Year Forecast for MTA consolidated ridership is projected to total 2,624 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are projected to total 292 million vehicular crossings. The New York City Transit (NYCT) combined subway and bus ridership forecast for the 2010 Mid-Year Forecast is 2,306 million and accounts for 88% of MTA consolidated ridership. Long Island Rail Road (LIRR) and Metro-North Railroad's (MNR) East-of-Hudson operations each account for 3% of MTA consolidated ridership, with 2010 ridership projected to be 82 million for LIRR and 79 million for MNR. The projection for MTA Bus Company (MTABC) ridership is 118 million and accounts for 4.5% of MTA consolidated ridership, while Staten Island Railway (SIR) ridership is estimated to be 4 million (0.2% of MTA ridership) and Long Island Bus (LIB) fixed route ridership is estimated to be 31 million (1.2% of MTA ridership).

MTA consolidated farebox revenue for the 2010 Mid-Year Forecast is estimated to be \$4,516 million, and toll revenue is estimated to be \$1,411 million. NYCT combined subway and bus farebox revenue for the 2010 Mid-Year Forecast is expected to be \$3,249 million, while LIRR is projecting \$529 million in farebox revenue and MNR is projecting \$525 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$5 million, LIB fixed route farebox revenue is estimated to be \$42 million, and MTABC farebox revenue is expected to be \$165 million.

2010 Mid-Year Forecasts are based on actual results through May 2010 for each agency.

The 2010 Mid-Year Forecast for MTA consolidated ridership is projected to increase by 2 million trips – a 0.1% increase – from 2009; MNR, NYCT and SIR ridership levels are projected to increase while LIB, LIRR and MTABC ridership levels are projected to decline. B&T traffic is forecast to increase by 0.6 million crossings, a 0.2% increase.

Year to year increases in farebox and toll revenue reflect the impact of the fare and toll increases that went into effect in June 2009 for fares and in July 2009 for B&T tolls. The 2010 Mid-Year Forecast for farebox revenue is projected to increase by \$233 million, a 5.4% increase, and is projected to be higher for each MTA Agency; B&T toll revenue is expected to be \$79 million greater than 2009 toll revenue, a 5.9% increase.



Ridership levels have been significantly impacted by the global recession and, in particular, the loss of jobs in New York City. After five consecutive years of increases from 2004 through 2008, the number of jobs in New York City began to decline in the fourth quarter of 2008 and the declines continued during 2009 and into 2010. In 2009, New York City lost 107 thousand jobs (-2.8%). Compared with the first five months of 2009, New York City job losses in 2010 have totaled 51 thousand, a 1.4% decline. However, the 2010 job losses to date took place during the first three months of the year – and on a seasonally adjusted basis the employment picture has shown modest month to month improvement throughout 2010. This improvement is reflected in year-to-date utilization trends for most MTA agencies, and modest improvements are expected to continue through the remainder of the year; it is projected that New York City employment will decline 0.5% in 2010 over 2009, a loss of 20 thousand jobs. Utilization forecasts in the Adopted Budget had assumed a more significant 2010 decline in New York City employment, with losses totaling 33 thousand jobs (0.9%) for the year.

MTA consolidated ridership for the 2010 Mid-Year Forecast is expected to exceed the 2010 Adopted Budget projection by 22 million trips, a 0.9% increase. With the exception of a small decline at SIR, ridership for the other MTA agencies is expected to increase. At B&T facilities, the Mid-Year Forecast projects almost 2 million more vehicular crossings, a 0.6% increase, over the Adopted Budget.

MTA consolidated farebox revenue in the 2010 Mid-Year Forecast is also projected to exceed the 2010 Adopted Budget, up by \$58 million (1.3%) as the result of positive economic improvements. The 2010 Mid-Year Forecast for B&T toll revenue is projected to be \$10 million higher (0.7%) than the Adopted Budget.

### **2011 Ridership, Traffic and Revenue**

The 2011 forecast for MTA consolidated ridership is projected to total 2,674 million passengers, while crossings at B&T facilities are projected to total 295 million vehicular crossings. NYCT combined subway and bus ridership is expected to be 2,355 million, while LIRR is projecting 84 million passengers and MNR is projecting 80 million passengers for its East-of-Hudson operations. SIR ridership is estimated to be 5 million, LIB fixed route ridership is estimated to be 31 million, and MTABC ridership is expected to be 120 million.

MTA consolidated farebox revenue for 2011 is estimated to be \$4,603 million, and toll revenue is estimated to be \$1,421 million. NYCT combined subway and bus farebox revenue is expected to be \$3,314 million, while LIRR is projecting \$538 million in farebox revenue and MNR is projecting \$536 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$5 million, LIB fixed route farebox revenue is estimated to be \$42 million, and MTABC farebox revenue is expected to be \$167 million.

MTA ridership and traffic trends from the 2010 Mid-Year Forecast to 2011, as well as trends for fare and toll revenues, are up due to an anticipated economic improvement

and the associated increase in jobs in New York City. Year-to-year, MTA consolidated ridership is up 50 million trips, a 1.9% increase, while B&T traffic is up by 3 million vehicular crossings, a 0.8% increase. Farebox revenue is projected to increase \$97 million over 2010, a 1.6% increase, and toll revenue is forecast to increase by \$10 million, a 0.7% increase.

| <b>Utilization Growth Rate for Traffic &amp; Ridership<br/>(from prior year level)</b> |               |             |             |             |             |             |
|--|---------------|-------------|-------------|-------------|-------------|-------------|
|  | 2009          | 2010        | 2011        | 2012        | 2013        | 2014        |
| <b>TRAFFIC: Bridges &amp; Tunnels</b>  | <b>(1.5)%</b> | <b>0.2%</b> | <b>0.9%</b> | <b>0.9%</b> | <b>0.3%</b> | <b>0.5%</b> |
|  |               |             |             |             |             |             |
| Long Island Bus  | (5.8)%        | (0.4)%      | 0.8%        | 1.0%        | 0.8%        | 0.7%        |
| Long Island Rail Road  | (5.0)%        | (0.6)%      | 1.5%        | 1.7%        | 1.1%        | 1.0%        |
| Metro-North Railroad   | (4.3)%        | 1.1%        | 2.1%        | 2.9%        | 2.0%        | 1.6%        |
| MTA Bus Company  | (0.9)%        | (1.4)%      | 1.0%        | 1.5%        | 1.3%        | 1.3%        |
| New York City Transit  | (2.7)%        | 0.1%        | 2.0%        | 2.3%        | 1.3%        | 1.2%        |
| Staten Island Railway  | (5.8)%        | 8.7%        | 1.8%        | 1.9%        | 1.3%        | 1.1%        |
| <b>TOTAL RIDERSHIP</b>   | <b>(2.8)%</b> | <b>0.1%</b> | <b>1.9%</b> | <b>2.2%</b> | <b>1.3%</b> | <b>1.2%</b> |

| <b>Utilization Growth Rate for Farebox &amp; Toll Revenue<br/>(from prior year level)</b> |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
|   | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        |
| <b>TOLL REVENUE: Bridges &amp; Tunnels</b>  | <b>4.6%</b> | <b>5.9%</b> | <b>0.7%</b> | <b>0.8%</b> | <b>0.1%</b> | <b>0.3%</b> |
|   |             |             |             |             |             |             |
| Long Island Bus   | (1.1)%      | 3.0%        | 0.8%        | 1.0%        | 0.8%        | 0.7%        |
| Long Island Rail Road   | 0.5%        | 3.9%        | 1.6%        | 1.5%        | 1.1%        | 1.0%        |
| Metro-North Railroad  | (0.1)%      | 4.6%        | 2.2%        | 3.0%        | 2.0%        | 1.6%        |
| MTA Bus Company   | 3.0%        | 3.4%        | 1.0%        | 1.5%        | 1.1%        | 1.3%        |
| New York City Transit   | 3.0%        | 6.0%        | 2.0%        | 2.4%        | 1.4%        | 1.3%        |
| Staten Island Railway   | 0.3%        | 17.1%       | 2.1%        | 2.3%        | 1.5%        | 1.3%        |
| <b>TOTAL FAREBOX REVENUE</b>  | <b>2.8%</b> | <b>5.6%</b> | <b>1.6%</b> | <b>1.9%</b> | <b>1.1%</b> | <b>1.1%</b> |

MTA consolidated ridership for 2011 in the July Plan is expected to exceed the February Plan projection by 25 million trips, an increase of 1.0%. At B&T facilities, the July Plan reflects 2 million additional vehicular crossings, a 0.6% increase, over the February Plan forecast. MTA consolidated farebox revenue for 2011 in the July Plan is forecast to be greater than projections in the February Plan by \$56 million, a 1.2% increase. B&T toll revenue for 2011 is projected to be \$10 million, or 0.7%, above the February Plan forecast. The plan to plan changes reflects more optimism in the

employment forecasts for New York City, with about 36 thousand more jobs in New York City compared with the employment forecast used in the February Plan.

### **2012 – 2014 Ridership, Traffic and Revenue**

MTA consolidated ridership and vehicle crossings, along with farebox and toll revenue, are expected to increase each year from 2012 through 2014. Consolidated ridership is projected to reach 2,804 million passengers by 2014, while farebox revenue is estimated to reach \$4,840 million. B&T vehicle crossings are projected to be 300 million by 2014, and toll revenue is estimated to increase to \$1,439 million.

Compared with the February Plan, MTA consolidated ridership is projected to be 1.6% higher in 2012 and 2.0% higher in 2013; the forecast for traffic at B&T facilities also exceeds the February Plan forecast, up 0.9% in 2012 and 1.0% in 2013. MTA consolidated farebox revenue is expected surpass the February Plan projections by 1.7% in 2012 and by 2.0% in 2013; B&T toll revenue is projected to surpass the February Plan forecasts by 0.9% in 2012 and by 1.0% in 2013.

# MTA Consolidated Utilization

## Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

| July Financial Plan                   |                              |                |                |                |                |
|---------------------------------------|------------------------------|----------------|----------------|----------------|----------------|
|                                       | 2010<br>Mid-Year<br>Forecast | 2011           | 2012           | 2013           | 2014           |
| <b>Traffic</b>                        |                              |                |                |                |                |
| Bridges & Tunnels                     | 292.0                        | 294.6          | 297.3          | 298.2          | 299.7          |
| <b>Ridership</b>                      |                              |                |                |                |                |
| Long Island Bus <sup>1</sup>          | 30.6                         | 30.9           | 31.2           | 31.4           | 31.7           |
| Long Island Rail Road                 | 82.4                         | 83.7           | 85.1           | 86.0           | 86.8           |
| Metro-North Railroad <sup>2</sup>     | 78.8                         | 80.4           | 82.8           | 84.5           | 85.8           |
| MTA Bus Company                       | 118.3                        | 119.5          | 121.3          | 122.9          | 124.5          |
| New York City Transit <sup>1, 3</sup> | 2,309.7                      | 2,354.9        | 2,408.1        | 2,440.2        | 2,470.5        |
| Staten Island Railway                 | 4.5                          | 4.6            | 4.7            | 4.7            | 4.8            |
| <i>Total Ridership</i>                | <i>2,624.3</i>               | <i>2,673.9</i> | <i>2,733.1</i> | <i>2,769.7</i> | <i>2,804.1</i> |

| February Financial Plan               |                           |                |                |                |      |
|---------------------------------------|---------------------------|----------------|----------------|----------------|------|
|                                       | 2010<br>Adopted<br>Budget | 2011           | 2012           | 2013           | 2014 |
| <b>Traffic</b>                        |                           |                |                |                |      |
| Bridges & Tunnels                     | 290.3                     | 292.8          | 294.7          | 295.3          |      |
| <b>Ridership</b>                      |                           |                |                |                |      |
| Long Island Bus <sup>1</sup>          | 30.1                      | 30.4           | 30.9           | 31.2           |      |
| Long Island Rail Road                 | 82.1                      | 83.3           | 84.7           | 85.7           |      |
| Metro-North Railroad <sup>2</sup>     | 77.2                      | 79.5           | 82.5           | 84.5           |      |
| MTA Bus Company                       | 117.6                     | 119.6          | 121.3          | 122.6          |      |
| New York City Transit <sup>1, 3</sup> | 2,290.5                   | 2,331.2        | 2,366.9        | 2,387.8        |      |
| Staten Island Railway                 | 4.5                       | 4.6            | 4.7            | 4.7            |      |
| <i>Total Ridership</i>                | <i>2,602.0</i>            | <i>2,648.7</i> | <i>2,690.9</i> | <i>2,716.5</i> |      |

| Plan-to-Plan Changes: Favorable / (Unfavorable) |             |             |             |             |      |
|---|-------------|-------------|-------------|-------------|------|
|   | 2010        | 2011        | 2012        | 2013        | 2014 |
| <b>Traffic</b>                                  |             |             |             |             |      |
| Bridges & Tunnels                               | 1.7         | 1.8         | 2.6         | 2.9         |      |
| <b>Ridership</b>                                |             |             |             |             |      |
| Long Island Bus <sup>1</sup>                    | 0.6         | 0.5         | 0.3         | 0.2         |      |
| Long Island Rail Road                           | 0.3         | 0.3         | 0.3         | 0.3         |      |
| Metro-North Railroad <sup>2</sup>               | 1.6         | 0.9         | 0.3         | (0.1)       |      |
| MTA Bus Company                                 | 0.7         | (0.1)       | (0.0)       | 0.2         |      |
| New York City Transit <sup>1, 3</sup>           | 19.2        | 23.6        | 41.2        | 52.5        |      |
| Staten Island Railway                           | (0.1)       | (0.0)       | (0.0)       | 0.0         |      |
| <i>Total Ridership</i>                          | <i>22.3</i> | <i>25.2</i> | <i>42.2</i> | <i>53.2</i> |      |

<sup>1</sup> Excludes Paratransit Operations.

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

<sup>3</sup> Excludes Fare Media Liability.

# MTA Consolidated Utilization

## Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

| July Financial Plan                   |                              |                  |                  |                  |                  |
|---------------------------------------|------------------------------|------------------|------------------|------------------|------------------|
|                                       | 2010<br>Mid-Year<br>Forecast | 2011             | 2012             | 2013             | 2014             |
| <b>Toll Revenue</b>                   |                              |                  |                  |                  |                  |
| Bridges & Tunnels                     | \$1,411.1                    | \$1,421.0        | \$1,432.0        | \$1,434.0        | \$1,438.5        |
| <b>Fare Revenue</b>                   |                              |                  |                  |                  |                  |
| Long Island Bus <sup>1</sup>          | \$41.9                       | \$42.3           | \$42.7           | \$43.0           | \$43.3           |
| Long Island Rail Road                 | 529.4                        | 538.1            | 546.2            | 552.2            | 557.5            |
| Metro-North Railroad <sup>2</sup>     | 525.2                        | 536.5            | 552.5            | 563.7            | 572.9            |
| MTA Bus Company                       | 165.5                        | 167.2            | 169.7            | 171.9            | 174.1            |
| New York City Transit <sup>1, 3</sup> | 3,249.4                      | 3,314.3          | 3,393.6          | 3,441.5          | 3,486.7          |
| Staten Island Railway                 | 5.1                          | 5.2              | 5.4              | 5.4              | 5.5              |
| <i>Total Farebox Revenue</i>          | <i>\$4,516.5</i>             | <i>\$4,603.5</i> | <i>\$4,709.9</i> | <i>\$4,777.8</i> | <i>\$4,840.1</i> |

| February Financial Plan               |                           |                  |                  |                  |      |
|---------------------------------------|---------------------------|------------------|------------------|------------------|------|
|                                       | 2010<br>Adopted<br>Budget | 2011             | 2012             | 2013             | 2014 |
| <b>Toll Revenue</b>                   |                           |                  |                  |                  |      |
| Bridges & Tunnels                     | \$1,401.6                 | \$1,411.3        | \$1,418.6        | \$1,419.2        |      |
| <b>Fare Revenue</b>                   |                           |                  |                  |                  |      |
| Long Island Bus <sup>1</sup>          | \$41.2                    | \$41.7           | \$42.3           | \$42.8           |      |
| Long Island Rail Road                 | 529.3                     | 538.1            | 546.0            | 552.1            |      |
| Metro-North Railroad <sup>2</sup>     | 509.1                     | 525.5            | 544.4            | 559.4            |      |
| MTA Bus Company                       | 163.5                     | 166.2            | 168.6            | 170.5            |      |
| New York City Transit <sup>1, 3</sup> | 3,209.7                   | 3,270.3          | 3,323.3          | 3,354.4          |      |
| Staten Island Railway                 | 5.3                       | 5.3              | 5.4              | 5.5              |      |
| <i>Total Farebox Revenue</i>          | <i>\$4,458.0</i>          | <i>\$4,547.1</i> | <i>\$4,630.1</i> | <i>\$4,684.6</i> |      |

| Plan-to-Plan Changes: Favorable / (Unfavorable) |               |               |               |               |      |
|---|---------------|---------------|---------------|---------------|------|
|   | 2010          | 2011          | 2012          | 2013          | 2014 |
| <b>Toll Revenue</b>                             |               |               |               |               |      |
| Bridges & Tunnels                               | \$9.5         | \$9.8         | \$13.4        | \$14.8        |      |
| <b>Fare Revenue</b>                             |               |               |               |               |      |
| Long Island Bus <sup>1</sup>                    | \$0.7         | \$0.6         | \$0.4         | \$0.3         |      |
| Long Island Rail Road                           | 0.1           | (0.0)         | 0.2           | 0.1           |      |
| Metro-North Railroad <sup>2</sup>               | 16.1          | 11.0          | 8.0           | 4.3           |      |
| MTA Bus Company                                 | 2.0           | 1.0           | 1.0           | 1.4           |      |
| New York City Transit <sup>1, 3</sup>           | 39.7          | 44.0          | 70.3          | 87.1          |      |
| Staten Island Railway                           | (0.1)         | (0.1)         | (0.1)         | (0.0)         |      |
| <i>Total Farebox Revenue</i>                    | <i>\$58.5</i> | <i>\$56.4</i> | <i>\$79.9</i> | <i>\$93.2</i> |      |

<sup>1</sup> Excludes Paratransit Operations.

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

<sup>3</sup> Excludes Fare Media Liability.

# **Subsidies**

## SUBSIDIES - OVERVIEW

The following pages provide accrual and cash summary tables for the subsidies and dedicated taxes received by MTA, as well as additional tables detailing the changes between the July Plan and the February Plan. Detailed narratives describing each subsidy, the forecast methodologies employed and explanations of changes since the February Plan are also included. The details of Bridges and Tunnels operations that produce the Operating Surplus Transfer subsidy are discussed in the B&T portion of the Agency Financial Plans section that appears later in this report. A breakdown of subsidies paid to support LI Bus and SIRTOA operations is also found in this section although the costs themselves are captured as MTAHQ expenses under the category of "Support for Subsidiaries". *For the first time, this section includes consolidated income and expense information on NYCT's Paratransit operation.* Other details of this operation can be found in this volume under Agency Financial Plans - NYCT.

As shown on the tables that follow, on an *accrual basis*, the 2010 Mid-year Forecast of Total Dedicated Taxes and State & Local Subsidies, including revenues from the Payroll Mobility Tax (PMT) and the other new State taxes and fees, is \$4.9 billion. Dedicated Taxes and State & Local Subsidies are expected to fall short of the 2010 Adopted Budget by \$536 million. Approximately, three quarters of this unfavorable variance, \$386 million, is due to lower revenues from the PMT. The PMT variance from the Adopted Budget represents a reduced projection of 2010 PMT receipts based on activity through June, as well as an assumption made by NYS Department of Budget, that did not come to fruition, that some 2009-generated receipts would be received during the first quarter of 2010. MTA has been reporting on the reduced PMT forecast for most of 2010. Also contributing to the unfavorable variance are receipts from real estate transaction taxes, which are \$109 million less than the Adopted Budget forecast. MMTOA receipts are estimated to fall short of the Adopted Budget by \$34 million, while PBT receipts are \$32 million lower than the projection in the Adopted Budget. These unfavorable variances are partially offset by a favorable variance of \$34 million in City Subsidy to MTA Bus, which reflects the City's agreement to cover the operating deficit for MTA Bus. MMTOA, 18-b and Urban Taxes designated for the former City-subsidized private buses are received by the City for their use in funding MTA Bus. On a *cash basis*, total MTA Dedicated Taxes and State & Local Subsidies is \$5.1 billion, which is \$512 million below the 2010 Adopted Budget and reflect mostly lower PMT (\$386 million), and real estate receipts (\$112 million), as well as lower MMTOA (\$33 million) and PBT (\$32 million). This is offset by favorable results of \$41 million for downsizing, which was used to partially fund the recent MTA labor initiatives and favorable cash receipts of \$19 million for City Subsidy to MTA Bus.

For 2011 through 2013, total Dedicated Taxes and State & Local Subsidies, on an *accrual basis*, are projected to fall short of the February Plan by \$309 million in 2011, \$308 million in 2012, and \$338 million in 2013, due primarily to lower PMT forecasts. On a *cash basis*, these taxes and subsidies are expected to fall short by \$304 million in 2011, \$308 million in 2012 and \$330 million in 2013.

The Plan reflects technical adjustments for certain policy actions that are incorporated as part of the Subsidy baseline projections: Enhanced Security Training (\$6 million in 2010) and MTA Bus Debt Service (\$25 million each year from 2010 through 2014) are funded from the MRT-2 collections.

**MTA Consolidated Subsidies**  
**July Financial Plan 2011 - 2014**  
**Accrual Basis**  
(\$ in millions)

|  | 2009<br>Actual   | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012             | 2013             | 2014             |
|--|------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
| <b><u>Subsidies</u></b>  |                  |                              |                               |                  |                  |                  |
| <b><i>Dedicated Taxes</i></b>                                    |                  |                              |                               |                  |                  |                  |
| Metro. Mass Transp. Oper. Asst. (MMTOA)                          | \$1,342.6        | \$1,328.6                    | \$1,439.5                     | \$1,542.9        | \$1,617.6        | \$1,676.9        |
| Petroleum Business Tax (PBT) Receipts                            | 628.5            | 607.4                        | 616.5                         | 620.1            | 617.8            | 616.4            |
| Mortgage Recording Tax (MRT)                                     | 244.6            | 246.0                        | 268.3                         | 305.7            | 356.4            | 368.1            |
| MRT Transfer to Suburban Counties                                | (3.4)            | (3.1)                        | (3.4)                         | (4.3)            | (6.0)            | (6.3)            |
| Use of MRT Balances  | 10.0             | 0.0                          | 0.0                           | 0.0              | 0.0              | 0.0              |
| Reimburse Agency Security Costs                                  | (10.0)           | (10.0)                       | (10.0)                        | (10.0)           | (10.0)           | (10.0)           |
| Interest   | 4.2              | 4.2                          | 4.2                           | 4.3              | 4.3              | 4.3              |
| Urban Tax  | 144.7            | 186.4                        | 230.7                         | 291.1            | 311.9            | 325.7            |
| Investment Income  | <u>0.9</u>       | <u>0.9</u>                   | <u>1.0</u>                    | <u>1.0</u>       | <u>1.0</u>       | <u>1.1</u>       |
|  | <b>\$2,362.2</b> | <b>\$2,360.4</b>             | <b>\$2,546.9</b>              | <b>\$2,750.7</b> | <b>\$2,893.1</b> | <b>\$2,976.2</b> |
| <b><i>New State Taxes and Fees</i></b>                           |                  |                              |                               |                  |                  |                  |
| Payroll Mobility Tax   | \$815.9          | \$1,283.0                    | \$1,342.8                     | \$1,404.1        | \$1,474.1        | \$1,549.4        |
| MTA Aid  | <u>56.1</u>      | <u>328.3</u>                 | <u>328.3</u>                  | <u>328.3</u>     | <u>328.3</u>     | <u>328.3</u>     |
|  | <b>\$872.0</b>   | <b>\$1,611.3</b>             | <b>\$1,671.1</b>              | <b>\$1,732.4</b> | <b>\$1,802.4</b> | <b>\$1,877.7</b> |
| <b><i>State and Local Subsidies</i></b>                          |                  |                              |                               |                  |                  |                  |
| State Operating Assistance                                       | \$190.5          | \$190.9                      | \$190.9                       | \$190.9          | \$190.9          | \$190.9          |
| Local Operating Assistance                                       | 187.9            | 188.0                        | 188.0                         | 188.0            | 187.9            | 187.9            |
| Nassau County Subsidy  | 10.5             | 9.1                          | 9.1                           | 9.1              | 9.1              | 9.1              |
| CDOT Subsidy   | 89.2             | 81.7                         | 93.7                          | 104.7            | 118.4            | 124.0            |
| Station Maintenance  | 146.2            | 151.3                        | 154.5                         | 157.7            | 160.6            | 163.7            |
| AMTAP  | <u>4.0</u>       | <u>5.6</u>                   | <u>0.0</u>                    | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       |
|  | <b>\$628.3</b>   | <b>\$626.6</b>               | <b>\$636.2</b>                | <b>\$650.4</b>   | <b>\$666.9</b>   | <b>\$675.6</b>   |
| <b>Sub-total Dedicated Taxes &amp; State and Local Subsidies</b> | <b>\$3,862.5</b> | <b>\$4,598.3</b>             | <b>\$4,854.2</b>              | <b>\$5,133.5</b> | <b>\$5,362.4</b> | <b>\$5,529.5</b> |
| City Subsidy for MTA Bus   | \$274.6          | \$339.2                      | \$314.9                       | \$333.0          | \$353.7          | \$365.8          |
| <b>Total Dedicated Taxes &amp; State and Local Subsidies</b>     | <b>\$4,137.1</b> | <b>\$4,937.5</b>             | <b>\$5,169.1</b>              | <b>\$5,466.5</b> | <b>\$5,716.1</b> | <b>\$5,895.4</b> |
| <b><i>Inter-agency Subsidy Transactions</i></b>                  |                  |                              |                               |                  |                  |                  |
| B&T Operating Surplus Transfer                                   | \$314.5          | \$392.1                      | \$376.0                       | \$361.0          | \$317.3          | \$268.2          |
| MTA Subsidy to Subsidiaries                                      | <u>48.6</u>      | <u>51.7</u>                  | <u>54.7</u>                   | <u>57.1</u>      | <u>57.6</u>      | <u>60.6</u>      |
|  | <b>\$363.1</b>   | <b>\$443.8</b>               | <b>\$430.6</b>                | <b>\$418.1</b>   | <b>\$374.8</b>   | <b>\$328.8</b>   |
| <b>GROSS SUBSIDIES</b>   | <b>\$4,500.2</b> | <b>\$5,381.3</b>             | <b>\$5,599.8</b>              | <b>\$5,884.6</b> | <b>\$6,091.0</b> | <b>\$6,224.2</b> |



**MTA Consolidated Subsidies**  
**July Financial Plan 2011 - 2014**  
**Summary of Changes Between July Plan and February Plan**  
**Accrual Basis**  
(\$ in millions)

|  | 2009              | 2010             | 2011             | 2012             | 2013             |
|--|-------------------|------------------|------------------|------------------|------------------|
| <b><u>Subsidies</u></b>  |                   |                  |                  |                  |                  |
| <b><i>Dedicated Taxes</i></b>                                    |                   |                  |                  |                  |                  |
| Metro. Mass Transp. Oper. Asst. (MMTOA)                          | (\$0.0)           | (\$33.9)         | \$58.2           | \$60.1           | \$61.7           |
| Petroleum Business Tax (PBT) Receipts                            | (6.0)             | (31.9)           | (25.0)           | (7.9)            | (6.3)            |
| Mortgage Recording Tax (MRT)                                     | (18.0)            | (29.5)           | (28.7)           | (52.0)           | (32.2)           |
| MRT Transfer to Suburban Counties                                | 0.1               | 0.0              | 0.0              | 0.9              | 0.1              |
| Use of MRT Balances  | 0.0               | 0.0              | 0.0              | 0.0              | 0.0              |
| Reimburse Agency Security Costs                                  | 0.0               | 0.0              | 0.0              | 0.0              | 0.0              |
| Interest   | (1.0)             | (1.0)            | (1.1)            | (1.1)            | (1.1)            |
| Urban Tax  | 0.1               | (79.3)           | (74.0)           | (54.6)           | (95.9)           |
| Investment Income  | <u>0.2</u>        | <u>0.2</u>       | <u>0.2</u>       | <u>0.2</u>       | <u>0.1</u>       |
|  | <b>(\$24.7)</b>   | <b>(\$175.5)</b> | <b>(\$70.4)</b>  | <b>(\$54.4)</b>  | <b>(\$73.4)</b>  |
| <b><i>New State Taxes and Fees</i></b>                           |                   |                  |                  |                  |                  |
| Payroll Mobility Tax   | \$23.9            | (\$386.0)        | (\$219.0)        | (\$231.3)        | (\$245.3)        |
| MTA Aid  | (13.1)            | 0.0              | 0.0              | 0.0              | 0.0              |
|  | <b>\$10.8</b>     | <b>(\$386.0)</b> | <b>(\$219.0)</b> | <b>(\$231.3)</b> | <b>(\$245.3)</b> |
| <b><i>State and Local Subsidies</i></b>                          |                   |                  |                  |                  |                  |
| State Operating Assistance                                       | (\$0.4)           | \$0.0            | \$0.0            | \$0.0            | \$0.0            |
| Local Operating Assistance                                       | (0.0)             | 0.0              | 0.0              | 0.0              | 0.0              |
| Nassau County Subsidy  | 0.0               | 0.0              | 0.0              | 0.0              | 0.0              |
| CDOT Subsidy   | 7.2               | (14.5)           | (17.4)           | (20.8)           | (13.1)           |
| Station Maintenance  | (1.0)             | 1.0              | 0.8              | 1.0              | 0.8              |
| AMTAP  | <u>(0.0)</u>      | <u>5.6</u>       | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       |
|  | <b>\$5.7</b>      | <b>(\$7.9)</b>   | <b>(\$16.6)</b>  | <b>(\$19.8)</b>  | <b>(\$12.3)</b>  |
| <b>Sub-total Dedicated Taxes &amp; State and Local Subsidies</b> | <b>(\$8.2)</b>    | <b>(\$569.4)</b> | <b>(\$305.9)</b> | <b>(\$305.5)</b> | <b>(\$331.0)</b> |
| City Subsidy for MTA Bus   | (\$55.2)          | \$33.9           | (\$2.6)          | (\$2.4)          | (\$6.5)          |
| <b>Total Dedicated Taxes &amp; State and Local Subsidies</b>     | <b>(\$63.4)</b>   | <b>(\$535.5)</b> | <b>(\$308.5)</b> | <b>(\$307.9)</b> | <b>(\$337.5)</b> |
| <b><i>Inter-agency Subsidy Transactions</i></b>                  |                   |                  |                  |                  |                  |
| B&T Operating Surplus Transfer                                   | \$17.4            | \$77.6           | \$89.8           | \$102.5          | \$110.4          |
| MTA Subsidy to Subsidiaries                                      | <u>(4.4)</u>      | <u>(8.5)</u>     | <u>(5.9)</u>     | <u>(6.4)</u>     | <u>(8.0)</u>     |
|  | \$13.0            | \$69.1           | \$83.8           | \$96.1           | \$102.4          |
| <b>GROSS SUBSIDIES</b>   | <b>(\$50.454)</b> | <b>(\$466.4)</b> | <b>(\$224.7)</b> | <b>(\$211.8)</b> | <b>(\$235.1)</b> |

**MTA Consolidated Subsidies**  
**July Financial Plan 2011 - 2014**  
**Cash Basis**  
(\$ in millions)

|  | 2009<br>Actual   | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012             | 2013             | 2014             |
|--|------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
| <b><u>Subsidies</u></b>  |                  |                              |                               |                  |                  |                  |
| <b><i>Dedicated Taxes</i></b>                                    |                  |                              |                               |                  |                  |                  |
| Metro. Mass Transp. Oper. Asst. (MMTOA)                          | \$1,296.6        | \$1,374.6                    | \$1,439.5                     | \$1,542.9        | \$1,617.6        | \$1,676.9        |
| Petroleum Business Tax (PBT) Receipts                            | 629.6            | 606.6                        | 616.1                         | 620.3            | 617.8            | 617.4            |
| Mortgage Recording Tax (MRT)                                     | 241.8            | 246.6                        | 265.4                         | 301.1            | 355.4            | 367.3            |
| MRT Transfer to Suburban Counties                                | (6.2)            | (3.4)                        | (3.1)                         | (3.4)            | (4.3)            | (6.0)            |
| Use of MRT Balances  | 10.0             | 0.0                          | 0.0                           | 0.0              | 0.0              | 0.0              |
| Carry Over/Adjustments   | 17.6             | 0.0                          | 0.0                           | 0.0              | 0.0              | 0.0              |
| Reimburse Agency Security Costs                                  | (10.0)           | (10.0)                       | (10.0)                        | (10.0)           | (10.0)           | (10.0)           |
| Downsizing   | 0.0              | 0.0                          | 0.0                           | 0.0              | 0.0              | 0.0              |
| Enhanced Security Training                                       | (6.2)            | (6.2)                        | 0.0                           | 0.0              | 0.0              | 0.0              |
| MTA Bus Debt Service   | (23.2)           | (24.9)                       | (24.9)                        | (24.9)           | (24.9)           | (24.9)           |
| Cash Defeasance Loan for TBTA                                    | 90.8             | 0.0                          | 0.0                           | 0.0              | 0.0              | 0.0              |
| Interest   | 4.2              | 4.2                          | 4.2                           | 4.3              | 4.3              | 4.3              |
| Urban Tax  | 150.5            | 177.7                        | 225.4                         | 289.3            | 310.9            | 322.5            |
| Investment Income  | <u>0.9</u>       | <u>0.9</u>                   | <u>1.0</u>                    | <u>1.0</u>       | <u>1.0</u>       | <u>1.1</u>       |
|  | \$2,396.4        | \$2,366.0                    | \$2,513.6                     | \$2,720.6        | \$2,867.9        | \$2,948.6        |
| <b><i>New State Taxes and Fees</i></b>                           |                  |                              |                               |                  |                  |                  |
| Payroll Mobility Tax   | \$787.8          | \$1,283.0                    | \$1,342.8                     | \$1,404.1        | \$1,474.1        | \$1,549.4        |
| MTA Aid  | <u>56.1</u>      | <u>328.3</u>                 | <u>328.3</u>                  | <u>328.3</u>     | <u>328.3</u>     | <u>328.3</u>     |
|  | \$844.0          | \$1,611.3                    | \$1,671.1                     | \$1,732.4        | \$1,802.4        | \$1,877.7        |
| <b><i>State and Local Subsidies</i></b>                          |                  |                              |                               |                  |                  |                  |
| State Operating Assistance                                       | \$190.5          | \$190.9                      | \$190.9                       | \$190.9          | \$190.9          | \$190.9          |
| Local Operating Assistance (18-b)                                | 187.9            | 187.9                        | 187.9                         | 187.9            | 187.9            | 187.9            |
| Nassau County Subsidy (includes 18-b local match)                | 10.5             | 9.1                          | 9.1                           | 9.1              | 9.1              | 9.1              |
| CDOT Subsidy   | 84.9             | 81.7                         | 93.7                          | 104.7            | 118.4            | 124.0            |
| Station Maintenance  | 145.2            | 149.1                        | 152.1                         | 155.3            | 158.5            | 161.3            |
| AMTAP  | <u>4.0</u>       | <u>5.6</u>                   | <u>0.0</u>                    | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       |
|  | \$623.0          | \$624.4                      | \$633.7                       | \$647.9          | \$664.9          | \$673.2          |
| <b><i>Other Subsidy Adjustments</i></b>                          |                  |                              |                               |                  |                  |                  |
| 55/25 Pension Funding  | 34.4             | 0.0                          | 0.0                           | 0.0              | 0.0              | 0.0              |
| 2006 Surplus Recovery  | 25.0             | 0.0                          | 0.0                           | 0.0              | 0.0              | 0.0              |
| Inter-Agency Loan  | 134.5            | 134.5                        | (134.5)                       | (134.5)          | 0.0              | 0.0              |
| NYCT Charge Back of MTA Bus Debt Service                         | (11.1)           | (11.5)                       | (11.5)                        | (11.5)           | (11.5)           | (11.5)           |
| Forward Energy Contracts - 2008 (15 mth Contract)                | 97.1             | 0.0                          | 0.0                           | 0.0              | 0.0              | 0.0              |
| Forward Energy Contracts - 2009 (12 mth Contract)                | (73.0)           | 73.4                         | 0.0                           | 0.0              | 0.0              | 0.0              |
| Pay-As-You-Go Capital  | <u>0.0</u>       | <u>(50.0)</u>                | <u>(100.0)</u>                | <u>(150.0)</u>   | (200.0)          | (250.0)          |
|  | \$206.9          | \$146.4                      | (\$246.0)                     | (\$296.0)        | (\$211.5)        | (\$261.5)        |
| <b>Sub-total Dedicated Taxes &amp; State and Local Subsidies</b> | <b>\$4,070.2</b> | <b>\$4,748.1</b>             | <b>\$4,572.4</b>              | <b>\$4,804.9</b> | <b>\$5,123.7</b> | <b>\$5,238.0</b> |
| City Subsidy for MTA Bus   | \$286.7          | \$328.4                      | \$319.0                       | \$330.0          | \$350.2          | \$363.8          |
| <b>Total Dedicated Taxes &amp; State and Local Subsidies</b>     | <b>\$4,356.9</b> | <b>\$5,076.5</b>             | <b>\$4,891.4</b>              | <b>\$5,134.9</b> | <b>\$5,474.0</b> | <b>\$5,601.8</b> |
| <b><i>Inter-agency Subsidy Transactions</i></b>                  |                  |                              |                               |                  |                  |                  |
| B&T Operating Surplus Transfer                                   | \$318.2          | \$383.2                      | \$377.6                       | \$362.5          | \$321.7          | \$273.2          |
| MTA Subsidy to Subsidiaries                                      | <u>48.6</u>      | <u>49.9</u>                  | <u>54.7</u>                   | <u>57.1</u>      | <u>57.6</u>      | <u>60.6</u>      |
|  | \$366.8          | \$433.1                      | \$432.3                       | \$419.6          | \$379.2          | \$333.7          |
| <b>GROSS SUBSIDIES</b>   | <b>\$4,723.7</b> | <b>\$5,509.6</b>             | <b>\$5,323.6</b>              | <b>\$5,554.5</b> | <b>\$5,853.2</b> | <b>\$5,935.6</b> |

**MTA Consolidated Subsidies**  
**July Financial Plan 2011 - 2014**  
**Summary of Changes Between July Plan and February Plan**  
**Cash Basis**  
(\$ in millions)

|  | 2009            | 2010             | 2011             | 2012             | 2013             |
|--|-----------------|------------------|------------------|------------------|------------------|
| <b><u>Subsidies</u></b>                                      |                 |                  |                  |                  |                  |
| <b><i>Dedicated Taxes</i></b>                                |                 |                  |                  |                  |                  |
| Metro. Mass Transp. Oper. Asst. (MMTOA)                      | (\$1.1)         | (\$32.9)         | \$58.2           | \$60.1           | \$61.7           |
| Petroleum Business Tax (PBT) Receipts                        | (4.5)           | (32.4)           | (26.6)           | (8.1)            | (6.2)            |
| Mortgage Recording Tax (MRT)                                 | 0.6             | (27.5)           | (26.4)           | (54.0)           | (30.6)           |
| MRT Transfer to Suburban Counties                            | 0.0             | 0.1              | 0.0              | 0.0              | 0.9              |
| Use of MRT Balances  | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| Carry Over/Adjustments                                       | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| Reimburse Agency Security Costs                              | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| Downsizing   | 0.0             | 41.0             | 0.0              | 0.0              | 0.0              |
| Enhanced Security Training                                   | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| MTA Bus Debt Service   | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| Cash Defeasance Loan for TBTA                                | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| Interest   | (1.0)           | (1.0)            | (1.1)            | (1.1)            | (1.1)            |
| Urban Tax  | 0.7             | (84.8)           | (76.0)           | (51.2)           | (91.5)           |
| Investment Income  | 0.2             | 0.2              | 0.2              | 0.2              | 0.1              |
|  | <b>(\$5.1)</b>  | <b>(\$137.3)</b> | <b>(\$71.7)</b>  | <b>(\$54.1)</b>  | <b>(\$66.7)</b>  |
| <b><i>New State Taxes and Fees</i></b>                       |                 |                  |                  |                  |                  |
| Payroll Mobility Tax   | (\$4.2)         | (\$386.0)        | (\$219.0)        | (\$231.3)        | (\$245.3)        |
| MTA Aid  | <u>(13.1)</u>   | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       |
|  | <b>(\$17.2)</b> | <b>(\$386.0)</b> | <b>(\$219.0)</b> | <b>(\$231.3)</b> | <b>(\$245.3)</b> |
| <b><i>State and Local Subsidies</i></b>                      |                 |                  |                  |                  |                  |
| State Operating Assistance                                   | (0.4)           | 0.0              | 0.0              | 0.0              | 0.0              |
| Local Operating Assistance (18-b)                            | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| Nassau County Subsidy (includes 18-b local match)            | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| CDOT Subsidy   | 2.9             | (14.5)           | (17.4)           | (20.8)           | (13.1)           |
| Station Maintenance  | 0.0             | 1.2              | 0.9              | 0.8              | 1.0              |
| AMTAP  | (0.0)           | 5.6              | 0.0              | 0.0              | 0.0              |
|  | <b>\$2.5</b>    | <b>(\$7.7)</b>   | <b>(\$16.5)</b>  | <b>(\$20.0)</b>  | <b>(\$12.1)</b>  |
| <b><i>Other Subsidy Adjustments</i></b>                      |                 |                  |                  |                  |                  |
| 55/25 Pension Funding  | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| 2006 Surplus Recovery  | 40.0            | 0.0              | 0.0              | 0.0              | 0.0              |
| Inter-Agency Loan  | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| NYCT Charge Back of MTA Bus Debt Service                     | 0.4             | 0.0              | 0.0              | 0.0              | 0.0              |
| Forward Energy Contracts - 2008 (15 mth Contract)            | (0.0)           | 0.0              | 0.0              | 0.0              | 0.0              |
| Forward Energy Contracts - 2009 (12 mth Contract)            | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              |
| Pay-As-You-Go Capital  | <u>0.0</u>      | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       |
|  | <b>\$40.4</b>   | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>     |
| <b>Sub-total Dedicated Taxes &amp; State and Local</b>       | <b>\$20.5</b>   | <b>(\$531.0)</b> | <b>(\$307.1)</b> | <b>(\$305.3)</b> | <b>(\$324.1)</b> |
| City Subsidy for MTA Bus                                     | (27.6)          | 19.0             | 3.5              | (2.5)            | (5.8)            |
| <b>Total Dedicated Taxes &amp; State and Local Subsidies</b> | <b>(\$7.1)</b>  | <b>(\$511.9)</b> | <b>(\$303.7)</b> | <b>(\$307.8)</b> | <b>(\$329.9)</b> |
| <b><i>Inter-agency Subsidy Transactions</i></b>              |                 |                  |                  |                  |                  |
| B&T Operating Surplus Transfer                               | 16.8            | 70.4             | 88.6             | 101.2            | 109.6            |
| MTA Subsidy to Subsidiaries                                  | <u>(4.4)</u>    | <u>(10.2)</u>    | <u>(5.9)</u>     | <u>(6.4)</u>     | <u>(8.0)</u>     |
|  | <b>\$12.4</b>   | <b>\$60.2</b>    | <b>\$82.6</b>    | <b>\$94.9</b>    | <b>\$101.6</b>   |
| <b>GROSS SUBSIDIES</b>                                       | <b>\$5.3</b>    | <b>(\$451.8)</b> | <b>(\$221.0)</b> | <b>(\$212.9)</b> | <b>(\$228.3)</b> |

## **METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)**

Metropolitan Mass Transportation Operating Assistance Taxes (MMTOA) consist of special State taxes imposed within the MTA Transportation District which, subject to State appropriation, supplement the general operating subsidies of transportation systems in the District. MMTOA is comprised of the following taxes:

- Petroleum Business Tax (PBT), which is a small portion of the basic PBT imposed on petroleum businesses operating within New York State;
- Sales Tax, which is imposed on sales and uses of certain tangible personal property and services;
- Corporate Franchise Taxes imposed on certain transportation and transmission companies;
- Temporary Corporate Surcharges imposed on the portion of the franchise and other taxes of certain businesses attributable to the conduct of business within the transportation district.

The estimate of total taxes in the Statewide Mass Transportation Operating Assistance Fund for 2010 is \$1,803 million, of which \$1,743 million is allotted for Downstate transit properties. Of the Downstate allotment, \$190 million, which includes \$154 million for NYCT/SIR and \$21 million for the CRR, is earmarked to fund the State's 18-b obligation. The 2010 percentage allocations of the Downstate share of MMTOA are 57.3% for NYCT/SIR and 26.4% for the commuter railroads. These percentages, which are based on the actual amounts appropriated in NYS' 2010-11 Enacted Budget, are lower than the February Plan levels by 2.7% and 0.9%, respectively. MMTOA and State 18-b funds were also allotted to Long Island Bus, MTA Bus and other downstate transportation properties.

### **2010 Mid-Year Forecast**

The 2010 MTA MMTOA Mid-Year Forecast, on an accrual basis, reflects New York State Enacted Budget appropriation of \$1,329 million, which is \$34 million below the February Plan forecast. When compared with 2009, the 2010 projected revenues are lower by \$14 million. Of the total estimated MMTOA receipts for 2010, \$846 million is appropriated for NYCT/SIR, \$439 million for the commuter railroads, and \$44 million for Long Island Bus.

The MTA MMTOA cash projection for 2010 is \$1,375, which includes cash carryover balances from 2009 of \$33 million for NYCT, \$12 million for the CRRs, and \$1 million for Long Island Bus. These funds were appropriated in the State's 2009-10 Enacted Budget, but the payments were shifted to 2010 and falls in the fourth quarter of the State Fiscal Year. The carry-over of payments reflects a

decrease in collections and deposits into the MMTOA account in 2009 as a result of the economic downturn in the MTA Transportation District, and is a change from recent years when the State paid the full appropriation to the MTA by the end of the calendar year. Consistent with the February Plan, the July Plan continues to assume that in 2010 the State will revert to paying the full MMTOA appropriation by the end of the calendar year, and does not anticipate carryover to 2011 of any portion of the MMTOA revenues in the 2010-11 Enacted Budget appropriation.

The July Plan assumes that in 2010, the State's funding of its 18-b obligations remains at the 2009 level of \$190 million, which is consistent with the February Plan. The 2010 percentage allocations of MTA's share of downstate MMTOA, 57.34% for NYCT/SIR and 26.37% for the commuter railroads, are derived from the actual amounts appropriated by the State.

## **2011**

For 2011, total estimated MTA MMTOA is \$1,440 million, which is \$58 million above the February Plan level, and reflects NYS' latest reforecast of revenues in its enacted budget, which anticipates higher revenues, mostly in corporate surcharge taxes. Of the total, \$924 million is earmarked for NYCT/SIR, \$468 million is earmarked for the commuter railroads, and \$47 million for Long Island Bus.

The MTA July Plan assumes that in 2011, the State's funding of its 18-b obligations will remain at the 2010 level of \$190 million, which is consistent with the February Plan. The percentage allocations of MMTOA's downstate share that comes to the MTA represent 60.0% for NYCT/SIR and 27.3% for the commuter railroads and are consistent with the 2008 levels.

As reflected in the table at the end of this section, revenues for the Sales Tax, Petroleum Business Tax, and Corporate Surcharge components of MMTOA are expected to grow annually from the 2010 level by 5.2%, 3.7% and 1.4%, respectively. There is no change expected in the level of Corporate Franchise Tax, which remains flat for the years covered by the Plan.

## **2012 – 2014**

For 2012 through 2014, the MTA MMTOA forecast is based on New York State's latest projections of revenues from sale taxes, petroleum business taxes, corporate franchise taxes and corporate tax surcharge in its 2010-11 Enacted Budget. The July Plan projections are \$1,543 million in 2012, \$1,618 million in 2013, and \$1,677 in 2014 which are \$60 million, \$62 million and \$71 million higher than the February Plan estimates, respectively.

Year-over-year changes in MMTOA forecasts in the July Plan are \$103 million higher in 2012, \$75 million higher in 2013 and \$59 million higher in 2014.

For 2012 through 2014, the Plan assumes the following growth rate from the prior year for the component taxes of MMTOA:

| Growth Rate for the Individual Components of MMTOA<br>(from prior year level) |  |             |             |             |             |
|---|--|-------------|-------------|-------------|-------------|
|   |  | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
| Sales Tax   |  | 5.2%        | 6.0%        | 3.8%        | 0.0%        |
| Petroleum Business Tax  |  | 3.7%        | 0.9%        | 1.2%        | 0.2%        |
| Corporate Franchise Tax   |  | 0.0%        | 0.0%        | 0.0%        | 0.0%        |
| Corporate Tax Surcharge   |  | 1.4%        | 7.7%        | 5.4%        | 6.5%        |

**MMTOA STATE DEDICATED TAXES**  
**July Financial Plan 2011 - 2014**  
(\$ in millions)

| <b>ACTUAL</b> | <b>FORECAST</b> |             |             |             |             |
|---------------|-----------------|-------------|-------------|-------------|-------------|
| <b>2009</b>   | <b>2010</b>     | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |

**Forecast of MMTOA Gross Receipts (SFY):**

|                     |         |         |         |         |         |         |
|---------------------|---------|---------|---------|---------|---------|---------|
| Sales Tax           | \$802.7 | \$724.5 | \$762.4 | \$808.5 | \$839.2 | \$839.2 |
| PBT                 | 133.5   | 131.3   | 136.1   | 136.9   | 138.5   | 138.8   |
| Corporate Franchise | 68.0    | 71.2    | 71.2    | 71.2    | 71.2    | 71.2    |
| Corporate Surcharge | 845.6   | 875.5   | 888.1   | 956.4   | 1,007.9 | 1,073.6 |
| Investment Income   | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |

|  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Gross Receipts Available for Allocation</b> | <b>\$1,849.8</b> | <b>\$1,802.5</b> | <b>\$1,857.8</b> | <b>\$1,973.0</b> | <b>\$2,056.8</b> | <b>\$2,122.8</b> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|

**Allocation of Total Gross Receipts to DownState:**

|  |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Gross Receipts                       | \$1,849.8 | \$1,802.5 | \$1,857.8 | \$1,973.0 | \$2,056.8 | \$2,122.8 |
| Less: Upstate Share of PBT                 | (60.1)    | (59.1)    | (61.2)    | (61.6)    | (62.3)    | (62.5)    |
| Upstate Percent Share of Investment Income | 3.25%     | 3.28%     | 3.30%     | 3.12%     | 3.03%     | 2.94%     |
| Less: Upstate Share of Investment Income   | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Net DownState Share Available for Allocation</b> | <b>\$1,789.7</b> | <b>\$1,743.4</b> | <b>\$1,796.6</b> | <b>\$1,911.4</b> | <b>\$1,994.5</b> | <b>\$2,060.3</b> |
| Less: 18-B Adjustment                                     | (189.5)          | (189.5)          | (189.5)          | (189.5)          | (189.5)          | (189.5)          |
| <b>Adjusted Total Net DownState Share for Allocation</b>  | <b>\$1,600.2</b> | <b>\$1,553.9</b> | <b>\$1,607.0</b> | <b>\$1,721.9</b> | <b>\$1,804.9</b> | <b>\$1,870.8</b> |

**Allocation of Total Net DownState Share to NYCT/SIR:**

|                                    |               |               |               |               |               |               |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| NYCT/SIR Share                     | <b>60.94%</b> | <b>57.34%</b> | <b>60.01%</b> | <b>60.01%</b> | <b>60.01%</b> | <b>60.01%</b> |
| From Total Net DownState Share     | \$1,090.7     | \$999.7       | \$1,078.2     | \$1,147.1     | \$1,197.0     | \$1,236.5     |
| Less: 18-B Adjustment              | (153.9)       | (153.9)       | (153.9)       | (153.9)       | (153.9)       | (153.9)       |
| Adjusted Total Net DownState Share | \$824.9       | \$845.8       | \$924.3       | \$993.3       | \$1,043.1     | \$1,082.6     |
| From Carryover                     | 0.0           | 32.9          | 0.0           | 0.0           | 0.0           | 0.0           |

|  |                |                |                |                |                  |                  |
|--|----------------|----------------|----------------|----------------|------------------|------------------|
| <b>Total NYCT/SIR Share of Net DownState Share</b> | <b>\$824.9</b> | <b>\$878.7</b> | <b>\$924.3</b> | <b>\$993.3</b> | <b>\$1,043.1</b> | <b>\$1,082.6</b> |
| Total SIR Share                                    | 2.8            | 2.9            | 3.1            | 3.3            | 3.4              | 3.6              |
| <b>Total NYCT Share of Net DownState Share</b>     | <b>\$822.1</b> | <b>\$875.8</b> | <b>\$921.3</b> | <b>\$990.0</b> | <b>\$1,039.7</b> | <b>\$1,079.1</b> |

**Allocation of Total Net DownState Share to MTA:**

|                                    |               |               |               |               |               |               |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| MTA Share                          | <b>28.02%</b> | <b>26.37%</b> | <b>27.25%</b> | <b>27.25%</b> | <b>27.25%</b> | <b>27.25%</b> |
| From Total Net DownState Share     | \$501.5       | \$459.7       | \$489.6       | \$520.9       | \$543.6       | \$561.5       |
| Less: 18-B Adjustment              | (21.2)        | (21.2)        | (21.2)        | (21.2)        | (21.2)        | (21.2)        |
| Adjusted Total Net DownState Share | \$425.0       | \$438.5       | \$468.4       | \$499.7       | \$522.3       | \$540.3       |
| From Carryover                     | 0.0           | 12.0          | 0.0           | 0.0           | 0.0           | 0.0           |

|   |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total MTA Share of Net DownState Share</b> | <b>\$425.0</b> | <b>\$450.5</b> | <b>\$468.4</b> | <b>\$499.7</b> | <b>\$522.3</b> | <b>\$540.3</b> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|

**Allocation of Total Net DownState Share to LIB:**

|                                    |              |              |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| LI Bus Share                       | <b>2.82%</b> | <b>2.66%</b> | <b>2.72%</b> | <b>2.72%</b> | <b>2.72%</b> | <b>2.72%</b> |
| From Total Net DownState Share     | \$50.5       | \$46.4       | \$48.9       | \$52.0       | \$54.3       | \$56.1       |
| Less: Used for 18-B/other          | (2.1)        | (2.1)        | (2.1)        | (2.1)        | (2.1)        | (2.1)        |
| Adjusted Total Net DownState Share | \$46.8       | \$44.2       | \$46.8       | \$49.9       | \$52.2       | \$54.0       |
| From Carryover                     | 0.0          | 1.1          | 0.0          | 0.0          | 0.0          | 0.0          |

|   |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total LIB Share of Net DownState Share</b> | <b>\$46.8</b> | <b>\$45.3</b> | <b>\$46.8</b> | <b>\$49.9</b> | <b>\$52.2</b> | <b>\$54.0</b> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|

## **PETROLEUM BUSINESS TAXES (PBT) (Trust Fund Taxes)**

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

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

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

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

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

The PBT forecast in the 2010 July Plan reflects the most recent revenue projections in NYS 2010-11 Enacted Budget. On a year-to-year basis, MTA PBT revenues are expected to decline in 2010 by \$23 million, increase in 2011 by \$10 million and in 2013 by \$4 million, and decrease in 2013 by \$3 million and in 2014 by \$0.5 million. On a plan-to-plan basis, the July Plan PBT revenues are expected to be below the February Plan forecasts for all the years covered in the Plan, details of which are discussed in the following sections.

### **2010 Mid-Year Forecast**

The 2010 MTA Mid-Year PBT estimate, on a cash basis, is \$607 million, which is \$32 million lower than the February Plan forecast and reflects actual results



through June year-to-date, adjusted for collection trends over the prior two years. Of the total PBT allocation, 85% or \$516 million is earmarked for New York City Transit and 15% or \$91 million for the commuter railroads.

On an accrual basis, the PBT estimate for 2010 is \$607 million. The accrual estimate is based on a one-month lag in the booking and collection of PBT proceeds.

### **2011 Forecast**

The 2011 PBT cash projection is \$616 million, which is \$27 million below the February Plan estimate, reflecting NYS' enacted budget re-estimates of PBT revenues, as well as a lower base year estimate for 2010. Of the total PBT, \$524 million, or 85% is earmarked for New York City Transit, and \$92 million, or 15% is earmarked for the commuter railroads.

On an accrual basis, the 2011 PBT estimate is \$617 million, an increase of \$9 million from the prior year's level.

### **2012 - 2014**

For 2012 through 2014, PBT cash estimates are \$620 million, \$618 million and \$617 million, respectively. In each of the respective years, the PBT estimates are below the February Plan estimates by \$8 million, \$6 million and \$7 million, which reflect NYS's Enacted Budget forecasts. The 2012 PBT forecast is 0.7% higher than the previous year, and the 2013 and 2014 forecasts are below the previous year's level by 0.4% and 0.1%, respectively.

On an accrual basis, PBT estimates for 2012 through 2014 are \$620 million, \$618 million and \$616 million, respectively.

# PETROLEUM BUSINESS TAX PROJECTIONS

July Financial Plan 2011 - 2014

(\$ in millions)

| No |  | ACTUAL           | FORECAST         |                  |                  |                  |                  |
|----|--|------------------|------------------|------------------|------------------|------------------|------------------|
|    |  | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             |
| 9  |  |                  |                  |                  |                  |                  |                  |
| 10 | <b>Total Net PBT Collections Available for Distribution</b>          | <b>\$1,851.7</b> | <b>\$1,784.0</b> | <b>\$1,812.1</b> | <b>\$1,824.5</b> | <b>\$1,817.2</b> | <b>\$1,815.8</b> |
| 11 |  |                  |                  |                  |                  |                  |                  |
| 12 | <b><u>Distribution Shares:</u></b>                                   |                  |                  |                  |                  |                  |                  |
| 13 |  |                  |                  |                  |                  |                  |                  |
| 14 | MTA Total  | 34.0%            | 34.0%            | 34.0%            | 34.0%            | 34.0%            | 34.0%            |
| 15 | Other Transit  | 3.0%             | 3.0%             | 3.0%             | 3.0%             | 3.0%             | 3.0%             |
| 16 | Highway Trust Fund   | 63.0%            | 63.0%            | 63.0%            | 63.0%            | 63.0%            | 63.0%            |
| 17 | General Fund   | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             | 0.0%             |
| 18 |  |                  |                  |                  |                  |                  |                  |
| 19 | <b>Share Total</b>   | <b>100.0%</b>    | <b>100.0%</b>    | <b>100.0%</b>    | <b>100.0%</b>    | <b>100.0%</b>    | <b>100.0%</b>    |
| 20 |  |                  |                  |                  |                  |                  |                  |
| 21 |  |                  |                  |                  |                  |                  |                  |
| 22 | <b><u>Amount of Total Net Collections Available for the MTA:</u></b> |                  |                  |                  |                  |                  |                  |
| 23 |  |                  |                  |                  |                  |                  |                  |
| 24 | <b>MTA Total</b>   | <b>\$629.6</b>   | <b>\$606.6</b>   | <b>\$616.1</b>   | <b>\$620.3</b>   | <b>\$617.8</b>   | <b>\$617.4</b>   |
| 25 |  |                  |                  |                  |                  |                  |                  |
| 26 | <b><u>Accrued</u></b>  |                  |                  |                  |                  |                  |                  |
| 27 |  |                  |                  |                  |                  |                  |                  |
| 28 | NYCT/SIR Share of MTA Total  | \$533.5          | \$516.2          | \$524.0          | \$527.1          | \$525.1          | \$523.9          |
| 29 | Commuter Railroad Share of MTA Total                                 | <u>95.0</u>      | <u>91.1</u>      | <u>92.5</u>      | <u>93.0</u>      | <u>92.7</u>      | <u>92.5</u>      |
| 30 |  |                  |                  |                  |                  |                  |                  |
| 31 | <b>MTA Total of Net Collections</b>                                  | <b>\$628.5</b>   | <b>\$607.4</b>   | <b>\$616.5</b>   | <b>\$620.1</b>   | <b>\$617.8</b>   | <b>\$616.4</b>   |
| 32 |  |                  |                  |                  |                  |                  |                  |
| 33 | <b><u>Cash</u></b>   |                  |                  |                  |                  |                  |                  |
| 34 |  |                  |                  |                  |                  |                  |                  |
| 35 | NYCT/SIR Share of MTA Total  | \$535.1          | \$515.6          | \$523.7          | \$527.3          | \$525.2          | \$524.8          |
| 36 | Commuter Railroad Share of MTA Total                                 | <u>94.4</u>      | <u>91.0</u>      | <u>92.4</u>      | <u>93.1</u>      | <u>92.7</u>      | <u>92.6</u>      |
| 37 |  |                  |                  |                  |                  |                  |                  |
| 38 | <b>MTA Total of Net Collections</b>                                  | <b>\$629.6</b>   | <b>\$606.6</b>   | <b>\$616.1</b>   | <b>\$620.3</b>   | <b>\$617.8</b>   | <b>\$617.4</b>   |

## **MORTGAGE RECORDING TAXES (MRT)**

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

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

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

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

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

## **Forecast Methodology**

Forecasts of MRT receipts for the second half of 2010 through the first half of 2014 are based on tax receipt trends for mortgage originations projected by the City of New York in its May 2010 Executive Budget. For the second half of 2014, MRT receipts are estimated using forecasting models, and are based on long-term U.S. Treasury rates and regional population.

## **2010 Mid-Year Forecast**

MRT receipts are forecast to be \$247 million in 2010. While MRT receipts on a cash basis are estimated to modestly increase in 2010 over the 2009 levels, they are expected to be lower than the Adopted Budget forecast by \$27 million (10%). The forecast reflects a slower recovery in mortgage originations than was assumed in the February Plan, particularly commercial mortgages. MRT-1, which is collected on mortgages for both commercial properties and residential properties, is forecast to be \$25 million lower (14.1%) than the MRT-1 projection in February, while MRT-2, which is paid only on residential properties with fewer than seven units in the structure, is forecast to be just \$2 million lower (2.4%) than the MRT-2 projection in February.

Compared with 2009 receipts, the 2010 MRT forecast is \$5 million greater (2.0%), with receipts for MRT-1 up \$3 million (2.0%) and MRT-2 receipts up \$2 million (1.9%). These year-over-year changes reflect the stabilizing of both the anemic commercial real estate market in New York City and the regional residential real estate market

## **2011 - 2014**

The July Plan projections are lower than the estimates in the Adopted Budget: 2011 is \$26 million lower (9.1%), 2012 is \$54 million (15.2%) and 2013 is \$31 million lower (7.9%). Over the Financial Plan period, MRT receipts are projected to be \$265 million in 2011, \$301 million in 2012, \$355 million in 2013 and \$367 million in 2014. MRT-1 receipts are estimated to be \$169 million in 2011, \$193 million in 2012, \$227 million in 2013 and \$236 million in 2014. MRT-2 receipts are projected to be \$97 million in 2011, \$108 million in 2012, \$129 million in 2013 and \$132 million in 2014.

MRT collections peaked at \$763 million in 2006 (MRT-1 peaked in 2006 and MRT-2 peaked in 2005). Since then, mortgage activity has slowed considerably for both residential and commercial properties. Projections in the July Financial Plan reflect the belief that mortgage activity is expected to modestly improve starting in 2010.

| <b>Growth Rate for the Mortgage Recording Taxes<br/>(from prior year level)</b> |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
| MRT-1   | (39.8)%     | (45.9)%     | 2.0%        | 10.3%       | 14.5%       | 17.3%       | 3.9%        |
| MRT-2   | (41.7)%     | (35.2)%     | 1.9%        | 3.2%        | 11.6%       | 19.3%       | 2.3%        |
| TOTAL   | (40.5)%     | (42.2)%     | 2.0%        | 7.6%        | 13.5%       | 18.0%       | 3.3%        |

## **Additional Assumptions**

The MTA General Reserve is funded from subsidies. The July Plan reduces the General Reserve for 2010 from the February Plan level of \$75 million to \$50 million. Beginning in 2011 through the end of the Plan period, the July Plan assumes General Reserve levels of \$100 million annually, which is \$25 million higher than the February Plan each year.

MRT-2 is used to reimburse the agencies for certain security expenses from a fund managed by MTA Police. These monies are used for short term security projects. Consistent with the February Plan, an annual amount of \$10 million has been earmarked in the July Plan to cover these security expenses from 2010 through 2014.

### **Technical Adjustments:**

The July Financial Plan reflects the impact of certain policy actions on agency transfers as follows:

*Downsizing* – The \$41 million in the downsizing account for 2010 has been used to offset the cost of the recent labor initiatives undertaken by the MTA, including the voluntary severance and layoffs.

*Enhanced Security Training* – The July Plan makes no change to the February Plan's allocation of \$6 million in 2010, the portion of the \$19 that was allocated over four years, which began in 2007 for enhanced security training for NYCT, Metro-North, and LIRR's operating personnel. The MTA has undertaken this initiative on the recommendations of Kroll Associates, the security consulting firm that the MTA engaged to review the agencies' safety/security training curriculum, and has sought and received the approval of the MTA Board.

### **Other MRT-2 Adjustments**

In addition to the adjustments above, the July Plan, like the February Plan, assumes that funds from subsidies will be used to cover debt service cash flow requirements of the MTA Bus Company (MTABC). This is pursuant to an agreement that the MTA pays the capital costs of the MTABC 2005-2009 capital program, to the extent that it is otherwise not paid from Federal grants, matching City funds, or other funding sources specifically dedicated to MTABC capital projects. As part of the terms of this agreement, the MTA is required to pay the debt service on bonds and commercial papers expended after November 2006 on MTABC capital projects, until such amounts are paid in full, which would require payments through the Plan period and beyond. The July Plan estimates of the required amounts are \$25 million annually beginning in 2010 and continuing for the duration of the Plan period. This reflects no changes from the February Plan.

**Summary of Mortgage Recording Tax Projections**  
**July Financial Plan 2011 - 2014**  
(\$ in millions)

| <b>Cash Basis</b>                    | <b>ACTUAL</b> | <b>FORECAST</b> |             |             |             |             |
|--------------------------------------|---------------|-----------------|-------------|-------------|-------------|-------------|
|                                      | <b>2009</b>   | <b>2010</b>     | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
| <b>MORTGAGE RECORDING TAX #261-1</b> |               |                 |             |             |             |             |

**Receipts Available for Transfer to NYCT and CRs:**

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Gross Receipts                            | \$149.9          | \$153.0          | \$168.7          | \$193.3          | \$226.8          | \$235.6          |
| Carryover                                       | 17.6             | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| Less: MTAHQ Operating Deficit                   | (315.7)          | (320.4)          | (336.0)          | (341.0)          | (350.2)          | (367.381)        |
| <b>Receipts Available for Transfer</b>          | <b>(\$148.2)</b> | <b>(\$167.5)</b> | <b>(\$167.3)</b> | <b>(\$147.7)</b> | <b>(\$123.5)</b> | <b>(\$131.8)</b> |
| Adjustments                                     | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| MRT-2 Required to Balance                       | 148.2            | 167.5            | 167.3            | 147.7            | 123.5            | 131.8            |
| <b>Adjusted Receipts Available for Transfer</b> | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>     |

**Allocation of Net Receipts to NYCT/SIR Account:**

|                                      |              |              |              |              |              |              |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Opening Balance                      | \$0.0        | \$0.0        | \$0.0        | \$0.0        | \$0.0        | \$0.0        |
| NYCT/SIR Share                       | 55%          | 55%          | 55%          | 55%          | 55%          | 55%          |
| From Current Year Net Receipts       | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total NYCT/SIR Net Cash Share</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> |
| Total SIR Net Cash Share             | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total NYCT Net Cash Share</b>     | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> |

**Allocation of Net Receipts to Commuter Railroad Account:**

|   |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Opening Balance - CR/SHF                      | \$0.0        | \$0.0        | \$0.0        | \$0.0        | \$0.0        | \$0.0        |
| Commuter Railroad Share                       | 45%          | 45%          | 45%          | 45%          | 45%          | 45%          |
| From Net Receipts                             | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total Commuter Railroad Net Cash Share</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> | <b>\$0.0</b> |

**MORTGAGE RECORDING TAX #261-2**

**Receipts Available**

|  |                |              |                 |                 |                |              |
|--|----------------|--------------|-----------------|-----------------|----------------|--------------|
| Total Receipts to Corporate Account            | \$91.9         | \$93.6       | \$96.6          | \$107.9         | \$128.7        | \$131.7      |
| Opening Fund Balance                           | 10.0           | 0.0          | 0.0             | 0.0             | 0.0            | 0.0          |
| All Agency Security Pool                       | (10.0)         | (10.0)       | (10.0)          | (10.0)          | (10.0)         | (10.0)       |
| Downsizing                                     | 0.0            | 0.0          | 0.0             | 0.0             | 0.0            | 0.0          |
| Enhanced Security Training                     | (6.2)          | (6.2)        | 0.0             | 0.0             | 0.0            | 0.0          |
| Service Marketing Campaign                     | 0.0            | 0.0          | 0.0             | 0.0             | 0.0            | 0.0          |
| MTA Bus Debt Service                           | (23.2)         | (24.9)       | (24.9)          | (24.9)          | (24.9)         | (24.9)       |
| 2006 MMTA Catch-up                             | 0.0            | 0.0          | 0.0             | 0.0             | 0.0            | 0.0          |
| Cash Defeasance Loan for TBTA                  | 90.8           | 0.0          | 0.0             | 0.0             | 0.0            | 0.0          |
| Reserve for Following Year/Cash Flow Provision | 0.0            | 0.0          | 0.0             | 0.0             | 0.0            | 0.0          |
| General Reserve                                | 0.0            | (50.0)       | (100.0)         | (100.0)         | (100.0)        | (100.0)      |
| Investment Income                              | 4.2            | 4.2          | 4.2             | 4.3             | 4.3            | 4.3          |
| <b>Total Receipts Available for Transfer</b>   | <b>\$157.5</b> | <b>\$6.7</b> | <b>(\$34.1)</b> | <b>(\$22.8)</b> | <b>(\$1.9)</b> | <b>\$1.1</b> |

**Use of Total Receipts:**

|                                    |              |                  |                  |                  |                  |                  |
|------------------------------------|--------------|------------------|------------------|------------------|------------------|------------------|
| DORF Opening Balance               | \$4.5        | \$4.5            | \$4.5            | \$4.5            | \$4.5            | \$4.5            |
| Less: Transfer to MTA DORF Account | (10.7)       | (7.9)            | (7.6)            | (7.8)            | (8.8)            | (10.5)           |
| Less: Transfer to MTAHQ Funds      | (148.2)      | (167.5)          | (167.3)          | (147.7)          | (123.5)          | (131.8)          |
| <b>Net Receipts Available</b>      | <b>\$3.1</b> | <b>(\$164.2)</b> | <b>(\$204.4)</b> | <b>(\$173.9)</b> | <b>(\$129.7)</b> | <b>(\$136.6)</b> |

**Allocation of Net Receipts to NYCT/SIR Corporate Account:**

|                                  |              |                  |                  |                  |                  |                  |
|----------------------------------|--------------|------------------|------------------|------------------|------------------|------------------|
| Projected NYCT/SIR Share         | 85%          | 85%              | 85%              | 85%              | 85%              | 85%              |
| From Net Receipts                | \$2.6        | (\$139.6)        | (\$173.8)        | (\$147.8)        | (\$110.2)        | (\$116.1)        |
| <b>Total NYCT/SIR Cash Share</b> | <b>\$2.6</b> | <b>(\$139.6)</b> | <b>(\$173.8)</b> | <b>(\$147.8)</b> | <b>(\$110.2)</b> | <b>(\$116.1)</b> |
| Total SIR Cash Share             | 0.0          | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| <b>Total NYCT Cash Share</b>     | <b>\$2.6</b> | <b>(\$139.6)</b> | <b>(\$173.8)</b> | <b>(\$147.8)</b> | <b>(\$110.2)</b> | <b>(\$116.1)</b> |

**Allocation of Net Receipts to CRs Corporate Account:**

|   |              |                 |                 |                 |                 |                 |
|---|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Projected Commuter Railroad Share             | 15%          | 15%             | 15%             | 15%             | 15%             | 15%             |
| From Net Receipts                             | \$0.5        | (\$24.6)        | (\$30.7)        | (\$26.1)        | (\$19.5)        | (\$20.5)        |
| <b>Total Commuter Railroad Net Cash Share</b> | <b>\$0.5</b> | <b>(\$24.6)</b> | <b>(\$30.7)</b> | <b>(\$26.1)</b> | <b>(\$19.5)</b> | <b>(\$20.5)</b> |

## **URBAN TAXES**

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

### **Forecast Methodology**

Forecasts of Urban Tax receipts for the second half of 2010 through the first half of 2014 are based on forecasts of tax receipt trends for commercial property transactions projected by the City of New York in its May 2010 Executive Budget, with the exception of 2011. For 2011, the annual rates of increase for both RPTT and MRT were moderated to reflect recent activity. For the second half of 2014, Urban Tax receipts are estimated using forecasting models, and are based on short-term U.S. Treasury rates and New York City employment.

### **2010 Mid-Year Forecast**

Urban Tax receipts on a cash basis are estimated at \$178 million, which is \$85 million below, or 32.3%, the level in the Adopted Budget. The forecast reflects a slower recovery in commercial property transactions than was assumed in the February Plan. For the first half of 2010, RPTT receipts were \$22 million below the Adopted Budget, a 29.5% shortfall, while MRT receipts were \$14 million below forecast, a shortfall of 38.1%; these shortfalls are reflected in the Mid-Year Forecast of the Urban Tax.

Compared with 2009 receipts, the 2010 Urban Tax forecast is \$28 million (18.6%) greater than the 2009 level.

### **2011 - 2014**

July Plan projections are lower than the estimates in the Adopted Budget: 2011 is \$76 million lower (25.2%), 2012 is \$51 million lower (15.0%) and 2013 is \$92 million lower (22.7%).

From a peak level of \$884 million in 2007, which was spurred by low interest rates and strong demand for commercial investment properties, Urban Tax receipts fell 83.1% to \$150 million in 2009, and are now projected to increase 18.6% in 2010 to \$178 million. Improvements in receipts are expected to continue in 2011, growing by 26.9% to \$225 million. While this is a significant increase in percentage terms, Urban Tax receipts

would still remain 30% below tax receipts collected in 2004. Urban Tax receipts are projected to continue increasing through 2014, although at gradually slower rates of increase: 2012 receipts are expected to grow 28.3% over 2011, with 2013 up 7.5% and 2014 up 3.7% when Urban Tax receipts are projected to be \$322 million, matching 2004 receipts but still 65% below the 2007 peak.

| <b>Growth Rate for the Urban Taxes<br/>(from prior year level)</b> |                |                |              |              |              |             |             |
|--|----------------|----------------|--------------|--------------|--------------|-------------|-------------|
|  | <b>2008</b>    | <b>2009</b>    | <b>2010</b>  | <b>2011</b>  | <b>2012</b>  | <b>2013</b> | <b>2014</b> |
| Real Property Transfer Tax   | (41.4)%        | (71.6)%        | 21.6%        | 24.0%        | 25.8%        | 5.3%        | 2.7%        |
| Mortgage Recording Tax   | (39.2)%        | (71.0)%        | 12.8%        | 33.0%        | 33.4%        | 11.5%       | 5.5%        |
| <b>TOTAL</b>   | <b>(40.7)%</b> | <b>(71.4)%</b> | <b>18.6%</b> | <b>26.9%</b> | <b>28.3%</b> | <b>7.5%</b> | <b>3.7%</b> |



## **PAYROLL MOBILITY TAX**

The Payroll Mobility Tax (PMT) was enacted in 2009 by New York State (Chapter 25 of the Laws of 2009) to provide a stable source of revenues for the MTA that would also address the MTA's revenue shortfall and operating budget gap. The PMT is also referred to interchangeably as the Metropolitan Commuter Transportation Mobility Tax (MCTMT). The following details pertain to the PMT:

- A payroll tax of 0.34 percent imposed on payroll expenses of all employers and on net earnings of self-employed individuals engaged in business within the 12-county region serviced by the MTA, referred to as the Metropolitan Commuter Transportation District (MCTD).
- The entire proceeds from the mobility tax are remitted by employers to the State for deposit into an account that benefits the MTA.
- The legislation mandates that tax payments from school districts will be reimbursed by the State; however, it allows a one-year lag in reimbursements to the school districts, the first of which is expected in 2010.
- The legislation permits the MTA to utilize the payroll mobility tax revenues:
  - As pledged revenue to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of the MTA and NYCTA and NYCTA subsidiaries
  - To pay capital costs, including debt service of MTA and its subsidiaries, and NYCTA and its subsidiaries
  - To pay for costs, including operating costs of MTA and its subsidiaries, and NYCTA and its subsidiaries

Based on the MTA July Plan estimates, the PMT is expected to generate \$1.3 billion for the MTA in both 2010 and 2011. However, for the two years this falls short of the February Plan forecast by a total of \$600 million.

### **2010 Mid-Year Forecast**

The July Plan forecast of MTA PMT revenues for 2010 of \$1,283 million is \$386 million below the February Plan estimate. Based on information the MTA received from the State early in the year indicating that the 2010 PMT collections were not on target and would fall short of the levels projected by the State and reflected in the MTA February Plan, in February the MTA revised its 2010 PMT estimate downward by \$336 million and has been reporting the actual results against both the official February Plan forecast and this revised forecast. Included in this unfavorable variance is a reversal of \$179 million of assumed 2009-generated revenues that were part of the February Plan

PMT estimate, which the Plan assumed would be recouped in 2010. It was evident as early as February that this would not materialize and that the actual collections required an even further reduction in the revenue estimates from the February Plan forecast.

In addition, actual collections of PMT year-to-date through June, when compared with the revised estimate have been even lower than expected. Hence, the MTA has further reduced its 2010 PMT estimate by \$50 million, to reflect the collection trend. By bringing down the base year estimate for 2010, the impact is carried throughout the entire plan period (2010-2014). The July Plan maintains the annual growth rate of 5 percent that was applied in the initial calculation of the PMT estimates in the 2010 Preliminary Budget.

It is important to note that the PMT is a new tax with no historical collection data to base forecast assumptions on. NYS DOB and NYS Taxation and Finance have indicated that they will continue to review the conditions affecting the PMT tax receipts, and the MTA will also continue to closely monitor the tax receipts.

### **2011 Forecast**

The 2011 July Plan PMT forecast of \$1,343 million is \$219 million lower than the February Plan forecast, due primarily to downward reforecast of PMT revenues to reflect collection trends. As noted above, the reduction in the 2010 base estimate impacts all subsequent years, which assumes annual growth of 5 percent from the base year estimate.

### **2012 - 2014**

The July Plan PMT forecast is \$1,404 million for 2012, \$1,474 for 2013 and \$1,549 million, which is \$231 million, \$245 million and \$260 million below the February Plan forecast, respectively. The estimate assumes 5 percent growth per annum from the prior year's level.

Following is a summary table of the July Plan's PMT revenue forecasts, as well as the changes from the February Plan levels for 2010 through 2014:

| <b>Payroll Mobility Tax</b>    |             |             |             |             |             |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| (\$ in millions)               | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|                                |             |             |             |             |             |
| Revenue Forecast for PMT       | \$1,283     | \$1,343     | \$1,404     | \$1,474     | \$1,549     |
| Changes from the February Plan | (\$386)     | (\$219)     | (\$231)     | (\$245)     | (\$260)     |

## MTA AID TRUST REVENUES

The recent legislative actions by New York State in May 2009 directed revenues from the following new taxes and fees to the MTA Aid Trust Account:

**License Fee** - a supplemental fee of one dollar for each six month period of validity of a learner's permit or driver's license issued to individuals residing in the Metropolitan Commuter Transportation District (MCTD)

**Auto Registration Fee** - a \$25 increase in automobile registration fees in the MTA region, on an annual basis, to be paid by automobile registrants in increments of \$50, since car registrations cover a two-year period

**Taxicab Tax** – a tax of \$0.50 per ride imposed on taxicab owners for each taxicab ride that originates in New York City and terminates within the 12-county MTA region

**Auto Rental Tax** – a supplemental tax of five-percent (5%) of the cost of automobile rentals within the MCTD

The legislation establishing these new tax streams:

- Allows for the revenues to be pledged by MTA or by TBTA to secure debt.
- Allows the MTA to pay operating and capital costs of the MTA and its subsidiaries and NYCTA and its subsidiaries as determined by the MTA, subject to the provisions of the above referenced pledges, or in the event there is no such pledge.

For 2010 through 2014, the MTA July Plan estimates annual receipts of \$27 million in license fees, \$182 million in auto registration fees, \$85 million in taxicab taxes and \$35 million in auto rental taxes. The levels remain unchanged for the duration of the Plan.

The following table list the of the MTA July Plan revenue forecasts of the MTA Aid Trust Revenues 2010 through 2014 (based on NYS DOB estimates), note that the levels remain constant:

| MTA Aid Trust Revenues |              |              |              |              |              |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| (\$ in millions)       | 2010         | 2011         | 2012         | 2013         | 2014         |
| License Fee            | \$27         | \$27         | \$27         | \$27         | \$27         |
| Auto Registration Fee  | 182          | 182          | 182          | 182          | 182          |
| Taxicab Tax            | 85           | 85           | 85           | 85           | 85           |
| Auto Rental Tax        | 35           | 35           | 35           | 35           | 35           |
| <b>Total</b>           | <b>\$328</b> | <b>\$328</b> | <b>\$328</b> | <b>\$328</b> | <b>\$328</b> |

## STATE AND LOCAL SUBSIDIES

State and Local Subsidies consist of the following:

- *New York State Section 18-B Operating Assistance* - a statewide mass transportation program that provides direct State aid to the MTA, which is appropriated by the State Legislature on an annual basis. Beginning in 1994, the State earmarked a portion of the dedicated taxes to fund the State's obligation of 18-b payments.
- *Local 18-b Operating Assistance* - Each County in the MTA Transportation District is required by the transportation law to match the amounts paid by the State. The matching payments are to be made quarterly to the MTA.
- *Station Maintenance* – a subsidy paid by the City and each of the seven counties in the MTA region for the operation, maintenance and use of Commuter System passenger stations within the City and each of the counties. Station Maintenance base amounts were established in 1999 and are subject to CPI (Consumer Price Index) adjustment each year thereafter.
- *Nassau County Subsidy to MTA Long Island Bus* – assistance that is intended to meet payment obligations to help cover LIB's operating deficit. Nassau's Local 18-b match for LIB is included in the Nassau County subsidy.
- *Connecticut Department of Transportation (CDOT) Subsidy to Metro-North Railroad* - subsidy payments made to Metro-North Railroad as reimbursement for expenses associated with commuter train operations by Metro-North in the State of Connecticut.
- *New York City Subsidy for MTA Bus* - New York City reimbursement to the MTA of the costs of MTA Bus' operation. The current costs of the MTA Bus' operations are 100% reimbursable by the City of New York. Under an agreement with the MTA, the City of New York committed to pay MTA Bus the difference between the actual operating costs of the City bus routes and all revenues received for operations from said routes. MMTOA, State and Local 18-b and Urban Taxes that are designated for the former private buses, which are subsidized by the City as required by Statute, continue to be paid directly to the City and are used by the City to partially fund MTA Bus.
- *Additional Mass Transit Assistance Program (AMTAP)* - For 2010, Long Island Bus' subsidies include additional assistance appropriated by the State as a legislative addition in the 2010-11 Enacted Budget.

### **2010 Mid-Year Forecast**

In the 2010 Mid-Year Forecast, the total State and Local cash subsidy estimate is \$624 million, a decrease of \$8 million from the February Plan level. The change is primarily due to unfavorable CDOT subsidy payment of \$15 million, partially offset by \$6 million AMTAP revenues for Long Island Bus, which was included as a legislative addition in the State's 2010-11 Budget, but was not anticipated in the MTA February Plan.

For 2010, the forecast of City Subsidy to MTA Bus increased by \$19 million from the February Plan level. This was primarily due to favorable cash timing adjustments, including retroactive wage and insurance adjustments.

### **2011 – 2014**

In 2011, 2012, 2013 and 2014, State and Local subsidy estimates are \$9 million, \$14 million, \$17 million and \$8 million higher than the prior years' level, respectively. The changes primarily represent higher CDOT and station maintenance levels year over year. However, when compared with the February Plan in 2011, 2012, 2013 and 2014, State and Local subsidy declined by \$16 million, \$20 million, \$12 million and \$11 million, respectively, mostly due to reduced CDOT subsidy receipts. This is offset by slightly favorable Station Maintenance subsidy.

In 2011, MTA Bus subsidy from the City increased by \$4 million. In 2012, 2013 and 2014, MTA Bus subsidy from the City decreased from the February Plan estimates by \$3 million, \$6 million and \$7 million, respectively.

## **MTA SUBSIDY TO SUBSIDIARIES**

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

In the 2010 Mid-Year Forecast, total estimated MTA subsidy payment to LIB and SIR on a cash basis is \$50 million, which is \$10 million below the February Plan Forecast. Staten Island Railroad's (SIR) share is \$28 million; Long Island Bus' (LIB) share is \$22 million.

In 2011, the forecast for MTA subsidy payment to LIB and SIR on a cash basis is \$55 million, which is \$6 million below the February Plan forecast. LIB's share is \$29 million and SIR's share is \$25 million.

For each year from 2012 through 2014, MTA subsidy payments to LIB and SIR is \$57 million, \$58 million and \$61 million respectively, which is \$6 million, \$8 million and \$9 million below the February Plan forecast in each of the respective years. LIB's share is \$30 million in 2012, \$30 million in 2013 and \$32 million in 2014. SIR's share is \$27 million in 2012, \$28 million in 2013 and \$29 million in 2014.

## **SUBSIDY AND OTHER TECHNICAL ADJUSTMENTS**

In addition to the adjustments to MRT-2, which are discussed in the MRT Section, the July Plan includes other subsidy adjustments for 2010 through 2014.

Forward Energy Contract – Since 2008, MTA has engaged in a hedging strategy intended to lock in fuel prices. In 2010, MTA entered into an energy hedge nominally valued at \$73 million, and for 2011 MTA intends to continue this policy by entering into an energy hedge with an estimated nominal value of \$82 million. These hedges represent approximately 56% of the total estimated number of gallons of diesel fuel used for MTA-wide needs. MTA currently intends to continue with this hedging strategy through the remainder of the Plan period. Beginning with 2011 the MTA will no longer pre-fund the hedge from prior year proceeds, but will initiate the hedge in the year it is to be used.

MTA Bus Debt Service - Consistent with the February Plan, the July Plan reflects the MTA's agreement with the City of New York to fund a portion of MTA Bus' debt service from New York City Transit subsidies each year, which is \$12 million annual for the duration of the Plan. These amounts reflect reimbursement to MTA Bus under a swap agreement with New York City Transit in which Federal capital grant moneys are paid directly to New York City Transit for the benefit of MTA Bus; NYCT applies these funds to cover its own capital projects and in turn reimburses MTA Bus.

Inter-Agency Loans - The July Plan, like the February Plan, continues to assume that in 2010 the MTA will borrow \$135 million in inter-agency loan and will pay both the 2009 and 2010 loans in 2011 and 2012.

### Pay-As-You-Go Capital

The July Plan assumes that a portion of the new tax revenues authorized by New York State in May 2009 will be used for the MTA capital program in the form of "pay-as-you-go capital". These payments are planned at \$50 million in 2010 and increases by increments of \$50 million annually beginning in 2011 until the annual contribution achieves \$450 million in 2018. This level of contribution will be necessary to support local funding for the first two years of the proposed 2010-2014 capital programs, including support for "mega" projects like East Side Access and the Second Avenue Subway.

**MTA New York City Transit Subsidy Allocation**

**July Financial Plan 2011 - 2014**

**Cash Basis**

(\$ in millions)

|  | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <b><u>Subsidies</u></b>                                      |                  |                  |                  |                  |                  |                  |
| <b><i>Dedicated Taxes</i></b>                                |                  |                  |                  |                  |                  |                  |
| Metropolitan Mass Transportation Operating Assistance        | \$822.1          | \$875.8          | \$921.3          | \$990.0          | \$1,039.7        | \$1,079.1        |
| Petroleum Business Tax (PBT) Receipts                        | 535.1            | 515.6            | 523.7            | 527.3            | 525.2            | 524.8            |
| Mortgage Recording Tax (MRT)                                 | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| Urban Tax  | <u>150.5</u>     | <u>177.7</u>     | <u>225.4</u>     | <u>289.3</u>     | <u>310.9</u>     | <u>322.5</u>     |
|  | \$1,507.6        | \$1,569.1        | \$1,670.4        | \$1,806.6        | \$1,875.7        | \$1,926.3        |
| <b><i>New State Taxes and Fees</i></b>                       |                  |                  |                  |                  |                  |                  |
| Payroll Mobility Tax   | \$772.1          | \$1,116.2        | \$1,047.4        | \$1,193.5        | \$1,031.9        | \$1,425.5        |
| MTA Aid  | <u>44.7</u>      | <u>206.7</u>     | <u>206.7</u>     | <u>206.7</u>     | <u>206.7</u>     | <u>206.7</u>     |
|  | \$816.7          | \$1,322.9        | \$1,254.0        | \$1,400.1        | \$1,238.5        | \$1,632.1        |
| <b><i>State and Local Subsidies</i></b>                      |                  |                  |                  |                  |                  |                  |
| State Operating Assistance                                   | \$158.1          | \$158.2          | \$158.2          | \$158.2          | \$158.2          | \$158.2          |
| Local Operating Assistance                                   | <u>158.1</u>     | <u>158.1</u>     | <u>158.1</u>     | <u>158.1</u>     | <u>158.2</u>     | <u>158.2</u>     |
|  | \$316.3          | \$316.3          | \$316.3          | \$316.3          | \$316.4          | \$316.4          |
| 2006 Surplus Recovery  | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            |
| Inter-Agency Loan  | 134.5            | 134.5            | (134.5)          | (134.5)          | 0.0              | 0.0              |
| 55/25 Pension Funding  | 34.4             | 0.0              | 0.0              | 0.0              | \$0.0            | \$0.0            |
| NYCT Charge Back of MTA Bus Debt Service                     | (11.1)           | (11.5)           | (11.5)           | (11.5)           | (11.5)           | (11.5)           |
| Forward Energy Contracts - 2008 (15 mth Contract)            | 76.2             | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| Pay-As-You-Go Capital  | <u>0.0</u>       | <u>(35.0)</u>    | <u>(70.0)</u>    | <u>(105.0)</u>   | <u>(140.0)</u>   | <u>(175.0)</u>   |
|  | \$234.0          | \$88.0           | (\$216.0)        | (\$251.0)        | (\$151.5)        | (\$186.5)        |
| <b>Total Dedicated Taxes &amp; State and Local Subsidies</b> | <b>\$2,874.7</b> | <b>\$3,296.2</b> | <b>\$3,024.8</b> | <b>\$3,272.0</b> | <b>\$3,279.1</b> | <b>\$3,688.3</b> |
| <b><i>Inter-agency Subsidy Transactions</i></b>              |                  |                  |                  |                  |                  |                  |
| Bridges and Tunnels Operating Surplus Transfer               | \$96.2           | \$125.6          | \$129.0          | \$121.3          | \$100.7          | \$76.4           |
| <b>GROSS SUBSIDIES</b>                                       | <b>\$2,970.9</b> | <b>\$3,421.8</b> | <b>\$3,153.7</b> | <b>\$3,393.3</b> | <b>\$3,379.8</b> | <b>\$3,764.7</b> |



**MTA Commuter Railroad Subsidy Allocation**  
**July Financial Plan 2011 - 2014**  
**Cash Basis**  
(\$ in millions)

|   | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <b><u>Subsidies</u></b>                                       |                  |                  |                  |                  |                  |                  |
| <b><i>Dedicated Taxes</i></b>                                 |                  |                  |                  |                  |                  |                  |
| Metropolitan Mass Transportation Operating Assistance (MMTOA) | \$425.0          | \$450.5          | \$468.4          | \$499.7          | \$522.3          | \$540.3          |
| Petroleum Business Tax (PBT) Receipts                         | 94.4             | 91.0             | 92.4             | 93.1             | 92.7             | 92.6             |
| Mortgage Recording Tax (MRT)                                  | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| Investment Income   | <u>0.9</u>       | <u>0.9</u>       | <u>1.0</u>       | <u>1.0</u>       | <u>1.0</u>       | <u>1.1</u>       |
|   | \$520.3          | \$542.4          | \$561.8          | \$593.8          | \$616.1          | \$634.0          |
| <b><i>New State Taxes and Fees</i></b>                        |                  |                  |                  |                  |                  |                  |
| Payroll Mobility Tax  | \$15.8           | \$166.8          | \$295.4          | \$210.6          | \$442.2          | \$124.0          |
| MTA Aid   | <u>11.5</u>      | <u>121.7</u>     | <u>121.7</u>     | <u>121.7</u>     | <u>121.7</u>     | <u>121.7</u>     |
|   | \$27.3           | \$288.4          | \$417.1          | \$332.3          | \$563.9          | \$245.6          |
| <b><i>State and Local Subsidies</i></b>                       |                  |                  |                  |                  |                  |                  |
| State Operating Assistance                                    | \$29.3           | \$29.3           | \$29.3           | \$29.3           | \$29.3           | \$29.3           |
| Local Operating Assistance                                    | 29.3             | 29.3             | 29.3             | 29.3             | 29.3             | 29.3             |
| CDOT Subsidy  | 84.9             | 81.7             | 93.7             | 104.7            | 118.4            | 124.0            |
| Station Maintenance   | 145.2            | 149.1            | 152.1            | 155.3            | 158.5            | 161.3            |
| AMTAP   | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       | <u>0.0</u>       |
|   | \$288.6          | \$289.3          | \$304.3          | \$318.5          | \$335.5          | \$343.8          |
| 2006 Surplus Recovery   | \$25.0           | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            |
| Forward Energy Contracts - 2008 (15 mth Contract)             | 20.9             | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| Forward Energy Contracts - 2009 (12 mth Contract)             | (73.0)           | 73.4             | 0.0              | 0.0              | 0.0              | 0.0              |
| Pay-As-You-Go Capital   | <u>0.0</u>       | <u>(15.0)</u>    | <u>(30.0)</u>    | <u>(45.0)</u>    | <u>(60.0)</u>    | <u>(75.0)</u>    |
|   | (\$27.1)         | \$58.4           | (\$30.0)         | (\$45.0)         | (\$60.0)         | (\$75.0)         |
| <b>Total Dedicated Taxes &amp; State and Local Subsidies</b>  | <b>\$809.1</b>   | <b>\$1,178.6</b> | <b>\$1,253.2</b> | <b>\$1,199.6</b> | <b>\$1,455.4</b> | <b>\$1,148.4</b> |
| <b><i>Inter-agency Subsidy Transactions</i></b>               |                  |                  |                  |                  |                  |                  |
| Bridges and Tunnels Operating Surplus Transfer                | \$222.0          | \$257.6          | \$248.6          | \$241.1          | \$221.0          | \$196.8          |
| <b>GROSS SUBSIDIES</b>  | <b>\$1,031.0</b> | <b>\$1,436.2</b> | <b>\$1,501.7</b> | <b>\$1,440.7</b> | <b>\$1,676.4</b> | <b>\$1,345.2</b> |

**MTA Long Island Bus Subsidy Allocation**  
**July Financial Plan 2011 - 2014**  
**Cash Basis**  
(\$ in millions)

|  | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b><u>Subsidies</u></b>                                      |               |               |               |               |               |               |
| <b><i>Dedicated Taxes</i></b>                                |               |               |               |               |               |               |
| MMTOA Allocation   | \$46.8        | \$45.3        | \$46.8        | \$49.9        | \$52.2        | \$54.0        |
| <b><i>State and Local Subsidies</i></b>                      |               |               |               |               |               |               |
| State Operating Assistance                                   | \$6.5         | \$8.6         | \$3.0         | \$3.0         | \$3.0         | \$3.0         |
| Nassau County Subsidy  | <u>10.5</u>   | <u>9.1</u>    | <u>9.1</u>    | <u>9.1</u>    | <u>9.1</u>    | <u>9.1</u>    |
|  | \$17.0        | \$17.7        | 12.1          | 12.1          | 12.1          | 12.1          |
| <b>Total Dedicated Taxes &amp; State and Local Subsidies</b> | <b>\$63.9</b> | <b>\$63.0</b> | \$58.8        | \$62.0        | \$64.2        | \$66.0        |
| <b><i>Inter-agency Subsidy Transactions</i></b>              |               |               |               |               |               |               |
| MTA Subsidy to Subsidiaries                                  | \$16.4        | \$21.5        | \$29.3        | \$29.8        | \$29.7        | \$31.6        |
| <b>GROSS SUBSIDIES</b>                                       | <b>\$80.2</b> | <b>\$84.5</b> | <b>\$88.1</b> | <b>\$91.8</b> | <b>\$93.9</b> | <b>\$97.6</b> |

**MTA Staten Island Railway Subsidy Allocation**  
**July Financial Plan 2011 - 2014**  
**Cash Basis**  
(\$ in millions)

|  | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b><u>Subsidies</u></b>                                      |               |               |               |               |               |               |
| <b><i>Dedicated Taxes</i></b>                                |               |               |               |               |               |               |
| Metropolitan Mass Transportation Operating Assistance        | \$2.8         | \$2.9         | \$3.1         | \$3.3         | \$3.4         | \$3.6         |
| Mortgage Recording Tax (MRT)                                 | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    |
|  | \$2.8         | \$2.9         | \$3.1         | \$3.3         | \$3.4         | \$3.6         |
| <b><i>State and Local Subsidies</i></b>                      |               |               |               |               |               |               |
| State Operating Assistance                                   | \$0.5         | \$0.5         | \$0.5         | \$0.5         | \$0.5         | \$0.5         |
| Local Operating Assistance                                   | <u>0.5</u>    | <u>0.5</u>    | <u>0.5</u>    | <u>0.5</u>    | <u>0.5</u>    | <u>0.5</u>    |
|  | \$1.1         | \$1.0         | \$1.0         | \$1.0         | \$1.0         | \$1.0         |
| <b>Total Dedicated Taxes &amp; State and Local Subsidies</b> | <b>\$3.9</b>  | <b>\$3.9</b>  | <b>\$4.1</b>  | <b>\$4.3</b>  | <b>\$4.4</b>  | <b>\$4.6</b>  |
| <b><i>Inter-agency Subsidy Transactions</i></b>              |               |               |               |               |               |               |
| MTA Subsidy to Subsidiaries                                  | \$32.3        | \$28.4        | \$25.4        | \$27.3        | \$27.9        | \$29.0        |
| <b>GROSS SUBSIDIES</b>                                       | <b>\$36.1</b> | <b>\$32.4</b> | <b>\$29.4</b> | <b>\$31.6</b> | <b>\$32.3</b> | <b>\$33.5</b> |

**MTA Headquarters Subsidy Allocation**  
**July Financial Plan 2011 - 2014**  
**Cash Basis**  
(\$ in millions)

|  | 2009            | 2010             | 2011             | 2012             | 2013             | 2014             |
|--|-----------------|------------------|------------------|------------------|------------------|------------------|
| <b><u>Subsidies</u></b>                |                 |                  |                  |                  |                  |                  |
| <b><u>Dedicated Taxes</u></b>          |                 |                  |                  |                  |                  |                  |
| <u>Mortgage Recording Tax-1</u>        |                 |                  |                  |                  |                  |                  |
| Net Receipts After Agency Transfers    | \$149.9         | \$153.0          | \$168.7          | \$193.3          | \$226.8          | \$235.6          |
| <u>Adjustments</u>                     |                 |                  |                  |                  |                  |                  |
| Diversion of MRT to Suburban Counties  | \$0.0           | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            |
| Carryover/Opening Balances/Interest    | 17.6            | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| MRT-2 Required to Balance              | 148.2           | 167.5            | 167.3            | 147.7            | 123.5            | 131.8            |
| <i>Total Adjustments</i>               | <i>\$165.8</i>  | <i>\$167.5</i>   | <i>\$167.3</i>   | <i>\$147.7</i>   | <i>\$123.5</i>   | <i>\$131.8</i>   |
| <b>Net Funding of MTA Headquarters</b> | <b>\$315.7</b>  | <b>\$320.4</b>   | <b>\$336.0</b>   | <b>\$341.0</b>   | <b>\$350.2</b>   | <b>\$367.4</b>   |
| <u>Mortgage Recording Tax - 2</u>      |                 |                  |                  |                  |                  |                  |
| Net Receipts                           | \$101.9         | \$93.6           | \$96.6           | \$107.9          | \$128.7          | \$131.7          |
| <u>Adjustments</u>                     |                 |                  |                  |                  |                  |                  |
| Funding of General Reserve             | \$0.0           | (\$50.0)         | (\$100.0)        | (\$100.0)        | (\$100.0)        | (\$100.0)        |
| Diversion of MRT to Suburban Counties  | (6.2)           | (3.4)            | (3.1)            | (3.4)            | (4.3)            | (6.0)            |
| Carryover/Opening Balances/Interest    | 4.2             | 4.2              | 4.2              | 4.3              | 4.3              | 4.3              |
| Agency Security Costs from MRT         | (10.0)          | (10.0)           | (10.0)           | (10.0)           | (10.0)           | (10.0)           |
| Transfer to MRT-1                      | (148.2)         | (167.5)          | (167.3)          | (147.7)          | (123.5)          | (131.8)          |
| Downsizing                             | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| Enhanced Security Training             | (6.2)           | (6.2)            | 0.0              | 0.0              | 0.0              | 0.0              |
| Service Marketing Campaign             | 0.0             | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| MTA Bus Debt Service                   | (23.2)          | (24.9)           | (24.9)           | (24.9)           | (24.9)           | (24.9)           |
| Cash Defeasance Loan for TBTA          | 90.8            | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| <i>Total Adjustments</i>               | <i>(\$98.8)</i> | <i>(\$257.8)</i> | <i>(\$301.0)</i> | <i>(\$281.7)</i> | <i>(\$258.4)</i> | <i>(\$268.3)</i> |
| <b>Unallocated MRT-2 Receipts</b>      | <b>\$3.1</b>    | <b>(\$164.2)</b> | <b>(\$204.4)</b> | <b>(\$173.9)</b> | <b>(\$129.7)</b> | <b>(\$136.6)</b> |

**MTA Bus Company Subsidy Allocation**  
**July Financial Plan 2011 - 2014**  
**Cash Basis**  
(\$ in millions)

|                                 | 2009           | 2010           | 2011           | 2012           | 2013           | 2014           |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b><u>Subsidies</u></b>         |                |                |                |                |                |                |
| City Subsidy to MTA Bus Company | <b>\$286.7</b> | <b>\$328.4</b> | <b>\$319.0</b> | <b>\$330.0</b> | <b>\$353.7</b> | <b>\$365.8</b> |

**MTA BRIDGES & TUNNELS**  
**SURPLUS TRANSFER**  
**July Financial Plan 2010 - 2014**  
(\$ in millions)

**NON-REIMBURSABLE**

| ACTUAL | FORECAST |      |      |      |      |
|--------|----------|------|------|------|------|
| 2009   | 2010     | 2011 | 2012 | 2013 | 2014 |

**Deductions from Net Operating Income:**

|                    |         |         |         |         |         |         |
|--------------------|---------|---------|---------|---------|---------|---------|
| Investment Income  | \$0.256 | \$0.145 | \$1.627 | \$2.707 | \$2.916 | \$3.674 |
| Total Debt Service | 599.416 | 594.294 | 619.179 | 629.910 | 654.343 | 686.364 |
| Reserves           | 17.300  | 10.101  | 18.329  | 18.639  | 18.600  | 18.573  |
| Capitalized Assets | 14.373  | 14.162  | 14.409  | 14.640  | 14.881  | 15.133  |
| GASB Reserves      | 2.210   | 2.322   | 2.365   | 2.492   | 2.562   | 2.625   |

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Deductions from Net Operating Income</b> | <b>\$633.555</b> | <b>\$621.024</b> | <b>\$655.909</b> | <b>\$668.388</b> | <b>\$693.302</b> | <b>\$726.370</b> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|

|  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Income Available for Transfer to MTA and NYCT</b> | <b>\$314.459</b> | <b>\$392.120</b> | <b>\$375.967</b> | <b>\$360.990</b> | <b>\$317.285</b> | <b>\$268.248</b> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|

**Distribution of Funds to MTA:**

|                                   |         |         |         |         |         |         |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| Investment Income in Current Year | \$0.256 | \$0.145 | \$1.627 | \$2.707 | \$2.916 | \$3.674 |
| Accrued Current Year Allocation   | 222.303 | 257.157 | 247.637 | 240.419 | 218.800 | 194.343 |

|  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Accrued Amount Distributed to MTA</b> | <b>\$222.559</b> | <b>\$257.301</b> | <b>\$249.264</b> | <b>\$243.126</b> | <b>\$221.716</b> | <b>\$198.017</b> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|

**Distribution of Funds to NYCT:**

|   |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|
| First \$24 million of Surplus reserved for NYCT | \$24.000 | \$24.000 | \$24.000 | \$24.000 | \$24.000 | \$24.000 |
| Additional Accrued Current Year Allocation      | 68.156   | 110.963  | 104.330  | 96.571   | 74.485   | 49.906   |

|   |                 |                  |                  |                  |                 |                 |
|---|-----------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Total Accrued Amount Distributed to NYCT</b> | <b>\$92.156</b> | <b>\$134.963</b> | <b>\$128.330</b> | <b>\$120.571</b> | <b>\$98.485</b> | <b>\$73.906</b> |
|---|-----------------|------------------|------------------|------------------|-----------------|-----------------|

**Actual Cash Transfer to MTA and NYCT:**

|                                 |           |           |           |           |           |           |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| From Current Year Surplus       | \$221.977 | \$257.578 | \$248.589 | \$241.141 | \$220.962 | \$196.788 |
| Investment Income in Prior Year | 4.491     | 0.256     | 0.145     | 1.627     | 2.707     | 2.916     |

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Cash Amount Distributed to MTA</b> | <b>\$226.468</b> | <b>\$257.834</b> | <b>\$248.733</b> | <b>\$242.768</b> | <b>\$223.669</b> | <b>\$199.704</b> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|

|  |                 |                  |                  |                  |                  |                 |
|--|-----------------|------------------|------------------|------------------|------------------|-----------------|
| <b>Total Cash Amount Distributed to NYCT</b> | <b>\$96.196</b> | <b>\$125.607</b> | <b>\$128.993</b> | <b>\$121.347</b> | <b>\$100.693</b> | <b>\$76.364</b> |
|--|-----------------|------------------|------------------|------------------|------------------|-----------------|

**Debt Service Detail by Agency:**

|                                     |                  |                  |                  |                  |                  |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| B&T Own Purpose DS                  | \$172.439        | \$204.877        | \$230.837        | \$240.101        | \$263.187        | \$294.923        |
| NYCT Transportation DS              | 290.562          | 267.805          | 265.825          | 266.829          | 267.735          | 267.939          |
| MTA Transportation DS               | 136.415          | 121.612          | 122.518          | 122.981          | 123.420          | 123.502          |
| <b>Total Debt Service by Agency</b> | <b>\$599.416</b> | <b>\$594.294</b> | <b>\$619.179</b> | <b>\$629.910</b> | <b>\$654.343</b> | <b>\$686.364</b> |

**Total Accrued Amount for Transfer to MTA and NYCT:**

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Adjusted Net Income Available for Transfer      | \$913.875        | \$986.413        | \$995.146        | \$990.900        | \$971.627        | \$954.612        |
| Less: B&T Total Debt Service                          | (172.439)        | (204.877)        | (230.837)        | (240.101)        | (263.187)        | (294.923)        |
| Less: first \$24 million reserved for NYCT            | (24.000)         | (24.000)         | (24.000)         | (24.000)         | (24.000)         | (24.000)         |
| <b>Remainder of Total Accrued Amount for Transfer</b> | <b>\$717.436</b> | <b>\$757.536</b> | <b>\$740.309</b> | <b>\$726.799</b> | <b>\$684.440</b> | <b>\$635.689</b> |

**Calculation of Actual Cash Transfer to MTA:**

|  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Distribution of Remainder to MTA</b>            |                  |                  |                  |                  |                  |                  |
| Fifty Percent of Total Accrued Amount for Transfer | \$358.718        | \$378.768        | \$370.154        | \$363.400        | \$342.220        | \$317.845        |
| Less: MTA Total Debt Service                       | (136.415)        | (121.612)        | (122.518)        | (122.981)        | (123.420)        | (123.502)        |
| <b>MTA's Accrued Current Year Allocation</b>       | <b>\$222.303</b> | <b>\$257.157</b> | <b>\$247.637</b> | <b>\$240.419</b> | <b>\$218.800</b> | <b>\$194.343</b> |
| <b>Cash Conversion of MTA's Accrued Amount</b>     |                  |                  |                  |                  |                  |                  |
| Current Year Amount                                | \$196.166        | \$231.441        | \$222.873        | \$216.377        | \$196.920        | \$174.908        |
| Balance of Prior Year                              | 25.811           | 26.137           | 25.716           | 24.764           | 24.042           | 21.880           |
| <b>Cash Transfer to MTA</b>                        | <b>\$221.977</b> | <b>\$257.578</b> | <b>\$248.589</b> | <b>\$241.141</b> | <b>\$220.962</b> | <b>\$196.788</b> |

**Calculation of Actual Cash Transfer to NYCT:**

|  |                 |                  |                  |                  |                  |                 |
|--|-----------------|------------------|------------------|------------------|------------------|-----------------|
| <b>Distribution of Remainder to NYCT</b>           |                 |                  |                  |                  |                  |                 |
| Fifty Percent of Total Accrued Amount for Transfer | \$358.718       | \$378.768        | \$370.154        | \$363.400        | \$342.220        | \$317.845       |
| Less: NYCT Total Debt Service                      | (290.562)       | (267.805)        | (265.825)        | (266.829)        | (267.735)        | (267.939)       |
| Plus: first \$24 million reserved for NYCT         | 24.000          | 24.000           | 24.000           | 24.000           | 24.000           | 24.000          |
| <b>NYCT's Accrued Current Year Allocation</b>      | <b>\$92.156</b> | <b>\$134.963</b> | <b>\$128.330</b> | <b>\$120.571</b> | <b>\$98.485</b>  | <b>\$73.906</b> |
| <b>Cash Conversion of NYCT's Accrued Amount</b>    |                 |                  |                  |                  |                  |                 |
| Current Year Amount                                | \$88.016        | \$121.467        | \$115.497        | \$108.514        | \$88.636         | \$66.515        |
| Balance of Prior Year                              | 8.180           | 4.141            | 13.496           | 12.833           | 12.057           | 9.848           |
| <b>Cash Transfer to NYCT</b>                       | <b>\$96.196</b> | <b>\$125.607</b> | <b>\$128.993</b> | <b>\$121.347</b> | <b>\$100.693</b> | <b>\$76.364</b> |

**B & T Charged Debt Service Detail by Type:**

|  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Project Debt Service</b>              |                  |                  |                  |                  |                  |                  |
| B & T Own Purpose Debt Service           | \$172.439        | \$204.877        | \$230.837        | \$240.101        | \$263.187        | \$294.923        |
| NYCT Transportation Project Debt Service | 290.562          | 267.805          | 265.825          | 266.829          | 267.735          | 267.939          |
| MTA Transportation Project Debt Service  | 136.415          | 121.612          | 122.518          | 122.981          | 123.420          | 123.502          |
| <b>Total Project Debt Service</b>        | <b>\$599.416</b> | <b>\$594.294</b> | <b>\$619.179</b> | <b>\$629.910</b> | <b>\$654.343</b> | <b>\$686.364</b> |

**SUMMARY**  
**MTA LONG ISLAND BUS**  
**MULTI-YEAR FINANCIAL PLAN**  
**2011 - 2014**  
(\$ in millions)

Line  
Number

|  | ACTUAL          | FORECAST        |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2009            | 2010            | 2011            | 2012            | 2013            | 2014            |
| <b><u>Revenue Summary:</u></b>                               |                 |                 |                 |                 |                 |                 |
| Farebox Revenue  | \$42.0          | \$43.1          | \$43.5          | \$43.9          | \$44.2          | \$44.6          |
| <i>Additional Actions for Budget Balance: Revenue Impact</i> | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| Other Revenue  | 3.5             | 2.1             | 1.7             | 1.7             | 1.8             | 1.9             |
| State/Local Subsidies  | 65.0            | 61.9            | 58.8            | 62.0            | 64.2            | 66.0            |
| <b>Total Revenue Before MTA Subsidy</b>                      | <b>\$110.5</b>  | <b>\$107.1</b>  | <b>\$104.0</b>  | <b>\$107.6</b>  | <b>\$110.3</b>  | <b>\$112.4</b>  |
| <b><u>Non-Reimbursable Expense Summary:</u></b>              |                 |                 |                 |                 |                 |                 |
| Labor Expenses   | \$100.7         | \$98.4          | \$102.3         | \$105.1         | \$106.6         | \$109.6         |
| Non-Labor Expenses   | 22.5            | 31.4            | 31.6            | 32.8            | 33.9            | 34.9            |
| Depreciation   | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| OPEB Obligation  | 8.1             | 10.7            | 10.8            | 10.8            | 10.9            | 10.9            |
| Environmental Remediation                                    | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| <b>Total Non-Reimbursable Expenses</b>                       | <b>\$131.3</b>  | <b>\$140.6</b>  | <b>\$144.7</b>  | <b>\$148.7</b>  | <b>\$151.3</b>  | <b>\$155.5</b>  |
| <b>Total Net Revenue</b>                                     | <b>(\$20.8)</b> | <b>(\$33.5)</b> | <b>(\$40.6)</b> | <b>(\$41.1)</b> | <b>(\$41.1)</b> | <b>(\$43.0)</b> |
| <b><u>Cash Adjustment Summary:</u></b>                       |                 |                 |                 |                 |                 |                 |
| Operating Cash Adjustments                                   | \$5.8           | \$5.6           | \$11.3          | \$11.3          | \$11.4          | \$11.5          |
| Subsidy Cash Adjustments                                     | (1.1)           | 1.1             | 0.0             | 0.0             | 0.0             | 0.0             |
| <b>Total Cash Adjustment</b>                                 | <b>\$4.7</b>    | <b>\$6.7</b>    | <b>\$11.3</b>   | <b>\$11.3</b>   | <b>\$11.4</b>   | <b>\$11.5</b>   |
| <b>Gross Cash Balance</b>                                    | <b>(\$16.1)</b> | <b>(\$26.8)</b> | <b>(\$29.3)</b> | <b>(\$29.8)</b> | <b>(\$29.7)</b> | <b>(\$31.6)</b> |
| MTA Internal Subsidy   | 16.4            | 21.5            | 29.3            | 29.8            | 29.7            | 31.6            |
| <b>Net Cash Balance from Previous Year</b>                   | <b>\$5.0</b>    | <b>\$5.3</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    |
| <b>Baseline Net Cash Surplus/(Deficit)</b>                   | <b>\$5.3</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    |



**SUMMARY**  
**MTA STATEN ISLAND RAILWAY**  
**MULTI-YEAR FINANCIAL PLAN**  
**2011 - 2014**  
(\$ in millions)

| Line<br>Number |   | ACTUAL          | FORECAST        |                 |                 |                 |                 |
|----------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                |   | 2009            | 2010            | 2011            | 2012            | 2013            | 2014            |
| 9              |   |                 |                 |                 |                 |                 |                 |
| 10             | <b><u>Revenue Summary:</u></b>                  |                 |                 |                 |                 |                 |                 |
| 11             |   |                 |                 |                 |                 |                 |                 |
| 12             | Farebox Revenue                                 | \$4.4           | \$5.1           | \$5.2           | \$5.4           | \$5.4           | \$5.5           |
| 13             | Other Revenue                                   | 2.1             | 2.1             | 2.1             | 2.1             | 2.1             | 2.1             |
| 14             | State/City Subsidies                            | 4.0             | 3.9             | 4.1             | 4.3             | 4.4             | 4.6             |
| 15             |   |                 |                 |                 |                 |                 |                 |
| 16             | <b>Total Revenue Before MTA Subsidy</b>         | <b>\$10.4</b>   | <b>\$11.1</b>   | <b>\$11.4</b>   | <b>\$11.7</b>   | <b>\$11.9</b>   | <b>\$12.1</b>   |
| 17             |   |                 |                 |                 |                 |                 |                 |
| 18             | <b><u>Non-Reimbursable Expense Summary:</u></b> |                 |                 |                 |                 |                 |                 |
| 19             |   |                 |                 |                 |                 |                 |                 |
| 20             | Labor Expenses                                  | \$24.1          | \$25.8          | \$28.3          | \$30.1          | \$30.5          | \$31.3          |
| 21             | Non-Labor Expenses                              | 21.3            | 12.5            | 8.1             | 8.6             | 8.9             | 9.4             |
| 22             | Depreciation                                    | 8.0             | 7.7             | 7.7             | 7.7             | 7.7             | 7.7             |
| 23             | OPEB Obligation                                 | 2.0             | 2.8             | 2.8             | 3.0             | 3.0             | 3.0             |
| 24             | Environmental Remediation                       | 0.3             | 0.3             | 0.3             | 0.3             | 0.3             | 0.3             |
| 25             |   |                 |                 |                 |                 |                 |                 |
| 26             | <b>Total Non-Reimbursable Expenses</b>          | <b>\$55.8</b>   | <b>\$49.1</b>   | <b>\$47.2</b>   | <b>\$49.7</b>   | <b>\$50.4</b>   | <b>\$51.7</b>   |
| 27             |   |                 |                 |                 |                 |                 |                 |
| 28             |   |                 |                 |                 |                 |                 |                 |
| 29             | <b>Total Net Revenue</b>                        | <b>(\$45.3)</b> | <b>(\$37.9)</b> | <b>(\$35.8)</b> | <b>(\$37.9)</b> | <b>(\$38.5)</b> | <b>(\$39.6)</b> |
| 30             |   |                 |                 |                 |                 |                 |                 |
| 31             | <b><u>Cash Adjustment Summary:</u></b>          |                 |                 |                 |                 |                 |                 |
| 32             |   |                 |                 |                 |                 |                 |                 |
| 33             | Operating Cash Adjustments                      | \$14.6          | \$7.7           | \$10.5          | \$10.6          | \$10.6          | \$10.6          |
| 34             | Subsidy Cash Adjustments                        | (0.1)           | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| 35             |   |                 |                 |                 |                 |                 |                 |
| 36             | <b>Total Cash Adjustment</b>                    | <b>\$14.5</b>   | <b>\$7.7</b>    | <b>\$10.5</b>   | <b>\$10.6</b>   | <b>\$10.6</b>   | <b>\$10.6</b>   |
| 37             |   |                 |                 |                 |                 |                 |                 |
| 38             | <b>Gross Cash Balance</b>                       | <b>(\$30.9)</b> | <b>(\$30.2)</b> | <b>(\$25.4)</b> | <b>(\$27.3)</b> | <b>(\$27.9)</b> | <b>(\$29.0)</b> |
| 39             |   |                 |                 |                 |                 |                 |                 |
| 40             | MTA Internal Subsidy before PEGs                | 32.3            | 28.4            | 25.4            | 27.3            | 27.9            | 29.0            |
| 41             |   |                 |                 |                 |                 |                 |                 |
| 42             | <b>Net Cash Balance from Previous Year</b>      | <b>\$0.4</b>    | <b>\$1.8</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    |
| 43             |   |                 |                 |                 |                 |                 |                 |
| 44             |   |                 |                 |                 |                 |                 |                 |
| 45             | <b>Baseline Net Cash Surplus/(Deficit)</b>      | <b>\$1.8</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    | <b>\$0.0</b>    |

**SUMMARY**  
**MTA BUS COMPANY**  
**MULTI-YEAR FINANCIAL PLAN**  
**2011 - 2014**  
(\$ in millions)

Line  
Number

|    | ACTUAL  | FORECAST         |                  |                  |                  |                  |
|----|---|------------------|------------------|------------------|------------------|------------------|
|    | 2009  | 2010             | 2011             | 2012             | 2013             | 2014             |
| 9  |   |                  |                  |                  |                  |                  |
| 10 | <b><u>Revenue Summary:</u></b>                  |                  |                  |                  |                  |                  |
| 11 |   |                  |                  |                  |                  |                  |
| 12 | Farebox Revenue                                 | \$160.0          | \$165.5          | \$167.2          | \$169.7          | \$171.9          |
| 13 | Other Revenue                                   | 21.4             | 17.7             | 18.8             | 19.0             | 19.4             |
| 14 |   |                  |                  |                  |                  |                  |
| 15 | <b>Total Revenue Before MTA Subsidy</b>         | <b>\$181.4</b>   | <b>\$183.2</b>   | <b>\$186.0</b>   | <b>\$188.7</b>   | <b>\$191.3</b>   |
| 16 |   |                  |                  |                  |                  |                  |
| 17 | <b><u>Non-Reimbursable Expense Summary:</u></b> |                  |                  |                  |                  |                  |
| 18 |   |                  |                  |                  |                  |                  |
| 19 | Labor Expenses                                  | \$339.0          | \$358.0          | \$371.8          | \$384.5          | \$394.6          |
| 20 | Non-Labor Expenses                              | 119.0            | 126.2            | 138.1            | 141.4            | 149.7            |
| 21 | Depreciation                                    | 36.5             | 40.2             | 42.2             | 42.2             | 42.2             |
| 22 | OPEB Obligation                                 | 47.1             | 67.6             | 68.5             | 70.0             | 71.6             |
| 23 | Environmental Remediation                       | 2.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| 24 |   |                  |                  |                  |                  |                  |
| 25 | <b>Total Non-Reimbursable Expenses</b>          | <b>\$543.6</b>   | <b>\$592.0</b>   | <b>\$620.6</b>   | <b>\$638.2</b>   | <b>\$658.2</b>   |
| 26 |   |                  |                  |                  |                  |                  |
| 27 |   |                  |                  |                  |                  |                  |
| 28 | <b>Total Net Revenue</b>                        | <b>(\$362.2)</b> | <b>(\$408.8)</b> | <b>(\$434.6)</b> | <b>(\$449.5)</b> | <b>(\$466.9)</b> |
| 29 |   |                  |                  |                  |                  |                  |
| 30 | Cash Adjustments                                | \$87.6           | \$69.6           | \$119.7          | \$116.5          | \$113.3          |
| 31 |   |                  |                  |                  |                  |                  |
| 32 | <b>Total Cash Adjustment</b>                    | <b>\$87.6</b>    | <b>\$69.6</b>    | <b>\$119.7</b>   | <b>\$116.5</b>   | <b>\$113.3</b>   |
| 33 |   |                  |                  |                  |                  |                  |
| 34 | <b>Gross Cash Balance</b>                       | <b>(\$274.6)</b> | <b>(\$339.2)</b> | <b>(\$314.9)</b> | <b>(\$333.0)</b> | <b>(\$353.7)</b> |
| 35 |   |                  |                  |                  |                  |                  |
| 36 | <b><u>City Subsidy</u></b>                      |                  |                  |                  |                  |                  |
| 37 | Accrued   | 274.6            | 339.2            | 314.9            | 333.0            | 353.7            |
| 38 | Cash  | 286.7            | 328.4            | 319.0            | 330.0            | 350.2            |
| 39 | CFA   | 12.0             | (10.8)           | 4.0              | (3.0)            | (3.4)            |
| 40 |   |                  |                  |                  |                  |                  |
| 41 | <b>Net Cash Balance from Previous Year</b>      | <b>\$45.3</b>    | <b>\$57.3</b>    | <b>\$46.6</b>    | <b>\$50.6</b>    | <b>\$47.6</b>    |
| 42 |   |                  |                  |                  |                  |                  |
| 43 |   |                  |                  |                  |                  |                  |
| 44 | <b>Baseline Net Cash Surplus/(Deficit)</b>      | <b>\$57.3</b>    | <b>\$46.6</b>    | <b>\$50.6</b>    | <b>\$47.6</b>    | <b>\$44.2</b>    |

**MTA New York City Transit**  
**2009 Actual / 2010 - 2013 Financial Plan**  
**July 2010 Update**  
**Paratransit Operations**

(\$ in thousands)

|   | <b>2010 Financial Plan</b> |                   |                   |                   |                   |
|---|----------------------------|-------------------|-------------------|-------------------|-------------------|
|   | <b>2009 Actual</b>         | <b>2010 Fcst</b>  | <b>2011</b>       | <b>2012</b>       | <b>2013</b>       |
| <b><u>Paratransit Costs:</u></b>            |                            |                   |                   |                   |                   |
| Operating Expenses                          |                            |                   |                   |                   |                   |
| Salaries                                    | \$ 10,583                  | \$ 12,189         | \$ 12,047         | \$ 12,047         | \$ 12,047         |
| Benefits                                    | 3,224                      | 3,759             | 3,692             | 3,692             | 3,692             |
| Other than Personal Services                | 426,688                    | 456,414           | 438,585           | 531,399           | 644,276           |
| subtotal                                    | 440,495                    | 472,362           | 454,324           | 547,138           | 660,015           |
| Provision - \$80M Savings Target            | -                          | -                 | 27,204            | 30,915            | 34,389            |
| <b>Total Paratransit Costs</b>              | <b>\$ 440,495</b>          | <b>\$ 472,362</b> | <b>\$ 481,528</b> | <b>\$ 578,053</b> | <b>\$ 694,404</b> |
| <b><u>Revenue:</u></b>                      |                            |                   |                   |                   |                   |
| Fares                                       | \$ 13,942                  | \$ 17,097         | \$ 18,536         | \$ 21,582         | \$ 25,083         |
| Urban Tax                                   | 9,649                      | 12,518            | 16,397            | 19,406            | 20,790            |
| <i>Sub-total</i>                            | \$ 23,591                  | \$ 29,615         | \$ 34,933         | \$ 40,988         | \$ 45,873         |
| City Reimbursements                         | 61,478                     | 73,777            | 88,533            | 106,240           | 127,489           |
| <b>Total Revenue</b>                        | <b>\$ 85,069</b>           | <b>\$ 103,392</b> | <b>\$ 123,466</b> | <b>\$ 147,228</b> | <b>\$ 173,362</b> |
| <b>Net NYCT Expense</b>                     | <b>\$ 355,426</b>          | <b>\$ 368,970</b> | <b>\$ 358,062</b> | <b>\$ 430,825</b> | <b>\$ 521,042</b> |
| <b><u>Funding as a Percent of Cost:</u></b> |                            |                   |                   |                   |                   |
| Farebox                                     | 3.2%                       | 3.6%              | 3.8%              | 3.7%              | 3.6%              |
| Urban Tax                                   | 2.2%                       | 2.7%              | 3.4%              | 3.4%              | 3.0%              |
| New York City Share                         | 14.0%                      | 15.6%             | 18.4%             | 18.4%             | 18.4%             |
| NYCT Share                                  | 80.7%                      | 78.1%             | 74.4%             | 74.5%             | 75.0%             |
| ADA Trips                                   | 6,334,081                  | 7,100,074         | 7,697,828         | 8,962,406         | 10,416,671        |

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## **Debt Service**

## Debt Service in the Financial Plan

- The following table reflects debt service projections for 2010 through 2014 associated with *approved* Capital Programs, including the 2010-2014 Capital Programs. As approved by CPRB earlier this year, the 2010-2014 Capital Programs finances capital expenditures associated with the first two years of commitments for transit, commuter railroads and bus. The TBTA 2010-2014 Capital Program finances capital expenditures associated with the full five years of commitments. The table summarizes all MTA and TBTA debt service for this July 2010 Financial Plan (excluding State Service Contract and Convention Center debt service which is fully paid by New York State).

| Debt Service Forecast (in millions) |                               |                           |                                       |
|-------------------------------------|-------------------------------|---------------------------|---------------------------------------|
| Year                                | February Plan<br>Debt Service | July Plan<br>Debt Service | Difference<br>Favorable/(Unfavorable) |
| 2010                                | \$1,914                       | \$1,842                   | \$72                                  |
| 2011                                | 2,078                         | 2,052                     | 26                                    |
| 2012                                | 2,230                         | 2,204                     | 26                                    |
| 2013                                | 2,401                         | 2,376                     | 25                                    |
| 2014                                | <u>2,573</u>                  | <u>2,555</u>              | <u>18</u>                             |
| <b>Total:</b>                       | <b>\$11,196</b>               | <b>\$11,029</b>           | <b>167</b>                            |

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

### Debt Issuance Assumptions:

| Forecasted Borrowing Schedule        | 2010    | 2011    | 2012  | 2013  | 2014  |
|--------------------------------------|---------|---------|-------|-------|-------|
| New Money Bonds *(\$ in millions)    | 1,078** | 1,644** | 2,048 | 2,515 | 1,912 |
| Assumed Fixed-Rates                  |         |         |       |       |       |
| Transportation Revenue Bonds         | 5.40%   | 5.76%   | 6.99% | 7.21% | 7.35% |
| Dedicated Tax Fund Bonds             | 4.90%   | 5.22%   | 6.34% | 6.54% | 6.67% |
| Triborough Bridge & Tunnel Authority | 4.90%   | 5.22%   | 6.34% | 6.54% | 6.67% |
| Assumed Variable Rates               | 4.00%   | 4.00%   | 4.00% | 4.00% | 4.00% |
| Weighted Average Interest Rates ***  |         |         |       |       |       |
| Transportation Revenue Bonds         | 5.26%   | 5.58%   | 6.69% | 6.89% | 7.02% |
| Dedicated Tax Fund Bonds             | 4.81%   | 5.10%   | 6.11% | 6.29% | 6.40% |
| Triborough Bridge & Tunnel Authority | 4.81%   | 5.10%   | 6.11% | 6.29% | 6.40% |

\* Years 2010 to 2014 include assumed borrowing for existing approved Capital Programs as well as for the 2010-2014 Capital Programs as described earlier.

\*\* A part of New Money Bonds is anticipated to be issued in as Commercial Paper.

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

- All debt is assumed to be issued as 30-year level debt, principal amortized over the life of the bonds.
- Current fixed-rate estimates derived from prevailing Fair Market Yield Curves for A- and AA- Transportation issuers using Bloomberg Information Service. Financial Plan years 2010–2014 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of June 8, 2010).
- Split of fixed-rate debt versus variable rate debt each year is 90% fixed and 10% variable.
- New bond issues calculated interest rate at time of issuance use weighted average of fixed and variable assumptions (actual fixed-rates in table above assumed for fixed-rate bonds).
- Cost of issuance is 2% of gross bonding amount.
- New money bonds for currently approved transit and commuter projects assume a target split of 25% under the DTF credit and 75% under the Transportation credit, subject to satisfying the additional bonds test under the DTF Resolution. New money bonds for the 2010-2014 Capital Program assumed to be issued under the Transportation credit.
- All bonds issued to finance TBTA capital projects issued under the TBTA General Revenue Resolution.
- No reserve funds.

**Metropolitan Transportation Authority**  
**July Financial Plan 2010-2014**  
**Summary of Total Budgeted Debt Service**  
(\$ in millions)

|  | Forecast           |                    |                    |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2010               | 2011               | 2012               | 2013               | 2014               | 2015               | 2016               | 2017               |
| <b><u>New York City Transit:</u></b>   |                    |                    |                    |                    |                    |                    |                    |                    |
| Budgeted Gross Debt Service for Existing Transportation Revenue Bonds                            | \$490.029          | \$497.275          | \$506.394          | \$502.811          | \$508.257          | \$508.703          | \$508.403          | \$508.285          |
| Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs     | 27.414             | 103.420            | 148.666            | 191.007            | 211.040            | 211.185            | 211.185            | 211.185            |
| 2 Broadway Certificates of Participation - NYCT Lease Portion                                    | 22.709             | 21.898             | 21.904             | 21.914             | 21.950             | 21.984             | 22.004             | 22.040             |
| Transportation Resolution Commercial Paper   | 7.066              | 20.173             | 20.173             | 20.173             | 20.173             | 20.173             | 20.173             | \$20.173           |
| Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds                                | 301.564            | 325.611            | 325.699            | 327.284            | 325.740            | 325.935            | 326.030            | 326.165            |
| <u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u>  | <u>0.000</u>       | <u>7.200</u>       | <u>21.442</u>      | <u>34.713</u>      | <u>40.988</u>      | <u>41.033</u>      | <u>41.033</u>      | <u>41.033</u>      |
| Sub-Total MTA Paid Debt Service  | \$848.782          | \$975.577          | \$1,044.278        | \$1,097.903        | \$1,128.148        | \$1,129.013        | \$1,128.828        | \$1,128.881        |
| Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds                        | \$187.825          | \$186.633          | \$187.349          | \$188.694          | \$188.434          | \$188.440          | \$188.444          | \$188.378          |
| <u>Budgeted Gross Debt Service for Existing TBTA (B&amp;T) Subordinate Revenue Bonds</u>         | <u>80.037</u>      | <u>79.232</u>      | <u>79.521</u>      | <u>79.082</u>      | <u>79.544</u>      | <u>79.138</u>      | <u>79.593</u>      | <u>80.825</u>      |
| Sub-Total B&T Paid Debt Service  | \$267.862          | \$265.866          | \$266.870          | \$267.776          | \$267.979          | \$267.578          | \$268.037          | \$269.204          |
| <b>Total NYCT Debt Service</b>   | <b>\$1,116.645</b> | <b>\$1,241.443</b> | <b>\$1,311.148</b> | <b>\$1,365.679</b> | <b>\$1,396.126</b> | <b>\$1,396.591</b> | <b>\$1,396.865</b> | <b>\$1,398.085</b> |
| <b><u>Commuter Railroads:</u></b>  |                    |                    |                    |                    |                    |                    |                    |                    |
| Budgeted Gross Debt Service for Existing Transportation Revenue Bonds                            | \$348.258          | \$355.170          | \$361.683          | \$359.124          | \$363.014          | \$363.332          | \$363.118          | \$363.034          |
| Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs     | 8.657              | 37.623             | 57.641             | 65.264             | 65.463             | 65.463             | 65.463             | 65.463             |
| Transportation Resolution Commercial Paper   | \$3.761            | \$10.737           | \$10.737           | \$10.737           | \$10.737           | \$10.737           | \$10.737           | \$10.737           |
| Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds                                | 65.056             | 68.098             | 68.116             | 68.447             | 68.124             | 68.165             | 68.185             | 68.213             |
| <u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u>  | <u>0.000</u>       | <u>0.000</u>       | <u>0.000</u>       | <u>0.000</u>       | <u>0.000</u>       | <u>0.000</u>       | <u>0.000</u>       | <u>0.000</u>       |
| Sub-Total MTA Paid Debt Service  | \$425.733          | \$471.627          | \$498.177          | \$503.572          | \$507.338          | \$507.697          | \$507.502          | \$507.447          |
| Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds                        | \$86.472           | \$87.725           | \$88.062           | \$88.694           | \$88.572           | \$88.574           | \$88.576           | \$88.545           |
| <u>Budgeted Gross Debt Service for Existing TBTA (B&amp;T) Subordinate Revenue Bonds</u>         | <u>35.165</u>      | <u>34.811</u>      | <u>34.938</u>      | <u>34.745</u>      | <u>34.948</u>      | <u>34.770</u>      | <u>34.970</u>      | <u>35.511</u>      |
| Sub-Total B&T Paid Debt Service  | \$121.637          | \$122.536          | \$123.000          | \$123.439          | \$123.520          | \$123.344          | \$123.546          | \$124.057          |
| <b>Total CRR Debt Service</b>  | <b>\$547.370</b>   | <b>\$594.164</b>   | <b>\$621.177</b>   | <b>\$627.011</b>   | <b>\$630.858</b>   | <b>\$631.041</b>   | <b>\$631.048</b>   | <b>\$631.503</b>   |
| <b><u>Bridges and Tunnels:</u></b>   |                    |                    |                    |                    |                    |                    |                    |                    |
| Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds                        | \$170.739          | \$181.230          | \$181.925          | \$183.231          | \$182.979          | \$182.985          | \$182.989          | \$182.925          |
| Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds                    | 31.616             | 31.298             | 31.412             | 31.239             | 31.421             | 31.261             | 31.441             | 31.928             |
| Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs | 2.135              | 16.986             | 21.008             | 28.321             | 33.618             | 36.334             | 37.402             | 37.848             |
| 2 Broadway Certificates of Participation - TBTA Lease Portion                                    | 3.211              | 3.097              | 3.098              | 3.099              | 3.104              | 3.109              | 3.112              | 3.117              |
| <b>Total B&amp;T Debt Service</b>  | <b>\$207.701</b>   | <b>\$232.611</b>   | <b>\$237.443</b>   | <b>\$245.890</b>   | <b>\$251.123</b>   | <b>\$253.689</b>   | <b>\$254.943</b>   | <b>\$255.817</b>   |
| <b><u>MTA Bus:</u></b>   |                    |                    |                    |                    |                    |                    |                    |                    |
| Budgeted Gross Debt Service for Existing Transportation Revenue Bonds                            | \$16.178           | \$14.954           | \$15.228           | \$15.120           | \$15.284           | \$15.297           | \$15.288           | \$15.285           |
| Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs     | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| Transportation Resolution Commercial Paper   | \$1.783            | \$5.091            | \$5.091            | \$5.091            | \$5.091            | \$5.091            | \$5.091            | \$5.091            |
| <b>Total MTA Bus Debt Service</b>  | <b>\$17.961</b>    | <b>\$20.044</b>    | <b>\$20.319</b>    | <b>\$20.211</b>    | <b>\$20.375</b>    | <b>\$20.388</b>    | <b>\$20.379</b>    | <b>\$20.375</b>    |
| <b>Total MTA HQ Debt Service for 2 Broadway Certificates of Participation</b>                    | <b>\$3.116</b>     | <b>\$3.004</b>     | <b>\$3.005</b>     | <b>\$3.006</b>     | <b>\$3.011</b>     | <b>\$3.016</b>     | <b>\$3.019</b>     | <b>\$3.024</b>     |



**Metropolitan Transportation Authority**  
**July Financial Plan 2010-2014**  
**Summary of Total Budgeted Debt Service**  
(\$ in millions)

|  | Forecast           |                    |                    |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2010               | 2011               | 2012               | 2013               | 2014               | 2015               | 2016               | 2017               |
| <b><u>MTA Total:</u></b>   |                    |                    |                    |                    |                    |                    |                    |                    |
| Budgeted Gross Debt Service for Existing Transportation Revenue Bonds                            | \$854.465          | \$867.399          | \$883.306          | \$877.056          | \$886.555          | \$887.333          | \$886.809          | \$886.604          |
| Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds                                | 366.621            | 393.709            | 393.815            | 395.732            | 393.865            | 394.100            | 394.215            | 394.378            |
| Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds                        | 445.037            | 455.589            | 457.335            | 460.619            | 459.985            | 459.999            | 460.009            | 459.848            |
| Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds                    | 146.819            | 145.342            | 145.872            | 145.066            | 145.914            | 145.168            | 146.003            | 148.264            |
| 2 Broadway Certificates of Participation   | 29.036             | 27.999             | 28.006             | 28.019             | 28.066             | 28.110             | 28.135             | 28.181             |
| Transportation Resolution Commercial Paper   | 12.610             | 36.000             | 36.000             | 36.000             | 36.000             | 36.000             | 36.000             | 36.000             |
| Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs     | 36.071             | 141.043            | 206.307            | 256.271            | 276.503            | 276.648            | 276.648            | 276.648            |
| Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs         | 0.000              | 7.200              | 21.442             | 34.713             | 40.988             | 41.033             | 41.033             | 41.033             |
| Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs | 2.135              | 16.986             | 21.008             | 28.321             | 33.618             | 36.334             | 37.402             | 37.848             |
| <b>Total Debt Service</b>  | <b>\$1,892.792</b> | <b>\$2,091.266</b> | <b>\$2,193.091</b> | <b>\$2,261.797</b> | <b>\$2,301.494</b> | <b>\$2,304.725</b> | <b>\$2,306.254</b> | <b>\$2,308.804</b> |
| <b><u>MTA Investment Income by Resolution</u></b>  |                    |                    |                    |                    |                    |                    |                    |                    |
| Investment Income from Transportation Debt Service Fund  | (\$0.159)          | (\$0.151)          | (\$0.163)          | (\$0.170)          | (\$0.174)          | (\$0.175)          | (\$0.175)          | (\$0.174)          |
| Investment Income from Dedicated Tax Fund Debt Service Fund                                      | (0.075)            | (0.060)            | (0.062)            | (0.065)            | (0.065)            | (0.065)            | (0.065)            | (0.065)            |
| Investment Income from TBTA (B&T) General Revenue Debt Service Fund                              | (0.079)            | (0.071)            | (0.072)            | (0.073)            | (0.074)            | (0.074)            | (0.075)            | (0.075)            |
| Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund                          | (0.044)            | (0.022)            | (0.022)            | (0.022)            | (0.022)            | (0.022)            | (0.022)            | (0.022)            |
| Investment Income from 2 Broadway Certificates of Participation Debt Service Fund                | (0.000)            | (0.000)            | (0.000)            | (0.000)            | (0.000)            | (0.000)            | (0.000)            | (0.000)            |
| <b>Total MTA Investment Income</b>   | <b>(\$0.357)</b>   | <b>(\$0.304)</b>   | <b>(\$0.319)</b>   | <b>(\$0.330)</b>   | <b>(\$0.336)</b>   | <b>(\$0.336)</b>   | <b>(\$0.336)</b>   | <b>(\$0.337)</b>   |
| <b><u>MTA Net Total</u></b>  |                    |                    |                    |                    |                    |                    |                    |                    |
| Net Transportation Revenue Bonds Debt Service  | \$890.377          | \$1,008.291        | \$1,089.449        | \$1,133.157        | \$1,162.883        | \$1,163.806        | \$1,163.282        | \$1,163.077        |
| Transportation Resolution Commercial Paper   | 12.610             | 36.000             | 36.000             | 36.000             | 36.000             | 36.000             | 36.000             | 36.000             |
| Net Dedicated Tax Fund Bonds Debt Service  | 366.546            | 400.849            | 415.195            | 430.380            | 434.787            | 435.068            | 435.183            | 435.346            |
| Net TBTA (B&T) General Revenue Bonds Debt Service  | 447.092            | 472.504            | 478.271            | 488.867            | 493.530            | 496.259            | 497.337            | 497.621            |
| Net TBTA (B&T) Subordinate Revenue Bonds Debt Service  | 146.775            | 145.320            | 145.850            | 145.044            | 145.892            | 145.147            | 145.981            | 148.242            |
| Net 2 Broadway Certificates of Participation Debt Service  | 29.036             | 27.999             | 28.006             | 28.019             | 28.065             | 28.109             | 28.135             | 28.181             |
| Build America Bonds Interest Subsidy   | (55.838)           | (62.467)           | (62.467)           | (62.467)           | (62.467)           | (62.467)           | (62.467)           | (62.467)           |
| <b>Total MTA Net Debt Service</b>  | <b>\$1,836.598</b> | <b>\$2,028.495</b> | <b>\$2,130.305</b> | <b>\$2,199.000</b> | <b>\$2,238.691</b> | <b>\$2,241.921</b> | <b>\$2,243.450</b> | <b>\$2,246.000</b> |
| 2010-2014 Transit  | \$3.278            | \$15.530           | \$45.855           | \$103.036          | \$168.303          | \$210.413          | \$223.947          | \$216.174          |
| 2010-2014 Commuter   | 0.520              | 5.489              | 20.542             | 51.562             | 97.376             | 137.425            | 156.964            | 160.785            |
| 2010-2014 MTA Bus  | 0.032              | 0.214              | 0.698              | 1.641              | 2.977              | 4.172              | 4.874              | 5.210              |
| 2010-2014 TBTA   | 1.044              | 2.794              | 8.549              | 24.057             | 50.773             | 86.211             | 123.326            | 152.954            |
| <b>MTA Wide Debt Service Associated with 2010-2014 Capital Programs</b>                          | <b>\$4.875</b>     | <b>\$24.026</b>    | <b>\$75.645</b>    | <b>\$180.296</b>   | <b>\$319.430</b>   | <b>\$438.221</b>   | <b>\$509.110</b>   | <b>\$535.123</b>   |
| <b>Total MTA Wide Debt Service including 2010-2014 Capital Programs</b>                          | <b>\$1,841.473</b> | <b>\$2,052.520</b> | <b>\$2,205.949</b> | <b>\$2,379.296</b> | <b>\$2,558.120</b> | <b>\$2,680.142</b> | <b>\$2,752.561</b> | <b>\$2,781.123</b> |

## **Debt Service Affordability Statement**

## MTA 2011 - 2014 Financial Plan

### Debt Affordability Statement

\$ in millions

| Forecasted Debt Service and Borrowing Schedule     |  | Notes   | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    |
|--|--|---------|---------|---------|---------|---------|---------|---------|
| Combined MTA/TBTA Forecasted Debt Service Schedule |  | 1, 2, 3 | 1,373.0 | 1,812.4 | 2,023.8 | 2,175.9 | 2,348.4 | 2,526.9 |
| Forecasted New Money Bonds Issued                  |  | 4       | 3,394.7 | 2,601.6 | 1,643.6 | 2,048.5 | 2,514.6 | 1,912.0 |

| Forecasted Debt Service by Credit                                |  | Notes | 2009      | 2010      | 2011      | 2012       | 2013       | 2014       |
|--|--|-------|-----------|-----------|-----------|------------|------------|------------|
| Transportation Revenue Bonds                                     |  | 5     |           |           |           |            |            |            |
| Pledged Revenues   |  |       | \$8,543.2 | \$9,670.8 | \$9,895.4 | \$10,251.2 | \$10,500.7 | \$10,711.2 |
| Debt Service   |  |       | 615.0     | 880.5     | 1,035.3   | 1,162.3    | 1,295.1    | 1,437.3    |
| Debt Service as a % of Pledged Revenues                          |  |       | 7%        | 9%        | 10%       | 11%        | 12%        | 13%        |
| Dedicated Tax Fund Bonds   |  | 6     |           |           |           |            |            |            |
| Pledged Revenues   |  |       | \$629.6   | \$606.6   | \$616.1   | \$620.3    | \$617.8    | \$617.4    |
| Debt Service   |  |       | 245.9     | 341.5     | 372.5     | 386.8      | 402.0      | 406.4      |
| Debt Service as a % of Pledged Revenues                          |  |       | 39%       | 56%       | 60%       | 62%        | 65%        | 66%        |
| Triborough Bridge and Tunnel Authority General Revenue Bonds     |  | 7     |           |           |           |            |            |            |
| Pledged Revenues   |  |       | \$948.0   | \$1,013.1 | \$1,031.9 | \$1,029.4  | \$1,010.6  | \$994.6    |
| Debt Service   |  |       | 358.7     | 443.7     | 470.8     | 481.0      | 506.2      | 537.4      |
| Debt Service as a % of Total Pledged Revenues                    |  |       | 38%       | 44%       | 46%       | 47%        | 50%        | 54%        |
| Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds |  | 8     |           |           |           |            |            |            |
| Pledged Revenues   |  |       | \$589.3   | \$569.5   | \$561.1   | \$548.4    | \$504.4    | \$457.3    |
| Debt Service   |  |       | 147.0     | 146.8     | 145.3     | 145.8      | 145.0      | 145.9      |
| Debt Service as a % of Total Pledged Revenues                    |  |       | 25%       | 26%       | 26%       | 27%        | 29%        | 32%        |

| Cumulative Debt Service (Excluding State Service Contract Bonds) |  | Notes | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      |
|--|--|-------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Debt Service   |  |       | \$1,373.0 | \$1,812.4 | \$2,023.8 | \$2,175.9 | \$2,348.4 | \$2,526.9 |
| Operating Revenues and Subsidies                                 |  |       | 10,281.0  | 11,438.9  | 11,789.5  | 12,236.4  | 12,590.1  | 12,875.5  |
| Total Debt Service as a % of Operating Revenues and Subsidies    |  |       | 13%       | 16%       | 17%       | 18%       | 19%       | 20%       |
| Fare and Toll Revenues   |  |       | 5,682.5   | 5,997.6   | 6,096.3   | 6,217.0   | 6,290.3   | 6,361.1   |
| Total Debt Service as a % of Fare and Toll Revenue               |  |       | 24%       | 30%       | 33%       | 35%       | 37%       | 40%       |
| Non-reimbursable expenses  |  |       | 12,594.5  | 13,089.9  | 13,594.8  | 14,219.6  | 14,872.8  | 15,593.2  |
| Total Debt Service as % of Non-reimbursable expenses             |  |       | 11%       | 14%       | 15%       | 15%       | 16%       | 16%       |

Notes on the following page are integral to this table.

## **Notes**

- 1** Unhedged tax-exempt variable rate debt reflect actuals through May 2010, 2% interest rate assumption through the remainder of 2010 and 4.00% for the remaining life of bonds.
- 2** Synthetic fixed-rate debt assumed at swap rate.
- 3** Total debt service excludes COPS lease payments. All debt service numbers reduced by expected investment income and Build America Bonds (BAB) subsidy.
- 4** New money bonds amortized as 30-year level debt. New debt issued assumed 90% fixed-rate and 10% variable rate. Actual 2010 issuance to date is included with the forecast.
- 5** Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies, including the new State taxes and fees; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses. Starting in 2006, revenues, expenses and debt service for MTA Bus have also been included.
- 6** Dedicated Tax Fund pledged revenues as shown above consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; in addition, while not reflected in the DTF pledged revenue figures above, the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Transportation Operating Assistance Account for the benefit of the MTA are also pledged. After the payment of debt service on the MTA Dedicated Tax Fund Bonds, these subsidies are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTQA.
- 7** Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.
- 8** Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.
- 9** Debt service schedules for each credit are attached as addendum hereto.

## **Special Notes**

- (1) Debt service associated with the 2010-2014 Capital Programs is included in the table above; all debt service other than debt service on Triborough Bridge and Tunnel Authority bonds is included in Transportation Revenue Bonds debt service.
- (2) In 2009 includes effect of cash defeasance implemented in September 2007.
- (3) Revenue and expense numbers do not include the impact of those items listed as part of the below-the-line adjustments on the financial schedules.
- (4) In 2010 includes interest on the 2010 Revenue Anticipation Notes.

**Metropolitan Transportation Authority (including Triborough Bridge and Tunnel Authority)**

**Total Budgeted Annual Debt Service**

**All Issuance to April 2010 (\$ in millions)**

|             | Transportation Revenue Resolution |               |          | Dedicated Tax Fund Resolution |               |          | TBTA General Revenue Resolution |               |          | TBTA Subordinate Resolution |               |          | MTA and TBTA Debt Service |               |          |
|-------------|-----------------------------------|---------------|----------|-------------------------------|---------------|----------|---------------------------------|---------------|----------|-----------------------------|---------------|----------|---------------------------|---------------|----------|
| Fiscal Year | Existing DS                       | Additional DS | Combined | Existing DS                   | Additional DS | Combined | Existing DS                     | Additional DS | Combined | Existing DS                 | Additional DS | Combined | Existing DS               | Additional DS | Combined |
| 2010        | 844.6                             | 36.1          | 880.7    | 341.5                         | -             | 341.5    | 441.6                           | 2.1           | 443.8    | 146.8                       | -             | 146.8    | 1,774.6                   | 38.2          | 1,812.8  |
| 2011        | 873.1                             | 162.3         | 1,035.4  | 365.3                         | 7.2           | 372.5    | 451.8                           | 19.1          | 470.8    | 145.3                       | -             | 145.3    | 1,835.6                   | 188.5         | 2,024.1  |
| 2012        | 889.0                             | 273.4         | 1,162.4  | 365.4                         | 21.4          | 386.9    | 453.5                           | 27.5          | 481.0    | 145.9                       | -             | 145.9    | 1,853.9                   | 322.4         | 2,176.2  |
| 2013        | 882.8                             | 412.5         | 1,295.3  | 367.4                         | 34.7          | 402.1    | 456.8                           | 49.5          | 506.3    | 145.1                       | -             | 145.1    | 1,852.0                   | 496.7         | 2,348.7  |
| 2014        | 892.3                             | 545.2         | 1,437.4  | 365.5                         | 41.0          | 406.5    | 456.2                           | 81.3          | 537.4    | 145.9                       | -             | 145.9    | 1,859.9                   | 667.4         | 2,527.3  |
| 2015        | 893.1                             | 628.7         | 1,521.7  | 365.7                         | 41.0          | 406.8    | 456.2                           | 118.5         | 574.7    | 145.2                       | -             | 145.2    | 1,860.1                   | 788.2         | 2,648.3  |
| 2016        | 892.5                             | 662.4         | 1,555.0  | 365.8                         | 41.0          | 406.9    | 456.2                           | 155.7         | 611.9    | 146.0                       | -             | 146.0    | 1,860.6                   | 859.2         | 2,719.7  |
| 2017        | 892.3                             | 658.8         | 1,551.2  | 366.0                         | 41.0          | 407.0    | 456.0                           | 185.8         | 641.8    | 148.3                       | -             | 148.3    | 1,862.6                   | 885.6         | 2,748.3  |
| 2018        | 892.6                             | 617.6         | 1,510.2  | 366.4                         | 41.0          | 407.4    | 451.5                           | 203.3         | 654.8    | 146.1                       | -             | 146.1    | 1,856.5                   | 861.9         | 2,718.5  |
| 2019        | 893.0                             | 565.7         | 1,458.7  | 360.7                         | 41.0          | 401.8    | 447.3                           | 211.4         | 658.7    | 145.8                       | -             | 145.8    | 1,846.8                   | 818.1         | 2,664.9  |
| 2020        | 891.9                             | 524.8         | 1,416.7  | 362.9                         | 41.0          | 403.9    | 447.4                           | 214.1         | 661.6    | 145.2                       | -             | 145.2    | 1,847.3                   | 780.0         | 2,627.3  |
| 2021        | 892.1                             | 504.2         | 1,396.3  | 361.6                         | 41.0          | 402.6    | 444.6                           | 214.5         | 659.1    | 145.9                       | -             | 145.9    | 1,844.1                   | 759.8         | 2,603.9  |
| 2022        | 890.8                             | 504.2         | 1,395.0  | 358.5                         | 41.0          | 399.5    | 448.4                           | 214.5         | 662.9    | 145.4                       | -             | 145.4    | 1,843.1                   | 759.8         | 2,602.8  |
| 2023        | 900.5                             | 504.2         | 1,404.8  | 361.4                         | 41.0          | 402.4    | 441.9                           | 214.5         | 656.4    | 146.1                       | -             | 146.1    | 1,850.0                   | 759.8         | 2,609.7  |
| 2024        | 900.7                             | 504.2         | 1,404.9  | 360.8                         | 41.0          | 401.8    | 447.6                           | 214.5         | 662.1    | 146.0                       | -             | 146.0    | 1,855.0                   | 759.8         | 2,614.8  |
| 2025        | 901.4                             | 504.2         | 1,405.7  | 360.6                         | 41.0          | 401.7    | 447.6                           | 214.5         | 662.1    | 146.0                       | -             | 146.0    | 1,855.7                   | 759.8         | 2,615.4  |
| 2026        | 910.5                             | 504.2         | 1,414.7  | 358.3                         | 41.0          | 399.3    | 446.8                           | 214.5         | 661.3    | 146.2                       | -             | 146.2    | 1,861.8                   | 759.8         | 2,621.6  |
| 2027        | 921.1                             | 504.2         | 1,425.3  | 351.8                         | 41.0          | 392.9    | 449.6                           | 214.5         | 664.1    | 146.2                       | -             | 146.2    | 1,868.7                   | 759.8         | 2,628.5  |
| 2028        | 921.1                             | 504.2         | 1,425.3  | 360.4                         | 41.0          | 401.5    | 447.6                           | 214.5         | 662.1    | 146.5                       | -             | 146.5    | 1,875.7                   | 759.8         | 2,635.4  |
| 2029        | 920.5                             | 504.2         | 1,424.8  | 359.8                         | 41.0          | 400.8    | 446.4                           | 214.5         | 660.9    | 146.4                       | -             | 146.4    | 1,873.1                   | 759.8         | 2,632.9  |
| 2030        | 920.8                             | 504.2         | 1,425.1  | 358.6                         | 41.0          | 399.6    | 448.3                           | 214.5         | 662.8    | 146.7                       | -             | 146.7    | 1,874.4                   | 759.8         | 2,634.2  |
| 2031        | 918.3                             | 504.2         | 1,422.6  | 355.2                         | 41.0          | 396.2    | 464.8                           | 214.5         | 679.3    | 140.8                       | -             | 140.8    | 1,879.1                   | 759.8         | 2,638.8  |
| 2032        | 821.6                             | 504.2         | 1,325.8  | 355.3                         | 41.0          | 396.4    | 387.6                           | 214.5         | 602.1    | 86.4                        | -             | 86.4     | 1,650.9                   | 759.8         | 2,410.6  |
| 2033        | 517.6                             | 504.2         | 1,021.8  | 334.4                         | 41.0          | 375.4    | 172.6                           | 214.5         | 387.1    | -                           | -             | -        | 1,024.6                   | 759.8         | 1,784.4  |
| 2034        | 517.7                             | 504.2         | 1,021.9  | 182.7                         | 41.0          | 223.7    | 177.1                           | 214.5         | 391.6    | -                           | -             | -        | 877.5                     | 759.8         | 1,637.2  |
| 2035        | 490.2                             | 504.2         | 994.5    | 131.3                         | 41.0          | 172.3    | 206.9                           | 214.5         | 421.4    | -                           | -             | -        | 828.3                     | 759.8         | 1,588.1  |
| 2036        | 306.3                             | 504.2         | 810.5    | 146.0                         | 41.0          | 187.1    | 200.4                           | 214.5         | 414.9    | -                           | -             | -        | 652.8                     | 759.8         | 1,412.5  |
| 2037        | 275.3                             | 504.2         | 779.6    | 334.1                         | 41.0          | 375.1    | 201.1                           | 214.5         | 415.6    | -                           | -             | -        | 810.5                     | 759.8         | 1,570.3  |
| 2038        | 220.4                             | 504.2         | 724.6    | 322.8                         | 41.0          | 363.8    | 181.5                           | 214.5         | 396.0    | -                           | -             | -        | 724.6                     | 759.8         | 1,484.4  |
| 2039        | 148.8                             | 504.2         | 653.1    | 271.3                         | 41.0          | 312.4    | (0.9)                           | 214.5         | 213.6    | -                           | -             | -        | 419.3                     | 759.8         | 1,179.1  |
| 2040        | 36.0                              | 448.1         | 484.1    | 29.9                          | 41.0          | 71.0     | -                               | 205.0         | 205.0    | -                           | -             | -        | 65.9                      | 694.1         | 760.0    |

**Notes:**

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

Includes interest budgeted for Transportation Revenue Commercial Paper and debt service on bonds that will defease the CP in 2010.

Forecasted Investment Income is not included above.

Net of Build Americal Bonds subsidy.

Debt Service associated with the 2010-2014 Capital Programs is included in the table above; all debt service other than debt service on Triborough Bridge and Tunnel Authority bonds is included in Transportation

In 2010 includes interest on the 2010 Revenue Anticipation Notes.

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## **Agency Baseline Assumptions**

## **Agency Baseline Assumptions**

The July Financial Plan consists of the 2010 Mid-Year Forecast, 2011 Preliminary Budget and 2012 to 2014 projections. Plan-to-plan changes compare the July Plan with the February Financial Plan, which included forecasts through 2013.

There are significant differences between the July and the February Financial Plans, most of which are the result of various expense reduction initiatives in response to reduced subsidy forecasts and management directives. These differences are summarized in this section, with details provided within individual Agency sections.

The July Plan contains significant reductions in headcount. It is projecting a total of 66,292 positions -- reflecting an unprecedented reduction of 3,470 positions, or 5% from the November Plan. These reductions were achieved with PEGs, AABBs, Budget Reduction Programs (BRPs) and administrative position reduction initiatives. Total recurring savings are projected at almost \$400 million in 2010 and grow in excess of \$500 million annually in 2011 and beyond.

The July Financial Plan projects significant improvements to Farebox Recovery and Farebox Operating Ratios primarily due to higher farebox and toll revenue and the above-mentioned cost reduction measures. When compared with the February Plan, FRR improves by 1.8% in 2010, 2.0% in 2011, 1.3% in 2012, and 1.2% in 2013; FOR improves by 1.6% in 2010, 2.1% in 2011, 1.2% in 2012 and 1.5% in 2013. Baseline projections for FRR and FOR are presented by Agency in the MTA Consolidated 2010-2014 Financial Plan Baseline section.

## **Background**

In December 2009, the MTA faced a \$383 million deficit caused by a reduction in State subsidies – in particular from the Payroll Mobility Tax (PMT) – and an unfavorable arbitration award to the TWU. In response, the MTA Board passed a 2010 budget that was balanced with cash management actions, re-estimates, and a number of deficit reduction measures including the incorporation of service reductions (Additional Actions for Budget Balance - AABBs), a payroll furlough on non-represented employees, the elimination of free student fares and a reduction in paratransit costs.

MTA's financial situation was further challenged in January and February when the New York State Division of the Budget (DOB) lowered its 2010 forecast of subsidies by approximately \$400 million, with most of the decline in Payroll Mobility Tax projections.

In March, following public hearings on proposed service reductions, the MTA Board restored certain AABB cuts -- causing the February Financial Plan cash deficit to worsen by \$4 million in 2010 and \$9 million in 2011 and subsequent years.

In June, the MTA reinstated the free Student Fare Program following a commitment by New York State and the City to fund a portion of these costs. While this eliminated the tariff change that was scheduled to go into effect in September 2010, it caused the



deficit to worsen (net of subsidies) by \$6 million in 2010, \$20 million in 2011, and \$145 million in 2012 through 2014. Further details are provided in the Fare/Toll Revenue/Ridership/Traffic Volume Section of this Plan.

## Closing the Gap

While focusing on strategies that would close the growing funding gap, MTA seized the opportunity to overhaul its cost structure to ensure every dollar was being used as effectively as possible. For Agencies, that meant a two-part savings initiative that would be instituted immediately: the first required additional administrative reductions and the second involved a major undertaking that identified key areas for streamlining, downsizing, and eliminating redundancies. The greatest potential for savings was identified in cyclical projects, rapid procurement, overtime, inventory/maintenance management, and other administrative and operating opportunities.

### Administrative Reduction Program

The February Plan assumed that in 2010 administrative payroll savings of \$49 million would be achieved through a 10% reduction in non-represented labor costs – prorated for an April 1 implementation date. The assumption was that furloughs and payroll-lags would be used to meet some or all of the targeted savings. The Plan to save \$65 million (which was a full-year of savings) for the out-years had not yet been developed, so a below-the-line placeholder was used.

### **2010 Administrative Savings Program**

July Financial Plan 2011 - 2014

(\$ in millions)

| Administrative Savings Program      |            |               |            |                |            |                |            |                |            |                |
|-------------------------------------|------------|---------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
|                                     | 2010       |               | 2011       |                | 2012       |                | 2013       |                | 2014       |                |
|                                     | Pos        | \$            | Pos        | \$             | Pos        | \$             | Pos        | \$             | Pos        | \$             |
|                                     |            |               |            |                |            |                |            |                |            |                |
| <u>Administrative Savings</u>       |            |               |            |                |            |                |            |                |            |                |
| Administrative Savings              | 722        | \$45.3        | 722        | \$76.4         | 722        | \$77.3         | 722        | \$77.9         | 722        | \$78.9         |
| Add'l Admin Pos Reducts             | 255        | 18.0          | 198        | 21.3           | 198        | 21.4           | 198        | 21.5           | 198        | 21.6           |
| Other Administrative Savings        | -          | 10.9          | -          | 3.4            | -          | 3.4            | -          | 3.4            | -          | 3.5            |
| <b>Total Administrative Savings</b> | <b>977</b> | <b>\$74.2</b> | <b>920</b> | <b>\$101.1</b> | <b>920</b> | <b>\$102.0</b> | <b>920</b> | <b>\$102.8</b> | <b>920</b> | <b>\$103.9</b> |

In February, the MTA developed a permanent plan to reduce administrative payroll by 15% (for MTAHQ, the target was set higher at 20%). This action identified \$45 million in savings and an annualized reduction of 722 non-reimbursable positions in 2010 and beyond. Annualized, administrative savings grow to \$76 million in 2011. These reductions were accomplished by eliminating vacancies, a voluntary severance program, and ultimately lay-offs. When combined with other administrative initiatives identified in the Budget Reduction Program (BRP), total administrative savings grow to \$74 million in 2010, \$25 million more than the furlough savings of \$49 million assumed in the 2010 Budget. In 2011, when fully implemented, total administrative savings grow

to \$101 million, \$36 million more than the \$65 million savings included in the February Plan as a below-the-line gap closing action. Overall, administrative reduction measures are reducing positions by 977 in 2010, with savings of 920 positions, thereafter. See the *Major Assumptions* section for more details on positions.

### Budget Reduction Program (BRP)

Also in February, Agencies were asked to identify additional expense reductions that would result in recurring savings, and additional programmatic company-wide initiatives and efficiencies were established to capture savings in the areas noted above. This effort is formally known as the Budget Reduction Program (BRP); details can be found in individual Agency sections and are summarized in the BRP – Programmatic table below and in sections that follow.

### **2010 Budget Reduction Program (BRP) Summary**

July Financial Plan 2011 - 2014

(\$ in millions)

| 2010-2014 Budget Reductions - Programmatic                  |             |                |             |                |             |                |             |                |             |                |
|---|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
|   | 2010        |                | 2011        |                | 2012        |                | 2013        |                | 2014        |                |
|   | Pos         | \$             | Pos         | \$             | Pos         | \$             | Pos         | \$             | Pos         | \$             |
| <b><u>Cyclical Project and Rapid Procurement Review</u></b> |             |                |             |                |             |                |             |                |             |                |
| Project Deferral  | 14          | \$22.1         | 8           | (\$5.1)        | 8           | \$0.5          | 8           | \$1.6          | 8           | \$1.6          |
| Project Elimination   | 5           | 19.7           | 5           | 5.2            | -           | 1.9            | -           | 1.9            | -           | 1.9            |
| Rapid Procurement   | -           | 6.3            | -           | 22.0           | -           | 25.6           | -           | 27.7           | -           | 31.4           |
| Subtotal  | <b>19</b>   | <b>\$48.1</b>  | <b>13</b>   | <b>\$22.1</b>  | <b>8</b>    | <b>\$28.0</b>  | <b>8</b>    | <b>\$31.2</b>  | <b>8</b>    | <b>\$34.9</b>  |
| <b><u>Strategic Initiatives</u></b>                         |             |                |             |                |             |                |             |                |             |                |
| Overtime Savings - Specific                                 | -           | \$9.4          | -           | \$10.4         | -           | \$11.1         | -           | \$11.2         | -           | \$11.4         |
| Overtime Savings - Programmatic                             | (27)        | 16.8           | (27)        | 11.6           | (27)        | 7.7            | (27)        | 9.1            | (27)        | 9.1            |
| Inventory/ Maintenance Material Management                  | -           | 33.1           | -           | 17.5           | -           | 22.8           | -           | 19.4           | -           | 16.9           |
| Process Re-Engineering/Consolidation                        | -           | 0.0            | (20)        | (2.2)          | (61)        | (6.2)          | (61)        | (6.2)          | (61)        | (6.2)          |
| Subtotal  | <b>(27)</b> | <b>\$59.3</b>  | <b>(47)</b> | <b>\$37.3</b>  | <b>(88)</b> | <b>\$35.4</b>  | <b>(88)</b> | <b>\$33.5</b>  | <b>(88)</b> | <b>\$31.2</b>  |
| <b><u>Programmatic Efficiencies</u></b>                     |             |                |             |                |             |                |             |                |             |                |
| Maintenance   | 327         | \$24.8         | 273         | \$33.3         | 211         | \$22.2         | 239         | \$26.5         | 231         | \$26.0         |
| Cleaning  | 177         | 7.7            | 177         | 14.2           | 177         | 14.2           | 177         | 14.2           | 177         | 14.3           |
| Minor Service Adjustments                                   | 16          | 4.4            | 34          | 9.4            | 34          | 9.5            | 34          | 9.6            | 34          | 9.6            |
| Operations Support  | 274         | 25.3           | 295         | 32.8           | 295         | 35.5           | 295         | 41.1           | 295         | 41.5           |
| Capitalization of Current Expenses                          | -           | 17.3           | -           | 33.0           | -           | 41.4           | -           | 38.9           | -           | 27.7           |
| Subtotal  | <b>794</b>  | <b>\$79.4</b>  | <b>779</b>  | <b>\$122.8</b> | <b>717</b>  | <b>\$122.9</b> | <b>745</b>  | <b>\$130.3</b> | <b>737</b>  | <b>\$119.1</b> |
| <b>Other</b>  | <b>99</b>   | <b>\$15.3</b>  | <b>99</b>   | <b>\$16.0</b>  | <b>99</b>   | <b>\$11.2</b>  | <b>99</b>   | <b>\$10.0</b>  | <b>99</b>   | <b>\$10.0</b>  |
| <b>Total BRPs - Programmatic</b>                            | <b>885</b>  | <b>\$202.1</b> | <b>844</b>  | <b>\$198.2</b> | <b>736</b>  | <b>\$197.4</b> | <b>764</b>  | <b>\$205.0</b> | <b>756</b>  | <b>\$195.2</b> |

Agencies (including MTA Bus) identified programmatic savings that would reduce the deficit by \$202 million in 2010, \$198 million in 2011, \$197 million in 2012, \$205 million in 2013 and \$195 million in 2014. Compared with February Financial Plan levels, positions are projected to decrease by 885 in 2010, 844 in 2011, 736 in 2012, and 764 in 2013. As mentioned earlier, this process resulted in additional administrative reductions for some Agencies which are now captured within the administrative reduction program section.

Unlike the customary handling of the gap-closing action *Program to Eliminate the Gap (PEGs)*, which is captured as a below-the-baseline impact, BRPs are incorporated into the baseline within the category construct of MTA's traditional financial statements since BRP reductions are taking place immediately while PEGs traditionally are identified for the following year.

NYCT BRP Actions are projected to save \$74 million and decrease positions by 649 positions in 2010, and \$105 million and 635 positions in 2011.

Major NYCT BRP savings are based on streamlining subways and bus operations in the following areas:

- car, track and escalator cleaning; employee facilities; station switching; terminal supervision; car quality control; dedicated announcers; grouting program; and electronic maintenance;
- extending Scheduled Maintenance System (SMS) cycle/other system-related economies;
- shop plan reductions;
- maintenance economies;
- reduction in staffing at the Meredith Avenue Depot and closing the Amsterdam Depot;
- shifting efficiencies;
- efficiencies in facilities security posts and revenue control; and
- OTPS reductions.

Both NYCT subways and buses will be implementing management controls in order to reduce unscheduled overtime expenditures and inventory levels. Total unscheduled overtime savings are projected at \$15.4 million per year and inventory savings are projected at \$4.0 million for 2010 and 2011.

LIRR BRP Actions are projected to save \$38 million and decrease positions by 62 positions in 2010, and \$17 million and 88 positions in 2011.

Major LIRR BRP savings include:

- reduced ticket collector requirements by adjusting crew schedules and train crew sizing;
- operations support and efficiencies in Engineering, Information Technology and Transportation Services;
- rolling stock maintenance efficiencies;
- consist reductions and ticket window closings;
- strategic procurement initiatives which leverage joint contract opportunities with MNR on rolling stock part procurements; and
- reduced costs for rolling stock and station cleaning through improved productivity.

Metro-North BRP Actions are projected to save \$20 million and decrease positions by 56 positions in 2010, and \$14 million and 32 positions in 2011.

Major MNR's initiatives include:

- the elimination or deferral of projects related to facility improvements;
- information system fees and development costs;
- favorable contract negotiations that have created savings in GCT retail management fees, data processing costs and the purchase of rolling stock parts inventory;
- higher non-passenger revenues from actions that increase GCT retail operation profits and promote new sources of revenues at outlying stations;
- strategic procurement initiatives which leverage joint contract opportunities with the LIRR on rolling stock part procurements and competitive pricing bids on rubbish removal;
- reduced ticket selling and revenue collection costs by maximizing the utilization of ticket vending machines
- reduced ticket collector requirements by adjusting crew schedules and train crew sizing;
- scheduling changes in the deployment of personnel to inspect and maintain the new M8 car fleet;
- reducing operations staffing to streamline right-of-way maintenance and material management;
- reduction in Meadowlands Football Service; and
- subsidy reductions based on favorable cost trends and cash savings that include lower advertising costs, fringe benefit expenses, electric propulsion pricing and other cost adjustments.

MNR is reducing \$2.7 million in unscheduled overtime costs (including fringes). This initiative was based on a review of overtime by causality with a focus on changing the corporate culture in response to emergencies, vacation, holiday coverage and absenteeism. These efforts extend into 2011 with an additional \$3.8 million in overtime cost cutbacks (including fringe) through further refinements to management controls and assignment coverage.

B&T BRP Actions are projected to generate savings of \$38 million and 88 position reductions in 2010 and over \$56 million in savings and 88 position reductions in 2011. B&T's BRP savings were particularly impressive and include the savings from a comprehensive organizational assessment that was a part of a cyclical review project. This effort resulted in key initiatives and savings resulting from the consolidation of maintenance operations; the revamping of maintenance schedules; an improved engineering process; a complete organizational restructuring; the implementation of best practices guidelines; eliminating the use of a warehouse in place of desktop ordering; and "Just-in-Time" vendor delivery.

Additional B&T initiatives include:

- shifting the bridge painting program into the Capital Budget;
- E-ZPass initiatives (E-ZPass Tag Swap, EZ-Pass Customer Service Center)

- major maintenance and capitalized asset reduction; and
- overtime reductions.

MTAHQ BRP Actions are projected to generate savings of \$16 million in 2010 and over \$2 million in savings in 2011 and beyond.

Major MTAHQ BRP actions include:

- elimination and deferral of select operating capital projects;
- strategic initiative savings in overtime and fringe benefits savings resulting from MTAPD command staff's increased vigilance to reduce overtime in all areas;
- reduced professional services for Real Estate activity on agency projects, lower consulting services for outside legal expenses, and reduced professional services related to financial services, advertising, Information Technology, and Human Resources; and
- reductions in areas such as employee expenses, office furniture and equipment, supplies, and telecommunications, mainly as a result of MTA Headquarters headcount decreases.

MTA Bus BRP Actions have targeted annual savings of \$15 million and a corresponding decrease of 30 positions in 2010, and savings of \$3 million in 2011.

Major MTA Bus Company BRP savings include:

- Shop Program savings;
- Material & Contracts reductions;
- Hastus Scheduling System implementation;
- Fewer Traffic Checking & Passenger Environment Surveys;
- Paint Shop Reduction;
- Transmission Recycling;
- Health & Welfare rate reductions;
- Project Deferrals/IT savings;
- Wheelchair Maintenance and Bus Shifting Efficiencies.

LI Bus's BRP Actions have annual savings of \$1 million in 2010, and \$1.0 million in 2011 and a decrease of one position.

Major LIB 2010 BRP savings include:

- Shop Overhaul Program
- Overtime Reduction initiative;
- Staff Reductions;
- Shifting Efficiencies;
- Transmission Recycling;
- Wheelchair Maintenance; and
- Project Deferrals/IT savings.

SIR BRP Actions have annual savings of \$0.7 million and 9 positions – these amounts are captured within New York City Transit's savings.

## Additional Overtime Savings

One of the key areas identified during the review of MTA's cost structure was overtime. As a result of an internal review that revealed the potential for additional overtime savings, MTA instituted tighter management controls and established saving goals of more than \$20 million in 2010 -- annualized to savings of approximately \$60 million starting in 2011.

### **Overtime Reduction Program Summary**

July Financial Plan 2011 - 2014

(\$ in millions)

| 2010-2014 Budget Reductions                                  |             |               |             |               |             |               |             |               |             |               |
|--|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
|  | 2010        |               | 2011        |               | 2012        |               | 2013        |               | 2014        |               |
|  | Pos         | \$            | Pos         | \$            | Pos         | \$            | Pos         | \$            | Pos         | \$            |
| <b>BASELINE:</b>   |             |               |             |               |             |               |             |               |             |               |
| <b>BRP Strategic Initiatives &amp; Additional OT Savings</b> |             |               |             |               |             |               |             |               |             |               |
| BRP Overtime Savings - Specific                              | -           | \$9.4         | -           | \$10.4        | -           | \$11.1        | -           | \$11.2        | -           | \$11.4        |
| BRP Overtime Savings - Programmatic                          | (27)        | 16.8          | (27)        | 11.6          | (27)        | 7.7           | (27)        | 9.1           | (27)        | 9.1           |
| Additional Overtime Savings                                  | -           | 0.0           | -           | 24.7          | -           | 24.9          | -           | 25.1          | -           | 25.2          |
| <b>Total Baseline Overtime Savings</b>                       | <b>(27)</b> | <b>\$26.2</b> | <b>(27)</b> | <b>\$46.8</b> | <b>(27)</b> | <b>\$43.7</b> | <b>(27)</b> | <b>\$45.4</b> | <b>(27)</b> | <b>\$45.7</b> |
| <b>MTA INITIATIVES:</b>                                      |             |               |             |               |             |               |             |               |             |               |
| Additional Overtime Savings                                  | -           | \$0.0         | -           | \$18.5        | -           | \$18.5        | -           | \$18.5        | -           | \$18.5        |
| <b>Total Overtime Savings</b>                                | <b>(27)</b> | <b>\$26.2</b> | <b>(27)</b> | <b>\$65.3</b> | <b>(27)</b> | <b>\$62.2</b> | <b>(27)</b> | <b>\$63.9</b> | <b>(27)</b> | <b>\$64.2</b> |

To that end, Agencies identified overtime BRP strategic initiatives that are projected to save \$26.2 million in 2010, \$22 million in 2011, \$18.8 million in 2012, \$20.3 million in 2013 and \$20.5 million in 2014. Also included in Agency baseline submissions are additional overtime savings of approximately \$25 million for each year starting in 2011.

Additional overtime reduction goals of \$19 million starting in 2011 are dependent on the cooperation of represented labor. These savings have not been allocated and remain below-the-line as an MTA initiative.

Combined, total overtime savings are projected at \$26.2 million in 2010, \$65.3 million in 2011, \$62.2 million in 2012, \$63.9 million in 2013 and \$64.2 million in 2014.

## Favorable Re-Estimates

*Farebox and Toll Revenue* - Changes from the February Plan reflect the impact of an economic climate that is better than what was projected in February. On an annualized basis compared with 2009 levels, the July Plan assumes a 0.5% decline in the number of jobs in New York City in 2010, a loss of 20 thousand jobs, while the February Plan assumed a decline of 0.9%, a loss of 33 thousand jobs. While the annual change in the employment picture shows a decline, employment data through May are consistent with forecasts that project gradual improvement through 2010: on a seasonally adjusted basis, the number of jobs in NYC has increased each month since the beginning of the year. For the remainder of the Financial Plan period, job growth projections in the July

Plan are more robust than projections used in the February Plan, with number of jobs in New York City in 2014 projected to be 100 thousand more than the level assumed in the February Plan. NYC employment is expected to grow 1.8% in 2011, 2.3% in 2012 1.6% in 2013, and 1.3% in 2014, a 7.1% increase from 2010 to 2014. In February, job creation was expected to total 5.3% from 2010 to 2014.

In addition to favorable impacts on revenue, there are improvements in energy prices and health & welfare (H&W) premiums. The favorable variances in traction and propulsion power are primarily due to lower actual electricity rates for 2010 as well as lower rate assumptions through the remainder of the Plan period. Fuel prices have stabilized and declined slightly as a consequence of the national recession and global economic slowdown. Consolidated H&W expenses are favorable in each year from 2009 through 2012, primarily as a result of lower projections for Empire Plan participants. Compared with the February Plan, H&W expenses (including OPEB) for the period 2010 through 2013 are favorable by \$48 million, \$44 million, \$48 million, and \$51 million, respectively.

Other favorable expense re-estimates also include changes to the equipment replacement plans, Genesis locomotive overhaul program, New Haven maintenance facility shop at MNR, Arch Street re-estimates at the LIRR, and increased MTAPD CDOT recoveries at MTA HQ. These are partially offset by unfavorable expense re-estimates which include higher credit card fees at MNR and reduced vacancy rate savings and Data Center charge-backs at MTA HQ.

New needs requirements were minor in July and include increases for bus lane enforcement, and elevator & escalator and station maintenance at NYCT, and the development of a strategic initiatives group and increased MTAPD East Side Access security at MTA HQ.

### **Baseline July Plan Changes from February Plan**

For the July Plan, Agencies were instructed to adhere to the spending envelope contained in the February Financial Plan adjusted to account for AABBs and BRPs. Any expense growth beyond these levels (including any “New Need” program), was self-funded through internal savings which took the form of expense re-estimates or additional BRPs. The exception to this was permissible growth in “uncontrollable” areas including Health & Welfare, Pensions, Energy, Insurance and Paratransit, as these categories are heavily dependent on rates determined by outside factors. On a plan-to-plan basis, these “uncontrollable” areas have resulted in cost and rate reductions that have helped to mitigate the subsidy losses described above. For specific plan-to-plan details see the Major Assumptions section of this report.

Over the 2009 to 2014 period, accrued baseline expenses before additional gap-closing actions grow at an average annual rate of 3.9%. “Uncontrollable” expenses are projected to grow over the period by 7.5%, while “controllable” expenses will grow by only 1.9%.

In 2010, total expenses grew 1.0% from 2009, an increase of \$96 million. This is significantly lower than expenses would have increased had MTA not implemented the various measures to contain and reduce spending. Without those actions, expenses would have increased 5.2% in 2010, or \$480 million.

For 2011, expenses are projected to grow 2.4% over 2010, or \$232 million. Without the spending reduction actions, growth would have been expected to increase 5.2%, or \$521 million.

Additional Gap Closing Actions are listed in a separate section of this report. Inclusion of these items would lower the growth rate in 2011 to 2.0% and growth over the 2009 to 2014 period to an average annual increase of 3.0%. Controllable expenses would increase by only 0.1% in 2011 with an average annual growth of 0.6%.

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



**AGENCY BASELINE**  
**JULY CHANGES FROM FEBRUARY PLAN**

Favorable/(Unfavorable)  
(\$ in millions)

|   | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>MTA Savings Initiatives</b>                  | <b>\$276</b>       | <b>\$324</b>       | <b>\$324</b>       | <b>\$333</b>       |
| Budget Reduction Program (BRP)                  | 202                | 198                | 197                | 205                |
| Administrative Savings <sup>1</sup>             | 74                 | 101                | 102                | 103                |
| Additional Overtime Reductions                  | 0                  | 25                 | 25                 | 25                 |
| <b>February Plan Adjustments</b>                | <b>(\$114)</b>     | <b>(\$131)</b>     | <b>(\$124)</b>     | <b>(\$119)</b>     |
| Reversal of AABBS Discrete line <sup>2</sup>    | (65)               | (131)              | (124)              | (119)              |
| Reversal of 2010 Furlough <sup>1</sup>          | (49)               | 0                  | 0                  | 0                  |
| <b>Other Adjustments</b>                        | <b>(\$56)</b>      | <b>\$101</b>       | <b>(\$33)</b>      | <b>(\$27)</b>      |
| Passenger/Toll Revenue                          | 67                 | 64                 | 91                 | 106                |
| Other Revenue                                   | 51                 | 71                 | 74                 | 71                 |
| Student Fare Restoration <sup>3</sup>           | (49)               | (90)               | (215)              | (215)              |
| NYCT Capital Reimbursement Timing               | (50)               | 50                 | (0)                | 0                  |
| Retroactive Wage Adjustments                    | (46)               | 0                  | 0                  | 0                  |
| General Reserve                                 | 25                 | (25)               | (25)               | (25)               |
| All Other <sup>4</sup>                          | (53)               | 31                 | 41                 | 35                 |
| <b>Uncontrollable Expenses</b>                  | <b>\$114</b>       | <b>\$174</b>       | <b>\$221</b>       | <b>\$265</b>       |
| Traction and Propulsion Power                   | 40                 | 67                 | 90                 | 111                |
| Fuel for Buses and Trains                       | 9                  | 24                 | 25                 | 30                 |
| Health & Welfare (including OPEB)               | 48                 | 44                 | 48                 | 51                 |
| Pensions  | 18                 | 40                 | 59                 | 74                 |
| <b>Total Cash Surplus/(Deficit)<sup>5</sup></b> | <b>\$221</b>       | <b>\$469</b>       | <b>\$388</b>       | <b>\$452</b>       |
| B&T Adjustments <sup>6</sup>                    | (\$53)             | (\$78)             | (\$84)             | (\$85)             |
| <b>Net Cash Surplus/(Deficit)</b>               | <b>\$168</b>       | <b>\$390</b>       | <b>\$304</b>       | <b>\$367</b>       |

<sup>1</sup> In the February Plan, these furlough savings for 2010 were in Agency baselines; however, for 2011 and beyond they were captured below-the-line as Administrative Savings.

<sup>2</sup> AABBS have now been distributed to generic expense categories that comprise MTA's traditional financial statements.

<sup>3</sup> Tariff Change (revenue) only

<sup>4</sup> Includes AABBS restorations and re-estimates

<sup>5</sup> Includes B&T for reporting purposes only

<sup>6</sup> B&T is captured as a subsidy and is not included in the agency portion of the cash baseline. While B&T impacts are captured in individual reconciliation categories, they are eliminated with this adjustment. Consequently, all B&T impacts, except Budget Reduction Program savings, are removed, including Toll Revenue, AABBS's and Other Baseline Re-Estimates.

The baseline cash deficit decreases substantially over the plan period primarily as a result of the following favorable impacts:

- Administrative Savings
- Budget Reduction Program
  - Cyclical Projects and Rapid Procurements
  - Additional Administrative Initiatives
  - Overtime Efficiencies
  - Inventory/Material Maintenance/Cleaning Mgmt. Initiatives
  - Operations Support Improvements
- Additional Overtime Savings
- Energy costs
- Fare/Toll

Partially offsetting these are unfavorable impacts caused by

- Loss of operating revenue from the reinstatement of the free Student Fare program
- Restoration of some Additional Actions for Budget Balance (AABBs) that reduced direct service
- 2009 Impacts on 2010 operations
- New Needs (modest increases required for bus lane enforcement, elevator & escalator and stations maintenance at NYCT, and the establishment of two strategic initiatives groups to administer the New Fare Payments Systems and Bus Customer Information Systems)

### **Accrued Baseline Assumptions**

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

*Please note that the 2010 Adopted Budget and February Financial Plan included AABBs that were captured on a discrete line in the financial statements of the MTA and its agencies. For the July Plan, the remaining AABBs are now captured in individual generic expense categories. As a result, the Plan to Plan reconciliation is showing favorable impacts in several expense categories that are offset by an unfavorable variance in the discreet AABB line. In addition to this reclassification, the AABB unfavorable variance is also impacted by the restoration of some service-related AABBs in May. The narrative below describes variances in the other expense categories, capturing the impact of the AABB reclassification and any other changes impacting that category.*

#### *General Reserve*

The general reserve is being increased from \$75 million to \$100 million. It represents only 1% of our operating budget and will provide a modest measure of protection

against variability in economic conditions and market-driven prices that can impact our subsidies, operating revenues and certain “uncontrollable” costs.

## **2010 Mid-Year Forecast**

The 2010 Mid-Year Forecast projects a Net Operating Deficit Before Subsidies and Debt Service of \$6,589 million, \$379 million better than the Adopted Budget. Total Operating Revenue and Total Operating Expenses were \$309 million and \$70 million better, respectively.

### Revenue

Farebox Revenue and Toll Revenue are expected to increase from the 2010 Adopted Budget by \$58 million and \$10 million, respectively, due primarily to the impact of improved projected employment levels on ridership.

### Expenses

Payroll expenses are expected to decrease \$60 million from the Adopted Budget. Overall, this reflects favorable changes to NYCT (\$35 million), the LIRR (\$8 million), MTA Bus (\$7 million), MNR (\$5 million) and B&T (\$3 million). Most of the impact is due to the inclusion of the AABBs in the baseline, implementation of the Budget Reduction Program and administrative savings.

Maintenance and materials are projected to decrease from the Adopted Budget by \$43 million and \$36 million, respectively, reflecting the overall impact of Budget Reduction Program savings, including re-estimated scheduled maintenance work and maintenance cycles.

Health & Welfare expenses are projected to decrease from the Adopted Budget by \$41 million as a result of lower than projected premiums for Empire Plan participants.

Savings of \$49 million are projected for traction and propulsion power and fuel for buses and trains due to energy prices that are lower than those assumed in the February Plan.

Pension costs are expected to decrease \$18 million from the Adopted Budget based on the most recent NYCERS actuarial valuation.

## **2011 Preliminary Budget**

The 2011 Preliminary Baseline Budget projects a Net Operating Deficit before Subsidies and Debt Service of \$6,974 million. Total operating revenue of \$6,620 million is \$119 million higher than the 2010 Mid-Year Forecast, reflecting primarily improved regional employment projections and higher other operating revenue. When compared with the 2011 forecast in the February Plan, revenue is \$46 million better due to higher ridership and traffic resulting from an expected increase in employment levels and higher other operating revenue partially offset by the restoration of NYCT’s free student fare program.

Total 2011 operating expenses of \$13,595 million are \$505 million higher than the 2010 Mid-Year Forecast due mostly to increases in Non-Cash Liability Adjustments, particularly in depreciation and OPEB obligation, the annualized impact of wage settlements on labor costs, higher health & welfare, pensions, traction and propulsion power, fuel, claims, and other business expenses. When compared with the 2011 forecast in the February Plan, expenses are \$420 million lower. Virtually all of this is the result of Budget Reduction Program actions and other saving initiatives and decreases in uncontrollable expenses.

## **2012 – 2014 Forecast**

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

The following pages provide a more detailed description of the assumptions used in formulating the 2011 Preliminary Budget and the forecasts for 2012 through 2014. Additional detail can be found in individual Agency sections.

## **OTHER OPERATING REVENUE**

Other Operating Revenue growth from 2010 through 2014 was influenced by a number of different factors including the restoration of the Student Fare Program, government reimbursements, fees and contractual and inflationary increases.

On a year-to-year basis, MTA-wide other operating revenues are increasing by \$20 million in 2011, \$29 million in 2012, \$31 million in 2013, and \$35 million in 2014. These annual increases are primarily driven by favorable NYCT contractual reimbursements for Paratransit expenses, advertising revenue, and non-recurring cash receipts. The LIRR's projected growth in each year is primarily due to contractual and inflationary increases. MNR's year-to-year changes from 2010 through 2014 reflect higher revenues from an expansion of its parking program and rate increases, an increase in higher advertising revenue (reflecting impact of new agreement with CBS), and GCT retail and commissary revenues.

B&T's year-to-year decrease of \$0.9 million in 2011 is the result of lower E-ZPass Administrative Fees. Partially offsetting this are increases of \$0.2 million in each year from 2011 through 2013 primarily due to modest income growth from the Battery Parking Garage.

MTA Bus and LI Bus year-to-year decreases from 2011 through 2014 are mainly due to the impact of the agency-wide advertising contract with CBS.

The 2010-2013 July Plan increases, compared with the February Plan, are primarily the result of the restoration of State and City subsidies for the continuation of the free

student fare program at NYCT which eliminated the need to start charging students beginning in the fall of 2010. The result is a decrease in student fare revenue of \$49 million in 2010, \$90 million in 2011 and \$215 million in 2012 and 2013. Also, higher investment income at FMTAC which has no direct impact on MTA cash and better-than-anticipated advertising and GCT retail proceeds at MNR, were partially offset by reductions in advertising revenue at the LIRR, MTA Bus and LI Bus in 2011 through 2013.

## **PAYROLL**

MTA Consolidated Payroll expenses from 2010 through 2014 are influenced by a number of factors including position levels, inflation assumptions, labor agreements, and capital project activity. NYCT's TWU contract expired in 2009; subsequently, in August 2009, labor arbitration awarded raises approximating 11 percent over three years: roughly 4% in 2009 and 2010, followed by 3% in 2011. Upon the expiration of this pattern, inflationary growth is assumed. It should be noted that the MTA is challenging the validity of the third year award. The July Plan assumes that the TWU pattern will be followed by the remaining NYCT unions as well as for those of B&T, LIB and MTA Police. The commuter railroads assume that a CPI pattern will begin retroactive to the expiration of its last contracts (summer of 2009). CPI-inflationary growth factors are applied to non-represented employee salaries during the 2010-2014 period.

Please note that Volume I Policy Actions include smaller wage growth assumptions for represented and non-represented employees.

### **2010 Mid-Year Forecast**

Consolidated Payroll expenses of \$4,169 million are forecasted to be \$59 million lower than the 2010 Adopted Budget. NYCT contributed \$35 million to this decrease primarily due to the reclassification of AABB expenses into the Payroll expense line as well as initiatives implemented as part of the Administrative and Budget Reduction Programs. The LIRR, MTA Bus, MNR, B&T and LIB were favorable by \$8 million, \$7 million, \$5 million, \$3 million and \$1 million, respectively, also due to the Administrative and Budget Reduction Programs.

### **2011 Preliminary Budget**

MTA Consolidated Payroll expenses of \$4,258 million are \$89 million more than 2010. This change is primarily caused by assumed labor rate increases consistent with those reported in the February Plan partially offset by the full year impact of the Administrative and Budget Reduction Programs as well as programmatic changes.

Overall, Payroll expenses are forecast to be \$174 million lower than the February Plan. NYCT contributed \$126 million to the decrease primarily due to the reclassification of AABB expenses into the Payroll expense line. The LIRR, MNR, B&T, MTA Bus, LI Bus

and MTAHQ contributed \$19 million, \$10 million, \$9 million, \$6 million, \$3 million and \$1 million, respectively, to the variance. These decreases are reflective of the full year implementation of the administrative and budget reduction programs.

## **2012 – 2014 Forecasts**

Consolidated Payroll expenses total \$4,363 million in 2012, \$4,463 million in 2013 and \$4,567 million in 2014, representing increases of approximately \$100 million in each year. The year-to-year changes are driven primarily by inflationary increases (2.20% in 2012, 1.97% in 2013 and 1.91% in 2014) as well as programmatic changes.

In comparison with the February Plan, Payroll expenses are favorable by \$173 million in 2012 and \$186 million in 2013 and reflect the reclassification of AABB expenses into the Payroll expense line, continued savings from the administrative and budget reduction programs.

## **OVERTIME**

MTA Consolidated Overtime expenses from 2010 to 2014 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages and project activity.

One of the key areas identified during the review of MTA's cost structure was overtime. As a result of an internal review that revealed the potential for additional overtime savings, MTA instituted tighter management controls and established saving goals of more than \$20 million in 2010 -- annualized to savings of approximately \$60 million starting in 2011.

Management controls include:

- closely monitoring shifts greater than 16 hours to reduce double-time payments, which ensures productivity and limits pension padding;
- aggressive enforcement of sick leave abuse;
- bi-weekly reporting of overtime;
- establishing specialized task forces to monitor overtime usage;
- more intensive reporting in high usage areas; and
- engaging with labor to begin the discussion about changing work rules that lead to unnecessary overtime.

In conjunction with these tighter controls, programmatic reductions as part of the budget reduction program are expected to further reduce Overtime expenses. For instance, efficiencies in fare collection and operations support are expected to generate additional savings. Offsetting adjustments to Overtime include the reclassification of AABB expenses into the Overtime expense line as well as additional overtime resulting from major snowstorms in February.

## **2010 Mid-Year Forecast**

Consolidated Overtime expenses of \$452 million are forecasted to be \$23 million lower than the February Plan. B&T's overtime decreased mainly due to the centralization of maintenance functions, instituting tighter controls on overtime, and the elimination of some weekend and night supervisory overtime, all of which are associated with the overtime reduction and budget reduction programs. Lower expenses at the LIRR and MNR are also attributable to the overtime reduction and budget reduction programs. NYCT's expenses reflect adjustments for the reclass of AABB expenses as well as additional overtime resulting from major snowstorms in February.

## **2011 Preliminary Budget**

Consolidated Overtime expenses of \$443 million are \$9 million lower than 2010, mainly due to full year implementation of the budget reduction and overtime reduction programs, with offsetting wage growth and programmatic adjustments.

Overtime costs are lower by \$48 million compared with the February Plan mainly as a result of the actions proposed as part of the budget and overtime reduction programs with offsetting adjustments for the reclassification of AABB expenses.

## **2012 – 2014 Forecasts**

Consolidated Overtime expenses in 2012 of \$454 million are \$11 million more than 2011. This increase is primarily caused by an assumed labor rate increase of 2.23%. Overtime expenses are \$462 million in 2013 and \$471 million in 2014, with year over increases of \$8 million from 2012 to 2013 and \$9 million from 2013 to 2014. These increases reflect assumed labor rate inflators of 2.20% in 2012, 1.97% in 2013 and 1.91% in 2014.

Consolidated Overtime costs are lower compared with the February Plan by \$49 million in 2012 and \$51 million in 2013. Decreases are due to the overtime reduction and budget reduction programs, with offsetting adjustments for the reclass of AABB expenses as well as re-estimates in Overtime to reflect trends in hiring, employee availability and step-up increases.

## **HEALTH & WELFARE**

Year-to-year increases are primarily driven by inflators provided by the NYS Department of Civil Service (DCS) on April 7, 2010. For 2010, the premium for individual coverage is projected to increase of 3.6% over 2009 premium rates and the family coverage premium is projected to increase 2.9%. In 2011, the individual coverage premium is forecast to increase 13.5% and the family coverage premium is estimated to increase 13.1%. Annual increases for 2012 through 2013 are projected to be 6.5% for individual coverage premiums and 7% for family coverage premiums.

The unusually low 2010 premium forecast is due to decisions made by DCS to utilize a much larger than typical amount of prior year dividend revenue to hold down the 2010 premium increases. As a consequence, there will be little prior year dividend revenue remaining to be used to offset premium increases for 2011.

The 2010 premium increase for individuals is now significantly lower (increasing 10% in the Adopted Budget versus 3.6% in the July Plan); the premium increase for families has also significantly dropped, from the 8% assumed in the Adopted Budget to 2.9% for the Mid-Year Forecast. For 2011, rates are much higher in the July Plan: the premium increase for individuals has gone from 6.7% to 13.5% and the premium increase for families has changed from 7.0% to 13.1%. For the remainder of the plan period, the annual change in premiums for individuals is slightly lower (6.5% versus 6.7%), while annual increases in premiums for families is unchanged (7.0%).

Despite these plan-to-plan rate changes, the overall rates paid from 2011 through 2013 changed slightly. While the favorable 2010 change is driven by the lower rates, the favorable changes for 2011 through 2013, when compared with the February Plan, is primarily driven by lower employment levels at MTA agencies.

The assumptions in changes for premiums and employment levels result in favorable MTA Consolidated health and welfare expense variances of approximately \$41 million in 2010, \$40 million in 2011, \$43 million in 2012, and \$46 million in 2013.

## **OTHER POST EMPLOYMENT BENEFITS (OPEB) and GASB FUND**

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

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

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



The July Financial Plan projects Agency contributions of \$57 million in 2010, \$57 million in 2011, \$60 million in 2012, \$63 million in 2013, and \$66 million in 2014. Included in these contributions are the Health & Welfare contributions made by those represented employees required to do so.

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

Compared to the February Plan, OPEB current payment expenses were lower for 2010-2013 by \$6 million, \$4 million, \$5 million, and \$5 million, respectively, primarily due to lower-than-planned rate increases in Health & Welfare.

## **PENSIONS**

Year-to-year pension cost changes are influenced by the most recent actuarial valuations for the pension plans that MTA employees participate in as well as changes in assumed position levels, wage growth and labor settlements. Pension expenses are also influenced by actions resulting from the Administrative and Budget Reduction Programs, which impact position levels MTA-wide.

Pension expenses total \$1,024 million in 2010, and increase by \$45 million in 2011, \$61 million in 2012, \$52 million in 2013 and \$84 million in 2014, when total pension expenses are projected to be \$1,266 million.

Compared with the February Plan, expenses are favorable by \$18 million in 2010, \$40 million in 2011, \$59 million in 2012 and \$74 million in 2013. The primary driver of these decreases is a re-estimate of NYCERS pension costs at NYCT and B&T, which is based on current actuarial data driven by the partial stock market recovery in 2009. This served to reduce recent pension investment losses, resulting in savings at NYCT totaling \$16 million in 2010, \$25 million 2011, \$35 million in 2012 and \$49 million in 2013. NYCERS re-estimates resulted in savings at B&T totaling \$2 million in 2011 and 2012 and \$3 million in 2013. MNR was favorable by \$2 million in 2010, \$8 million in 2011 and \$12 million each year thereafter due to lower annual required contributions than projected. Partially offsetting these savings are higher expenses of \$5 million in each year of the Plan at MTA Bus, which reflect the impact of headcount changes and associated pay rates as well as adjustments due to the reclassification of AABB expenses to the Pensions expense line. Changes at other agencies are modest.

## **TRACTION AND PROPULSION POWER**

MTA has a Long-Term Agreement (LTA) through 2017 with the New York Power Authority (NYPA) to supply electricity within the City of New York and Westchester County. The LTA requires that many of NYPA's assets be allocated to serve its New York City governmental customers, which have included two power plants in New York City (with one having been decommissioned and a new replacement plant under

construction), dedicated transmission lines from upstate, and a purchase power agreement with Entergy for below-market nuclear energy, which expired at the end of 2008.

NYPA cost of service projections for 2010 are expected to increase by 4.9% over 2009, while rates for 2011 and beyond are expected to increase by 7.5% annually. Con Edison delivers the NYPA power in New York City and Westchester County, and these delivery costs are expected to increase by 12.4% for 2010, 9.5% for 2011 and 2012 and 10.0% for 2013 and 2014. The Long Island Power Authority (LIPA) cost of service is estimated to decline 3.7% in 2010, followed by increases of 6.8% in 2011, 1.7% in 2012, 1.8% in 2013 and 1.5% in 2014; these terms are based on a 10-year agreement that maintains a fixed base rate with pass-through commodity charges. Prices for electricity supplied by Connecticut Light & Power (CL&P) are expected to increase by 0.1% in 2010, by 1.0% in 2011, by 3.5% in 2012, by 3.6% in 2013 and by 2% in 2014.

Compared with the February Plan, MTA Consolidated traction and propulsion power expenses are favorable by approximately \$39 million in 2010, \$66 million in 2011, \$89 million in 2012, and \$110 million in 2013.

The favorable variances for NYCT, MNR and LIRR are due to lower actual electricity rates for 2010 and lower rate assumptions through the remainder of the Plan period, as well as updated usage projections that incorporate service reductions made since the February Plan that were part of the AABBs. MNR's forecast also reflects both the incorporation of service additions planned for 2011 through 2014 that are intended to promote long-term ridership growth and their equipment replacement schedule that will result in a more energy efficient fleet.

The projected NYPA cost of service rate increases are lower compared with the February Plan: the projected 2010 increase was 12.3% in the February Plan and is 4.9% in the July Plan, and for 2011 through 2013 the projected annual rate increase was 13.0% in the February Plan and is 7.5% in the July Plan. The favorable variances are a consequence of locking in favorable terms from NYPA suppliers during the recent global economic slowdown: in an effort to reduce MTA's exposure to the fluctuating energy market, the MTA, City of New York and other NYPA government customers worked with NYPA to implement a hedge program, with customers responsible for marginal gains or losses due to market prices.

Con Edison delivery rates are below those assumed in the February Plan and reflect final approvals in a recently settled Con Edison rate case. On a plan-to-plan basis, LIPA rates are lower for all years except 2011 when compared with the February Plan. CL&P rates are significantly lower than assumptions used in the February Plan.

There is an area of concern that leaves the MTA exposed to possible cost increases beyond those in the current projections: NYPA is currently studying Con Edison delivery rates. The purpose of the study is to design rates NYPA passes through to LTA members so that those rates are consistent with rates currently in Con Edison's

approved tariffs. Should this lead to changes in the rates NYPA charges, it could significantly increase delivery charges to the MTA.

## **FUEL FOR BUSES AND TRAINS**

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

Using NYMEX projections through 2012 – and May 2010 Global Insight forecasts for 2013 and 2014 – as a basis for Ultra Low Sulfur Diesel (ULSD), Agencies used projected rate increases of 28.2% in 2010, 7.0% in 2011, 4.2% in 2012, 3.9% in 2013 and 3.2% in 2014.

Compared with the February Plan, expenses for the period 2010 through 2013 are favorable by \$9 million, \$23 million, \$24 million and \$29 million, respectively.

Favorable variances during the period are primarily due service reductions at NYCT, MNR and LIRR implemented as part of the AABBs, which are partially offset by prices that are higher than those projected in February.

Since 2008, MTA has engaged in a hedging strategy intended to lock in fuel prices. In 2010, MTA entered into an energy hedge nominally valued at \$73 million, and for 2011 MTA intends to continue this policy by entering into an energy hedge with an estimated nominal value of \$82 million. These hedges represent approximately 56% of the total estimated number of gallons of diesel fuel used for MTA-wide needs. MTA currently intends to continue with this hedging strategy through the remainder of the Plan period.

## **INSURANCE**

Year-to-year increases in Insurance expenses are primarily driven by assessments of market conditions made by MTA's Risk Management Department in conjunction with its brokers. Based on these assessments, policy premiums are estimated to increase by 10% each year. The Paratransit (Access-A-Ride) policy is inflated by 20% per annum primarily due to expected increases in new carriers. Increases from year-to-year also reflect the renewal of several multi-year policies, including All-Agency Environmental Liability, Travel Accident and Asbestos in Place.

Insurance expenses in the July Financial Plan are favorable compared to the February Financial Plan; this is primarily the result of lower than anticipated premiums for MTA's All-Agency Property and Sabotage & Terrorism policies. Working with its brokers, MTA's Risk Management Department was able to renew these policies at significantly lower rates than budgeted in the February Plan.

First Mutual Transportation Assurance Company (FMTAC) insurance premium assumptions are captured as credits to the Insurance expense line. Premiums paid to

FMTAC are aligned with MTA Agency forecasts for insurance and reflect increases in claims expenses and reserve adjustments.

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

## **CLAIMS**

Claims expenses are based on inflationary assumptions, actuarial evaluations and historical performance which are resulting in modest year-to-year growth.

In comparison to the February Financial Plan, expenses are slightly higher primarily due to FMTAC -- Claims paid exceeded the Adopted Budget through April 2010, and revised actuarial adjustments, which include updated loss projections.

## **PARATRANSIT SERVICE CONTRACTS**

Expenses increase from \$381 million in 2010 to \$660 million in 2014, an increase of 73.4% over the period. On a year-to-year basis, expenses increase by 0.9% in 2011, 20.3% in 2012, 19.7% in 2013 and 19.3% in 2014. Expenses increase modestly from 2010 to 2011 due to the full year implementation of the \$40M/\$80M savings plan, which was proposed as part of the February Plan and included in NYCT's baseline. This savings plan seeks to reduce non-service related costs, average costs per trip, and total trips provided as well as converting contracted trips to fixed route feeder trips (trip shortening). These actions were projected to save \$40 million in 2010 and \$80 million beginning in 2011. However, due to a late start in the year for the two largest initiatives: enforcement of trip by trip eligibility and trip shortening, the savings forecasted in 2010 is reduced by \$10 million in the July Plan. These savings initiatives require extensive upgrades to the scheduling system and will not be ready until fall 2010.

The yearly increases from 2012-2014 reflect projected ridership growth of 15.0% each year and cost-per-trip inflation projections based upon current carrier contracts, which provide for annual rate increases based on CPI.

Compared to the February Plan, Paratransit costs decrease \$2 million in 2010, \$10 million in 2011, \$5 million in 2012 and \$8 million in 2013 as a result of additional actions proposed as part of the budget reduction program, including negotiated lower vendor rates and projected additional no-show policy savings.

This explanation covers only this generic expense category. For a complete income statement on Paratransit, please refer to Section II, Major Assumptions 2011-2014 Projections-Baseline, Subsidies.

## **MAINTENANCE AND OTHER OPERATING CONTRACTS**

Expenses for Maintenance and Other Operating Contracts for all MTA agencies are inflated by Global Insight's CPI-U forecasts in each year from 2011 through 2014.

In addition to these inflationary increases, NYCT includes the NYPA/Con Edison energy rate increases for non-traction power of 7.7% in 2011 and 2012, and 7.8% in 2013 and 2014.

For LIRR, 2010 – 2011 decreases are due to full-year implementation of the Budget Reduction Program. For 2011 – 2012, increases were due to normal inflationary increases and 2013 – 2014 includes East Side Access start-up costs.

MNR's expenses increase by \$4 million in 2011 and \$1 million in 2012 and 2014. In 2013, expenses decreased by \$2 million. Included in 2010 – 2014 are fluctuating costs for East and West of Hudson locomotive overhauls. For 2010 – 2014, the agency incorporates higher West of Hudson subsidy payments due to contract cost escalations, service enhancements, and West of Hudson fare hold-down payments. Included in 2011 are the costs of customer and employee communications initiatives. From 2011 – 2013, equipment disposal costs are primarily for M2, M4, and M6 cars.

On a year-to-year basis, B&T's expenses decrease \$13 million in 2011; however increase by \$4 million, \$7 million and \$17 million in the years 2012 – 2014, respectively. In addition to inflationary increases, changes are primarily due to non-capital eligible maintenance expenses, work for new painting needs, and realignment of existing work.

SIR's expenses for 2011 – 2014 reflect the NYPA projected annual increases for lighting. For 2010, cash results include \$2 million of fleet maintenance cash timing adjustments delayed from 2009.

Compared with the February Plan, expenses decreased by \$43 million in 2010, \$58 million in 2011, \$70 million in 2012 and \$74 million in 2013. The majority of these favorable decreases is the result of Agencies' Budget Reduction Program actions, specifically B&T which is favorable in each year due to the transfer of bridge painting expenses into its 2010 – 2014 Capital Program. Other reductions include decreases in the E-Z Pass Customer Service Center and the reduction of building cleaning services.

## **PROFESSIONAL SERVICE CONTRACTS**

On an Agency-wide basis, Professional Service Contracts for 2010 through 2014 are inflated primarily by Global Insight's Regional CPI-U forecasts.

On a year-to-year basis, MTA-wide Professional Service Contracts are modestly increasing by \$2 million in 2011, \$6 million in 2012, \$6 million in 2013 and \$8 million in 2014.

NYCT's year-to-year increases are largely due to inflation and 2010 includes a \$2.1 million unfavorable cash timing adjustment from 2009. The LIRR's changes are largely due to System Initiative projects and full year impact of BRP in 2011, inflationary increases in 2012 and East Side Access start-up costs in 2013 and 2014. MNR's 2011-2014 changes include Budget Reduction Program initiatives \$1.0 million, primarily for reductions in advertising fees and a one-time provision for BSC PeopleSoft interface modifications, and CPI-U increases. Also, 2011 includes the effect of fewer position being transferred to the BSC due to the 15% Administrative Reduction Program (offset in Payroll costs) that adversely impact Professional Services by (\$2.4 million), and higher Security costs for the IESS/3C System and Physical Hardening project (\$0.8 million). B&T's expenses in 2011 are higher by \$1.8 million primarily due to contractual services and CPI-U the 2012, increase reflects planning studies, bond service fees and CPI-U and 2013 and 2014 primarily reflect increases in CPI-U. MTAHQ's year-to-year increases are largely due to inflation with adjustments made to reflect the conclusion of some currently contracted services, West Side Yard project work, and lower levels of BRPs.

Compared with the February Plan, Professional Service Contracts decrease in each year from 2010 to 2013 by \$9 million, \$4 million, \$2 million and \$1 million, respectively--these savings are attributable to the Budget Reduction Plan. These favorable changes are partially being offset by increases at NYCT in each year from 2011 – 2013 primarily due to the cancellation of planned data processing in-sourcing actions.

## **MATERIALS AND SUPPLIES**

All agency increases in Materials and Supplies for 2010 – 2014 are inflated primarily by Global Insight's Regional CPI-U forecasts.

On a year-to-year basis, MTA-wide Materials and Supplies decrease by \$3 million in 2011 and increase by \$18 million, \$32 million and \$19 million in 2012, 2013, and 2014, respectively. The fluctuations are primarily driven by the timing of subway and bus fleet maintenance programs at NYCT. The LIRR's year-to-year results reflect primarily changes in East Side Access, BRP actions and Reliability Centered Maintenance (RCM) material costs. In addition, B&T's year-to-year expenses fluctuate primarily due to the E-Z Pass replacement program and tag inventory. MNR's unfavorable expense growth in 2011 – 2014 was due to additional material requirements for car equipment maintenance and replacement plans.

Compared with the February Plan, consolidated Materials & Supplies are lower by \$36 million in 2010, \$25 million in 2011, \$34 million in 2012 and \$25 million in 2013. These decreases are largely attributable to Agencies' BRP actions including re-estimates of bus and subway scheduled maintenance at NYCT. In addition, favorable results are due to the timing of East Side Access materials at the LIRR. MNR's expenses increase in 2010 primarily due to higher material resources needed to support car maintenance requirements. MNR's expenses decrease in 2012 – 2014 due to adjustments to the NHL Equipment Plan which reflects an earlier retirement of the M2 fleet as well as the

retirement of the M4 and M6 cars in conjunction with the acquisition of the new M8 car fleet.

## **OTHER BUSINESS EXPENSES**

Other Business Expenses reflect credit/debit card fees for fare media purchases; bond service fees; internal subsidy support requirements for Long Island Bus and Staten Island Railway; and are influenced by MTA Regional CPI-U forecasts provided by Global Insight.

Compared with the February Plan, July Plan expenses have decreased by \$13 million in 2010 and \$8 million each year from 2011 to 2013 primarily due to the Budget Reduction Program, which decreased expenses at Long Island Bus and Staten Island Railway, resulting in lower internal subsidy support requirements at MTAHQ. Lower expenses at FMTAC based on actual results through April also contributed to the favorable variance. Partially offsetting these favorable variances are higher credit/debit card fees associated with increased fare media purchases due to higher ridership projections in the July Plan.

## **Positions (Headcount)**



## **POSITIONS (Headcount)**

The narrative and tables contained in this section include traditional year-to-year and plan-to-plan analyses. This however, understates the unprecedented headcount reduction achieved in 2010, since the February Plan itself had already captured reductions in response to reduced subsidy forecasts between the November Financial Plan and the Plan adopted by the Board in December. A more appropriate way to capture the story would be to look at headcount levels in this Plan versus those anticipated last fall (after the State Legislature provided additional funding for the MTA). Since the November Plan, the projected 2010 total headcount is expected to decline by 3,470, or 5%.

|   |                      |
|---|----------------------|
|   | <u>Positions</u>     |
| November Plan Baseline Positions                          | 69,762               |
| 2010 PEG Program  | 375                  |
| 2010 Re-Instated AABBs                                    | 1,253                |
| Administrative Reductions                                 | 977                  |
| Budget Reduction Program (BRP) (excluding Administration) | 885                  |
| Other   | (20)                 |
| Total Reductions  | <u>3,470</u>         |
| July Financial Plan Positions                             | <u><u>66,292</u></u> |

This reduced level of headcount is now the base year for the year-to-year comparisons captured in this section. While the plan-to-plan analysis captures reduced headcount from Administrative Reductions and the Budget Reduction Program (BRP), it does not include the PEG and Additional Action for Budget Balance (AABB) reductions for 2010 that were already captured in December.

### **Administrative Reductions**

In February, an MTA-wide 15% Administrative Reduction Program (ARP) was implemented; for MTAHQ the target was set higher at 20%. When combined with other administrative initiatives identified during the BRP process, administrative position reductions rise to 977, with savings of \$74 million in 2010 and \$101 million thereafter. This is \$25 million more than the 2010 furlough savings of \$49 million assumed in the 2010 Budget, and \$36 million more than the 2011 administrative savings of \$65 million included in the February, 2010 Financial Plan as a below-the-line gap closing action.

Please note that by combining the ARP with those administrative headcount reductions identified during the BRP process, there is an inconsistency between individual Agency savings captured in consolidated MTA numbers versus the specific Agency numbers captured within the Agency sections. In the Agency sections, those additional administrative savings remain in the BRP totals.

The table on the following page captures in summary form, all of the changes since November. Following this schedule is the traditional year-to-year and plan-to-plan analysis.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011 - 2014**  
**Plan-to-Plan Changes in Positions by Major Category**  
**Favorable/(Unfavorable)**

| <b>2010</b>   |   |  |                  |              |  |                                 |  |   |                  |              |  |               |
|---|---|--|------------------|--------------|--|---------------------------------|--|---|------------------|--------------|--|---------------|
| <b>Reductions Already Captured in 2010 Budget</b>                         |   |  |                  |              |  | <b>February to July Changes</b> |  |   |                  |              |  |               |
| <b>November Plan<br/>Baseline Positions<br/>(excludes<br/>PEGs/AABBs)</b> | <b>Program to<br/>Eliminate the<br/>Gap</b> | <b>Additional<br/>Actions for<br/>Budget<br/>Balance</b> | <b>All Other</b> | <b>Total</b> | <b>February<br/>Financial<br/>Plan Positions</b> | <b>AABB<br/>Restorations</b>    | <b>Admin.<br/>Position<br/>Reduction<br/>Program</b> | <b>Budget<br/>Reduction<br/>Program</b> | <b>All Other</b> | <b>Total</b> | <b>July Financial<br/>Plan Positions</b> |               |
| New York City Transit   | 48,192                                      | 309  | 1,232            | (52)         | 1,489  | 46,703                          | (83)   | 489                                     | 643              | 20           | 1,069                                    | 45,634        |
| Long Island Rail Road   | 6,829                                       | 4  | 41               | -            | 45   | 6,784                           | (5)  | 137                                     | 62               | 5            | 199                                      | 6,585         |
| Metro- North Railroad   | 6,223                                       | 56   | 9                | (3)          | 62   | 6,161                           | -  | 88                                      | 56               | 60           | 204                                      | 5,957         |
| Bridges & Tunnels   | 1,822                                       | 3  | 14               | -            | 17   | 1,805                           | -  | 29                                      | 88               | -            | 117                                      | 1,688         |
| Headquarters  | 1,568                                       | -  | -                | -            | -  | 1,568                           | -  | 133                                     | -                | (39)         | 94                                       | 1,474         |
| Long Island Bus   | 1,149                                       | -  | 20               | -            | 20   | 1,129                           | -  | 25                                      | -                | -            | 25                                       | 1,104         |
| Staten Island Railway   | 277   | 3  | -                | -            | 3  | 274                             | -  | 3                                       | 6                | -            | 9  | 265           |
| Capital Construction Company  | 150   | -  | -                | -            | -  | 150                             | -  | -                                       | -                | -            | -  | 150           |
| MTA Bus Company   | 3,552                                       | -  | 25               | -            | 25   | 3,527                           | -  | 73                                      | 30               | (11)         | 92                                       | 3,435         |
| <b>Total</b>  | <b>69,762</b>                               | <b>375</b>   | <b>1,341</b>     | <b>(55)</b>  | <b>1,661</b>                                     | <b>68,101</b>                   | <b>(88)</b>  | <b>977</b>                              | <b>885</b>       | <b>35</b>    | <b>1,809</b>                             | <b>66,292</b> |

| <b>2011</b>                  |               |            |              |             |              |               |             |            |            |              |              |               |
|------------------------------|---------------|------------|--------------|-------------|--------------|---------------|-------------|------------|------------|--------------|--------------|---------------|
| New York City Transit        | 47,780        | 301        | 1,111        | (31)        | 1,381        | 46,399        | (82)        | 492        | 629        | (43)         | 996          | 45,403        |
| Long Island Rail Road        | 6,757         | 4          | 41           | -           | 45           | 6,712         | (5)         | 125        | 88         | 3            | 211          | 6,501         |
| Metro- North Railroad        | 6,236         | 44         | 9            | (3)         | 50           | 6,186         | -           | 88         | 32         | (11)         | 109          | 6,077         |
| Bridges & Tunnels            | 1,821         | 3          | 14           | -           | 17           | 1,804         | -           | 29         | 88         | 6            | 123          | 1,681         |
| Headquarters                 | 1,782         | -          | -            | -           | 0            | 1,782         | -           | 133        | -          | (70)         | 62           | 1,720         |
| Long Island Bus              | 1,134         | -          | 20           | -           | 20           | 1,114         | -           | 20         | 1          | -            | 21           | 1,093         |
| Staten Island Railway        | 274           | 4          | -            | -           | 4            | 270           | -           | 3          | 6          | -            | 9            | 261           |
| Capital Construction Company | 147           | -          | -            | -           | 0            | 147           | -           | -          | -          | -            | -            | 147           |
| MTA Bus Company              | 3,511         | -          | 25           | -           | 25           | 3,486         | -           | 30         | -          | (11)         | 19           | 3,467         |
| <b>Total</b>                 | <b>69,442</b> | <b>356</b> | <b>1,220</b> | <b>(34)</b> | <b>1,542</b> | <b>67,900</b> | <b>(87)</b> | <b>920</b> | <b>844</b> | <b>(126)</b> | <b>1,550</b> | <b>66,350</b> |

| <b>2012</b>                  |               |            |              |             |              |               |             |            |            |              |              |               |
|------------------------------|---------------|------------|--------------|-------------|--------------|---------------|-------------|------------|------------|--------------|--------------|---------------|
| New York City Transit        | 47,449        | 292        | 1,013        | (28)        | 1,277        | 46,172        | (82)        | 492        | 526        | (29)         | 907          | 45,265        |
| Long Island Rail Road        | 6,767         | 4          | 41           | -           | 45           | 6,722         | (5)         | 125        | 83         | (8)          | 195          | 6,527         |
| Metro- North Railroad        | 6,304         | 44         | 9            | (3)         | 50           | 6,254         | -           | 88         | 32         | -            | 120          | 6,134         |
| Bridges & Tunnels            | 1,796         | 3          | 14           | -           | 17           | 1,779         | -           | 29         | 88         | 6            | 123          | 1,656         |
| Headquarters                 | 1,796         | -          | -            | -           | 0            | 1,796         | -           | 133        | -          | (71)         | 62           | 1,734         |
| Long Island Bus              | 1,134         | -          | 20           | -           | 20           | 1,114         | -           | 20         | 1          | -            | 21           | 1,093         |
| Staten Island Railway        | 274           | 4          | -            | -           | 4            | 270           | -           | 3          | 6          | -            | 9            | 261           |
| Capital Construction Company | 147           | -          | -            | -           | 0            | 147           | -           | -          | -          | -            | -            | 147           |
| MTA Bus Company              | 3,513         | -          | 25           | -           | 25           | 3,488         | -           | 30         | -          | (11)         | 19           | 3,469         |
| <b>Total</b>                 | <b>69,180</b> | <b>347</b> | <b>1,122</b> | <b>(31)</b> | <b>1,438</b> | <b>67,742</b> | <b>(87)</b> | <b>920</b> | <b>736</b> | <b>(113)</b> | <b>1,456</b> | <b>66,286</b> |

| <b>2013</b>                  |               |            |              |            |              |               |             |            |            |              |              |               |
|------------------------------|---------------|------------|--------------|------------|--------------|---------------|-------------|------------|------------|--------------|--------------|---------------|
| New York City Transit        | 47,503        | 335        | 920          | (1)        | 1,254        | 46,249        | (82)        | 492        | 554        | (31)         | 933          | 45,316        |
| Long Island Rail Road        | 6,904         | 4          | 41           | -          | 45           | 6,859         | (5)         | 125        | 83         | (8)          | 195          | 6,664         |
| Metro- North Railroad        | 6,386         | 44         | 9            | (3)        | 50           | 6,336         | -           | 88         | 32         | 5            | 125          | 6,211         |
| Bridges & Tunnels            | 1,796         | 3          | 14           | -          | 17           | 1,779         | -           | 29         | 88         | 6            | 123          | 1,656         |
| Headquarters                 | 1,780         | -          | -            | -          | 0            | 1,780         | -           | 133        | -          | (71)         | 62           | 1,718         |
| Long Island Bus              | 1,134         | -          | 20           | -          | 20           | 1,114         | -           | 20         | 1          | -            | 21           | 1,093         |
| Staten Island Railway        | 274           | 4          | -            | -          | 4            | 270           | -           | 3          | 6          | -            | 9            | 261           |
| Capital Construction Company | 147           | -          | -            | -          | 0            | 147           | -           | -          | -          | -            | -            | 147           |
| MTA Bus Company              | 3,521         | -          | 25           | -          | 25           | 3,496         | -           | 30         | -          | (11)         | 19           | 3,477         |
| <b>Total</b>                 | <b>69,445</b> | <b>390</b> | <b>1,029</b> | <b>(4)</b> | <b>1,415</b> | <b>68,030</b> | <b>(87)</b> | <b>920</b> | <b>764</b> | <b>(110)</b> | <b>1,487</b> | <b>66,543</b> |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011-2014**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Agency**

| <b>Category</b>                           | <b>2009<br/>Actual<sup>1</sup></b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>   | <b>2013</b>   | <b>2014</b>   |
|---|------------------------------------|---------------------------------------|--|---------------|---------------|---------------|
| <b><i>Baseline Total Positions</i></b>    | <b>69,079</b>                      | <b>66,292</b>                         | <b>66,350</b>                          | <b>66,286</b> | <b>66,543</b> | <b>66,812</b> |
| NYC Transit                               | 48,216                             | 45,634                                | 45,403                                 | 45,265        | 45,316        | 45,347        |
| Long Island Rail Road                     | 6,752                              | 6,585                                 | 6,501                                  | 6,527         | 6,664         | 6,813         |
| Metro-North Railroad                      | 5,920                              | 5,957                                 | 6,077                                  | 6,134         | 6,211         | 6,243         |
| Bridges & Tunnels                         | 1,781                              | 1,688                                 | 1,681                                  | 1,656         | 1,656         | 1,656         |
| Headquarters                              | 1,473                              | 1,474                                 | 1,720                                  | 1,734         | 1,718         | 1,771         |
| Long Island Bus                           | 1,125                              | 1,104                                 | 1,093                                  | 1,093         | 1,093         | 1,093         |
| Staten Island Railway                     | 269                                | 265                                   | 261                                    | 261           | 261           | 261           |
| Capital Construction Company              | 127                                | 150                                   | 147                                    | 147           | 147           | 147           |
| Bus Company                               | 3,416                              | 3,435                                 | 3,467                                  | 3,469         | 3,477         | 3,481         |
| <b><i>Non-Reimbursable</i></b>            | <b>64,816</b>                      | <b>59,541</b>                         | <b>59,525</b>                          | <b>59,543</b> | <b>59,898</b> | <b>60,169</b> |
| NYC Transit                               | 45,368                             | 40,288                                | 40,360                                 | 40,304        | 40,453        | 40,486        |
| Long Island Rail Road                     | 6,127                              | 6,053                                 | 5,605                                  | 5,631         | 5,768         | 5,917         |
| Metro-North Railroad                      | 5,358                              | 5,386                                 | 5,498                                  | 5,555         | 5,632         | 5,664         |
| Bridges & Tunnels                         | 1,736                              | 1,643                                 | 1,628                                  | 1,603         | 1,603         | 1,603         |
| Headquarters                              | 1,473                              | 1,423                                 | 1,669                                  | 1,683         | 1,667         | 1,720         |
| Long Island Bus                           | 1,111                              | 1,101                                 | 1,090                                  | 1,090         | 1,090         | 1,090         |
| Staten Island Railway                     | 266                                | 262                                   | 258                                    | 258           | 258           | 258           |
| Capital Construction Company              | -                                  | -                                     | -                                      | -             | -             | -             |
| Bus Company                               | 3,377                              | 3,385                                 | 3,417                                  | 3,419         | 3,427         | 3,431         |
| <b><i>Reimbursable</i></b>                | <b>4,263</b>                       | <b>6,751</b>                          | <b>6,825</b>                           | <b>6,743</b>  | <b>6,645</b>  | <b>6,643</b>  |
| NYC Transit                               | 2,848                              | 5,346                                 | 5,043                                  | 4,961         | 4,863         | 4,861         |
| Long Island Rail Road                     | 625                                | 532                                   | 896                                    | 896           | 896           | 896           |
| Metro-North Railroad                      | 562                                | 571                                   | 579                                    | 579           | 579           | 579           |
| Bridges & Tunnels                         | 45                                 | 45                                    | 53                                     | 53            | 53            | 53            |
| Headquarters                              | -                                  | 51                                    | 51                                     | 51            | 51            | 51            |
| Long Island Bus                           | 14                                 | 3                                     | 3                                      | 3             | 3             | 3             |
| Staten Island Railway                     | 3                                  | 3                                     | 3                                      | 3             | 3             | 3             |
| Capital Construction Company              | 127                                | 150                                   | 147                                    | 147           | 147           | 147           |
| Bus Company                               | 39                                 | 50                                    | 50                                     | 50            | 50            | 50            |
| <b><i>Total Full-Time</i></b>             | <b>68,734</b>                      | <b>66,030</b>                         | <b>66,088</b>                          | <b>66,024</b> | <b>66,281</b> | <b>66,550</b> |
| NYC Transit                               | 47,976                             | 45,474                                | 45,243                                 | 45,105        | 45,156        | 45,187        |
| Long Island Rail Road                     | 6,752                              | 6,585                                 | 6,501                                  | 6,527         | 6,664         | 6,813         |
| Metro-North Railroad                      | 5,917                              | 5,955                                 | 6,075                                  | 6,132         | 6,209         | 6,241         |
| Bridges & Tunnels                         | 1,781                              | 1,688                                 | 1,681                                  | 1,656         | 1,656         | 1,656         |
| Headquarters                              | 1,473                              | 1,474                                 | 1,720                                  | 1,734         | 1,718         | 1,771         |
| Long Island Bus                           | 1,023                              | 1,004                                 | 993                                    | 993           | 993           | 993           |
| Staten Island Railway                     | 269                                | 265                                   | 261                                    | 261           | 261           | 261           |
| Capital Construction Company              | 127                                | 150                                   | 147                                    | 147           | 147           | 147           |
| Bus Company                               | 3,416                              | 3,435                                 | 3,467                                  | 3,469         | 3,477         | 3,481         |
| <b><i>Total Full-Time-Equivalents</i></b> | <b>345</b>                         | <b>262</b>                            | <b>262</b>                             | <b>262</b>    | <b>262</b>    | <b>262</b>    |
| NYC Transit                               | 240                                | 160                                   | 160                                    | 160           | 160           | 160           |
| Long Island Rail Road                     | -                                  | -                                     | -                                      | -             | -             | -             |
| Metro-North Railroad                      | 3                                  | 2                                     | 2                                      | 2             | 2             | 2             |
| Bridges & Tunnels                         | -                                  | -                                     | -                                      | -             | -             | -             |
| Headquarters                              | -                                  | -                                     | -                                      | -             | -             | -             |
| Long Island Bus                           | 102                                | 100                                   | 100                                    | 100           | 100           | 100           |
| Staten Island Railway                     | -                                  | -                                     | -                                      | -             | -             | -             |
| Capital Construction Company              | -                                  | -                                     | -                                      | -             | -             | -             |
| Bus Company                               | -                                  | -                                     | -                                      | -             | -             | -             |

<sup>1</sup> 2009 Actuals for NYCT are as per the MTA 2009 Year-end report and have not been re-cast to reflect the subsequent Subways reorganization.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011-2014**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Function and Agency**

| <b>Function</b>              | <b>2009<br/>Actual<sup>1</sup></b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>   | <b>2013</b>   | <b>2014</b>   |
|------------------------------|------------------------------------|---------------------------------------|--|---------------|---------------|---------------|
| <b>Administration</b>        | <b>4,965</b>                       | <b>4,386</b>                          | <b>4,408</b>                           | <b>4,214</b>  | <b>4,201</b>  | <b>4,211</b>  |
| NYC Transit                  | 2,405                              | 1,962                                 | 1,919                                  | 1,731         | 1,727         | 1,727         |
| Long Island Rail Road        | 714                                | 658                                   | 621                                    | 621           | 627           | 637           |
| Metro-North Railroad         | 724                                | 648                                   | 591                                    | 592           | 592           | 592           |
| Bridges & Tunnels            | 138                                | 115                                   | 108                                    | 87            | 87            | 87            |
| Headquarters                 | 703                                | 697                                   | 913                                    | 927           | 911           | 911           |
| Long Island Bus              | 72                                 | 82                                    | 72                                     | 72            | 72            | 72            |
| Staten Island Railway        | 27                                 | 24                                    | 21                                     | 21            | 21            | 21            |
| Capital Construction Company | 31                                 | 28                                    | 28                                     | 28            | 28            | 28            |
| Bus Company                  | 151                                | 172                                   | 135                                    | 135           | 136           | 136           |
| <b>Operations</b>            | <b>30,517</b>                      | <b>29,317</b>                         | <b>29,344</b>                          | <b>29,356</b> | <b>29,516</b> | <b>29,627</b> |
| NYC Transit                  | 22,761                             | 21,705                                | 21,713                                 | 21,692        | 21,625        | 21,630        |
| Long Island Rail Road        | 2,013                              | 1,897                                 | 1,880                                  | 1,886         | 2,044         | 2,136         |
| Metro-North Railroad         | 1,793                              | 1,830                                 | 1,870                                  | 1,897         | 1,966         | 1,980         |
| Bridges & Tunnels            | 774                                | 766                                   | 766                                    | 766           | 766           | 766           |
| Headquarters                 | -                                  | -                                     | -                                      | -             | -             | -             |
| Long Island Bus              | 783                                | 764                                   | 764                                    | 764           | 764           | 764           |
| Staten Island Railway        | 93                                 | 95                                    | 91                                     | 91            | 91            | 91            |
| Capital Construction Company | -                                  | -                                     | -                                      | -             | -             | -             |
| Bus Company                  | 2,300                              | 2,260                                 | 2,260                                  | 2,260         | 2,260         | 2,260         |
| <b>Maintenance</b>           | <b>30,110</b>                      | <b>29,058</b>                         | <b>29,047</b>                          | <b>29,165</b> | <b>29,275</b> | <b>29,370</b> |
| NYC Transit                  | 21,168                             | 20,048                                | 19,866                                 | 19,937        | 20,059        | 20,085        |
| Long Island Rail Road        | 3,911                              | 3,879                                 | 3,850                                  | 3,870         | 3,843         | 3,890         |
| Metro-North Railroad         | 3,302                              | 3,380                                 | 3,509                                  | 3,538         | 3,546         | 3,564         |
| Bridges & Tunnels            | 395                                | 387                                   | 387                                    | 383           | 383           | 383           |
| Headquarters                 | -                                  | -                                     | -                                      | -             | -             | -             |
| Long Island Bus              | 254                                | 253                                   | 252                                    | 252           | 252           | 252           |
| Staten Island Railway        | 149                                | 146                                   | 149                                    | 149           | 149           | 149           |
| Capital Construction Company | -                                  | -                                     | -                                      | -             | -             | -             |
| Bus Company                  | 931                                | 965                                   | 1,034                                  | 1,036         | 1,043         | 1,047         |
| <b>Engineering/Capital</b>   | <b>1,916</b>                       | <b>1,986</b>                          | <b>1,990</b>                           | <b>1,990</b>  | <b>1,990</b>  | <b>1,990</b>  |
| NYC Transit                  | 1,396                              | 1,438                                 | 1,438                                  | 1,438         | 1,438         | 1,438         |
| Long Island Rail Road        | 114                                | 151                                   | 150                                    | 150           | 150           | 150           |
| Metro-North Railroad         | 101                                | 99                                    | 107                                    | 107           | 107           | 107           |
| Bridges & Tunnels            | 176                                | 147                                   | 147                                    | 147           | 147           | 147           |
| Headquarters                 | -                                  | -                                     | -                                      | -             | -             | -             |
| Long Island Bus              | 14                                 | 3                                     | 3                                      | 3             | 3             | 3             |
| Staten Island Railway        | -                                  | -                                     | -                                      | -             | -             | -             |
| Capital Construction Company | 96                                 | 122                                   | 119                                    | 119           | 119           | 119           |
| Bus Company                  | 19                                 | 26                                    | 26                                     | 26            | 26            | 26            |
| <b>Public Safety</b>         | <b>1,571</b>                       | <b>1,545</b>                          | <b>1,561</b>                           | <b>1,561</b>  | <b>1,561</b>  | <b>1,614</b>  |
| NYC Transit                  | 486                                | 481                                   | 467                                    | 467           | 467           | 467           |
| Long Island Rail Road        | -                                  | -                                     | -                                      | -             | -             | -             |
| Metro-North Railroad         | -                                  | -                                     | -                                      | -             | -             | -             |
| Bridges & Tunnels            | 298                                | 273                                   | 273                                    | 273           | 273           | 273           |
| Headquarters                 | 770                                | 777                                   | 807                                    | 807           | 807           | 860           |
| Long Island Bus              | 2                                  | 2                                     | 2                                      | 2             | 2             | 2             |
| Staten Island Railway        | -                                  | -                                     | -                                      | -             | -             | -             |
| Capital Construction Company | -                                  | -                                     | -                                      | -             | -             | -             |
| Bus Company                  | 15                                 | 12                                    | 12                                     | 12            | 12            | 12            |

<sup>1</sup> 2009 Actuals for NYCT are as per the MTA 2009 Year-end report and have not been re-cast to reflect the subsequent Subways reorganization.

**Metropolitan Transportation Authority**  
**July Financial Plan 2011-2014**  
**Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group**  
**Non-Reimbursable and Reimbursable**

| FUNCTION/OCCUPATIONAL GROUP     |                                   | 2009<br>Actual <sup>1</sup> | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012          | 2013          | 2014          |
|---------------------------------|-----------------------------------|-----------------------------|------------------------------|-------------------------------|---------------|---------------|---------------|
| <b>Administration</b>           |                                   |                             |                              |                               |               |               |               |
|                                 | Managers/Supervisors              | 1,765                       | 1,549                        | 1,554                         | 1,517         | 1,515         | 1,519         |
|                                 | Professional, Technical, Clerical | 3,100                       | 2,718                        | 2,714                         | 2,558         | 2,547         | 2,553         |
|                                 | Operational Hourlies              | 100                         | 119                          | 140                           | 139           | 139           | 139           |
|                                 | <b>Total Administration</b>       | <b>4,965</b>                | <b>4,386</b>                 | <b>4,408</b>                  | <b>4,214</b>  | <b>4,201</b>  | <b>4,211</b>  |
| <b>Operations</b>               |                                   |                             |                              |                               |               |               |               |
|                                 | Managers/Supervisors              | 3,115                       | 3,373                        | 3,338                         | 3,338         | 3,332         | 3,331         |
|                                 | Professional, Technical, Clerical | 1,017                       | 1,047                        | 1,028                         | 1,027         | 1,040         | 1,040         |
|                                 | Operational Hourlies              | 26,385                      | 24,897                       | 24,978                        | 24,991        | 25,144        | 25,256        |
|                                 | <b>Total Operations</b>           | <b>30,517</b>               | <b>29,317</b>                | <b>29,344</b>                 | <b>29,356</b> | <b>29,516</b> | <b>29,627</b> |
| <b>Maintenance</b>              |                                   |                             |                              |                               |               |               |               |
|                                 | Managers/Supervisors              | 4,816                       | 4,574                        | 4,557                         | 4,559         | 4,553         | 4,559         |
|                                 | Professional, Technical, Clerical | 2,522                       | 2,407                        | 2,387                         | 2,367         | 2,365         | 2,364         |
|                                 | Operational Hourlies              | 22,772                      | 22,077                       | 22,103                        | 22,239        | 22,357        | 22,447        |
|                                 | <b>Total Maintenance</b>          | <b>30,110</b>               | <b>29,058</b>                | <b>29,047</b>                 | <b>29,165</b> | <b>29,275</b> | <b>29,370</b> |
| <b>Engineering/Capital</b>      |                                   |                             |                              |                               |               |               |               |
|                                 | Managers/Supervisors              | 480                         | 523                          | 531                           | 531           | 531           | 531           |
|                                 | Professional, Technical, Clerical | 1,434                       | 1,461                        | 1,457                         | 1,457         | 1,457         | 1,457         |
|                                 | Operational Hourlies              | 2                           | 2                            | 2                             | 2             | 2             | 2             |
|                                 | <b>Total Engineering/Capital</b>  | <b>1,916</b>                | <b>1,986</b>                 | <b>1,990</b>                  | <b>1,990</b>  | <b>1,990</b>  | <b>1,990</b>  |
| <b>Public Safety</b>            |                                   |                             |                              |                               |               |               |               |
|                                 | Managers/Supervisors              | 147                         | 147                          | 147                           | 147           | 147           | 148           |
|                                 | Professional, Technical, Clerical | 128                         | 136                          | 136                           | 136           | 136           | 137           |
|                                 | Operational Hourlies              | 1,296                       | 1,262                        | 1,278                         | 1,278         | 1,278         | 1,329         |
|                                 | <b>Total Public Safety</b>        | <b>1,571</b>                | <b>1,545</b>                 | <b>1,561</b>                  | <b>1,561</b>  | <b>1,561</b>  | <b>1,614</b>  |
| <b>Baseline Total Positions</b> |                                   |                             |                              |                               |               |               |               |
|                                 | Managers/Supervisors              | 10,323                      | 10,166                       | 10,127                        | 10,092        | 10,078        | 10,088        |
|                                 | Professional, Technical, Clerical | 8,201                       | 7,769                        | 7,722                         | 7,545         | 7,545         | 7,551         |
|                                 | Operational Hourlies              | 50,555                      | 48,357                       | 48,501                        | 48,649        | 48,920        | 49,173        |
|                                 | <b>Baseline Total Positions</b>   | <b>69,079</b>               | <b>66,292</b>                | <b>66,350</b>                 | <b>66,286</b> | <b>66,543</b> | <b>66,812</b> |

<sup>1</sup> 2009 Actuals for NYCT are as per the MTA 2009 Year-end report and have not been re-cast to reflect the subsequent Subways reorganization.

## **BASELINE POSITIONS (Headcount)**

This section excludes below-the-line Gap Closing Actions

### **Year-to-Year (2011 vs 2010)**

The MTA consolidated 2011 baseline shows 66,350 positions, 58 more than in 2010. Reimbursable positions increase by 74 and Non-Reimbursable positions decrease by 16. Total positions increase by 246 at MTA HQ, 120 at MNR, and 32 at MTA Bus, while positions decrease by 231 at NYCT, 84 at the LIRR, 11 at LIB, 7 at B&T, 4 at SIR, and 3 at MTA CC.

MTA HQ's increase consists entirely of 246 Non-Reimbursable positions. Positions in Administration increase by 216 primarily from position transfers into the BSC from other MTA Agencies (BSC is currently budgeted in MTA HQ). Positions in public safety will also increase with the hiring of 30 MTA Police officers under the federally funded COPS Hiring Recovery Program.

MNR's increase is made up of 112 Non-Reimbursable positions and 8 Reimbursable positions. Positions increase in Maintenance (+129), Operations (+40) and Engineering/Capital (+8), and decrease in Administration (-57). Position increases are primarily due to the addition of positions to support the New Haven Maintenance Facility Shop Complex (+45), the M8 service plan (+24), security improvements (+20), as well as T&E positions for new train service, a second shift coach shop, and support for signal and power improvements on the Danbury Branch and Harlem/Hudson lines. These increases are partially offset by the net transfer of 45 Human Resources/Controller's department positions to the Business Service Center (BSC).

MTA Bus' increase consists entirely of 32 Non-Reimbursable positions. Maintenance positions increase by 69 as a result of the phase-in of the shop overhaul program and the hiring of facility maintenance staff, both of which were deferred in 2010. Partially offsetting this increase was a reduction of 37 administration positions resulting from the transfer of 22 positions to the BSC, as well as reductions of 15 positions related to several project deferrals (primarily the maintenance management system "Spear").

NYCT will decrease Reimbursable positions by 303 and increase Non-Reimbursable positions by 72. Most of these position reductions are in maintenance (-182) and administration (-43). Reimbursable positions fall primarily due to the timing of capital projects related to lighting (-79), cable replacement (-79), R160 warranty support (-55), and electronics maintenance (-45). Non-Reimbursable positions increase as a result of updated training float/employee availability requirements (+67).

The LIRR's lower headcount in 2011 is made up of a reduction of Non-Reimbursable positions (-448) and an increase of Reimbursable positions (+364). Positions are reduced in Administration (-37), Maintenance (-29), Operations (-17), and Engineering/Capital (-1). The offsetting nature of the Non-Reimbursable and Reimbursable position changes is primarily due to the timing of project activity such as

the 2011 Annual Track Program (197), ESA Construction (104), and Positive Train Control (31). The bulk of the net reduction of 84 positions is made up of transfers to the BSC (-37), BRPs (-14), and reductions to fleet maintenance which are part of the AABBs (-30).

LIB's decrease consists entirely of 11 Non-Reimbursable positions. Administration positions decrease by 10 due to the transfer of positions to BSC, and maintenance positions decrease by 1 due to project deferrals.

#### Year-to-Year (2012 – 2014)

Total forecasted position levels increase by 462 from the end of 2011 to the end of 2014. Positions decrease by 64 in 2012, increase by 257 in 2013, and increase again by 269 in 2014. The Agencies with the largest position changes at the end of the three-year period are the LIRR (+312), MNR (+166), NYCT (-56), HQ (+51), B&T (-25), and MTA Bus (+14). Positions increase over the three-year period primarily due to additional positions for East Side Access (ESA), fewer position reductions from AABBs and BRPs, and staffing for the New Haven Maintenance Facility Shop. Also included in the overall net change are eliminations related to the opening of the Business Service Center (BSC) which, on an MTA-wide basis, will result in a net decrease of approximately 230 positions.

The LIRR's increase is made up entirely of increases of 312 Non-Reimbursable positions. The bulk of this increase is due to the addition of positions for East Side Access.

MNR's increase from 2012-2014 is made up entirely of Non-Reimbursable positions. The position increase is primarily due to additional staffing for the New Haven Maintenance Facility Shop Complex (+77), new train service (+65), coach cleaning (+21) and security (+13). Partially offsetting these increases is a reduction of 11 positions associated with the completion of the M3 enhanced maintenance program.

NYCT's decrease is made up of reductions of 182 Reimbursable positions and increases of 126 Non-Reimbursable positions. Reimbursable positions fall as a result of the continuation of the 2011 reductions (see above), and from changes/completions in the following: R160 warranty work, support for the Signal Safety Project, the Subway Service Plan, the Cable Replacement Project, and support for the Culver Project. Non-Reimbursable positions increases are primarily due to subways station maintenance requirements and bus maintenance requirements, partially offset by the transfer of positions to the BSC.

MTA HQ will increase headcount by 51 Non-Reimbursable positions. Public Safety positions increase by 53 due to the hiring in 2011 of 30 MTA Police Officers under the federally-funded COPS Hiring Recovery Program, and the hiring of additional Officers in 2014 to staff and patrol ESA.

B&T's decrease is made up of reductions of 25 Non-Reimbursable positions. Most of these reductions are in Administration (-21) and result from position transfers to the BSC in 2012. Positions will then remain unchanged through 2014.



**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011-2014**  
**Year to Year Changes for Positions by Function and Agency**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents**  
**Favorable/(Unfavorable)**

| Function                           | Change<br>2010-2011 | Change<br>2011-2012 | Change<br>2012-2013 | Change<br>2013-2014 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Baseline Total Positions</b>    | <b>(58)</b>         | <b>64</b>           | <b>(257)</b>        | <b>(269)</b>        |
| NYC Transit                        | 231                 | 138                 | (51)                | (31)                |
| Long Island Rail Road              | 84                  | (26)                | (137)               | (149)               |
| Metro-North Railroad               | (120)               | (57)                | (77)                | (32)                |
| Bridges & Tunnels                  | 7                   | 25                  | -                   | -                   |
| Headquarters                       | (246)               | (14)                | 16                  | (53)                |
| Long Island Bus                    | 11                  | -                   | -                   | -                   |
| Staten Island Railway              | 4                   | -                   | -                   | -                   |
| Capital Construction Company       | 3                   | -                   | -                   | -                   |
| Bus Company                        | (32)                | (2)                 | (8)                 | (4)                 |
| <b>Non-Reimbursable</b>            | <b>16</b>           | <b>(18)</b>         | <b>(355)</b>        | <b>(271)</b>        |
| NYC Transit                        | (72)                | 56                  | (149)               | (33)                |
| Long Island Rail Road              | 448                 | (26)                | (137)               | (149)               |
| Metro-North Railroad               | (112)               | (57)                | (77)                | (32)                |
| Bridges & Tunnels                  | 15                  | 25                  | -                   | -                   |
| Headquarters                       | (246)               | (14)                | 16                  | (53)                |
| Long Island Bus                    | 11                  | -                   | -                   | -                   |
| Staten Island Railway              | 4                   | -                   | -                   | -                   |
| Capital Construction Company       | -                   | -                   | -                   | -                   |
| Bus Company                        | (32)                | (2)                 | (8)                 | (4)                 |
| <b>Reimbursable</b>                | <b>(74)</b>         | <b>82</b>           | <b>98</b>           | <b>2</b>            |
| NYC Transit                        | 303                 | 82                  | 98                  | 2                   |
| Long Island Rail Road              | (364)               | -                   | -                   | -                   |
| Metro-North Railroad               | (8)                 | -                   | -                   | -                   |
| Bridges & Tunnels                  | (8)                 | -                   | -                   | -                   |
| Headquarters                       | -                   | -                   | -                   | -                   |
| Long Island Bus                    | -                   | -                   | -                   | -                   |
| Staten Island Railway              | -                   | -                   | -                   | -                   |
| Capital Construction Company       | 3                   | -                   | -                   | -                   |
| Bus Company                        | -                   | -                   | -                   | -                   |
| <b>Total Full-Time</b>             | <b>(58)</b>         | <b>64</b>           | <b>(257)</b>        | <b>(269)</b>        |
| NYC Transit                        | 231                 | 138                 | (51)                | (31)                |
| Long Island Rail Road              | 84                  | (26)                | (137)               | (149)               |
| Metro-North Railroad               | (120)               | (57)                | (77)                | (32)                |
| Bridges & Tunnels                  | 7                   | 25                  | -                   | -                   |
| Headquarters                       | (246)               | (14)                | 16                  | (53)                |
| Long Island Bus                    | 11                  | -                   | -                   | -                   |
| Staten Island Railway              | 4                   | -                   | -                   | -                   |
| Capital Construction Company       | 3                   | -                   | -                   | -                   |
| Bus Company                        | (32)                | (2)                 | (8)                 | (4)                 |
| <b>Total Full-Time-Equivalents</b> | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| NYC Transit                        | -                   | -                   | -                   | -                   |
| Long Island Rail Road              | -                   | -                   | -                   | -                   |
| Metro-North Railroad               | -                   | -                   | -                   | -                   |
| Bridges & Tunnels                  | -                   | -                   | -                   | -                   |
| Headquarters                       | -                   | -                   | -                   | -                   |
| Long Island Bus                    | -                   | -                   | -                   | -                   |
| Staten Island Railway              | -                   | -                   | -                   | -                   |
| Capital Construction Company       | -                   | -                   | -                   | -                   |
| Bus Company                        | -                   | -                   | -                   | -                   |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011-2014**  
**Year to Year Changes for Positions by Function and Agency**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents**  
**Favorable/(Unfavorable)**

| <b>FUNCTION/DEPARTMENT</b>        | <b>Change<br/>2010-2011</b> | <b>Change<br/>2011-2012</b> | <b>Change<br/>2012-2013</b> | <b>Change<br/>2013-2014</b> |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b><i>Administration</i></b>      | <b>(22)</b>                 | <b>194</b>                  | <b>13</b>                   | <b>(10)</b>                 |
| NYC Transit                       | 43                          | 188                         | 4                           | -                           |
| Long Island Rail Road             | 37                          | -                           | (6)                         | (10)                        |
| Metro-North Railroad              | 57                          | (1)                         | -                           | -                           |
| Bridges & Tunnels                 | 7                           | 21                          | -                           | -                           |
| Headquarters                      | (216)                       | (14)                        | 16                          | -                           |
| Long Island Bus                   | 10                          | -                           | -                           | -                           |
| Staten Island Railway             | 3                           | -                           | -                           | -                           |
| Capital Construction Company      | -                           | -                           | -                           | -                           |
| Bus Company                       | 37                          | -                           | (1)                         | -                           |
| <b><i>Operations</i></b>          | <b>(27)</b>                 | <b>(12)</b>                 | <b>(160)</b>                | <b>(111)</b>                |
| NYC Transit                       | (8)                         | 21                          | 67                          | (5)                         |
| Long Island Rail Road             | 17                          | (6)                         | (158)                       | (92)                        |
| Metro-North Railroad              | (40)                        | (27)                        | (69)                        | (14)                        |
| Bridges & Tunnels                 | -                           | -                           | -                           | -                           |
| Headquarters                      | -                           | -                           | -                           | -                           |
| Long Island Bus                   | -                           | -                           | -                           | -                           |
| Staten Island Railway             | 4                           | -                           | -                           | -                           |
| Capital Construction Company      | -                           | -                           | -                           | -                           |
| Bus Company                       | -                           | -                           | -                           | -                           |
| <b><i>Maintenance</i></b>         | <b>11</b>                   | <b>(117)</b>                | <b>(110)</b>                | <b>(95)</b>                 |
| NYC Transit                       | 182                         | (71)                        | (122)                       | (26)                        |
| Long Island Rail Road             | 29                          | (19)                        | 27                          | (47)                        |
| Metro-North Railroad              | (129)                       | (29)                        | (8)                         | (18)                        |
| Bridges & Tunnels                 | -                           | 4                           | -                           | -                           |
| Headquarters                      | -                           | -                           | -                           | -                           |
| Long Island Bus                   | 1                           | -                           | -                           | -                           |
| Staten Island Railway             | (3)                         | -                           | -                           | -                           |
| Capital Construction Company      | -                           | -                           | -                           | -                           |
| Bus Company                       | (69)                        | (2)                         | (7)                         | (4)                         |
| <b><i>Engineering/Capital</i></b> | <b>(4)</b>                  | <b>-</b>                    | <b>-</b>                    | <b>-</b>                    |
| NYC Transit                       | -                           | -                           | -                           | -                           |
| Long Island Rail Road             | 1                           | -                           | -                           | -                           |
| Metro-North Railroad              | (8)                         | -                           | -                           | -                           |
| Bridges & Tunnels                 | -                           | -                           | -                           | -                           |
| Headquarters                      | -                           | -                           | -                           | -                           |
| Long Island Bus                   | -                           | -                           | -                           | -                           |
| Staten Island Railway             | -                           | -                           | -                           | -                           |
| Capital Construction Company      | 3                           | -                           | -                           | -                           |
| Bus Company                       | -                           | -                           | -                           | -                           |
| <b><i>Public Safety</i></b>       | <b>(16)</b>                 | <b>-</b>                    | <b>-</b>                    | <b>(53)</b>                 |
| NYC Transit                       | 14                          | -                           | -                           | -                           |
| Long Island Rail Road             | -                           | -                           | -                           | -                           |
| Metro-North Railroad              | -                           | -                           | -                           | -                           |
| Bridges & Tunnels                 | -                           | -                           | -                           | -                           |
| Headquarters                      | (30)                        | -                           | -                           | (53)                        |
| Long Island Bus                   | -                           | -                           | -                           | -                           |
| Staten Island Railway             | -                           | -                           | -                           | -                           |
| Capital Construction Company      | -                           | -                           | -                           | -                           |
| Bus Company                       | -                           | -                           | -                           | -                           |

**Metropolitan Transportation Authority**  
**July Financial Plan 2011-2014**  
**Year to Year Changes for Positions by Function and Occupational Group**  
**Baseline Total Full-time Positions and Full-time Equivalents**  
**Non-Reimbursable and Reimbursable**  
**Favorable/(Unfavorable)**

| <b>FUNCTION/OCCUPATIONAL GROUP</b> | <b>Change<br/>2010-2011</b> | <b>Change<br/>2011-2012</b> | <b>Change<br/>2012-2013</b> | <b>Change<br/>2013-2014</b> |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Administration</b>              |                             |                             |                             |                             |
| Managers/Supervisors               | (5)                         | 37                          | 2                           | (4)                         |
| Professional, Technical, Clerical  | 4                           | 156                         | 11                          | (6)                         |
| Operational Hourlies               | (21)                        | 1                           | -                           | -                           |
| <b>Total Administration</b>        | <b>(22)</b>                 | <b>194</b>                  | <b>13</b>                   | <b>(10)</b>                 |
| <b>Operations</b>                  |                             |                             |                             |                             |
| Managers/Supervisors               | 35                          | -                           | 6                           | 1                           |
| Professional, Technical, Clerical  | 19                          | 1                           | (13)                        | -                           |
| Operational Hourlies               | (81)                        | (13)                        | (153)                       | (112)                       |
| <b>Total Operations</b>            | <b>(27)</b>                 | <b>(12)</b>                 | <b>(160)</b>                | <b>(111)</b>                |
| <b>Maintenance</b>                 |                             |                             |                             |                             |
| Managers/Supervisors               | 17                          | (2)                         | 6                           | (6)                         |
| Professional, Technical, Clerical  | 20                          | 20                          | 2                           | 1                           |
| Operational Hourlies               | (26)                        | (136)                       | (118)                       | (90)                        |
| <b>Total Maintenance</b>           | <b>11</b>                   | <b>(118)</b>                | <b>(110)</b>                | <b>(95)</b>                 |
| <b>Engineering/Capital</b>         |                             |                             |                             |                             |
| Managers/Supervisors               | (9)                         | -                           | -                           | -                           |
| Professional, Technical, Clerical  | 4                           | -                           | -                           | -                           |
| Operational Hourlies               | -                           | -                           | -                           | -                           |
| <b>Total Engineering/Capital</b>   | <b>(5)</b>                  | <b>-</b>                    | <b>-</b>                    | <b>-</b>                    |
| <b>Public Safety</b>               |                             |                             |                             |                             |
| Managers/Supervisors               | -                           | -                           | -                           | (1)                         |
| Professional, Technical, Clerical  | -                           | -                           | -                           | (1)                         |
| Operational Hourlies               | (16)                        | -                           | -                           | (51)                        |
| <b>Total Public Safety</b>         | <b>(16)</b>                 | <b>-</b>                    | <b>-</b>                    | <b>(53)</b>                 |
| <b>Baseline Total Positions</b>    |                             |                             |                             |                             |
| Managers/Supervisors               | 39                          | 35                          | 14                          | (10)                        |
| Professional, Technical, Clerical  | 47                          | 177                         | -                           | (6)                         |
| Operational Hourlies               | (144)                       | (148)                       | (271)                       | (253)                       |
| <b>Baseline Total Positions</b>    | <b>(59)</b>                 | <b>64</b>                   | <b>(257)</b>                | <b>(269)</b>                |

## **BASELINE POSITIONS (Headcount)**

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

Also excluded is a discussion of Plan-to-Plan changes by function, since AABBs and significant departmental reorganizations would have required an extensive and complicated restatement of the previous Plan's positions (February Plan).

## **MTA COMBINED**

### **Plan-to-Plan (2010) Mid-Year Forecast vs Adopted Budget**

MTA consolidated baseline positions of 66,292 are 1,809 positions lower than the 2010 Adopted Budget, and 3,470 positions lower than the November, 2009 forecast for 2010. The overall drop in positions since Budget Adoption is primarily due to the Administrative Reduction Program (ARP) (-977), and the Budget Reduction Proposals (BRPs) (-885). As mentioned earlier, the reduction against the November Plan also includes PEGs and AABBs that were already captured in December.

Slightly more than half of the total BRP reductions come from the following: reductions in car cleaners (NYCT), extending the SMS cycle (NYCT), organizational streamlining (B&T), shop plan revisions (NYCT), closure of the Amsterdam Depot (NYCT, and Track Cleaning Reductions (NYCT). Non-Reimbursable positions are forecasted to decrease by 1,772 and Reimbursable positions to decrease by 37. Total positions decrease by 1,069 at NYCT, 204 at MNR, 199 at the LIRR, 117 at B&T, 94 at MTA HQ, 92 at MTA Bus, 25 at LIB and 9 at SIR.

| <b>MTA COMBINED</b>              |               |               |               |               |
|----------------------------------|---------------|---------------|---------------|---------------|
|                                  | <b>2010</b>   | <b>2011</b>   | <b>2012</b>   | <b>2013</b>   |
| February Plan Positions:         | 68,101        | 67,900        | 67,742        | 68,030        |
| AABB Restorations                | (88)          | (87)          | (87)          | (87)          |
| Admin Position Reduction Program | <u>977</u>    | <u>920</u>    | <u>920</u>    | <u>920</u>    |
| subtotal                         | 889           | 833           | 833           | 833           |
| <b><u>BRPs:</u></b>              |               |               |               |               |
| subtotal                         | 885           | 844           | 736           | 764           |
| All other                        | 35            | (127)         | (113)         | (110)         |
| Total Change                     | 1,809         | 1,550         | 1,456         | 1,487         |
| July Financial Plan Positions    | <u>66,292</u> | <u>66,350</u> | <u>66,286</u> | <u>66,543</u> |

### **Plan-to-Plan (2011) vs Preliminary Budget**

When compared with the February Financial Plan, MTA consolidated baseline positions decrease by 1,550 primarily because of the inclusion of the Budget Reduction Proposals (BRPs) and the Administrative Reduction Program. Non-Reimbursable positions decrease (-1,524) and Reimbursable positions decrease (-26). Positions drop by 996 at NYCT, 211 at the LIRR, 123 at B&T, 109 at MNR, 62 at MTA HQ, 21 at LIB, 19 at MTA Bus, and 9 at SIR.

### Plan-to-Plan (2012 – 2013)

When compared with the February Plan, positions are projected to decrease by (-1,420) in 2012 and (-1,451) in 2013.

Positions decrease in 2012 at NYCT (-907), the LIRR (-195), B&T (-123), MNR (-84), MTA HQ (-62), LIB (-21), MTA Bus (-19), and SIR (-9). These Plan-to-Plan changes primarily reflect a continuation of the BRPs, the Administrative Reduction Program, and other initiatives mentioned in the previous sections, and remain virtually unchanged in 2013.

(For a fuller discussion of the major BRP initiatives resulting in position reductions, please refer to the previous section).

### **NYCT**

#### Plan-to-Plan (2010) Mid-Year Forecast vs Adopted Budget

NYCT's decrease is made up of 1,082 Non-Reimbursable position reductions and 13 Reimbursable position increases. The reduction in positions is primarily due to BRPs (-643) and the Administrative Reduction Program (-489), which will result in the elimination of 1,132 positions. Partly offsetting these reductions is the addition of 83 positions resulting from the reinstatement of some service cuts that were included in the February Plan. Ninety-four percent of the BRP position reductions are in the categories of maintenance and service support, and include extending the SMS cycle and other SMS economies, shop plan reductions, car cleaning and track cleaning reductions, closure of the Amsterdam Depot, and terminal switching economies. These actions alone account for 426 or 66% of the total BRP reductions.

| NYCT                                 |               |               |               |               |
|--------------------------------------|---------------|---------------|---------------|---------------|
|                                      | 2010          | 2011          | 2012          | 2013          |
| February Plan Positions:             | 46,703        | 46,399        | 46,172        | 46,249        |
| AABB Restorations                    | (83)          | (82)          | (82)          | (82)          |
| Admin Position Reduction Program     | <u>489</u>    | <u>492</u>    | <u>492</u>    | <u>492</u>    |
| subtotal                             | 406           | 410           | 410           | 410           |
| <u>BRPs:</u>                         |               |               |               |               |
| Car Cleaning Reductions              | 116           | 116           | 116           | 116           |
| Extend SMS Cycle/Other SMS Economies | 109           | 146           | 84            | 111           |
| Shop Plan Reductions                 | 74            | 17            | 17            | 17            |
| Close Amsterdam Depot                | 46            | 46            | 46            | 46            |
| Track Cleaning Reductions            | 46            | 46            | 46            | 46            |
| Terminal Supervision Economies       | 35            | 35            | 35            | 35            |
| Bus Mtce. Economies                  | 34            | 34            | 34            | 34            |
| Other                                | <u>183</u>    | <u>189</u>    | <u>148</u>    | <u>149</u>    |
| subtotal                             | 643           | 629           | 526           | 554           |
| All other                            | 20            | (43)          | (29)          | (31)          |
| Total Change                         | 1,069         | 996           | 907           | 933           |
| July Financial Plan Positions        | <u>45,634</u> | <u>45,403</u> | <u>45,265</u> | <u>45,316</u> |

#### Plan-to-Plan (2011) vs Preliminary Budget

NYCT's total decrease consists of reductions of 1,008 Non-Reimbursable positions and increases of 12 Reimbursable positions. The reduction in positions is primarily due to BRPs and administrative actions that will result in the elimination of 1,121 positions. Partly offsetting these reductions is the addition of positions related to the reinstatement of some service cuts that were included in the February Plan. Ninety-eight percent of the BRP position reductions are in the categories of maintenance and service support.

#### LIRR

##### Plan-to-Plan (2010) Mid-Year Forecast vs Adopted Budget

The LIRR's decrease, made up entirely of Non-Reimbursable positions, results from the Administrative Reduction Program (-137), and BRP reductions (-62). Most of the BRP position reductions are in service support and include fare collection and operations support efficiencies. Combined, these actions account for 47 or 76% of the total BRP reductions.

|   |              | LIRR       |            |            |            |
|---|--------------|------------|------------|------------|------------|
|   |              | 2010       | 2011       | 2012       | 2013       |
| February Plan Positions:                    |              | 6,784      | 6,712      | 6,722      | 6,859      |
| AABB Restorations                           |              | (5)        | (5)        | (5)        | (5)        |
| Admin Position Reduction Program            |              | <u>137</u> | <u>125</u> | <u>125</u> | <u>125</u> |
|   | subtotal     | 132        | 120        | 120        | 120        |
| <u>BRPs:</u>                                |              |            |            |            |            |
| Fare Collection Efficiencies                |              | 36         | 38         | 38         | 38         |
| Operations Support & Efficiencies           |              | 11         | 17         | 17         | 17         |
| consist reductions & ticket window closings |              | 0          | 18         | 18         | 18         |
| Other                                       |              | <u>15</u>  | <u>15</u>  | <u>10</u>  | <u>10</u>  |
|   | subtotal     | 62         | 88         | 83         | 83         |
| All other                                   |              | 5          | 3          | (8)        | (8)        |
|   | Total Change | 199        | 211        | 195        | 195        |
| July Financial Plan Positions               |              | 6,585      | 6,501      | 6,527      | 6,664      |

### Plan-to-Plan (2011) vs Preliminary Budget

The LIRR's decrease consists of 209 Non-Reimbursable and 2 Reimbursable positions. Most of the decrease is due to Administrative Reduction Program reductions of 125 positions, and BRP reductions of 88 positions. BRP position reductions are 16 higher than in 2010, primarily due to Consist reductions and ticket window closings.

**MNR**

### Plan-to-Plan (2010) Mid-Year Forecast vs Adopted Budget

MNR's decrease is made up of reductions of 163 Non-Reimbursable and 41 Reimbursable positions. The bulk of this reduction is made up of reductions of 88 positions from the Administrative Reduction Program and 56 positions from the BRPs. All of the BRP position reductions are in the categories of maintenance and revenue enhancement/customer service and include the deferral of positions required to maintain the new M8 fleet until 2011, as well as position reductions in coach cleaning, facility maintenance and material management. Additional position reductions will result from the maximized use of ticket selling machines as well as efficiencies in customer service and on-board crew scheduling.







| MTA HQ                           |              |              |              |              |
|----------------------------------|--------------|--------------|--------------|--------------|
|                                  | 2010         | 2011         | 2012         | 2013         |
| February Plan Positions:         | 1,568        | 1,782        | 1,796        | 1,780        |
| AABB Restorations                | 0            | 0            | 0            | 0            |
| Admin Position Reduction Program | <u>133</u>   | <u>133</u>   | <u>133</u>   | <u>133</u>   |
| subtotal                         | 133          | 133          | 133          | 133          |
| <u>BRPs:</u>                     |              |              |              |              |
| subtotal                         | 0            | 0            | 0            | 0            |
| All other                        | (39)         | (71)         | (71)         | (71)         |
| Total Change                     | 94           | 62           | 62           | 62           |
| July Financial Plan Positions    | <u>1,474</u> | <u>1,720</u> | <u>1,734</u> | <u>1,718</u> |

#### Plan-to-Plan (2011) vs Preliminary Budget

MTA HQ's decrease consists of 60 Non-Reimbursable and 2 Reimbursable positions. MTA HQ's decrease results from the Administrative Reduction Program, partially offset by the addition of positions for New Fare Payment Systems, the Strategic Initiatives Unit, and Bus Customer Information Systems. Position reductions are further offset by the hiring of 30 MTA Police officers in 2011 under the federally funded COPS Hiring Recovery Program.

#### **MTA BUS**

##### Plan-to-Plan (2010) Mid-Year Forecast vs Adopted Budget

MTA Bus' decrease is made up of 103 Non-Reimbursable position reductions and 11 Reimbursable position increases. The Administrative Reduction Program results in reductions of 73 positions, while the BRPs result in reductions of 30. All of the BRP position reductions are in maintenance and include the delayed phase-in and reduction in scope of the shop overhaul program, reductions in bus painting and the need for wheelchair maintenance, the delayed hiring of facility maintenance staff, and efficiencies in bus shifting. Partly offsetting these reductions will be the addition of 7 positions related to implementation of the Hastus scheduling system.





| SIR                              |          |          |          |          |
|----------------------------------|----------|----------|----------|----------|
|                                  | 2010     | 2011     | 2012     | 2013     |
| February Plan Positions:         | 274      | 270      | 270      | 270      |
| AABB Restorations                | 0        | 0        | 0        | 0        |
| Admin Position Reduction Program | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> |
| subtotal                         | 3        | 3        | 3        | 3        |
| <u>BRPs:</u>                     |          |          |          |          |
| Hiring Freeze                    | <u>6</u> | <u>6</u> | <u>6</u> | <u>6</u> |
| subtotal                         | 6        | 6        | 6        | 6        |
| All other                        | 0        | 0        | 0        | 0        |
| Total Change                     | 9        | 9        | 9        | 9        |
| July Financial Plan Positions    | 265      | 261      | 261      | 261      |

| MTA CC                           |          |          |          |          |
|----------------------------------|----------|----------|----------|----------|
|                                  | 2010     | 2011     | 2012     | 2013     |
| February Plan Positions:         | 150      | 147      | 147      | 147      |
| AABB Restorations                | 0        | 0        | 0        | 0        |
| Admin Position Reduction Program | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| subtotal                         | 0        | 0        | 0        | 0        |
| <u>BRPs:</u>                     |          |          |          |          |
| subtotal                         | 0        | 0        | 0        | 0        |
| All other                        | 0        | 0        | 0        | 0        |
| Total Change                     | 0        | 0        | 0        | 0        |
| July Financial Plan Positions    | 150      | 147      | 147      | 147      |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011-2014**  
**Baseline Change Between 2010 July Financial Plan vs. 2010 February Financial Plan**  
**Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Function and Agency**  
**Favorable/(Unfavorable)**

| Category                           | 2010         | 2011         | 2012         | 2013         |
|------------------------------------|--------------|--------------|--------------|--------------|
| <b>Baseline Total Positions</b>    | <b>1,809</b> | <b>1,550</b> | <b>1,456</b> | <b>1,487</b> |
| NYC Transit                        | 1,069        | 996          | 907          | 933          |
| Long Island Rail Road              | 199          | 211          | 195          | 195          |
| Metro-North Railroad               | 204          | 109          | 120          | 125          |
| Bridges & Tunnels                  | 117          | 123          | 123          | 123          |
| Headquarters                       | 94           | 62           | 62           | 62           |
| Long Island Bus                    | 25           | 21           | 21           | 21           |
| Staten Island Railway              | 9            | 9            | 9            | 9            |
| Capital Construction Company       | -            | -            | -            | -            |
| Bus Company                        | 92           | 19           | 19           | 19           |
| <b>Non-Reimbursable</b>            | <b>1,772</b> | <b>1,524</b> | <b>1,436</b> | <b>1,459</b> |
| NYC Transit                        | 1,082        | 1,008        | 921          | 939          |
| Long Island Rail Road              | 199          | 209          | 198          | 198          |
| Metro-North Railroad               | 163          | 76           | 87           | 92           |
| Bridges & Tunnels                  | 109          | 123          | 123          | 123          |
| Headquarters                       | 94           | 60           | 59           | 59           |
| Long Island Bus                    | 13           | 9            | 9            | 9            |
| Staten Island Railway              | 9            | 9            | 9            | 9            |
| Capital Construction Company       | -            | -            | -            | -            |
| Bus Company                        | 103          | 30           | 30           | 30           |
| <b>Reimbursable</b>                | <b>37</b>    | <b>26</b>    | <b>20</b>    | <b>28</b>    |
| NYC Transit                        | (13)         | (12)         | (14)         | (6)          |
| Long Island Rail Road              | -            | 2            | (3)          | (3)          |
| Metro-North Railroad               | 41           | 33           | 33           | 33           |
| Bridges & Tunnels                  | 8            | -            | -            | -            |
| Headquarters                       | -            | 2            | 3            | 3            |
| Long Island Bus                    | 12           | 12           | 12           | 12           |
| Staten Island Railway              | -            | -            | -            | -            |
| Capital Construction Company       | -            | -            | -            | -            |
| Bus Company                        | (11)         | (11)         | (11)         | (11)         |
| <b>Total Full-Time</b>             | <b>1,793</b> | <b>1,534</b> | <b>1,440</b> | <b>1,471</b> |
| NYC Transit                        | 1,057        | 984          | 895          | 921          |
| Long Island Rail Road              | 199          | 211          | 195          | 195          |
| Metro-North Railroad               | 205          | 110          | 121          | 126          |
| Bridges & Tunnels                  | 117          | 123          | 123          | 123          |
| Headquarters                       | 94           | 62           | 62           | 62           |
| Long Island Bus                    | 20           | 16           | 16           | 16           |
| Staten Island Railway              | 9            | 9            | 9            | 9            |
| Capital Construction Company       | -            | -            | -            | -            |
| Bus Company                        | 92           | 19           | 19           | 19           |
| <b>Total Full-Time-Equivalents</b> | <b>16</b>    | <b>16</b>    | <b>16</b>    | <b>16</b>    |
| NYC Transit                        | 12           | 12           | 12           | 12           |
| Long Island Rail Road              | -            | -            | -            | -            |
| Metro-North Railroad               | (1)          | (1)          | (1)          | (1)          |
| Bridges & Tunnels                  | -            | -            | -            | -            |
| Headquarters                       | -            | -            | -            | -            |
| Long Island Bus                    | 5            | 5            | 5            | 5            |
| Staten Island Railway              | -            | -            | -            | -            |
| Capital Construction Company       | -            | -            | -            | -            |
| Bus Company                        | -            | -            | -            | -            |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011-2014**  
**Baseline Change Between 2010 July Financial Plan vs. 2010 February Financial Plan**  
**Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Function and Agency**  
**Favorable/(Unfavorable)**

| <b>Function</b>                 | <b>2010</b>    | <b>2011</b>    | <b>2012</b>  | <b>2013</b>    |
|---------------------------------|----------------|----------------|--------------|----------------|
| <b>Administration</b>           | <b>776</b>     | <b>730</b>     | <b>689</b>   | <b>689</b>     |
| NYC Transit                     | 473            | 453            | 412          | 413            |
| Long Island Rail Road           | 91             | 74             | 74           | 74             |
| Metro-North Railroad            | 52             | 53             | 53           | 53             |
| Bridges & Tunnels               | 24             | 23             | 23           | 23             |
| Headquarters                    | 85             | 83             | 83           | 83             |
| Long Island Bus                 | 15             | 10             | 10           | 10             |
| Staten Island Railway           | 2              | 3              | 3            | 3              |
| Capital Construction Company    | 7              | 7              | 7            | 7              |
| Bus Company                     | 27             | 24             | 24           | 23             |
| <b>Operations</b>               | <b>931</b>     | <b>832</b>     | <b>762</b>   | <b>746</b>     |
| NYC Transit                     | 691            | 585            | 513          | 492            |
| Long Island Rail Road           | 87             | 111            | 111          | 111            |
| Metro-North Railroad            | 62             | 42             | 44           | 49             |
| Bridges & Tunnels               | 27             | 27             | 27           | 27             |
| Headquarters                    | -              | -              | -            | -              |
| Long Island Bus                 | 29             | 29             | 29           | 29             |
| Staten Island Railway           | 2              | 5              | 5            | 5              |
| Capital Construction Company    | -              | -              | -            | -              |
| Bus Company                     | 33             | 33             | 33           | 33             |
| <b>Maintenance</b>              | <b>1,336</b>   | <b>1,131</b>   | <b>1,050</b> | <b>1,004</b>   |
| NYC Transit                     | 1,124          | 1,047          | 973          | 926            |
| Long Island Rail Road           | 62             | 67             | 51           | 51             |
| Metro-North Railroad            | 91             | 23             | 32           | 32             |
| Bridges & Tunnels               | 7              | 14             | 14           | 14             |
| Headquarters                    | -              | -              | -            | -              |
| Long Island Bus                 | 1              | 2              | 2            | 2              |
| Staten Island Railway           | 5              | 1              | 1            | 1              |
| Capital Construction Company    | -              | -              | -            | -              |
| Bus Company                     | 46             | (23)           | (23)         | (22)           |
| <b>Engineering/Capital</b>      | <b>51</b>      | <b>42</b>      | <b>42</b>    | <b>42</b>      |
| NYC Transit                     | -              | -              | -            | -              |
| Long Island Rail Road           | -              | -              | -            | -              |
| Metro-North Railroad            | 8              | -              | -            | -              |
| Bridges & Tunnels               | 39             | 39             | 39           | 39             |
| Headquarters                    | -              | -              | -            | -              |
| Long Island Bus                 | -              | -              | -            | -              |
| Staten Island Railway           | -              | -              | -            | -              |
| Capital Construction Company    | (7)            | (7)            | (7)          | (7)            |
| Bus Company                     | 11             | 10             | 10           | 10             |
| <b>Public Safety</b>            | <b>56</b>      | <b>35</b>      | <b>35</b>    | <b>35</b>      |
| NYC Transit                     | 13             | 22             | 22           | 22             |
| Long Island Rail Road           | -              | -              | -            | -              |
| Metro-North Railroad            | -              | -              | -            | -              |
| Bridges & Tunnels               | 34             | 34             | 34           | 34             |
| Headquarters                    | 9              | (21)           | (21)         | (21)           |
| Long Island Bus                 | -              | -              | -            | -              |
| Staten Island Railway           | -              | -              | -            | -              |
| Capital Construction Company    | -              | -              | -            | -              |
| Bus Company                     | -              | -              | -            | -              |
| <b>AABB</b>                     | <b>(1,341)</b> | <b>(1,220)</b> | <b>-</b>     | <b>(1,029)</b> |
| NYC Transit                     | (1,232)        | (1,111)        | -            | (920)          |
| Long Island Rail Road           | (41)           | (41)           | -            | (41)           |
| Metro-North Railroad            | (9)            | (9)            | -            | (9)            |
| Bridges & Tunnels               | (14)           | (14)           | -            | (14)           |
| Headquarters                    | -              | -              | -            | -              |
| Long Island Bus                 | (20)           | (20)           | -            | (20)           |
| Staten Island Railway           | -              | -              | -            | -              |
| Capital Construction Company    | -              | -              | -            | -              |
| Bus Company                     | (25)           | (25)           | -            | (25)           |
| <b>Baseline Total Positions</b> | <b>1,809</b>   | <b>1,550</b>   | <b>1,456</b> | <b>1,487</b>   |

**Metropolitan Transportation Authority**  
**July Financial Plan 2011-2014**  
**Baseline Change Between 2010 July Financial Plan vs. 2010 February Financial Plan**  
**Non-Reimbursable and Reimbursable**  
**Full-time Positions and Full-time Equivalents by Occupational Group and Agency**  
**Favorable/(Unfavorable)**

|   |                                   | Change         |                |                |                |
|---|-----------------------------------|----------------|----------------|----------------|----------------|
| FUNCTION/OCCUPATIONAL GROUP                         |                                   | 2010           | 2011           | 2012           | 2013           |
| <b>Administration</b>                               |                                   |                |                |                |                |
|   | Managers/Supervisors              | 336            | 331            | 323            | 321            |
|   | Professional, Technical, Clerical | 431            | 390            | 358            | 359            |
|   | Operational Hourlies              | 9              | 9              | 8              | 9              |
|   | <b>Total Administration</b>       | <b>776</b>     | <b>730</b>     | <b>689</b>     | <b>689</b>     |
| <b>Operations</b>                                   |                                   |                |                |                |                |
|   | Managers/Supervisors              | (272)          | (247)          | (248)          | (243)          |
|   | Professional, Technical, Clerical | (76)           | (57)           | (56)           | (58)           |
|   | Operational Hourlies              | 1,279          | 1,136          | 1,066          | 1,047          |
|   | <b>Total Operations</b>           | <b>931</b>     | <b>832</b>     | <b>762</b>     | <b>746</b>     |
| <b>Maintenance</b>                                  |                                   |                |                |                |                |
|   | Managers/Supervisors              | 338            | 365            | 350            | 344            |
|   | Professional, Technical, Clerical | 255            | 229            | 229            | 232            |
|   | Operational Hourlies              | 743            | 537            | 471            | 428            |
|   | <b>Total Maintenance</b>          | <b>1,336</b>   | <b>1,131</b>   | <b>1,050</b>   | <b>1,004</b>   |
| <b>Engineering/Capital</b>                          |                                   |                |                |                |                |
|   | Managers/Supervisors              | 11             | 2              | 2              | 2              |
|   | Professional, Technical, Clerical | 29             | 30             | 30             | 30             |
|   | Operational Hourlies              | 11             | 10             | 10             | 10             |
|   | <b>Total Engineering/Capital</b>  | <b>51</b>      | <b>42</b>      | <b>42</b>      | <b>42</b>      |
| <b>Public Safety</b>                                |                                   |                |                |                |                |
|   | Managers/Supervisors              | 4              | 4              | 4              | 4              |
|   | Professional, Technical, Clerical | 19             | 19             | 19             | 19             |
|   | Operational Hourlies              | 33             | 12             | 12             | 12             |
|   | <b>Total Public Safety</b>        | <b>56</b>      | <b>35</b>      | <b>35</b>      | <b>35</b>      |
| <b>Additional Actions for Budget Balance (AABB)</b> |                                   |                |                |                |                |
|   | Managers/Supervisors              | (28)           | (28)           | (22)           | (16)           |
|   | Professional, Technical, Clerical | -              | -              | -              | -              |
|   | Operational Hourlies              | (1,313)        | (1,192)        | (1,100)        | (1,013)        |
|   | <b>Total AABB</b>                 | <b>(1,341)</b> | <b>(1,220)</b> | <b>(1,122)</b> | <b>(1,029)</b> |
| <b>Baseline Total Positions</b>                     |                                   |                |                |                |                |
|   | Managers/Supervisors              | 417            | 455            | 431            | 428            |
|   | Professional, Technical, Clerical | 658            | 611            | 580            | 582            |
|   | Operational Hourlies              | 2,075          | 1,704          | 1,568          | 1,507          |
|   | <b>Baseline Total Positions</b>   | <b>3,150</b>   | <b>2,770</b>   | <b>2,579</b>   | <b>2,517</b>   |



# **Budget Reduction Program and Status of 2010 Agency PEGs**

## 2010 Budget Reduction Program (BRP) Summary

July Financial Plan 2011 - 2014

(\$ in millions)

| 2010 Budget Reduction Summary - Programmatic                |            |               |           |               |           |               |           |               |          |               |          |              |                              |                |           |               |            |                |
|---|------------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|----------|---------------|----------|--------------|------------------------------|----------------|-----------|---------------|------------|----------------|
|   | NYCT/SIR   |               | LIRR      |               | MNR       |               | B&T       |               | MTAHQ    |               | LI Bus   |              | Total (Excluding<br>MTA Bus) | MTA Bus        |           | Total         |            |                |
|   | Pos        | \$            | Pos       | \$            | Pos       | \$            | Pos       | \$            | Pos      | \$            | Pos      | \$           | Pos                          | \$             | Pos       | \$            |            |                |
| <b><u>Cyclical Project and Rapid Procurement Review</u></b> |            |               |           |               |           |               |           |               |          |               |          |              |                              |                |           |               |            |                |
| Project Deferral  | 14         | \$2.3         | -         | \$10.9        | -         | \$0.7         | -         | \$5.5         | -        | \$2.2         | -        | \$0.2        | 14                           | \$21.9         | -         | \$0.2         | 14         | \$22.1         |
| Project Elimination   | -          | 2.0           | 5         | 1.9           |           | 1.9           | -         | 0.9           | -        | 13.1          | -        | 0.0          | 5                            | 19.7           | -         | 0.0           | 5          | 19.7           |
| Rapid Procurement   | -          | 5.3           | -         | 0.1           | -         | 0.7           | -         | 0.0           | -        | 0.1           | -        | 0.0          | -                            | 6.3            | -         | 0.0           | -          | 6.3            |
| Subtotal  | 14         | \$9.6         | 5         | \$12.9        | -         | \$3.3         | -         | \$6.5         | -        | \$15.5        | -        | \$0.2        | 19                           | \$48.0         | -         | \$0.2         | 19         | \$48.1         |
| <b><u>Strategic Initiatives</u></b>                         |            |               |           |               |           |               |           |               |          |               |          |              |                              |                |           |               |            |                |
| Overtime Savings - Specific                                 | -          | \$0.0         | -         | \$1.6         | -         | \$2.7         | -         | \$4.2         | -        | \$0.8         | -        | \$0.0        | -                            | \$9.4          | -         | \$0.0         | -          | \$9.4          |
| Overtime Savings - Programmatic                             | (27)       | 12.5          | -         | 2.5           | -         | 0.0           | -         | 0.0           | -        | 0.0           | -        | 1.1          | (27)                         | 16.1           | -         | 0.7           | (27)       | 16.8           |
| Inventory/ Maintenance Material Management                  | -          | 13.9          | -         | 9.8           | -         | 5.9           | -         | 0.0           | -        | 0.0           | -        | 0.4          | -                            | 29.9           | -         | 3.1           | -          | 33.1           |
| Process Re-Engineering/Consolidation                        | -          | 0.0           | -         | 0.0           | -         | 0.0           | -         | 0.0           | -        | 0.0           | -        | 0.0          | -                            | 0.0            | -         | 0.0           | -          | 0.0            |
| Subtotal  | (27)       | \$26.3        | -         | \$13.9        | -         | \$8.6         | -         | \$4.2         | -        | \$0.8         | -        | \$1.5        | (27)                         | \$55.4         | -         | \$3.9         | (27)       | \$59.3         |
| <b><u>Programmatic Efficiencies</u></b>                     |            |               |           |               |           |               |           |               |          |               |          |              |                              |                |           |               |            |                |
| Maintenance   | 272        | \$19.3        | -         | \$0.1         | 24        | \$0.7         | -         | \$0.0         | -        | \$0.0         | (4)      | \$0.8        | 292                          | \$20.9         | 35        | \$3.8         | 327        | \$24.8         |
| Cleaning  | 174        | 7.3           | 3         | 0.3           | -         | 0.0           | -         | 0.0           | -        | 0.0           | -        | 0.0          | 177                          | 7.7            | -         | 0.0           | 177        | 7.7            |
| Minor Service Adjustments                                   | 16         | 2.4           | -         | 1.7           | -         | 0.3           | -         | 0.0           | -        | 0.0           | -        | 0.0          | 16                           | 4.4            | -         | 0.0           | 16         | 4.4            |
| Operations Support  | 189        | 14.9          | 54        | 3.9           | 32        | 2.2           | -         | 0.0           | -        | 0.0           | 4        | (0.2)        | 279                          | 20.8           | (5)       | 4.5           | 274        | 25.3           |
| Capitalization of Current Expenses                          | -          | 0.0           | -         | 0.0           | -         | 0.0           | -         | 17.3          | -        | 0.0           | -        | 0.0          | -                            | 17.3           | -         | 0.0           | -          | 17.3           |
| Subtotal  | 651        | \$43.9        | 57        | \$6.0         | 56        | \$3.2         | -         | \$17.3        | -        | \$0.0         | -        | \$0.7        | 764                          | \$71.0         | 30        | \$8.4         | 794        | \$79.4         |
| <b>Other</b>  | 11         | (\$5.5)       | -         | \$5.2         | -         | \$5.0         | 88        | \$9.6         | -        | (\$0.4)       | -        | (\$1.1)      | 99                           | \$12.7         | -         | \$2.6         | 99         | \$15.3         |
| <b>Total BRPs - Programmatic</b>                            | <b>649</b> | <b>\$74.3</b> | <b>62</b> | <b>\$37.9</b> | <b>56</b> | <b>\$20.2</b> | <b>88</b> | <b>\$37.6</b> | <b>-</b> | <b>\$15.8</b> | <b>-</b> | <b>\$1.3</b> | <b>855</b>                   | <b>\$187.1</b> | <b>30</b> | <b>\$15.0</b> | <b>885</b> | <b>\$202.1</b> |

## 2010 Budget Reduction Program (BRP) Summary

July Financial Plan 2011 - 2014

(\$ in millions)

| 2011 Budget Reduction Summary - Programmatic  |          |         |      |         |     |         |     |         |       |       |        |         |                           |         |         |         |       |         |
|---|----------|---------|------|---------|-----|---------|-----|---------|-------|-------|--------|---------|---------------------------|---------|---------|---------|-------|---------|
|   | NYCT/SIR |         | LIRR |         | MNR |         | B&T |         | MTAHQ |       | LI Bus |         | Total (Excluding MTA Bus) |         | MTA Bus |         | Total |         |
|   | Pos      | \$      | Pos  | \$      | Pos | \$      | Pos | \$      | Pos   | \$    | Pos    | \$      | Pos                       | \$      | Pos     | \$      | Pos   | \$      |
| Cyclical Project and Rapid Procurement Review |          |         |      |         |     |         |     |         |       |       |        |         |                           |         |         |         |       |         |
| Project Deferral                              | -        | \$0.0   |      | (\$1.2) | -   | (\$0.5) | -   | (\$5.6) | -     | \$0.0 | 1      | \$0.3   | 1                         | (\$6.9) | 7       | \$1.8   | 8     | (\$5.1) |
| Project Elimination                           | -        | 0.2     | 5    | 1.9     | -   | 2.8     | -   | 0.3     | -     | 0.0   | -      | 0.0     | 5                         | 5.2     | -       | 0.0     | 5     | 5.2     |
| Rapid Procurement                             | -        | 21.1    | -    | 0.1     | -   | 0.6     | -   | 0.0     | -     | 0.2   | -      | 0.0     | -                         | 22.0    | -       | 0.0     | -     | 22.0    |
| Subtotal                                      | -        | \$21.2  | 5    | \$0.9   | -   | \$2.9   | -   | (\$5.3) | -     | \$0.2 | 1      | \$0.3   | 6                         | \$20.3  | 7       | \$1.8   | 13    | \$22.1  |
| Strategic Initiatives                         |          |         |      |         |     |         |     |         |       |       |        |         |                           |         |         |         |       |         |
| Overtime Savings - Specific                   | -        | \$0.0   | -    | \$2.0   | -   | \$2.7   | -   | \$4.9   | -     | \$0.8 | -      | \$0.0   | -                         | \$10.4  | -       | \$0.0   | -     | \$10.4  |
| Overtime Savings - Programmatic               | (27)     | 7.0     | -    | 3.3     | -   | 0.0     | -   | 0.0     | -     | 0.0   | -      | 0.4     | (27)                      | 10.7    | -       | 0.8     | (27)  | 11.6    |
| Inventory/Maintenance Material Management     | -        | 18.1    | -    | (3.0)   | -   | 2.4     | -   | 0.0     | -     | 0.0   | -      | 0.0     | -                         | 17.4    | -       | 0.0     | -     | 17.5    |
| Process Re-Engineering/Consolidation          | (20)     | (2.2)   | -    | 0.0     | -   | 0.0     | -   | 0.0     | -     | 0.0   | -      | 0.0     | (20)                      | (2.2)   | -       | 0.0     | (20)  | (2.2)   |
| Subtotal                                      | (47)     | \$23.0  | -    | \$2.3   | -   | \$5.1   | -   | \$4.9   | -     | \$0.8 | -      | \$0.4   | (47)                      | \$36.5  | -       | \$0.8   | (47)  | \$37.3  |
| Programmatic Efficiencies                     |          |         |      |         |     |         |     |         |       |       |        |         |                           |         |         |         |       |         |
| Maintenance                                   | 279      | \$25.3  | -    | \$0.2   | -   | \$0.0   | -   | \$7.4   | -     | \$0.0 | (4)    | \$0.1   | 275                       | \$32.9  | (2)     | \$0.4   | 273   | \$33.3  |
| Cleaning                                      | 174      | 13.8    | 3    | 0.4     | -   | 0.0     | -   | 0.0     | -     | 0.0   | -      | 0.0     | 177                       | 14.2    | -       | 0.0     | 177   | 14.2    |
| Minor Service Adjustments                     | 16       | 6.4     | 18   | 2.7     | -   | 0.3     | -   | 0.0     | -     | 0.0   | -      | 0.0     | 34                        | 9.4     | -       | 0.0     | 34    | 9.4     |
| Operations Support                            | 202      | 21.0    | 62   | 6.9     | 32  | 4.0     | -   | 0.0     | -     | 0.0   | 4      | 0.4     | 300                       | 32.4    | (5)     | 0.4     | 295   | 32.8    |
| Capitalization of Current Expenses            | -        | 0.0     | -    | 0.0     | -   | 0.0     | -   | 33.0    | -     | 0.0   | -      | 0.0     | -                         | 33.0    | -       | 0.0     | -     | 33.0    |
| Subtotal                                      | 671      | \$66.5  | 83   | \$10.2  | 32  | \$4.4   | -   | \$40.4  | -     | \$0.0 | -      | \$0.5   | 786                       | \$122.0 | (7)     | \$0.8   | 779   | \$122.8 |
| Other   | 11       | (\$6.0) | -    | \$3.9   | -   | \$1.9   | 88  | \$16.3  | -     | \$0.5 | -      | (\$0.4) | 99                        | \$16.2  | -       | (\$0.2) | 99    | \$16.0  |
|   |          |         |      |         |     |         |     |         |       |       |        |         |                           |         |         |         |       |         |
| Total BRPs - Programmatic                     | 635      | \$104.8 | 88   | \$17.3  | 32  | \$14.3  | 88  | \$56.3  | -     | \$1.6 | 1      | \$0.8   | 844                       | \$195.0 | -       | \$3.2   | 844   | \$198.2 |

## 2010 Budget Reduction Program (BRP) Summary

July Financial Plan 2011 - 2014

(\$ in millions)

| 2012 Budget Reduction Summary - Programmatic         |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
|--|----------|---------|------|---------|-----|--------|-----|--------|-------|-------|--------|---------|------------------------------|---------|---------|---------|-------|---------|
|  | NYCT/SIR |         | LIRR |         | MNR |        | B&T |        | MTAHQ |       | LI Bus |         | Total (Excluding<br>MTA Bus) |         | MTA Bus |         | Total |         |
|  | Pos      | \$      | Pos  | \$      | Pos | \$     | Pos | \$     | Pos   | \$    | Pos    | \$      | Pos                          | \$      | Pos     | \$      | Pos   | \$      |
| <b>Cyclical Project and Rapid Procurement Review</b> |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Project Deferral                                     | -        | \$0.0   | -    | (\$1.6) | -   | \$0.0  | -   | \$0.0  | -     | \$0.0 | 1      | \$0.3   | 1                            | (\$1.3) | 7       | \$1.8   | 8     | \$0.5   |
| Project Elimination                                  | -        | 1.9     | -    | 0.0     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | -                            | 1.9     | -       | 0.0     | -     | 1.9     |
| Rapid Procurement                                    | -        | 24.7    | -    | 0.1     | -   | 0.6    | -   | 0.0    | -     | 0.2   | -      | 0.0     | -                            | 25.6    | -       | 0.0     | -     | 25.6    |
| Subtotal   | -        | \$26.6  | -    | (\$1.5) | -   | \$0.6  | -   | \$0.0  | -     | \$0.2 | 1      | \$0.3   | 1                            | \$26.2  | 7       | \$1.8   | 8     | \$28.0  |
| <b>Strategic Initiatives</b>                         |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Overtime Savings - Specific                          | -        | \$0.0   | -    | \$2.1   | -   | \$2.7  | -   | \$5.4  | -     | \$0.9 | -      | \$0.0   | -                            | \$11.1  | -       | \$0.0   | -     | \$11.1  |
| Overtime Savings - Programmatic                      | (27)     | 3.5     | -    | 2.9     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.4     | (27)                         | 6.9     | -       | 0.8     | (27)  | 7.7     |
| Inventory/Maintenance Material Management            | -        | 20.4    | -    | 0.1     | -   | 2.4    | -   | 0.0    | -     | 0.0   | -      | 0.0     | -                            | 22.8    | -       | 0.0     | -     | 22.8    |
| Process Re-Engineering/Consolidation                 | (61)     | (6.2)   | -    | 0.0     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | (61)                         | (6.2)   | -       | 0.0     | (61)  | (6.2)   |
| Subtotal   | (88)     | \$17.7  | -    | \$5.1   | -   | \$5.1  | -   | \$5.4  | -     | \$0.9 | -      | \$0.4   | (88)                         | \$34.5  | -       | \$0.8   | (88)  | \$35.4  |
| <b>Programmatic Reductions</b>                       |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Maintenance  | 217      | \$21.6  | -    | \$0.2   | -   | \$0.0  | -   | \$0.0  | -     | \$0.0 | (4)    | \$0.1   | 213                          | \$21.8  | (2)     | \$0.4   | 211   | \$22.2  |
| Cleaning   | 174      | 13.8    | 3    | 0.4     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | 177                          | 14.2    | -       | 0.0     | 177   | 14.2    |
| Minor Service Adjustments                            | 16       | 6.4     | 18   | 2.8     | -   | 0.3    | -   | 0.0    | -     | 0.0   | -      | 0.0     | 34                           | 9.5     | -       | 0.0     | 34    | 9.5     |
| Operations Support                                   | 202      | 23.3    | 62   | 7.4     | 32  | 4.0    | -   | 0.0    | -     | 0.0   | 4      | 0.4     | 300                          | 35.1    | (5)     | 0.4     | 295   | 35.5    |
| Capitalization of Current Expenses                   | -        | 0.0     | -    | 0.0     | -   | 0.0    | -   | 41.4   | -     | 0.0   | -      | 0.0     | -                            | 41.4    | -       | 0.0     | -     | 41.4    |
| Subtotal   | 609      | \$65.1  | 83   | \$10.7  | 32  | \$4.4  | -   | \$41.4 | -     | \$0.0 | -      | \$0.5   | 724                          | \$122.1 | (7)     | \$0.8   | 717   | \$122.9 |
| <b>Other</b>   | 11       | (\$5.7) | -    | \$3.9   | -   | \$2.4  | 88  | \$10.7 | -     | \$0.5 | -      | (\$0.4) | 99                           | \$11.4  | -       | (\$0.2) | 99    | \$11.2  |
| <b>Total BRPs - Programmatic</b>                     | 532      | \$103.6 | 83   | \$18.2  | 32  | \$12.5 | 88  | \$57.5 | -     | \$1.6 | 1      | \$0.8   | 736                          | \$194.3 | -       | \$3.2   | 736   | \$197.4 |

## 2010 Budget Reduction Program (BRP) Summary

July Financial Plan 2011 - 2014

(\$ in millions)

### 2013 Budget Reduction Summary - Programmatic

|  | NYCT/SIR |         | LIRR |         | MNR |        | B&T |        | MTAHQ |       | LI Bus |         | Total (Excluding<br>MTA Bus) |         | MTA Bus |         | Total |         |
|--|----------|---------|------|---------|-----|--------|-----|--------|-------|-------|--------|---------|------------------------------|---------|---------|---------|-------|---------|
|  | Pos      | \$      | Pos  | \$      | Pos | \$     | Pos | \$     | Pos   | \$    | Pos    | \$      | Pos                          | \$      | Pos     | \$      | Pos   | \$      |
| <b>Cyclical Project and Rapid Procurement Review</b> |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Project Deferral                                     | -        | \$0.0   | -    | (\$0.4) | -   | \$0.0  | -   | \$0.0  | -     | \$0.0 | 1      | \$0.3   | 1                            | (\$0.2) | 7       | \$1.8   | 8     | \$1.6   |
| Project Elimination                                  | -        | 1.9     | -    | 0.0     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | -                            | 1.9     | -       | 0.0     | -     | 1.9     |
| Rapid Procurement                                    | -        | 27.2    | -    | 0.1     | -   | 0.1    | -   | 0.0    | -     | 0.2   | -      | 0.0     | -                            | 27.7    | -       | 0.0     | -     | 27.7    |
| Subtotal   | -        | \$29.1  | -    | (\$0.4) | -   | \$0.1  | -   | \$0.0  | -     | \$0.2 | 1      | \$0.3   | 1                            | \$29.4  | 7       | \$1.8   | 8     | \$31.2  |
| <b>Strategic Initiatives</b>                         |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Overtime Savings - Specific                          | -        | \$0.0   | -    | \$2.1   | -   | \$2.8  | -   | \$5.4  | -     | \$0.9 | -      | \$0.0   | -                            | \$11.2  | -       | \$0.0   | -     | \$11.2  |
| Overtime Savings - Programmatic                      | (27)     | 3.5     | -    | 3.0     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 1.7     | (27)                         | 8.3     | -       | 0.8     | (27)  | 9.1     |
| Inventory/Maintenance Material Management            | -        | 16.9    | -    | 0.1     | -   | 2.4    | -   | 0.0    | -     | 0.0   | -      | 0.0     | -                            | 19.4    | -       | 0.0     | -     | 19.4    |
| Process Re-Engineering/Consolidation                 | (61)     | (6.2)   | -    | 0.0     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | (61)                         | (6.2)   | -       | 0.0     | (61)  | (6.2)   |
| Subtotal   | (88)     | \$14.3  | -    | \$5.2   | -   | \$5.2  | -   | \$5.4  | -     | \$0.9 | -      | \$1.7   | (88)                         | \$32.7  | -       | \$0.8   | (88)  | \$33.5  |
| <b>Programmatic Reductions</b>                       |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Maintenance  | 245      | \$25.8  | -    | \$0.2   | -   | \$0.0  | -   | \$0.0  | -     | \$0.0 | (4)    | \$0.1   | 241                          | \$26.1  | (2)     | \$0.4   | 239   | \$26.5  |
| Cleaning   | 174      | 13.8    | 3    | 0.4     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | 177                          | 14.2    | -       | 0.0     | 177   | 14.2    |
| Minor Service Adjustments                            | 16       | 6.4     | 18   | 2.8     | -   | 0.3    | -   | 0.0    | -     | 0.0   | -      | 0.0     | 34                           | 9.6     | -       | 0.0     | 34    | 9.6     |
| Operations Support                                   | 202      | 23.3    | 62   | 7.6     | 32  | 4.1    | -   | 0.0    | -     | 0.0   | 4      | 1.9     | 300                          | 36.9    | (5)     | 4.3     | 295   | 41.1    |
| Capitalization of Current Expenses                   | -        | 0.0     | -    | 0.0     | -   | 0.0    | -   | 38.9   | -     | 0.0   | -      | 0.0     | -                            | 38.9    | -       | 0.0     | -     | 38.9    |
| Subtotal   | 637      | \$69.3  | 83   | \$11.0  | 32  | \$4.4  | -   | \$38.9 | -     | \$0.0 | -      | \$2.0   | 752                          | \$125.7 | (7)     | \$4.7   | 745   | \$130.3 |
| <b>Other</b>   | 11       | (\$5.7) | -    | \$3.9   | -   | \$2.5  | 88  | \$10.7 | -     | \$0.5 | -      | (\$1.7) | 99                           | \$10.2  | -       | (\$0.2) | 99    | \$10.0  |
| <b>Total BRPs - Programmatic</b>                     | 560      | \$106.9 | 83   | \$19.8  | 32  | \$12.3 | 88  | \$55.0 | -     | \$1.7 | 1      | \$2.3   | 764                          | \$197.9 | -       | \$7.0   | 764   | \$205.0 |

## 2010 Budget Reduction Program (BRP) Summary

July Financial Plan 2011 - 2014

(\$ in millions)

### 2014 Budget Reduction Summary - Programmatic

|  | NYCT/SIR |         | LIRR |         | MNR |        | B&T |        | MTAHQ |       | LI Bus |         | Total (Excluding<br>MTA Bus) |         | MTA Bus |         | Total |         |
|--|----------|---------|------|---------|-----|--------|-----|--------|-------|-------|--------|---------|------------------------------|---------|---------|---------|-------|---------|
|  | Pos      | \$      | Pos  | \$      | Pos | \$     | Pos | \$     | Pos   | \$    | Pos    | \$      | Pos                          | \$      | Pos     | \$      | Pos   | \$      |
| <b>Cyclical Project and Rapid Procurement Review</b> |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Project Deferral                                     | -        | \$0.0   | -    | (\$0.4) | -   | \$0.0  | -   | \$0.0  | -     | \$0.0 | 1      | \$0.3   | 1                            | (\$0.2) | 7       | \$1.8   | 8     | \$1.6   |
| Project Elimination                                  | -        | 1.9     | -    | 0.0     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | -                            | 1.9     | -       | 0.0     | -     | 1.9     |
| Rapid Procurement                                    | -        | 30.9    | -    | 0.1     | -   | 0.1    | -   | 0.0    | -     | 0.2   | -      | 0.0     | -                            | 31.4    | -       | 0.0     | -     | 31.4    |
| Subtotal   | -        | \$32.8  | -    | (\$0.4) | -   | \$0.1  | -   | \$0.0  | -     | \$0.2 | 1      | \$0.3   | 1                            | \$33.1  | 7       | \$1.8   | 8     | \$34.9  |
| <b>Strategic Initiatives</b>                         |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Overtime Savings - Specific                          | -        | \$0.0   | -    | \$2.2   | -   | \$2.9  | -   | \$5.4  | -     | \$1.0 | -      | \$0.0   | -                            | \$11.4  | -       | \$0.0   | -     | \$11.4  |
| Overtime Savings - Programmatic                      | (27)     | 3.5     | -    | 3.1     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 1.7     | (27)                         | 8.3     | -       | 0.8     | (27)  | 9.1     |
| Inventory/Maintenance Material Management            | -        | 14.4    | -    | 0.1     | -   | 2.4    | -   | 0.0    | -     | 0.0   | -      | 0.0     | -                            | 16.9    | -       | 0.0     | -     | 16.9    |
| Add'l Admin Pos Reducts                              | 157      | 16.9    | 31   | 3.7     | -   | 0.0    | -   | 0.0    | -     | 0.0   | 6      | 0.2     | 194                          | 20.8    | 4       | 0.7     | 198   | 21.6    |
| Other Administrative Savings                         | -        | 0.0     | -    | 0.4     | -   | 0.0    | -   | 0.0    | -     | 3.1   | -      | 0.0     | -                            | 3.5     | -       | 0.0     | -     | 3.5     |
| Process Re-Engineering/Consolidation                 | (61)     | (6.2)   | -    | 0.0     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | (61)                         | (6.2)   | -       | 0.0     | (61)  | (6.2)   |
| Subtotal   | (88)     | \$11.8  | -    | \$5.3   | -   | \$5.2  | -   | \$5.4  | -     | \$1.0 | -      | \$1.7   | (88)                         | \$30.4  | -       | \$0.8   | (88)  | \$31.2  |
| <b>Programmatic Reductions</b>                       |          |         |      |         |     |        |     |        |       |       |        |         |                              |         |         |         |       |         |
| Maintenance  | 241      | \$25.3  | -    | \$0.2   | -   | \$0.0  | -   | \$0.0  | -     | \$0.0 | (4)    | \$0.1   | 237                          | \$25.6  | (6)     | \$0.4   | 231   | \$26.0  |
| Cleaning   | 174      | 13.8    | 3    | 0.4     | -   | 0.0    | -   | 0.0    | -     | 0.0   | -      | 0.0     | 177                          | 14.3    | -       | 0.0     | 177   | 14.3    |
| Minor Service Adjustments                            | 16       | 6.4     | 18   | 2.9     | -   | 0.3    | -   | 0.0    | -     | 0.0   | -      | 0.0     | 34                           | 9.6     | -       | 0.0     | 34    | 9.6     |
| Operations Support                                   | 202      | 23.3    | 62   | 7.8     | 32  | 4.2    | -   | 0.0    | -     | 0.0   | 4      | 1.9     | 300                          | 37.2    | (5)     | 4.3     | 295   | 41.5    |
| Capitalization of Current Expenses                   | -        | 0.0     | -    | 0.0     | -   | 0.0    | -   | 27.7   | -     | 0.0   | -      | 0.0     | -                            | 27.7    | -       | 0.0     | -     | 27.7    |
| Subtotal   | 633      | \$68.9  | 83   | \$11.3  | 32  | \$4.6  | -   | \$27.7 | -     | \$0.0 | -      | \$2.0   | 748                          | \$114.4 | (11)    | \$4.7   | 737   | \$119.1 |
| <b>Other</b>   | 11       | (\$5.7) | -    | \$3.9   | -   | \$2.6  | 88  | \$10.7 | -     | \$0.5 | -      | (\$1.7) | 99                           | \$10.3  | -       | (\$0.2) | 99    | \$10.0  |
| <b>Total BRPs - Programmatic</b>                     | 556      | \$107.7 | 83   | \$20.2  | 32  | \$12.5 | 88  | \$43.8 | -     | \$1.7 | 1      | \$2.3   | 760                          | \$188.2 | (4)     | \$7.0   | 756   | \$195.2 |

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## **STATUS OF THE 2010 PEGs**

As reflected on the chart below, the February Plan included within its baseline, 2010 Program to Eliminate the GAP (PEG) savings of \$71 million and 375 positions in 2010. Savings decrease slightly to \$70 million in 2011, remain unchanged in 2012, and then rise to \$73 million in 2013. PEG position savings fall to 356 positions in 2011 and 347 positions in 2012, and then increase to 390 positions in 2013. In the July Plan the value of these PEGs remains unchanged.

| METROPOLITAN TRANSPORTATION AUTHORITY |                      |         |                  |         |
|---------------------------------------|----------------------|---------|------------------|---------|
| July Financial Plan 2011 - 2014       |                      |         |                  |         |
| Summary of the 2010 PEG Program       |                      |         |                  |         |
| (\$ in millions)                      |                      |         |                  |         |
|                                       | <u>February Plan</u> |         | <u>July Plan</u> |         |
|                                       | Positions            | Dollars | Positions        | Dollars |
| 2010                                  | 375                  | \$71    | 375              | \$71    |
| 2011                                  | 356                  | \$70    | 356              | \$70    |
| 2012                                  | 347                  | \$70    | 347              | \$70    |
| 2013                                  | 390                  | \$73    | 390              | \$73    |
| 2014                                  | 390                  | \$73    | 390              | \$73    |

The July Plan also includes one re-estimate to a prior-year PEG. NYCT eliminated the \$2M in planned savings associated with its 2009 PEG "Paratransit Rate Reduction Initiative". Savings for this PEG were dependent on an agreement with Labor that ultimately was not achieved. The Agency replaced these savings, however, through other cost reduction measures in the July Plan.

## **STATUS OF THE 2010 AABBs**

As reflected on the chart below, the February Plan included within its baseline, 2010 AABB savings of \$65 million and 1,341 positions. Savings increase to \$131 million in 2011, decrease slightly to \$124 million in 2012, and decrease again to \$119 million 2013. AABB position reductions decrease gradually to 1,220 in 2011, 1,122 in 2012, and 1,029 in 2013 and 2014.

The July Plan includes re-estimates to the 2010 AABBs from March, 2010, as well as from July. These re-estimates reduce the AABB dollar savings by \$23 million in 2010, \$30 million in 2011, \$17 million in 2012, \$7M in 2013, and \$8M in 2014. AABB position reductions are lower than those in the February Plan by 63 in 2010, 129 in 2011, 115 in 2012, 107 in 2013, and 111 in 2014. The largest of the downward re-estimates to 2010 AABB savings results from NYCT's "Training Float, Avg. Rates, and Availability" AABB, with reduced savings of \$10M in 2010, \$24M in 2011, \$16M in 2012, \$5M in 2013, and \$6M in 2014.



METROPOLITAN TRANSPORTATION AUTHORITY  
November Financial Plan 2010 - 2013  
Summary of the 2010 AABBs  
(\$ in millions)

|      | <u>February Plan</u> |                | <u>July Plan</u> |                |
|------|----------------------|----------------|------------------|----------------|
|      | <u>Positions</u>     | <u>Dollars</u> | <u>Positions</u> | <u>Dollars</u> |
| 2010 | 1,341                | \$65           | 1,278            | \$42           |
| 2011 | 1,220                | \$131          | 1,091            | \$101          |
| 2012 | 1,122                | \$124          | 1,007            | \$107          |
| 2013 | 1,029                | \$119          | 922              | \$112          |
| 2014 | 1,029                | \$119          | 918              | \$111          |

The July Plan also includes one re-estimate to a prior-year AABB. NYCT revised the planned savings associated with its 2009 AABB “Eliminate Station Customer Assistant (SCA) tours and reduce staffing at stations with more than one full-time booth” upward by \$11M. This revision reflects additional overtime savings and additional SCA position eliminations through the promotion of some SCAs to fill conductor vacancies.

### **III. Other MTA Consolidated Materials-Baseline**

# METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2011 - 2014

## MTA Consolidated Statement Of Operations By Category

(\$ in millions)

|          |  |                     |                          |                           |                  |                  |
|----------|--|---------------------|--------------------------|---------------------------|------------------|------------------|
| Line No. |  |                     |                          |                           |                  |                  |
| 7        | <b>Non-Reimbursable</b>  |                     |                          |                           |                  |                  |
| 8        |  |                     |                          |                           |                  |                  |
| 9        |  | <b>2009</b>         | <b>2010</b>              | <b>2011</b>               |                  |                  |
| 10       |  | <b>Actual</b>       | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>      | <b>2013</b>      |
| 11       | <b>Operating Revenue</b>                                       |                     |                          |                           | <b>2014</b>      |                  |
| 12       | Farebox Revenue  | \$4,350             | \$4,587                  | \$4,675                   | \$4,785          | \$4,856          |
| 13       | Student Fare   | -                   | -                        | -                         | -                | -                |
| 14       | Toll Revenue   | 1,332               | 1,411                    | 1,421                     | 1,432            | 1,434            |
| 15       | Other Revenue  | 461                 | 504                      | 524                       | 553              | 584              |
| 16       | Capital and Other Reimbursements                               | 0                   | (0)                      | 0                         | 0                | (0)              |
| 17       | <b>Total Operating Revenue</b>                                 | <b>\$6,144</b>      | <b>\$6,501</b>           | <b>\$6,620</b>            | <b>\$6,770</b>   | <b>\$6,874</b>   |
| 18       | <b>Operating Expense</b>                                       |                     |                          |                           |                  |                  |
| 19       | <b>Labor Expenses:</b>   |                     |                          |                           |                  |                  |
| 20       | Payroll  | \$4,163             | \$4,169                  | \$4,258                   | \$4,363          | \$4,463          |
| 21       | Overtime   | 499                 | 452                      | 443                       | 454              | 462              |
| 22       | Health & Welfare   | 689                 | 739                      | 801                       | 868              | 947              |
| 23       | OPEB Current Payment   | 346                 | 367                      | 403                       | 439              | 478              |
| 24       | Pensions   | 1,021               | 1,024                    | 1,069                     | 1,130            | 1,182            |
| 25       | Other-Fringe Benefits  | 517                 | 462                      | 463                       | 476              | 494              |
| 26       | Reimbursable Overhead  | (322)               | (349)                    | (337)                     | (339)            | (338)            |
| 27       | <b>Sub-total Labor Expenses</b>                                | <b>\$6,914</b>      | <b>\$6,864</b>           | <b>\$7,100</b>            | <b>\$7,391</b>   | <b>\$7,689</b>   |
| 28       |  |                     |                          |                           |                  |                  |
| 29       | <b>Non-Labor Expenses:</b>                                     |                     |                          |                           |                  |                  |
| 30       | Traction and Propulsion Power                                  | 318                 | 342                      | 363                       | 389              | 422              |
| 31       | Fuel for Buses and Trains                                      | 180                 | 199                      | 210                       | 223              | 239              |
| 32       | Insurance  | 34                  | 34                       | 34                        | 38               | 44               |
| 33       | Claims   | 238                 | 187                      | 196                       | 205              | 212              |
| 34       | Paratransit Service Contracts                                  | 370                 | 381                      | 384                       | 462              | 553              |
| 35       | Maintenance and Other Operating Contracts                      | 562                 | 608                      | 617                       | 635              | 651              |
| 36       | Professional Service Contracts                                 | 199                 | 214                      | 216                       | 222              | 227              |
| 37       | Materials & Supplies   | 526                 | 577                      | 574                       | 592              | 624              |
| 38       | Other Business Expenses  | 184                 | 200                      | 212                       | 218              | 223              |
| 39       | <b>Sub-total Non-Labor Expenses</b>                            | <b>\$2,612</b>      | <b>\$2,742</b>           | <b>\$2,806</b>            | <b>\$2,985</b>   | <b>\$3,196</b>   |
| 40       |  |                     |                          |                           |                  |                  |
| 41       | <b>Other Expense Adjustments:</b>                              |                     |                          |                           |                  |                  |
| 42       | Other  | (\$15)              | (\$23)                   | (\$20)                    | (\$21)           | (\$22)           |
| 43       | General Reserve  | 0                   | 50                       | 100                       | 100              | 100              |
| 44       | <b>Sub-total Other Expense Adjustments</b>                     | <b>(\$15)</b>       | <b>\$27</b>              | <b>\$80</b>               | <b>\$79</b>      | <b>\$76</b>      |
| 45       |  |                     |                          |                           |                  |                  |
| 46       | <b>Total Operating Expense before Non-Cash Liability Adjs.</b> | <b>\$9,512</b>      | <b>\$9,632</b>           | <b>\$9,986</b>            | <b>\$10,454</b>  | <b>\$10,963</b>  |
| 47       |  |                     |                          |                           |                  |                  |
| 48       | Depreciation   | \$1,941             | \$2,012                  | \$2,105                   | \$2,201          | \$2,281          |
| 49       | OPEB Obligation  | 1,136               | 1,434                    | 1,493                     | 1,554            | 1,618            |
| 50       | Environmental Remediation                                      | 6,062               | 11                       | 10                        | 11               | 11               |
| 51       |  |                     |                          |                           |                  |                  |
| 52       | <b>Total Operating Expense</b>                                 | <b>\$12,594</b>     | <b>\$13,090</b>          | <b>\$13,595</b>           | <b>\$14,220</b>  | <b>\$15,593</b>  |
| 53       |  |                     |                          |                           |                  |                  |
| 54       | <b>Net Operating Deficit Before Subsidies and Debt Service</b> | <b>(\$6,450.57)</b> | <b>(\$6,589)</b>         | <b>(\$6,974)</b>          | <b>(\$7,450)</b> | <b>(\$7,999)</b> |
| 55       |  |                     |                          |                           |                  |                  |
| 56       | Dedicated Taxes and State/Local Subsidies                      | \$4,137             | \$4,937                  | \$5,169                   | \$5,467          | \$5,716          |
| 57       | Debt Service (excludes Service Contract Bonds)                 | (1,404)             | (1,841)                  | (2,052)                   | (2,204)          | (2,376)          |
| 58       |  |                     |                          |                           |                  |                  |
| 59       | <b>Net Deficit After Subsidies and Debt Service</b>            | <b>(\$3,718)</b>    | <b>(\$3,493)</b>         | <b>(\$3,857)</b>          | <b>(\$4,187)</b> | <b>(\$4,659)</b> |
| 60       |  |                     |                          |                           |                  |                  |
| 61       | Conversion to Cash Basis: Non-Cash Liability Adjs.             | \$3,083             | \$3,457                  | \$3,609                   | \$3,766          | \$3,910          |
| 62       | Conversion to Cash Basis: GASB Account                         | (54)                | (57)                     | (57)                      | (60)             | (63)             |
| 63       | Conversion to Cash Basis: All Other                            | 556                 | (108)                    | (195)                     | (322)            | (236)            |
| 64       |  |                     |                          |                           |                  |                  |
| 65       | <b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>               | <b>(\$133)</b>      | <b>(\$200)</b>           | <b>(\$500)</b>            | <b>(\$803)</b>   | <b>(\$1,590)</b> |

# METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2011 - 2014

## MTA Consolidated Statement Of Operations By Category

(\$ in millions)

Line

No

|    |   |                |                        |                      |                    |                    |                    |
|----|---|----------------|------------------------|----------------------|--------------------|--------------------|--------------------|
| 7  | <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reimbursable</div> |                |                        |                      |                    |                    |                    |
| 8  |   | 2009           | 2010                   | 2011                 |                    |                    |                    |
| 9  |   | Actual         | Mid-Year               | Preliminary          |                    |                    |                    |
| 10 | <b><u>Operating Revenue</u></b>   |                | <b><u>Forecast</u></b> | <b><u>Budget</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> |
| 11 | Farebox Revenue   | \$0            | \$0                    | \$0                  | \$0                | \$0                | \$0                |
| 12 | Toll Revenue  | 0              | 0                      | 0                    | 0                  | 0                  | 0                  |
| 13 | Other Revenue   | 0              | 0                      | 0                    | 0                  | 0                  | 0                  |
| 14 | Capital and Other Reimbursements  | 1,411          | 1,495                  | 1,473                | 1,475              | 1,477              | 1,499              |
| 15 | <b>Total Operating Revenue</b>  | <b>\$1,411</b> | <b>\$1,495</b>         | <b>\$1,473</b>       | <b>\$1,475</b>     | <b>\$1,477</b>     | <b>\$1,499</b>     |
| 16 |   |                |                        |                      |                    |                    |                    |
| 17 | <b><u>Operating Expense</u></b>   |                |                        |                      |                    |                    |                    |
| 18 | <b>Labor Expenses:</b>  |                |                        |                      |                    |                    |                    |
| 19 | Payroll   | \$523          | \$558                  | \$560                | \$566              | \$569              | \$578              |
| 20 | Overtime  | 117            | 95                     | 93                   | 95                 | 96                 | 98                 |
| 21 | Health & Welfare  | 47             | 52                     | 57                   | 60                 | 64                 | 67                 |
| 22 | OPEB Current Payment  | 1              | 2                      | 2                    | 2                  | 2                  | 2                  |
| 23 | Pensions  | 52             | 49                     | 50                   | 51                 | 52                 | 55                 |
| 24 | Other-Fringe Benefits   | 137            | 147                    | 144                  | 145                | 146                | 149                |
| 25 | Reimbursable Overhead   | 322            | 348                    | 337                  | 339                | 337                | 338                |
| 26 | <b>Sub-total Labor Expenses</b>   | <b>\$1,199</b> | <b>\$1,250</b>         | <b>\$1,243</b>       | <b>\$1,259</b>     | <b>\$1,267</b>     | <b>\$1,287</b>     |
| 27 |   |                |                        |                      |                    |                    |                    |
| 28 | <b>Non-Labor Expenses:</b>  |                |                        |                      |                    |                    |                    |
| 29 | Traction and Propulsion Power   | \$0            | \$0                    | \$0                  | \$0                | \$0                | \$0                |
| 30 | Fuel for Buses and Trains   | 0              | 0                      | 0                    | 0                  | 0                  | 0                  |
| 31 | Insurance   | 5              | 5                      | 5                    | 5                  | 5                  | 5                  |
| 32 | Claims  | 2              | 0                      | 0                    | 0                  | 0                  | 0                  |
| 33 | Paratransit Service Contracts   | 0              | 0                      | 0                    | 0                  | 0                  | 0                  |
| 34 | Maintenance and Other Operating Contracts   | 61             | 91                     | 72                   | 55                 | 56                 | 56                 |
| 35 | Professional Service Contracts  | 44             | 38                     | 49                   | 53                 | 50                 | 50                 |
| 36 | Materials & Supplies  | 98             | 107                    | 101                  | 100                | 96                 | 98                 |
| 37 | Other Business Expenses   | 1              | 3                      | 3                    | 3                  | 3                  | 3                  |
| 38 | <b>Sub-total Non-Labor Expenses</b>   | <b>\$212</b>   | <b>\$245</b>           | <b>\$230</b>         | <b>\$216</b>       | <b>\$210</b>       | <b>\$212</b>       |
| 39 |   |                |                        |                      |                    |                    |                    |
| 40 | <b>Other Expense Adjustments:</b>   |                |                        |                      |                    |                    |                    |
| 41 | Other   | \$0            | \$0                    | \$0                  | \$0                | \$0                | \$0                |
| 42 | <b>Sub-total Other Expense Adjustments</b>  | <b>\$0</b>     | <b>\$0</b>             | <b>\$0</b>           | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| 43 |   |                |                        |                      |                    |                    |                    |
| 44 | <b>Total Operating Expense</b>  | <b>\$1,411</b> | <b>\$1,495</b>         | <b>\$1,473</b>       | <b>\$1,475</b>     | <b>\$1,477</b>     | <b>\$1,499</b>     |
| 45 |   |                |                        |                      |                    |                    |                    |
| 46 | <b>Baseline Surplus/(Deficit)</b>   | <b>(\$0)</b>   | <b>\$0</b>             | <b>\$0</b>           | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |

# METROPOLITAN TRANSPORTATION AUTHORITY

## July Financial Plan 2011 - 2014

### MTA Consolidated Statement Of Operations By Category

(\$ in millions)

| Line Number |  |                  |                          |                           |                  |                  |
|-------------|--|------------------|--------------------------|---------------------------|------------------|------------------|
| 7           | <b>Non-Reimbursable / Reimbursable</b>                         |                  |                          |                           |                  |                  |
| 8           |  | <b>2009</b>      | <b>2010</b>              | <b>2011</b>               |                  |                  |
| 9           |  | <b>Actual</b>    | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>      | <b>2013</b>      |
| 10          | <b>Operating Revenue</b>                                       |                  |                          |                           | <b>2014</b>      |                  |
| 11          | Farebox Revenue  | \$4,350          | \$4,587                  | \$4,675                   | \$4,785          | \$4,856          |
| 12          | Student Fare   | -                | -                        | -                         | -                | -                |
| 13          | Toll Revenue   | 1,332            | 1,411                    | 1,421                     | 1,432            | 1,434            |
| 14          | Other Revenue  | 461              | 504                      | 524                       | 553              | 584              |
| 15          | Capital and Other Reimbursements                               | 1,411            | 1,495                    | 1,473                     | 1,475            | 1,477            |
| 16          | <b>Total Operating Revenue</b>                                 | <b>\$7,554</b>   | <b>\$7,996</b>           | <b>\$8,093</b>            | <b>\$8,245</b>   | <b>\$8,351</b>   |
| 17          |  |                  |                          |                           |                  |                  |
| 18          | <b>Operating Expense</b>                                       |                  |                          |                           |                  |                  |
| 19          | <b>Labor Expenses:</b>   |                  |                          |                           |                  |                  |
| 20          | Payroll  | \$4,686          | \$4,727                  | \$4,817                   | \$4,929          | \$5,032          |
| 21          | Overtime   | 616              | 547                      | 537                       | 549              | 558              |
| 22          | Health & Welfare   | 736              | 791                      | 858                       | 928              | 1,011            |
| 23          | OPEB Current Payment   | 348              | 368                      | 405                       | 441              | 480              |
| 24          | Pensions   | 1,073            | 1,073                    | 1,119                     | 1,181            | 1,234            |
| 25          | Other-Fringe Benefits  | 654              | 608                      | 607                       | 621              | 640              |
| 26          | Reimbursable Overhead  | (1)              | (1)                      | (0)                       | (0)              | (0)              |
| 27          | <b>Sub-total Labor Expenses</b>                                | <b>\$8,113</b>   | <b>\$8,114</b>           | <b>\$8,342</b>            | <b>\$8,649</b>   | <b>\$8,956</b>   |
| 28          |  |                  |                          |                           |                  |                  |
| 29          | <b>Non-Labor Expenses:</b>                                     |                  |                          |                           |                  |                  |
| 30          | Traction and Propulsion Power                                  | \$318            | \$342                    | \$363                     | \$389            | \$422            |
| 31          | Fuel for Buses and Trains                                      | 180              | 199                      | 210                       | 223              | 239              |
| 32          | Insurance  | 39               | 39                       | 39                        | 43               | 49               |
| 33          | Claims   | 240              | 187                      | 196                       | 205              | 212              |
| 34          | Paratransit Service Contracts                                  | 370              | 381                      | 384                       | 462              | 553              |
| 35          | Maintenance and Other Operating Contracts                      | 624              | 699                      | 690                       | 690              | 707              |
| 36          | Professional Service Contracts                                 | 243              | 252                      | 265                       | 274              | 278              |
| 37          | Materials & Supplies   | 624              | 684                      | 675                       | 692              | 720              |
| 38          | Other Business Expenses  | 185              | 202                      | 215                       | 221              | 226              |
| 39          | <b>Sub-total Non-Labor Expenses</b>                            | <b>\$2,824</b>   | <b>\$2,987</b>           | <b>\$3,036</b>            | <b>\$3,201</b>   | <b>\$3,406</b>   |
| 40          |  |                  |                          |                           |                  |                  |
| 41          | <b>Other Expense Adjustments:</b>                              |                  |                          |                           |                  |                  |
| 42          | Other  | (\$15)           | (\$23)                   | (\$20)                    | (\$21)           | (\$22)           |
| 43          | General Reserve  | 0                | 50                       | 100                       | 100              | 100              |
| 44          | <b>Sub-total Other Expense Adjustments</b>                     | <b>(\$15)</b>    | <b>\$27</b>              | <b>\$80</b>               | <b>\$79</b>      | <b>\$78</b>      |
| 45          |  |                  |                          |                           |                  |                  |
| 46          | <b>Total Operating Expense before Non-Cash Liability Adjs.</b> | <b>\$10,922</b>  | <b>\$11,127</b>          | <b>\$11,459</b>           | <b>\$11,929</b>  | <b>\$12,440</b>  |
| 47          |  |                  |                          |                           |                  |                  |
| 48          | Depreciation   | \$1,941          | \$2,012                  | \$2,105                   | \$2,201          | \$2,281          |
| 49          | OPEB Obligation  | 1,136            | 1,434                    | 1,493                     | 1,554            | 1,618            |
| 50          | Environmental Remediation                                      | 6                | 11                       | 10                        | 11               | 11               |
| 51          |  |                  |                          |                           |                  |                  |
| 52          | <b>Total Operating Expense</b>                                 | <b>\$14,005</b>  | <b>\$14,585</b>          | <b>\$15,068</b>           | <b>\$15,694</b>  | <b>\$16,350</b>  |
| 53          |  |                  |                          |                           |                  |                  |
| 54          | <b>Net Operating Deficit Before Subsidies and Debt Service</b> | <b>(\$6,451)</b> | <b>(\$6,589)</b>         | <b>(\$6,974)</b>          | <b>(\$7,450)</b> | <b>(\$7,999)</b> |
| 55          |  |                  |                          |                           |                  |                  |
| 56          | Dedicated Taxes and State/Local Subsidies                      | \$4,137          | \$4,937                  | \$5,169                   | \$5,467          | \$5,716          |
| 57          | Debt Service (excludes Service Contract Bonds)                 | (1,404)          | (1,841)                  | (2,052)                   | (2,204)          | (2,376)          |
| 58          |  |                  |                          |                           |                  |                  |
| 59          | <b>Net Deficit After Subsidies and Debt Service</b>            | <b>(\$3,718)</b> | <b>(\$3,493)</b>         | <b>(\$3,857)</b>          | <b>(\$4,187)</b> | <b>(\$4,659)</b> |
| 60          |  |                  |                          |                           |                  |                  |
| 61          | Conversion to Cash Basis: Non-Cash Liability Adjs.             | \$3,083          | \$3,457                  | \$3,609                   | \$3,766          | \$3,910          |
| 63          | Conversion to Cash Basis: GASB Account                         | (54)             | (57)                     | (57)                      | (60)             | (63)             |
| 64          | Conversion to Cash Basis: All Other                            | 556              | (108)                    | (195)                     | (322)            | (236)            |
| 65          |  |                  |                          |                           |                  |                  |
| 66          | <b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>               | <b>(\$133)</b>   | <b>(\$200)</b>           | <b>(\$500)</b>            | <b>(\$803)</b>   | <b>(\$1,590)</b> |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011 - 2014**  
**MTA Consolidated Cash Receipts and Expenditures**  
(\$ in millions)

| Line No | CASH RECEIPTS AND EXPENDITURES                            | 2009             | 2010              | 2011               |                  |                  |                  |
|---------|---|------------------|-------------------|--------------------|------------------|------------------|------------------|
|         |   | 2009             | 2010              | 2011               |                  |                  |                  |
|         |   | Actual           | Mid-Year Forecast | Preliminary Budget | 2012             | 2013             | 2014             |
| 11      | <b>Receipts</b>   |                  |                   |                    |                  |                  |                  |
| 12      | Farebox Revenue   | \$4,403          | \$4,629           | \$4,719            | \$4,823          | \$4,906          | \$4,967          |
| 13      | Student Fare  | 0                | 0                 | 0                  | 0                | 0                | 0                |
| 14      | Other Operating Revenue                                   | 478              | 556               | 545                | 576              | 607              | 641              |
| 15      | Capital and Other Reimbursements                          | 1,495            | 1,490             | 1,547              | 1,493            | 1,496            | 1,514            |
| 16      | <b>Total Receipts</b>                                     | <b>\$6,376</b>   | <b>\$6,675</b>    | <b>\$6,812</b>     | <b>\$6,891</b>   | <b>\$7,008</b>   | <b>\$7,123</b>   |
| 18      | <b>Expenditures</b>                                       |                  |                   |                    |                  |                  |                  |
| 19      | <b><u>Labor:</u></b>                                      |                  |                   |                    |                  |                  |                  |
| 20      | Payroll   | \$4,479          | \$4,639           | \$4,647            | \$4,750          | \$4,854          | \$4,971          |
| 21      | Overtime  | 577              | 528               | 511                | 523              | 531              | 543              |
| 22      | Health and Welfare  | 730              | 774               | 841                | 910              | 992              | 1,081            |
| 23      | OPEB Current Payment                                      | 331              | 347               | 381                | 415              | 452              | 494              |
| 24      | Pensions  | 892              | 1,160             | 1,073              | 1,134            | 1,182            | 1,240            |
| 25      | Other Fringe Benefits                                     | 561              | 582               | 572                | 587              | 606              | 625              |
| 26      | Contribution to GASB Fund                                 | 54               | 57                | 57                 | 60               | 63               | 66               |
| 27      | <b>Total Labor Expenditures</b>                           | <b>\$7,624</b>   | <b>\$8,087</b>    | <b>\$8,081</b>     | <b>\$8,379</b>   | <b>\$8,681</b>   | <b>\$9,021</b>   |
| 29      | <b><u>Non-Labor:</u></b>                                  |                  |                   |                    |                  |                  |                  |
| 30      | Traction and Propulsion Power                             | \$313            | \$371             | \$366              | \$392            | \$425            | \$454            |
| 31      | Fuel for Buses and Trains                                 | 180              | 199               | 210                | 223              | 239              | 254              |
| 32      | Insurance   | 15               | 52                | 38                 | 44               | 49               | 60               |
| 33      | Claims  | 190              | 170               | 167                | 181              | 192              | 201              |
| 34      | Paratransit Service Contracts                             | 364              | 387               | 379                | 457              | 548              | 655              |
| 35      | Maintenance and Other Operating Contracts                 | 536              | 624               | 617                | 613              | 624              | 631              |
| 36      | Professional Service Contracts                            | 207              | 234               | 238                | 246              | 249              | 255              |
| 37      | Materials & Supplies                                      | 667              | 662               | 673                | 694              | 718              | 754              |
| 38      | Other Business Expenditures                               | 201              | 211               | 220                | 226              | 231              | 249              |
| 39      | <b>Total Non-Labor Expenditures</b>                       | <b>\$2,672</b>   | <b>\$2,911</b>    | <b>\$2,908</b>     | <b>\$3,075</b>   | <b>\$3,274</b>   | <b>\$3,514</b>   |
| 41      | <b><u>Other Expenditure Adjustments:</u></b>              |                  |                   |                    |                  |                  |                  |
| 42      | Other   | \$56             | \$108             | \$133              | \$141            | \$153            | \$166            |
| 43      | General Reserve   | 0                | 50                | 100                | 100              | 100              | 100              |
| 44      | <b>Total Other Expenditure Adjustments</b>                | <b>\$56</b>      | <b>\$158</b>      | <b>\$233</b>       | <b>\$241</b>     | <b>\$253</b>     | <b>\$266</b>     |
| 46      | <b>Total Expenditures</b>                                 | <b>\$10,352</b>  | <b>\$11,155</b>   | <b>\$11,223</b>    | <b>\$11,695</b>  | <b>\$12,207</b>  | <b>\$12,800</b>  |
| 48      | <b>Net Cash Deficit Before Subsidies and Debt Service</b> | <b>(\$3,976)</b> | <b>(\$4,481)</b>  | <b>(\$4,411)</b>   | <b>(\$4,804)</b> | <b>(\$5,199)</b> | <b>(\$5,678)</b> |
| 50      | Dedicated Taxes and State/Local Subsidies                 | \$4,724          | \$5,510           | \$5,324            | \$5,554          | \$5,853          | \$5,936          |
| 51      | Debt Service (excludes Service Contract Bonds)            | (881)            | (1,229)           | (1,413)            | (1,554)          | (1,702)          | (1,848)          |
| 53      | <b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>          | <b>(\$133)</b>   | <b>(\$200)</b>    | <b>(\$500)</b>     | <b>(\$803)</b>   | <b>(\$1,048)</b> | <b>(\$1,590)</b> |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011 - 2014**  
**Cash Conversion Detail**  
(\$ in millions)

|   | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>    | <b>2013</b>    | <b>2014</b>    |
|---|------------------------|---------------------------------------|--|----------------|----------------|----------------|
| <b><u>Depreciation</u></b>                    |                        |                                       |  |                |                |                |
| New York City Transit                         | \$1,231                | \$1,325                               | \$1,400                                | \$1,475        | \$1,550        | \$1,625        |
| Metro-North Railroad                          | 248                    | 215                                   | 231                                    | 248            | 257            | 266            |
| Long Island Rail Road                         | 307                    | 316                                   | 318                                    | 317            | 309            | 298            |
| MTA Bus Company                               | 36                     | 40                                    | 42                                     | 42             | 42             | 42             |
| MTA Headquarters                              | 30                     | 27                                    | 21                                     | 21             | 21             | 21             |
| Staten Island Railway                         | 8                      | 8                                     | 8                                      | 8              | 8              | 8              |
| Bridges & Tunnels                             | 80                     | 82                                    | 86                                     | 90             | 94             | 104            |
| <i>Sub-Total</i>                              | <i>1,941</i>           | <i>2,012</i>                          | <i>2,105</i>                           | <i>2,201</i>   | <i>2,281</i>   | <i>2,364</i>   |
| <b><u>Other Post Employment Benefits</u></b>  |                        |                                       |  |                |                |                |
| New York City Transit                         | \$828                  | \$1,099                               | \$1,145                                | \$1,192        | \$1,240        | \$1,291        |
| Metro-North Railroad                          | 44                     | 63                                    | 67                                     | 71             | 75             | 79             |
| Long Island Rail Road                         | 60                     | 73                                    | 75                                     | 77             | 80             | 82             |
| MTA Bus Company                               | 47                     | 68                                    | 69                                     | 70             | 72             | 73             |
| MTA Headquarters                              | 64                     | 64                                    | 67                                     | 71             | 75             | 79             |
| Bridges & Tunnels                             | 82                     | 55                                    | 57                                     | 59             | 63             | 60             |
| Long Island Bus                               | 8                      | 11                                    | 11                                     | 11             | 11             | 11             |
| Staten Island Railway                         | 2                      | 3                                     | 3                                      | 3              | 3              | 3              |
| <i>Sub-Total</i>                              | <i>1,136</i>           | <i>1,434</i>                          | <i>1,493</i>                           | <i>1,554</i>   | <i>1,618</i>   | <i>1,678</i>   |
| <b><u>Environmental Remediation</u></b>       |                        |                                       |  |                |                |                |
| New York City Transit                         | (2)                    | 0                                     | 0                                      | 0              | 0              | 0              |
| Metro-North Railroad                          | 5                      | 9                                     | 8                                      | 8              | 8              | 9              |
| Long Island Rail Road                         | 0                      | 2                                     | 2                                      | 2              | 2              | 2              |
| MTA Bus Company                               | 2                      | 0                                     | 0                                      | 0              | 0              | 0              |
| Bridges & Tunnels                             | 0                      | 0                                     | 0                                      | 0              | 0              | 0              |
| Staten Island Railway                         | 0                      | 0                                     | 0                                      | 0              | 0              | 0              |
| <i>Sub-Total</i>                              | <i>6</i>               | <i>11</i>                             | <i>10</i>                              | <i>11</i>      | <i>11</i>      | <i>11</i>      |
| <b><u>Operating</u></b>                       |                        |                                       |  |                |                |                |
| New York City Transit                         | 356                    | (151)                                 | 104                                    | 39             | 41             | 55             |
| Metro-North Railroad                          | (30)                   | (45)                                  | (25)                                   | (30)           | (26)           | (37)           |
| Long Island Rail Road                         | 11                     | (8)                                   | 0                                      | 4              | 6              | (6)            |
| MTA Bus Company                               | 2                      | (38)                                  | 9                                      | 4              | (1)            | (2)            |
| MTA Headquarters                              | 33                     | 0                                     | (10)                                   | (9)            | (9)            | (9)            |
| Long Island Bus                               | (2)                    | (5)                                   | 1                                      | 1              | 1              | 1              |
| Staten Island Railway                         | 4                      | (3)                                   | (0)                                    | (0)            | (0)            | (0)            |
| First Mutual Transportation Assurance Company | (24)                   | (70)                                  | (74)                                   | (81)           | (92)           | (105)          |
| Other   | 14                     | 18                                    | 20                                     | 20             | 20             | 20             |
| <i>Sub-Total</i>                              | <i>364</i>             | <i>(302)</i>                          | <i>25</i>                              | <i>(52)</i>    | <i>(61)</i>    | <i>(82)</i>    |
| <b><u>Subsidies</u></b>                       |                        |                                       |  |                |                |                |
| New York City Transit                         | 185                    | 102                                   | (221)                                  | (252)          | (150)          | (186)          |
| Commuter Railroads                            | (46)                   | 68                                    | (32)                                   | (47)           | (60)           | (75)           |
| Headquarters                                  | (17)                   | (31)                                  | (28)                                   | (29)           | (24)           | (25)           |
| MTA Bus Company                               | 12                     | (11)                                  | 4                                      | (3)            | (3)            | (2)            |
| Long Island Bus                               | 4                      | 6                                     | 0                                      | 0              | 0              | 0              |
| Staten Island Railway                         | 0                      | 2                                     | 0                                      | 0              | 0              | 0              |
| <i>Sub-Total</i>                              | <i>138</i>             | <i>137</i>                            | <i>(276)</i>                           | <i>(330)</i>   | <i>(238)</i>   | <i>(289)</i>   |
| <b>Total Cash Conversion</b>                  | <b>\$3,585</b>         | <b>\$3,292</b>                        | <b>\$3,357</b>                         | <b>\$3,384</b> | <b>\$3,612</b> | <b>\$3,682</b> |

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011 - 2014**  
**Changes Year-to-Year By Category**

Favorable/(Unfavorable)

| Line Number | Non-Reimbursable   | 2010<br>Mid-Year<br>Forecast | Change<br>2010 - 2009 | 2011<br>Preliminary<br>Budget | Change<br>2011 - 2010 | 2012             | Change<br>2012 - 2011 | 2013             | Change<br>2013 - 2012 | 2014             | Change<br>2014 - 2013 |
|-------------|--|------------------------------|-----------------------|-------------------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| 7           |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 8           |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 9           |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 10          | <b>Operating Revenue</b>                                       |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 11          | Farebox Revenue  | \$4,587                      | \$236                 | \$4,675                       | \$89                  | \$4,785          | \$110                 | \$4,856          | \$71                  | \$4,923          | \$66                  |
| 12          | Toll Revenue   | 1,411                        | 79                    | 1,421                         | 10                    | 1,432            | 11                    | 1,434            | 2                     | 1,439            | 5                     |
| 13          | Other Revenue  | 504                          | 42                    | 524                           | 20                    | 553              | 29                    | 584              | 31                    | 619              | 35                    |
| 14          | Capital and Other Reimbursements                               | (0)                          | (0)                   | 0                             | 0                     | 0                | 0                     | (0)              | (0)                   | 0                | 0                     |
| 15          | <b>Total Operating Revenue</b>                                 | <b>\$6,501</b>               | <b>\$358</b>          | <b>\$6,620</b>                | <b>\$119</b>          | <b>\$6,770</b>   | <b>\$150</b>          | <b>\$6,874</b>   | <b>\$104</b>          | <b>\$6,980</b>   | <b>\$106</b>          |
| 16          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 17          | <b>Operating Expense</b>                                       |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 18          | <b>Labor Expenses:</b>   |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 19          | Payroll  | \$4,169                      | (\$5)                 | \$4,258                       | (\$89)                | \$4,363          | (\$106)               | \$4,463          | (\$100)               | \$4,567          | (\$104)               |
| 20          | Overtime   | 452                          | 47                    | 443                           | 9                     | 454              | (11)                  | 462              | (8)                   | 471              | (9)                   |
| 21          | Health & Welfare   | 739                          | (50)                  | 801                           | (62)                  | 868              | (67)                  | 947              | (80)                  | 1,033            | (86)                  |
| 22          | OPEB Current Payment   | 367                          | (21)                  | 403                           | (36)                  | 439              | (36)                  | 478              | (39)                  | 522              | (44)                  |
| 23          | Pensions   | 1,024                        | (3)                   | 1,069                         | (45)                  | 1,130            | (61)                  | 1,182            | (52)                  | 1,266            | (84)                  |
| 24          | Other-Fringe Benefits  | 462                          | 56                    | 463                           | (1)                   | 476              | (13)                  | 494              | (18)                  | 509              | (15)                  |
| 25          | Reimbursable Overhead  | (349)                        | 27                    | (337)                         | (12)                  | (339)            | 2                     | (338)            | (1)                   | (338)            | 0                     |
| 26          | <b>Sub-total Labor Expenses</b>                                | <b>\$6,864</b>               | <b>\$50</b>           | <b>\$7,100</b>                | <b>(\$236)</b>        | <b>\$7,391</b>   | <b>(\$291)</b>        | <b>\$7,689</b>   | <b>(\$298)</b>        | <b>\$8,030</b>   | <b>(\$341)</b>        |
| 27          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 28          | <b>Non-Labor Expenses:</b>                                     |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 29          | Traction and Propulsion Power                                  | \$342                        | (\$24)                | \$363                         | (\$21)                | \$389            | (\$26)                | \$422            | (\$33)                | \$451            | (\$29)                |
| 30          | Fuel for Buses and Trains                                      | 199                          | (19)                  | 210                           | (11)                  | 223              | (13)                  | 239              | (16)                  | 254              | (15)                  |
| 31          | Insurance  | 34                           | (0)                   | 34                            | 0                     | 38               | (4)                   | 44               | (7)                   | 54               | (10)                  |
| 32          | Claims   | 187                          | 51                    | 196                           | (9)                   | 205              | (9)                   | 212              | (6)                   | 219              | (8)                   |
| 33          | Paratransit Service Contracts                                  | 381                          | (11)                  | 384                           | (3)                   | 462              | (78)                  | 553              | (91)                  | 660              | (107)                 |
| 34          | Maintenance and Other Operating Contracts                      | 608                          | (45)                  | 617                           | (10)                  | 635              | (18)                  | 651              | (16)                  | 675              | (24)                  |
| 35          | Professional Service Contracts                                 | 214                          | (15)                  | 216                           | (2)                   | 222              | (6)                   | 227              | (6)                   | 236              | (8)                   |
| 36          | Materials & Supplies   | 577                          | (51)                  | 574                           | 3                     | 592              | (18)                  | 624              | (32)                  | 644              | (19)                  |
| 37          | Other Business Expenses  | 200                          | (15)                  | 212                           | (12)                  | 218              | (6)                   | 223              | (5)                   | 241              | (17)                  |
| 38          | <b>Sub-total Non-Labor Expenses</b>                            | <b>\$2,742</b>               | <b>(\$130)</b>        | <b>\$2,806</b>                | <b>(\$64)</b>         | <b>\$2,985</b>   | <b>(\$179)</b>        | <b>\$3,196</b>   | <b>(\$211)</b>        | <b>\$3,434</b>   | <b>(\$238)</b>        |
| 39          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 40          | <b>Other Expense Adjustments:</b>                              |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 41          | Other  | (\$23)                       | 9                     | (\$20)                        | (4)                   | (\$21)           | 2                     | (\$22)           | 0                     | (\$24)           | 3                     |
| 42          | General Reserve  | 50                           | (50)                  | 100                           | (50)                  | 100              | 0                     | 100              | 0                     | 100              | 0                     |
| 43          | <b>Sub-total Other Expense Adjustments</b>                     | <b>\$27</b>                  | <b>(\$41)</b>         | <b>\$80</b>                   | <b>(\$54)</b>         | <b>\$79</b>      | <b>\$2</b>            | <b>\$78</b>      | <b>\$0</b>            | <b>\$76</b>      | <b>\$3</b>            |
| 44          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 45          | <b>Total Operating Expense before Non-Cash Liability Adjs.</b> | <b>\$9,632</b>               | <b>(\$121)</b>        | <b>\$9,986</b>                | <b>(\$353)</b>        | <b>\$10,454</b>  | <b>(\$468)</b>        | <b>\$10,963</b>  | <b>(\$509)</b>        | <b>\$11,540</b>  | <b>(\$577)</b>        |
| 46          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 47          | Depreciation   | 2,012                        | (71)                  | 2,105                         | (93)                  | 2,201            | (96)                  | 2,281            | (80)                  | 2,364            | (83)                  |
| 48          | OPEB Obligation  | 1,434                        | (298)                 | 1,493                         | (59)                  | 1,554            | (61)                  | 1,618            | (64)                  | 1,678            | (60)                  |
| 49          | Environmental Remediation                                      | 11                           | (5)                   | 10                            | 1                     | 11               | (0)                   | 11               | (0)                   | 11               | (0)                   |
| 50          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 51          | <b>Total Operating Expense</b>                                 | <b>\$13,090</b>              | <b>(\$495)</b>        | <b>\$13,595</b>               | <b>(\$505)</b>        | <b>\$14,220</b>  | <b>(\$625)</b>        | <b>\$14,873</b>  | <b>(\$653)</b>        | <b>\$15,593</b>  | <b>(\$720)</b>        |
| 52          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 53          | <b>Net Operating Deficit Before Subsidies and Debt Service</b> | <b>(\$6,589)</b>             | <b>(\$138)</b>        | <b>(\$6,974)</b>              | <b>(\$386)</b>        | <b>(\$7,450)</b> | <b>(\$475)</b>        | <b>(\$7,999)</b> | <b>(\$549)</b>        | <b>(\$8,613)</b> | <b>(\$614)</b>        |
| 54          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 55          | Dedicated Taxes and State/Local Subsidies                      | \$4,937                      | \$800                 | \$5,169                       | \$232                 | \$5,467          | \$297                 | \$5,716          | \$250                 | \$5,895          | \$179                 |
| 56          | Debt Service (excludes Service Contract Bonds)                 | (1,841)                      | (437)                 | (2,052)                       | (210)                 | (2,204)          | (152)                 | (2,376)          | (172)                 | (2,555)          | (179)                 |
| 57          | <b>Net Deficit After Subsidies and Debt Service</b>            | <b>(\$3,493)</b>             | <b>\$225</b>          | <b>(\$3,857)</b>              | <b>(\$365)</b>        | <b>(\$4,187)</b> | <b>(\$330)</b>        | <b>(\$4,659)</b> | <b>(\$472)</b>        | <b>(\$5,273)</b> | <b>(\$614)</b>        |
| 58          |  |                              |                       |                               |                       |                  |                       |                  |                       |                  |                       |
| 59          | Conversion to Cash Basis: Non-Cash Liability Adjs.             | \$3,457                      | \$375                 | \$3,609                       | \$151                 | \$3,766          | \$157                 | \$3,910          | \$144                 | \$4,053          | \$143                 |
| 60          | Conversion to Cash Basis: GASB Account                         | (57)                         | (3)                   | (57)                          | 1                     | (60)             | (3)                   | (63)             | (3)                   | (66)             | (3)                   |
| 61          | Conversion to Cash Basis: All Other                            | (108)                        | (664)                 | (195)                         | (87)                  | (322)            | (127)                 | (236)            | 86                    | (305)            | (69)                  |
| 62          | Net Cash Balance from Previous Year                            | 130                          | (133)                 | 0                             | (130)                 | 0                | 0                     | 0                | 0                     | 0                | 0                     |
| 63          | <b>Baseline Net Cash Balance</b>                               | <b>(\$70)</b>                | <b>(\$200)</b>        | <b>(\$500)</b>                | <b>(\$429)</b>        | <b>(\$803)</b>   | <b>(\$304)</b>        | <b>(\$1,048)</b> | <b>(\$244)</b>        | <b>(\$1,590)</b> | <b>(\$543)</b>        |



**METROPOLITAN TRANSPORTATION AUTHORITY**  
**JULY FINANCIAL PLAN 2011-2014**  
**NON-RECURRING REVENUES AND SAVINGS - BASELINE**  
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more in calendar years 2010 through 2014.

| Agency                       | 2010 Mid-Year Forecast   | 2011 Preliminary Budget | 2012 Plan | 2013 Plan | 2014 Plan |
|------------------------------|--|-------------------------|-----------|-----------|-----------|
| <b>New York City Transit</b> | \$ - None  | \$ - None               | \$ - None | \$ - None | \$ - None |
| <b>Subtotal</b>              | \$ -   | \$ -                    | \$ -      | \$ -      | \$ -      |
| <b>Long Island Rail Road</b> | \$ 3.0 Through a formal RFP process, the MTA and LIRR have identified a property owner interested in purchasing air rights over the right of way (included in February Plan) | \$ - None               | \$ - None | \$ - None | \$ - None |
|                              | \$ 17.0 Reimbursement for work performed related to M7 modifications. Negotiations ongoing (Included in February Plan)   | \$ - None               | \$ - None | \$ - None | \$ - None |
| <b>Subtotal</b>              | \$ 20.0  | \$ -                    | \$ -      | \$ -      | \$ -      |
| <b>Metro-North Railroad</b>  | \$ - None  | \$ - None               | \$ - None | \$ - None | \$ - None |
| <b>Subtotal</b>              | \$ -   | \$ -                    | \$ -      | \$ -      | \$ -      |
| <b>Bridges &amp; Tunnels</b> |  |                         |           |           |           |
| Planning Studies             | \$ 0.7 Capitalization of some of the expenses related to the study of All-Electronic Toll Collection.  | \$ - None               | \$ - None | None      | None      |
| <b>Subtotal</b>              | \$ 0.7   | \$ 0.0                  | \$ -      | \$ -      | \$ -      |
| <b>MTA Bus</b>               | \$ - None  | \$ - None               | \$ - None | \$ - None | \$ - None |
| <b>Subtotal</b>              | \$ -   | \$ -                    | \$ -      | \$ -      | \$ -      |
| <b>Long Island Bus</b>       | \$ - None  | \$ - None               | \$ - None | \$ - None | \$ - None |
| <b>Subtotal</b>              | \$ -   | \$ -                    | \$ -      | \$ -      | \$ -      |

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

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**JULY FINANCIAL PLAN 2011-2014**  
**NON-RECURRING REVENUES AND SAVINGS - BASELINE**  
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more in calendar years 2010 through 2014.

| Agency   | 2010 Mid-Year Forecast | 2011 Preliminary Budget | 2012 Plan   | 2013 Plan   | 2014 Plan   |
|--|------------------------|-------------------------|-------------|-------------|-------------|
| MTA Headquarters   | \$ - None              | \$ - None               | \$ - None   | \$ - None   | \$ - None   |
|  | \$ - None              | \$ - None               | \$ - None   | \$ - None   | \$ - None   |
| <b>Subtotal</b>  | <u>\$ -</u>            | <u>\$ -</u>             | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Staten Island Railroad   | \$ - None              | \$ - None               | \$ - None   | \$ - None   | \$ - None   |
| <b>Subtotal</b>  | <u>\$ -</u>            | <u>\$ -</u>             | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| MTA Capital Construction                                       | \$ - None              | \$ - None               | \$ - None   | \$ - None   | \$ - None   |
| <b>Subtotal</b>  | <u>\$ -</u>            | <u>\$ -</u>             | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| MTA Transactions   | \$ - None              | \$ - None               | \$ - None   | \$ - None   | \$ - None   |
| <b>Subtotal</b>  | \$ -                   | \$ -                    | \$ -        | \$ -        | \$ -        |
| <b>Total Non-Recurring Resources<br/>(&gt;or = \$1million)</b> | \$ 20.7                | \$ 0.0                  | \$ -        | \$ -        | \$ -        |

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

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2011-2014**  
**Operating Budget Reserves - Baseline**  
(\$ in millions)

|                     | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|---------------------|---------------------------------------|--|-------------|-------------|-------------|
| MTA General Reserve | \$50.0                                | \$100.0                                | \$100.0     | \$100.0     | \$100.0     |
| GASB Fund Reserve   | \$124.1                               | \$317.8                                | \$514.5     | \$580.0     | \$648.0     |

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## **IV. MTA Capital Program Information**

**New York City Transit & Staten Island Railway**  
**2010 Commitment Summary**  
All \$ in Millions

| ACEP             | Project Description                                     | 2010<br>Commitments | MTA Funding      | Federal<br>Funding | Local<br>Funding |
|------------------|---|---------------------|------------------|--------------------|------------------|
| <b>2000-2004</b> |   |                     |                  |                    |                  |
| T40411/2D        | Intermodal: Gun Hill Road / White Plains Road           | \$ 6.02             | \$ 6.02          |                    |                  |
|                  | <b>Element Total</b>                                    | <b>\$ 6.02</b>      | <b>\$ 6.02</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| T40703/SB        | Stillwell Avenue Terminal - Comm work                   | \$ 4.15             | \$ 4.15          | \$ -               | \$ -             |
| T41203/FG        | Charleston Depot - Storm Water Sewer                    | \$ 10.35            | \$ 10.35         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 14.50</b>     | <b>\$ 14.50</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| T41604/I3        | Raised Floor Livingston Plaza                           | \$ 0.22             | \$ 0.22          | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 0.22</b>      | <b>\$ 0.22</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| <b>2005-2009</b> |   |                     |                  |                    |                  |
| T50101/01        | Purchase 23 "A" Division Cars & Convert 10 R142A Cars   | \$ 75.37            | \$ 75.37         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 75.37</b>     | <b>\$ 75.37</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| T50302/15        | Fuel Cell Bus Demonstration                             | \$ 3.00             | \$ 3.00          | \$ -               | \$ -             |
| T50302/21        | Purchase 60 Express Buses                               | \$ 38.26            | \$ 13.19         | \$ -               | \$ 25.07         |
| T50302/22        | Purchase 160 Paratransit Vehicles                       | \$ 8.34             | \$ 8.34          | \$ -               | \$ -             |
| T50302/27        | Purchase 90 Low-Floor CNG Buses                         | \$ 51.57            | \$ 51.57         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 101.17</b>    | <b>\$ 76.10</b>  | <b>\$ -</b>        | <b>\$ 25.07</b>  |
| T50413/21        | ADA: 45 Rd - Court House Sq / Flushing                  | \$ 13.59            | \$ 13.59         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 13.59</b>     | <b>\$ 13.59</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| T50414/07        | Repair Canopies: 5 Stns / Bway-7th Ave                  | \$ 17.21            | \$ 17.21         | \$ -               | \$ -             |
| T50414/21        | Platform Edge: 6 Locations / Myrtle                     | \$ 10.45            | \$ 10.45         | \$ -               | \$ -             |
| T50414/21        | Platform Edge: 5 Locations / Broadway-7th Ave           | \$ 8.59             | \$ 8.59          | \$ -               | \$ -             |
| T50414/21        | Street Stairs: 2 Locations / Broadway-7th Ave           | \$ 12.65            | \$ 12.65         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 48.90</b>     | <b>\$ 48.90</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| T50599/01        | Third Rail Heater Control System                        | \$ 2.00             | \$ -             | \$ 2.00            | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 2.00</b>      | <b>\$ -</b>      | <b>\$ 2.00</b>     | <b>\$ -</b>      |
| T50703/22        | Overcoating: 125 Street Arch / Bway-7th Ave             | \$ 14.00            | \$ 14.00         | \$ -               | \$ -             |
| T50703/29        | Overcoating: 27 Street - 41 Avenue / Astoria & Flushing | \$ 13.93            | \$ 3.42          | \$ 10.51           | \$ -             |
| T50703/33        | Alleviate Flooding At 4 Locs: Bklyn & Queens            | \$ 4.91             | \$ 4.91          | \$ -               | \$ -             |
| T50703/33        | Alleviate Flooding At 2 Locs: Manhattan                 | \$ 7.30             | \$ 7.30          | \$ -               | \$ -             |
| T50703/39        | Overcoating: Portal - 27 Street / Astoria & Flushing    | \$ 11.39            | \$ 3.96          | \$ 7.43            | \$ -             |
| T50803/08        | CBTC Flushing Line                                      | \$ 347.51           | \$ 347.51        | \$ -               | \$ -             |
| T50803/23        | CBTC Test Track Pilot/ Culver Line                      | \$ 12.68            | \$ 12.68         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 411.72</b>    | <b>\$ 393.79</b> | <b>\$ 17.93</b>    | <b>\$ -</b>      |
| T50806/13        | Stations Wireless Mobile Tech.                          | \$ 1.83             | \$ 1.83          | \$ -               | \$ -             |
| T50806/16        | HVAC Comm Rooms: 5 Locations                            | \$ 6.16             | \$ 6.16          | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 7.99</b>      | <b>\$ 7.99</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| T50899/01        | HVAC Communications Rooms (9 Locs)                      | \$ 5.70             | \$ -             | \$ 5.70            | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 5.70</b>      | <b>\$ -</b>      | <b>\$ 5.70</b>     | <b>\$ -</b>      |
| T50902/12        | Substation Hatchways: 7 Locations                       | \$ 6.29             | \$ 6.29          | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 6.29</b>      | <b>\$ 6.29</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| T51004/03        | 207 St OH Shop: Cranes And Equipment                    | \$ 5.00             | \$ 5.00          | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 5.00</b>      | <b>\$ 5.00</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| T51199/02        | Yard Fencing: 5 Locations                               | \$ 28.16            | \$ -             | \$ 28.16           | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 28.16</b>     | <b>\$ -</b>      | <b>\$ 28.16</b>    | <b>\$ -</b>      |
| T51203/06        | Amsterdam Depot: One New Boiler                         | \$ 1.50             | \$ 1.50          | \$ -               | \$ -             |
| T51203/06        | Clara Hale Depot: Reconstruction                        | \$ 298.23           | \$ 298.23        | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 299.73</b>    | <b>\$ 299.73</b> | <b>\$ -</b>        | <b>\$ -</b>      |
| T51302/03        | Work Train & Special Equipment: 2 Ballast Regulators    | \$ 7.00             | \$ 7.00          | \$ -               | \$ -             |
| T51302/10        | Diesel Particulate Filters: Non-Rev Fleet - PH I        | \$ 2.76             | \$ 2.76          | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 9.76</b>      | <b>\$ 9.76</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| T51605/21        | Concrete Batch Plant Inspection (2008)                  | \$ 1.15             | \$ 1.15          | \$ -               | \$ -             |
| T51605/21        | Concrete Batch Plant Inspection (2008)                  | \$ 0.06             | \$ 0.06          | \$ -               | \$ -             |
| T51605/24        | Concrete Cylinder Testing (2009)                        | \$ 0.66             | \$ 0.66          | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 1.87</b>      | <b>\$ 1.87</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| T51607/36        | DOS Roof Replacement Phase 2                            | \$ 15.48            | \$ 15.48         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 15.48</b>     | <b>\$ 15.48</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| <b>2010-2014</b> |   |                     |                  |                    |                  |
| S60701/02        | Sir: Rehabilitation Of 8 Bridges, 1 Culvert             | \$ 0.91             | \$ 0.01          | \$ -               | \$ 0.90          |
| T60101/02        | Prchase 290 B-division Subway Cars                      | \$ 638.00           | \$ 570.34        | \$ 67.66           | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 638.91</b>    | <b>\$ 570.35</b> | <b>\$ 67.66</b>    | <b>\$ 0.90</b>   |
| T60302/01        | Purchase 250 Standard Buses                             | \$ 174.00           | \$ 114.90        | \$ -               | \$ 59.10         |
| T60302/02        | Purchase 185 Articulated Buses                          | \$ 158.32           | \$ 158.32        | \$ -               | \$ -             |
| T60302/18        | Repl Integrated Farebox Unit Components                 | \$ 22.84            | \$ 22.84         | \$ -               | \$ -             |
| T60302/19        | Purchase 65 Express Buses                               | \$ 51.40            | \$ 51.40         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 406.56</b>    | <b>\$ 347.46</b> | <b>\$ -</b>        | <b>\$ 59.10</b>  |
| T60404/01        | AFC Replacement - Phase 2: Electronic Boards            | \$ 30.00            | \$ 30.00         | \$ -               | \$ -             |
| T60404/02        | Purchase & Install 41 High Entry-Exit Turnstiles        | \$ 2.31             | \$ 2.31          | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 32.31</b>     | <b>\$ 32.31</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| T60407/04        | Replace 11 Hydraulic Elevators                          | \$ 2.21             | \$ 2.21          | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                    | <b>\$ 2.21</b>      | <b>\$ 2.21</b>   | <b>\$ -</b>        | <b>\$ -</b>      |

**New York City Transit & Staten Island Railway**  
**2010 Commitment Summary**  
All \$ in Millions

| ACEP      | Project Description  | 2010<br>Commitments | MTA Funding      | Federal<br>Funding | Local<br>Funding |
|-----------|--|---------------------|------------------|--------------------|------------------|
| T60412/01 | Station Component: 4 Avenue / Culver                           | \$ 13.67            | \$ -             | \$ 13.67           | \$ -             |
| T60412/02 | Station Renewal: Hunters Point Avenue / Flushing               | \$ 0.75             | \$ 0.75          | \$ -               | \$ -             |
| T60412/02 | Station Renewal: Fresh Pond Road / Myrtle                      | \$ 0.50             | \$ 0.50          | \$ -               | \$ -             |
| T60412/02 | Station Renewal: Forest Avenue / Myrtle                        | \$ 0.44             | \$ 0.44          | \$ -               | \$ -             |
| T60412/02 | Station Renewal: Seneca Avenue / Myrtle                        | \$ 0.43             | \$ 0.43          | \$ -               | \$ -             |
| T60412/02 | Station Renewal: Knickerbocker Avenue / Myrtle                 | \$ 0.66             | \$ 0.66          | \$ -               | \$ -             |
| T60412/02 | Station Renewal: Central Avenue / Myrtle                       | \$ 0.78             | \$ 0.78          | \$ -               | \$ -             |
| T60412/11 | Station Replacement: Dyckman Street / Broadway-7th Ave         | \$ 49.85            | \$ 49.85         | \$ -               | \$ -             |
| T60412/12 | Station Rehab: Smith-9 Streets / Prospect Park Line            | \$ 32.52            | \$ -             | \$ 32.52           | \$ -             |
|           | <b>Element Total</b>   | <b>\$ 99.60</b>     | <b>\$ 53.41</b>  | <b>\$ 46.19</b>    | <b>\$ -</b>      |
| T60413/01 | ADA: Forest Hills - 71 Av / Queens Blvd                        | \$ 2.18             | \$ 2.18          | \$ -               | \$ -             |
| T60413/02 | ADA: Plat Edge: 34 St-herald Sq / Broadway                     | \$ 6.46             | \$ -             | \$ 6.46            | \$ -             |
| T60413/02 | ADA: Plat Edge: 34 St-Herald Sq / Broadway                     | \$ 0.13             | \$ -             | \$ 0.13            | \$ -             |
| T60413/03 | ADA: Platform Edge: 34 St-herald Sq / 6 Ave                    | \$ 6.27             | \$ -             | \$ 6.27            | \$ -             |
| T60413/03 | ADA: Platform Edge: 34 St-Herald Sq / 6 Ave                    | \$ 0.13             | \$ -             | \$ 0.13            | \$ -             |
| T60413/04 | ADA: Platform Gap Retrofit Phase 1 - 14 Stations               | \$ 0.19             | \$ 0.19          | \$ -               | \$ -             |
| T60413/06 | ADA: Kingsbridge Rd / Concourse                                | \$ 1.42             | \$ 1.42          | \$ -               | \$ -             |
| T60413/07 | ADA: 68 St-Hunter College / Lexington                          | \$ 3.85             | \$ 3.85          | \$ -               | \$ -             |
| T60413/09 | ADA: Hunts Point Av / Pelham                                   | \$ 1.03             | \$ 1.03          | \$ -               | \$ -             |
| T60413/10 | ADA: 23 Street / Lexington                                     | \$ 1.03             | \$ 1.03          | \$ -               | \$ -             |
|           | <b>Element Total</b>   | <b>\$ 22.69</b>     | <b>\$ 9.70</b>   | <b>\$ 12.99</b>    | <b>\$ -</b>      |
| T60414/02 | Station Entrance Railings                                      | \$ 5.00             | \$ 5.00          | \$ -               | \$ -             |
| T60414/02 | Station Entrance Railings                                      | \$ 0.24             | \$ 0.24          | \$ -               | \$ -             |
| T60414/05 | Access Improvements: Grand Central / Lex                       | \$ 1.57             | \$ 1.57          | \$ -               | \$ -             |
|           | <b>Element Total</b>   | <b>\$ 6.81</b>      | <b>\$ 6.81</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| T60502/01 | Mainline Track Replacement - Jan-Apr 2010                      | \$ 53.50            | \$ 7.97          | \$ 45.53           | \$ -             |
| T60502/01 | Mainline Track Replacement - May-Dec 2010                      | \$ 131.23           | \$ 19.76         | \$ 111.47          | \$ -             |
| T60502/02 | Track Force Account - 2010                                     | \$ 35.00            | \$ -             | \$ -               | \$ 35.00         |
| T60502/03 | Continuous Welded Rail - 2010                                  | \$ 1.30             | \$ 0.38          | \$ 0.92            | \$ -             |
| T60502/03 | Continuous Welded Rail - 2010                                  | \$ 4.06             | \$ 1.14          | \$ 2.92            | \$ -             |
| T60502/04 | Mainline Track Replacement - 2011                              | \$ 0.93             | \$ 0.93          | \$ -               | \$ -             |
|           | <b>Element Total</b>   | <b>\$ 226.02</b>    | <b>\$ 30.18</b>  | <b>\$ 160.85</b>   | <b>\$ 35.00</b>  |
| T60503/01 | Replace 29 Mainline Switches - Jan-Apr 2010                    | \$ 7.80             | \$ 7.46          | \$ 0.34            | \$ -             |
| T60503/01 | Replace 29 Mainline Switches - May-Dec 2010                    | \$ 36.14            | \$ -             | \$ 36.14           | \$ -             |
| T60503/02 | Replace 29 Mainline Switches - 2011                            | \$ 1.55             | \$ 1.55          | \$ -               | \$ -             |
|           | <b>Element Total</b>   | <b>\$ 45.49</b>     | <b>\$ 9.01</b>   | <b>\$ 36.48</b>    | <b>\$ -</b>      |
| T60602/01 | Tunnel Lighting: 11 St Portal To Qns Plaza /60 St Conn         | \$ 10.96            | \$ 0.52          | \$ 10.44           | \$ -             |
| T60602/02 | Tunnel Lighting: 4 Av To Church Av - Local Trks / Culver       | \$ 36.60            | \$ 2.50          | \$ 34.10           | \$ -             |
| T60602/03 | Tunnel Lighting: 36 St To Jackson-Roosevelt / Queens Blvd      | \$ 2.28             | \$ 2.28          | \$ -               | \$ -             |
|           | <b>Element Total</b>   | <b>\$ 49.84</b>     | <b>\$ 5.30</b>   | <b>\$ 44.54</b>    | <b>\$ -</b>      |
| T60604/02 | Deep Wells: Crosstown Ph 2: Rehabilitate                       | \$ 13.66            | \$ -             | \$ 13.66           | \$ -             |
|           | <b>Element Total</b>   | <b>\$ 13.66</b>     | <b>\$ -</b>      | <b>\$ 13.66</b>    | <b>\$ -</b>      |
| T60703/02 | Rehab Emergency Exits: 50 Locs                                 | \$ 11.30            | \$ 2.30          | \$ 9.00            | \$ -             |
| T60703/03 | Culver Viaduct Rehab Phase 3 - Underside                       | \$ 19.50            | \$ 19.50         | \$ -               | \$ -             |
| T60703/03 | Culver Viaduct Rehabilitation Phase 3 - Underside              | \$ 0.54             | \$ 0.54          | \$ -               | \$ -             |
| T60703/04 | Viaduct Structure Rehab: Rockaway & Far Rockaway               | \$ 46.55            | \$ -             | \$ 46.55           | \$ -             |
| T60703/05 | Elevated Structure Rehab: Cypress Hills - 130 Street / Jamaica | \$ 28.29            | \$ 24.04         | \$ 4.25            | \$ -             |
| T60703/05 | Elevated Structure Rehab: Cypress Hills - 130 Street / Jamaica | \$ 0.30             | \$ 0.30          | \$ -               | \$ -             |
| T60703/07 | Overcoating: Rockaway Blvd To Hammels Wye / Rockaway           | \$ 6.14             | \$ -             | \$ 6.14            | \$ -             |
| T60703/08 | Overcoating: 15 Bridges / Brighton                             | \$ 9.34             | \$ -             | \$ 9.34            | \$ -             |
| T60703/13 | Line Structure Rehab: Structure Repairs / Dyre Avenue Line     | \$ 0.32             | \$ 0.32          | \$ -               | \$ -             |
| T60703/14 | Overcoating: Bway Junction - Cypress Hills / Jamaica           | \$ 2.20             | \$ 2.20          | \$ -               | \$ -             |
| T60703/18 | Overcoating: Cypress Hills - 130 Street / Jamaica              | \$ 28.75            | \$ -             | \$ 28.75           | \$ -             |
| T60703/20 | Trackway Stabilization / Franklin Shuttle                      | \$ 1.10             | \$ 1.10          | \$ -               | \$ -             |
| T60803/03 | Church Ave Interlocking & Automatics / Culver                  | \$ 235.69           | \$ -             | \$ 235.69          | \$ -             |
| T60803/04 | Replace Solid State Signal Equipment - 5 Locs                  | \$ 6.42             | \$ -             | \$ 6.42            | \$ -             |
| T60803/06 | CBTC Flushing: Additional Support Costs                        | \$ 68.19            | \$ 68.19         | \$ -               | \$ -             |
| T60803/07 | Station Time Improvements, Ph 2 / Lex                          | \$ 0.50             | \$ 0.50          | \$ -               | \$ -             |
| T60803/11 | CBTC Test Track Ph 2 Culver Line                               | \$ 84.60            | \$ 84.60         | \$ -               | \$ -             |
| T60803/13 | Signal Systems: Dyre Avenue Line Signals                       | \$ 5.14             | \$ 5.14          | \$ -               | \$ -             |
| T60803/15 | Signal Systems: 34 St Interlocking / 6th Avenue                | \$ 4.47             | \$ 4.47          | \$ -               | \$ -             |
| T60803/16 | Signal Systems: West 4 St Interlocking / 6th Avenue            | \$ 3.50             | \$ 3.50          | \$ -               | \$ -             |
|           | <b>Element Total</b>   | <b>\$ 562.84</b>    | <b>\$ 216.71</b> | <b>\$ 346.14</b>   | <b>\$ -</b>      |
| T60806/03 | Police: Time Domain Interference Solution                      | \$ 9.60             | \$ 9.60          | \$ -               | \$ -             |
| T60806/04 | PA/CIS: 43 Stations: Install Cable                             | \$ 55.56            | \$ 55.56         | \$ -               | \$ -             |
| T60806/04 | Station Intercom Systems                                       | \$ 10.00            | \$ 10.00         | \$ -               | \$ -             |
| T60806/06 | RTO Portable Radio Unit Replacement                            | \$ 10.61            | \$ 10.61         | \$ -               | \$ -             |
| T60806/06 | RTO Portable Radio Unit Replacement                            | \$ 0.72             | \$ 0.72          | \$ -               | \$ -             |
| T60806/08 | VHF Radio System Upgrade                                       | \$ 295.52           | \$ 295.52        | \$ -               | \$ -             |
| T60806/18 | Replace Copper Cable: Steinway Tube Phase 2                    | \$ 10.51            | \$ 10.51         | \$ -               | \$ -             |

New York City Transit & Staten Island Railway  
2010 Commitment Summary  
All \$ in Millions

| ACEP   | Project Description                            | 2010<br>Commitments | MTA Funding        | Federal<br>Funding | Local<br>Funding |
|--|--|---------------------|--------------------|--------------------|------------------|
|  | <b>Element Total</b>                           | <b>\$ 392.52</b>    | <b>\$ 392.52</b>   | <b>\$ -</b>        | <b>\$ -</b>      |
| T60902/01  | Substation Enclosures: 5 Locations             | \$ 16.97            | \$ -               | \$ 16.97           | \$ -             |
| T60902/02  | Modernize 10 Street Substation / Culver        | \$ 23.24            | \$ -               | \$ 23.24           | \$ -             |
| T60902/04  | Cabling: Central Substation / 6th Avenue       | \$ 0.92             | \$ 0.92            | \$ -               | \$ -             |
|  | <b>Element Total</b>                           | <b>\$ 41.13</b>     | <b>\$ 0.92</b>     | <b>\$ 40.21</b>    | <b>\$ -</b>      |
| T60904/01  | New Duct Bank: 141 St - 148 St / Lenox         | \$ 30.48            | \$ 15.48           | \$ 15.00           | \$ -             |
| T60904/02  | CBH #292/293 Albermarle Rd / Nostrand          | \$ 6.98             | \$ -               | \$ 6.98            | \$ -             |
| T60904/05  | Rehab CBH #403 Vanderbilt / Flushing           | \$ 0.60             | \$ 0.60            | \$ -               | \$ -             |
| T60904/10  | Jeralemon/Willow Duct Replacement              | \$ 4.01             | \$ 4.01            | \$ -               | \$ -             |
| T61004/02  | 207th St Overhaul Shop: Electrical             | \$ 33.11            | \$ 4.74            | \$ 28.37           | \$ -             |
| T61004/03  | 207 Street Overhaul Shop: Heating Plant        | \$ 21.00            | \$ -               | \$ 21.00           | \$ -             |
| T61004/05  | ENY Maintenance Shop: Ventilation Improvements | \$ 0.66             | \$ 0.66            | \$ -               | \$ -             |
| T61004/11  | Yard Track - Jan-Apr 2010                      | \$ 0.30             | \$ 0.03            | \$ 0.27            | \$ -             |
| T61004/11  | Yard Track - May-Dec 2010                      | \$ 2.66             | \$ 0.27            | \$ 2.39            | \$ -             |
| T61004/12  | Yard Track Rehabilitation - 2011               | \$ 0.08             | \$ 0.08            | \$ -               | \$ -             |
| T61004/17  | Yard Switches - Jan-Apr 2010                   | \$ 3.00             | \$ 0.81            | \$ 2.19            | \$ -             |
| T61004/17  | Yard Switches - May-Dec 2010                   | \$ 1.69             | \$ 0.46            | \$ 1.23            | \$ -             |
| T61004/18  | Yard Switches - 2011                           | \$ 0.26             | \$ 0.26            | \$ -               | \$ -             |
| T61204/02  | BRT - Bus Rapid Transit 2010-11                | \$ 10.00            | \$ 10.00           | \$ -               | \$ -             |
| T61204/03  | Bus Radio System - NYCT                        | \$ 1.11             | \$ 1.11            | \$ -               | \$ -             |
|  | <b>Element Total</b>                           | <b>\$ 115.94</b>    | <b>\$ 38.51</b>    | <b>\$ 77.43</b>    | <b>\$ -</b>      |
| T61302/01  | Purchase 110 Non-Revenue Vehicles              | \$ 13.20            | \$ 13.20           | \$ -               | \$ -             |
| T61602/01  | Capital Revolving Fund - 2010                  | \$ 5.00             | \$ -               | \$ -               | \$ 5.00          |
|  | <b>Element Total</b>                           | <b>\$ 18.20</b>     | <b>\$ 13.20</b>    | <b>\$ -</b>        | <b>\$ 5.00</b>   |
| T61604/03  | Enterprise Securty Network Infrastructure      | \$ 10.39            | \$ 10.39           |                    |                  |
|  | <b>Element Total</b>                           | <b>\$ 10.39</b>     | <b>\$ 10.39</b>    | <b>\$ -</b>        | <b>\$ -</b>      |
| T61605/01  | Boring Services: Bklyn, Qns, SI                | \$ 2.28             | \$ 2.28            | \$ -               | \$ -             |
| T61605/01  | Boring Services: Bklyn, Qns, SI                | \$ 0.07             | \$ 0.07            | \$ -               | \$ -             |
| T61605/02  | Boring Services: Manhattan & Bronx             | \$ 1.92             | \$ 1.92            | \$ -               | \$ -             |
| T61605/02  | Boring Services: Manhattan & Bronx             | \$ 0.07             | \$ 0.07            | \$ -               | \$ -             |
| T61605/03  | Test Pits Contract                             | \$ 4.95             | \$ 4.95            | \$ -               | \$ -             |
| T61605/03  | Test Pits Contract                             | \$ 0.05             | \$ 0.05            | \$ -               | \$ -             |
| T61605/04  | Independent Eng'g Consultant 2010-2014         | \$ 3.89             | \$ 3.89            | \$ -               | \$ -             |
| T61605/06  | 2010 Value Engineering Services                | \$ 2.20             | \$ 2.20            | \$ -               | \$ -             |
| T61605/07  | Engineering Services (2010)                    | \$ 3.60             | \$ 3.60            | \$ -               | \$ -             |
| T61605/09  | Scope Develeopment (2010)                      | \$ 8.00             | \$ 8.00            | \$ -               | \$ -             |
|  | <b>Element Total</b>                           | <b>\$ 27.03</b>     | <b>\$ 27.03</b>    | <b>\$ -</b>        | <b>\$ -</b>      |
| T61606/02  | Asbestos Abatement I/Q                         | \$ 8.80             | \$ 8.80            | \$ -               | \$ -             |
| T61606/03  | IQ Asbestos/Lead Air Monitoring (2010)         | \$ 7.17             | \$ 7.17            | \$ -               | \$ -             |
|  | <b>Element Total</b>                           | <b>\$ 15.97</b>     | <b>\$ 15.97</b>    | <b>\$ -</b>        | <b>\$ -</b>      |
| T61607/13  | Employee Facilities: 207 Street / 8th Avenue   | \$ 8.65             | \$ 8.65            | \$ -               | \$ -             |
|  | <b>Element Total</b>                           | <b>\$ 8.65</b>      | <b>\$ 8.65</b>     | <b>\$ -</b>        | <b>\$ -</b>      |
| <b>NYC Transit and Staten Island Railway 2010 Commitment Total</b> |  | <b>\$ 3,790.23</b>  | <b>\$ 2,765.24</b> | <b>\$ 899.92</b>   | <b>\$ 125.07</b> |



**MTA Long Island Rail Road**  
**2010 Commitment Summary**  
All \$ in Millions

| ACEP             | Project Description                     | 2010<br>Commitments | MTA<br>Funding  | Federal<br>Funding | Local<br>Funding |
|------------------|---|---------------------|-----------------|--------------------|------------------|
| <b>2000-2004</b> |   |                     |                 |                    |                  |
| L4020424         | Atlantic Terminal                       | \$ 0.31             | \$ 0.31         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 0.31</b>      | <b>\$ 0.31</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| <b>2005-2009</b> |   |                     |                 |                    |                  |
| L5020425         | Jamaica Fit-Out Phase 2                 | \$ 0.55             | \$ 0.55         | \$ -               | \$ -             |
| L5020427         | Replace Elevator-Atlantic Term          | \$ 0.55             | \$ 0.55         | \$ -               | \$ -             |
| L502042D         | New Elevators-Queen Village St          | \$ 1.00             | \$ 1.00         | \$ -               | \$ -             |
| L502042T         | Escalator Replacement Program           | \$ 4.27             | \$ 2.18         | \$ 2.10            | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 6.37</b>      | <b>\$ 4.27</b>  | <b>\$ 2.10</b>     | <b>\$ -</b>      |
| L50206VB         | PS Third Rail & Signals                 | \$ 0.10             | \$ 0.10         | \$ -               | \$ -             |
| L50206VD         | PS Customer Service Office              | \$ 0.20             | \$ 0.20         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 0.30</b>      | <b>\$ 0.30</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| L50301TA         | 2010 Annual Track Program               | \$ 28.00            | \$ 28.00        | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 28.00</b>     | <b>\$ 28.00</b> | <b>\$ -</b>        | <b>\$ -</b>      |
| L50401B2         | Bridge Painting                         | \$ 1.97             | \$ 1.97         | \$ -               | \$ -             |
| L50401B3         | Powell Creek & Hog Island Chan          | \$ 0.62             | \$ 0.62         | \$ -               | \$ -             |
| L50401B5         | Junction Blvd Abutment PW               | \$ 1.16             | \$ 1.16         | \$ -               | \$ -             |
| L50401B8         | Woodhaven/Queens Blvd Bridges           | \$ 4.00             | \$ 4.00         | \$ -               | \$ -             |
| L50401B9         | DB Bridge                               | \$ 0.11             | \$ 0.11         | \$ -               | \$ -             |
| L50401BA         | Great Neck Improvements-Design          | \$ 1.89             | \$ 1.89         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 9.75</b>      | <b>\$ 9.75</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| L50499BY         | Atlantic Ave Viaduct-Phase IIa          | \$ 1.33             | \$ -            | \$ 1.33            | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 1.33</b>      | <b>\$ -</b>     | <b>\$ 1.33</b>     | <b>\$ -</b>      |
| L50501S6         | Improved Radio Coverage/Infras          | \$ 1.76             | \$ 1.76         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 1.76</b>      | <b>\$ 1.76</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| L50502LA         | Positive Train Control                  | \$ 6.44             | \$ 6.44         | \$ -               | \$ -             |
| L50502SL         | Jay, Hall & Dunton Micropro             | \$ 0.19             | \$ 0.19         | \$ -               | \$ -             |
| L50502SM         | PTC DES only                            | \$ 1.44             | \$ 1.44         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 8.06</b>      | <b>\$ 8.06</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| L506016Y         | LCM-Shop Design and Construction        | \$ 1.09             | \$ 1.09         | \$ -               | \$ -             |
| L50601Y1         | Port Washington Yard - Design           | \$ 1.97             | \$ 1.97         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 3.05</b>      | <b>\$ 3.05</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| L50699YY         | Babylon Car Wash                        | \$ 1.68             | \$ -            | \$ 1.68            | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 1.68</b>      | <b>\$ -</b>     | <b>\$ 1.68</b>     | <b>\$ -</b>      |
| L50701PH         | Demo/Const 6 Substations                | \$ 6.29             | \$ 1.95         | \$ 4.35            | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 6.29</b>      | <b>\$ 1.95</b>  | <b>\$ 4.35</b>     | <b>\$ -</b>      |
| L509048C         | LIC Car Wash Environmental Rem          | \$ 0.40             | \$ 0.40         | \$ -               | \$ -             |
| L509048D         | Richmond Hill Yard - Environme          | \$ 0.30             | \$ 0.30         | \$ -               | \$ -             |
| L509048L         | Program Administation                   | \$ 0.99             | \$ 0.99         | \$ -               | \$ -             |
| L509048R         | GP-38 Diesel Simulator                  | \$ 0.22             | \$ 0.22         | \$ -               | \$ -             |
| L50904NA         | 2010 Program Administration             | \$ 12.80            | \$ 12.80        | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 14.71</b>     | <b>\$ 14.71</b> | <b>\$ -</b>        | <b>\$ -</b>      |
| N50905HM         | Brentwood Station                       | \$ 0.14             | \$ 0.14         | \$ -               | \$ -             |
| N50905HN         | Central Islip Station                   | \$ 0.10             | \$ 0.10         | \$ -               | \$ -             |
| N50905HR         | Little Neck Quiet Zone                  | \$ 0.81             | \$ 0.56         | \$ 0.25            | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 1.05</b>      | <b>\$ 0.80</b>  | <b>\$ 0.25</b>     | <b>\$ -</b>      |
| <b>2010-2014</b> |   |                     |                 |                    |                  |
| L60204UB         | Massapequa Station Platform Replacement | \$ 0.99             | \$ 0.99         | \$ -               | \$ -             |
| L60204UK         | Smart Card Improvements                 | \$ 1.00             | \$ 1.00         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 1.99</b>      | <b>\$ 1.99</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| L60301TA         | 2010 Annual Track Program               | \$ 34.40            | \$ -            | \$ 34.40           | \$ -             |
| L60301TF         | Construction Equipment                  | \$ 1.20             | \$ -            | \$ 1.20            | \$ -             |
| L60301TL         | Right of Way - Fencing                  | \$ 0.80             | \$ -            | \$ 0.80            | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 36.40</b>     | <b>\$ -</b>     | <b>\$ 36.40</b>    | <b>\$ -</b>      |
| L60401BF         | Atlantic Avenue Viaduct - Phase IIb     | \$ 18.00            | \$ 18.00        | \$ -               | \$ -             |
|                  | <b>Element Total</b>                    | <b>\$ 18.00</b>     | <b>\$ 18.00</b> | <b>\$ -</b>        | <b>\$ -</b>      |

MTA Long Island Rail Road  
2010 Commitment Summary  
All \$ in Millions

| ACEP   | Project Description                           | 2010<br>Commitments | MTA<br>Funding   | Federal<br>Funding | Local<br>Funding |
|--|---|---------------------|------------------|--------------------|------------------|
| L60501L3   | Communication Pole / Copper Plant Replacement | \$ 0.70             | \$ -             | \$ 0.70            | \$ -             |
|  | <b>Element Total</b>                          | <b>\$ 0.70</b>      | <b>\$ -</b>      | <b>\$ 0.70</b>     | <b>\$ -</b>      |
| L60502LA   | Positive Train Control (PTC)                  | \$ 2.10             | \$ 2.10          | \$ -               | \$ -             |
| L60502LB   | Signal Normal Replacement Program             | \$ 2.50             | \$ -             | \$ 2.50            | \$ -             |
| L60502LE   | Supervisory Control & Remote Terminal Unit    | \$ 0.80             | \$ 0.80          | \$ -               | \$ -             |
|  | <b>Element Total</b>                          | <b>\$ 5.40</b>      | <b>\$ 2.90</b>   | <b>\$ 2.50</b>     | <b>\$ -</b>      |
| L60701AB   | Substation Battery Replacement                | \$ 0.40             | \$ -             | \$ 0.40            | \$ -             |
| L60701AE   | 3rd Rail - 2000 Million Cubic Meter Cable     | \$ 0.30             | \$ -             | \$ 0.30            | \$ -             |
| L60701AF   | 3rd Rail - Disconnect Switches                | \$ 0.50             | \$ -             | \$ 0.50            | \$ -             |
| L60701AG   | 3rd Rail - Protection Board                   | \$ 1.60             | \$ -             | \$ 1.60            | \$ -             |
| L60701AH   | 3rd Rail - Aluminum Rail                      | \$ 2.80             | \$ -             | \$ 2.80            | \$ -             |
| L60701AK   | Signal Power Line Replacement                 | \$ 1.00             | \$ -             | \$ 1.00            | \$ -             |
| L60701AL   | Power Pole Line Replacement                   | \$ 1.50             | \$ -             | \$ 1.50            | \$ -             |
| L60701AN   | 3rd Rail Feeder Cable Upgrade                 | \$ 0.70             | \$ -             | \$ 0.70            | \$ -             |
| L60701AP   | Negative Reactor Upgrade                      | \$ 0.40             | \$ -             | \$ 0.40            | \$ -             |
|  | <b>Element Total</b>                          | <b>\$ 9.20</b>      | <b>\$ -</b>      | <b>\$ 9.20</b>     | <b>\$ -</b>      |
| L60904NA   | Program Administration                        | \$ 10.20            | \$ 10.20         | \$ -               | \$ -             |
| L60904NE   | Mentoring Program Administration              | \$ 0.56             | \$ 0.56          | \$ -               | \$ -             |
|  | <b>Element Total</b>                          | <b>\$ 10.76</b>     | <b>\$ 10.76</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| <b>Long Island Rail Road 2010 Commitment Total</b> |   | <b>\$ 165.11</b>    | <b>\$ 106.62</b> | <b>\$ 58.49</b>    | <b>\$ -</b>      |

**MTA Metro-North Railroad**  
**2010 Commitment Summary**  
All \$ in Millions

| ACEP             | Project Description                                    | 2010<br>Commitments | MTA<br>Funding  | Federal<br>Funding | Local<br>Funding |
|------------------|--|---------------------|-----------------|--------------------|------------------|
| <b>2000-2004</b> |  |                     |                 |                    |                  |
| M4020110         | GCT Biltmore Rm Connection-Design                      | \$ 1.40             | \$ 1.40         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 1.40</b>      | <b>\$ 1.40</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| N4090527         | Port Jervis Yard & Station Improvements                | \$ 0.81             | \$ 0.81         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 0.81</b>      | <b>\$ 0.81</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| <b>2005-2009</b> |  |                     |                 |                    |                  |
| M5010112         | Rolling Stock Signals (PTC)                            | \$ 5.32             | \$ 5.32         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 5.32</b>      | <b>\$ 5.32</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| M5020102         | GCT Leaks Remediation                                  | \$ 0.90             | \$ 0.90         | \$ -               | \$ -             |
| M5020108         | GCT Water Conveyance Utilities Improvements            | \$ 2.09             | \$ 2.09         | \$ -               | \$ -             |
| M5020109         | GCT Facilities Rehabilitation                          | \$ 0.36             | \$ 0.36         | \$ -               | \$ -             |
| M5020110         | GCT Trainshed Block Restoration                        | \$ 2.35             | \$ 2.35         | \$ -               | \$ -             |
| M5020111         | 2010 GCT Switch/Track Renewal                          | \$ 1.28             | \$ 1.28         | \$ -               | \$ -             |
| M5020114         | GCT IT Data Room                                       | \$ 1.18             | \$ 1.18         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 8.16</b>      | <b>\$ 8.16</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| M5020202         | Croton Harmon/Peekskill Station Improvements           | \$ 15.42            | \$ 15.42        | \$ -               | \$ -             |
| M5020203         | Poughkeepsie Station Building                          | \$ 0.50             | \$ 0.50         | \$ -               | \$ -             |
| M5020205         | New Haven Line (NYS) Stations Improvements             | \$ 0.86             | \$ 0.86         | \$ -               | \$ -             |
| M5020206         | Station Building Rehabilitation                        | \$ 4.20             | \$ 2.49         | \$ 1.71            | \$ -             |
| M5020207         | Station and Platform Informational Signs               | \$ 0.08             | \$ 0.08         | \$ -               | \$ -             |
| M5020209         | Bronx Stations/Capacity Improvements                   | \$ 2.45             | \$ 0.77         | \$ 1.68            | \$ -             |
| M5020210         | Smart Cards  | \$ 2.78             | \$ 2.78         | \$ -               | \$ -             |
| M5020211         | System Wide Vending Machines                           | \$ 0.57             | \$ 0.45         | \$ -               | \$ 0.12          |
|                  | <b>Element Total</b>                                   | <b>\$ 26.87</b>     | <b>\$ 23.36</b> | <b>\$ 3.39</b>     | <b>\$ 0.12</b>   |
| M5020301         | Parking Rehabilitation                                 | \$ 0.30             | \$ 0.30         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 0.30</b>      | <b>\$ 0.30</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| M5030102         | Turnouts Mainline/High Speed                           | \$ 1.25             | \$ 0.25         | \$ 1.00            | \$ -             |
| M5030105         | M of W Equipment                                       | \$ 0.70             | \$ 0.70         | \$ -               | \$ -             |
| M5030109         | Drainage and Undercutting                              | \$ 3.69             | \$ 1.49         | \$ 2.20            | \$ -             |
| M5030115         | 2010 Cyclical Track Program                            | \$ 3.75             | \$ 3.75         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 9.39</b>      | <b>\$ 6.19</b>  | <b>\$ 3.20</b>     | <b>\$ -</b>      |
| M5030206         | Overhead Bridge Program-East of Hudson (MNR Share)     | \$ 0.53             | \$ 0.53         | \$ -               | \$ -             |
| M5030216         | Employee Welfare and Storage Facilities                | \$ 0.43             | \$ 0.43         | \$ -               | \$ -             |
| M5030218         | Systemwide Flood Control                               | \$ 2.80             | \$ 2.80         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 3.76</b>      | <b>\$ 3.76</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| M5040107         | Signal System Replacement                              | \$ 6.66             | \$ 1.14         | \$ 4.00            | \$ 1.52          |
| M5040118         | Positive Train Control (PTC)                           | \$ 9.87             | \$ 9.87         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 16.53</b>     | <b>\$ 11.01</b> | <b>\$ 4.00</b>     | <b>\$ 1.52</b>   |
| M5050108         | Harlem and Hudson Lines Power Improvements             | \$ 1.51             | \$ 1.51         | \$ -               | \$ -             |
| M5050111         | Cyclical DC Switchgear                                 | \$ 11.10            | \$ 11.10        | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 12.61</b>     | <b>\$ 12.61</b> | <b>\$ -</b>        | <b>\$ -</b>      |
| M5060107         | Shops & Yards Miscellaneous Environmental Improvements | \$ 1.20             | \$ 1.20         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 1.20</b>      | <b>\$ 1.20</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| M5080107         | Program Scope Development                              | \$ 0.05             | \$ 0.05         | \$ -               | \$ -             |
| M5080109         | Customer and Employee Communications Projects          | \$ 3.61             | \$ 3.61         | \$ -               | \$ -             |
| M5080113         | 2010 Program Scope Development                         | \$ 1.16             | \$ 1.16         | \$ -               | \$ -             |
| M5080115         | Small Business Development                             | \$ 0.37             | \$ 0.37         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 5.20</b>      | <b>\$ 5.20</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| <b>2010-2014</b> |  |                     |                 |                    |                  |
| M6020101         | GCT Trainshed/Tunnel Structure                         | \$ 7.70             | \$ 7.70         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 7.70</b>      | <b>\$ 7.70</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| M6020207         | Smart Card Improvements                                | \$ 3.20             | \$ 3.20         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 3.20</b>      | <b>\$ 3.20</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| M6020302         | Strategic Facilities                                   | \$ 0.18             | \$ 0.18         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                                   | <b>\$ 0.18</b>      | <b>\$ 0.18</b>  | <b>\$ -</b>        | <b>\$ -</b>      |

**MTA Metro-North Railroad**  
**2010 Commitment Summary**  
**All \$ in Millions**

| <b>ACEP</b>                                       | <b>Project Description</b>                         | <b>2010<br/>Commitments</b> | <b>MTA<br/>Funding</b> | <b>Federal<br/>Funding</b> | <b>Local<br/>Funding</b> |
|---|--|-----------------------------|------------------------|----------------------------|--------------------------|
| M6030101  | Cyclical Track Program                             | \$ 9.25                     | \$ -                   | \$ 9.25                    | \$ -                     |
| M6030102  | Turnouts - Mainline/High Speed                     | \$ 11.58                    |                        | \$ 11.58                   | \$ -                     |
| M6030103  | GCT Turnouts/Switch Renewal                        | \$ 1.51                     |                        | \$ 1.51                    | \$ -                     |
| M6030104  | Turnouts - Yards/Sidings                           | \$ 1.40                     |                        | \$ 1.40                    | \$ -                     |
| M6030105  | M o f W Equipment/RS                               | \$ 2.94                     | \$ 2.94                | \$ -                       | \$ -                     |
| M6030106  | Cyclical Repl. Insulated Joint                     | \$ 0.48                     |                        | \$ 0.48                    | \$ -                     |
| M6030109  | Rebuild Retaining Walls                            | \$ 1.50                     | \$ 1.50                | \$ -                       | \$ -                     |
|   | <b>Element Total</b>                               | <b>\$ 28.66</b>             | <b>\$ 4.44</b>         | <b>\$ 24.22</b>            | <b>\$ -</b>              |
| M6030201  | Replace Timbers Undergrade Bridges                 | \$ 0.90                     |                        | \$ 0.90                    | \$ -                     |
| M6030202  | Rehab Culverts/Railtop Culvert                     | \$ 1.07                     |                        | \$ 1.07                    | \$ -                     |
| M6030203  | Right of Way Fencing                               | \$ 0.14                     | \$ 0.14                | \$ -                       | \$ -                     |
| M6030204  | DC Substation/Signal House                         | \$ 0.33                     | \$ 0.33                | \$ -                       | \$ -                     |
| M6030205  | Bridge Walkways Installation                       | \$ 0.10                     | \$ 0.10                | \$ -                       | \$ -                     |
| M6030206  | Remove Obsolete Facilities                         | \$ 0.46                     | \$ 0.46                | \$ -                       | \$ -                     |
| M6030207  | Specialized Structure Equipment                    | \$ 0.92                     | \$ 0.92                | \$ -                       | \$ -                     |
| M6030210  | Replace/Repair Undergrade Bridges Program          | \$ 0.66                     | \$ 0.66                | \$ -                       | \$ -                     |
| M6030212  | Overhead Bridge Program - E of H                   | \$ 0.90                     | \$ 0.90                | \$ -                       | \$ -                     |
|   | <b>Element Total</b>                               | <b>\$ 5.47</b>              | <b>\$ 3.50</b>         | <b>\$ 1.97</b>             | <b>\$ -</b>              |
| M6030301  | West of Hudson Track Program                       | \$ 4.15                     |                        | \$ 4.15                    | \$ -                     |
| M6030302  | West of Hudson Improvements                        | \$ 0.75                     | \$ 0.75                | \$ -                       | \$ -                     |
| M6030303  | Moodna/Woodbury Viaduct                            | \$ 6.50                     | \$ 1.00                | \$ 5.50                    | \$ -                     |
| M6030305  | West of Hudson Replace/Renew Undergrade Bridges    | \$ 0.25                     | \$ 0.25                | \$ -                       | \$ -                     |
|   | <b>Element Total</b>                               | <b>\$ 11.65</b>             | <b>\$ 2.00</b>         | <b>\$ 9.65</b>             | <b>\$ -</b>              |
| M6040101  | Positive Train Control                             | \$ 9.93                     | \$ 9.93                | \$ -                       | \$ -                     |
| M6040103  | Replace Fiber/Communication & Signals Cables       | \$ 0.95                     | \$ 0.95                | \$ -                       | \$ -                     |
| M6040104  | Replace Field code System - Mott Haven             | \$ 0.35                     |                        | \$ 0.35                    | \$ -                     |
| M6040105  | Crossing Upgrades - Phase 2                        | \$ 0.49                     | \$ 0.49                | \$ -                       | \$ -                     |
| M6040106  | Centralized Train Control/SCADA Intrusion Testing  | \$ 0.37                     | \$ 0.37                | \$ -                       | \$ -                     |
| M6040107  | Refurbish/Replace Electrical Switch Machine        | \$ 0.10                     | \$ 0.10                | \$ -                       | \$ -                     |
| M6040108  | Design/Replace Harlem and Hudson Track Relays      | \$ 0.35                     | \$ 0.35                | \$ -                       | \$ -                     |
| M6040109  | Replace High Cycle Relays                          | \$ 0.12                     | \$ 0.12                | \$ -                       | \$ -                     |
| M6040111  | PBX Equipment Upgrade                              | \$ 0.32                     | \$ 0.32                | \$ -                       | \$ -                     |
| M6040114  | Radio Base Station Replacement                     | \$ 0.25                     | \$ 0.25                | \$ -                       | \$ -                     |
| M6040116  | Radio Frequency Rebanding                          | \$ 0.51                     | \$ 0.51                | \$ -                       | \$ -                     |
|   | <b>Element Total</b>                               | <b>\$ 13.73</b>             | <b>\$ 13.38</b>        | <b>\$ 0.35</b>             | <b>\$ -</b>              |
| M6050102  | Renewal Harlem & Hudson Substations - Construction | \$ 5.90                     | \$ 5.90                | \$ -                       | \$ -                     |
| M6050105  | Replace Substation Batteries                       | \$ 0.20                     | \$ 0.20                | \$ -                       | \$ -                     |
| M6050108  | Replace 3rd Rail Sectionalizing Switches           | \$ 0.96                     | \$ 0.96                | \$ -                       | \$ -                     |
| M6050109  | Replace 3rd Rail Brackets - Park Avenue Tunnel     | \$ 0.50                     | \$ 0.50                | \$ -                       | \$ -                     |
|   | <b>Element Total</b>                               | <b>\$ 7.56</b>              | <b>\$ 7.56</b>         | <b>\$ -</b>                | <b>\$ -</b>              |
| M6080106  | Program Administration                             | \$ 8.00                     | \$ 8.00                | \$ -                       | \$ -                     |
| M6080107  | Program Scope Development                          | \$ 1.16                     | \$ 1.16                | \$ -                       | \$ -                     |
|   | <b>Element Total</b>                               | <b>\$ 9.16</b>              | <b>\$ 9.16</b>         | <b>\$ -</b>                | <b>\$ -</b>              |
| <b>Metro-North Railroad 2010 Commitment Total</b> |  | <b>\$ 178.86</b>            | <b>\$ 130.43</b>       | <b>\$ 46.79</b>            | <b>\$ 1.64</b>           |

**Bridges & Tunnels**  
**2010 Commitment Summary**  
**\$ in Millions**

| ACEP             | Project Description                                | 2010<br>Commitments | MTA<br>Funding  | Federal<br>Funding | Local<br>Funding |
|------------------|--|---------------------|-----------------|--------------------|------------------|
| <b>2005-2009</b> |  |                     |                 |                    |                  |
| D501TN85         | Steel Repairs - Suspended Span                     | \$ 4.75             | \$ 4.75         | \$ -               | \$ -             |
| D501TN87         | Anchorage and Tower Protection                     | \$ 8.44             | \$ 8.44         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 13.19</b>     | <b>\$ 13.19</b> | <b>\$ -</b>        | <b>\$ -</b>      |
| D502TB64         | Replace Deck-RI Viaduct                            | \$ 0.35             | \$ 0.35         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 0.35</b>      | <b>\$ 0.35</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D502TN50         | Replace Concrete Deck                              | \$ 0.12             | \$ 0.12         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 0.12</b>      | <b>\$ 0.12</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D502VN84         | Widening of Belt Parkway Ramps                     | \$ 2.95             | \$ 2.95         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 2.95</b>      | <b>\$ 2.95</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D503AW36         | Installation of CCTV/Fiber Opt                     | \$ 0.30             | \$ 0.30         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 0.30</b>      | <b>\$ 0.30</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D503VN03         | New Toll Plaza                                     | \$ 6.83             | \$ 6.83         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 6.83</b>      | <b>\$ 6.83</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D505AW12         | Hazardous Materials Abatement                      | \$ 0.07             | \$ 0.07         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 0.07</b>      | <b>\$ 0.07</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D505QM01         | Service & FE Building Rehab                        | \$ 0.01             | \$ 0.01         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 0.01</b>      | <b>\$ 0.01</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D505TB57         | Tenant Relocation/New Bldg II                      | \$ 0.02             | \$ 0.02         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 0.02</b>      | <b>\$ 0.02</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D506AW22         | Miscellaneous                                      | \$ 0.01             | \$ 0.01         | \$ -               | \$ -             |
| D506AW28         | Scope Development                                  | \$ 1.50             | \$ 1.50         | \$ -               | \$ -             |
| D506AW94         | Small Business Mentoring Program                   | \$ 0.36             | \$ 0.36         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 1.87</b>      | <b>\$ 1.87</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| <b>2010-2014</b> |  |                     |                 |                    |                  |
| D601AW98         | Feasibility Study:BBT/QMT Improvement/Modernize    | \$ 3.08             | \$ 3.08         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 3.08</b>      | <b>\$ 3.08</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D601CB09         | Substructure & Underwater Work                     | \$ 25.62            | \$ 25.62        | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 25.62</b>     | <b>\$ 25.62</b> | <b>\$ -</b>        | <b>\$ -</b>      |
| D601MP06         | Substructure & Underwater Scour Protection         | \$ 3.19             | \$ 3.19         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 3.19</b>      | <b>\$ 3.19</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D602HH10         | Upper Level Sidewalk / Curb Stringers              | \$ 35.89            | \$ 35.89        | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 35.89</b>     | <b>\$ 35.89</b> | <b>\$ -</b>        | <b>\$ -</b>      |
| D602RK65         | Deck Replacement - Bronx/Manhattan Ramps/TollPlaza | \$ 4.00             | \$ 4.00         | \$ -               | \$ -             |
| D602RK74         | Replace T-48 Wearing Surface                       | \$ 26.61            | \$ 26.61        | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 30.61</b>     | <b>\$ 30.61</b> | <b>\$ -</b>        | <b>\$ -</b>      |
| D602TN82         | Rehabilitate Orthotropic Deck - Phase B            | \$ 0.84             | \$ 0.84         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 0.84</b>      | <b>\$ 0.84</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D603AW48         | 2nd Generation E-Zpass In-Lane                     | \$ 9.00             | \$ 9.00         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 9.00</b>      | <b>\$ 9.00</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D604BB45         | Replace Electrical Switchgear & Equipment          | \$ 7.33             | \$ 7.33         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 7.33</b>      | <b>\$ 7.33</b>  | <b>\$ -</b>        | <b>\$ -</b>      |
| D605AW12         | Hazardous Materials Abatement                      | \$ 1.00             | \$ 1.00         | \$ -               | \$ -             |
|                  | <b>Element Total</b>                               | <b>\$ 1.00</b>      | <b>\$ 1.00</b>  | <b>\$ -</b>        | <b>\$ -</b>      |

**Bridges & Tunnels**  
**2010 Commitment Summary**  
**\$ in Millions**

| <b>ACEP</b>  | <b>Project Description</b>                  | <b>2010<br/>Commitments</b> | <b>MTA<br/>Funding</b> | <b>Federal<br/>Funding</b> | <b>Local<br/>Funding</b> |
|--|---|-----------------------------|------------------------|----------------------------|--------------------------|
| D606AW18   | Protective Liability Insurance              | \$ 0.78                     | \$ 0.78                | \$ -                       | \$ -                     |
| D606AW21   | Program Administration                      | \$ 2.91                     | \$ 2.91                | \$ -                       | \$ -                     |
| D606AW22   | Miscellaneous                               | \$ 0.08                     | \$ 0.08                | \$ -                       | \$ -                     |
| D606AW28   | Scope Development                           | \$ 2.28                     | \$ 2.28                | \$ -                       | \$ -                     |
|  | <b>Element Total</b>                        | <b>\$ 6.05</b>              | <b>\$ 6.05</b>         | <b>\$ -</b>                | <b>\$ -</b>              |
| D607HH10   | Upper Level Sidewalk / Curb Stringers       | \$ 0.74                     | \$ 0.74                | \$ -                       | \$ -                     |
|  | <b>Element Total</b>                        | <b>\$ 0.74</b>              | <b>\$ 0.74</b>         | <b>\$ -</b>                | <b>\$ -</b>              |
| D607TN82   | Paint - of Bronx & Queens Approach Spans    | \$ 1.80                     | \$ 1.80                | \$ -                       | \$ -                     |
| D607TN85   | Steel Repairs - Suspended Span              | \$ 1.14                     | \$ 1.14                | \$ -                       | \$ -                     |
| D607TN87   | Paint - Bronx & Queens Tower Fender Systems | \$ 7.55                     | \$ 7.55                | \$ -                       | \$ -                     |
|  | <b>Element Total</b>                        | <b>\$ 10.49</b>             | <b>\$ 10.49</b>        | <b>\$ -</b>                | <b>\$ -</b>              |
| D607VN88   | Tower Painting - Below Roadway Level        | \$ 27.29                    | \$ 27.29               | \$ -                       | \$ -                     |
|  | <b>Element Total</b>                        | <b>\$ 27.29</b>             | <b>\$ 27.29</b>        | <b>\$ -</b>                | <b>\$ -</b>              |
| <b>MTA Bridges and Tunnels 2010 Commitment Total</b> |   | <b>\$ 186.84</b>            | <b>\$ 186.84</b>       | <b>\$ -</b>                | <b>\$ -</b>              |

**MTA Capital Construction Company**  
**2010 Commitment Summary**  
**\$ in millions**

| <b>ACEP</b>      | <b>Project Description</b>       | <b>2010<br/>Commitments</b> | <b>MTA<br/>Funding</b> | <b>Federal<br/>Funding</b> | <b>Local<br/>Funding</b> |
|------------------|----------------------------------|-----------------------------|------------------------|----------------------------|--------------------------|
| <b>2000-2004</b> |                                  |                             |                        |                            |                          |
| G4090102         | Design                           | \$ 25.30                    | \$ 25.30               | \$ -                       | \$ -                     |
| G4090103         | Project Management               | \$ 6.50                     | \$ 6.50                | \$ -                       | \$ -                     |
| G4090104         | Force Account Design Support     | \$ 1.00                     | \$ 1.00                | \$ -                       | \$ -                     |
| G4090119         | MH Tunnel Excavation             | \$ 4.47                     | \$ 4.47                | \$ -                       | \$ -                     |
| G4090126         | Harold Structures (Part 2A)      | \$ 4.20                     | \$ 4.20                | \$ -                       | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 41.47</b>             | <b>\$ 41.47</b>        | <b>\$ -</b>                | <b>\$ -</b>              |
| G4100102         | SAS Final Design                 | \$ 11.67                    | \$ 11.67               | \$ -                       | \$ -                     |
| G4100106         | SAS Tunnels 92 St-62 St          | \$ 4.01                     | \$ 4.01                | \$ -                       | \$ -                     |
| G4100109         | SAS Construction Management      | \$ 5.06                     | \$ 5.06                | \$ -                       | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 20.73</b>             | <b>\$ 20.73</b>        | <b>\$ -</b>                | <b>\$ -</b>              |
| G4120106         | FSTC 4B- A/C Mezzanine, J/M/Z    | \$ 0.12                     | \$ -                   | \$ 0.12                    | \$ -                     |
| G4120107         | FSTC 4F-Transit Center Enclosure | \$ 218.51                   | \$ 16.13               | \$ 202.38                  | \$ -                     |
| G4120108         | FSTC 4G-Corbin Bldg Restoration  | \$ 73.21                    | \$ -                   | \$ 73.21                   | \$ -                     |
| G4120115         | FSTC 4E-Dey St Conc Finishes     | \$ 33.96                    | \$ -                   | \$ 33.96                   | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 325.79</b>            | <b>\$ 16.13</b>        | <b>\$ 309.66</b>           | <b>\$ -</b>              |
| G4140101         | B&T Security Projs:Infra&Facs    | \$ 0.52                     | \$ 0.52                | \$ -                       | \$ -                     |
| G4140102         | Verazzano Br Security / Harden   | \$ 2.36                     | \$ 2.36                | \$ -                       | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 2.88</b>              | <b>\$ 2.88</b>         | <b>\$ -</b>                | <b>\$ -</b>              |
| G4140201         | LIRR Security Projs:Infra&Facs   | \$ 1.38                     | \$ 1.38                | \$ -                       | \$ -                     |
| G4140203         | Penn Stn LIRR/NYCT Sec/Harden    | \$ 2.12                     | \$ 2.12                | \$ -                       | \$ -                     |
| G4140204         | East River Tunnels - Security    | \$ 4.78                     | \$ 4.78                | \$ -                       | \$ -                     |
| G4140206         | ARRA TSGP-Penn Stn Perim Prot    | \$ 11.81                    | \$ -                   | \$ 11.81                   | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 20.09</b>             | <b>\$ 8.28</b>         | <b>\$ 11.81</b>            | <b>\$ -</b>              |
| G4140301         | MNR Security Projs:Infra&Facs    | \$ 2.18                     | \$ 2.18                | \$ -                       | \$ -                     |
| G4140302         | Grnd Cntrl Security/Hardening    | \$ 12.02                    | \$ 12.02               | \$ -                       | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 14.20</b>             | <b>\$ 14.20</b>        | <b>\$ -</b>                | <b>\$ -</b>              |
| G4140401         | NYCT Security Projs:Infra&Facs   | \$ 26.23                    | \$ 26.23               | \$ -                       | \$ -                     |
| G4140403         | 63 St Tun Security & Hardening   | \$ 2.31                     | \$ 0.58                | \$ 1.73                    | \$ -                     |
| G4140404         | Times Square - Security          | \$ 2.27                     | \$ 2.27                | \$ -                       | \$ -                     |
| G4140412         | 04ODP - RollUp Doors - Depots    | \$ 0.96                     | \$ 0.96                | \$ -                       | \$ -                     |
| G4140417         | CCTV Installation on Buses       | \$ 2.40                     | \$ 2.40                | \$ -                       | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 34.16</b>             | <b>\$ 32.43</b>        | <b>\$ 1.73</b>             | <b>\$ -</b>              |
| G4140501         | MTA Security Program             | \$ 10.19                    | \$ 10.19               | \$ -                       | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 10.19</b>             | <b>\$ 10.19</b>        | <b>\$ -</b>                | <b>\$ -</b>              |
| <b>2005-2009</b> |                                  |                             |                        |                            |                          |
| G5000102         | South Ferry Terminal             | \$ 1.46                     | \$ 1.46                | \$ -                       | \$ -                     |
|                  | <b>Element Total</b>             | <b>\$ 1.46</b>              | <b>\$ 1.46</b>         | <b>\$ -</b>                | <b>\$ -</b>              |

**MTA Capital Construction Company**  
**2010 Commitment Summary**  
**\$ in millions**

| <b>ACEP</b>                          | <b>Project Description</b>      | <b>2010<br/>Commitments</b> | <b>MTA<br/>Funding</b> | <b>Federal<br/>Funding</b> | <b>Local<br/>Funding</b> |
|--------------------------------------|---------------------------------|-----------------------------|------------------------|----------------------------|--------------------------|
| G5090103                             | MTA Management                  | \$ 0.20                     | \$ 0.20                | \$ -                       | \$ -                     |
| G5090109                             | Real Estate                     | \$ 69.68                    | \$ 9.97                | \$ 59.71                   | \$ -                     |
| G5090111                             | OCIP                            | \$ 21.31                    | \$ 21.31               | \$ -                       | \$ -                     |
| G5090113                             | Construction Management         | \$ 13.20                    | \$ 3.20                | \$ 10.00                   | \$ -                     |
| G5090114                             | GCT Concrse Civil&Structural    | \$ 61.11                    | \$ -                   | \$ 19.59                   | \$ 41.52                 |
| G5090117                             | Harold Structures (Part 1)      | \$ 27.00                    | \$ -                   | \$ 27.00                   | \$ -                     |
| G5090118                             | Harold Interlocking Stage 1-4   | \$ 30.21                    | \$ 14.58               | \$ 15.63                   | \$ -                     |
| G5090121                             | Force Account Warehouse         | \$ 10.00                    | \$ 10.00               | \$ -                       | \$ -                     |
| G5090122                             | Queens Bored Infrastructure     | \$ 61.32                    | \$ -                   | \$ 61.32                   | \$ -                     |
| G5090125                             | MNR MODs andTractionPower Relo  | \$ 1.40                     | \$ 1.40                | \$ -                       | \$ -                     |
| G5090129                             | Systemwide Trackwork            | \$ 35.00                    | \$ -                   | \$ 35.00                   | \$ -                     |
| G5090133                             | Vertical Circulation Elements   | \$ 44.73                    | \$ -                   | \$ 44.73                   | \$ -                     |
| G5090146                             | Amtrak Access & Protection      | \$ 1.33                     | \$ 1.33                | \$ -                       | \$ -                     |
| G5090147                             | LIRR Access & Protection        | \$ 1.92                     | \$ 1.92                | \$ -                       | \$ -                     |
| G5090148                             | Northern Blvd Crossing          | \$ 1.24                     | \$ 1.24                | \$ -                       | \$ -                     |
| G5090149                             | Manhattan Bldg Improvements     | \$ 22.00                    | \$ 22.00               | \$ -                       | \$ -                     |
| G5090152                             | Force Account Support - CPS     | \$ 2.00                     | \$ 2.00                | \$ -                       | \$ -                     |
|                                      | <b>Element Total</b>            | <b>\$ 403.64</b>            | <b>\$ 89.15</b>        | <b>\$ 272.97</b>           | <b>\$ 41.52</b>          |
| G5100101                             | Cntract 2A 96 St Stn Structure  | \$ 15.05                    | \$ 0.15                | \$ 14.90                   | \$ -                     |
| G5100102                             | Cntract 4B 72 St Stn Structure  | \$ 643.60                   | \$ 48.82               | \$ 187.61                  | \$ 407.17                |
| G5100103                             | Cntract 5A 86 St Stn Structure  | \$ 0.01                     | \$ 0.01                | \$ -                       | \$ -                     |
| G5100106                             | Cntract 4A 72 St Stn Demolitio  | \$ 17.50                    | \$ -                   | \$ 17.50                   | \$ -                     |
| G5100108                             | Contract 3: 63rd St Stn Rehab   | \$ 152.50                   | \$ 152.50              | \$ -                       | \$ -                     |
| G5100195                             | SAS Cost to Cure                | \$ 22.70                    | \$ 22.70               | \$ -                       | \$ -                     |
| G5100197                             | SAS Owner Controlled Insurance  | \$ 21.10                    | \$ 21.10               | \$ -                       | \$ -                     |
| G5100198                             | SAS Real Estate                 | \$ 98.35                    | \$ 98.35               | \$ -                       | \$ -                     |
|                                      | <b>Element Total</b>            | <b>\$ 970.81</b>            | <b>\$ 343.63</b>       | <b>\$ 220.01</b>           | <b>\$ 407.17</b>         |
| G5110102                             | Final Design                    | \$ 0.16                     | \$ -                   | \$ -                       | \$ 0.16                  |
| G5110106                             | Furnish/Install Track/Tun Syst  | \$ 0.15                     | \$ -                   | \$ -                       | \$ 0.15                  |
| G5110107                             | Construction (Site L)           | \$ 129.00                   | \$ -                   | \$ -                       | \$ 129.00                |
| G5110108                             | Construction (Site J)           | \$ 170.97                   | \$ -                   | \$ -                       | \$ 170.97                |
| G5110110                             | Construction (Site K)           | \$ 92.88                    | \$ -                   | \$ -                       | \$ 92.88                 |
|                                      | <b>Element Total</b>            | <b>\$ 393.16</b>            | <b>\$ -</b>            | <b>\$ -</b>                | <b>\$ 393.16</b>         |
| G5140107                             | 08TSG RFK Bridge Hardening      | \$ 5.54                     | \$ -                   | \$ 5.54                    | \$ -                     |
| G5140108                             | 08TSG ThrogsNeck ElectSecurity  | \$ 15.92                    | \$ -                   | \$ 15.92                   | \$ -                     |
|                                      | <b>Element Total</b>            | <b>\$ 21.46</b>             | <b>\$ -</b>            | <b>\$ 21.46</b>            | <b>\$ -</b>              |
| G5140206                             | 07UASI Jamaica Sta PerimProtect | \$ 4.21                     | \$ 0.71                | \$ 3.50                    | \$ -                     |
| G51402G3                             | 06TSG Fncg&CCTV-Var Sys Loc'ns  | \$ 0.09                     | \$ -                   | \$ 0.09                    | \$ -                     |
|                                      | <b>Element Total</b>            | <b>\$ 4.30</b>              | <b>\$ 0.71</b>         | <b>\$ 3.59</b>             |                          |
| G5140303                             | 07TSG GCT Emergency Generators  | \$ 13.14                    | \$ -                   | \$ 13.14                   | \$ -                     |
| G5140405                             | 07TSG Access Cntrl/Detect Sys   | \$ 1.37                     | \$ -                   | \$ 1.37                    | \$ -                     |
| G5140406                             | 07TSG Chambers St IESS          | \$ 14.31                    | \$ 0.75                | \$ 13.56                   | \$ -                     |
| G5140407                             | 08TS 34th St Herald Sq AccCntl  | \$ 3.00                     | \$ -                   | \$ 3.00                    | \$ -                     |
| G5140408                             | 08TSG 47-50 RockCtrAccessCntrl  | \$ 3.00                     | \$ -                   | \$ 3.00                    | \$ -                     |
|                                      | <b>Element Total</b>            | <b>\$ 34.82</b>             | <b>\$ 0.75</b>         | <b>\$ 34.07</b>            | <b>\$ -</b>              |
| <b>2010-2014</b>                     |                                 |                             |                        |                            |                          |
| G6090101                             | Program Management              | \$ 2.42                     | \$ 2.42                | \$ -                       | \$ -                     |
| G6090113                             | Construction Management         | \$ 11.90                    | \$ 6.90                | \$ 5.00                    | \$ -                     |
| G6090117                             | Manhattan Strutures 2           | \$ 20.00                    | \$ 11.60               | \$ 8.40                    | \$ -                     |
|                                      | <b>Element Total</b>            | <b>\$ 34.32</b>             | <b>\$ 20.92</b>        | <b>\$ 13.40</b>            | <b>\$ -</b>              |
| <b>MTA CCC 2010 Commitment Total</b> |                                 | <b>\$ 2,333.48</b>          | <b>\$ 602.91</b>       | <b>\$ 888.72</b>           | <b>\$ 841.85</b>         |



**MTA Bus Company**  
**2010 Commitment Summary**  
**\$ in Millions**

| <b>ACEP</b>                                  | <b>Project Description</b>                                | <b>2010<br/>Commitments</b> | <b>MTA<br/>Funding</b> | <b>Federal<br/>Funding</b> | <b>Local<br/>Funding</b> |
|--|---|-----------------------------|------------------------|----------------------------|--------------------------|
| <b>2000-2004</b>                             |   |                             |                        |                            |                          |
| U4030213                                     | 45 Standard Low Floor CNG Buses                           | \$ 19.22                    | \$ 19.22               | \$ -                       | \$ -                     |
|  | <b>Element Total</b>                                      | <b>\$ 19.22</b>             | <b>\$ 19.22</b>        | <b>\$ -</b>                | <b>\$ -</b>              |
| <b>2005-2009</b>                             |   |                             |                        |                            |                          |
| U5030217                                     | Fire Protection: JFK, LG, Baisley                         | \$ 10.00                    | \$ -                   | \$ 8.00                    | \$ 2.00                  |
| U5030204                                     | Electrical Upgrade Emergency Generators 6 Depots          | \$ 13.86                    | \$ -                   | \$ 11.09                   | \$ 2.77                  |
| U5030209                                     | Upgrade Parking Lot at JFK & Baisley Park                 | \$ 10.16                    | \$ -                   | \$ 8.13                    | \$ 2.03                  |
| U5030210                                     | Security Upgrade: College PT, Eastchester & Yonkers       | \$ 2.83                     | \$ -                   | \$ 2.26                    | \$ 0.57                  |
| U5030212                                     | New Roof and Ventilation at Baisley Park                  | \$ 7.28                     | \$ -                   | \$ 5.82                    | \$ 1.46                  |
| U5030213                                     | New Roof and Ventilation at Eastchester Maintenance Bldg  | \$ 3.09                     | \$ -                   | \$ 2.48                    | \$ 0.62                  |
| U5030214                                     | New Roof and Ventilation system at JFK                    | \$ 8.00                     | \$ -                   | \$ 6.40                    | \$ 1.60                  |
| U5030215                                     | New Fueling Lane & Bus Washer at LaGuardia Bus Depot      | \$ 8.00                     | \$ -                   | \$ 6.40                    | \$ 1.60                  |
| U5030216                                     | Additional Fueling Capacity: Baisley Park, JFK, LaGuardia | \$ 3.00                     | \$ -                   | \$ 2.40                    | \$ 0.60                  |
|  | <b>Element Total</b>                                      | <b>\$ 66.23</b>             | <b>\$ -</b>            | <b>\$ 52.98</b>            | <b>\$ 13.25</b>          |
| U6030205                                     | 83 Standard Low Floor CNG Buses                           | \$ 50.90                    | \$ 50.90               | \$ -                       | \$ -                     |
|  | <b>Element Total</b>                                      | <b>\$ 50.90</b>             | <b>\$ 50.90</b>        | <b>\$ -</b>                | <b>\$ -</b>              |
| <b>MTA Bus Company 2010 Commitment Total</b> |   | <b>\$ 136.35</b>            | <b>\$ 70.12</b>        | <b>\$ 52.98</b>            | <b>\$ 13.25</b>          |

**MTA Police Department**  
**2010 Commitment Summary**  
**\$ in Millions**

| <b>ACEP</b>      | <b>Project Description</b>                | <b>2010<br/>Commiments</b> | <b>MTA Funding</b> | <b>Federal<br/>Funding</b> | <b>Local<br/>Funding</b> |
|------------------|---|----------------------------|--------------------|----------------------------|--------------------------|
| <b>2005-2009</b> |   |                            |                    |                            |                          |
| N5100115         | Merrick Facility-Construction             | 1.50                       | 1.50               | 0.00                       | 0.0                      |
| N5100104         | K9 Facility Property Acquisition          | 1.05                       | 1.05               | 0.00                       | 0.0                      |
| N5100104         | K-9 Facility Design                       | 0.70                       | 0.70               | 0.00                       | 0.0                      |
| N5100116         | MTAPD Radio Project-Alternatives Analysis | 0.33                       | 0.33               | 0.00                       | 0.0                      |
| N5100109         | MTAPD Radio Project-Equipment Purchase    | 0.12                       | 0.12               | 0.00                       | 0.0                      |
|                  | <b>MTA PD Projects Total</b>              | <b>3.69</b>                | <b>3.69</b>        | <b>0.00</b>                | <b>0.0</b>               |

|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| <b>MTA Police Department 2010 Commitment Total</b> | <b>\$3.69</b> | <b>\$3.69</b> | <b>\$0.00</b> | <b>\$0.00</b> |
|--|---------------|---------------|---------------|---------------|

**New York City Transit & Staten Island Railway**  
**2010-2014 Completions**  
**\$ in millions**

| Project ID | Project Description  | Completion | Project Allocation |
|------------|--|------------|--------------------|
| T50902/08  | Substations (IND):East 193 Street Substation / Concourse                             | Jan-10     | \$19.89            |
| T50302/19  | New Paratransit Vehicles:245 Paratransit Vehicles                                    | Jan-10     | \$14.00            |
| S50701/10  | SIR: Passenger Stations:Tompkinsville Fare Collection                                | Feb-10     | \$6.90             |
| T50414/03  | Intermodal/Transfer Facilities:Myrtle-Wyckoff Intermodal Facility                    | Feb-10     | \$9.96             |
| T50806/08  | Antenna Cable Replacement:Antenna Cable Replacement Phase II NR                      | Feb-10     | \$49.41            |
| T50803/09  | Rapid Transit Operations:Station Time Signal Enhancement / LEX                       | Feb-10     | \$5.13             |
| T50806/16  | Station Communication Rooms:Comm Room HVAC: 7 Rooms (ICC)                            | Mar-10     | \$1.90             |
| T51102/06  | Yard Rehabilitation:Yard Fencing Upgrades  | Mar-10     | \$10.93            |
| T51606/12  | Asbestos Abatement:Asbestos Abate: Priority VI                                       | Mar-10     | \$6.88             |
| T50703/33  | Water Conditions Remedy:Check Valves @ 14 Locs (Group 2)                             | Mar-10     | \$6.12             |
| T50404/05  | Fare Marketing/Distribution Equipment:MetroCard Vending Machine Replacement          | Apr-10     | \$3.25             |
| T41302/P3  | Work Train & Special Equipment:Purchase 12 Crane Cars                                | Apr-10     | \$13.51            |
| T41607/MX  | Facilities:Revenue Facil: Fire Alarm Modification                                    | Apr-10     | \$1.13             |
| T51606/01  | Asbestos Abatement:Asbestos Abatement I/Q (OSS): 2006                                | May-10     | \$9.02             |
| T50101/03  | New Subway Cars:382 B Division Cars (R-160 Option 2)                                 | May-10     | \$842.26           |
| T50904/07  | Power Distribution Facilities:Abatement for Neg Cable Repl: 59 St - Pacific St / 4th | May-10     | \$2.50             |
| T50302/06  | New Buses:747 Hybrid Electric Buses  | May-10     | \$435.23           |
| T51606/05  | Asbestos Abatement:Asbestos Air Monitoring 2006                                      | Jun-10     | \$4.80             |
| T40803/CI  | Mainline Track Rehabilitation:SSI Bergen: I/H Track Wrap-Up                          | Jun-10     | \$1.80             |
| T50803/03  | Maintenance Of Way:Stop Cable Replacement: 46 Locs /8th Ave                          | Jun-10     | \$2.21             |
| T41203/P1  | New Depots & Facilities:Parking Expansion: Four Depots                               | Jun-10     | \$14.52            |
| T31302/RG  | Work Train & Special Equipment:1 Rail Grinder  | Jun-10     | \$10.10            |
| T50703/32  | Security:Subway Emergency Exit Alarms  | Jun-10     | \$23.94            |
| T50803/16  | Signal Systems:Modernize 3 Interlockings / 8th Avenue                                | Jun-10     | \$138.87           |
| T50302/24  | Fare Collection: Buses:263 Fareboxes   | Jun-10     | \$4.05             |
| T50414/23  | Misc: Stations:Station Improvements: 157 St / Broadway-7th Ave                       | Jun-10     | \$0.18             |
| T50404/01  | Fare Control Modernization:Smart Card Cabling: 32 Pilot Stations                     | Jun-10     | \$4.64             |
| T51604/03  | Misc: Human Resources/Customer Services:Automated Telephone Travel                   | Jun-10     | \$2.84             |
| T50806/16  | Station Communication Rooms:Comm Room HVAC: 3 Locations (On-Call)                    | Jul-10     | \$4.38             |
| T50604/08  | Water Conditions Remedy:Well Points: Lenox Ph 2: Rehab/Repl                          | Jul-10     | \$13.18            |
| T30902/FE  | Substations (IRT-BMT):Neg Return System At Joralmon/Willow                           | Jul-10     | \$4.20             |
| T50302/12  | New Buses:90 Articulated Buses   | Jul-10     | \$71.45            |
| T50404/04  | Fare Marketing/Distribution Equipment:32 High Entry-Exit Turnstiles (HEETs)          | Jul-10     | \$1.63             |
| T51607/15  | Misc: Revenue:GPS Vehicle Locator For Revenue Fleet                                  | Aug-10     | \$0.37             |
| T51302/08  | Work Train & Special Equipment:Track Geometry Car 4 (TGC4)                           | Aug-10     | \$13.13            |
| T40806/D1  | Communications Cable And Equipment:Data Network (SONET & IRT-ATM)                    | Aug-10     | \$215.50           |
| T51607/35  | Roofing Repair & Replacement:Roof Replacement: 7 Locations                           | Aug-10     | \$9.39             |
| T41203/FG  | New Depots & Facilities:Charleston Depot   | Aug-10     | \$144.36           |
| T41204/01  | Radio & Data Communication:AVLM: Paratransit - 2,273 Veh                             | Aug-10     | \$33.83            |
| T50806/16  | Station Communication Rooms:Comm Room HVAC: 6 Locs (On-Call)                         | Sep-10     | \$3.77             |
| T50411/27  | Station Rehabilitation:96 Street / Broadway-7th Avenue                               | Sep-10     | \$64.40            |
| T51607/08  | Consolidated Employee Facilities:Subways:96 Street / Broadway-7th Ave                | Sep-10     | \$5.16             |
| T50413/11  | Station Accessibility (ADA):96th Street: Broadway/7th Av Line                        | Sep-10     | \$28.31            |
| T50902/05  | Substations (IND):Dyckman Substation / 8th Avenue                                    | Sep-10     | \$45.21            |
| T50902/01  | Substation Equipment (IND):Repl Power Transformer: 73 St-Central Park Wst            | Sep-10     | \$2.99             |
| T50411/37  | Water Conditions Remedy:Water Condition Remedy-2008                                  | Sep-10     | \$3.51             |
| T50902/11  | Substations (IND):Meserole Avenue Substation / Crosstown                             | Sep-10     | \$19.40            |
| T51604/02  | Computer Hardware & Communications:HP Server Consolidation/Replacement               | Sep-10     | \$5.20             |
| T51606/04  | Fire Protection:Sprinklers: Concourse Shop & Hoyt-Scherm                             | Sep-10     | \$11.85            |
| T51203/06  | New Depots & Facilities:Clara Hale Soil Remediation                                  | Sep-10     | \$6.58             |
| T30806/BS  | Employee Facilities-Rapid Transit:Upgr RTO Radio Base Stns To Fiber Optics           | Sep-10     | \$15.58            |
| T40807/01  | Rapid Transit Operations:Backup Command Center                                       | Sep-10     | \$20.71            |
| T51204/08  | Misc: Bus Projects:285 Metrocard Fare Collection Machines For SBS                    | Oct-10     | \$12.40            |
| T50411/04  | Station Rehabilitation:Neck Road / Brighton  | Oct-10     | \$39.40            |
| T50411/07  | Station Rehabilitation:Avenue U / Brighton   | Oct-10     | \$42.65            |
| T51607/02  | Consolidated Employee Facilities:Subways:59 St-Columbus Circle / 8th Av, Bway        | Oct-10     | \$10.70            |
| T51102/10  | Yard Rehabilitation:Yard Hydrants: Phase 2   | Oct-10     | \$14.48            |
| T50411/10  | Station Rehabilitation:59 Street / 8th Avenue  | Oct-10     | \$59.78            |
| T50902/10  | Substations (IND):S Railroad Ave Substn / Queens Boulevard                           | Oct-10     | \$22.19            |
| T50411/09  | Station Rehabilitation:59 Street / Broadway-7th Avenue                               | Oct-10     | \$44.94            |
| T50413/03  | Station Accessibility (ADA):Columbus Circle Complex                                  | Oct-10     | \$3.19             |
| T50602/09  | Tunnel Lighting Rehabilitation:Bergen To West 4 St / Rutgers Tube                    | Oct-10     | \$40.78            |
| T50899/01  | Station Communication Rooms:HVAC - Communications Rooms (9 Locs)                     | Oct-10     | \$5.70             |

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| T40409/PW | Public Address/Customer Info Systems:PA/CIS Wrap-Up (TIS)                   | Oct-10 | \$2.07   |
| T50414/21 | Station Component Investments:Street Stairs: 7 Locations / Jamaica          | Nov-10 | \$7.22   |
| T50703/12 | Elevated Structure Rehabilitation:Ocean Pkwy Viaduct Ph 2 / Brighton        | Nov-10 | \$10.39  |
| T51102/03 | Signal Systems:Yard Signals: Corona-Flushing Line                           | Nov-10 | \$102.07 |
| T41604/I3 | Information Technology:Raised Floor Livingston Plaza                        | Nov-10 | \$0.22   |
| T50604/03 | Pumping Facilities:Deep Wells: Fulton Ph 2: Rehabilitation                  | Nov-10 | \$14.85  |
| T50302/22 | New Paratransit Vehicles:Purchase 250 Paratransit Vehicles                  | Dec-10 | \$14.28  |
| T50902/06 | Substations (IND):Rockwell Place Substation: Power Equipmnt                 | Dec-10 | \$19.44  |
| T50899/01 | Station Communication Rooms:Comm Room HVAC: 13 Rooms                        | Dec-10 | \$9.56   |
| T61004/17 | Yard Switches:Yard Switches - 2010  | Dec-10 | \$9.76   |
| T60502/01 | Mainline Track Rehabilitation:Mainline Track Replacement - 2010             | Dec-10 | \$239.52 |
| T51605/06 | Materiel:Concrete Batch Plant Inspection                                    | Dec-10 | \$1.05   |
| T51605/08 | Capital Program Management:Concrete Cylinder Testing (2006)                 | Dec-10 | \$0.33   |
| T60502/03 | Welded Rail:Continuous Welded Rail - 2010                                   | Dec-10 | \$6.66   |
| T61004/11 | Yard Track Rehabilitation:Yard Track - 2010                                 | Dec-10 | \$3.51   |
| T50414/09 | Station Signage:Station Signage   | Dec-10 | \$2.70   |
| T60503/01 | Mainline Track Switches:29 Mainline Switches - 2010                         | Dec-10 | \$54.81  |
| T40703/SB | Elevated Structure Rehabilitation:Stillwell Ave Terminal - Comm Work        | Dec-10 | \$4.15   |
| T51204/08 | Misc: Bus Projects:BRT - Bus Rapid Transit 2005-09 Reserve                  | Dec-10 | \$2.60   |
| T51102/04 | Yard Rehabilitation:Yard CCTV, Phase 1                                      | Dec-10 | \$11.48  |
| T51605/01 | Capital Program Management:MTA-Indep Engineering Consultant 2009-2010       | Dec-10 | \$6.40   |
| T60502/02 | Mainline Track Rehabilitation:Track Force Account - 2010                    | Dec-10 | \$35.00  |
| S40701/15 | SIR: Passenger Stations:Station Security Initiatives                        | Dec-10 | \$18.38  |
| S50701/11 | SIR: Passenger Stations:St George Terminal: Floor Repair/Repl               | Jan-11 | \$5.48   |
| T50999/02 | Substation Enclosures (IRT-BMT):Rehab 3 IRT Substn Enclosures               | Jan-11 | \$13.99  |
| T50602/13 | Tunnel Lighting Rehabilitation:4 Av To Church Av Express Trks / Culver      | Jan-11 | \$20.00  |
| T50703/33 | Water Conditions Remedy:Check Valves @ 9 Locations (Group 3)                | Jan-11 | \$3.51   |
| T50413/21 | Station Accessibility (ADA):45 Rd-Court House Sq / Flushing                 | Jan-11 | \$14.00  |
| T51004/03 | Shop Equipment And Machinery:207 St OH Shop: Cranes And Equipmen            | Jan-11 | \$2.59   |
| T50803/24 | Signal Systems:Alstom Relay Replacement                                     | Jan-11 | \$9.61   |
| T50902/12 | Misc: Power:Substation Hatchways: 8 Locations CONSTRUCTION ONLY             | Jan-11 | \$5.94   |
| T50703/33 | Water Conditions Remedy:Alleviate Flooding At 4 Locs: Brooklyr              | Jan-11 | \$3.22   |
| T50703/33 | Water Conditions Remedy:Alleviate Flooding At 4 Locs: Bklyn & Queens        | Jan-11 | \$8.35   |
| T50703/24 | Line Structure Overcoating:103 St To S. Main St Portal / Flushing           | Feb-11 | \$27.53  |
| T40603/6B | Ventilation Facilities:2 Vent Plants: 53 Street / 6AV & Park Avenue / E53   | Feb-11 | \$79.86  |
| T50414/03 | Intermodal/Transfer Facilities:Myrtle-Wyckoff Intermdl FacI -Signal Wrk     | Feb-11 | \$0.68   |
| T50411/63 | Station Rehabilitation:Beach 105 Street / Rockaway                          | Feb-11 | \$17.79  |
| T50803/19 | Communication-Based Train Control:CBTC Canarsie: Equip 64 R-160 Cars        | Feb-11 | \$49.73  |
| T50703/03 | Line Structure Overcoating:Bronx Park East - 241 St / White Plains          | Feb-11 | \$36.60  |
| T50899/01 | Station Communication Rooms:Comm Room HVAC: 15 Locs                         | Feb-11 | \$10.61  |
| T30803/CN | Mainline Track Rehabilitation:CBTC Canarsie: I/H Track Wrap-Up              | Feb-11 | \$0.41   |
| T50803/20 | Communication-Based Train Control:CBTC Canarsie: Automatic Signal Removals  | Feb-11 | \$4.71   |
| T50411/61 | Station Rehabilitation:Beach 90 Street / Rockaway                           | Feb-11 | \$18.77  |
| T50411/62 | Station Rehabilitation:Beach 98 Street / Rockaway                           | Feb-11 | \$18.61  |
| T50703/22 | Line Structure Overcoating:125 Street Arch / Bway-7th Ave                   | Mar-11 | \$13.40  |
| T50411/23 | Station Rehabilitation:Jay Street / Fulton                                  | Mar-11 | \$64.55  |
| T50413/12 | Station Accessibility (ADA):Jay St - Lawrence St Transfer                   | Mar-11 | \$17.66  |
| T50414/06 | Intermodal/Transfer Facilities:Passenger Transfer: Jay & Lawrence St        | Mar-11 | \$65.68  |
| T50413/09 | Station Accessibility (ADA):Jay Street/ Fulton Line                         | Mar-11 | \$16.56  |
| T51203/06 | New Depots & Facilities:Amsterdam Depot: One New Boiler                     | Mar-11 | \$2.19   |
| T51602/02 | Capital Revolving Fund:Capital Revolving Fund - 2008                        | Mar-11 | \$5.00   |
| T40806/P2 | Public Address/Customer Info Systems:PA/CIS, Phase 2: 156 Stations (IRT)    | Mar-11 | \$186.03 |
| T40803/CI | Signal Systems:SSI: Bergen St Interlocking (Wrap-Up)                        | Mar-11 | \$1.02   |
| T50806/15 | Public Address/Customer Info Systems:PA/CIS: 44 Stns: Install Cable & Equip | Mar-11 | \$24.24  |
| T50703/33 | Water Conditions Remedy:Alleviate Flooding At 2 Locs: Manhattar             | Mar-11 | \$8.53   |
| T50806/16 | Station Communication Rooms:HVAC Comm Rooms: 5 Locations                    | Mar-11 | \$6.47   |
| T51605/12 | Capital Program Management:Boring Services: Bklyn, Qns, SI (2007)           | Apr-11 | \$1.29   |
| T51605/18 | Capital Program Management:Test Pits Service Contract: 2008-11              | Apr-11 | \$4.30   |
| T51605/13 | Capital Program Management:Boring Services: Manhattan, Bronx (2007)         | Apr-11 | \$1.56   |
| T50703/18 | Elevated Structure Rehabilitation:Rockaway Viaduct Rehabilitation - Phase 2 | Apr-11 | \$25.21  |
| T50414/21 | Station Component Investments:Platform Edge: 6 Locations / Myrtle           | Apr-11 | \$11.12  |
| T51199/01 | Yard Rehabilitation:Yard Fencing: Coney Island & ENY Complexs               | Apr-11 | \$12.23  |
| T50703/17 | Line Structure Overcoating:Portal To EOL / Pelham                           | Apr-11 | \$28.16  |
| T50904/07 | Power Distribution Facilities:Negative Cables: 95 St - 59 St / 4th Ave      | Apr-11 | \$14.45  |
| S50701/12 | SIR: Line Equipment:Signl Sys Mod: St.George-Tottnvil/Wrap-Up               | Apr-11 | \$1.19   |
| T60302/18 | Fare Control Modernization:Repl Integrated Farebox Unit Components          | Apr-11 | \$22.84  |
| T40806/T1 | Communications Cable And Equipment:TIS Command Center At RCC                | May-11 | \$1.30   |
| T41302/O4 | Work Train & Special Equipment:36 CWR Flatcars & 18 Flatcars                | Jun-11 | \$15.01  |
| T50603/02 | Ventilation Facilities:8 Locations / Archer Avenue                          | Jun-11 | \$73.17  |

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| T50499/15 | Maintenance Of Way:Gap Fillers Union Sq Ph 3: Local Platfrm                       | Jun-11 | \$25.08  |
| T50101/02 | Shop Equipment And Machinery:AC/DC Traction Motor Dynamometer                     | Jun-11 | \$1.25   |
| T50803/17 | Fire Protection:Signal Room Fire Suppression, Phase 1                             | Jun-11 | \$18.09  |
| T51004/09 | Shop Equipment And Machinery:Replace Shop Equipment                               | Jun-11 | \$11.40  |
| T51606/04 | Fire Protection:Fire Alarm: Jamaica Railcar Maint Shop                            | Jun-11 | \$6.84   |
| T51204/11 | Depot Rehabilitation:Bus Lifts At Various Locations                               | Jun-11 | \$8.80   |
| T51204/07 | Depot Rehabilitation:Lifts: Stengel/Manhattanville                                | Jun-11 | \$8.53   |
| T60602/01 | Tunnel Lighting Rehabilitation:11 St Portal To Queens Plaza /60 St Contr          | Jul-11 | \$11.68  |
| T50414/21 | Station Component Investments:Street Stairs: 6 Locations/ Liberty                 | Jul-11 | \$10.91  |
| T51102/02 | Yard Rehabilitation:Yard Structure Rehab: 38 Street Yard Leac                     | Jul-11 | \$23.83  |
| T51302/04 | Rubber-Tired Vehicles:Replace Rubber Tire Vehicles 2008-2009                      | Jul-11 | \$7.49   |
| T51606/04 | Fire Protection:Fire Alarm: 130 Livingston & Power Ctr                            | Jul-11 | \$13.66  |
| T50806/15 | Public Address/Customer Info Systems:Station Communications Rooms: 8 Locs         | Aug-11 | \$8.09   |
| T50904/03 | Control And Battery Cable:Replace Cable: 4 Substation Control Zones               | Aug-11 | \$47.66  |
| T50999/01 | Substations (IND):Jay St Substation: DC Feeders / CBH #579                        | Sep-11 | \$34.23  |
| T50411/58 | Station Rehabilitation:Beach 36 Street / Far Rockaway                             | Sep-11 | \$17.05  |
| T50411/57 | Station Rehabilitation:Beach 44 Street / Far Rockaway                             | Sep-11 | \$17.92  |
| T50411/56 | Station Rehabilitation:Beach 60 Street / Far Rockaway                             | Sep-11 | \$18.06  |
| T50411/55 | Station Rehabilitation:Beach 67 Street / Far Rockaway                             | Sep-11 | \$17.65  |
| T50411/59 | Station Rehabilitation:Beach 25 Street / Far Rockaway                             | Sep-11 | \$17.77  |
| T60413/02 | Station Accessibility (ADA):Plat Edge: 34 St-Herald Sq / Broadway                 | Sep-11 | \$7.35   |
| T50904/02 | Power Distribution Facilities:Duct Reconstruction: Ryders - Front St / 8th Avenue | Sep-11 | \$21.36  |
| T40404/M6 | Fare Control Modernization:AFC System Wrap-Up                                     | Sep-11 | \$8.10   |
| T60413/03 | Station Accessibility (ADA):Platform Edge: 34 St-Herald Sq / 6 Ave                | Oct-11 | \$7.16   |
| T50411/60 | Station Rehabilitation:Far Rockaway-Mott Avenue/ Far Rockaway                     | Oct-11 | \$12.25  |
| T50413/17 | Station Accessibility (ADA):Mott Avenue: Far Rockaway Line                        | Oct-11 | \$9.72   |
| T40411/2D | Station Rehabilitation:Intermodal: Gun Hill Road / White Plains Roac              | Oct-11 | \$6.80   |
| T40806/D2 | Communications Cable And Equipment:ATM Network System: B Division - 253           | Oct-11 | \$91.67  |
| T50806/01 | Communications Cable And Equipment:ATM Network System: B Division - 253           | Oct-11 | \$184.05 |
| T50414/18 | Station Rehabilitation:Station Work: 86 Street / 4th Avenue                       | Nov-11 | \$12.79  |
| T51606/10 | Asbestos Abatement:Asbestos Waste Disposal I/Q                                    | Nov-11 | \$0.84   |
| T50806/15 | Public Address/Customer Info Systems:PA/CIS: 44 Stns: Furn & Install Cabinets     | Nov-11 | \$9.76   |
| T50803/11 | Signal Systems:White Plains Rd Ph 3: E 180 St Intrlckng                           | Nov-11 | \$279.08 |
| T60703/08 | Line Structure Overcoating:Overcoat: 15 Bridges / Brighton                        | Nov-11 | \$9.93   |
| T50414/02 | Intermodal/Transfer Facilities:Broadway-Lafayette-Bleecker Transfer               | Nov-11 | \$81.97  |
| T50904/12 | Power Distribution Facilities:E. 180th Street Circuit Breaker House               | Nov-11 | \$14.26  |
| T50411/08 | Station Rehabilitation:Bleecker Street / Lexington                                | Nov-11 | \$33.65  |
| T50413/02 | Station Accessibility (ADA):Broadway-Lafayette-Bleecker St Complex                | Nov-11 | \$17.69  |
| T61004/03 | Car Maintenance Shops:207 Street Overhaul Shop: Heating Plant                     | Nov-11 | \$21.00  |
| T50803/03 | Maintenance Of Way:Stop Cable Replacement: Phase 3                                | Nov-11 | \$31.47  |
| T51607/36 | Roofing Repair & Replacement:DOS Roof Replacement Phase 2                         | Dec-11 | \$19.54  |
| T50411/05 | Station Rehabilitation:Avenue H / Brighton  | Dec-11 | \$48.58  |
| T50411/06 | Station Rehabilitation:Avenue J / Brighton  | Dec-11 | \$46.41  |
| T50411/13 | Station Structural Remediation:Kings Highway / Brighton                           | Dec-11 | \$32.49  |
| T50411/14 | Station Structural Remediation:Newkirk Av Phase 2 / Brighton                      | Dec-11 | \$41.40  |
| T50411/03 | Station Rehabilitation:Avenue M / Brighton  | Dec-11 | \$42.29  |
| T50302/21 | New Buses:60 Express Buses  | Dec-11 | \$38.26  |
| T50413/05 | Station Accessibility (ADA):Kings Highway / Brighton                              | Dec-11 | \$10.11  |
| T60502/06 | Welded Rail:Continuous Welded Rail - 2011   | Dec-11 | \$5.48   |
| T60502/05 | Mainline Track Rehabilitation:Track Force Account - 2011                          | Dec-11 | \$35.00  |
| T41203/FG | New Depots & Facilities:Charleston Depot Storm Sewer                              | Dec-11 | \$10.75  |
| T40404/M4 | Fare Control Modernization:AFC Replacement, Phase 1: Station Controllers          | Dec-11 | \$7.53   |
| T50803/02 | Maintenance Of Way:Signal Control Mods: Phase 3                                   | Dec-11 | \$43.25  |
| T40302/E1 | New Buses:Suspension Upgrade Of 570 Express Buses                                 | Dec-11 | \$3.72   |
| T61004/18 | Yard Switches:Yard Switches - 2011  | Dec-11 | \$4.80   |
| T61004/12 | Yard Track Rehabilitation:Yard Track - 2011                                       | Dec-11 | \$3.02   |
| T50806/08 | Communication Equipment: Police:PRS: TDI & Coverage (Pilot)                       | Dec-11 | \$10.00  |
| T51302/10 | Rubber-Tired Vehicles:Diesel Part. Filters: Non-Rev Fleet, Ph1                    | Dec-11 | \$3.00   |
| T60503/02 | Mainline Track Switches:29 Mainline Switches - 2011                               | Dec-11 | \$44.94  |
| T41204/P2 | Depot Rehabilitation:Paving: 3 Locations  | Dec-11 | \$3.13   |
| T60806/03 | Communication Equipment: Police:PRS:Time Domain Interference Solutio              | Dec-11 | \$10.15  |
| T60502/04 | Mainline Track Rehabilitation:Mainline Track Replacement - 2011                   | Dec-11 | \$188.94 |
| T60703/02 | Line Structure Rehabilitation:Rehab Emergency Exits: 50 Locs                      | Dec-11 | \$11.30  |
| T60302/03 | New Buses:21 Express Buses  | Dec-11 | \$14.28  |
| T60302/04 | New Paratransit Vehicles:336 Paratransit Vehicles                                 | Dec-11 | \$25.13  |
| T50799/02 | Elevated Structure Rehabilitation:63 Street - 9 Avenue / WST                      | Jan-12 | \$17.40  |
| T50499/12 | Misc: Stations:Station Work: 50 Street / West End                                 | Jan-12 | \$9.81   |
| T50499/13 | Misc: Stations:Station Work: 55 Street / West End                                 | Jan-12 | \$9.95   |
| T50499/10 | Station Rehabilitation:62 Street / West End                                       | Jan-12 | \$20.92  |

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| T50499/11 | Station Rehabilitation:9 Avenue / West End                                     | Jan-12 | \$22.81  |
| T50411/47 | Station Rehabilitation:Parkchester-East 177 St / Pelham                        | Jan-12 | \$33.29  |
| T50411/50 | Station Rehabilitation:Whitlock Avenue / Pelham                                | Jan-12 | \$24.19  |
| T50411/49 | Station Rehabilitation:Elder Avenue / Pelham                                   | Jan-12 | \$26.27  |
| T50411/48 | Station Rehabilitation:Saint Lawrence Avenue / Pelham                          | Jan-12 | \$26.54  |
| T51607/24 | Consolidated Employee Facilities:Subways:Parkchester / Pelham                  | Jan-12 | \$5.27   |
| T50411/38 | Station Rehabilitation:Morrison-Sound View Avenues / Pelham                    | Jan-12 | \$25.52  |
| T50411/74 | Station Rehabilitation:East 180 Street / White Plains Road                     | Jan-12 | \$49.65  |
| T50413/19 | Station Accessibility (ADA):ADA: E 180 Street / White Plains Road              | Jan-12 | \$10.42  |
| T50499/09 | Station Rehabilitation:Fort Hamilton Parkway / West End                        | Jan-12 | \$24.08  |
| T50404/03 | Fare Control Modernization:Replac High Production Encoding Machines            | Jan-12 | \$5.24   |
| T51199/01 | Yard Rehabilitation:Yard Fencing: 6 Locations                                  | Jan-12 | \$17.46  |
| T51607/26 | Consolidated Employee Facilities:Subways:East 180th Street / White Plains Road | Jan-12 | \$6.54   |
| T51204/16 | Depot Rehabilitation:Priority Repairs: Flatbush Depot                          | Feb-12 | \$5.82   |
| T51203/07 | Depot Rehabilitation:ENY Depot Rehab   | Feb-12 | \$17.19  |
| T51204/16 | Depot Rehabilitation:Priority Repairs: Jamaica Depot                           | Feb-12 | \$4.89   |
| T51204/16 | Depot Rehabilitation:Priority Repairs: Ulmer Depot                             | Feb-12 | \$8.89   |
| T50703/39 | Line Structure Overcoating:Portal - 27 Street / Astoria & Flushing             | Feb-12 | \$11.39  |
| T50499/04 | Station Rehabilitation:20 Avenue / West End                                    | Feb-12 | \$9.60   |
| T50499/02 | Station Rehabilitation:79 Street / West End                                    | Feb-12 | \$10.17  |
| T50499/08 | Station Accessibility (ADA):ADA: Bay Parkway / West End                        | Feb-12 | \$14.03  |
| T50499/07 | Station Rehabilitation:Bay Parkway / West End                                  | Feb-12 | \$23.72  |
| T50499/03 | Station Rehabilitation:18 Avenue / West End                                    | Feb-12 | \$10.02  |
| T50499/06 | Station Rehabilitation:Bay 50 Street / West End                                | Feb-12 | \$9.80   |
| T50499/01 | Station Rehabilitation:71 Street / West End                                    | Feb-12 | \$10.23  |
| T50799/01 | Elevated Structure Rehabilitation:Bay 50 Street - 63 Street / West End         | Feb-12 | \$41.80  |
| T60412/22 | Station Component Investments:Brick Arch Repair - 168 & 181 St Stations,       | Mar-12 | \$40.10  |
| T50499/05 | Station Rehabilitation:25 Avenue / West End Line                               | Mar-12 | \$10.40  |
| T50703/29 | Line Structure Overcoating:27 Street - 41 Avenue / Astoria & Flushing          | Mar-12 | \$13.93  |
| T61004/02 | Car Maintenance Shops:207 St OH: Electrical                                    | Mar-12 | \$34.99  |
| T60806/18 | Communications Cable And Equipment:Copper Cable Repl: Steinway Tube Phase      | Mar-12 | \$10.51  |
| T50302/22 | New Paratransit Vehicles:160 Paratransit Vehicles                              | May-12 | \$8.34   |
| T50902/16 | Substations (IND):Greeley Substation / 6th Avenue                              | May-12 | \$30.91  |
| T50499/14 | Station Accessibility (ADA):Induction Loops: 642 Booths                        | May-12 | \$13.35  |
| T51199/02 | Yard Rehabilitation:Yard Fencing: 5 Locations                                  | May-12 | \$21.47  |
| T60412/11 | Station Normal Replacement:Dyckman Street / Broadway-7th Ave                   | Jun-12 | \$53.04  |
| T50414/07 | Platform, Roof & Canopy Replacement:Repair Canopies: 5 Stns / Bway-7th Ave     | Jun-12 | \$18.65  |
| T51602/02 | Capital Revolving Fund:Capital Revolving Fund - 2009                           | Jun-12 | \$5.00   |
| T50414/21 | Station Component Investments:Platform Edge: 5 Locations / Broadway-7th Ave    | Jun-12 | \$9.14   |
| T51606/09 | Groundwater And Soil Remediation:Consultant Svcs: UST & Remediation 2009       | Jun-12 | \$7.37   |
| T51204/13 | Depot Equipment And Machinery:Depot Equipment 2009                             | Jun-12 | \$9.88   |
| T60602/02 | Tunnel Lighting Rehabilitation:4 Av To Church Av - Local Trks / Culver         | Jun-12 | \$37.14  |
| T60806/04 | Public Address/Customer Info Systems:PA/CIS: 43 Stns: Furnish-Install Cabinets | Jun-12 | \$10.40  |
| T50302/18 | New Buses:90 Standard Buses (Turbine)  | Jun-12 | \$59.62  |
| S60701/01 | SIR: Passenger Stations:Station Structural Repairs 4 Locations                 | Jul-12 | \$15.41  |
| T60412/12 | Station Rehabilitation:Smith-9 Streets / Prospect Park Line                    | Jul-12 | \$34.65  |
| T60412/01 | Station Component Investments:4 Avenue / Culver                                | Jul-12 | \$14.67  |
| T60904/10 | Power Distribution Facilities:Jeralemon/Willow Dust Replacment                 | Aug-12 | \$4.01   |
| T60902/01 | Substation Enclosures (IRT-BMT):Substation Enclosures: 5 Locations             | Aug-12 | \$19.71  |
| T61204/01 | Misc: Bus Projects:Paint Booth Air Systems 6 Loc                               | Sep-12 | \$10.00  |
| T50699/01 | Ventilation Facilities:Vent Plant: Jackson Avenue / Queens                     | Sep-12 | \$83.69  |
| T50803/25 | Signal Systems:Times Sq To N. Of Hunters Pt - Wrap-Up                          | Oct-12 | \$3.81   |
| T50602/15 | Tunnel Lighting Rehabilitation:7 Av And 47-50 Sts To Lex Av / QBL              | Oct-12 | \$11.99  |
| T50602/16 | Tunnel Lighting Rehabilitation:Removals: Lex Av-Queens Plz / 53 St Tube        | Oct-12 | \$2.82   |
| T50703/35 | Elevated Structure Rehabilitation:Stillwell Terminal: Place Switch 977         | Oct-12 | \$2.10   |
| T50803/14 | Signal Systems:Interlockings: Lexington Av, 5 Av / Queens Blvd                 | Oct-12 | \$142.71 |
| T60413/04 | Station Accessibility (ADA):ADA: Platform Gap Retrofit Phase 1 - 14 Stations   | Nov-12 | \$5.51   |
| T60904/02 | Power Distribution Facilities:CBH #292/293 Albermarle Rd / Nostranc            | Nov-12 | \$6.98   |
| T61204/21 | Misc: Bus Projects:New DOB Facility At St George Terminal                      | Dec-12 | \$4.20   |
| T60703/03 | Elevated Structure Rehabilitation:Culver Viaduct Rehabilitation Phase 3 -      | Dec-12 | \$20.04  |
| T61004/13 | Yard Track Rehabilitation:Yard Track - 2012                                    | Dec-12 | \$3.14   |
| T60502/09 | Welded Rail:Continuous Welded Rail - 2012                                      | Dec-12 | \$5.69   |
| T61004/19 | Yard Switches:Yard Switches - 2012   | Dec-12 | \$4.98   |
| T60502/07 | Mainline Track Rehabilitation:Mainline Track Replacement - 2012                | Dec-12 | \$190.00 |
| T60503/03 | Mainline Track Switches:29 Mainline Switches - 2012                            | Dec-12 | \$46.68  |
| T60502/08 | Mainline Track Rehabilitation:Track Force Account - 2012                       | Dec-12 | \$35.00  |
| T60414/01 | Station Signage:Station Signage  | Dec-12 | \$3.93   |
| T61607/10 | Consolidated Employee Facilities:Subways:West 4 Street / 6th Avenue            | Dec-12 | \$4.13   |
| T61204/09 | Misc: Bus Projects:Tank Upgrades: 2 Depots                                     | Dec-12 | \$2.60   |

|           |  |        |          |
|-----------|--|--------|----------|
| T60302/01 | New Buses:250 Standard Buses (Funding Reserve)                               | Dec-12 | \$174.00 |
| T60302/19 | New Buses:65 Express Buses   | Dec-12 | \$51.40  |
| T61204/07 | Misc: Bus Projects:Real Estate Purchase: Kingsbridge Depot                   | Dec-12 | \$5.00   |
| T60302/07 | New Buses:103 Express Buses  | Dec-12 | \$73.00  |
| T60302/02 | New Buses:185 Articulated Buses  | Dec-12 | \$158.32 |
| T60302/08 | New Paratransit Vehicles:52 Paratransit Vans                                 | Dec-12 | \$4.04   |
| T60413/04 | Station Accessibility (ADA):ADA: Platform Gap Retrofit Phase 2 - 14 Stations | Jan-13 | \$5.86   |
| T61302/03 | Work Train & Special Equipment:8 Auger-Type Snowthrowers                     | Jan-13 | \$9.54   |
| T61607/09 | Roofing Repair & Replacement:DOS Roof Replacement Phase 3                    | Jan-13 | \$13.68  |
| T60414/03 | Misc: Stations:Water Condition Remedy (2011)                                 | Jan-13 | \$7.23   |
| T61204/08 | Misc: Bus Projects:Paint Application System: Fresh Pond & Zerega             | Jan-13 | \$1.70   |
| T51606/02 | Groundwater And Soil Remediation:Groundwater And Soil Remediation (2005      | Jan-13 | \$7.00   |
| T61004/06 | Car Maintenance Shops:Power Centers 2&3: CI OH Shop                          | Feb-13 | \$14.35  |
| T60604/02 | Water Conditions Remedy:Deep Wells: Crosstown Ph 2: Rehabilitate             | Feb-13 | \$14.96  |
| T60407/01 | Escalator Replacement:3 Escalators - Southern Manhattan                      | Feb-13 | \$25.81  |
| T50703/07 | Elevated Structure Rehabilitation:Culver Viaduct Rehabilitation - Phase 2    | Feb-13 | \$160.79 |
| S60701/02 | SIR: Structures:Rehabilitation Of 8 Bridges, 1 Culvert                       | Feb-13 | \$28.20  |
| T60703/01 | Water Conditions Remedy:Rehabilitation and Flood Mitigation / 148 St Yarc    | Feb-13 | \$37.50  |
| T50803/12 | Signal Systems:Interlocking: 4th Ave / Culver                                | Feb-13 | \$118.26 |
| T60904/06 | Power Distribution Facilities:CBH 146 Prospect Park / Brighton               | Mar-13 | \$7.14   |
| T60404/02 | Fare Marketing/Distribution Equipment:41 High Entry-Exit Turnstiles          | Mar-13 | \$2.31   |
| T60703/05 | Elevated Structure Rehabilitation:Cypress Hills - 130 Street / Jamaica       | Mar-13 | \$31.42  |
| T50904/06 | Power Distribution Facilities:Neg Cable Repl: Rockaway & Far Rockaway        | Mar-13 | \$13.12  |
| T60703/18 | Line Structure Overcoating:Cypress Hills - 130 Street / Jamaica              | Mar-13 | \$31.97  |
| T60413/01 | Station Accessibility (ADA):ADA: Forest Hills - 71 Av / Queens Blvd          | Mar-13 | \$35.62  |
| T60414/10 | Station Accessibility (ADA):Platforms: 45 Rd-Court House Sq/Flushing         | Apr-13 | \$23.00  |
| T61607/07 | Security:Perimeter Hardening: RCC & 130 Livngstn                             | Apr-13 | \$12.00  |
| T60902/02 | Substations (IND):Modernize 10 Street Substation / Culver                    | Apr-13 | \$26.26  |
| T60703/11 | Water Conditions Remedy:Alleviate Flooding At 6 Locs: Manhattar              | May-13 | \$48.69  |
| T61606/02 | Asbestos Abatement:Asbestos Abatement I/Q                                    | May-13 | \$8.80   |
| T61607/12 | Facilities:Power Upgrade: RCC, PCC   | May-13 | \$23.09  |
| T60904/01 | Power Distribution Facilities:New Duct Bank: 141 St - 148 St / Lenox         | May-13 | \$32.43  |
| T61606/03 | Asbestos Abatement:IQ Asbestos/Lead Air Monitoring (2010)                    | Jun-13 | \$7.52   |
| T51203/06 | New Depots & Facilities:Clara Hale Depot: Reconstruction                     | Jun-13 | \$307.57 |
| T60414/04 | Misc: Stations:Scrubber Room Drainage - 4 Locations                          | Jun-13 | \$4.52   |
| T61607/13 | Consolidated Employee Facilities:Subways:207 Street / 8th Avenue             | Jun-13 | \$8.78   |
| T50101/01 | New Subway Cars:23 New A Division Subway Cars;Convert 10 R142A Cars          | Jun-13 | \$116.46 |
| T60902/03 | Misc: Power:Substation Hatchways: Phase 2 - 22 Loc                           | Jul-13 | \$15.66  |
| T60803/04 | Signal Systems:Replace Solid State Signal Equipment - 5 Locs                 | Aug-13 | \$7.54   |
| T60407/03 | Escalator Replacement:2 Escalators Roosevelt Av / QBL                        | Sep-13 | \$15.47  |
| T60703/15 | Line Structure Overcoating:Dyckman - 215 St / Bway-7th Ave                   | Sep-13 | \$18.84  |
| T51302/03 | Work Train & Special Equipment:2 Ballast Regulators                          | Sep-13 | \$7.79   |
| T60703/04 | Elevated Structure Rehabilitation:Viaduct Structure Rehab: Rockaway & Far    | Oct-13 | \$48.61  |
| T60703/07 | Line Structure Overcoating:Rockaway Blvd To Hammels Wye / Rockaway           | Oct-13 | \$6.20   |
| T60413/10 | Station Accessibility (ADA):ADA: 23 Street / Lexington                       | Nov-13 | \$29.06  |
| T60413/11 | Station Accessibility (ADA):Phase 2 @ 57 St-7 Av / Broadway                  | Nov-13 | \$38.77  |
| T60806/04 | Public Address/Customer Info Systems:PA/CIS: 43 Stations: Install Cable      | Nov-13 | \$55.56  |
| T61605/02 | Capital Program Management:Boring Services: Manhattan & Bronx                | Nov-13 | \$1.99   |
| T60413/09 | Station Accessibility (ADA):ADA: Hunts Point Av / Pelham                     | Nov-13 | \$29.01  |
| T60703/20 | Elevated Structure Rehabilitation:Trackway Stabilization / Franklin Shuttle  | Dec-13 | \$28.74  |
| T51204/05 | Misc: Bus Projects:Real Time Customer Information, Phase 1                   | Dec-13 | \$30.69  |
| T61004/14 | Yard Track Rehabilitation:Yard Track - 2013                                  | Dec-13 | \$3.29   |
| T60502/12 | Welded Rail:Continuous Welded Rail - 2013                                    | Dec-13 | \$5.96   |
| T61004/20 | Yard Switches:Yard Switches - 2013   | Dec-13 | \$5.22   |
| T60502/11 | Mainline Track Rehabilitation:Track Force Account - 2013                     | Dec-13 | \$35.00  |
| T60502/10 | Mainline Track Rehabilitation:Mainline Track Replacement - 2013              | Dec-13 | \$196.14 |
| T60503/04 | Mainline Track Switches:29 Mainline Switches - 2013                          | Dec-13 | \$48.89  |
| T61605/01 | Capital Program Management:Boring Services: Bklyn, Qns, SI                   | Dec-13 | \$2.35   |
| T61605/03 | Capital Program Management:Test Pits Contract                                | Dec-13 | \$5.00   |
| T50803/07 | Signal Systems:Signal Key-By Circuit Mod: Phase 2                            | Dec-13 | \$26.76  |
| T60413/06 | Station Accessibility (ADA):ADA: Kingsbridge Rd / Concourse                  | Dec-13 | \$29.71  |
| T61607/05 | Consolidated Employee Facilities:Subways:RTO Fac: Chambers St / Nassau       | Dec-13 | \$7.07   |
| T60302/05 | New Buses:295 Standard Buses   | Dec-13 | \$214.05 |
| T61204/05 | Depot Equipment And Machinery:IVN For 5 Depots                               | Dec-13 | \$2.60   |
| T61204/18 | Misc: Bus Projects:Bus Lane Enforcement Cameras, Phase 1                     | Dec-13 | \$2.70   |
| T60302/09 | New Buses:425 Standard Buses   | Dec-13 | \$321.48 |
| T60302/06 | New Buses:233 Articulated Buses  | Dec-13 | \$204.13 |
| T60302/10 | New Buses:89 Express Buses   | Dec-13 | \$65.76  |
| T60302/12 | New Buses:100 Articulated Buses  | Dec-13 | \$91.33  |

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|-----------|--|--------|----------|
| T60302/13 | New Paratransit Vehicles:333 Paratransit Vans                                  | Dec-13 | \$29.68  |
| T61302/01 | Rubber-Tired Vehicles:Purchase 110 Non-Revenue Vehicles                        | Dec-13 | \$13.20  |
| T61606/08 | Groundwater And Soil Remediation:Consult: UST & Remed (2011)                   | Jan-14 | \$6.00   |
| T61606/07 | Groundwater And Soil Remediation:Groundwater & Soil Remed (2011)               | Jan-14 | \$6.50   |
| T60904/04 | Power Distribution Facilities:CBH 74 Havermeyer & 74A Bridge / Jamaica         | Jan-14 | \$24.12  |
| T61004/04 | Car Maintenance Shops:207 St Maintenance Shop: DC Power Upgrade                | Jan-14 | \$19.70  |
| T61604/02 | Computer Hardware & Communications:Enterprise-Wide San/Disaster Recovery       | Jan-14 | \$18.05  |
| T61604/01 | Capital Program Management Systems:CPICS: Technical Conversion                 | Jan-14 | \$2.79   |
| T60703/02 | Line Structure Rehabilitation:Rehab Emergency Exits: 75 Locs                   | Jan-14 | \$18.00  |
| T60806/19 | Station Communication Rooms:Communication Room Waterproofing                   | Jan-14 | \$16.00  |
| T61606/05 | Fire Protection:Sprinkler & Alarm Systems: Phase 1                             | Jan-14 | \$20.00  |
| T60904/03 | Emergency Alarms Replacement:Replace Emergency Telephones (PILOT)              | Jan-14 | \$5.70   |
| T60703/09 | Line Structure Overcoating:Portal - East 180 Street / White Plains             | Jan-14 | \$37.56  |
| T60412/24 | Station Component Investments:Station Painting at Component Locations, Phase   | Jan-14 | \$10.00  |
| T61004/05 | Car Maintenance Shops:East New York Maintenance Shop: Ventilation              | Mar-14 | \$8.10   |
| T61604/03 | Computer Hardware & Communications:Enterprise Security Network Infrastructure  | Mar-14 | \$10.39  |
| T60404/05 | Fare Control Modernization:Smart Card Implementation, Phase 1                  | Mar-14 | \$60.00  |
| T60404/05 | Fare Control Modernization:Smart Card Implementation, Phase 2                  | Mar-14 | \$140.00 |
| T60806/06 | Communications - RTO:RTO: Portable Radio Unit Replacement                      | Mar-14 | \$11.33  |
| T60803/07 | Rapid Transit Operations:Station Time (ST) Improvements, Ph 2 / LEX            | Mar-14 | \$29.38  |
| T60904/05 | Power Distribution Facilities:Rehab CBH 403 Vanderbilt / Flushing              | Apr-14 | \$14.70  |
| T61607/17 | Facilities:Livingston Plaza: Elevators, Roof, Facade                           | Apr-14 | \$23.56  |
| T60803/08 | Maintenance Of Way:Stop Cable Repl Ph4: Various Locations                      | May-14 | \$22.80  |
| T41302/P4 | Work Train & Special Equipment:Purchase 9 Diesel-Electric Locomotives          | May-14 | \$31.04  |
| T51302/05 | Work Train & Special Equipment:19 Diesel Locomotives                           | May-14 | \$70.47  |
| T60413/08 | Station Accessibility (ADA):ADA: Utica Av / Fulton Line                        | May-14 | \$22.47  |
| T60703/14 | Line Structure Overcoating:Bway Junction - Cypress Hills / Jamaica             | May-14 | \$28.89  |
| T61606/06 | Fire Protection:Fire Alarm - 207th St OH Shop                                  | May-14 | \$11.00  |
| T61606/01 | Asbestos Abatement:Asbestos Abatement: Priority 7                              | Jun-14 | \$5.00   |
| S60701/08 | SIR: Passenger Stations:Station Const.New Sta: Arthur Kill                     | Jul-14 | \$26.99  |
| T61004/01 | Car Maintenance Shops:207 St OH Shop: Expand A/C Shop                          | Jul-14 | \$157.84 |
| T60414/06 | Station Reconstruction:Times Square: North-End Stair                           | Aug-14 | \$23.88  |
| T51602/04 | Owner-Controlled Insurance Program:2006-2009 Owner-Controlled Insurance        | Aug-14 | \$106.50 |
| T60803/03 | Signal Systems:Church Ave Interlocking & Automatics / Culver                   | Sep-14 | \$253.06 |
| T60414/05 | Misc: Stations:Access Improvements: Grand Central / LEX                        | Sep-14 | \$20.43  |
| T60806/01 | Communications Cable And Equipment:Fiber Optic Cable Replacement: Phase 1      | Sep-14 | \$15.00  |
| T60604/01 | Water Conditions Remedy:Deep Wells: Nostrand Ph 2: Rehabilitate                | Sep-14 | \$15.90  |
| S60701/03 | SIR: Track:St.George Interlocking, Phase 1                                     | Oct-14 | \$15.32  |
| T60806/17 | Public Address/Customer Info Systems:Real Time Train Arrival Info: B-Division, | Oct-14 | \$81.00  |
| T60413/12 | Station Accessibility (ADA):ADA: Ozone Park-Lefferts Blvd / Liberty            | Nov-14 | \$35.84  |
| T61606/04 | Asbestos Abatement:Asbestos Disposal   | Nov-14 | \$2.52   |
| T61607/03 | Maintenance Of Way:RTO Master Tower Hardening                                  | Nov-14 | \$4.60   |
| T60803/14 | Signal Systems:Roosevelt Interlocking / Queens Blvd                            | Nov-14 | \$116.35 |
| T60806/09 | Station Communication Rooms:Station Comm Room HVAC, Phase 2                    | Dec-14 | \$20.00  |
| T60414/08 | Misc: Stations:Station Condition Survey Update                                 | Dec-14 | \$8.24   |
| T61204/02 | Misc: Bus Projects:BRT - Bus Rapid Transit 2010-14                             | Dec-14 | \$25.00  |
| T60404/01 | Fare Control Modernization:AFC Replacement, Phase 2: Electronic Boards         | Dec-14 | \$30.00  |
| T60404/01 | Fare Control Modernization:HEET NR Electronics Replacement Ph I                | Dec-14 | \$2.71   |
| T60404/01 | Fare Control Modernization:MVM Electronics Replacement Phase 1                 | Dec-14 | \$10.00  |
| T60806/02 | Communications Cable And Equipment:Application Cutover to SONET Phase 1        | Dec-14 | \$7.50   |
| T41204/HU | New Depots & Facilities:AVL: 126 St Depot - Pilot 2                            | Dec-14 | \$8.17   |
| T60502/16 | Welded Rail:Continuous Welded Rail - 2014                                      | Dec-14 | \$1.86   |
| T61004/15 | Yard Track Rehabilitation:Yard Track - 2014                                    | Dec-14 | \$3.45   |
| T61004/21 | Yard Switches:Yard Switches - 2014   | Dec-14 | \$5.46   |
| T60502/13 | Mainline Track Rehabilitation:Mainline Track Replacement - 2014                | Dec-14 | \$205.41 |
| T60503/05 | Mainline Track Switches:29 Mainline Switches - 2014                            | Dec-14 | \$51.20  |
| T60502/14 | Mainline Track Rehabilitation:Track Force Account - 2014                       | Dec-14 | \$35.00  |
| T61605/04 | Capital Program Management:Independent Eng'g Consultant 2010-2014              | Dec-14 | \$19.48  |
| T61204/12 | Depot Equipment And Machinery:Lot Development (Jam, Grand)                     | Dec-14 | \$5.19   |
| T60302/14 | New Buses:97 Express Buses   | Dec-14 | \$74.53  |
| T60302/15 | New Buses:156 Articulated Buses  | Dec-14 | \$165.76 |
| T60302/16 | New Buses:71 Standard Buses  | Dec-14 | \$55.85  |
| T61607/16 | Depot Rehabilitation:8 AFC (Keene) Employee Office Upgrades @ 5 Depots         | Dec-14 | \$3.00   |
| T60302/17 | New Paratransit Vehicles:222 Paratransit Vehicles                              | Dec-14 | \$20.59  |



**MTA Long Island Rail Road**  
**2010-2014 Completions**  
**\$ in millions**

| <b>Project ID</b> | <b>Project Description</b>                           | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|--|-------------------|---------------------------|
| L50701P8          | Signal Load Electrical System                        | Jan-10            | \$1.20                    |
| N40905FS          | Smithtown/St. James Parking                          | Jan-10            | \$0.77                    |
| N50905HY          | Bayshore Platform Lighting                           | Jan-10            | \$0.85                    |
| L5020526          | Ronkonkoma Parking Improvement                       | Feb-10            | \$4.20                    |
| L506016C          | Hillside Facility Roof Rehab                         | Feb-10            | \$3.05                    |
| L50701P7          | Repl Bridge Electrical System                        | Mar-10            | \$0.91                    |
| L50502SG          | Signal Normal Replacement Prog                       | Mar-10            | \$5.45                    |
| L50401B3          | Powell Creek & Hog Island Chan                       | May-10            | \$24.46                   |
| L50701PB          | Replace Substation Batteries                         | May-10            | \$1.36                    |
| L509048R          | GP-38 Diesel Simulator                               | May-10            | \$2.25                    |
| L50301R2          | Drainage Control                                     | Jun-10            | \$6.00                    |
| L50701PG          | Replace 3 Substations                                | Jul-10            | \$37.04                   |
| L5020425          | Jamaica Fit-Out Phase 2                              | Aug-10            | \$21.67                   |
| N50905HM          | Brentwood Station                                    | Aug-10            | \$1.73                    |
| N50905HN          | Central Islip Station                                | Aug-10            | \$2.03                    |
| L50701PA          | Replace Substation DC Breakers                       | Sep-10            | \$3.82                    |
| N50905HR          | Little Neck Quiet Zone                               | Oct-10            | \$1.50                    |
| L50101M1          | M-7 Horns  | Nov-10            | \$4.90                    |
| L50502SL          | Jay, Hall & Dunton Micropro                          | Nov-10            | \$42.29                   |
| L50301E9          | ACL Direct Fixation                                  | Dec-10            | \$61.47                   |
| L50301TA          | 2010 Annual Track Program                            | Dec-10            | \$28.00                   |
| L60301TA          | 2010 Annual Track Program                            | Dec-10            | \$34.40                   |
| L50502SA          | Wayside Event Recorders                              | Dec-10            | \$6.30                    |
| L50502SC          | CTC-Traction Power-SCADA                             | Jan-11            | \$14.66                   |
| L40703C1          | Circuit Brkr House - "F" Tower                       | Jan-11            | \$5.86                    |
| L50301R1          | Culverts   | Jan-11            | \$2.00                    |
| L50301R6          | Track Stability/Retaining Wall                       | Jan-11            | \$4.06                    |
| L50501S7          | Fiber Optic Network                                  | Jan-11            | \$70.12                   |
| L506016K          | Rolling Stock Support Equipmnt                       | Jan-11            | \$8.01                    |
| N50905HU          | Stony Brook Station Imps                             | Jan-11            | \$2.93                    |
| L502042U          | Elevator Replacement Program                         | Feb-11            | \$2.80                    |
| L50701PU          | Signal Power Motor Generators                        | Feb-11            | \$2.08                    |
| L50206VB          | PS Third Rail & Signals                              | Mar-11            | \$9.63                    |
| L50206VC          | PS Emp Fac Yards & Buildings                         | Mar-11            | \$2.18                    |
| L50502SB          | Babylon Branch Signal Improvem                       | Apr-11            | \$23.60                   |
| L50401B5          | Junction Blvd Abutment PW                            | May-11            | \$19.01                   |
| L407032I          | Valley Strm/Isl Pk Subst Recon                       | Jun-11            | \$25.25                   |
| L50501S6          | Improved Radio Coverage/Infras                       | Jun-11            | \$15.29                   |
| L404024Y          | East River Tunnel Ventilation                        | Oct-11            | \$89.75                   |
| L50701PH          | Demo/Const 6 Substations                             | Nov-11            | \$61.34                   |
| L50501S8          | Audio/Visual Paging System (AV                       | Dec-11            | \$31.94                   |
| L60301TB          | 2011 Annual Track Program                            | Dec-11            | \$47.40                   |
| L502042T          | Escalator Replacement Program                        | Jan-12            | \$5.77                    |
| L50401B2          | Bridge Painting                                      | Jan-12            | \$6.00                    |
| L506016Y          | LCM-Shop Design and Construction                     | Jan-12            | \$46.51                   |
| L50699YY          | Babylon Car Wash                                     | Apr-12            | \$25.50                   |
| L509048A          | Substations Environmental Reme                       | May-12            | \$10.23                   |
| L50206VD          | PS Customer Service Office                           | Jun-12            | \$0.82                    |
| L50401B8          | Woodhaven/Queens Blvd Bridges                        | Sep-12            | \$20.72                   |
| L60301TC          | 2012 Annual Track Program                            | Dec-12            | \$59.50                   |
| L60401BE          | Construct Three Montauk Branch Bridges               | Dec-12            | \$26.20                   |
| L60601YA          | Shop Reconfig & Reliability Centered Maint Instructr | Dec-12            | \$10.40                   |
| L50304T8          | Main Line Corridor-Grade Xing                        | Jan-13            | \$80.79                   |

**MTA Long Island Rail Road**  
**2010-2014 Completions**  
**\$ in millions**

| <b>Project ID</b> | <b>Project Description</b>                         | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|--|-------------------|---------------------------|
| L509048K          | Morris Park Environmental Stud                     | Mar-13            | \$8.59                    |
| L502042D          | New Elevators-Queen Village St                     | Aug-13            | \$8.45                    |
| L5020427          | Replace Elevator-Atlantic Term                     | Nov-13            | \$3.00                    |
| L50401BC          | Colonial Road Highway Bridge Replacement           | Dec-13            | \$10.00                   |
| L60301TD          | 2013 Annual Track Program                          | Dec-13            | \$59.50                   |
| L60301TE          | 2014 Annual Track Program                          | Dec-14            | \$57.10                   |
| L50402VA          | ERT Fire & Life Safety                             | Dec-14            | \$116.30                  |
| L60401BD          | 150th Street - Jamaica & Broadway /Port Washington | Dec-14            | \$29.70                   |
| L60501L6          | PennStation Radio Retrofit/EastRiverTunnel Antenna | Dec-14            | \$6.50                    |

**MTA Metro-North Railroad**  
**2010-2014 Completions**  
**\$ in millions**

| <b>Project ID</b> | <b>Project Description</b>                               | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|--|-------------------|---------------------------|
| M503-03-01        | West of Hudson Track Program                             | Jan-10            | \$31.18                   |
| M503-02-08        | Right-of-Way Fencing                                     | Jan-10            | \$1.85                    |
| M504-01-17        | PBX Replacement  | Mar-10            | \$1.69                    |
| M502-01-13        | GCT Switch & Track Renewal                               | Apr-10            | \$11.88                   |
| M501-03-08        | Replace Obsolete Work Equipment                          | Apr-10            | \$1.73                    |
| M504-01-13        | Refurbish/Replace Electric Switch Machines               | Apr-10            | \$0.95                    |
| M503-02-02        | Rehabilitate Culverts/Railtop Culverts                   | May-10            | \$3.13                    |
| M503-02-09        | Remove Obsolete Facilities                               | May-10            | \$5.02                    |
| M502-01-05        | GCT Elevator Rehabilitation Phase III                    | Jun-10            | \$4.37                    |
| M504-01-12        | Vital Processor System (GCT)                             | Jun-10            | \$0.00                    |
| M501-01-09        | End Door Coach Midlife Overhaul - 40 Cars                | Aug-10            | \$21.75                   |
| M501-01-10        | M-9 Specification Development                            | Aug-10            | \$1.40                    |
| M502-01-12        | Vital Processor System (GCT)                             | Aug-10            | \$6.20                    |
| M503-01-14        | 2009 Cyclical Track Program                              | Aug-10            | \$12.73                   |
| M508-01-14        | PTC Scope Development                                    | Aug-10            | \$4.00                    |
| M503-02-03        | D.C. Substation/Signal House                             | Sep-10            | \$2.01                    |
| M505-01-10        | Install Sectionalizing Switches GCT                      | Oct-10            | \$4.35                    |
| M502-02-01        | Hudson Line Stations Improvements Phase II               | Nov-10            | \$88.08                   |
| M503-02-16        | Employee Welfare and Storage Facilities                  | Nov-10            | \$2.74                    |
| M504-01-11        | C&S Cable Replacement GCT to Mott Haven                  | Nov-10            | \$4.20                    |
| M505-01-04        | Aluminum 3rd Rail and E-Rail GCT Lower Level             | Nov-10            | \$2.98                    |
| M502-01-11        | 2010 GCT Switch/Track Renewal                            | Dec-10            | \$1.28                    |
| M503-03-05        | Undergrade Bridge Program West of Hudson                 | Dec-10            | \$7.89                    |
| M504-01-05        | Replace CTC Systems (OCC/ECC)                            | Dec-10            | \$26.47                   |
| M504-01-10        | Upgrade Grade Crossings                                  | Dec-10            | \$1.02                    |
| M505-01-02        | Substation Retrofit - Harlem and Hudson Lines            | Dec-10            | \$12.68                   |
| M505-01-09        | Rehab Harlem and Hudson Lines Substations                | Dec-10            | \$13.62                   |
| M604-01-10        | Communication & Signals Maintenance Mgmt System          | Feb-11            | \$0.78                    |
| M501-01-04        | M-4 Midlife Remanufacture - 54 Cars                      | Feb-11            | \$9.96                    |
| M501-01-05        | M-6 Midlife Remanufacture Spec Develop                   | Feb-11            | \$0.60                    |
| M503-01-15        | 2010 Cyclical Track Program                              | Mar-11            | \$3.75                    |
| M502-01-09        | GCT Facilities Rehabilitation                            | Apr-11            | \$0.44                    |
| M502-01-14        | GCT IT Data Room   | Apr-11            | \$1.18                    |
| M502-99-09        | GCT Facilities Rehabilitation                            | Apr-11            | \$21.94                   |
| M503-02-18        | Systemwide Flood Control                                 | May-11            | \$3.30                    |
| M505-01-01        | Substation Bridge 23                                     | May-11            | \$4.93                    |
| M502-01-08        | GCT Water Conveyance Utilities Improvements              | Jun-11            | \$3.64                    |
| M502-02-07        | Station and Platform Informational Signs                 | Jun-11            | \$0.95                    |
| M502-02-08        | Ticket Selling Machines                                  | Jun-11            | \$3.66                    |
| M502-99-05        | GCT Elevators  | Jun-11            | \$7.70                    |
| M508-01-02        | Systemwide Lead/Asbestos Abatement                       | Jun-11            | \$4.40                    |
| M508-01-15        | Small Business Development                               | Jul-11            | \$0.37                    |
| M605-01-02        | Renewal Harlem & Hudson Substations - Construction       | Aug-11            | \$8.00                    |
| M503-01-05        | M of W Equipment   | Oct-11            | \$10.55                   |
| M506-01-07        | Shops and Yards Miscellaneous Environmental Improvements | Oct-11            | \$0.23                    |
| M604-01-05        | Crossing Upgrades - Phase 2                              | Dec-11            | \$0.98                    |
| M604-01-14        | Radio Base Station Replacement                           | Dec-11            | \$0.71                    |
| M605-01-08        | Replace 3rd Rail Sectionalizing Switches                 | Dec-11            | \$1.26                    |
| M502-01-02        | GCT Leaks Remediation                                    | Dec-11            | \$1.37                    |
| M502-01-10        | GCT Trainshed Block Restoration                          | Dec-11            | \$2.37                    |
| M502-02-03        | Poughkeepsie Station Building                            | Dec-11            | \$16.86                   |

**MTA Metro-North Railroad**  
**2010-2014 Completions**  
**\$ in millions**

| <b>Project ID</b> | <b>Project Description</b>                         | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|--|-------------------|---------------------------|
| M502-03-03        | Cortlandt Parking & Access Improvements            | Dec-11            | \$34.24                   |
| M502-99-03        | Poughkeepsie Station Building                      | Dec-11            | \$4.61                    |
| M503-01-02        | Turnouts Mainline/High Speed                       | Dec-11            | \$52.62                   |
| M503-01-04        | Turnouts Yards                                     | Dec-11            | \$5.25                    |
| M508-01-03        | Environmental Remediation                          | Dec-11            | \$1.20                    |
| M501-01-11        | West of Hudson Locomotives - F40                   | Jan-12            | \$8.02                    |
| M502-02-05        | New Haven Line (NYS) Stations Improvements         | Feb-12            | \$21.33                   |
| M502-99-01        | Tarrytown Station Improvement                      | Apr-12            | \$38.06                   |
| M503-02-17        | Beacon Line Undergrade Bridge                      | May-12            | \$0.03                    |
| M503-03-03        | Moodna/Woodbury Viaducts                           | Sep-12            | \$4.65                    |
| M602-02-02        | Fordham Station Improvements                       | Oct-12            | \$11.31                   |
| M504-01-18        | Positive Train Control (PTC)                       | Nov-12            | \$9.87                    |
| M602-01-02        | Park Avenue Tunnel Renewal                         | Dec-12            | \$7.50                    |
| M603-01-09        | Rebuild Retaining Walls                            | Dec-12            | \$5.00                    |
| M603-02-14        | Park Avenue Viaduct Direct Fixation                | Dec-12            | \$1.80                    |
| M604-01-06        | Centralized Train Control/SCADA Intrusion Testing  | Dec-12            | \$0.73                    |
| M604-01-11        | PBX Equipment Upgrade                              | Dec-12            | \$2.78                    |
| M604-01-16        | Radio Frequency Rebanding                          | Dec-12            | \$3.49                    |
| M501-01-07        | M-8 NHL Purchase - 210+90 Cars MN Share            | Dec-12            | \$99.86                   |
| M501-01-12        | Rolling Stock Signals (PTC)                        | Dec-12            | \$5.32                    |
| M502-02-02        | Croton Harmon/Peekskill Station Improvements       | Dec-12            | \$16.67                   |
| M502-02-06        | Station Building Rehabilitation                    | Dec-12            | \$10.75                   |
| M502-02-11        | System Wide Vending Machines                       | Dec-12            | \$0.57                    |
| M503-01-09        | Drainage and Undercutting                          | Dec-12            | \$9.18                    |
| M604-01-02        | West of Hudson Signal Improvements                 | Jan-13            | \$64.38                   |
| M504-01-07        | Signal System Replacement                          | Jan-13            | \$30.74                   |
| M505-01-03        | Replace Harlem River Lift Bridge Breaker Houses    | Jan-13            | \$1.43                    |
| M503-02-06        | Overhead Bridge Program-East of Hudson (MNR Share) | Feb-13            | \$5.70                    |
| M605-01-07        | Harlem River Lift Bridge Breaker Houses/Controls   | Mar-13            | \$13.00                   |
| M602-02-06        | New Haven Line Station Phase II                    | Jun-13            | \$33.19                   |
| M603-03-03        | Moodna/Woodbury Viaduct                            | Jun-13            | \$9.86                    |
| M605-01-06        | Park Avenue Tunnel & Viaduct Alarm                 | Jun-13            | \$1.00                    |
| M606-01-04        | Port Jervis Yard Expansion                         | Jun-13            | \$6.54                    |
| M505-01-08        | Harlem and Hudson Lines Power Improvements         | Oct-13            | \$8.76                    |
| M604-01-04        | Replace Field code System - Mott Haven             | Nov-13            | \$1.66                    |
| M502-03-01        | Parking Rehabilitation                             | Nov-13            | \$1.17                    |
| M602-01-07        | GCT Platform Improvements                          | Dec-13            | \$3.10                    |
| M603-02-07        | Specialized Structure Equipment                    | Dec-13            | \$0.92                    |
| M603-02-13        | Catenary Painting/Rehabilitate Catenary Structures | Dec-13            | \$4.00                    |
| M604-01-03        | Replace Fiber/Communication & Signals Cables       | Dec-13            | \$8.34                    |
| M604-01-12        | Mobile/Portable Radios                             | Dec-13            | \$0.17                    |
| M604-01-13        | Rolling Stock Radios and PA Equipment              | Dec-13            | \$0.24                    |
| M502-02-09        | Bronx Stations/Capacity Improvements               | Dec-13            | \$11.36                   |
| M503-03-04        | Otisville Tunnel                                   | Dec-13            | \$1.09                    |
| M508-01-09        | Customer and Employee Communications Projects      | Dec-13            | \$7.35                    |
| M603-03-04        | Otisville Tunnel Renewal                           | Jan-14            | \$3.00                    |
| M605-01-03        | Harlem & Hudson Lines Power Improvements           | Jan-14            | \$35.21                   |
| M603-02-04        | DC Substation/Signal House                         | Feb-14            | \$1.65                    |
| M602-03-01        | Parking Renewal                                    | Mar-14            | \$2.50                    |
| M602-01-08        | GCT Utilities                                      | Apr-14            | \$26.09                   |
| M605-01-01        | Substation Bridge 23 - Construction                | Jun-14            | \$24.90                   |

**MTA Metro-North Railroad**  
**2010-2014 Completions**  
**\$ in millions**

| <b>Project ID</b> | <b>Project Description</b>                        | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|---|-------------------|---------------------------|
| M606-01-02        | Wassaic Yard Expansion-D/C                        | Sep-14            | \$2.70                    |
| M601-01-01        | EMU Replacement/Repair                            | Dec-14            | \$24.97                   |
| M601-01-02        | M-8 New Haven Line Purchase                       | Dec-14            | \$220.50                  |
| M601-01-03        | Shuttle/Switcher Locomotives                      | Dec-14            | \$11.91                   |
| M602-01-01        | GCT Trainshed/Tunnel Structure                    | Dec-14            | \$30.03                   |
| M602-01-04        | GCT Trainshed Track Structure                     | Dec-14            | \$3.00                    |
| M602-01-09        | GCT Customer Communications                       | Dec-14            | \$2.04                    |
| M602-02-04        | Station Building Rehabilitation/Net Lease         | Dec-14            | \$4.95                    |
| M602-02-07        | Smart Card Improvements                           | Dec-14            | \$8.13                    |
| M602-02-08        | Customer Communications/Connectivity Improvements | Dec-14            | \$60.52                   |
| M602-03-02        | Strategic Facilities                              | Dec-14            | \$45.25                   |
| M603-01-05        | M o f W Equipment/RS                              | Dec-14            | \$10.00                   |
| M603-01-06        | Cyclical Repl. Insulated Joint                    | Dec-14            | \$2.40                    |
| M603-01-07        | Rock Slope Remediation                            | Dec-14            | \$6.70                    |
| M603-01-08        | Drainage and Undercutting Program                 | Dec-14            | \$10.00                   |
| M603-02-01        | Replace Timbers Undergrade Bridges                | Dec-14            | \$3.68                    |
| M603-02-02        | Rehab Culverts/Railtop Culvert                    | Dec-14            | \$3.31                    |
| M603-02-03        | Right of Way Fencing                              | Dec-14            | \$0.70                    |
| M603-02-05        | Bridge Walkways Installation                      | Dec-14            | \$1.77                    |
| M603-02-06        | Remove Obsolete Facilities                        | Dec-14            | \$2.90                    |
| M603-02-09        | Employee Welfare and Storage Facility             | Dec-14            | \$10.00                   |
| M603-02-10        | Replace/Repair Undergrade Bridges Program         | Dec-14            | \$36.50                   |
| M603-02-11        | Harlem River Lift Bridge Cable                    | Dec-14            | \$10.50                   |
| M603-02-12        | Overhead Bridge Program - E of H                  | Dec-14            | \$17.10                   |
| M603-03-02        | West of Hudson Improvements                       | Dec-14            | \$3.79                    |
| M603-03-05        | West of Hudson Replace/Renew Undergrade Bridges   | Dec-14            | \$11.91                   |
| M604-01-07        | Refurbish/Replace Electrical Switch Machine       | Dec-14            | \$0.48                    |
| M604-01-08        | Design/Replace Harlem and Hudson Track Relays     | Dec-14            | \$1.14                    |
| M604-01-09        | Replace High Cycle Relays                         | Dec-14            | \$0.60                    |
| M605-01-05        | Replace Substation Batteries                      | Dec-14            | \$1.00                    |
| M605-01-09        | Replace 3rd Rail Brackets - Park Avenue Tunnel    | Dec-14            | \$6.00                    |
| M606-01-03        | Other Shops/Yards Renewal                         | Dec-14            | \$24.10                   |
| M608-01-09        | Systemwide Security Initiatives                   | Dec-14            | \$5.00                    |
| M603-01-04        | Turnouts - Yards/Sidings                          | Dec-14            | \$4.41                    |

**Bridges & Tunnels**  
**2010-2014 Completions**  
**\$ in millions**

| Project ID | Project Description  | Completion | Project Allocation |
|------------|--|------------|--------------------|
| D501CB08   | Deck and Structural Rehab  | May-10     | \$69.34            |
| D502TN49   | Suspended Span Deck Repl   | Jun-10     | \$4.66             |
| D502TN82   | Rehab of Orthotropic Deck  | Jun-10     | \$2.73             |
| D502HH80   | Replace Lower Level Deck   | Jun-10     | \$87.91            |
| D503AW48   | 2nd Generation E-Zpass In-Lane   | Jun-10     | \$5.01             |
| D504AW82   | Alternate Fuel Storage   | Jul-10     | \$2.18             |
| D502VN80   | Rehab Decks on Suspended Spans   | Oct-10     | \$51.91            |
| D501VN32   | Structural Steel Repairs   | Nov-10     | \$13.63            |
| D402BW89   | Approach Ramps Repl.& Lower Ga   | Dec-10     | \$21.07            |
| D502HH04   | Replace Cross Drainage   | Dec-10     | \$3.96             |
| D502VN84   | Widening of Belt Parkway Ramps   | Jan-11     | \$3.58             |
| D504QM30   | Electric Upgrade - Vent Bldgs  | Feb-11     | \$3.56             |
| D502TB64   | Replace Deck-RI Viaduct  | Mar-11     | \$250.92           |
| D502TN50   | Replace Concrete Deck  | Apr-11     | \$75.89            |
| D503VN03   | New Toll Plaza - Phase 1   | Oct-11     | \$11.02            |
| D503AW36   | Installation of CCTV/Fiber Opt   | Dec-11     | \$1.72             |
| D503AW35   | Weather Information Systems  | Dec-11     | \$0.98             |
| D504AW80   | Variable Message Signs   | Dec-11     | \$3.59             |
| D602RK74   | Replace T-48 Wearing Surface   | Jan-12     | \$30.86            |
| D503HH85   | Upper Level Toll Plaza Deck  | Feb-12     | \$4.75             |
| D501TN87   | Anchorage and Tower Protection   | Mar-12     | \$11.41            |
| D607TN87   | Paint - Bronx and Queens Tower Fender Systems                              | Mar-12     | \$8.31             |
| D503AW37   | Operation Centers TS Systems   | Mar-12     | \$3.28             |
| D607VN88   | Tower Painting - Below Roadway Level                                       | Oct-12     | \$30.36            |
| D502BW89   | Elevated & On Grade (Bx) Appr.   | Oct-12     | \$209.38           |
| D501BW84   | Cable and Anchorage Investigation  | Dec-12     | \$8.18             |
| D501BW97   | Concrete Anchorage Repairs   | Dec-12     | \$11.10            |
| D601CB09   | Substructure & Underwater Work   | Dec-12     | \$30.06            |
| D505QM01   | Service & FE Building Rehab  | Mar-13     | \$16.29            |
| D607TN85   | Steel Repairs - Suspended Span   | Jun-13     | \$4.12             |
| D602HH10   | Upper Level Sidewalk / Curb Stringers                                      | Aug-13     | \$39.15            |
| D607HH10   | Paint - Curb Stringers   | Aug-13     | \$0.81             |
| D603AW54   | Regional Integration   | Nov-13     | \$3.12             |
| D601MP06   | Substructure & Underwater Scour Protection                                 | Dec-13     | \$17.10            |
| D601MP16   | Miscellaneous Steel Repairs  | Dec-13     | \$2.51             |
| D602TN82   | Rehabilitate Orthotropic Deck - Phase B                                    | Dec-13     | \$51.96            |
| D604BW15   | Installation of New Necklace Lighting System & Accoustic Monitoring System | Dec-13     | \$10.67            |
| D607TN82   | Paint - Bronx and Queens Approach Spans                                    | Dec-13     | \$63.35            |
| D601TN60   | Anchorage Dehumidification   | Jan-14     | \$3.30             |
| D601HH07   | Structural Rehabilitation - Phase I  | Feb-14     | \$7.28             |
| D602VN03   | Toll Plaza - East & West Bound Ramps Improvements                          | May-14     | \$105.82           |
| D402TB65   | Deck Rpl: Manhattan Plaza & Ra   | Jun-14     | \$24.86            |
| D601BW97   | Concrete Anchorage Repairs - Bronx   | Jun-14     | \$10.75            |
| D602RK65   | Deck Replacement - Bronx/Manhattan Ramps/TollPlaza                         | Jun-14     | \$435.81           |
| D607RK65   | Paint - Plaza and Approach Ramps   | Jun-14     | \$18.83            |
| D601TN52   | Miscellaneous Structural Rehabilitation                                    | Sep-14     | \$26.80            |
| D604BB45   | Replace Electrical Switchgear & Equipment                                  | Sep-14     | \$63.47            |
| D604QM81   | Controls / Communication System  | Sep-14     | \$4.31             |
| D604VN87   | Substation #1 Rehabilitation   | Oct-14     | \$16.63            |
| D603AW52   | Advanced Traffic Detection / Management System                             | Nov-14     | \$4.59             |
| D601BW84   | Cable Investigation / Monitoring   | Dec-14     | \$9.24             |
| D601HH81   | Replace Lower Level South Approach   | Dec-14     | \$8.67             |
| D601VN35   | Steel Repair & Concrete Rehab. & Drainage Systems                          | Dec-14     | \$19.09            |
| D605BB21   | Service Building Rehabilitation  | Dec-14     | \$4.16             |
| D607VN35   | Paint - Brooklyn&Staten Island Lower Level Ramps                           | Dec-14     | \$17.41            |
| D603AW48   | 2nd Generation E-Zpass In-Lane   | Jul-15     | \$35.00            |

**MTA Capital Construction Company**  
**2010-2014 Completions**  
**\$ in millions**

| <b>Project ID</b> | <b>Project Description</b>                      | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|---|-------------------|---------------------------|
| G51402G3          | 06TSG Fncg&CCTV-Var Sys Loc'ns                  | Mar-10            | \$2.03                    |
| G4140407          | 03ODP -AccessCntrl/Detect Sys                   | Mar-10            | \$17.67                   |
| G4140409          | 04ODP -Incident Mgmt Equipmnt                   | Apr-10            | \$0.55                    |
| G5140401          | 05 ODP Grant - CCTV                             | May-10            | \$21.68                   |
| G4140412          | 04ODP - RollUp Doors - Depots                   | Jun-10            | \$3.50                    |
| G5090125          | MNR MODs andTractionPower Relo                  | Jun-10            | \$16.60                   |
| G5140103          | B&T Bronx Whitestone Hardening                  | Jul-10            | \$44.60                   |
| G4120109          | FSTC 4A- Foundation                             | Aug-10            | \$98.95                   |
| G4120204          | SoFe Landscaping                                | Aug-10            | \$25.40                   |
| G4140204          | East River Tunnels - Security                   | Aug-10            | \$47.50                   |
| G4140201          | LIRR Security Projs:Infra&Facs                  | Sep-10            | \$13.37                   |
| G5090128          | Madison Yard Demolition                         | Sep-10            | \$40.93                   |
| G5140404          | 2006 BZPP Grant - 63rd Street                   | Sep-10            | \$1.00                    |
| G4140101          | B&T Security Projs:Infra&Facs                   | Dec-10            | \$16.77                   |
| G5090119          | Harold & Point CIL                              | Dec-10            | \$38.17                   |
| G4140501          | MTA Security Program                            | Dec-10            | \$59.72                   |
| G4140401          | NYCT Security Projs:Infra&Facs                  | Dec-10            | \$201.68                  |
| G5140104          | B&T Triborough Hardening                        | Dec-10            | \$55.72                   |
| G5090127          | F Interlocking CIL                              | Feb-11            | \$8.18                    |
| G5090145          | Adv Procurement-Mtls 3rd Party                  | Mar-11            | \$31.58                   |
| G5140303          | 07TSG GCT Emergency Generators                  | May-11            | \$17.32                   |
| G4090126          | Harold Structures (Part 2A)                     | May-11            | \$27.07                   |
| G4140206          | ARRA TSGP-Penn Stn Perim Prot                   | Jun-11            | \$11.81                   |
| G4140301          | MNR Security Projs:Infra&Facs                   | Jul-11            | \$59.58                   |
| G5100103          | Cntract 5A 86 St Stn Structure                  | Aug-11            | \$46.00                   |
| G5140405          | 07TSG Access Cntrl/Detect Sys                   | Aug-11            | \$15.48                   |
| G4120115          | FSTC 4E-Dey St Conc Finishes                    | Sep-11            | \$26.73                   |
| G4120116          | Cortlandt St BWY-BMT Southbound Platform (MTA)  | Sep-11            | \$5.92                    |
| G4160103          | Cortlandt St BWY-BMT Southbound Platform (PANY) | Sep-11            | \$9.98                    |
| G5140407          | 08TS 34th St Herald Sq AccCntl                  | Sep-11            | \$33.50                   |
| G5140408          | 08TSG 47-50 RockCtrAccessCntrl                  | Sep-11            | \$5.23                    |
| G4090143          | 44th St. & 245 Park Ave. Entr                   | Sep-11            | \$42.80                   |
| G5090148          | Northern Blvd Crossing                          | Oct-11            | \$89.24                   |
| G4100106          | SAS Tunnels 92 St-62 St                         | Jan-12            | \$397.06                  |
| G5090117          | Harold Structures (Part 1)                      | Jan-12            | \$179.71                  |
| G5140406          | 07TSG Chambers St IESS                          | Mar-12            | \$15.78                   |
| G4140203          | Penn Stn LIRR/NYCT Sec/Harden                   | Mar-12            | \$52.85                   |
| G5140107          | 08TSG RFK Bridge Hardening                      | Apr-12            | \$5.54                    |
| G5110110          | Construction (Site K)                           | May-12            | \$92.34                   |
| G5090115          | 50th St. Vent Plant Facility                    | Jun-12            | \$99.07                   |
| G4140417          | CCTV Installation on Buses                      | Jun-12            | \$5.00                    |
| G4140102          | Verazzano Br Security / Harden                  | Jun-12            | \$105.79                  |
| G4140302          | Grnd Cntrl Security/Hardening                   | Jun-12            | \$64.16                   |
| G4140403          | 63 St Tun Security & Hardening                  | Jun-12            | \$81.11                   |
| G4140404          | Times Square - Security                         | Jun-12            | \$23.28                   |
| G5140206          | 07UASI Jamaic Sta PerimProtect                  | Jun-12            | \$4.21                    |
| G4120114          | FSTC 4C/D-4/5 Rehb Dey Headhse                  | Jul-12            | \$84.78                   |
| G5110107          | Construction (Site L)                           | Aug-12            | \$65.50                   |
| G5110104          | Running Tunnel                                  | Sep-12            | \$1,226.30                |
| G4090119          | MH Tunnel Excavation                            | Sep-12            | \$455.00                  |
| G5090114          | GCT Concrse Civil&Structural                    | Sep-12            | \$781.02                  |
| G5090122          | Queens Bored Infrastructure                     | Sep-12            | \$756.76                  |
| G4120108          | FSTC 4G-Corbin Bldg Restoratn                   | Dec-12            | \$86.03                   |

**MTA Capital Construction Company**  
**2010-2014 Completions**  
**\$ in millions**

| <b>Project ID</b> | <b>Project Description</b>           | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|--------------------------------------|-------------------|---------------------------|
| G5110108          | Construction (Site J)                | Dec-12            | \$170.97                  |
| G6140104          | Procure Loop & Hardy CILs            | Jan-13            | \$4.61                    |
| G4120106          | FSTC 4B- A/C Mezzanine, J/M/Z        | Mar-13            | \$188.18                  |
| G6090112          | 55th St Vent Facility                | Apr-13            | \$71.55                   |
| G5110101          | Future Construction                  | Jul-13            | \$351.70                  |
| G5100101          | Contract 2A 96 St Stn Structure      | Aug-13            | \$363.30                  |
| G5100102          | Contract 4A&B 72 St Stn Structure    | Aug-13            | \$661.10                  |
| G5090118          | Harold Interlocking Stage 1          | Sep-13            | \$164.19                  |
| G6090120          | Plaza Substation & Structure         | Nov-13            | \$242.34                  |
| G5100107          | Cnt 5B 86St Stn Mining&Lining        | Jan-14            | \$105.90                  |
| G5100108          | Contract 3: 63rd St Stn Rehab        | Jan-14            | \$152.50                  |
| G6090118          | Harold Interlocking Stage 3 (FHA-03) | Apr-14            | \$27.65                   |
| G6090123          | Harold Structures (Part 3)           | Apr-14            | \$233.75                  |
| G4120103          | FSTC Real Estate                     | Jun-14            | \$174.05                  |
| G4120107          | FSTC 4F-Transit Center Encl          | Jun-14            | \$291.68                  |
| G6090108          | Facility Power & Tunnel Vent         | Jun-14            | \$202.72                  |
| G5090129          | Systemwide Trackwork                 | Jul-14            | \$12.69                   |
| G6090106          | Systemwide Trackwork                 | Jul-14            | \$128.90                  |
| G6090110          | Signals                              | Jul-14            | \$109.66                  |
| G5090150          | Manhattan Structures Part 2          | Oct-14            | \$19.88                   |
| G6090117          | Manhattan Structures Part 2          | Oct-14            | \$396.40                  |
| G6090109          | Traction Power                       | Oct-14            | \$56.92                   |



**MTA Bus Company**  
**2010-2014 Completions**  
**\$ millions**

| <b>Project ID</b> | <b>Project Description</b>  | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|---|-------------------|---------------------------|
| U40302/08         | New Buses:105 Standard Hybrid Buses   | Mar-10            | \$63.27                   |
| U50302/03         | Depot Rehabilitation:Roof/Ventilation: Laguardia Depot                            | Feb-11            | \$8.75                    |
| U50302/11         | Depot Rehabilitation:Roof/Ventilation: Far Rockaway Depot                         | Apr-11            | \$6.93                    |
| U50302/21         | Misc: Bus Projects:2008 Project Administration                                    | Apr-11            | \$1.23                    |
| U50302/04         | Depot Rehabilitation:Power Upgrade-LaGuardia Depot                                | May-11            | \$2.08                    |
| U50302/13         | Depot Rehabilitation:Roof/Ventilation: Eastchester Maintenance Facility           | May-11            | \$3.09                    |
| U50302/20         | Depot Equipment And Machinery:Depot Equipment                                     | May-11            | \$0.79                    |
| U50302/09         | Misc: Bus Projects:Upgrade Parking: Baisley Pk & JFK Depot                        | Aug-11            | \$9.76                    |
| U50302/12         | Depot Rehabilitation:Roof/Ventilation: Baisley Park Depot                         | Oct-11            | \$8.50                    |
| U50302/10         | Misc: Bus Projects:Security Upgrade: College Point, Eastchester, Yonkers          | Dec-11            | \$2.83                    |
| U60302/15         | New Buses:83 Standard Buses   | Dec-11            | \$50.90                   |
| U50302/14         | Depot Rehabilitation:Roof/Ventilation: JFK Depot                                  | Mar-12            | \$8.00                    |
| U50302/17         | Misc: Bus Projects:Fire Protection: JFK, LaGuardia, Baisley Park, Eastchester     | Apr-12            | \$10.00                   |
| U50302/04         | Depot Rehabilitation:Electr Upgrd/Emerg Generators 6 Depots                       | May-12            | \$11.78                   |
| U50302/15         | Misc: Bus Projects:New Fueling Lane & Bus Washer: LaGuardia                       | Jun-12            | \$8.00                    |
| U50302/16         | Misc: Bus Projects:Additional Fueling Capacity: Baisley Park, JFK, LaGuardia      | Jun-12            | \$3.00                    |
| U60302/16         | New Buses:64 Standard Buses   | Dec-12            | \$46.30                   |
| U50302/05         | Depot Rehabilitation:Reloc Fuel Tanks/Bus Washers-Eastchester                     | Jan-13            | \$10.00                   |
| U50302/19         | Autos, Trucks & Service Vehicles: DOB:Service Vehicles                            | Mar-13            | \$4.17                    |
| U50302/99         | Capital Program Management:Misc Consultant Construction Mgmt Svces                | Aug-13            | \$5.00                    |
| U60302/01         | Misc: Bus Projects:Project Administration & Engineering - 2011                    | Dec-13            | \$4.10                    |
| U60302/04         | Misc: Bus Projects:MTA-Bus Security Improvements - 2011                           | Dec-13            | \$6.10                    |
| U60302/05         | Depot Equipment And Machinery:MTA-Bus Depot Equipment - 2011                      | Dec-13            | \$3.30                    |
| U60302/08         | Depot Rehabilitation:New Apron - JFK Depot  | Dec-13            | \$6.50                    |
| U60302/17         | New Buses:34 Standard Buses   | Dec-13            | \$25.90                   |
| U60302/19         | New Buses:72 Articulated Buses  | Dec-13            | \$65.52                   |
| U60302/20         | Misc: Bus Projects:Real Time Customer Information, MTA Bus                        | Dec-13            | \$8.00                    |
| U60302/21         | Misc: Bus Projects:Design Management Services - 2011                              | Dec-13            | \$2.05                    |
| U60302/22         | Misc: Bus Projects:Construction Managmeent Services - 2011                        | Dec-13            | \$2.05                    |
| U60302/01         | Misc: Bus Projects:Project Administration & Engineering Support - 2012            | Dec-14            | \$4.26                    |
| U60302/05         | Depot Equipment And Machinery:MTA-Bus Depot Equipment - 2012                      | Dec-14            | \$5.00                    |
| U60302/13         | Depot Rehabilitation:Depot Modifications for Articulated Buses: Baisley Park, JFK | Dec-14            | \$6.10                    |
| U60302/18         | New Buses:32 Express Buses  | Dec-14            | \$23.60                   |
| U60302/21         | Misc: Bus Projects:Design Management Services - 2012                              | Dec-14            | \$2.13                    |
| U60302/22         | Misc: Bus Projects:Construction Managment Services - 2012                         | Dec-14            | \$2.13                    |

**MTA Police Department**  
**2010-2014 Completions**  
**\$ in millions**

| <b>Project ID</b> | <b>Project Description</b>                      | <b>Completion</b> | <b>Project Allocation</b> |
|-------------------|---|-------------------|---------------------------|
| N510-01-01        | MTAPD Suffolk County District Office            | Dec-10            | \$11.47                   |
| N510-01-16        | MTAPD Public Safety Radio Alternatives Analysis | May-11            | \$0.25                    |
| N510-01-15        | MTAPD Merrick Facility                          | Dec-11            | \$1.49                    |
| N510-01-10        | MTAPD Communication Center Backup               | Jun-12            | \$2.22                    |
| N510-01-04        | MTAPD K9 Facility                               | Dec-13            | \$7.46                    |
| E610-01-02        | MTAPD Staten Island District Office             | Dec-14            | \$12.00                   |
| E610-01-03        | MTAPD Nassau County District Office             | Dec-14            | \$13.00                   |

**OPERATING IMPACTS EXCEEDING \$1 MILLION  
FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2010-2014**

**NEW YORK CITY TRANSIT CAPITAL PROJECTS**

**Project:** Mother Clara Hale Depot Reconstruction (*newly added*)

This is a reconstruction of a bus depot to create a modern facility and increase vehicle handling capacity. The new multi-story depot will replace a single-story structure dating from the 1890's. Impacts will begin in 2011 (\$1.5 million), with full impacts in late 2013 (\$2.7 million).

**Project:** Enterprise Security Network Infrastructure (*newly added*)

This will install unified threat management network security hardware at all the nodes on the new IP-based enterprise data network. The security hardware will protect mission-critical applications like ATS (Automatic Train Supervision), CBTC (Computer based Train Control), PACIS (Public address and Customer Information System) which are planned to be migrated to new network. Full impacts will start in 2014 (\$2.7 million).

**Project:** 7 West Extension (*newly added*)

This project will extend the Flushing Line (7) southwest from 42 St & 8<sup>th</sup> Ave to a new station at 34 St & 11<sup>th</sup> Ave. The construction includes new running tunnel and associated right-of-way equipment; vent plants; and a new terminal station with elevators, escalators, HVAC, and other modern station finishes. The extension is currently scheduled to begin revenue service in 3Q2013. Full impacts have not been calculated but are expected to be greater than \$1 million per year.

**Project:** Fulton St Transit Center Complex

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

**Project:** R160 Option 2 Subway Car Purchase

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

**Project:** Charleston Depot Annex

This is a new bus depot. 72 positions are added, reflecting the fixed overhead of operating a depot. Beginning in 2009, 10 of the positions include security guards, who will provide 24x7 coverage. Initial operating impacts begin in 2008 (\$1.2 million), but full impacts begin with completion of the project in August 2010, totaling about \$6.4 million annually.

## **OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2010-2014**

**Project:** Paratransit AVL

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

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

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

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### **LONG ISLAND RAIL ROAD CAPITAL PROJECTS**

There are no capital projects entering beneficial use in 2010-2014 that have an impact on LIRR's operating budget over \$1 million.

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### **METRO-NORTH RAILROAD CAPITAL PROJECTS**

**Project:** GCT Facilities Rehabilitation

This project renovates the existing Tennis Court Facilities on the 3rd floor including two mezzanines in GCT into a suitable, environmentally-friendly locker/rest facility for Train & Engine (T&E) crews, Bldg Services/Customer Service Reps, and Fire Brigade personnel. Also included is the construction of two structural floors at the 4th and 5th floor as an option to add at a later. There is a one time approx. impacts in 2011 (\$0.98 million) includes purchase of furniture, and possible increase in positions to manage services. Future impacts in 2012 and on will be minimal.

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### **MTA CAPITAL CONSTRUCTION COMPANY CAPITAL PROJECTS**

There are no capital projects entering beneficial use in 2010-2014 that have an impact on the MTACC's operating budget over \$1 million.

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### **MTA BUS COMPANY CAPITAL PROJECTS**

There are no capital projects entering beneficial use in 2010-2014 that have an impact on the MTA BUS's operating budget over \$1 million.

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**OPERATING IMPACTS EXCEEDING \$1 MILLION  
FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2010-2014**

**BRIDGES AND TUNNELS CAPITAL PROJECTS**

**Project:** Anchorage and Tower Improvements at the Throgs Neck Bridge

Best Value Analysis of the 2010-2014 Capital Program resulted in the incorporation of the Major Maintenance Project TNM-338, miscellaneous steel repairs to the tower bases and removal and replacement of concrete encasements, into this Capital Project. The work being capitalized is similar to the work being performed under the capital project, economies of scale are achieved by performing this work under one contract and the work complies with capital eligibility requirements. The major work of this project is structural steel work water for anchorage and tower protection. Impacts reflecting reductions to the major maintenance costs are reflected in 2010 and 2011 (\$3.9 million and \$2.3 million respectively). These reductions have already been incorporated into the July 2010 Financial Plan.

**Project:** QMT Maintenance Facility

Best Value Analysis of the 2010-2014 Capital Program resulted in the incorporation of the Major Maintenance Project QMM-332, Borden Avenue Environmental Remediation, into this Capital Project. The work being capitalized complies with capital eligibility requirements and is a GASB #49 reportable remediation. In addition, economies of scale are achieved by performing this work under one contract. Impacts reflecting reductions to the major maintenance costs are reflected in 2010 and 2011 (\$0.1 million and \$1.1 million respectively). These reductions have already been incorporated into the July 2010 Financial Plan.

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**MTA POLICE DEPARTMENT CAPITAL PROJECTS**

There are no capital projects entering beneficial use in 2010-2014 that have an impact on the MTAPD's operating budget over \$1 million.

## **V. Agency Financial Plans**

# **Bridges and Tunnels**

**MTA BRIDGES AND TUNNELS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011–2014**

**MAJOR HIGHLIGHTS**

MTA Bridges and Tunnels (B&T) operates seven bridges and two tunnels that form essential links for vehicular highway transportation in the New York City metropolitan region. With an average daily traffic of more than 800,000 vehicles using the nine crossings and more than half of its \$1.4 billion in revenue dedicated to mass transit, B&T plays a significant role in enhancing regional mobility.

B&T consists of 14 different departments, including the Operations workforce that manages the facilities on a day-to-day basis, and the Engineering and Construction Department that is responsible for maintaining the structural integrity of the facilities. The Operations Department employs 70 percent of the workforce and the Engineering and Construction employs another 9 percent. The other B&T departments perform a wide variety of critical functions in support of B&T's dual responsibilities of moving vehicles across its facilities as safely and efficiently as possible and providing essential and significant financial support to the MTA transportation network. While the current economic downturn continues to be a significant challenge for the region's transportation network, B&T continues to be a strong source of fiscal stability to the MTA. In 2010 and 2011, B&T will contribute \$781 million and \$766 million, respectively in Support to Mass Transit.

**Budget Reduction Initiatives**

In response to the regional recession, which has resulted in lower MTA subsidies, this Plan incorporates significant cost savings. Each MTA agency was asked to develop a Budget Reduction Program (BRP) to significantly reduce current and ongoing expenses. B&T's approach to meeting this challenge was to undertake a comprehensive organizational assessment to identify cost saving opportunities in both administrative and operational areas. Through this effort:

- The organization was significantly re-designed.
- Non-value added and duplicative functions were eliminated.
- Organizational layers were reduced.
- Spans of controls were increased.

These changes will transform the way B&T operates. In total, 117 positions (29 positions identified in the 15% administrative reduction program and 88 in the BRP) are being eliminated in 2010, saving \$5.6 million (including fringe benefits) this year and \$10.6 million in 2011 and beyond. These reductions are in addition to previous AABB reductions and 32 positions that are being eliminated by moving various administrative functions to the new MTA Business Service Center between 2011 and 2012. Together,



these actions will reduce the number of positions in B&T by 163 from the budgeted headcount at the end of 2009 (more than 9 percent).

In addition to the headcount savings, significant overtime reductions are being carried out. Through the comprehensive organizational assessment, B&T was able to consolidate functions, improve management controls and realign schedules to allow for more efficient utilization of the workforce, helping to reduce overtime and related costs by approximately \$4.4 million in 2010, almost \$5.5 million in 2011 and \$6.4 million in 2012 and beyond. These reductions will lower overtime by nearly 15 percent in 2010, and more than 18 percent in 2011 and 20 percent in 2012 and thereafter.

| (\$ in millions)                  |          |          |          |          |
|-----------------------------------|----------|----------|----------|----------|
| Overtime Exp(*)                   | 2010     | 2011     | 2012     | 2013     |
| February Adopted Budget(**)       | \$29,511 | \$29,817 | \$31,397 | \$32,051 |
| July Mid-Year Forecast            | \$25,109 | \$24,359 | \$24,983 | \$25,466 |
| Variance \$:<br>February vs. July | \$4.402  | \$5.454  | \$6,414  | \$6.585  |
| Variance %:<br>February vs. July  | 14.9%    | 18.3%    | 20.4%    | 20.5%    |

(\*) includes 7% fringe benefits

(\*\*) includes the AABB savings

Finally, while not tied as directly to the organizational assessment, very significant non-labor savings are being incorporated into this financial plan as part of the BRP. Projects are being eliminated or deferred after being evaluated against a more rigorous and analytical framework, contractual costs are being reduced, E-ZPass savings are being realized and, through a comprehensive Best Value Analysis of the 2010-14 capital program, major savings opportunities were identified in the operating budget. Perhaps the most important non-labor initiative was the determination that a significant portion of B&T's bridge painting program is capital budget eligible since it extends the useful life of the structure. This funding switch alone will reduce operating expenses by \$17 million in 2010 and more than \$158 million over the 2010-14 plan period. Moreover, incorporating painting into the 2010-14 Capital Program was done without increasing the \$2.45 billion capital funding envelope, as other reductions were made in the program as a result of a Best Value Analysis carried out earlier this year.

The BRP, along with additional labor and non-labor cost reductions, are enabling B&T to reduce its 2010 operating expenses by \$36.3 million or 8% (in addition to \$8.4 million in capitalized asset savings), \$69.2 million or 14% in 2011, and from \$61 to \$72 million or 11 to 14% of its budget each year between 2012 and 2014.

#### Organizational Assessment Program

Summaries of the key initiatives identified through B&T's comprehensive organizational assessment follow. (The positions identified include both the 29 positions that were identified in the 15% administrative reduction program and the 88 for the BRP). Individually, each item represents a significant departure from the way B&T has been

operating. Taken together, these initiatives represent a permanent structural change in the B&T organization.

#### Consolidation of Maintenance Operations

For many years, B&T's maintenance functions have been spread among three departments (Central Maintenance, Facilities/ Operations and Internal Security). Workers in these separate departments have traditionally performed specialized roles specifically related to their unit, as opposed to carrying out a variety of maintenance functions as needed. By consolidating these functions into one department (Central Maintenance), staff will be able to be deployed more efficiently, layers of management in the Operations and Maintenance departments will be reduced and service will be improved both for internal and external customers. In addition, this consolidation will enable B&T to reduce its number of vehicle service garages from eight to four. Currently, there is a service garage for B&T vehicles at most bridges and tunnels. Under this consolidation, the garages will be regionalized with each garage serving at least two facilities while increasing hours of operation, a change that will reduce staffing levels and overtime. In total, this initiative will annually reduce the budget by 26 positions and \$1.8 million.

#### Elimination of Warehouse

B&T is eliminating its materials warehouse and replacing it with more efficient processes such as desktop ordering and "Just-in-Time" vendor delivery. The effect of this change is to facilitate delivery of materials directly to the facilities that need them without having the costly burden of holding inventory and operating a warehouse. This initiative will reduce staff, eliminate outside contracts associated with maintaining the current warehouse and reduce overtime. The reduction in warehouse staff is also enabling B&T to shift ten headcount from the warehouse into janitorial positions at other facilities, resulting in additional cost savings from the elimination of outside cleaning contracts. In total, this initiative will annually reduce the budget by four positions and \$300,000 in labor savings, in addition to \$1.6 million in non-labor reductions.

#### Revamping of Maintenance Schedules

Most maintenance workers have traditionally been assigned to an 8am to 4pm shift, limiting their ability to carry out work during rush hours and creating additional overtime when employees must work evenings and weekends to finish ongoing work. Working with its labor counterparts, B&T is shifting workers to additional evening and overnight shifts, a change which will increase productivity, limit overtime and improve customer service. This initiative alone will reduce the overtime budget by more than \$700,000 annually.

#### Improving Engineering Process

As B&T's largest capital program gets underway, the responsibilities of the facility engineering staff are being increased, helping to ensure that as much project specific activity as possible is carried out by the field staff that knows each bridge and tunnel best. In addition, inefficient workflows that delay progress on capital

work have been re-designed, redundant budgeting activities that resided in more than one department have been streamlined, spans of control in the engineering and capital budget areas have been increased and management layers have been reduced. In total, this initiative will annually reduce the budget by 37 positions and \$3.6 million.

#### Organizational Restructuring and Implementation of Best Practice Guidelines

Utilizing electronic purchasing (specifically on the New York State office of General Services website), instituting higher bid thresholds and entering into additional multi-year contracts, will enable B&T to streamline its procurement process and reduce administrative needs. Through this change, purchase orders will be processed more quickly while organizational layers are reduced and the span of control is increased in B&T's Procurement Department. B&T is also consolidating functions and increasing the span of control in Internal Security in light of the consolidation of maintenance services.

Similarly, in the Human Resources, Technology and Finance areas, many of the functions will be moving to the Business Service Center, providing B&T with an opportunity to consolidate administrative activities, both within B&T and with other agencies sharing the 2 Broadway facility. In total, this initiative will annually reduce the budget by 50 positions and \$4.1 million.

#### Other Programmatic Highlights/Cost Reduction Initiatives

In addition to the budget reduction actions identified through the comprehensive organizational assessment, B&T is carrying out a number of other initiatives, many of which, as mentioned, will improve customer service and yield additional operational efficiencies, which are included in the Budget Reduction Program.

#### All Electronic Tolling

In 2010, B&T continued its feasibility study of All-Electronic Toll Collection (AET) for all of its facilities. Based on the study's early findings, B&T is initiating a pilot to test AET operations at the Henry Hudson Bridge. B&T expects to remove the gates at the facility by the end of 2010 and implement cashless tolling at the Henry Hudson by the fourth quarter of 2011. The purpose of the pilot is to test both the new technologies required to collect video images from passing vehicles and the back-office systems to collect tolls from vehicles without an E-ZPass tag. The pilot will also help determine the level of toll evasion and revenue loss in a non-gated environment and ways to combat these losses with additional legislative enforcement. The data collected from this pilot will be used to evaluate its success and guide the future replacement and reconstruction plans for the Authority's other traditional toll plazas.

#### E-ZPass Initiatives

B&T continually strives to both ensure the continued success of E-ZPass and increase the market share on its facilities, recognizing that E-ZPass not only speeds trips for customers, but keeps B&T costs down, as the cost per transaction

for E-ZPass compared to cash tolls is much lower (approximately \$0.30 for E-ZPass vs. \$0.75 per cash transaction). For this plan period, the budget for the E-ZPass Customer Service Center is being reduced by \$1.7 million annually based on savings generated from a new contract that began in 2009. Key E-ZPass programmatic initiatives include:

- **E-ZPass Tag Swap:** In an important customer service effort, beginning in the second half of 2010 and continuing throughout the plan period, B&T will replace E-ZPass tags that are approaching the end of their service lives. This program will ensure that tags are replaced before the tag components expire, greatly decreasing the possibility that customers will experience tag performance problems. In anticipation of this effort, B&T negotiated a contract option with its E-ZPass tag vendor that includes a 21% discount off the regular tag price for the remainder of the contract period for all new tags being used in the tag swap, saving B&T approximately \$1.5 million in 2010 and \$5.5 million in 2011. Approximately 1.3 million tags will be “swapped out” in 2010 and 2011. Customers will be notified in advance that their tags are due to be replaced and a new tag will be mailed to them along with a return envelope to send back the old tag.
- **E-ZPass-on-the-Go:** In 2008 B&T began offering customers E-ZPass-on-the-Go, a program that enables customers to purchase a prepaid E-ZPass tag and account kit at participating retailers. The program has been very successful as approximately 20 percent of all new E-ZPass accounts have been opened through this program in 2010. Sixty-one retailers and 366 stores now sell the tag in the metropolitan area and future expansion is planned.
- **E-ZPass Replenishment Pilot:** The current market share for E-ZPass at B&T crossings is approximately 76 percent (more than 2 percent higher than a year ago), which is one of the highest in the country. A significant number of customers however, still pay with cash at B&T facilities, many of them because they do not have the ability or desire to link their E-ZPass account to a credit or debit card, as the overwhelming majority of E-ZPass customers do, or because they do not have bank accounts. To address this issue, B&T will begin testing an E-ZPass replenishment card. This initiative will allow customers who wish to replenish their accounts with cash to receive an “E-ZPass card” (it will look like a credit or debit card) that is directly linked to their E-ZPass account. Customers will be able to go to participating retailers and use the card to reload their E-ZPass account with cash through a self-service kiosk or through a sales clerk. An SMS text or e-mail message will be sent back to the customer acknowledging the transaction. B&T hopes to begin this pilot project in mid-2011.

### Painting/Major Maintenance/Capitalized Asset Reduction Resulting From Best Value Analysis

As noted previously, B&T carried out a Best Value Analysis of its 2010-14 capital program. Through this effort, major bridge painting projects that extend the useful life of the facilities were determined to be capital eligible and were incorporated into the 2010-14 Capital Program, reducing operating expenses by approximately \$158 million over the financial plan period without any increase in capital costs; a total of \$61.5 million for non-capital eligible painting will remain in the operating budget over the plan period. (The 2010-14 capital program recently approved by the MTA Board was actually \$50 million lower than the program submitted to the Board the previous year.) Most of this painting work is associated with removal of lead paint and repainting of the bridge structures with new high performance coatings that have a useful life of 30 years and provides corrosion protection to maintain the structural integrity and useful life of all facilities. The majority of these projects are planned for award in conjunction with major capital work that will be awarded as one contract, which will yield efficiencies in the overall procurement process. There are also anticipated capital budget savings in construction staging and project support costs, including in-house force account project management and construction administration costs.

In addition to the shift of bridge painting to the capital program, as part of B&T's Best Value Analysis, major maintenance and capitalized asset projects were reviewed to determine if certain work could be combined with planned capital projects. The ongoing review has thus far identified several projects that can be incorporated into existing capital project scopes (6 major maintenance projects and 2 capitalized asset projects). This will reduce the operating budget by a total of \$7.4 million in 2011 (\$3.2 million in major maintenance and \$4.1 million in capitalized assets). These reviews have been incorporated in the planning process and will continue through the financial plan period.

### Project Deferral or Elimination

B&T reviewed and evaluated all of its 2010 operating budget projects funded out of major maintenance or capitalized assets. A total of six projects were flagged for elimination (all capitalized asset projects) amounting to a reduction of \$0.9 million in 2010 and \$0.2 million in 2011. Thirteen projects have been marked for deferral from 2010 to 2011 (eleven capitalized asset and two operating budget projects) resulting in a total reduction of \$3.9 million in 2010 with a corresponding increase in 2011. Projects deferred until 2011 will have no impact on the safety and security of customers and employees. Projects eliminated were primarily in the technology area and will have no effect on day to day operations.

As part of this effort, B&T also reviewed its vehicle procurement plan. B&T's fleet replacement cycles were determined to be better than current industry benchmarks. However, B&T still re-evaluated the frequency of its fleet replacements and was able to determine that some of the vehicles' useful lives can be extended with minimal impact to facility operations. Therefore, a total of 28

vehicles planned for replacement in 2010 will be replaced in 2011 instead, saving approximately \$1.6 million this year.

#### Ongoing Safety Efforts

B&T continues to rank safety as its highest priority, emphasizing safe work practices and regularly providing safety training. In 2010, B&T won the MTA Chairman's Safety Award for the most improved lost-time injury rate from the previous year. Since 1997, when the All-Agency Safety Initiative began, the number of employee lost time injuries at B&T has declined from 9.7 per 200,000 work hours to 2.6 at the end of 2009. Through May of this year, the rate has increased, preliminarily, to 6.0, due to a higher number of slips, trips and falls during the first quarter of the year. In May, however, the number of injuries was comparable to the previous year, as safety visits to the facilities have been stepped up and procedures reinforced.

B&T also carries out initiatives that help assure the safe passage of its customers, including identifying accident-prone locations, re-evaluating and modifying traffic patterns in construction zones and improving roadway signage. In 2009, there were 283 customer vehicle accidents with injuries on B&T facilities, or 0.96 per every million vehicles, virtually unchanged from the previous year. Through May, the number of these type of accidents has increased somewhat (103 vs. 90 during the first 5 months of 2009) due primarily due to construction related incidents at the Throgs Neck Bridge. In response to this situation, B&T has changed the traffic patterns during the construction and the results have been very positive, with the number of incidents returning to recent levels.

To better enforce weight restrictions and help ensure the safety and structural integrity of the facilities, a truck weight enforcement program was initiated in August 2007 on B&T's suspension bridges. Since its inception, more than 62,500 trucks have been interdicted.

#### Sustainability

Finally, sustainability continues to be a critical priority for Bridges and Tunnels. Sustainability initiatives over the last year include the conversion of 262 Verrazano-Narrows Bridge necklace lights to LED technology, resulting in 73% energy savings as well as maintenance cost savings; a pilot program to test the feasibility of making B&T's existing buildings more sustainable by following the U.S. Green Building Council's LEED for Existing Buildings approach; and the utilization of a highly reflective film on roadway signs as a means to save energy by eliminating the need to light and maintain electric sign illumination.

Sustainability initiatives underway include the replacement of all 195 Robert F. Kennedy Bridge mercury vapor necklace lighting fixtures with high efficiency eco-friendly LEDs; a high-efficiency lighting project upgrade at the Brooklyn-Battery Tunnel's Manhattan and Governor's Island ventilation buildings; and a high-efficiency lighting project upgrade at the Throgs Neck Bridge service building and

garage. Bridges and Tunnels continues to specify for the recycling of construction and demolition debris, the use of recycled materials, the reduction of diesel emissions, and the protection of waterways by appropriate storm water management in its engineering and construction contracts, as well as in other contracts wherever practicable.

## **FINANCIAL OVERVIEW**

### **2010 Mid-Year Forecast**

In the 2010 Mid-Year Forecast, a total of \$1,013.1 million is projected in Baseline Operating Income compared to \$968.4 million in the 2010 Adopted Budget, an increase of \$44.7 million.

Total revenues are \$1,438.2 million, which is \$8.4 million greater than the Adopted Budget. Toll revenue accounts for 98% of all revenues and is projected at \$1,411.1 million, which is \$9.5 million more than the original estimate. The increase is primarily due to generally favorable traffic trends through May and Global Insight's improved forecast for regional employment through the end of the year. Other income has also been increased, by \$1.0 million, to reflect greater than budget revenues from E-ZPass administrative fees. On the downside, Global Insight lowered their projection for short term investment yields, which along with weak actual results through April, reduces Investment Income by \$0.6 million. Capital Reimbursements have been reduced by \$1.7 million due to project rescheduling necessitated by the delay in the adoption of the 2010-2014 Capital Program.

The 2010 Mid-Year Forecast expenses are \$425.0 million, which is composed of \$231.1 million in labor costs and \$193.9 million in non-labor expenses. Total expenses are \$36.3 million lower than the Adopted Budget.

Labor expenses are lower by \$12.6 million due mainly to reductions associated with the BRP in various labor categories. Payroll costs are lower by \$4.3 million (not including fringe benefits) due primarily to the elimination of 117 positions. Reductions in overtime costs by \$4.1 million (not including fringe benefits) are primarily the result of the centralization of maintenance functions, instituting tighter controls on overtime, and elimination of some weekend and night supervisory overtime. Total fringe expenses are \$4.2 million lower as a result of the decline in both payroll and overtime expenses.

Non-labor expenses are lower by \$23.7 million primarily due to the reductions associated with the BRP in various categories of expenses and the capitalization of much of the bridge painting program. Maintenance and Other Operating expenses (\$18.3 million below the Adopted Budget) reflect the lower bridge painting operating expenses (\$17.3 million) as well as lower costs for the E-ZPass Customer Service Center (\$1.7 million) resulting from a re-evaluation of contract expenses, savings from bringing building cleaning in-house (\$0.9 million), lower maintenance costs (\$0.8 million) and lower energy expenses from the NY State Power Authority (\$0.7 million). These were offset by higher major maintenance expenses (\$3.7 million), primarily due to unanticipated repairs at the Bronx Whitestone Bridge resulting from the latest biennial inspection. Professional Services Contracts expenses are also lower (\$2.5 million) primarily from revised estimates for planning studies, general engineering services, training and other expenses. Finally, there are lower tag prices for the tag swap program (\$1.5 million) and lower insurance costs as provided by MTA Risk Management (\$1.3 million).



Total Deductions from Income will decrease by \$8.5 million primarily due to lower capitalized asset expenditures resulting from project eliminations and deferral of projects to 2011.

Total Support to Mass Transit is \$780.8 million compared to \$714.9 million in the 2010 Adopted Budget, an increase of \$65.9 million.

In 2010, the total planned headcount is 1,688, which includes 45 capially reimbursable positions, a reduction of 117 positions from the Adopted Budget. Details regarding the reconciliation of the 2010 Mid-Year Forecast to the Adopted Budget and the assumptions for traffic and headcount are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions sections.

### **2011 Preliminary Budget - Baseline**

In the 2011 Preliminary Budget, a total of \$1,031.9 million is projected in Baseline Operating Income compared to \$953.9 million in the February Financial Plan, an increase of \$78.0 million.

Revenues are \$1,450.8 million, which is \$8.8 million greater than the February Financial Plan. Toll revenue has been revised upward by \$9.8 million to reflect higher traffic volume stemming from favorable trends in 2010 and Global Insight's improved projections for regional employment. The gain in toll revenue is partially offset by a drop of \$1.0 million in Investment Income resulting from Global Insight's downward revisions to short-term investment yields.

Expenses are \$418.8 million, which are composed of \$239.7 million in labor costs and \$179.1 million in non-labor expenses. Overall expenses are \$69.2 million lower than the February Financial Plan.

Labor costs are projected to be lower by \$17.9 million, primarily due to the savings realized from the BRP. Payroll expenses are \$8.1 million (not including fringe benefits) lower than the February Financial Plan due to full-year savings from the elimination of 117 positions. Overtime is lower by \$5.1 million (not including fringe benefits) primarily as a result of a full-year savings from the centralization of maintenance functions, instituting tighter controls on overtime, and eliminating some weekend and night supervisory overtime. Total fringe benefits are \$4.7 million lower as a result of the decline in payroll and overtime expenses.

Non-labor expenses will decrease by \$51.3 million as a result of incorporating the bridge painting program into the 2010-14 capital program (\$33.0 million) and BRP savings, which include lower tag prices for the tag swap program (\$5.5 million), reduction in major maintenance expenses and capitalized asset expenses (\$7.3 million) derived from a best-value analysis for the 2010-14 capital program, savings from the new contract for the E-ZPass Customer Service Center (\$1.7 million) and bringing building cleaning services in-house (\$1.6 million). In addition, there are lower insurance

costs as provided by MTA Risk Management (\$1.8 million) and a reduction in energy expenses (\$1.5 million).

Total Deductions from Income will decrease by \$0.5 million primarily as a result of re-estimates of capitalized asset needs, offset by the deferral of projects from 2010.

Total Support to Mass Transit is \$765.9 million compared to \$687.7 million in the February Financial Plan, an increase of \$78.2 million.

In 2011, total headcount is budgeted at 1,681, which includes 53 reimbursable positions. This includes a total reduction in headcount of 123 positions after accounting for the 117 positions for the BRP and 6 Maintainer positions that are no longer required to service a newly-renovated building for employees who will be relocated based on capital work at the Robert F. Kennedy Bridge complex. The space required to relocate these employees is now being reviewed.

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

### **2012-2014 Projections**

The 2012 projection for Baseline Operating Income is \$1,029.4 million compared to \$949.0 million in the February Financial Plan. This consists of \$1,463.4 million in revenues, less \$434.1 million in expenses. The expenses are comprised of \$250.5 million in labor costs and \$183.6 million in non-labor expenses.

The 2013 projection for Baseline Operating Income is \$1,010.6 million compared to \$943.4 million in the February Financial Plan. This consists of \$1,465.3 million in revenues, offset by \$454.7 million in expenses. The expenses are comprised of \$260.8 million in labor costs and \$193.9 million in non-labor expenses.

In 2014, the projection for Baseline Operating Income is \$994.6 million compared to \$938.5 million in the February Financial Plan. This consists of \$1,471.2 million in revenues, offset by \$476.6 million in expenses. The expenses are comprised of \$271.6 million in labor costs and \$205.0 million in non-labor expenses.

In 2012 to 2014, the total baseline planned headcount will be 1,656 after accounting for the BRP, the Maintainer positions that are not needed, and the Business Service Center (BSC) reductions, which includes 53 capially-reimbursable positions.

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

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | 2009               | 2010               | 2011               |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | Actual             | Mid-Year Forecast  | Preliminary Budget | 2012               | 2013               | 2014               |
| <b>Operating Revenue</b>                                 |                    |                    |                    |                    |                    |                    |
| Vehicle Toll Revenue                                     | \$1,332.115        | \$1,411.134        | \$1,421.045        | \$1,432.029        | \$1,433.990        | \$1,438.515        |
| Other Operating Revenue                                  | 13.468             | 11.896             | 11.016             | 11.167             | 11.329             | 11.491             |
| Capital and Other Reimbursements                         | 0.000              | (0.000)            | 0.000              | 0.000              | (0.000)            | 0.000              |
| Investment Income  | 0.256              | 0.145              | 1.627              | 2.707              | 2.916              | 3.674              |
| <b>Total Revenue</b>                                     | <b>\$1,345.839</b> | <b>\$1,423.175</b> | <b>\$1,433.688</b> | <b>\$1,445.903</b> | <b>\$1,448.235</b> | <b>\$1,453.680</b> |
| <b>Operating Expenses</b>                                |                    |                    |                    |                    |                    |                    |
| <b><u>Labor:</u></b>                                     |                    |                    |                    |                    |                    |                    |
| Payroll  | \$125.836          | \$126.636          | \$128.773          | \$133.668          | \$137.434          | \$140.701          |
| Overtime   | 26.494             | 22.516             | 22.665             | 23.249             | 23.700             | 24.146             |
| Health and Welfare                                       | 20.063             | 20.901             | 22.237             | 23.695             | 25.548             | 27.420             |
| OPEB Current Payment                                     | 11.677             | 12.084             | 13.233             | 14.164             | 15.160             | 16.226             |
| Pensions   | 23.630             | 25.152             | 27.030             | 29.641             | 32.558             | 35.697             |
| Other Fringe Benefits                                    | 19.247             | 16.013             | 16.041             | 15.974             | 16.587             | 17.209             |
| Reimbursable Overhead                                    | (6.491)            | (7.230)            | (7.314)            | (7.460)            | (7.192)            | (7.345)            |
| <b>Total Labor Expenses</b>                              | <b>\$220.457</b>   | <b>\$216.072</b>   | <b>\$222.667</b>   | <b>\$232.931</b>   | <b>\$243.794</b>   | <b>\$254.054</b>   |
| <b><u>Non-Labor:</u></b>                                 |                    |                    |                    |                    |                    |                    |
| Traction and Propulsion Power                            | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            |
| Fuel for Buses and Trains                                | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| Insurance  | 9.073              | 7.573              | 7.743              | 8.368              | 9.051              | 9.801              |
| Claims   | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| Paratransit Service Contracts                            | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts                | 139.374            | 132.725            | 119.336            | 123.277            | 130.175            | 146.915            |
| Professional Service Contracts                           | 13.831             | 16.835             | 18.584             | 19.803             | 20.205             | 20.607             |
| Materials & Supplies                                     | 12.763             | 33.433             | 30.180             | 28.722             | 30.933             | 24.132             |
| Other Business Expenses                                  | 2.283              | 3.394              | 3.302              | 3.425              | 3.489              | 3.553              |
| <b>Total Non-Labor Expenses</b>                          | <b>\$177.324</b>   | <b>\$193.960</b>   | <b>\$179.145</b>   | <b>\$183.594</b>   | <b>\$193.854</b>   | <b>\$205.008</b>   |
| <b><u>Other Expense Adjustments:</u></b>                 |                    |                    |                    |                    |                    |                    |
| Other  | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses Before Depreciation and GASB Adjs.</b> | <b>\$397.781</b>   | <b>\$410.031</b>   | <b>\$401.812</b>   | <b>\$416.525</b>   | <b>\$437.648</b>   | <b>\$459.062</b>   |
| Add: Depreciation  | \$80.097           | \$81.500           | \$85.618           | \$89.928           | \$94.429           | \$104.389          |
| Add: OPEB Obligation                                     | 82.223             | 55.000             | 57.310             | 59.475             | 62.579             | 60.125             |
| Add: Environmental Remediation                           | 0.044              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total Expenses After Depreciation and GASB Adjs.</b>  | <b>\$560.145</b>   | <b>\$546.531</b>   | <b>\$544.740</b>   | <b>\$565.928</b>   | <b>\$594.656</b>   | <b>\$623.576</b>   |
| Less: Depreciation                                       | 80.097             | 81.500             | 85.618             | 89.928             | 94.429             | 104.389            |
| Less: OPEB Obligation                                    | 82.223             | 55.000             | 57.310             | 59.475             | 62.579             | 60.125             |
| <b>Total Expenses</b>                                    | <b>\$397.825</b>   | <b>\$410.031</b>   | <b>\$401.812</b>   | <b>\$416.525</b>   | <b>\$437.648</b>   | <b>\$459.062</b>   |
| <b>Baseline Income/(Deficit)</b>                         | <b>\$948.014</b>   | <b>\$1,013.143</b> | <b>\$1,031.876</b> | <b>\$1,029.378</b> | <b>\$1,010.587</b> | <b>\$994.618</b>   |

## REIMBURSABLE

|   | 2009     | 2010     | 2011               |          |          |          |
|---|----------|----------|--------------------|----------|----------|----------|
|   | Actual   | Forecast | Preliminary Budget | 2012     | 2013     | 2014     |
| Revenue   |          |          |                    |          |          |          |
| Vehicle Toll Revenue                              | \$0.000  | \$0.000  | \$0.000            | \$0.000  | \$0.000  | \$0.000  |
| Other Operating Revenue                           | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Capital and Other Reimbursements                  | 15.711   | 14.990   | 17.065             | 17.529   | 17.036   | 17.537   |
| Investment Income                                 | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Total Revenue                                     | \$15.711 | \$14.990 | \$17.065           | \$17.529 | \$17.036 | \$17.537 |
| Expenses  |          |          |                    |          |          |          |
| Labor:  |          |          |                    |          |          |          |
| Payroll   | \$5.639  | \$4.324  | \$6.133            | \$6.256  | \$6.031  | \$6.159  |
| Overtime  | 0.360    | 0.950    | 0.100              | 0.100    | 0.100    | 0.100    |
| Health and Welfare                                | 1.191    | 1.243    | 1.878              | 2.036    | 2.089    | 2.269    |
| OPEB Current Payment                              | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Pensions  | 1.191    | 0.303    | 0.923              | 0.942    | 0.910    | 0.930    |
| Other Fringe Benefits                             | 0.839    | 0.940    | 0.717              | 0.735    | 0.713    | 0.734    |
| Reimbursable Overhead                             | 6.491    | 7.230    | 7.314              | 7.460    | 7.192    | 7.345    |
| Total Labor Expenses                              | \$15.711 | \$14.990 | \$17.065           | \$17.529 | \$17.036 | \$17.537 |
| Non-Labor:  |          |          |                    |          |          |          |
| Traction and Propulsion Power                     | \$0.000  | \$0.000  | \$0.000            | \$0.000  | \$0.000  | \$0.000  |
| Fuel for Buses and Trains                         | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Insurance   | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Claims  | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Paratransit Service Contracts                     | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Maintenance and Other Operating Contracts         | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Professional Service Contracts                    | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Materials & Supplies                              | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Other Business Expenses                           | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Total Non-Labor Expenses                          | \$0.000  | \$0.000  | \$0.000            | \$0.000  | \$0.000  | \$0.000  |
| Other Expense Adjustments:                        |          |          |                    |          |          |          |
| Other   | \$0.000  | \$0.000  | \$0.000            | \$0.000  | \$0.000  | \$0.000  |
| Total Other Expense Adjustments                   | \$0.000  | \$0.000  | \$0.000            | \$0.000  | \$0.000  | \$0.000  |
| Total Expenses Before Depreciation and GASB Adjs. | \$15.711 | \$14.990 | \$17.065           | \$17.529 | \$17.036 | \$17.537 |
| Add: Depreciation                                 | \$0.000  | \$0.000  | \$0.000            | \$0.000  | \$0.000  | \$0.000  |
| Add: OPEB Obligation                              | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Add: Environmental Remediation                    | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Total Expenses After Depreciation and GASB Adjs.  | \$15.711 | \$14.990 | \$17.065           | \$17.529 | \$17.036 | \$17.537 |
| Less: Depreciation                                | \$0.000  | \$0.000  | \$0.000            | \$0.000  | \$0.000  | \$0.000  |
| Less: OPEB Obligation                             | 0.000    | 0.000    | 0.000              | 0.000    | 0.000    | 0.000    |
| Total Expenses                                    | \$15.711 | \$14.990 | \$17.065           | \$17.529 | \$17.036 | \$17.537 |
| Baseline Income/(Deficit)                         | \$0.000  | \$0.000  | \$0.000            | \$0.000  | \$0.000  | \$0.000  |

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**  
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|   | 2009               | 2010               | 2011               |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Actual             | Mid-Year Forecast  | Preliminary Budget | 2012               | 2013               | 2014               |
| <b>Revenue</b>  |                    |                    |                    |                    |                    |                    |
| Vehicle Toll Revenue                                      | \$1,332.115        | \$1,411.134        | \$1,421.045        | \$1,432.029        | \$1,433.990        | \$1,438.515        |
| Other Operating Revenue                                   | 13.468             | 11.896             | 11.016             | 11.167             | 11.329             | 11.491             |
| Capital and Other Reimbursements                          | 15.711             | 14.990             | 17.065             | 17.529             | 17.036             | 17.537             |
| Investment Income   | 0.256              | 0.145              | 1.627              | 2.707              | 2.916              | 3.674              |
| <b>Total Revenue</b>                                      | <b>\$1,361.550</b> | <b>\$1,438.165</b> | <b>\$1,450.753</b> | <b>\$1,463.432</b> | <b>\$1,465.271</b> | <b>\$1,471.216</b> |
| <b>Expenses</b>   |                    |                    |                    |                    |                    |                    |
| <b><u>Labor:</u></b>                                      |                    |                    |                    |                    |                    |                    |
| Payroll   | \$131.475          | \$130.960          | \$134.906          | \$139.924          | \$143.465          | \$146.860          |
| Overtime  | 26.854             | 23.466             | 22.765             | 23.349             | 23.800             | 24.246             |
| Health and Welfare  | 21.254             | 22.144             | 24.116             | 25.731             | 27.637             | 29.689             |
| OPEB Current Payment                                      | 11.677             | 12.084             | 13.233             | 14.164             | 15.160             | 16.226             |
| Pensions  | 24.821             | 25.455             | 27.953             | 30.584             | 33.469             | 36.627             |
| Other Fringe Benefits                                     | 20.086             | 16.953             | 16.758             | 16.709             | 17.300             | 17.943             |
| Reimbursable Overhead                                     | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total Labor Expenses</b>                               | <b>\$236.168</b>   | <b>\$231.062</b>   | <b>\$239.732</b>   | <b>\$250.460</b>   | <b>\$260.830</b>   | <b>\$271.590</b>   |
| <b><u>Non-Labor:</u></b>                                  |                    |                    |                    |                    |                    |                    |
| Traction and Propulsion Power                             | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            |
| Fuel for Buses and Trains                                 | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| Insurance   | 9.073              | 7.573              | 7.743              | 8.368              | 9.051              | 9.801              |
| Claims  | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| Paratransit Service Contracts                             | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts                 | 139.374            | 132.725            | 119.336            | 123.277            | 130.175            | 146.915            |
| Professional Service Contracts                            | 13.831             | 16.835             | 18.584             | 19.803             | 20.205             | 20.607             |
| Materials & Supplies                                      | 12.763             | 33.433             | 30.180             | 28.722             | 30.933             | 24.132             |
| Other Business Expenses                                   | 2.283              | 3.394              | 3.302              | 3.425              | 3.489              | 3.553              |
| <b>Total Non-Labor Expenses</b>                           | <b>\$177.324</b>   | <b>\$193.960</b>   | <b>\$179.145</b>   | <b>\$183.594</b>   | <b>\$193.854</b>   | <b>\$205.008</b>   |
| <b><u>Other Expense Adjustments:</u></b>                  |                    |                    |                    |                    |                    |                    |
| Other   | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            |
| <b>Total Other Expense Adjustments</b>                    | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses Before Depreciation and GASB Adjts.</b> | <b>\$413.492</b>   | <b>\$425.021</b>   | <b>\$418.877</b>   | <b>\$434.054</b>   | <b>\$454.684</b>   | <b>\$476.598</b>   |
| Add: Depreciation   | \$80.097           | \$81.500           | \$85.618           | \$89.928           | \$94.429           | \$104.389          |
| Add: OPEB Obligation                                      | 82.223             | 55.000             | 57.310             | 59.475             | 62.579             | 60.125             |
| Add: Environmental Remediation                            | 0.044              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total Expenses After Depreciation and GASB Adjts.</b>  | <b>\$575.856</b>   | <b>\$561.521</b>   | <b>\$561.805</b>   | <b>\$583.457</b>   | <b>\$611.692</b>   | <b>\$641.112</b>   |
| Less: Depreciation  | \$80.097           | \$81.500           | \$85.618           | \$89.928           | \$94.429           | \$104.389          |
| Less: OPEB Obligation                                     | 82.223             | 55.000             | 57.310             | 59.475             | 62.579             | 60.125             |
| <b>Total Expenses</b>                                     | <b>\$413.536</b>   | <b>\$425.021</b>   | <b>\$418.877</b>   | <b>\$434.054</b>   | <b>\$454.684</b>   | <b>\$476.598</b>   |
| <b>Baseline Income/(Deficit)</b>                          | <b>\$948.014</b>   | <b>\$1,013.143</b> | <b>\$1,031.876</b> | <b>\$1,029.378</b> | <b>\$1,010.587</b> | <b>\$994.618</b>   |

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE  
Page 2 of 2

|   | 2009<br>Actual   | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012               | 2013               | 2014             |
|---|------------------|------------------------------|-------------------------------|--------------------|--------------------|------------------|
| <b>Baseline Income/(Deficit)</b>                | <b>\$948.014</b> | <b>\$1,013.143</b>           | <b>\$1,031.876</b>            | <b>\$1,029.378</b> | <b>\$1,010.587</b> | <b>\$994.618</b> |
| <b><u>Deductions from Income:</u></b>           |                  |                              |                               |                    |                    |                  |
| Less: Capitalized Assets                        | \$17.300         | \$10.101                     | \$18.329                      | \$18.639           | \$18.600           | \$18.573         |
| Reserves  | 14.373           | 14.162                       | 14.409                        | 14.640             | 14.881             | 15.133           |
| GASB 45 Reserves                                | 2.210            | 2.322                        | 2.365                         | 2.492              | 2.562              | 2.625            |
| <b>Adjusted Baseline Income/(Deficit)</b>       | <b>\$914.130</b> | <b>\$986.558</b>             | <b>\$996.773</b>              | <b>\$993.607</b>   | <b>\$974.543</b>   | <b>\$958.286</b> |
| Less: Debt Service                              | 599.415          | 596.527                      | 619.180                       | 629.911            | 654.343            | 686.359          |
| <b>Income Available for Distribution</b>        | <b>\$314.715</b> | <b>\$390.031</b>             | <b>\$377.593</b>              | <b>\$363.696</b>   | <b>\$320.200</b>   | <b>\$271.928</b> |
| <b><u>Distributable To:</u></b>                 |                  |                              |                               |                    |                    |                  |
| MTA - Investment Income                         | \$0.256          | \$0.145                      | \$1.627                       | \$2.707            | \$2.916            | \$3.674          |
| MTA - Distributable Income                      | 222.304          | 256.282                      | 247.637                       | 240.419            | 218.800            | 194.345          |
| NYCT - Distributable Income                     | 92.156           | 133.604                      | 128.330                       | 120.571            | 98.485             | 73.908           |
| <b>Total Distributable Income:</b>              | <b>\$314.715</b> | <b>\$390.031</b>             | <b>\$377.593</b>              | <b>\$363.696</b>   | <b>\$320.200</b>   | <b>\$271.928</b> |
| <b><u>Actual Cash Transfers:</u></b>            |                  |                              |                               |                    |                    |                  |
| MTA - Investment Income                         | \$4.491          | \$0.256                      | \$0.145                       | \$1.627            | \$2.707            | \$2.916          |
| MTA - Transfers                                 | 221.976          | 256.792                      | 248.501                       | 241.141            | 220.962            | 196.791          |
| NYCT - Transfers                                | 96.196           | 124.383                      | 128.857                       | 121.346            | 100.693            | 76.366           |
| <b>Total Cash Transfers:</b>                    | <b>\$322.662</b> | <b>\$381.431</b>             | <b>\$377.503</b>              | <b>\$364.114</b>   | <b>\$324.362</b>   | <b>\$276.073</b> |
| <b><u>SUPPORT TO MASS TRANSIT:</u></b>          |                  |                              |                               |                    |                    |                  |
| Total Revenues                                  | \$1,361.550      | \$1,438.165                  | \$1,450.753                   | \$1,463.432        | \$1,465.271        | \$1,471.216      |
| Less: Net Operating Expenses                    | 413.536          | 425.021                      | 418.877                       | 434.054            | 454.684            | 476.598          |
| <b>Net Operating Income:</b>                    | <b>\$948.014</b> | <b>\$1,013.143</b>           | <b>\$1,031.876</b>            | <b>\$1,029.378</b> | <b>\$1,010.587</b> | <b>\$994.618</b> |
| <b><u>Deductions from Operating Income:</u></b> |                  |                              |                               |                    |                    |                  |
| B&T Debt Service                                | \$172.438        | \$205.765                    | \$230.837                     | \$240.101          | \$263.187          | \$294.918        |
| Capitalized Assets                              | 17.300           | 10.101                       | 18.329                        | 18.639             | 18.600             | 18.573           |
| Reserves  | 14.373           | 14.162                       | 14.409                        | 14.640             | 14.881             | 15.133           |
| GASB Reserves                                   | 2.210            | 2.322                        | 2.365                         | 2.492              | 2.562              | 2.625            |
| <b>Total Deductions from Operating Income:</b>  | <b>\$206.322</b> | <b>\$232.351</b>             | <b>\$265.940</b>              | <b>\$275.872</b>   | <b>\$299.230</b>   | <b>\$331.249</b> |
| <b>Total Support to Mass Transit:</b>           | <b>\$741.692</b> | <b>\$780.793</b>             | <b>\$765.936</b>              | <b>\$753.506</b>   | <b>\$711.356</b>   | <b>\$663.369</b> |

**MTA BRIDGES AND TUNNELS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014  
YEAR-TO-YEAR CHANGES BY CATEGORY - BASELINE**

**Toll Revenue**

- At current crossing charges, revenues are estimated at \$1,421.0 million in 2011, \$1,432.0 million in 2012, \$1,434.0 million in 2013 and \$1,438.5 million in 2014. The forecast assumes regional (New York City, Long Island and Westchester) employment growth of 1.7% in 2011, 2.3% in 2012, 1.6% in 2013 and 1.3% in 2014 as reflected in the current projections supplied by Global Insight.
- Traffic is expected to reach 292.0 million vehicles in 2010. The forecast from 2011 through 2014 incorporates the most recent projections for regional employment and inflation utilized by MTA. Traffic is forecast at 294.6 million vehicles in 2011, 297.3 million in 2012, 298.2 million in 2013 and 299.7 million in 2014.

**Other Operating Revenue**

- Other Operating Revenue is projected at \$11.9 million in 2010 and \$11.0 million in 2011. The reduction is the result of lower E-ZPass Administrative Fees than received in 2010.
- Other Operating Revenue increases approximately \$0.2 million each year from 2012 through 2014, primarily reflecting expected modest growth in parking receipts from the Battery Parking Garage.

**Capital and Other Reimbursements**

- Capital and Other Reimbursements increase by \$2.1 million in 2011 and \$0.5 million in 2012. A drop of \$0.5 million occurs in 2013 due to the timing of capital projects, followed by an increase of \$0.5 million in 2014. These adjustments are tied to the expected work to be performed for the 2010-2014 Capital Program.

**Investment Income**

- The Investment Income plan for 2011 through 2014 reflects earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields. Projected Investment Income is estimated at \$1.6 million in 2011.
- Investment income is projected to grow to \$2.7 million in 2012, \$2.9 million in 2013 and \$3.7 million in 2014.

## **Payroll**

- In 2011, the budget realizes the full-year effect of the reduction in payroll for the Budget Reduction Program (BRP), offset by CPIU and contractual step-up increases, resulting in a net increase of \$3.9 million.
- Thereafter, expenses increase by contractual step-up increases and CPIU by \$5.0 million in 2012, \$3.5 million in 2013, and \$3.4 million in 2014.
- CPIU rates for 2011 are 4.11% for represented employees and 2.23% for non-represented; 5.02% for represented and 2.20% for non-represented in 2012; 1.97% in 2013, and 1.91% in 2014.

## **Overtime**

- In 2011, the budget realizes the full-year effect of the reductions in overtime (for the BRP, offset by CPIU and increases in the overtime rates due to contractual step-up increases, resulting in a net \$0.7 million decrease from 2010 in overtime expenses.
- Thereafter, the year-over-year increases of \$0.6 million in 2012, \$0.5 million in 2013, and \$0.4 million in 2014 are the result of CPIU adjustments.
- CPIU rates for overtime are the same as for payroll.

## **Health and Welfare/OPEB Current Payments**

- In 2011, the budget realizes the full-year effect of the reductions of Health and Welfare expenses resulting from the BRP headcount savings, offset by CPIU applied to medical expenses and OPEB Current Payments, resulting in a net increase of \$3.1 million.
- The year-over-year net increases from 2012 to 2014 are \$2.5 million, \$2.9 million, and \$3.1 million, respectively, and are the result of CPIU applied to medical expenses, based on factors provided by the MTA.
- CPIU rates for defined medical programs are 13.22% for 2011 and 6.85% for each year thereafter.

## **Pension**

- In 2011, there is a \$ 2.5 million increase from 2010, based on the latest NYCERS estimates received.
- The increases of \$2.6 million in 2012, \$2.9 million in 2013 and \$3.2 in 2014 are due to CPIU increases.
- CPIU rates for pension are 2.32% in 2011, 2.49% in 2012, 2.74% in 2013 and 2.85% in 2014.



## **Other Fringe Benefits**

- The year-over-year decrease from 2010 to 2011 is approximately \$0.2 million from corresponding BRP actions.
- Thereafter, the change is insignificant in 2012, and 2013 and 2014 increase by \$0.6 million each due to adjustments for worker's compensation and CPIU increases.
- CPIU rates for other fringe benefits are the same as for pension.

## **Insurance**

- Insurance expenses increase between \$0.2 million and \$0.8 million annually from 2011 through 2014 based on MTA Risk Management's most recent estimates.

## **Maintenance and Other Operating Contracts**

- In 2011, expenses are \$13.4 million lower than 2010 due primarily to a decrease in major maintenance and painting costs (\$17.0 million) associated with the best value analysis for major maintenance and capitalization of bridge painting expenses in the 2010-14 capital program. These were offset primarily by higher expenses for CPIU totaling \$2.5 million.
- For 2012, expenses are \$3.9 million higher than 2011 primarily due to higher expenses for CPIU and other increases (\$4.5 million).
- In 2013, expenses are \$6.9 million higher than 2012 primarily due to higher non-capital eligible maintenance painting expenses (\$2.7 million) resulting from anticipated work for new painting needs along with revised estimates and realignment of existing work, and higher expenses for CPIU and other increases (\$3.9 million).
- For 2014, expenses are \$16.7 million higher than 2013 primarily due to higher expenses for non-capital eligible maintenance painting (\$11.0 million) resulting from anticipated work for new painting needs along with revised estimates and realignment of existing work and higher expenses for CPIU and other increases (\$4.4 million).
- CPIU increases are 1.71% in 2011, 2.12% in 2012, 2.22% in 2013 and 2.17% in 2014 based on forecasts for national inflation provided by Global Insight.

## **Professional Service Contracts**

- In 2011, expenses are higher by \$1.8 million due primarily to higher expenses (\$0.7 million) for professional services contracts and CPIU.
- For 2012 the higher expenses (\$1.2 million) are due to increases for planning studies for an anticipated Origin & Destination survey (\$0.8 million) and bond service fees (\$0.4 million) and CPIU and other increases.
- In 2013, the higher expenses (\$0.4 million) primarily reflect CPIU increases.
- For 2014, expenses (\$0.4 million) are higher due to inflation.
- CPIU increases are 1.71% in 2011, 2.12% in 2012, 2.22% in 2013 and 2.17% in 2014 based on forecasts for national inflation provided by Global Insight.

## **Materials and Supplies**

- The 2011 expenses are \$3.3 million lower primarily due to reductions in E-ZPass tag purchases (\$1.7 million), the re-estimate of other material & supplies accounts offset by CPIU increases.
- For 2012, expenses are \$1.5 million lower due primarily to the reduction in E-ZPass tag purchases (\$1.8 million) for the tag replacement program, offset by CPIU increases.
- In 2013, expenses are \$2.2 million greater primarily due to increase in E-ZPass tag purchases for the tag replacement program and CPIU increases.
- For 2014, expenses are \$6.8 million lower mainly due to decreases in tag purchases (\$7.0 million).
- CPIU increases are 1.71% in 2011, 2.12% in 2012, 2.22% in 2013 and 2.17% in 2014 based on forecasts for national inflation provided by Global Insight.

## **Other Business Expenses**

- In 2011, the net savings of \$0.1 million reflects minor adjustments in various accounts. For 2012 through 2014, the slightly higher costs are the result of CPIU increases.
- CPIU increases are 1.71% in 2011, 2.12% in 2012, 2.22% in 2013 and 2.17% in 2014 based on forecasts for national inflation provided by Global Insight.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | Favorable/(Unfavorable) |                     |                          |                     |                          |                     |                          |                     |                          |
|--|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|--------------------------|
|  |                         |                     | Change<br>2011 -<br>2010 |                     | Change<br>2012 -<br>2011 |                     | Change<br>2013 -<br>2012 |                     | Change<br>2014 -<br>2013 |
|  | 2010                    | 2011                | 2010                     | 2012                | 2011                     | 2013                | 2012                     | 2014                | 2013                     |
| <b>Revenue</b>   |                         |                     |                          |                     |                          |                     |                          |                     |                          |
| Vehicle Toll Revenue                                     | \$ 1,411.134            | \$ 1,421.045        | \$ 9.911                 | \$ 1,432.029        | \$ 10.984                | \$ 1,433.990        | \$ 1.961                 | \$ 1,438.515        | \$ 4.525                 |
| Other Operating Revenue                                  | 11.896                  | 11.016              | (0.880)                  | 11.167              | 0.151                    | 11.329              | 0.162                    | 11.491              | 0.162                    |
| Capital and Other Reimbursements                         | (0.000)                 | 0.000               | 0.000                    | 0.000               | 0.000                    | (0.000)             | (0.000)                  | 0.000               | 0.000                    |
| Investment Income  | 0.145                   | 1.627               | 1.482                    | 2.707               | 1.080                    | 2.916               | 0.209                    | 3.674               | 0.758                    |
| <b>Total Revenue</b>                                     | <b>\$ 1,423.175</b>     | <b>\$ 1,433.688</b> | <b>\$ 10.513</b>         | <b>\$ 1,445.903</b> | <b>\$ 12.215</b>         | <b>\$ 1,448.235</b> | <b>\$ 2.332</b>          | <b>\$ 1,453.680</b> | <b>\$ 5.445</b>          |
| <b>Expenses</b>  |                         |                     |                          |                     |                          |                     |                          |                     |                          |
| Labor:   |                         |                     |                          |                     |                          |                     |                          |                     |                          |
| Payroll  | \$ 126.636              | \$ 128.773          | \$ (2.137)               | \$ 133.668          | \$ (4.895)               | \$ 137.434          | \$ (3.765)               | \$ 140.701          | \$ (3.267)               |
| Overtime   | 22.516                  | 22.665              | (0.149)                  | 23.249              | (0.584)                  | 23.700              | (0.451)                  | 24.146              | (0.446)                  |
| Health and Welfare                                       | 20.901                  | 22.237              | (1.337)                  | 23.695              | (1.457)                  | 25.548              | (1.853)                  | 27.420              | (1.872)                  |
| OPEB Current Payment                                     | 12.084                  | 13.233              | (1.150)                  | 14.164              | (0.930)                  | 15.160              | (0.996)                  | 16.226              | (1.066)                  |
| Pensions   | 25.152                  | 27.030              | (1.878)                  | 29.641              | (2.611)                  | 32.558              | (2.917)                  | 35.697              | (3.138)                  |
| Other Fringe Benefits                                    | 16.013                  | 16.041              | (0.028)                  | 15.974              | 0.067                    | 16.587              | (0.613)                  | 17.209              | (0.622)                  |
| Reimbursable Overhead                                    | (7.230)                 | (7.314)             | 0.084                    | (7.460)             | 0.146                    | (7.192)             | (0.268)                  | (7.345)             | 0.153                    |
| <b>Total Labor Expenses</b>                              | <b>\$ 216.072</b>       | <b>\$ 222.667</b>   | <b>\$ (6.595)</b>        | <b>\$ 232.931</b>   | <b>\$ (10.264)</b>       | <b>\$ 243.794</b>   | <b>\$ (10.863)</b>       | <b>\$ 254.054</b>   | <b>\$ (10.259)</b>       |
| Non-Labor:   |                         |                     |                          |                     |                          |                     |                          |                     |                          |
| Traction and Propulsion Power                            | \$ -                    | \$ -                | \$ -                     | \$ -                | \$ -                     | \$ -                | \$ -                     | \$ -                | \$ -                     |
| Fuel for Buses and Trains                                | -                       | -                   | -                        | -                   | -                        | -                   | -                        | -                   | -                        |
| Insurance  | 7.573                   | 7.743               | (0.170)                  | 8.368               | (0.625)                  | 9.051               | (0.683)                  | 9.801               | (0.750)                  |
| Claims   | -                       | -                   | -                        | -                   | -                        | -                   | -                        | -                   | -                        |
| Paratransit Service Contracts                            | -                       | -                   | -                        | -                   | -                        | -                   | -                        | -                   | -                        |
| Maintenance and Other Operating Contracts                | 132.725                 | 119.336             | 13.390                   | 123.277             | (3.942)                  | 130.175             | (6.898)                  | 146.915             | (16.739)                 |
| Professional Service Contracts                           | 16.835                  | 18.584              | (1.750)                  | 19.803              | (1.218)                  | 20.205              | (0.402)                  | 20.607              | (0.402)                  |
| Materials & Supplies                                     | 33.433                  | 30.180              | 3.253                    | 28.722              | 1.458                    | 30.933              | (2.212)                  | 24.132              | 6.802                    |
| Other Business Expenses                                  | 3.394                   | 3.302               | 0.092                    | 3.425               | (0.123)                  | 3.489               | (0.064)                  | 3.553               | (0.064)                  |
| <b>Total Non-Labor Expenses</b>                          | <b>\$ 193.960</b>       | <b>\$ 179.145</b>   | <b>\$ 14.815</b>         | <b>\$ 183.594</b>   | <b>\$ (4.449)</b>        | <b>\$ 193.854</b>   | <b>\$ (10.260)</b>       | <b>\$ 205.008</b>   | <b>\$ (11.154)</b>       |
| Other Expenses Adjustments:                              |                         |                     |                          |                     |                          |                     |                          |                     |                          |
| Other  | -                       | -                   | -                        | -                   | -                        | -                   | -                        | -                   | -                        |
| <b>Total Other Expense Adjustments</b>                   | <b>\$ -</b>             | <b>\$ -</b>         | <b>\$ -</b>              | <b>\$ -</b>         | <b>\$ -</b>              | <b>\$ -</b>         | <b>\$ -</b>              | <b>\$ -</b>         | <b>\$ -</b>              |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$ 410.031</b>       | <b>\$ 401.812</b>   | <b>\$ 8.220</b>          | <b>\$ 416.525</b>   | <b>\$ (14.713)</b>       | <b>\$ 437.648</b>   | <b>\$ (21.123)</b>       | <b>\$ 459.062</b>   | <b>\$ (21.413)</b>       |
| Add: Depreciation  | \$ 81.500               | \$ 85.618           | \$ (4.118)               | \$ 89.928           | \$ (4.310)               | \$ 94.429           | \$ (4.501)               | \$ 104.389          | \$ (9.960)               |
| Add: OPEB Obligation                                     | 55.000                  | 57.310              | (2.310)                  | 59.475              | (2.165)                  | 62.579              | (3.104)                  | 60.125              | 2.454                    |
| Add: Environmental Remediation                           | -                       | -                   | -                        | -                   | -                        | -                   | -                        | -                   | -                        |
| <b>Total Expenses after Depreciation and GASB Adjs.</b>  | <b>\$ 546.531</b>       | <b>\$ 544.740</b>   | <b>\$ 1.792</b>          | <b>\$ 565.928</b>   | <b>\$ (21.188)</b>       | <b>\$ 594.656</b>   | <b>\$ (28.728)</b>       | <b>\$ 623.576</b>   | <b>\$ (28.919)</b>       |
| Less: Depreciation                                       | 81.500                  | 85.618              | (4.118)                  | 89.928              | (4.310)                  | 94.429              | (4.501)                  | 104.389             | (9.960)                  |
| Less: OPEB Obligation                                    | 55.000                  | 57.310              | (2.310)                  | 59.475              | (2.165)                  | 62.579              | (3.104)                  | 60.125              | 2.454                    |
| <b>Total Expenses</b>                                    | <b>\$ 410.031</b>       | <b>\$ 401.812</b>   | <b>\$ 8.220</b>          | <b>\$ 416.525</b>   | <b>\$ (14.713)</b>       | <b>\$ 437.648</b>   | <b>\$ (21.123)</b>       | <b>\$ 459.062</b>   | <b>\$ (21.413)</b>       |
| <b>Baseline Income/(Deficit)</b>                         | <b>\$ 1,013.143</b>     | <b>\$ 1,031.876</b> | <b>\$ 18.733</b>         | <b>\$ 1,029.378</b> | <b>\$ (2.498)</b>        | <b>\$ 1,010.587</b> | <b>\$ (18.791)</b>       | <b>\$ 994.618</b>   | <b>\$ (15.969)</b>       |

## REIMBURSABLE

[illegible]

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**  
**(Page 1 of 2)**

|  | Favorable/(Unfavorable) |                     |                   |                     |                    |                     |                    |                     |                    |
|--|-------------------------|---------------------|-------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
|  |                         |                     | Change<br>2011 -  | Change<br>2012 -    |                    | Change<br>2013 -    |                    | Change<br>2014 -    |                    |
|  | 2010                    | 2011                | 2010              | 2012                | 2011               | 2013                | 2012               | 2014                | 2013               |
| <b>Revenue</b>   |                         |                     |                   |                     |                    |                     |                    |                     |                    |
| Vehicle Toll Revenue                                     | \$ 1,411.134            | \$ 1,421.045        | \$ 9.911          | \$ 1,432.029        | \$ 10.984          | \$ 1,433.990        | \$ 1.961           | \$ 1,438.515        | \$ 4.525           |
| Other Operating Revenue                                  | 11.896                  | 11.016              | (0.880)           | 11.167              | 0.151              | 11.329              | 0.162              | 11.491              | 0.162              |
| Capital and Other Reimbursements                         | 14.990                  | 17.065              | 2.075             | 17.529              | 0.464              | 17.036              | (0.494)            | 17.537              | 0.501              |
| Investment Income  | 0.145                   | 1.627               | 1.482             | 2.707               | 1.080              | 2.916               | 0.209              | 3.674               | 0.758              |
| <b>Total Revenue</b>                                     | <b>\$ 1,438.165</b>     | <b>\$ 1,450.753</b> | <b>\$ 12.588</b>  | <b>\$ 1,463.432</b> | <b>\$ 12.680</b>   | <b>\$ 1,465.271</b> | <b>\$ 1.838</b>    | <b>\$ 1,471.216</b> | <b>\$ 5.946</b>    |
| <b>Expenses</b>  |                         |                     |                   |                     |                    |                     |                    |                     |                    |
| Labor:   |                         |                     |                   |                     |                    |                     |                    |                     |                    |
| Payroll  | \$ 130.960              | \$ 134.906          | \$ (3.946)        | \$ 139.924          | \$ (5.017)         | \$ 143.465          | \$ (3.541)         | \$ 146.860          | \$ (3.395)         |
| Overtime   | 23.466                  | 22.765              | 0.701             | 23.349              | (0.584)            | 23.800              | (0.451)            | 24.246              | (0.446)            |
| Health and Welfare                                       | 22.144                  | 24.116              | (1.972)           | 25.731              | (1.615)            | 27.637              | (1.906)            | 29.689              | (2.052)            |
| OPEB Current Payment                                     | 12.084                  | 13.233              | (1.150)           | 14.164              | (0.930)            | 15.160              | (0.996)            | 16.226              | (1.066)            |
| Pensions   | 25.455                  | 27.953              | (2.499)           | 30.584              | (2.630)            | 33.469              | (2.885)            | 36.627              | (3.158)            |
| Other Fringe Benefits                                    | 16.953                  | 16.758              | 0.196             | 16.709              | 0.049              | 17.300              | (0.591)            | 17.943              | (0.643)            |
| Reimbursable Overhead                                    | -                       | -                   | -                 | -                   | -                  | -                   | -                  | -                   | -                  |
| <b>Total Labor Expenses</b>                              | <b>\$ 231.062</b>       | <b>\$ 239.732</b>   | <b>\$ (8.670)</b> | <b>\$ 250.460</b>   | <b>\$ (10.728)</b> | <b>\$ 260.830</b>   | <b>\$ (10.370)</b> | <b>\$ 271.590</b>   | <b>\$ (10.760)</b> |
| Non-Labor:   |                         |                     |                   |                     |                    |                     |                    |                     |                    |
| Traction and Propulsion Power                            | \$ -                    | \$ -                | \$ -              | \$ -                | \$ -               | \$ -                | \$ -               | \$ -                | \$ -               |
| Fuel for Buses and Trains                                | -                       | -                   | -                 | -                   | -                  | -                   | -                  | -                   | -                  |
| Insurance  | 7.573                   | 7.743               | (0.170)           | 8.368               | (0.625)            | 9.051               | (0.683)            | 9.801               | (0.750)            |
| Claims   | -                       | -                   | -                 | -                   | -                  | -                   | -                  | -                   | -                  |
| Paratransit Service Contracts                            | -                       | -                   | -                 | -                   | -                  | -                   | -                  | -                   | -                  |
| Maintenance and Other Operating Contracts                | 132.725                 | 119.336             | 13.390            | 123.277             | (3.942)            | 130.175             | (6.898)            | 146.915             | (16.739)           |
| Professional Service Contracts                           | 16.835                  | 18.584              | (1.750)           | 19.803              | (1.218)            | 20.205              | (0.402)            | 20.607              | (0.402)            |
| Materials & Supplies                                     | 33.433                  | 30.180              | 3.253             | 28.722              | 1.458              | 30.933              | (2.212)            | 24.132              | 6.802              |
| Other Business Expenses                                  | 3.394                   | 3.302               | 0.092             | 3.425               | (0.123)            | 3.489               | (0.064)            | 3.553               | (0.064)            |
| <b>Total Non-Labor Expenses</b>                          | <b>\$ 193.960</b>       | <b>\$ 179.145</b>   | <b>\$ 14.815</b>  | <b>\$ 183.594</b>   | <b>\$ (4.449)</b>  | <b>\$ 193.854</b>   | <b>\$ (10.260)</b> | <b>\$ 205.008</b>   | <b>\$ (11.154)</b> |
| Other Expenses Adjustments:                              |                         |                     |                   |                     |                    |                     |                    |                     |                    |
| Other  | -                       | -                   | -                 | -                   | -                  | -                   | -                  | -                   | -                  |
| <b>Total Other Expense Adjustments</b>                   | <b>\$ -</b>             | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>         | <b>\$ -</b>        |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$ 425.021</b>       | <b>\$ 418.877</b>   | <b>\$ 6.145</b>   | <b>\$ 434.054</b>   | <b>\$ (15.178)</b> | <b>\$ 454.684</b>   | <b>\$ (20.629)</b> | <b>\$ 476.598</b>   | <b>\$ (21.914)</b> |
| Add: Depreciation  | \$ 81.500               | \$ 85.618           | \$ (4.118)        | \$ 89.928           | \$ (4.310)         | \$ 94.429           | \$ (4.501)         | \$ 104.389          | \$ (9.960)         |
| Add: OPEB Obligation                                     | 55.000                  | 57.310              | (2.310)           | 59.475              | (2.165)            | 62.579              | (3.104)            | 60.125              | 2.454              |
| Add: Environmental Remediation                           | -                       | -                   | -                 | -                   | -                  | -                   | -                  | -                   | -                  |
| <b>Total Expenses after Depreciation and GASB Adjs.</b>  | <b>\$ 561.521</b>       | <b>\$ 561.805</b>   | <b>\$ (0.283)</b> | <b>\$ 583.457</b>   | <b>\$ (21.653)</b> | <b>\$ 611.692</b>   | <b>\$ (28.234)</b> | <b>\$ 641.112</b>   | <b>\$ (29.420)</b> |
| Less: Depreciation                                       | 81.500                  | 85.618              | (4.118)           | 89.928              | (4.310)            | 94.429              | (4.501)            | 104.389             | (9.960)            |
| Less: OPEB Obligation                                    | 55.000                  | 57.310              | (2.310)           | 59.475              | (2.165)            | 62.579              | (3.104)            | 60.125              | 2.454              |
| <b>Total Expenses</b>                                    | <b>\$ 425.021</b>       | <b>\$ 418.877</b>   | <b>\$ 6.145</b>   | <b>\$ 434.054</b>   | <b>\$ (15.178)</b> | <b>\$ 454.684</b>   | <b>\$ (20.629)</b> | <b>\$ 476.598</b>   | <b>\$ (21.914)</b> |
| <b>Baseline Income/(Deficit)</b>                         | <b>\$ 1,013.143</b>     | <b>\$ 1,031.876</b> | <b>\$ 18.733</b>  | <b>\$ 1,029.378</b> | <b>\$ (2.498)</b>  | <b>\$ 1,010.587</b> | <b>\$ (18.791)</b> | <b>\$ 994.618</b>   | <b>\$ (15.969)</b> |

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE  
(Page 2 of 2)

|  | Favorable/(Unfavorable) |              |                          |              |                          |              |                          |             |                          |
|--|-------------------------|--------------|--------------------------|--------------|--------------------------|--------------|--------------------------|-------------|--------------------------|
|  |                         |              | Change<br>2011 -<br>2010 |              | Change<br>2012 -<br>2011 |              | Change<br>2013 -<br>2012 |             | Change<br>2014 -<br>2013 |
|  | 2010                    | 2011         | 2010                     | 2012         | 2011                     | 2013         | 2012                     | 2014        | 2013                     |
| Baseline Net Income/(Deficit)          | \$ 1,013.143            | \$ 1,031.876 | \$ 18.733                | \$ 1,029.378 | \$ (2.498)               | \$ 1,010.587 | \$ (18.791)              | \$ 994.618  | \$ (15.969)              |
| Deductions from Income:                |                         |              |                          |              |                          |              |                          |             |                          |
| Less: Capitalized Assets               | \$ 10.101               | \$ 18.329    | \$ (8.228)               | \$ 18.639    | \$ (0.309)               | \$ 18.600    | \$ 0.038                 | \$ 18.573   | \$ 0.027                 |
| Reserves                               | 14.162                  | 14.409       | (0.247)                  | 14.640       | (0.231)                  | 14.881       | (0.241)                  | 15.133      | (0.252)                  |
| GASB 45 Reserves                       | 2.322                   | 2.365        | (0.043)                  | 2.492        | (0.127)                  | 2.562        | (0.070)                  | 2.625       | (0.064)                  |
| Adjusted Baseline Net Income/(Deficit) | \$ 986.558              | \$ 996.773   | \$ 10.258                | \$ 993.607   | \$ (3.039)               | \$ 974.543   | \$ (18.994)              | \$ 958.286  | \$ (16.193)              |
| Less: Debt Service                     | 596.527                 | 619.180      | (22.653)                 | 629.911      | (10.731)                 | 654.343      | (24.432)                 | 686.359     | (32.016)                 |
| Income Available for Distribution      | \$ 390.031              | \$ 377.593   | \$ (12.395)              | \$ 363.696   | \$ (13.770)              | \$ 320.200   | \$ (43.426)              | \$ 271.928  | \$ (48.209)              |
| Distributable To:                      |                         |              |                          |              |                          |              |                          |             |                          |
| MTA - Investment Income                | \$ 0.145                | \$ 1.627     | \$ 1.482                 | \$ 2.707     | \$ 1.080                 | \$ 2.916     | \$ 0.209                 | \$ 3.674    | \$ 0.758                 |
| MTA - Distributable Income             | 256.282                 | 247.637      | (8.646)                  | 240.419      | (7.218)                  | 218.800      | (21.619)                 | 194.345     | (24.454)                 |
| NYCT - Distributable Income            | 133.604                 | 128.330      | (5.274)                  | 120.571      | (7.759)                  | 98.485       | (22.086)                 | 73.908      | (24.576)                 |
| Total Distributable Income:            | \$ 390.031              | \$ 377.593   | \$ (12.438)              | \$ 363.696   | \$ (13.897)              | \$ 320.200   | \$ (43.496)              | \$ 271.928  | \$ (48.273)              |
| Actual Cash Transfers:                 |                         |              |                          |              |                          |              |                          |             |                          |
| MTA - Investment Income                | \$ 0.256                | \$ 0.145     | \$ (0.111)               | \$ 1.627     | \$ 1.482                 | \$ 2.707     | \$ 1.080                 | \$ 2.916    | \$ 0.209                 |
| MTA - Transfers                        | 256.792                 | 248.501      | (8.290)                  | 241.141      | (7.361)                  | 220.962      | (20.179)                 | 196.791     | (24.171)                 |
| NYCT - Transfers                       | 124.383                 | 128.857      | 4.474                    | 121.346      | (7.511)                  | 100.693      | (20.653)                 | 76.366      | (24.327)                 |
| Total Cash Transfers:                  | \$ 381.431              | \$ 377.503   | \$ (3.928)               | \$ 364.114   | \$ (13.389)              | \$ 324.362   | \$ (39.752)              | \$ 276.073  | \$ (48.289)              |
| SUPPORT TO MASS TRANSIT:               |                         |              |                          |              |                          |              |                          |             |                          |
| Total Revenues                         | \$1,438.165             | \$1,450.753  | \$12.588                 | \$1,463.432  | \$12.680                 | \$1,465.271  | \$1.838                  | \$1,471.216 | \$5.946                  |
| Less: Net Operating Expenses           | 425.021                 | 418.877      | 6.145                    | 434.054      | (15.178)                 | 454.684      | (20.629)                 | 476.598     | (21.914)                 |
| Net Operating Income:                  | \$ 1,013.143            | \$ 1,031.876 | \$ 18.733                | \$ 1,029.378 | \$ (2.498)               | \$ 1,010.587 | \$ (18.791)              | \$ 994.618  | \$ (15.969)              |
| Deductions from Operating Income:      |                         |              |                          |              |                          |              |                          |             |                          |
| B&T Debt Service                       | \$205.765               | \$230.837    | (\$25.072)               | \$240.101    | (\$9.263)                | \$263.187    | (\$23.086)               | \$294.918   | (\$31.731)               |
| Capitalized Assets                     | 10.101                  | 18.329       | (8.228)                  | 18.639       | (0.309)                  | 18.600       | 0.038                    | 18.573      | 0.027                    |
| Reserves                               | 14.162                  | 14.409       | (0.247)                  | 14.640       | (0.231)                  | 14.881       | (0.241)                  | 15.133      | (0.252)                  |
| GASB 45 Reserves                       | 2.322                   | 2.365        | (0.043)                  | 2.492        | (0.127)                  | 2.562        | (0.070)                  | 2.625       | (0.064)                  |
| Total Deductions from Operating Inc:   | \$ 232.351              | \$ 265.940   | \$ (33.590)              | \$ 275.872   | \$ (9.931)               | \$ 299.230   | \$ (23.359)              | \$ 331.249  | \$ (32.019)              |
| Total Support to Mass Transit:         | \$ 780.793              | \$ 765.936   | \$ (14.857)              | \$ 753.506   | \$ (12.429)              | \$ 711.356   | \$ (42.150)              | \$ 663.369  | \$ (47.988)              |

**MTA BRIDGES AND TUNNELS**  
**2011 PRELIMINARY BUDGET**  
**JULY FINANCIAL PLAN 2011 - 2014**  
**SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

**Non-Reimbursable**

**2010: July Financial Plan vs. February Financial Plan**

**Revenues**

Revenue adjustments from the February Plan result in an increase of \$10.0 million. The major changes include:

- Higher toll revenues (\$9.5 million) primarily due to generally favorable traffic trends through May and Global Insight's improved forecast for regional employment through the end of the year.
- Increase in Other Operating Revenues (\$1.0 million) primarily due to higher revenues from E-ZPass administrative fees.
- Decrease in Investment Income based on a reduction in interest rates through May and forecasted by Global Insight (\$0.5 million).

**Expenses**

Non-reimbursable expenses are projected to be \$34.7 million lower than the February Plan due to decreases in labor (\$11.0 million) and non-labor (\$23.7 million) expenses. The major variances include:

**Labor**

- Lower Payroll costs (\$2.6 million) due primarily to the reduction of 117 positions identified through the BRP initiatives and administrative reductions.
- Lower Overtime costs (\$4.9 million) due primarily to the centralization of maintenance functions, instituting tighter controls on overtime, and elimination of some weekend and night supervisory overtime, resulting from the Budget Reduction Program.
- Reduction in Health and Welfare expenses (\$1.7 million) primarily due to the reduction in staffing levels and lower CPI rates.
- Decrease in Pension costs (\$0.3 million) due to a re-estimate of the pension reserve from NYCERS.

**Non-Labor**

- Lower Insurance expenses (\$1.3 million) due to re-estimate of property insurance from MTA Risk Management.
- Reduction in Maintenance and Other Operating expenses (\$18.3 million). Of the \$18.3 million, \$17.3 million is the result of the transfer of bridge painting expenses into the 2010-2014 capital program. Other reductions include

decreases in the E-ZPass Customer Service Center (\$1.7 million) due to savings associated with a new contract, lower NY State Power Authority expenses (\$0.7 million) due mainly to lower rates and the reduction of building cleaning services (\$0.9 million) due to replacement of outside cleaning services with more efficient in-house services. Offsetting the reductions are higher major maintenance expenses (\$3.7 million), primarily due to unanticipated repairs at the Bronx Whitestone Bridge.

- Lower Professional Services Contract expenses (\$2.5 million) mainly reflect re-estimates for general engineering services (\$0.8 million), planning studies (\$0.7 million), bond services fees (\$0.4 million) and adjustments for other minor expenses totaling (\$0.6 million).
- Material and Supplies (\$1.5 million) resulted mainly from a one-time discount negotiated for E-ZPass tag replacement purchases.

#### **Total Deductions from Income**

- Lower Capitalized Assets expenses (\$8.4 million) are the result of project eliminations (\$4.8 million) and deferrals (\$3.6 million) to 2011.
- Lower GASB 45 Reserves (\$0.1 million) resulting from the reduction of labor expenses.

### **2011-2013: July Financial Plan vs. February Financial Plan**

#### **Revenues**

Revenues are being increased by \$8.8 million in 2011, \$12.1 million in 2012 and \$13.3 million in 2013, consisting of:

- Toll Revenue increases of \$9.8 million in 2011, \$13.4 million in 2012 and \$14.8 million in 2013 to reflect higher traffic volume stemming from favorable trends in 2010 and Global Insight's improved projections for regional employment.
- Downward revisions to investment income of \$1.0 million in 2011, \$1.4 million in 2012 and \$1.6 million in 2013 based on Global Insight's lower short-term interest rate forecasts.

#### **Expenses**

Non-reimbursable expenses are being reduced by \$69.2 million in 2011, \$72.1 million in 2012 and \$72.2 million in 2013.



**Labor**

Labor expenses will be reduced by \$17.9 million in 2011, \$20.8 million in 2012 and \$22.7 million in 2013, based on the following changes:

- Lower Payroll expenses due primarily to the reduction of 117 positions for the budget reduction program.
- Lower Overtime due primarily to the centralization of maintenance functions, instituting tighter controls on overtime, and elimination of some weekend and night supervisory overtime, resulting from the BRP.
- Lower expenses for Health & Welfare reflecting the corresponding reductions in payroll and overtime.
- Decrease in Pension costs due to re-estimates provided by NYCERS.

**Non-Labor**

Reductions in non-labor expenses for each year of the financial plan totaling \$51.3 million in each of 2011 and 2012 and \$49.5 million in 2013, are based on the following changes:

- Lower expenses for Insurance from 2010 to 2013 estimated by MTA Risk Management.
- Changes for Maintenance and Other Operating Contracts include the transfer of Bridge Painting in 2011 through 2013 into the 2010-2014 capital program; decrease in major maintenance expenses in 2011 from a best-value analysis of the 2010-2014 capital program; lower E-ZPass Customer Service Center expenses in 2011 to 2013 due primarily to the implementation of a new contract in 2009; reduction in NY State Power Authority expenses due to lower rates; and the reduction of building cleaning services due to the replacement of outside cleaning services with more efficient in-house services.
- Changes in Professional Services Contracts mainly reflect re-estimates of bond service fees.
- Changes in Materials and Supplies primarily include a discount negotiated for E-ZPass replacement tag purchases through the end of the contract in 2011 and minor re-estimates of various other accounts.
- Reduction for Other Business Expenses includes re-estimates for various accounts.

**Total Deductions from Income**

- Lower Capitalized Assets expenses are the result of re-estimates of capitalized assets needs, offset by the deferral of 2010 projects into 2011.
- Lower GASB 45 Reserves resulting from the reduction of labor expenses.

## **Reimbursable Major Changes**

### **2010: July Financial Plan vs. February Financial Plan**

#### **Revenue**

Lower Capital Reimbursements (\$1.7 million) primarily due to project rescheduling necessitated by the delay in the adoption of the 2010-2014 Capital Program and a reduction in Engineering and Construction being charged to the capital program

#### **Expense**

Lower capially-reimbursable expenses (\$1.7 million) primarily due to project rescheduling necessitated by the delay in the adoption of the 2010-2014 Capital Program and a reduction in Engineering and Construction being charged to the capital program.

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### **2011-2013: July Financial Plan vs. February Financial Plan**

#### **Revenue**

No change between plans for capital reimbursable expenses.

#### **Expense**

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

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | 2010             | 2011             | 2012             | 2013             |
|--|------------------|------------------|------------------|------------------|
| <b>Baseline 2010 February Financial Plan - Adjusted Net Income</b> | <b>\$933.348</b> | <b>\$918.303</b> | <b>\$909.454</b> | <b>\$889.049</b> |
| <b>Baseline Changes</b>  |                  |                  |                  |                  |
| <b>Revenue</b>   |                  |                  |                  |                  |
| Vehicle Toll Revenue   | \$9.539          | \$9.755          | \$13.446         | \$14.795         |
| Other Operating Revenue  | 1.040            | 0.002            | 0.004            | 0.026            |
| Capital and Other Reimbursement                                    | 0.000            | 0.000            | 0.000            | 0.000            |
| Investment Income  | (0.554)          | (0.997)          | (1.400)          | (1.571)          |
| <b>Total Revenue Changes</b>                                       | <b>\$10.025</b>  | <b>\$8.760</b>   | <b>\$12.050</b>  | <b>\$13.250</b>  |
| <b>Expenses</b>  |                  |                  |                  |                  |
| <i>Labor:</i>  |                  |                  |                  |                  |
| Payroll  | \$2.583          | \$8.144          | \$8.989          | \$9.863          |
| Overtime   | \$4.929          | 5.101            | 5.994            | 6.153            |
| Health and Welfare   | \$1.656          | 1.847            | 2.107            | 2.286            |
| OPEB Current Payment   | \$1.395          | 1.194            | 1.279            | 1.370            |
| Pensions   | \$0.306          | 1.600            | 2.357            | 3.023            |
| Other Fringe Benefits  | \$0.035          | 0.055            | 0.033            | 0.035            |
| Reimbursable Overhead  | \$0.059          | 0.000            | 0.000            | 0.000            |
| <b>Total Labor Expense Changes</b>                                 | <b>\$10.963</b>  | <b>\$17.941</b>  | <b>\$20.759</b>  | <b>\$22.730</b>  |
| <i>Non-Labor:</i>  |                  |                  |                  |                  |
| Traction and Propulsion Power                                      | \$0.000          | \$0.000          | \$0.000          | \$0.000          |
| Fuel for Buses and Trains  | 0.000            | 0.000            | 0.000            | 0.000            |
| Insurance  | 1.330            | 1.993            | 2.281            | 2.587            |
| Claims   | 0.000            | 0.000            | 0.000            | 0.000            |
| Paratransit Service Contracts                                      | 0.000            | 0.000            | 0.000            | 0.000            |
| Maintenance and Other Operating Contracts                          | 18.256           | 41.847           | 47.193           | 45.143           |
| Professional Service Contracts                                     | 2.530            | 0.312            | 0.420            | 0.372            |
| Materials & Supplies   | 1.470            | 7.051            | 1.325            | 1.314            |
| Other Business Expenses  | 0.131            | 0.086            | 0.087            | 0.080            |
| <b>Total Non-Labor Expense Changes</b>                             | <b>\$23.717</b>  | <b>\$51.289</b>  | <b>\$51.307</b>  | <b>\$49.496</b>  |
| <b>Total Expenses before Depreciation and GASB Adjs.</b>           | <b>\$34.680</b>  | <b>\$69.230</b>  | <b>\$72.066</b>  | <b>\$72.225</b>  |
| Add: Depreciation  | \$3.600          | \$3.782          | \$3.972          | \$4.171          |
| OPEB Obligation  | 21.200           | 22.090           | 23.325           | 24.121           |
| Environmental Remediation  | 0.000            | 0.000            | 0.000            | 0.000            |
| <b>Total Expenses after Depreciation and GASB Adjs.</b>            | <b>\$59.480</b>  | <b>\$95.102</b>  | <b>\$99.363</b>  | <b>\$100.517</b> |
| Less: Depreciation   | \$3.600          | \$3.782          | \$3.972          | \$4.171          |
| OPEB Obligation  | 21.200           | 22.090           | 23.325           | 24.121           |
| <b>Total Expense Changes</b>                                       | <b>\$34.680</b>  | <b>\$69.230</b>  | <b>\$72.066</b>  | <b>\$72.225</b>  |
| <b>Total Baseline Changes</b>                                      | <b>\$44.705</b>  | <b>\$77.990</b>  | <b>\$84.116</b>  | <b>\$85.475</b>  |
| <b>Deductions from Income</b>                                      |                  |                  |                  |                  |
| Capitalized Assets   | 8.396            | 0.366            | 0.000            | 0.000            |
| Capital Reserves   | 0.000            | 0.000            | 0.000            | 0.000            |
| GASB 45 Reserves   | 0.109            | 0.114            | 0.037            | 0.019            |
| <b>Total Deductions from Income</b>                                | <b>\$8.505</b>   | <b>\$0.480</b>   | <b>\$0.037</b>   | <b>\$0.019</b>   |
| <b>Total Adjusted Baseline Changes</b>                             | <b>\$53.210</b>  | <b>\$78.470</b>  | <b>\$84.153</b>  | <b>\$85.494</b>  |
| <b>Baseline 2010 July Financial Plan - Adjusted Net Income</b>     | <b>\$986.558</b> | <b>\$996.773</b> | <b>\$993.607</b> | <b>\$974.543</b> |

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

|  | 2010             | 2011           | 2012           | 2013           |
|--|------------------|----------------|----------------|----------------|
| <b>Baseline 2010 July Financial Plan - Adjusted Net Income</b> | <b>\$0.000</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Baseline Changes</b>  |                  |                |                |                |
| <b>Revenue</b>   |                  |                |                |                |
| Vehicle Toll Revenue   | \$0.000          | \$0.000        | \$0.000        | \$0.000        |
| Other Operating Revenue  | 0.000            | 0.000          | 0.000          | 0.000          |
| Capital and Other Reimbursement                                | (1.667)          | 0.000          | 0.000          | 0.000          |
| Investment Income  | 0.000            | 0.000          | 0.000          | 0.000          |
| <b>Total Revenue Changes</b>                                   | <b>(\$1.667)</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Expenses</b>  |                  |                |                |                |
| <i>Labor:</i>  |                  |                |                |                |
| Payroll  | \$1.689          | \$0.000        | \$0.000        | \$0.000        |
| Overtime   | (0.815)          | 0.000          | 0.000          | 0.000          |
| Health and Welfare   | 0.490            | 0.000          | 0.000          | 0.000          |
| OPEB Current Payment   | 0.000            | 0.000          | 0.000          | 0.000          |
| Pensions   | 0.604            | 0.000          | 0.000          | 0.000          |
| Other Fringe Benefits  | (0.241)          | 0.000          | 0.000          | 0.000          |
| Reimbursable Overhead  | (0.059)          | 0.000          | 0.000          | 0.000          |
| <b>Total Labor Expense Changes</b>                             | <b>\$1.667</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <i>Non-Labor:</i>  |                  |                |                |                |
| Traction and Propulsion Power                                  | \$0.000          | \$0.000        | \$0.000        | \$0.000        |
| Fuel for Buses and Trains                                      | 0.000            | 0.000          | 0.000          | 0.000          |
| Insurance  | 0.000            | 0.000          | 0.000          | 0.000          |
| Claims   | 0.000            | 0.000          | 0.000          | 0.000          |
| Paratransit Service Contracts                                  | 0.000            | 0.000          | 0.000          | 0.000          |
| Maintenance and Other Operating Contracts                      | 0.000            | 0.000          | 0.000          | 0.000          |
| Professional Service Contracts                                 | 0.000            | 0.000          | 0.000          | 0.000          |
| Materials & Supplies   | 0.000            | 0.000          | 0.000          | 0.000          |
| Other Business Expenses  | 0.000            | 0.000          | 0.000          | 0.000          |
| <b>Total Non-Labor Expense Changes</b>                         | <b>\$0.000</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Total Expenses before Depreciation</b>                      | <b>\$1.667</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| Add: Depreciation  | \$0.000          | \$0.000        | \$0.000        | \$0.000        |
| OPEB Obligation  | 0.000            | 0.000          | 0.000          | 0.000          |
| Environmental Remediation                                      | 0.000            | 0.000          | 0.000          | 0.000          |
| <b>Total Expenses after Depreciation and GASB Adjs.</b>        | <b>\$1.667</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| Less: Depreciation   | \$0.000          | \$0.000        | \$0.000        | \$0.000        |
| OPEB Obligation  | 0.000            | 0.000          | 0.000          | 0.000          |
| <b>Total Expense Changes</b>                                   | <b>\$1.667</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Total Baseline Changes</b>                                  | <b>\$0.000</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Deductions from Income</b>                                  |                  |                |                |                |
| Capitalized Assets   | 0.000            | 0.000          | 0.000          | 0.000          |
| Capital Reserves   | 0.000            | 0.000          | 0.000          | 0.000          |
| GASB 45 Reserves   | 0.000            | 0.000          | 0.000          | 0.000          |
| <b>Total Deductions from Income</b>                            | <b>\$0.000</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Total Adjusted Baseline Changes</b>                         | <b>\$0.000</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Baseline 2010 July Financial Plan - Adjusted Net Income</b> | <b>\$0.000</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

|  | 2010             | 2011             | 2012             | 2013             |
|--|------------------|------------------|------------------|------------------|
| <b>Baseline 2010 July Financial Plan - Adjusted Net Income</b> | <b>\$933.348</b> | <b>\$918.303</b> | <b>\$909.454</b> | <b>\$889.049</b> |
| <b>Baseline Changes</b>  |                  |                  |                  |                  |
| <b>Revenue</b>   |                  |                  |                  |                  |
| Vehicle Toll Revenue   | \$9.539          | \$9.755          | \$13.446         | \$14.795         |
| Other Operating Revenue  | 1.040            | 0.002            | 0.004            | 0.026            |
| Capital and Other Reimbursement                                | (1.667)          | -                | 0.000            | -                |
| Investment Income  | (0.554)          | (0.997)          | (1.400)          | (1.571)          |
| <b>Total Revenue Changes</b>                                   | <b>\$8.358</b>   | <b>\$8.760</b>   | <b>\$12.050</b>  | <b>\$13.250</b>  |
| <b>Expenses</b>  |                  |                  |                  |                  |
| <b>Labor:</b>  |                  |                  |                  |                  |
| Payroll  | \$4.272          | \$8.144          | \$8.989          | \$9.863          |
| Overtime   | 4.114            | 5.101            | 5.994            | 6.153            |
| Health and Welfare   | 2.145            | 1.847            | 2.107            | 2.286            |
| OPEB Current Payment   | 1.395            | 1.194            | 1.279            | 1.370            |
| Pensions   | 0.910            | 1.600            | 2.357            | 3.023            |
| Other Fringe Benefits  | (0.206)          | 0.055            | 0.033            | 0.035            |
| Reimbursable Overhead  | -                | -                | -                | -                |
| <b>Total Labor Expense Changes</b>                             | <b>\$12.630</b>  | <b>\$17.941</b>  | <b>\$20.759</b>  | <b>\$22.730</b>  |
| <b>Non-Labor:</b>  |                  |                  |                  |                  |
| Traction and Propulsion Power                                  | \$0.000          | \$0.000          | \$0.000          | \$0.000          |
| Fuel for Buses and Trains                                      | -                | -                | -                | -                |
| Insurance  | 1.330            | 1.993            | 2.281            | 2.587            |
| Claims   | -                | -                | -                | -                |
| Paratransit Service Contracts                                  | -                | -                | -                | -                |
| Maintenance and Other Operating Contracts                      | 18.256           | 41.847           | 47.193           | 45.143           |
| Professional Service Contracts                                 | 2.530            | 0.312            | 0.420            | 0.372            |
| Materials & Supplies   | 1.470            | 7.051            | 1.325            | 1.314            |
| Other Business Expenses  | 0.131            | 0.086            | 0.087            | 0.080            |
| <b>Total Non-Labor Expense Changes</b>                         | <b>\$23.717</b>  | <b>\$51.289</b>  | <b>\$51.307</b>  | <b>\$49.496</b>  |
| <b>Total Expenses before Depreciation and GASB Adjs.</b>       | <b>\$36.347</b>  | <b>\$69.230</b>  | <b>\$72.066</b>  | <b>\$72.225</b>  |
| Add: Depreciation  | \$3.600          | \$3.782          | \$3.972          | \$4.171          |
| OPEB Obligation  | 21.200           | 22.090           | 23.325           | 24.121           |
| Environmental Remediation                                      | -                | -                | -                | -                |
| <b>Total Expenses after Depreciation and GASB Adjs.</b>        | <b>\$61.147</b>  | <b>\$95.102</b>  | <b>\$99.363</b>  | <b>\$100.517</b> |
| Less: Depreciation   | \$3.600          | \$3.782          | \$3.972          | \$4.171          |
| OPEB Obligation  | 21.200           | 22.090           | 23.325           | 24.121           |
| <b>Total Expense Changes</b>                                   | <b>\$36.347</b>  | <b>\$69.230</b>  | <b>\$72.066</b>  | <b>\$72.225</b>  |
| <b>Total Baseline Changes</b>                                  | <b>\$44.705</b>  | <b>\$77.990</b>  | <b>\$84.116</b>  | <b>\$85.475</b>  |
| <b>Deductions from Income</b>                                  |                  |                  |                  |                  |
| Capitalized Assets   | 8.396            | 0.366            | 0.000            | 0.000            |
| Capital Reserves   | 0.000            | 0.000            | 0.000            | 0.000            |
| GASB 45 Reserves   | 0.109            | 0.114            | 0.037            | 0.019            |
| <b>Total Deductions from Income</b>                            | <b>\$8.505</b>   | <b>\$0.480</b>   | <b>\$0.037</b>   | <b>\$0.019</b>   |
| <b>Total Adjusted Baseline Changes</b>                         | <b>\$53.210</b>  | <b>\$78.470</b>  | <b>\$84.153</b>  | <b>\$85.494</b>  |
| <b>Baseline 2010 July Financial Plan - Adjusted Net Income</b> | <b>\$986.558</b> | <b>\$996.773</b> | <b>\$993.607</b> | <b>\$974.543</b> |

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**TOTAL NON-REIMBURSABLE and REIMBURSABLE**

|  | 2010             | 2011             | 2012             | 2013             |
|--|------------------|------------------|------------------|------------------|
| <b>Baseline 2010 February Financial Plan - Adjusted Net Income</b> | <b>\$933.348</b> | <b>\$918.303</b> | <b>\$909.454</b> | <b>\$889.049</b> |
| <b>Non-Reimbursable Major Changes</b>                              |                  |                  |                  |                  |
| <b>Revenue</b>   |                  |                  |                  |                  |
| Vehicle Toll Revenue   | \$9.539          | \$9.755          | \$13.446         | \$14.795         |
| Other Operating Revenue  | 1.040            | .002             | .004             | .026             |
| Investment Income  | (.554)           | (.997)           | (1.400)          | (1.571)          |
| <b>Sub-Total Non-Reimbursable Revenue Changes</b>                  | <b>\$10.025</b>  | <b>\$8.760</b>   | <b>\$12.050</b>  | <b>\$13.250</b>  |
| <b>Expenses</b>  |                  |                  |                  |                  |
| AABBs Re-Estimates   | \$0.331          | (\$0.279)        | (\$0.279)        | (\$0.279)        |
| Administrative Reductions  | (0.183)          | 2.921            | 2.921            | 2.921            |
| Budget Reduction Program:  |                  |                  |                  |                  |
| Overtime Reduction Program   | 4.242            | 4.852            | 5.387            | 5.387            |
| Organizational Assessment (Labor Savings)                          | 4.222            | 6.897            | 6.897            | 6.897            |
| Organizational Assessment (Non-Labor Savings)                      | 1.467            | 2.124            | 2.124            | 2.124            |
| E-ZPass Initiatives  | 3.234            | 7.248            | 1.700            | 1.700            |
| Capitalization of Bridge Painting                                  | 17.266           | 33.039           | 41.394           | 38.940           |
| Major Maintenance/Capitalized Assets Best Value Analysis           | 0.000            | 7.350            | 0.000            | 0.000            |
| Project Deferral/Elimination                                       | 6.416            | (5.290)          | 0.000            | 0.000            |
| Other Initiatives  | 1.710            | 0.034            | 0.000            | 0.000            |
| Budget Reduction Program   | 38.557           | 56.254           | 57.501           | 55.048           |
| Other Labor Reductions   | 1.386            | 3.550            | 5.833            | 7.804            |
| Other Non-Labor Reductions   | 0.904            | 5.667            | 6.089            | 6.732            |
| Other Deductions from Income                                       | 2.189            | 1.597            | 0.037            | 0.019            |
| <b>Sub-Total Non-Reimbursable Expense Changes</b>                  | <b>\$43.185</b>  | <b>\$69.710</b>  | <b>\$72.103</b>  | <b>\$72.244</b>  |
| <b>Total Non-Reimbursable Major Changes</b>                        | <b>\$53.210</b>  | <b>\$78.470</b>  | <b>\$84.153</b>  | <b>\$85.494</b>  |
| <b>Reimbursable Major Changes</b>                                  |                  |                  |                  |                  |
| <b>Revenue</b>   |                  |                  |                  |                  |
| Capital & Other Reimbursement                                      | (1.667)          | 0.000            | 0.000            | 0.000            |
| <b>Sub-Total Reimbursable Revenue Changes</b>                      | <b>(\$1.667)</b> | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Expenses</b>  |                  |                  |                  |                  |
| Labor Expenses   | 1.667            | 0.000            | 0.000            | 0.000            |
| <b>Sub-Total Reimbursable Expense Changes</b>                      | <b>\$1.667</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Total Reimbursable Major Changes</b>                            | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Total Accrual Changes</b>                                       | <b>\$53.210</b>  | <b>\$78.470</b>  | <b>\$84.153</b>  | <b>\$85.494</b>  |
| <b>Total Adjusted Baseline Changes</b>                             | <b>\$53.210</b>  | <b>\$78.470</b>  | <b>\$84.153</b>  | <b>\$85.494</b>  |
| <b>Baseline 2010 July Financial Plan - Adjusted Net Income</b>     | <b>\$986.558</b> | <b>\$996.773</b> | <b>\$993.607</b> | <b>\$974.543</b> |

**MTA BRIDGES & TUNNELS**  
**July Financial Plan 2010-2014**  
**2010 Budget Reduction Proposals - Accrual Basis**  
(\$ in millions)

|   |      | Favorable/(Unfavorable) |      |           |      |          |      |          |      |          |  |
|---|------|-------------------------|------|-----------|------|----------|------|----------|------|----------|--|
| <u>Administration</u>                         | Pos. | 2010                    | Pos. | 2011      | Pos. | 2012     | Pos. | 2013     | Pos. | 2014     |  |
| Project Elimination, Deferral or Savings      | -    | \$6.416                 | -    | (\$5.290) | -    | \$0.000  | -    | \$0.000  | -    | \$0.000  |  |
| E-ZPass Initiatives                           | -    | 3.234                   | -    | 7.248     | -    | 1.700    | -    | 1.700    | -    | 1.700    |  |
| Major Maintenance/Capitalized Asset Reduction | -    | 0.000                   | -    | 7.350     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Organizational Assessment (Labor/Non-Labor)   | 88   | 5.689                   | 88   | 9.021     | 88   | 9.021    | 88   | 9.021    | 88   | 9.021    |  |
| 2010 Overtime Reductions                      | -    | 4.242                   | -    | 4.852     | -    | 5.387    | -    | 5.387    | -    | 5.387    |  |
| Other Initiatives                             | -    | 1.710                   | -    | 0.034     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Subtotal Administration                       | 88   | 21.291                  | 88   | 23.215    | 88   | \$16.108 | 88   | \$16.108 | 88   | \$16.108 |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| <u>Customer Convenience/Amenities</u>         |      |                         |      |           |      |          |      |          |      |          |  |
| None  | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Subtotal Customer Convenience/Amenities       | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| <u>Maintenance</u>                            |      |                         |      |           |      |          |      |          |      |          |  |
| Bridge Painting                               | -    | 17.266                  | -    | 33.039    | -    | 41.393   | -    | 38.940   | -    | 27.724   |  |
| Subtotal Maintenance                          | -    | 17.266                  | -    | 33.039    | -    | 41.393   | -    | 38.940   | -    | 27.724   |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| <u>Revenue Enhancement</u>                    |      |                         |      |           |      |          |      |          |      |          |  |
| None  | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Subtotal Revenue Enhancement                  | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| <u>Safety</u>                                 |      |                         |      |           |      |          |      |          |      |          |  |
| None  | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Subtotal Safety                               | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| <u>Security</u>                               |      |                         |      |           |      |          |      |          |      |          |  |
| None  | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Subtotal Security                             | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| <u>Service</u>                                |      |                         |      |           |      |          |      |          |      |          |  |
| None  | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Subtotal Service                              | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| <u>Service Support</u>                        |      |                         |      |           |      |          |      |          |      |          |  |
| None  | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Subtotal Service Support                      | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| <u>Other</u>                                  |      |                         |      |           |      |          |      |          |      |          |  |
| None  | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
| Subtotal Other                                | -    | 0.000                   | -    | 0.000     | -    | 0.000    | -    | 0.000    | -    | 0.000    |  |
|   |      |                         |      |           |      |          |      |          |      |          |  |
| Agency Submission                             | 88   | \$38.557                | 88   | \$56.254  | 88   | \$57.501 | 88   | \$55.048 | 88   | \$43.832 |  |

**MTA Bridges and Tunnels  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Project Elimination, Deferral or Savings

**Background Details:** As part of the Cyclical Review Project, B&T reviewed operating budget and capitalized asset purchases originally planned in 2010 against a new set of criteria established by the MTA.

**Program Description/Implementation Plan:**

Out of all the projects funded through capitalized assets or the operating budget, a total of six projects were flagged for elimination (all capitalized asset projects) amounting to a reduction of \$0.9 million in 2010 and \$0.2 million in 2011. Thirteen projects have been marked for deferral from 2010 to 2011 (eleven capitalized asset and two operating budget projects) resulting in a total reduction of \$3.9 million in 2010 with a corresponding increase in 2011. Projects deferred until 2011 will have no impact on the safety and security of customers and employees. Projects eliminated were primarily in the technology area and will have no effect on day-to-day operations.

As part of this effort, B&T also reviewed its vehicle procurement plan. B&T's fleet replacement cycles were reviewed and were determined to be better than current industry benchmarks. However, B&T still re-evaluated the frequency of its fleet replacements and was able to determine that some of the vehicles' useful lives can be extended with minimal impact to facility operations. Therefore, a total of 28 vehicles planned for replacement in 2010 will be replaced in 2011 instead, saving approximately \$1.1 million.

**Program Implementation Date:** Apr 2010      **When will savings begin?:** Apr 2010

**Are these savings recurring?:** No

**Other Issues:**

|                                      | Favorable/(Unfavorable) |             |             |             |             |
|--------------------------------------|-------------------------|-------------|-------------|-------------|-------------|
|                                      | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i> |                         |             |             |             |             |
| Net Cash Savings (in millions)       | \$6.416                 | (\$5.290)   | \$0.000     | \$0.000     | \$0.000     |

*Total Reduction in Positions Required:* 0      0      0      0      0

*(List Title of Positions)*

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*



**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** E-ZPass Initiatives

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | B&T continually strives to both ensure the continued success of E-ZPass and increase the market share on its facilities, recognizing that E-ZPass not only speeds trips for customers, but keeps B&T costs down, as the cost per transaction for E-ZPass compared to cash tolls is much lower. |
|----------------------------|--|

|  |  |
|--|--|
| <b>Program Description/ Implementation Plan:</b> | The E-ZPass Initiatives include the budget reduction for the E-ZPass Customer Service Center by \$1.7 million per year based on savings generated from a new contract that began in 2009. In addition, beginning in the second half of 2010 and continuing throughout the plan period, B&T will replace E-ZPass tags that are approaching the end of their service lives. This program will ensure that tags are replaced before the tag components expire, greatly decreasing the possibility that customers will experience tag performance problems. In anticipation of this effort, B&T negotiated a contract option with its E-ZPass tag vendor that includes a 21% discount off the regular tag price for the remainder of the contract period for all tag purchases associated with the tag swap, saving B&T approximately \$1.5 million in 2010 and \$5.5 million in 2011. |
|--|--|

|                                     |          |                                      |          |
|-------------------------------------|----------|--------------------------------------|----------|
| <b>Program Implementation Date:</b> | Jan 2010 | <b>When will savings begin?:</b>     | Jan 2010 |
|                                     |          | <b>Are these savings recurring?:</b> | Yes      |

**Other Issues:**

|                                      | Favorable/(Unfavorable) |             |             |             |             |
|--------------------------------------|-------------------------|-------------|-------------|-------------|-------------|
|                                      | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i> |                         |             |             |             |             |
| Net Cash Savings (in millions)       | \$3.234                 | \$7.248     | \$1.700     | \$1.700     | \$1.700     |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| <i>Total Reduction in Positions Required:</i> | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|

*(List Title of Positions)*

*Impact on Operations:*

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Major Maintenance/Capitalized Asset Reduction from Best Value Analysis

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | B&T undertook a Best Value Review of it's 2010-2014 Capital Program, major maintenance and capitalized asset projects were reviewed to determine if certain work could be combined with planned capital projects. |
|----------------------------|---|

|   |  |
|---|--|
| <b>Program Description/Implementation Plan:</b> | The ongoing review has thus far identified several projects that can be incorporated into the capital program (6 major maintenance projects and 2 capitalized asset projects). This will reduce expenditures by a total of \$7.4 million in 2011 (\$3.2 million in major maintenance and \$4.1 million in capitalized assets). |
|---|--|

|                                     |  |                                      |          |
|-------------------------------------|--|--------------------------------------|----------|
| <b>Program Implementation Date:</b> | Jan 2011   | <b>When will savings begin?:</b>     | Jan 2011 |
|                                     |  | <b>Are these savings recurring?:</b> | No       |
| <b>Other Issues:</b>                | While not recurring at the same value each year, there are significant savings in each year of the Financial plan. |                                      |          |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.000                 | \$7.350     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |
| <i>Impact on Operations:</i>                  |                         |             |             |             |             |
| Ridership Per Week (in thousands)             |                         |             |             |             |             |
| Mean Distance Between Failure                 |                         |             |             |             |             |
| On-Time Performance                           |                         |             |             |             |             |
| Other   |                         |             |             |             |             |
| (Identify Appropriate Indicator)              |                         |             |             |             |             |
| <i>List of Other Concerns:</i>                |                         |             |             |             |             |

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Organizational Assessment

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | B&T undertook a comprehensive organizational assessment to identify cost saving opportunities in both administrative and operational areas. Through this effort the organization was significantly re-designed; non-value added and duplicative functions were eliminated; the number of organizational layers were reduced; and spans of controls were increased. |
|----------------------------|--|

|   |   |  |  |
|---|---|--|--|
| <b>Program Description/Implementation Plan:</b> | The Organizational Assessment program includes the consolidation of maintenance operations, elimination of the warehouse, revamping of maintenance schedules, improving the engineering process, and organizational restructuring and implementation of best practices guidelines, resulting in labor savings (not including overtime) of \$4.2 million in 2010 and \$6.9 million in 2011. Non-labor savings are generated by bringing the cleaning of facilities and landscaping of the premises in-house, enabling contracted costs for these programs to be reduced and amount to \$1.5 million in 2010 and \$2.1 million in 2011. |  |  |
|---|---|--|--|

|                                     |                 |                                      |                 |
|-------------------------------------|-----------------|--------------------------------------|-----------------|
| <b>Program Implementation Date:</b> | <b>Apr 2010</b> | <b>When will savings begin?:</b>     | <b>Apr 2010</b> |
|                                     |                 | <b>Are these savings recurring?:</b> | <b>Yes</b>      |
| <b>Other Issues:</b>                |                 |                                      |                 |

|                                       | Favorable/(Unfavorable) |                |                |                |                |
|---------------------------------------|-------------------------|----------------|----------------|----------------|----------------|
|                                       | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>  |                         |                |                |                |                |
| <b>Net Cash Savings (in millions)</b> | <b>\$5.689</b>          | <b>\$9.021</b> | <b>\$9.021</b> | <b>\$9.021</b> | <b>\$9.021</b> |

|   |    |    |    |    |    |
|---|----|----|----|----|----|
| <i>Total Reduction in Positions Required:</i> | 89 | 89 | 89 | 89 | 89 |
|---|----|----|----|----|----|

*(List Title of Positions)*

*Impact on Operations:*  
 Ridership Per Week (in thousands)  
 Mean Distance Between Failure  
 On-Time Performance

Other  
 (Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Overtime Reduction Program

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | Through a comprehensive organizational assessment, B&T was able to consolidate functions, improve management controls and realign schedules to allow for more efficient utilization of the workforce, helping to reduce overtime and related costs. The reductions are primarily the result of the centralization of maintenance functions, instituting tighter controls on overtime, and elimination of some weekend and night supervisory overtime. |
|----------------------------|---|

|   |   |
|---|---|
| <b>Program Description/Implementation Plan:</b> | Parts of the overtime reduction program were implemented early on in the current year. As of May YTD 2010, all of the programs have been put in place and B&T has realized a \$4.2 million or 17% reduction in overtime expenses. |
|---|---|

|                                     |          |                                      |          |
|-------------------------------------|----------|--------------------------------------|----------|
| <b>Program Implementation Date:</b> | Jan 2010 | <b>When will savings begin?:</b>     | Jan 2010 |
|                                     |          | <b>Are these savings recurring?:</b> | Yes      |
| <b>Other Issues:</b>                |          |                                      |          |

|                                       | Favorable/(Unfavorable) |                |                |                |                |
|---------------------------------------|-------------------------|----------------|----------------|----------------|----------------|
|                                       | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>  |                         |                |                |                |                |
| <b>Net Cash Savings (in millions)</b> | <b>\$4.242</b>          | <b>\$4.852</b> | <b>\$5.387</b> | <b>\$5.387</b> | <b>\$5.387</b> |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| <i>Total Reduction in Positions Required:</i> | 0 | 0 | 0 | 0 | 0 |
| <i>(List Title of Positions)</i>              |   |   |   |   |   |

*Impact on Operations:*

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Bridges and Tunnels  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Other Initiatives

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | These initiatives include one-time expense reductions for planning studies (\$0.7 million) based on capitalizing some expenses related to the study of All-Electronic Toll Collection, health and welfare expenses for the Empire Plan (\$1.0 million) and rapid procurement (\$0.045 million in 2010 and \$0.034 million in 2011). |
|----------------------------|---|

|  |  |                                      |          |
|--|--|--------------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | A total one-time savings of \$1.710 million in 2010 for planning studies, Empire Plan and rapid procurement and \$0.034 million for rapid procurement in 2011. |                                      |          |
| <b>Program Implementation Date:</b>                  | Jan 2010   | <b>When will savings begin?:</b>     | Jan 2010 |
|  |  | <b>Are these savings recurring?:</b> | No       |
| <b>Other Issues:</b>                                 |  |                                      |          |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.710                 | \$0.034     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance  
  
Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Bridges and Tunnels  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Bridge Painting

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | B&T embarked on a large scale painting program in 1995 and has traditionally funded painting needs under the Operating Budget. The overall strategy for the Painting program is to minimize coating deterioration, which provides corrosion protection to maintain the structural integrity of all B&T facilities. Like standard capital work, paint conditions are monitored and needs are prioritized based on Biennial Inspection ratings. Painting work falls into two categories: 1) Removal of lead based paint or old coating and replacement with new high performance coating; and 2) Maintenance of the new coatings that keeps existing coatings in place. A significant portion of the current Painting program falls under the first category and is considered capital eligible based on useful life (greater than 7 years) and cost (greater than \$50,000) criteria. As a result, B&T has determined that all capital eligible painting work can be transferred to the capital program. |
|----------------------------|---|

|   |  |                                      |          |
|---|--|--------------------------------------|----------|
| <b>Program Description/Implementation Plan:</b> | For the 2010-2014 time frame, \$219.9M of expenditures are planned in the Operating Budget, of which \$158.4M can be classified as capital eligible and, when transferred to the Capital Program, results in significant annual savings in the Operating Budget of \$17.3M, \$33.0M, \$41.4M, \$38.9M, and \$27.7M for the period 2010-2014, respectively. This action leaves \$61.5M in the Operating Budget over that time frame for maintenance and painting. |                                      |          |
| <b>Program Implementation Date:</b>             | Jan 2010   | <b>When will savings begin?:</b>     | Jan 2010 |
|   |  | <b>Are these savings recurring?:</b> | Yes      |
| <b>Other Issues:</b>                            | While not recurring at the same value each year, there are significant savings in each year of the Financial plan.   |                                      |          |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$17.266                | \$33.039    | \$41.393    | \$38.940    | \$27.724    |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |
| <i>Impact on Operations:</i>                  |                         |             |             |             |             |
| Ridership Per Week (in thousands)             |                         |             |             |             |             |
| Mean Distance Between Failure                 |                         |             |             |             |             |
| On-Time Performance                           |                         |             |             |             |             |
| Other   |                         |             |             |             |             |
| (Identify Appropriate Indicator)              |                         |             |             |             |             |
| <i>List of Other Concerns:</i>                |                         |             |             |             |             |

**MTA BRIDGES AND TUNNELS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014  
RIDERSHIP/UTILIZATION**

**Year-to-Year**

The traffic forecast developed for the July Financial Plan incorporates the most recent economic forecast issued by Global Insight, which includes a decline in regional (New York City, Long Island and Westchester) employment of 0.5% in 2010, followed by growth of 1.7% in 2011. Thereafter, employment growth is projected at 2.3% in 2012, 1.6% in 2013 and 1.3% in 2014.

The growth in regional employment from 2011 through 2014 is expected to have a positive impact on traffic volumes each year. Paid traffic is forecast at 294.6 million vehicles in 2011, 297.3 million in 2012 (leap year), 298.2 million in 2013 and 299.7 million in 2014.

**Plan-to-Plan**

Paid traffic volume is projected to reach 292.0 million vehicles in 2010, which is 0.6% above the Adopted Budget level of 290.3 million vehicles. The additional volume is due to generally favorable traffic trends through May and Global Insight's improved forecast for regional employment.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**Ridership/Traffic Volume (Utilization)**

|                              | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
|------------------------------|------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
| <hr/>                        |                        |                                       |  |                    |                    |                    |
| <b><u>Traffic Volume</u></b> |                        |                                       |  |                    |                    |                    |
| Baseline                     | <u>291.383</u>         | <u>292.025</u>                        | <u>294.572</u>                         | <u>297.337</u>     | <u>298.236</u>     | <u>299.671</u>     |
| <b>Total</b>                 | <b>291.383</b>         | <b>292.025</b>                        | <b>294.572</b>                         | <b>297.337</b>     | <b>298.236</b>     | <b>299.671</b>     |
| <br>                         |                        |                                       |  |                    |                    |                    |
| <b><u>Toll Revenue</u></b>   |                        |                                       |  |                    |                    |                    |
| Baseline                     | \$1,332.115            | \$1,411.134                           | \$1,421.045                            | \$1,432.029        | \$1,433.990        | \$1,438.515        |
| <i>Toll Increase</i>         | <u>\$0.000</u>         | <u>\$0.000</u>                        | <u>\$0.000</u>                         | <u>\$0.000</u>     | <u>\$0.000</u>     | <u>\$0.000</u>     |
| <b>Total</b>                 | <b>\$1,332.115</b>     | <b>\$1,411.134</b>                    | <b>\$1,421.045</b>                     | <b>\$1,432.029</b> | <b>\$1,433.990</b> | <b>\$1,438.515</b> |



**MTA BRIDGES AND TUNNELS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014  
POSITIONS**

**Position Assumptions**

**Year-to-Year**

In 2010, total headcount is budgeted at 1,688. Total headcount will decrease by 7 more in 2011 to account for the number of positions being reduced as a result of the transfer of functions to the BSC. In 2012, an additional 25 positions will be transferred to the BSC. Headcount will remain unchanged at 1,656 through 2014. Administrative positions will be reduced by 37 percent between the beginning of 2010 and the 2012 budget.

**Plan-to-Plan**

In 2010, the total headcount will be reduced to 1,688, a reduction of 117 positions (29 for the 15% administrative reduction program and 88 for the Budget Reduction Program (BRP). In 2011, headcount is expected to be 1,681, a total reduction of 123 positions from the February Financial Plan. This includes the 117 from the BRP and 6 Maintainer positions that are no longer required to service a newly-renovated building for employees who will be relocated based on capital work at the Robert F. Kennedy Bridge complex. The space required to relocate these employees is now being reviewed. In 2012 to 2014, headcount will be 1,656 positions, which reflects a total reduction of 123 positions from the February Financial Plan, as described above.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents**

| FUNCTION/DEPARTMENT                | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012         | 2013         | 2014         |
|------------------------------------|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| <b>Administration</b>              |                |                              |                               |              |              |              |
| Executive                          | 2              | 2                            | 2                             | 2            | 2            | 2            |
| Law                                | 9              | 8                            | 8                             | 8            | 8            | 8            |
| CFO <sup>(1)</sup>                 | 38             | 34                           | 27                            | 18           | 18           | 18           |
| Labor Relations                    | 5              | 11                           | 11                            | 11           | 11           | 11           |
| Procurement & Materials            | 37             | 26                           | 26                            | 26           | 26           | 26           |
| Staff Services <sup>(2)</sup>      | 46             | 33                           | 33                            | 21           | 21           | 21           |
| EEO                                | 1              | 1                            | 1                             | 1            | 1            | 1            |
| <b>Total Administration</b>        | <b>138</b>     | <b>115</b>                   | <b>108</b>                    | <b>87</b>    | <b>87</b>    | <b>87</b>    |
| <b>Operations</b>                  |                |                              |                               |              |              |              |
| Revenue Management                 | 41             | 41                           | 41                            | 41           | 41           | 41           |
| Operations (Non-Security)          | 733            | 725                          | 725                           | 725          | 725          | 725          |
| <b>Total Operations</b>            | <b>774</b>     | <b>766</b>                   | <b>766</b>                    | <b>766</b>   | <b>766</b>   | <b>766</b>   |
| <b>Maintenance</b>                 |                |                              |                               |              |              |              |
| Maintenance                        | 124            | 161                          | 161                           | 161          | 161          | 161          |
| Operations - Maintainers           | 166            | 162                          | 162                           | 162          | 162          | 162          |
| Procurement & Materials            | 12             | 0                            | 0                             | 0            | 0            | 0            |
| Technology                         | 58             | 56                           | 56                            | 52           | 52           | 52           |
| Internal Security - Tech Svcs      | 35             | 8                            | 8                             | 8            | 8            | 8            |
| <b>Total Maintenance</b>           | <b>395</b>     | <b>387</b>                   | <b>387</b>                    | <b>383</b>   | <b>383</b>   | <b>383</b>   |
| <b>Engineering/Capital</b>         |                |                              |                               |              |              |              |
| Engineering & Construction         | 158            | 127                          | 127                           | 127          | 127          | 127          |
| Health & Safety                    | 10             | 8                            | 8                             | 8            | 8            | 8            |
| Planning & Budget Capital          | 8              | 12                           | 12                            | 12           | 12           | 12           |
| <b>Total Engineering/Capital</b>   | <b>176</b>     | <b>147</b>                   | <b>147</b>                    | <b>147</b>   | <b>147</b>   | <b>147</b>   |
| <b>Public Safety</b>               |                |                              |                               |              |              |              |
| Operations (Security)              | 252            | 234                          | 234                           | 234          | 234          | 234          |
| Internal Security - Operations     | 46             | 39                           | 39                            | 39           | 39           | 39           |
| <b>Total Public Safety</b>         | <b>298</b>     | <b>273</b>                   | <b>273</b>                    | <b>273</b>   | <b>273</b>   | <b>273</b>   |
| <b>Total Baseline Positions</b>    | <b>1,781</b>   | <b>1,688</b>                 | <b>1,681</b>                  | <b>1,656</b> | <b>1,656</b> | <b>1,656</b> |
| <i>Non-Reimbursable</i>            | 1,736          | 1,643                        | 1,628                         | 1,603        | 1,603        | 1,603        |
| <i>Reimbursable</i>                | 45             | 45                           | 53                            | 53           | 53           | 53           |
| <b>Total Full-Time</b>             | <b>1,781</b>   | <b>1,688</b>                 | <b>1,681</b>                  | <b>1,656</b> | <b>1,656</b> | <b>1,656</b> |
| <b>Total Full-Time Equivalents</b> | <b>0</b>       | <b>0</b>                     | <b>0</b>                      | <b>0</b>     | <b>0</b>     | <b>0</b>     |

<sup>(1)</sup> includes Accounts Payable, Accounting, Payroll and Operating Budget staff.

<sup>(2)</sup> includes Human Resources and Administration staff.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2011-2014**  
**Total Positions by Function and Occupation**

| FUNCTION/OCCUPATIONAL GROUP         | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012         | 2013         | 2014         |
|-------------------------------------|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| <b>Administration</b>               |                |                              |                               |              |              |              |
| Managers/Supervisors                | 46             | 45                           | 45                            | 38           | 38           | 38           |
| Professional, Technical, Clerical   | 92             | 70                           | 63                            | 49           | 49           | 49           |
| Operational Hourlies                | -              | -                            | -                             | -            | -            | -            |
| <b>Total Administration</b>         | <b>138</b>     | <b>115</b>                   | <b>108</b>                    | <b>87</b>    | <b>87</b>    | <b>87</b>    |
| <b>Operations</b>                   |                |                              |                               |              |              |              |
| Managers/Supervisors                | 52             | 45                           | 45                            | 45           | 45           | 45           |
| Professional, Technical, Clerical   | 50             | 42                           | 42                            | 42           | 42           | 42           |
| Operational Hourlies <sup>(1)</sup> | 672            | 679                          | 679                           | 679          | 679          | 679          |
| <b>Total Operations</b>             | <b>774</b>     | <b>766</b>                   | <b>766</b>                    | <b>766</b>   | <b>766</b>   | <b>766</b>   |
| <b>Maintenance</b>                  |                |                              |                               |              |              |              |
| Managers/Supervisors                | 29             | 33                           | 33                            | 32           | 32           | 32           |
| Professional, Technical, Clerical   | 57             | 51                           | 51                            | 48           | 48           | 48           |
| Operational Hourlies <sup>(2)</sup> | 309            | 303                          | 303                           | 303          | 303          | 303          |
| <b>Total Maintenance</b>            | <b>395</b>     | <b>387</b>                   | <b>387</b>                    | <b>383</b>   | <b>383</b>   | <b>383</b>   |
| <b>Engineering/Capital</b>          |                |                              |                               |              |              |              |
| Managers/Supervisors                | 38             | 31                           | 31                            | 31           | 31           | 31           |
| Professional, Technical, Clerical   | 138            | 116                          | 116                           | 116          | 116          | 116          |
| Operational Hourlies                | -              | -                            | -                             | -            | -            | -            |
| <b>Total Engineering/Capital</b>    | <b>176</b>     | <b>147</b>                   | <b>147</b>                    | <b>147</b>   | <b>147</b>   | <b>147</b>   |
| <b>Public Safety</b>                |                |                              |                               |              |              |              |
| Managers/Supervisors                | 15             | 10                           | 10                            | 10           | 10           | 10           |
| Professional, Technical, Clerical   | 27             | 29                           | 29                            | 29           | 29           | 29           |
| Operational Hourlies <sup>(3)</sup> | 256            | 234                          | 234                           | 234          | 234          | 234          |
| <b>Total Public Safety</b>          | <b>298</b>     | <b>273</b>                   | <b>273</b>                    | <b>273</b>   | <b>273</b>   | <b>273</b>   |
| <b>Total Positions</b>              |                |                              |                               |              |              |              |
| Managers/Supervisors                | 180            | 164                          | 164                           | 156          | 156          | 156          |
| Professional, Technical, Clerical   | 364            | 308                          | 301                           | 284          | 284          | 284          |
| Operational Hourlies                | 1,237          | 1,216                        | 1,216                         | 1,216        | 1,216        | 1,216        |
| <b>Total Positions</b>              | <b>1,781</b>   | <b>1,688</b>                 | <b>1,681</b>                  | <b>1,656</b> | <b>1,656</b> | <b>1,656</b> |

<sup>(1)</sup> represents Bridge and Tunnel Officers, Sergeants and Lieutenants. These positions are paid annually, not hourly.

<sup>(2)</sup> represents maintenance personnel. These positions are paid annually, not hourly.

<sup>(3)</sup> represents Bridge and Tunnel Officers, Sergeants and Lieutenants performing public safety. These positions are paid annually, not hourly.

# **Capital Construction Company**

**MTA CAPITAL CONSTRUCTION COMPANY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014**

**HIGHLIGHTS OF OPERATIONS**

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

Currently all MTACC mega projects are under construction with over \$9 billion in commitments. In June of 2010, MTACC's 7 Line Extension project hit a major milestone in the \$2.1 billion project. The first of two tunnel boring machines has completed its 4,661 foot run and has reached the chamber adjacent to the current terminus for the No. 7 train underneath 42nd Street. The second one is expected to break through and reach the chamber in July. Our additional two tunnel boring machines, on the East Side Access project, continue to progress, as well. In Manhattan, the SELI TBM continued mining its third drive and the Robbins TBM completed its fourth drive. Roadheader excavation continued in both Grand Central caverns and blasting has begun. Excavation of the shafts and escalator ways in Madison Yard continued. Agreement was reached between NYCDEP, Metro-North and MTACC on a MOU for work as part of the 50th Street Vent Facility (CM013). This will allow work to proceed without delay.

Second Avenue Subway also made significant progress on excavation work on its tunneling projects. To date, approximately 95 percent of the TBM launch box has been excavated and a vertical conveyor was delivered and assembled and components of the horizontal conveyor were delivered to the job site. TBM components have also started delivery to the site. Preparatory work has already started for the replacement of the 48" cast iron water main pipe with a 48" ductile iron pipe at the south end as approved by NYCDEP last month. Traffic was shifted on April 1, 2010.

Excavation work continues on the A/C Mezzanine and J/M/Z Vertical Circulation contract on the Fulton Transit Center Project. Demolition work continues on the upper and lower level platforms.

Among the most significant awards in 2010 was the Federal Stimulus grant awarded on March 1, 2010 for the East Side Access Project. The grant allows for deferred local match. Notable contracts that were awarded this year were the Corbin Building Restoration and the Dey Street and R/W Underpass Finishes. Upcoming awards, expected this summer, are the Transit Center Building on the Fulton Transit Center project, the 72<sup>nd</sup> St. Station building demolition and the 72<sup>nd</sup> St. Station heavy civil mining and lining contracts for the Second Avenue Subway project.

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

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

MTA Capital Construction has had a number of successes implementing sustainable measures into project designs and construction practices this year.

- Design teams on all MTACC projects continued to identify the best available technology and equipment to maximize energy efficiency.
- Construction Management teams on all MTACC projects were successful in diverting more than 85% of construction and demolition debris from disposal in landfills via recycling and salvaging materials.
- High compliance rates for retrofitting construction equipment with Diesel Particulate filters were achieved for each contract.
- MTA Capital Construction is pursuing LEED (Leadership in Energy and Environmental Design) certification of the Fulton Street Transit Center building that will serve as the focal point for entry in the customer friendly complex that will connect 12 subway lines
- MTACC continues to preserve and/or document archeological resources unearthed during construction. These resources include a well found beneath the Corbin Building on the Fulton Street Transit Center project, and the Battery Wall, Whitehall Slip and thousands of 18<sup>th</sup> and 19<sup>th</sup> century artifacts found during construction of the South Ferry Terminal Station.

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

MTACC's goal for capital commitments in 2010 totals approximately \$2.4 billion. MTACC continues to monitor the pace of hiring to meet the rising work load demand.

## **FINANCIAL OVERVIEW**

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

It is the goal of MTACC to minimize the number of full-time employees in order to maintain a cost efficient program management structure. MTACC's core staff directly manages the design and construction of the over \$16 billion in capital projects it is responsible for. MTACC continues to draw from the expertise and support services available in other MTA agencies to supplement the core staff and support design and construction management. In addition, MTACC will utilize consultant services to provide staff support in lieu of hiring. Our conservative budgets and forecasting are evident in 2010 through 2014 and as history has shown, our actual expenditures have consistently come in lower than our Adopted Budgets.

### **2010 Mid-Year Forecast**

MTACC's 2010 Mid-Year Forecast is \$32.647 million reflecting an approximate \$4 million decrease from the 2010 Adopted Budget. Labor Costs are projected at \$26.029 million, with a staffing level of 150 by year end, 2.58% lower than the 2010 Adopted Budget. Additional Actions for Budgetary Balance (AABB's) of \$1.100 million have also been applied to the current July forecast.

MTACC Administration will provide funding for 55% of the \$32.647 million in the Mid-Year Forecast, which is approximately \$18 million. These expenditures are comprised of administrative staff and non-project specific costs. The remainder of the expenses, predominantly labor, will be reimbursed by each of the mega projects.

Staff includes 60 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 27 for the East Side Access project, 20 for the Second Avenue Subway project, 19 for the Lower Manhattan projects, 10 for 7 Line Extension, and 14 for Security projects. MTACC is working with the MTA and employee recruitment agencies to develop strategies to recruit staff with the experience and

technical skills required for these complex construction projects. Matrixed employees (employees of other agencies under temporary management by MTACC) and consultants will continue to support MTACC in lieu of hiring full time staff.

Non-Labor costs are projected at \$6.618 million, a decrease of 33.11% from 2010 Adopted Budget. These costs are non-project specific and are for the provision of company-wide construction support from specialty contractors and oversight agencies. Such expenditures may not be eligible for reimbursement by the Federal Transit Administration and will be funded through MTACC Administration. Approximately \$2.7 million of projected non-labor expenditures are uncontrollable and determined by MTAHQ such as independent engineer, MTA Audit quarterly chargebacks, AAPL insurance and payroll mobility tax. Independent engineering expenses and legal litigation fees incurred from June through December of 2010 will be captured in a new line item within the 2010-2014 Capital Plan. Remaining funds have been budgeted for miscellaneous engineering and legal services, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and other project office costs including occupancy, computer equipment, mobile communications devices and supplies.

### **2011 Preliminary Budget - Baseline**

In 2011, MTACC's main objective will be to continue major construction of the MTA's system expansion projects. By 2011 all system expansion projects will have over \$11.5 billion in commitments underway or completed. MTACC projects 2011 costs of \$34.526 million, a decrease of 5.25% (\$2 million) from the 2010 Adopted Budget, and a year end headcount of 147. Additional Actions for Budget Balance (AABBs) reductions of \$1.100 million continue in 2010 and administrative spending is strictly monitored to insure a balanced budget in accordance with MTA policies and guidelines.

MTACC Administration will provide funding for 55% of the \$34.526 million, which is approximately \$19 million. The remainder of the staffing expenditures will be reimbursed by each of the mega projects for those employees directly working on projects.

Labor and fringe expenses are projected at \$27.650 million, a slight increase of .91% from the 2010 Adopted Budget. Labor costs increase due revised overhead rates from MTA agencies. Allocation of staff and timing of start dates have been revised from the Adopted Budget, as well. Staff includes 60 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 26 for the East Side Access project, 20 for the Second Avenue Subway project, 18 for the Lower Manhattan projects, 9 for 7 Line Extension, and 14 for Security projects.

Non-Labor costs are projected at \$6.876 million, a 23.93% decrease from the 2010 Adopted Budget. In 2011, MTACC will allocate the support of independent engineer and legal litigation expenditures within a sub-category of the overall MTACC Capital



Plan. These expenses of approximately \$5.1 million will be funded through the Administrative 2010-2014 Capital Program and will be tracked independently of the administrative professional services forecasts and expenditures. This process will allow us efficient and candid reporting of such annual costs. MTA Audit quarterly chargebacks, AAPL insurance and payroll mobility tax will continue to fall within the MTACC Administrative July Plan and the forecasts are on par with the Adopted Budget. Additional projections include the reimbursement of NYCT for administrative support staff and services, temporary expert services (such as indefinite quantity consultants and firms to support project controls, change order and claims management), legal and engineering services, workforce development through employee training and other office costs such as communications and computer equipment.

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

### **2012 - 2014 Projections**

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

MTACC costs for 2012-2013 are projected to increase by 2.39% and 2.19% respectively, slightly decreasing by 1.08% in 2014. Maintaining a tight control of administrative spending and continuing to charge the mega projects for direct costs has allowed MTACC to decrease and/or remain on par with the previous financial plans. Another contributing factor to these changes is the reallocation of expenditures for independent engineer and litigation services. Labor expenses slightly increase in 2012 by 2.90%, and by 2.51% in both 2013 and 2014, due to inflation. Year-end staffing levels of 147 employees remain constant through 2014.

Non-labor expenses remain predominantly constant 2012 and 2013 with slight increases of 0.35% and 0.87%, respectively. In 2014 expenses are expected to drop by 16.14% to reflect fewer professional services expenses such as outside consultants and archeological expenditures tapering off due to the progress in our mega projects.

MTACC Administration will continue to provide the majority of funding of the overall projections from 2012-2014. The administrative contribution is expected to be 54% for 2012 and 2013 (\$19.1 million and 19.5 million) with a slight decrease to 52% in 2014 (\$18.7 million). The remainder of the expenses will be reimbursed by each of the mega projects. AABB's are consistently applied within the professional services category, from 2012 to 2014 in the amount of \$1.100 million per year.

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

[illegible]

[illegible]

[illegible]

**MTA CAPITAL CONSTRUCTION COMPANY  
JULY FINANCIAL PLAN 2011-2014  
YEAR-TO-YEAR CHANGES BY CATEGORY-BASELINE**

**Revenue**

**Capital and Other Reimbursements:**

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

**Expenses**

**Payroll:**

- 2010 payroll costs reflect a projected year-end staffing level of 150. Majority of new hires will occur in the fourth quarter of 2010. 2011 payroll costs increase by 5.8% based on annual full staff levels of 147 due to the shifting of 3 permanent positions to the Business Service Center beginning in 2011.
- 2012, 2013 and 2014 year end staffing levels remain at 147. Payroll expenditures remain constant and are escalated by inflation rates.

**Other Fringe Benefits:**

- Health and Welfare, Pensions and Other Fringe Benefits costs in 2010 increased to coincide with the adjusted year-end staffing levels of 150. In 2011, these costs will increase by 24.2%, 0.7%, and 2.5%, respectively, to reflect the escalation of benefits at full staffing levels of 147.
- 2012 through 2014 Benefits expenditures remain constant and are escalated by inflation rates.

**Insurance:**

- 2010 includes insurance expenses for the All-Agency Protective Liability Program for all MTACC projects.
- Costs are escalated by approximately 10% each year through 2014.

#### Professional Service Contracts:

- In 2010, costs decrease by more than \$3.112 million primarily due to reallocating anticipated costs for company wide construction legal/litigation and independent engineering support. 2010 expenditures are comprised of environmental and archeological resources, contractual employees such as URS consultants and miscellaneous project related costs.
- Costs increase in 2011 through 2013 due to the continuation of projected audit fees and miscellaneous consulting fees. In 2014, these costs decrease by \$1.246 to reflect a reduction in consultants to coincide with the completion of various stages of the mega projects.

#### Materials and Supplies:

- 2010 costs include safety equipment for field employees and general office supplies. 2011 through 2014 costs are based on 2010 projections and are escalated by inflation rates provided by Global Insight.

#### Other Business Expenses:

- 2010 costs are comprised of wireless communication devices for staff, employee recruitment fees, computer equipment, printers, copiers, occupancy for Security Program field office and establishing an MTACC network Intranet.
- Costs increase by 9.1% in 2011 due to anticipated occupancy expenses. Additional increases in expenditures include the payroll mobility tax based on annual full staff levels.
- 2011 through 2014 costs are escalated by inflations rates provided by Global Insight.

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2011-2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

|   | Favorable/(Unfavorable) |                 |                       |                 |                       |                 |                       |                 |                       |
|---|-------------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
|   | 2010                    | 2011            | Change<br>2011 - 2010 | 2012            | Change<br>2012 - 2011 | 2013            | Change<br>2013 - 2012 | 2014            | Change<br>2014 - 2013 |
| <b><u>Revenue</u></b>                     |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Farebox Revenue                           | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| Vehicle Toll Revenue                      | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Other Operating Revenue                   | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Capital and Other Reimbursements          | 32.647                  | 34.526          | 1.879                 | 35.353          | 0.826                 | 36.126          | 0.773                 | 35.735          | (0.390)               |
| <b>Total Revenue</b>                      | <b>\$32.647</b>         | <b>\$34.526</b> | <b>\$1.879</b>        | <b>\$35.353</b> | <b>\$0.826</b>        | <b>\$36.126</b> | <b>\$0.773</b>        | <b>\$35.735</b> | <b>(\$0.390)</b>      |
| <b><u>Expenses</u></b>                    |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Labor:                                    |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Payroll                                   | \$15.854                | \$16.772        | (\$0.919)             | \$17.138        | (\$0.365)             | \$17.486        | (\$0.349)             | \$17.820        | (\$0.333)             |
| Overtime                                  | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Health and Welfare                        | 2.254                   | 2.798           | (0.544)               | 2.975           | (0.177)               | 3.168           | (0.193)               | 3.363           | (0.195)               |
| OPEB Current Payment                      | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Pensions                                  | 2.311                   | 2.328           | (0.016)               | 2.398           | (0.070)               | 2.471           | (0.073)               | 2.541           | (0.070)               |
| Other Fringe Benefits                     | 5.610                   | 5.752           | (0.142)               | 5.942           | (0.190)               | 6.040           | (0.099)               | 6.175           | (0.135)               |
| Reimbursable Overhead                     | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| <b>Total Labor Expenses</b>               | <b>\$26.029</b>         | <b>\$27.650</b> | <b>(\$1.621)</b>      | <b>\$28.452</b> | <b>(\$0.802)</b>      | <b>\$29.165</b> | <b>(\$0.713)</b>      | <b>\$29.899</b> | <b>(\$0.733)</b>      |
| Non-Labor:                                |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Traction and Propulsion Power             | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| Fuel for Buses and Trains                 | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Insurance                                 | 0.104                   | 0.115           | (0.010)               | 0.126           | (0.011)               | 0.139           | (0.013)               | 0.153           | (0.014)               |
| Claims                                    | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Paratransit Service Contracts             | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Maintenance and Other Operating Contracts | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Professional Service Contracts            | 5.060                   | 5.178           | (0.118)               | 5.181           | (0.002)               | 5.218           | (0.037)               | 4.072           | 1.146                 |
| Materials & Supplies                      | 0.045                   | 0.046           | (0.001)               | 0.047           | (0.001)               | 0.048           | (0.001)               | 0.048           | (0.001)               |
| Other Business Expenses                   | 1.409                   | 1.537           | (0.129)               | 1.547           | (0.009)               | 1.556           | (0.009)               | 1.564           | (0.008)               |
| <b>Total Non-Labor Expenses</b>           | <b>\$6.618</b>          | <b>\$6.876</b>  | <b>(\$0.258)</b>      | <b>\$6.900</b>  | <b>(\$0.024)</b>      | <b>\$6.960</b>  | <b>(\$0.060)</b>      | <b>\$5.837</b>  | <b>\$1.124</b>        |
| Other Expenses Adjustments:               |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Other                                     | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>          | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation</b> | <b>\$32.647</b>         | <b>\$34.526</b> | <b>(\$1.879)</b>      | <b>\$35.353</b> | <b>(\$0.826)</b>      | <b>\$36.126</b> | <b>(\$0.773)</b>      | <b>\$35.735</b> | <b>\$0.390</b>        |
| Depreciation                              | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| <b>Total Expenses</b>                     | <b>\$32.647</b>         | <b>\$34.526</b> | <b>(\$1.879)</b>      | <b>\$35.353</b> | <b>(\$0.826)</b>      | <b>\$36.126</b> | <b>(\$0.773)</b>      | <b>\$35.735</b> | <b>\$0.390</b>        |
| <b>Baseline Surplus/(Deficit)</b>         | <b>\$0.000</b>          | <b>\$0.000</b>  | <b>(\$0.000)</b>      | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>(\$0.000)</b>      | <b>\$0.000</b>  | <b>\$0.000</b>        |

### CASH RECEIPTS & EXPENDITURES

[illegible]



**MTA CAPITAL CONSTRUCTION COMPANY  
JULY FINANCIAL PLAN 2011-2014  
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

**2010: July Financial Plan vs. February Financial Plan**

The July Financial Plan is \$3.965 million (10.83%) lower than the February Adopted Budget. This decrease in expenditures is due to a decrease of non-labor expenditures. The 2010 July Plan is projecting a staffing level of 150 by year end. The 150 staffing level has been MTACC's consistent target since its inception. Although the headcount, by year end of 2010, is expected to remain the same as the February Financial Plan, labor costs have decreased by \$0.689 million due to the reallocation and reorganization of staffing and employee start dates. The majority of new hires are anticipated to start in the fourth quarter of 2010 causing one to two months of a full staff. Non-Labor costs are expected to decrease by \$3.276 million in professional services, materials and supplies, other business expenses and insurance. Professional services expenses have been restructured to account for the timeline of projects and company-wide construction support from specialty contractors. Independent engineer and legal litigation support will be kept within MTACC's Capital Program but will not be reported or budgeted within the Administrative Financial Plans, rather a sub-category within the overall 2010-2014 Capital Plan for the reallocation of the charges. Other Administrative costs captured within this plan are environmental and archeological resources and MTA Audit chargebacks, occupancy, payroll mobility tax and telecommunications. Fewer equipment purchases and employee expenses are expected in 2010 due to tight budgetary controls and MTA guidelines.

**2011 - 2013: July Financial Plan vs. February Financial Plan**

Projections for 2011 have decreased by \$1.913 million, 5.25%, from the February Financial Plan. MTACC costs reflect anticipated progress in major construction of capital projects. In 2011, under the direction of MTAHQ, 3 positions will be transferred to the Business Service Center and staffing levels remain constant at 147 through 2013. Revised staffing plan and start dates result in a slight increase in labor expenses of \$0.250 million (.91%) higher than the February Plan. Overall Non-labor expenditures are \$2.164 million lower, 23.93%, for company-wide construction support. Expenditures are consistent to 2010 forecasts and are comprised of office costs such as occupancy, computer and mobile communication equipment and supplies for full staff. Professional Services budget includes miscellaneous engineering and legal services, environmental services and reimbursement of NYCT for administrative support staff and services. To continue support of the progression of MTACC mega projects and comply with the oversight measures directed by the MTA and FTA, the Professional Services budget will no longer include the independent engineer. These expenses will be moved to a separate category within MTACC's 2010-2013 Capital Plan, along with legal litigation fees for ease of tracking and control. Temporary expert services (hiring indefinite

quantity consultant firms and individuals to support project controls, claims and change orders) for project needs are projected in the July Plan as are AAPL insurance expenses and payroll mobility tax. Additional areas that have contributed to a variance between July vs. February Plan are decreases in employee expenses and the conclusion of independent compliance monitor services. Labor and non-labor costs are lower than the February Adopted budget and overall budgeted expenses are expected to decrease in 2012 by 5.85% and 2013 by 2.72%.

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2011-2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

|  | 2010             | 2011             | 2012             | 2013             |
|--|------------------|------------------|------------------|------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Baseline Changes</b>  |                  |                  |                  |                  |
| <b>Revenue</b>   |                  |                  |                  |                  |
| Farebox Revenue  |                  |                  |                  |                  |
| Additional Actions for Budget Balance: Revenue Impact                          |                  |                  |                  |                  |
| Vehicle Toll Revenue   |                  |                  |                  |                  |
| Capital and Other Reimbursement  | (\$3.965)        | (\$1.913)        | (\$2.197)        | (\$1.011)        |
| <b>Total Revenue Changes</b>   | <b>(\$3.965)</b> | <b>(\$1.913)</b> | <b>(\$2.197)</b> | <b>(\$1.011)</b> |
| <b>Expenses</b>  |                  |                  |                  |                  |
| <b>Labor:</b>  |                  |                  |                  |                  |
| Payroll  | \$ .927          | \$ .247          | \$ .377          | \$ .539          |
| Health and Welfare   | \$ .214          | (\$ .170)        | (\$ .135)        | (\$ .101)        |
| OPEB Current Payment   |                  |                  |                  |                  |
| Pensions   | (\$ .192)        | (\$ .138)        | (\$ .113)        | (\$ .085)        |
| Other Fringe Benefits  | (\$ .262)        | (\$ .189)        | (\$ .235)        | (\$ .142)        |
| Reimbursable Overhead  |                  |                  |                  |                  |
| <b>Total Labor Expense Changes</b>   | <b>\$ .689</b>   | <b>(\$ .250)</b> | <b>(\$ .105)</b> | <b>\$ .212</b>   |
| <b>Non-Labor:</b>  |                  |                  |                  |                  |
| Traction and Propulsion Power  |                  |                  |                  |                  |
| Fuel for Buses and Trains  |                  |                  |                  |                  |
| Insurance  | \$ .062          | \$ .068          | \$ .075          | \$ .082          |
| Claims   |                  |                  |                  |                  |
| Paratransit Service Contracts  |                  |                  |                  |                  |
| Professional Service Contracts   | \$3.112          | \$2.077          | \$2.195          | \$ .655          |
| Maintenance and Other Operating Contracts                                      |                  |                  |                  |                  |
| Materials & Supplies   | (\$ .020)        | (\$ .015)        | (\$ .020)        | (\$ .016)        |
| Other Business Expenses  | \$ .122          | \$ .033          | \$ .054          | \$ .078          |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$3.276</b>   | <b>\$2.164</b>   | <b>\$2.303</b>   | <b>\$ .799</b>   |
| <b>Total Expense Changes</b>   | <b>\$3.965</b>   | <b>\$1.913</b>   | <b>\$2.197</b>   | <b>\$1.011</b>   |
| <b>Other Expense Adjustments/Gap Closing Actions</b>                           |                  |                  |                  |                  |
| Other - Restricted Cash Adjustment   |                  |                  |                  |                  |
| Additional Actions for Budget Balance: Expense Impact                          |                  |                  |                  |                  |
| <b>Total Other Expenditure AdjustmentsChanges</b>                              | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Total Baseline Changes</b>  | <b>\$0.000</b>   | <b>(\$0.000)</b> | <b>\$0.000</b>   | <b>(\$0.000)</b> |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>\$0.000</b>   | <b>(\$0.000)</b> | <b>\$0.000</b>   | <b>(\$0.000)</b> |

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

|   | 2010           | 2011             | 2012           | 2013           |
|---|----------------|------------------|----------------|----------------|
| Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit) | \$0.000        | \$0.000          | \$0.000        | \$0.000        |
| <i>Non-Reimbursable Major Changes</i>                                   |                |                  |                |                |
| Revenue   |                |                  |                |                |
|   |                |                  |                |                |
|   |                |                  |                |                |
| Sub-Total Non-Reimbursable Revenue Changes                              | \$0.000        | \$0.000          | \$0.000        | \$0.000        |
| Expenses  |                |                  |                |                |
|   |                |                  |                |                |
|   |                |                  |                |                |
| Sub-Total Non-Reimbursable Expense Changes                              | \$0.000        | \$0.000          | \$0.000        | \$0.000        |
| <i>Total Non-Reimbursable Major Changes</i>                             | \$0.000        | \$0.000          | \$0.000        | \$0.000        |
| <i>Reimbursable Major Changes</i>                                       |                |                  |                |                |
| Revenue   | (\$3.965)      | (\$1.913)        | (\$2.197)      | (\$1.011)      |
|   |                |                  |                |                |
| Sub-Total Reimbursable Revenue Changes                                  | (\$3.965)      | (\$1.913)        | (\$2.197)      | (\$1.011)      |
| Expenses  | \$3.965        | \$1.913          | \$2.197        | \$1.011        |
|   |                |                  |                |                |
| Sub-Total Reimbursable Expense Changes                                  | \$3.965        | \$1.913          | \$2.197        | \$1.011        |
| <i>Total Reimbursable Major Changes</i>                                 | \$0.000        | (\$0.000)        | \$0.000        | \$0.000        |
| <b>Total Accrual Changes</b>  | <b>\$0.000</b> | <b>(\$0.000)</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Cash Adjustment Changes</b>  |                |                  |                |                |
|   |                |                  |                |                |
| <b>Total Cash Adjustment Changes</b>                                    | <b>\$0.000</b> | <b>\$0.000</b>   | <b>\$0.000</b> | <b>\$0.000</b> |
| <i>Total Baseline Changes</i>   | \$0.000        | (\$0.000)        | \$0.000        | \$0.000        |
| Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)     | \$0.000        | (\$0.000)        | \$0.000        | \$0.000        |

**MTA CAPITAL CONSTRUCTION COMPANY  
JULY FINANCIAL PLAN 2011-2014  
POSITIONS**

**Position Assumptions**

All MTACC costs are reimbursable from the MTA Capital Program. The July Financial Plan projects 2010 year-end staffing of 150. Staffing levels reach 150 in the fourth quarter 2010 and remain constant at that level.

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

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

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

The 2010 Year-End Staffing level remains constant at 150 employees. The breakdown is as follows: 60 MTACC administrative positions and 90 project positions implementing East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program.

\*Employees of other agencies under temporary management by MTACC

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2011-2014**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

| <b>FUNCTION/DEPARTMENT</b>         | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|------------------------------------|------------------------|---------------------------------------|--|-------------|-------------|-------------|
| <b>Administration</b>              |                        |                                       |  |             |             |             |
| MTACC                              | 31                     | 28                                    | 28                                     | 28          | 28          | 28          |
| <b>Engineering/Capital</b>         |                        |                                       |  |             |             |             |
| MTACC                              | 25                     | 32                                    | 32                                     | 32          | 32          | 32          |
| East Side Access                   | 26                     | 27                                    | 26                                     | 26          | 26          | 26          |
| Security                           | 16                     | 14                                    | 14                                     | 14          | 14          | 14          |
| Second Avenue Subway               | 13                     | 20                                    | 20                                     | 20          | 20          | 20          |
| Lower Manhattan Project            | 16                     | 29                                    | 27                                     | 27          | 27          | 27          |
| <b>Total Engineering/Capital</b>   | <b>96</b>              | <b>122</b>                            | <b>119</b>                             | <b>119</b>  | <b>119</b>  | <b>119</b>  |
| <b>Total Baseline Positions</b>    | <b>127</b>             | <b>150</b>                            | <b>147</b>                             | <b>147</b>  | <b>147</b>  | <b>147</b>  |
| <i>Non-Reimbursable</i>            | -                      | -                                     | -                                      | -           | -           | -           |
| <i>Reimbursable</i>                | 127                    | 150                                   | 147                                    | 147         | 147         | 147         |
| <i>Total Full-Time</i>             | 127                    | 150                                   | 147                                    | 147         | 147         | 147         |
| <i>Total Full-Time Equivalents</i> | -                      | -                                     | -                                      | -           | -           | -           |

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2011-2014**  
**Total Positions by Function and Occupation**

| FUNCTION/OCCUPATIONAL GROUP     |                                   | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012 | 2013 | 2014 |
|---------------------------------|-----------------------------------|----------------|------------------------------|-------------------------------|------|------|------|
| <b>Administration</b>           |                                   |                |                              |                               |      |      |      |
|                                 | Managers/Supervisors              | -              | -                            | -                             | -    | -    | -    |
|                                 | Professional, Technical, Clerical | 31             | 28                           | 28                            | 28   | 28   | 28   |
|                                 | Operational Hourlies              | -              | -                            | -                             | -    | -    | -    |
|                                 | <b>Total Administration</b>       | 31             | 28                           | 28                            | 28   | 28   | 28   |
| <b>Operations</b>               |                                   |                |                              |                               |      |      |      |
|                                 | Managers/Supervisors              | -              | -                            | -                             | -    | -    | -    |
|                                 | Professional, Technical, Clerical | -              | -                            | -                             | -    | -    | -    |
|                                 | Operational Hourlies              | -              | -                            | -                             | -    | -    | -    |
|                                 | <b>Total Operations</b>           | -              | -                            | -                             | -    | -    | -    |
| <b>Maintenance</b>              |                                   |                |                              |                               |      |      |      |
|                                 | Managers/Supervisors              | -              | -                            | -                             | -    | -    | -    |
|                                 | Professional, Technical, Clerical | -              | -                            | -                             | -    | -    | -    |
|                                 | Operational Hourlies              | -              | -                            | -                             | -    | -    | -    |
|                                 | <b>Total Maintenance</b>          | -              | -                            | -                             | -    | -    | -    |
| <b>Engineering/Capital</b>      |                                   |                |                              |                               |      |      |      |
|                                 | Managers/Supervisors              | -              | -                            | -                             | -    | -    | -    |
|                                 | Professional, Technical, Clerical | 96             | 122                          | 119                           | 119  | 119  | 119  |
|                                 | Operational Hourlies              | -              | -                            | -                             | -    | -    | -    |
|                                 | <b>Total Engineering/Capital</b>  | 96             | 122                          | 119                           | 119  | 119  | 119  |
| <b>Public Safety</b>            |                                   |                |                              |                               |      |      |      |
|                                 | Managers/Supervisors              | -              | -                            | -                             | -    | -    | -    |
|                                 | Professional, Technical, Clerical | -              | -                            | -                             | -    | -    | -    |
|                                 | Operational Hourlies              | -              | -                            | -                             | -    | -    | -    |
|                                 | <b>Total Public Safety</b>        | -              | -                            | -                             | -    | -    | -    |
| <b>Total Baseline Positions</b> |                                   |                |                              |                               |      |      |      |
|                                 | Managers/Supervisors              | -              | -                            | -                             | -    | -    | -    |
|                                 | Professional, Technical, Clerical | 127            | 150                          | 147                           | 147  | 147  | 147  |
|                                 | Operational Hourlies              | -              | -                            | -                             | -    | -    | -    |
|                                 | <b>Total Baseline Positions</b>   | 127            | 150                          | 147                           | 147  | 147  | 147  |

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**Long Island Bus**

**MTA LONG ISLAND BUS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014**

**HIGHLIGHTS OF OPERATIONS**

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

LI Bus operates the largest 100% Compressed Natural Gas (CNG) fixed-route fleet in the eastern USA, with 311 buses. This benefits the environment, both for LI Bus's passengers and for the 96 communities it serves. LI Bus's services provide linkages to 47 Long Island Rail Road stations and 5 New York City Transit subway stations, as well as shopping centers, colleges, museums, parks, theaters, and beaches throughout the area.

LI Bus also operates the Able-Ride Paratransit service, with a fleet of 89 fully-equipped vans and 4 sedans that offer curb-to-curb transportation for eligible customers with disabilities who are unable to use the fixed-route bus system. Through a certification program and innovative scheduling, LI Bus has met the goal of a zero denial rate and has reduced missed trips for all A.D.A. required trips.

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

In 2008, a consolidation of operational responsibilities for the MTA Bus Company (MTA Bus), New York City Transit's Department of Buses (NYCT DOB), and LI Bus was initiated to streamline management and support functions, thereby providing all bus customers served by each agency of the MTA with the same level of service. Achievements to date include:

- Establishing a single management structure to set policy for all three companies and ensure coordination in all aspects of management and operations.
- Standardizing maintenance procedures and service manuals.
- Progressing the assimilation of information systems and standards.
- Increasing coordination of Command Center operations and road operations.
- Ensuring effective and consistent training regimens across all three companies.
- Consolidating procurements to ensure the best terms are achieved.
- Economies from the joint bus scrap program.

## FINANCIAL OVERVIEW

The 2010 July forecast and projections for the years 2011-2014 reflect approved service reductions, restored AABB items and the current Budget Reduction Programs (BRP's). These actions are being implemented within the context of reduced State and Nassau County subsidies.

Currently the main areas of focus are:

- Bus service and administration efficiencies
- Maintenance efficiencies
- Paratransit cost savings
- Aggressive monitoring and control of overtime
- Inventory management
- Efficient management of procurements and operating/professional contracts

In late 2009, LI Bus responded to the projected MTA 2010 budget gap by establishing the following Additional Actions for Budget Balance (AABB) to help balance the 2010 Adopted Budget, and part of the 2011 February Plan. These were moved to the generic budget categories in the July Plan:

- AABB savings include the items listed below as well as savings related to the reduction of 20 positions.
  1. Discontinue Underused Routes
  2. Route Streamlining
  3. Paratransit Efficiencies and Service Guidelines
  4. CNG Tax credit extension
  5. Miscellaneous Other

In early 2010 there was a further deterioration of subsidy revenue projections at the MTA, resulting in further increases in the budget gap. In response to this scenario, LI Bus established several budget reduction actions as an integral part of the July 2010 Financial Plan process.

Actions implemented include a 15% administrative payroll reduction representing \$1.3 million in annual savings from 2011 through 2014. The 2010 savings were offset by the elimination of the furlough element.

The July Plan also incorporates more comprehensive reductions that seek to further reduce administrative expenses, aggressively control overtime, derive economies of scale from joint procurement contracts, reduce or eliminate programs, consolidate operations, inventory management and inventory control. These plus other initiatives form the Budget Reduction Program savings as follows: \$2.9 million in 2010, \$1.0 million in 2011 - 2012 and \$2.5 million in 2013 - 2014. The 2010 BRP savings are detailed 2010 Mid-Year forecast section.

Some savings have already been realized from programs that started in January and April of 2010. Other BRP elements that affect 2010 will start in July coinciding with the July Service reduction plan. Further economic savings were achieved in rates and related assumptions as follows: \$0.7 million in 2010, \$1.4 million in 2011, \$1.6 million in 2012, \$1.1 million in 2013 and \$1.0 million in 2014.

Finally the July Plan included \$5.7 in cash timing from 2009 detailed in the generic budget categories as follows:

- \$1.9 million in Capital Reimbursements offset to expenses
- \$1.1 million in Payroll retroactive wage provision for represented employees
- \$0.6 million in related Payroll Fringe Benefits
- \$0.1 million in Insurance
- \$2.3 million in Claims
- \$3.3 million in Maintenance Contracts
- \$0.2 million in Materials

Subsidy levels remain an overriding issue, as LI Bus seeks additional assistance from Nassau County to meet the cost of operations. We continue under the assumption that the reduced subsidies from Nassau County and New York State will mirror the February Plan.

The economic condition have impacted utilization less than expected. As of May year-to-date, fixed-route ridership is up by 1.7% compared to the February Plan and revenue is up by 1.9%. This trend will however be impacted by the service reductions starting in July

Apart from a 0.1% decline in 2007, this is the first time in over 10 years that, Paratransit ridership is trending down. Year-to-date May shows an unfavorable 2.1% change compared to the February Plan. Farebox revenue is experiencing a .8% reduction versus the February plan. Paratransit faces further challenges as they try to adhere to the ADA service guidelines as a means of cost savings. This adjusted service availability could potentially account for a 9% reduction in ridership starting in July. Based on these year-to-date trends and current employment data, ridership and revenue was adjusted down in the July forecast.

Labor negotiations are in progress for the TWU 252 LI Bus membership. There are two other major unions with contracts that expired at different dates during 2009. Based on final agreements, the 2010 cash budget may be impacted by retroactive pay requirements.

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

These financial plans maintain all February Plan initiatives and are adjusted to reflect new inflation assumptions, savings initiatives and budget guidelines.

## **2010 Mid-Year Forecast**

The total revenue in the July Plan is projected at \$52.4 million, of which \$43.1 million is expected from Farebox receipts. Other operating revenue is projected at \$2.1 million and capital and other reimbursements at \$7.2 million. Revenue increased by 2.6% over the February plan and is due to the marginal improvement in regional economic indicators.

LI Bus's July forecast reflects total non-reimbursable baseline expenses of \$129.9 million before depreciation and OPEB obligations. The baseline cash deficit increased by \$2.2 million from the February Plan, primarily driven by the following:

- \$0.3 million in lower advertising revenue
- \$0.4 million in Health & Welfare rate increase
- \$0.8 million cost for the voluntary severance program
- \$5.7 million in 2009 Timing expenses

Offset by:

\$2.9 million in Budget Reduction Program savings that include:

- \$0.3 million in Staff reduction
- \$0.3 million in Shifting efficiencies
- \$0.1 million Wheelchair maintenance reduction
- \$1.1 million in Shop overtime conversion
- \$0.2 million in project deferral
- \$0.8 million in pension rate
- \$0.5 million in other
- (\$0.4) million Hastus implementation management
- \$2.1 other decreases
- \$1.1 million increased in Farebox Revenue
- \$0.9 million in lower fuel price and consumption
- \$0.1 million in lower insurance cost

## **2011 Preliminary Budget – Baseline**

The total revenue in the July Plan is projected at \$52.5 million, of which \$43.5 million is expected from farebox receipts. Other operating revenue is projected at \$1.7 million and capital and other reimbursements at \$7.4 million.

LI Bus's total non-reimbursable expenses are \$133.9 million before depreciation and OPEB obligations. The total cash deficit decreased by \$2.3 million from the February budget, primarily driven by the following:

- \$1.4 million increased farebox revenue
- \$1.0 million BRP reductions
- \$1.4 million in lower fuel price and consumption
- \$1.3 million in Administrative reductions
- \$0.1 million in overtime reductions
- \$0.1 million in lower insurance costs
  
- Offset by increases in:
  - \$ 0.3 million in lower advertising revenue
  - \$1.0 million Health and welfare CPI-driven increases
  - \$0.2 million Labor rate increase

## **2012 – 2014 Projections**

- Total revenue and expenses before depreciation and OPEB obligation are as follows:
  - Revenue:
    - 2012 – \$53.2 million, of which farebox revenue is \$43.9 million
    - 2013 - \$53.8 million, of which farebox revenue is \$44.2 million
    - 2014 - \$54.4 million, of which farebox revenue is \$44.6 million
  - Expenses:
    - 2012 – \$145.5 million
    - 2013 - \$148.2 million
    - 2014 - \$152.5 million

Farebox revenue projections are based on current regional employment data, which are used to forecast ridership levels that translate into revenue. Small increases in ridership and revenue are projected in each plan year after 2011.

2012 – An increase in revenue of \$1.2 million combined with the net decrease of \$1.0 million in BRP, \$ 1.3 million in administration, \$1.4 million in fuel cost and (\$0.6) million in other categories resulted in a net decrease in the baseline of \$4.0 million. This includes the impact of revised inflation adjustments.

2013 – An increase in revenue of \$1.1 million combined with the net decrease of \$2.5 million in BRP, \$ 1.3 million in administration, \$1.2 million in fuel cost and (\$0.8) million in other categories resulted in a net decrease in the baseline of \$5.0 million. This includes the impact of revised inflation adjustments.

2014 – An increase in revenue of \$1.0 million combined with the net increase \$2.5 million in BRP, \$ 1.3 million in administration, \$1.3 million in fuel cost and (\$0.7) million in other categories, resulted in a net decrease in the baseline of \$5.0 million. This includes the impact of revised inflation adjustments.

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE</b>                                   |                   |                          |                           |                    |                    |                    |
|---|-------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
|   | <b>2009</b>       | <b>2010</b>              | <b>2011</b>               |                    |                    |                    |
|   | <b>Actual</b>     | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
| <b>Operating Revenue</b>                                  |                   |                          |                           |                    |                    |                    |
| Farebox Revenue   | \$42.014          | \$43.117                 | \$43.462                  | \$43.897           | \$44.248           | \$44.557           |
| Toll Revenue  | -                 | -                        | -                         | -                  | -                  | -                  |
| Other Operating Revenue                                   | 3.484             | 2.055                    | 1.716                     | 1.745              | 1.804              | 1.863              |
| Capital and Other Reimbursements                          | -                 | -                        | -                         | -                  | -                  | -                  |
| <b>Total Revenue</b>                                      | <b>\$45.498</b>   | <b>\$45.172</b>          | <b>\$45.178</b>           | <b>\$45.642</b>    | <b>\$46.052</b>    | <b>\$46.420</b>    |
| <b>Operating Expenses</b>                                 |                   |                          |                           |                    |                    |                    |
| <b><u>Labor:</u></b>                                      |                   |                          |                           |                    |                    |                    |
| Payroll   | \$64.510          | \$67.721                 | \$68.256                  | \$69.293           | \$70.850           | \$72.096           |
| Overtime  | 7.863             | 4.978                    | 5.872                     | 6.014              | 4.820              | 4.945              |
| Health and Welfare  | 11.567            | 13.594                   | 15.482                    | 16.497             | 17.579             | 18.730             |
| OPEB Current Payment                                      | 0.709             | -                        | -                         | -                  | -                  | -                  |
| Pensions  | 4.080             | 4.472                    | 5.527                     | 5.750              | 5.928              | 6.133              |
| Other Fringe Benefits                                     | 11.973            | 7.657                    | 7.152                     | 7.560              | 7.380              | 7.731              |
| Reimbursable Overhead                                     | -                 | -                        | -                         | -                  | -                  | -                  |
| <b>Total Labor Expenses</b>                               | <b>\$100.702</b>  | <b>\$98.421</b>          | <b>\$102.289</b>          | <b>\$105.115</b>   | <b>\$106.557</b>   | <b>\$109.635</b>   |
| <b><u>Non-Labor:</u></b>                                  |                   |                          |                           |                    |                    |                    |
| Traction and Propulsion Power                             | -                 | -                        | -                         | -                  | -                  | -                  |
| Fuel for Buses and Trains                                 | \$6.596           | \$9.785                  | \$10.463                  | \$10.865           | \$11.273           | \$11.666           |
| Insurance   | 0.477             | 0.598                    | 0.610                     | 0.656              | 0.708              | 0.754              |
| Claims  | 1.592             | 3.619                    | 3.733                     | 3.816              | 3.900              | 3.979              |
| Paratransit Service Contracts                             | -                 | -                        | -                         | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts                 | 9.082             | 10.337                   | 10.568                    | 11.004             | 11.357             | 11.628             |
| Professional Service Contracts                            | 1.789             | 2.489                    | 1.968                     | 2.016              | 2.062              | 2.105              |
| Materials & Supplies                                      | 3.119             | 3.630                    | 4.073                     | 4.254              | 4.432              | 4.595              |
| Other Business Expenses                                   | (0.163)           | 0.974                    | 0.187                     | 0.191              | 0.194              | 0.198              |
| <b>Total Non-Labor Expenses</b>                           | <b>\$22.492</b>   | <b>\$31.432</b>          | <b>\$31.602</b>           | <b>\$32.802</b>    | <b>\$33.925</b>    | <b>\$34.925</b>    |
| <b><u>Other Expenses Adjustments:</u></b>                 |                   |                          |                           |                    |                    |                    |
| Other   | -                 | -                        | -                         | -                  | -                  | -                  |
| <b>Total Other Expense Adjustments</b>                    | <b>\$0.000</b>    | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation &amp; GASB Adj.</b> | <b>\$123.194</b>  | <b>\$129.853</b>         | <b>\$133.891</b>          | <b>\$137.917</b>   | <b>\$140.481</b>   | <b>\$144.560</b>   |
| Depreciation  | \$0.000           | \$0.000                  | \$0.000                   | \$0.000            | \$0.000            | \$0.000            |
| OPEB Obligation   | 8.107             | 10.706                   | 10.760                    | 10.814             | 10.868             | 10.922             |
| Environmental Remediation                                 | -                 | -                        | -                         | -                  | -                  | -                  |
| <b>Total Expenses</b>                                     | <b>\$131.301</b>  | <b>\$140.559</b>         | <b>\$144.651</b>          | <b>\$148.730</b>   | <b>\$151.349</b>   | <b>\$155.482</b>   |
| <b>Baseline Surplus/(Deficit)</b>                         | <b>(\$85.803)</b> | <b>(\$95.387)</b>        | <b>(\$99.473)</b>         | <b>(\$103.088)</b> | <b>(\$105.297)</b> | <b>(\$109.062)</b> |



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**MTA LONG ISLAND BUS**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE / REIMBURSABLE</b>                    |                      |                                 |                                  |                    |                    |                    |
|---|----------------------|---------------------------------|----------------------------------|--------------------|--------------------|--------------------|
|   | <b>2009</b>          | <b>2010</b>                     | <b>2011</b>                      |                    |                    |                    |
|   | <b><u>Actual</u></b> | <b><u>Mid-Year Forecast</u></b> | <b><u>Preliminary Budget</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> |
| <b>Revenue</b>  |                      |                                 |                                  |                    |                    |                    |
| Farebox Revenue   | \$42.014             | \$43.117                        | \$43.462                         | \$43.897           | \$44.248           | \$44.557           |
| Toll Revenue  | -                    | -                               | -                                | -                  | -                  | -                  |
| Other Operating Revenue                                   | 3.484                | 2.055                           | 1.716                            | 1.745              | 1.804              | 1.863              |
| Capital and Other Reimbursements                          | 6.643                | 7.204                           | 7.369                            | 7.550              | 7.751              | 7.964              |
| <b>Total Revenue</b>                                      | <b>\$52.141</b>      | <b>\$52.376</b>                 | <b>\$52.547</b>                  | <b>\$53.192</b>    | <b>\$53.803</b>    | <b>\$54.384</b>    |
| <b>Expenses</b>   |                      |                                 |                                  |                    |                    |                    |
| <b><u>Labor:</u></b>                                      |                      |                                 |                                  |                    |                    |                    |
| Payroll   | \$65.361             | \$68.729                        | \$69.286                         | \$70.347           | \$71.935           | \$73.214           |
| Overtime  | 7.863                | 4.978                           | 5.872                            | 6.014              | 4.820              | 4.945              |
| Health and Welfare  | 11.841               | 13.969                          | 15.884                           | 16.928             | 18.041             | 19.225             |
| OPEB Current Payment                                      | 1.980                | 1.544                           | 1.656                            | 1.777              | 1.907              | 2.046              |
| Pensions  | 4.149                | 4.553                           | 5.609                            | 5.834              | 6.015              | 6.222              |
| Other Fringe Benefits                                     | 12.151               | 7.853                           | 7.351                            | 7.764              | 7.590              | 7.947              |
| Reimbursable Overhead                                     | -                    | -                               | -                                | -                  | -                  | -                  |
| <b>Total Labor Expenses</b>                               | <b>\$103.345</b>     | <b>\$101.625</b>                | <b>\$105.658</b>                 | <b>\$108.665</b>   | <b>\$110.308</b>   | <b>\$113.599</b>   |
| <b><u>Non-Labor:</u></b>                                  |                      |                                 |                                  |                    |                    |                    |
| Traction and Propulsion Power                             | -                    | -                               | -                                | -                  | -                  | -                  |
| Fuel for Buses and Trains                                 | \$6.596              | \$9.785                         | \$10.463                         | \$10.865           | \$11.273           | \$11.666           |
| Insurance   | 0.477                | 0.598                           | 0.610                            | 0.656              | 0.708              | 0.754              |
| Claims  | 1.592                | 3.619                           | 3.733                            | 3.816              | 3.900              | 3.979              |
| Paratransit Service Contracts                             | -                    | -                               | -                                | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts                 | 9.082                | 10.337                          | 10.568                           | 11.004             | 11.356             | 11.627             |
| Professional Service Contracts                            | 1.789                | 2.489                           | 1.968                            | 2.016              | 2.062              | 2.105              |
| Materials & Supplies                                      | 7.119                | 7.630                           | 8.073                            | 8.254              | 8.432              | 8.595              |
| Other Business Expenses                                   | (0.163)              | 0.974                           | 0.187                            | 0.191              | 0.194              | 0.198              |
| <b>Total Non-Labor Expenses</b>                           | <b>\$26.492</b>      | <b>\$35.432</b>                 | <b>\$35.602</b>                  | <b>\$36.802</b>    | <b>\$37.924</b>    | <b>\$38.924</b>    |
| <b><u>Other Expenses Adjustments:</u></b>                 |                      |                                 |                                  |                    |                    |                    |
| Other   | -                    | -                               | -                                | -                  | -                  | -                  |
| <b>Total Other Expense Adjustments</b>                    | <b>\$0.000</b>       | <b>\$0.000</b>                  | <b>\$0.000</b>                   | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation &amp; GASB Adj.</b> | <b>\$129.837</b>     | <b>\$137.057</b>                | <b>\$141.260</b>                 | <b>\$145.467</b>   | <b>\$148.231</b>   | <b>\$152.523</b>   |
| Depreciation  | \$0.000              | \$0.000                         | \$0.000                          | \$0.000            | \$0.000            | \$0.000            |
| OPEB Obligation   | 8.107                | 10.706                          | 10.760                           | 10.814             | 10.868             | 10.922             |
| Environmental Remediation                                 | -                    | -                               | -                                | -                  | -                  | -                  |
| <b>Total Expenses</b>                                     | <b>\$137.944</b>     | <b>\$147.763</b>                | <b>\$152.020</b>                 | <b>\$156.280</b>   | <b>\$159.099</b>   | <b>\$163.445</b>   |
| <b>Baseline Surplus/(Deficit)</b>                         | <b>(\$85.803)</b>    | <b>(\$95.387)</b>               | <b>(\$99.473)</b>                | <b>(\$103.088)</b> | <b>(\$105.296)</b> | <b>(\$109.061)</b> |

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011 - 2014**  
**Cash Receipts & Expenditures**  
(\$ in millions)

| <b>CASH RECEIPTS AND EXPENDITURES</b>        |                      |                        |                           |                    |                    |                    |
|--|----------------------|------------------------|---------------------------|--------------------|--------------------|--------------------|
|  | <b>2009</b>          | <b>2010</b>            | <b>2011</b>               |                    |                    |                    |
|  | <b><u>Actual</u></b> | <b><u>Mid-Year</u></b> | <b><u>Preliminary</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> |
| <b>Receipts</b>                              |                      |                        |                           |                    |                    |                    |
| Farebox Revenue                              | \$41.917             | \$43.007               | \$43.351                  | \$43.785           | \$44.136           | \$44.444           |
| Other Operating Revenue                      | 5.556                | 2.005                  | 1.666                     | 1.695              | 1.754              | 1.813              |
| Capital and Other Reimbursements             | 4.798                | 8.744                  | 6.957                     | 7.095              | 7.247              | 7.408              |
| <b>Total Receipts</b>                        | <b>\$52.271</b>      | <b>\$53.756</b>        | <b>\$51.974</b>           | <b>\$52.575</b>    | <b>\$53.137</b>    | <b>\$53.665</b>    |
| <b>Expenditures</b>                          |                      |                        |                           |                    |                    |                    |
| <b><u>Labor:</u></b>                         |                      |                        |                           |                    |                    |                    |
| Payroll                                      | \$65.508             | \$69.447               | \$68.940                  | \$69.995           | \$71.576           | \$72.848           |
| Overtime                                     | 7.218                | 4.942                  | 5.834                     | 5.974              | 4.778              | 4.901              |
| Health and Welfare                           | 12.762               | 13.908                 | 15.818                    | 16.856             | 17.962             | 19.139             |
| OPEB Current Payment                         | 1.270                | 1.544                  | 1.656                     | 1.777              | 1.907              | 2.046              |
| Pensions                                     | 5.210                | 4.376                  | 5.426                     | 5.644              | 5.819              | 6.019              |
| Other Fringe Benefits                        | 7.631                | 8.449                  | 7.307                     | 7.718              | 7.542              | 7.897              |
| GASB Account                                 | 0.318                | 0.327                  | 0.338                     | 0.345              | 0.352              | 0.359              |
| Reimbursable Overhead                        | -                    | -                      | -                         | -                  | -                  | -                  |
| <b>Total Labor Expenditures</b>              | <b>\$99.917</b>      | <b>\$102.992</b>       | <b>\$105.319</b>          | <b>\$108.310</b>   | <b>\$109.936</b>   | <b>\$113.209</b>   |
| <b><u>Non-Labor:</u></b>                     |                      |                        |                           |                    |                    |                    |
| Traction and Propulsion Power                |                      |                        |                           |                    |                    |                    |
| Fuel for Buses and Trains                    | \$6.637              | \$9.491                | \$10.162                  | \$10.559           | \$10.961           | \$11.348           |
| Insurance                                    | 0.487                | 0.714                  | 0.585                     | 0.673              | 0.679              | 0.722              |
| Claims                                       | 4.531                | 5.905                  | 3.673                     | 3.755              | 3.838              | 3.914              |
| Paratransit Service Contracts                | -                    | -                      | -                         | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts    | 9.053                | 13.434                 | 10.384                    | 10.816             | 11.164             | 11.431             |
| Professional Service Contracts               | 2.376                | 2.403                  | 1.874                     | 1.920              | 1.964              | 2.005              |
| Materials & Supplies                         | 8.055                | 7.772                  | 7.964                     | 8.143              | 8.319              | 8.479              |
| Other Business Expenses                      | 1.174                | 0.849                  | 0.159                     | 0.162              | 0.164              | 0.167              |
| <b>Total Non-Labor Expenditures</b>          | <b>\$32.313</b>      | <b>\$40.568</b>        | <b>\$34.801</b>           | <b>\$36.029</b>    | <b>\$37.088</b>    | <b>\$38.066</b>    |
| <b><u>Other Expenditure Adjustments:</u></b> |                      |                        |                           |                    |                    |                    |
| Other  | -                    | -                      | -                         | -                  | -                  | -                  |
| <b>Total Other Expenditure Adjustments</b>   | <b>\$0.000</b>       | <b>\$0.000</b>         | <b>\$0.000</b>            | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenditures</b>                    | <b>\$132.230</b>     | <b>\$143.561</b>       | <b>\$140.121</b>          | <b>\$144.338</b>   | <b>\$147.023</b>   | <b>\$151.275</b>   |
| <b>Baseline Cash Deficit</b>                 | <b>(\$79.959)</b>    | <b>(\$89.805)</b>      | <b>(\$88.147)</b>         | <b>(\$91.763)</b>  | <b>(\$93.887)</b>  | <b>(\$97.610)</b>  |

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011 - 2014**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

| <b>CASH FLOW ADJUSTMENTS</b>                                 |                      |                                 |                                  |                    |                    |                    |
|--|----------------------|---------------------------------|----------------------------------|--------------------|--------------------|--------------------|
|  | <b>2009</b>          | <b>2010</b>                     | <b>2011</b>                      |                    |                    |                    |
|  | <b><u>Actual</u></b> | <b><u>Mid-Year Forecast</u></b> | <b><u>Preliminary Budget</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> |
| <b>Receipts</b>  |                      |                                 |                                  |                    |                    |                    |
| Farebox Revenue  | (\$0.097)            | (\$0.110)                       | (\$0.111)                        | (\$0.112)          | (\$0.112)          | (\$0.113)          |
| Vehicle Toll Revenue   | \$0.000              | \$0.000                         | \$0.000                          | \$0.000            | \$0.000            | \$0.000            |
| Other Operating Revenue                                      | \$2.072              | (\$0.050)                       | (\$0.050)                        | (\$0.050)          | (\$0.050)          | (\$0.050)          |
| Capital and Other Reimbursements                             | (\$1.845)            | \$1.540                         | (\$0.412)                        | (\$0.455)          | (\$0.504)          | (\$0.556)          |
| <b>Total Receipts</b>  | <b>\$0.130</b>       | <b>\$1.380</b>                  | <b>(\$0.573)</b>                 | <b>(\$0.617)</b>   | <b>(\$0.666)</b>   | <b>(\$0.719)</b>   |
| <b>Expenditures</b>  |                      |                                 |                                  |                    |                    |                    |
| <b><u>Labor:</u></b>   |                      |                                 |                                  |                    |                    |                    |
| Payroll  | (\$0.147)            | (\$0.718)                       | 0.346                            | 0.352              | 0.358              | 0.365              |
| Overtime   | 0.645                | 0.036                           | 0.038                            | 0.040              | 0.042              | 0.044              |
| Health and Welfare   | (0.921)              | 0.061                           | 0.066                            | 0.072              | 0.079              | 0.086              |
| OPEB Current Payment   | 0.710                | -                               | -                                | -                  | -                  | -                  |
| Pensions   | (1.061)              | 0.177                           | 0.183                            | 0.190              | 0.196              | 0.203              |
| Other Fringe Benefits  | 4.520                | (0.596)                         | 0.044                            | 0.046              | 0.048              | 0.050              |
| GASB Account   | (0.318)              | (0.327)                         | (0.338)                          | (0.345)            | (0.352)            | (0.359)            |
| Reimbursable Overhead  | -                    | -                               | -                                | -                  | -                  | -                  |
| <b>Total Labor Expenditures</b>                              | <b>\$3.428</b>       | <b>(\$1.367)</b>                | <b>\$0.339</b>                   | <b>\$0.355</b>     | <b>\$0.371</b>     | <b>\$0.389</b>     |
| <b><u>Non-Labor:</u></b>                                     |                      |                                 |                                  |                    |                    |                    |
| Traction and Propulsion Power                                | -                    | -                               | -                                | -                  | -                  | -                  |
| Fuel for Buses and Trains                                    | (\$0.041)            | 0.294                           | 0.301                            | 0.306              | 0.312              | 0.318              |
| Insurance  | (0.010)              | (0.116)                         | 0.024                            | (0.018)            | 0.029              | 0.032              |
| Claims   | (2.939)              | (2.286)                         | 0.060                            | 0.061              | 0.062              | 0.065              |
| Paratransit Service Contracts                                | -                    | -                               | -                                | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts                    | 0.029                | (3.097)                         | 0.184                            | 0.188              | 0.192              | 0.196              |
| Professional Service Contracts                               | (0.587)              | 0.086                           | 0.094                            | 0.096              | 0.098              | 0.100              |
| Materials & Supplies   | (0.936)              | (0.142)                         | 0.109                            | 0.111              | 0.113              | 0.116              |
| Other Business Expenditures                                  | (1.337)              | 0.125                           | 0.028                            | 0.029              | 0.030              | 0.031              |
| <b>Total Non-Labor Expenditures</b>                          | <b>(\$5.821)</b>     | <b>(\$5.136)</b>                | <b>\$0.800</b>                   | <b>\$0.773</b>     | <b>\$0.836</b>     | <b>\$0.858</b>     |
| <b><u>Other Expenditures Adjustments:</u></b>                |                      |                                 |                                  |                    |                    |                    |
| Other  | -                    | -                               | -                                | -                  | -                  | -                  |
| <b>Total Other Expenditures Adjustments</b>                  | <b>\$0.000</b>       | <b>\$0.000</b>                  | <b>\$0.000</b>                   | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Cash Conversion Adjustments before Depreciation</b> | <b>(\$2.263)</b>     | <b>(\$5.123)</b>                | <b>\$0.566</b>                   | <b>\$0.511</b>     | <b>\$0.541</b>     | <b>\$0.528</b>     |
| Depreciation Adjustment                                      | \$0.000              | \$0.000                         | \$0.000                          | \$0.000            | \$0.000            | \$0.000            |
| OPEB Obligation  | 8.107                | 10.706                          | 10.760                           | 10.814             | 10.868             | 10.922             |
| Environmental Remediation                                    | -                    | -                               | -                                | -                  | -                  | -                  |
| <b>Baseline Total Cash Conversion Adjustments</b>            | <b>\$5.844</b>       | <b>\$5.583</b>                  | <b>\$11.326</b>                  | <b>\$11.325</b>    | <b>\$11.409</b>    | <b>\$11.450</b>    |
| <b>Total Cash Conversion Adjustments</b>                     | <b>\$5.844</b>       | <b>\$5.583</b>                  | <b>\$11.326</b>                  | <b>\$11.325</b>    | <b>\$11.409</b>    | <b>\$11.450</b>    |

**MTA LONG ISLAND BUS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
YEAR-TO-YEAR CHANGES BY CATEGORY - BASELINE**

**TOTAL REVENUE / RECEIPTS**

**Farebox Revenue**

- Annual changes in farebox revenue are based on year-to-date actual results, as well as local employment indicators.

**Other Operating Revenue**

- A change in the agency-wide advertising contract resulted in lower advertising revenue.

**Capital and Other Reimbursements**

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

**TOTAL EXPENSES / EXPENDITURES**

**Payroll**

- Payroll costs were affected by the administrative reductions, voluntary severance and other programmatic elements that impacted labor. In addition, the headcount reassigned to the Business Service Center impacts the payroll dollars starting in 2011.

**Overtime**

- Payroll wage rate increase assumptions apply but managing overtime is a major component of the expense reduction program. Annual changes reflect these initiatives.

## **Health & Welfare**

- Assumptions are based on revised inflators which increased the annual rates on LI Bus's primary carrier, the Empire Plan. An adjusted 2010 base was used in conjunction with the guideline rates to forecast the 2011 – 2014 plan rates.

## **Pension**

- There was no new guidance for pension rates from the February Plan therefore annual changes are the direct result of changes in headcount, associated pay rates and budget reduction programs.

## **Other Fringe Benefits**

- Projections are consistent with changes in positions and related rate assumptions.

## **Fuel for Buses and Trains**

- CNG fuel projections for 2011 and beyond were based on revised market forecasts. The 2010 forecasted average price per therm of bus fuel is \$1.46, an increase of 2 cents from the 2010 Feb Plan budgeted rate. Projected average prices per therm are as follows:
  - 2011: \$1.58, representing a 8.3% increase from 2010
  - 2012: \$1.64, representing a 3.6% increase from 2011
  - 2013: \$1.70, representing a 3.4% increase from 2012
  - 2014: \$1.75, representing a 3.2% increase from 2013
- Paratransit diesel fuel projections, including delivery charges for 2010 and beyond, were based on revised market forecasts. The 2010 forecasted average price per gallon for bus fuel is \$2.67, an increase of \$0.27 above the February Plan rate. Projected average price per gallons are as follows:
  - 2011: \$2.85, representing a 6.9% increase from 2010
  - 2012: \$2.97, representing a 4.2.0% increase from 2011
  - 2013: \$3.09, representing a 3.9% increase from 2012
  - 2014: \$3.18, representing a 3.2% increase from 2013

## **Insurance**

- Annual changes were based on payment and policy renewal schedules.

**Claims**

- Projections are consistent with the current third-party actuarial valuation.

**Maintenance and Other Operating Contracts**

- Inflation assumptions are based upon Global Insight's estimates, as follows:
  - 2011: 1.20%
  - 2012: 2.13%
  - 2013: 2.09%
  - 2014: 1.74%

**Professional Service Contracts**

- Inflation assumptions are based upon Global Insight's estimates.

**Materials and Supplies**

- Inflation assumptions are based upon Global Insight's estimates.

**Other Business Expenses**

- Inflation assumptions are based upon Global Insight's estimates.

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

| NON-REIMBURSABLE   | Favorable/(Unfavorable) |                   |                       |                    |                       |                    |                       |                    |                       |
|--|-------------------------|-------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 2010                    | 2011              | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b>Revenue</b>   |                         |                   |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue  | \$43.117                | \$43.462          | \$0.345               | \$43.897           | \$0.435               | \$44.248           | \$0.351               | \$44.557           | \$0.310               |
| Vehicle Toll Revenue                                     |                         |                   | -                     |                    | -                     |                    | -                     |                    | -                     |
| Other Operating Revenue                                  | 2.055                   | 1.716             | (0.339)               | 1.745              | 0.029                 | 1.804              | 0.059                 | 1.863              | 0.059                 |
| Capital and Other Reimbursements                         | -                       | -                 | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| <b>Total Revenue</b>                                     | <b>\$45.172</b>         | <b>\$45.178</b>   | <b>\$0.006</b>        | <b>\$45.642</b>    | <b>\$0.464</b>        | <b>\$46.052</b>    | <b>\$0.410</b>        | <b>\$46.420</b>    | <b>\$0.369</b>        |
| <b>Expenses</b>  |                         |                   |                       |                    |                       |                    |                       |                    |                       |
| Labor:   |                         |                   |                       |                    |                       |                    |                       |                    |                       |
| Payroll  | \$67.721                | \$68.256          | (\$0.535)             | \$69.293           | (\$1.037)             | \$70.850           | (\$1.557)             | \$72.096           | (\$1.247)             |
| Overtime   | 4.978                   | 5.872             | (0.894)               | 6.014              | (0.142)               | 4.820              | 1.194                 | 4.945              | (0.125)               |
| Health and Welfare                                       | 13.594                  | 15.482            | (1.888)               | 16.497             | (1.015)               | 17.579             | (1.082)               | 18.730             | (1.151)               |
| OPEB Current Payment                                     | -                       | -                 | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| Pensions   | 4.472                   | 5.527             | (1.056)               | 5.750              | (0.223)               | 5.928              | (0.178)               | 6.133              | (0.205)               |
| Other Fringe Benefits                                    | 7.657                   | 7.152             | 0.505                 | 7.560              | (0.408)               | 7.380              | 0.180                 | 7.731              | (0.351)               |
| Reimbursable Overhead                                    | -                       | -                 | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| <b>Total Labor Expenses</b>                              | <b>\$98.421</b>         | <b>\$102.289</b>  | <b>(\$3.868)</b>      | <b>\$105.115</b>   | <b>(\$2.825)</b>      | <b>\$106.557</b>   | <b>(\$1.442)</b>      | <b>\$109.635</b>   | <b>(\$3.079)</b>      |
| Non-Labor:   |                         |                   |                       |                    |                       |                    |                       |                    |                       |
| Traction and Propulsion Power                            | -                       | -                 | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| Fuel for Buses and Trains                                | \$9.785                 | \$10.463          | (\$0.678)             | \$10.865           | (\$0.402)             | \$11.273           | (\$0.408)             | \$11.666           | (\$0.393)             |
| Insurance  | 0.598                   | 0.610             | (0.012)               | 0.656              | (0.046)               | 0.708              | (0.052)               | 0.754              | (0.046)               |
| Claims   | 3.619                   | 3.733             | (0.114)               | 3.816              | (0.082)               | 3.900              | (0.084)               | 3.979              | (0.079)               |
| Paratransit Service Contracts                            | -                       | -                 | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| Maintenance and Other Operating Contracts                | 10.337                  | 10.568            | (0.231)               | 11.004             | (0.436)               | 11.357             | (0.353)               | 11.628             | (0.271)               |
| Professional Service Contracts                           | 2.489                   | 1.968             | 0.521                 | 2.016              | (0.048)               | 2.062              | (0.046)               | 2.105              | (0.043)               |
| Materials & Supplies                                     | 3.630                   | 4.073             | (0.443)               | 4.254              | (0.181)               | 4.432              | (0.177)               | 4.595              | (0.163)               |
| Other Business Expenses                                  | 0.974                   | 0.187             | 0.787                 | 0.191              | (0.005)               | 0.194              | (0.002)               | 0.198              | (0.005)               |
| <b>Total Non-Labor Expenses</b>                          | <b>\$31.432</b>         | <b>\$31.602</b>   | <b>(\$0.170)</b>      | <b>\$32.802</b>    | <b>(\$1.200)</b>      | <b>\$33.925</b>    | <b>(\$1.123)</b>      | <b>\$34.925</b>    | <b>(\$1.000)</b>      |
| Other Expenses Adjustments:                              |                         |                   |                       |                    |                       |                    |                       |                    |                       |
| Other  | -                       | -                 | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>          | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$129.853</b>        | <b>\$133.891</b>  | <b>(\$4.038)</b>      | <b>\$137.917</b>   | <b>(\$4.025)</b>      | <b>\$140.481</b>   | <b>(\$2.565)</b>      | <b>\$144.560</b>   | <b>(\$4.078)</b>      |
| Depreciation   | \$0.000                 | \$0.000           | \$0.000               | \$0.000            | \$0.000               | \$0.000            | \$0.000               | \$0.000            | \$0.000               |
| OPEB Obligation  | 10.706                  | 10.760            | (0.054)               | 10.814             | (0.054)               | 10.868             | (0.054)               | 10.922             | (0.054)               |
| Environmental Remediation                                | -                       | -                 | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| <b>Total Expenses</b>                                    | <b>\$140.559</b>        | <b>\$144.651</b>  | <b>(\$4.092)</b>      | <b>\$148.730</b>   | <b>(\$4.079)</b>      | <b>\$151.349</b>   | <b>(\$2.619)</b>      | <b>\$155.482</b>   | <b>(\$4.133)</b>      |
| <b>Baseline Income/(Deficit)</b>                         | <b>(\$95.387)</b>       | <b>(\$99.473)</b> | <b>(\$4.086)</b>      | <b>(\$103.088)</b> | <b>(\$3.615)</b>      | <b>(\$105.297)</b> | <b>(\$2.209)</b>      | <b>(\$109.062)</b> | <b>(\$3.764)</b>      |



## REIMBURSABLE

[illegible]

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

| CASH RECEIPTS AND EXPENDITURES             | Favorable/(Unfavorable) |                   |                       |                   |                       |                   |                       |                   |                       |
|--|-------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
|  | 2010                    | 2011              | Change<br>2011 - 2010 | 2012              | Change<br>2012 - 2011 | 2013              | Change<br>2013 - 2012 | 2014              | Change<br>2014 - 2013 |
| <b><u>Receipts</u></b>                     |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Farebox Revenue                            | \$43.007                | \$43.351          | \$0.344               | \$43.785          | \$0.434               | \$44.136          | \$0.351               | \$44.444          | \$0.309               |
| Vehicle Toll Revenue                       |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Other Operating Revenue                    | 2.005                   | 1.666             | (0.339)               | 1.695             | 0.029                 | 1.754             | 0.059                 | 1.813             | 0.059                 |
| Capital and Other Reimbursements           | 8.744                   | 6.957             | (1.787)               | 7.095             | 0.138                 | 7.247             | 0.152                 | 7.408             | 0.161                 |
| <b>Total Receipts</b>                      | <b>\$53.756</b>         | <b>\$51.974</b>   | <b>(\$1.782)</b>      | <b>\$52.575</b>   | <b>\$0.601</b>        | <b>\$53.137</b>   | <b>\$0.562</b>        | <b>\$53.665</b>   | <b>\$0.529</b>        |
| <b><u>Expenditures</u></b>                 |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Labor:                                     |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Payroll                                    | \$69.447                | \$68.940          | \$0.507               | \$69.995          | (\$1.055)             | \$71.576          | (\$1.581)             | \$72.848          | (\$1.273)             |
| Overtime                                   | 4.942                   | 5.834             | (0.892)               | 5.974             | (0.140)               | 4.778             | 1.196                 | 4.901             | (0.123)               |
| Health and Welfare                         | 13.908                  | 15.818            | (1.910)               | 16.856            | (1.038)               | 17.962            | (1.106)               | 19.139            | (1.177)               |
| OPEB Current Payment                       | 1.544                   | 1.656             | (0.112)               | 1.777             | (0.121)               | 1.907             | (0.130)               | 2.046             | (0.139)               |
| Pensions                                   | 4.376                   | 5.426             | (1.051)               | 5.644             | (0.218)               | 5.819             | (0.175)               | 6.019             | (0.200)               |
| Other Fringe Benefits                      | 8.449                   | 7.307             | 1.142                 | 7.718             | (0.411)               | 7.542             | 0.176                 | 7.897             | (0.355)               |
| GASB Account                               | 0.327                   | 0.338             | (0.011)               | 0.345             | (0.007)               | 0.352             | (0.007)               | 0.359             | (0.007)               |
| Reimbursable Overhead                      | -                       | -                 | -                     | -                 | -                     | -                 | -                     | -                 | -                     |
| <b>Total Labor Expenditures</b>            | <b>\$102.992</b>        | <b>\$105.319</b>  | <b>(\$2.327)</b>      | <b>\$108.310</b>  | <b>(\$2.990)</b>      | <b>\$109.936</b>  | <b>(\$1.626)</b>      | <b>\$113.209</b>  | <b>(\$3.274)</b>      |
| Non-Labor:                                 |                         |                   | -                     |                   | -                     |                   | -                     |                   | -                     |
| Traction and Propulsion Power              |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Fuel for Buses and Trains                  | \$9.491                 | \$10.162          | (0.671)               | \$10.559          | (0.397)               | \$10.961          | (0.402)               | \$11.348          | (0.387)               |
| Insurance                                  | 0.714                   | 0.585             | 0.129                 | 0.673             | (0.088)               | 0.679             | (0.005)               | 0.722             | (0.043)               |
| Claims                                     | 5.905                   | 3.673             | 2.232                 | 3.755             | (0.081)               | 3.838             | (0.083)               | 3.914             | (0.076)               |
| Paratransit Service Contracts              | -                       | -                 | -                     | -                 | -                     | -                 | -                     | -                 | -                     |
| Maintenance and Other Operating Contracts  | 13.434                  | 10.384            | 3.050                 | 10.816            | (0.432)               | 11.164            | (0.348)               | 11.431            | (0.267)               |
| Professional Service Contracts             | 2.403                   | 1.874             | 0.529                 | 1.920             | (0.046)               | 1.964             | (0.044)               | 2.005             | (0.041)               |
| Materials & Supplies                       | 7.772                   | 7.964             | (0.192)               | 8.143             | (0.179)               | 8.319             | (0.175)               | 8.479             | (0.160)               |
| Other Business Expenses                    | 0.849                   | 0.159             | 0.690                 | 0.162             | (0.004)               | 0.164             | (0.001)               | 0.167             | (0.004)               |
| <b>Total Non-Labor Expenditures</b>        | <b>\$40.568</b>         | <b>\$34.801</b>   | <b>\$5.767</b>        | <b>\$36.029</b>   | <b>(\$1.227)</b>      | <b>\$37.088</b>   | <b>(\$1.059)</b>      | <b>\$38.066</b>   | <b>(\$0.978)</b>      |
| Other Expenditure Adjustments:             |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Other                                      | -                       | -                 | -                     | -                 | -                     | -                 | -                     | -                 | -                     |
| <b>Total Other Expenditure Adjustments</b> | <b>\$0.000</b>          | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        |
| <b>Total Expenditures</b>                  | <b>\$143.561</b>        | <b>\$140.121</b>  | <b>\$3.440</b>        | <b>\$144.338</b>  | <b>(\$4.217)</b>      | <b>\$147.023</b>  | <b>(\$2.685)</b>      | <b>\$151.275</b>  | <b>(\$4.251)</b>      |
| <b>Baseline Income/(Deficit)</b>           | <b>(\$89.805)</b>       | <b>(\$88.147)</b> | <b>\$1.657</b>        | <b>(\$91.763)</b> | <b>(\$3.616)</b>      | <b>(\$93.887)</b> | <b>(\$2.123)</b>      | <b>(\$97.610)</b> | <b>(\$3.723)</b>      |

**MTA LONG ISLAND BUS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

**2010: July Financial Plan vs. February Financial Plan**

**Revenue and Expense Changes**

Total revenue projected for 2010 is \$52.4 million, while expenses before depreciation were \$137.1 million. This resulted in a favorable change of \$3.5 million (including AABB's) from the February Plan and is primarily comprised of the following:

- Revenue - \$0.8 million increase in revenue, based on a projected increase in farebox receipts versus a February plan that was impacted by weak employment data.
- Labor – \$4.3 million favorable result due to the impact of the BRP saving various budget reduction initiatives impacting labor.
- Non-Labor – \$2.3 million decrease, primarily driven by the net impact of lower fuel rates and BRP programs.

**Cash Adjustments**

Cash for all line items mirrors the Non-reimbursable / Reimbursable accrual tables. However, the following additional cash adjustment was made in 2010:

- \$5.7 million in 2009 timing adjustments.

The changes for the other years of the plan are as follows (includes AABB impact):

2011 - An increase in revenue of \$1.1 million, combined with the net decrease of \$3.2 million in labor expenses, \$2.8 million in fuel cost and \$1.1 million in other categories resulted a net decrease of \$3.8 million in the baseline.

2012 – An increase in revenue of \$0.9 million, combined with the net decrease of \$3.6 million in labor expenses, \$2.8 million in fuel cost and \$1.1 million in other categories resulted in a net baseline decrease of \$3.9 million. This includes the impact of revised inflation adjustments.

2013 – An increase in revenue of \$0.8 million, combined with the net decrease of \$5.0 million in labor expenses, \$2.6 million in fuel cost and \$1.1 million in other categories resulted in a net decrease in the baseline of \$5.0 million. This includes the impact of revised inflation adjustments.

**Reimbursable Changes:**

There were no changes in the reimbursable budget from the February Plan.

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | 2010              | 2011              | 2012              | 2013              |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>(\$87.601)</b> | <b>(\$91.974)</b> | <b>(\$95.736)</b> | <b>(\$98.893)</b> |
| <b>Baseline Changes</b>  |                   |                   |                   |                   |
| <b>Revenue</b>   |                   |                   |                   |                   |
| Farebox Revenue  | \$0.660           | \$0.513           | \$0.339           | 0.194             |
| Reduced Fare/Toll Increase   |                   |                   |                   |                   |
| Additional Actions for Budget Balance: Revenue Impact                          | \$0.430           | \$0.860           | \$0.879           | 0.899             |
| Vehicle Toll Revenue   |                   |                   |                   |                   |
| Other Operating Revenue  | (0.287)           | (\$0.287)         | (\$0.287)         | (0.287)           |
| Capital and Other Reimbursements   | 0.000             | \$0.000           | \$0.000           | 0.000             |
| <b>Total Revenue Changes</b>   | <b>\$ .803</b>    | <b>\$1.086</b>    | <b>\$ .931</b>    | <b>\$ .806</b>    |
| <b>Expenses</b>  |                   |                   |                   |                   |
| <b>Labor:</b>  |                   |                   |                   |                   |
| Payroll  | \$1.365           | \$2.498           | \$2.909           | 2.812             |
| Overtime   | 1.121             | 0.486             | 0.486             | 1.818             |
| Health and Welfare   | 0.417             | (0.499)           | (0.478)           | (0.451)           |
| OPEB Current Payment   | 0.000             | 0.000             | 0.000             | 0.000             |
| Pensions   | 1.123             | 0.355             | 0.360             | 0.409             |
| Other Fringe Benefits  | 0.240             | 0.310             | 0.314             | 0.426             |
| Reimbursable Overhead  | 0.000             | 0.000             | 0.000             | 0.000             |
| <b>Total Labor Expense Changes</b>   | <b>\$4.266</b>    | <b>\$3.149</b>    | <b>\$3.590</b>    | <b>\$5.014</b>    |
| <b>Non-Labor:</b>  |                   |                   |                   |                   |
| Traction and Propulsion Power  |                   |                   |                   |                   |
| Fuel for Buses and Trains  | \$2.125           | \$2.772           | \$2.807           | \$2.620           |
| Insurance  | 0.086             | 0.131             | 0.156             | 0.165             |
| Claims   | 0.000             | 0.000             | 0.000             | 0.000             |
| Paratransit Service Contracts  | 0.000             | 0.000             | 0.000             | 0.000             |
| Maintenance and Other Operating Contracts                                      | 0.512             | 0.418             | 0.312             | 0.294             |
| Professional Service Contracts   | (0.386)           | 0.163             | 0.161             | 0.165             |
| Materials & Supplies   | 0.566             | 0.234             | 0.232             | 0.250             |
| Other Business Expenses  | (0.568)           | 0.225             | 0.229             | 0.236             |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$2.335</b>    | <b>\$3.943</b>    | <b>\$3.897</b>    | <b>\$3.731</b>    |
| <b>Gap Closing Actions:</b>  |                   |                   |                   |                   |
| Additional Actions for Budget Balance: Expense Impact                          | (\$3.876)         | (\$4.351)         | (\$4.445)         | (\$4.544)         |
| <b>Total Gap Closing Actions</b>   | <b>(\$3.876)</b>  | <b>(\$4.351)</b>  | <b>(\$4.445)</b>  | <b>(\$4.544)</b>  |
| Depreciation   | 0                 | 0                 | 0                 | 0                 |
| OPEB Obligation  |                   |                   |                   |                   |
| Environmental Remediation  | 0                 | 0                 | 0                 | 0                 |
| <b>Total Expense Changes</b>   | <b>\$2.726</b>    | <b>\$2.741</b>    | <b>\$3.042</b>    | <b>\$4.201</b>    |
| <b>Cash Adjustment Changes</b>   |                   |                   |                   |                   |
| Restricted Cash Adjustment   | (5.733)           |                   |                   |                   |
| <b>Total Cash Adjustment Changes</b>   | <b>(\$5.733)</b>  | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Baseline Changes</b>  | <b>(\$2.204)</b>  | <b>\$3.827</b>    | <b>\$3.973</b>    | <b>\$5.007</b>    |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$89.805)</b> | <b>(\$88.147)</b> | <b>(\$91.763)</b> | <b>(\$93.887)</b> |

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

|  | 2010           | 2011           | 2012           | 2013           |
|--|----------------|----------------|----------------|----------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b><i>Baseline Changes</i></b>   |                |                |                |                |
| <b>Revenue</b>   |                |                |                |                |
| Farebox Revenue  | \$0.000        | \$0.000        | \$0.000        | \$0.000        |
| Reduced Fare/Toll Increase   |                |                |                |                |
| LI Bus Deficit Reduction   |                |                |                |                |
| Vehicle Toll Revenue   |                |                |                |                |
| Capital and Other Reimbursements   | 0.000          | 0.000          | 0.000          | 0.000          |
| <b>Total Revenue Changes</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Expenses</b>  |                |                |                |                |
| <b>Labor:</b>  |                |                |                |                |
| Payroll  | \$0.000        | \$0.000        | \$0.000        | \$0.000        |
| Overtime   | 0.000          | 0.000          | 0.000          | 0.000          |
| Health and Welfare   | 0.000          | 0.000          | 0.000          | 0.000          |
| OPEB Current Payment   | 0.000          | 0.000          | 0.000          | 0.000          |
| Pensions   | 0.000          | 0.000          | 0.000          | 0.000          |
| Other Fringe Benefits  | 0.000          | 0.000          | 0.000          | 0.000          |
| Reimbursable Overhead  | 0.000          | 0.000          | 0.000          | 0.000          |
| <b>Total Labor Expense Changes</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Non-Labor:</b>  |                |                |                |                |
| Traction and Propulsion Power  |                |                |                |                |
| Fuel for Buses and Trains  | \$0.000        | \$0.000        | \$0.000        | \$0.000        |
| Insurance  | 0.000          | 0.000          | 0.000          | 0.000          |
| Claims   | 0.000          | 0.000          | 0.000          | 0.000          |
| Paratransit Service Contracts  | 0.000          | 0.000          | 0.000          | 0.000          |
| Maintenance and Other Operating Contracts                                      | 0.000          | 0.000          | 0.000          | 0.000          |
| Professional Service Contracts   | 0.000          | 0.000          | 0.000          | 0.000          |
| Materials & Supplies   | 0.000          | 0.000          | 0.000          | 0.000          |
| Other Business Expenses  | 0.000          | 0.000          | 0.000          | 0.000          |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Total Expense Changes</b>   |                |                |                |                |
| <b>Cash Adjustment Changes</b>   |                |                |                |                |
| Total Cash Adjustment Changes  | 0.000          | 0.000          | 0.000          | 0.000          |
| Total Baseline Changes   | 0.000          | 0.000          | 0.000          | 0.000          |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**TOTAL NON-REIMBURSABLE and REIMBURSABLE**

|   | 2010              | 2011              | 2012              | 2013              |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>(\$87.601)</b> | <b>(\$91.974)</b> | <b>(\$95.736)</b> | <b>(\$98.893)</b> |
| <b><i>Non-Reimbursable Major Changes</i></b>                          |                   |                   |                   |                   |
| <b>Revenue</b>  |                   |                   |                   |                   |
| Farebox Revenue   | 0.660             | 0.513             | 0.339             | 0.194             |
| <i>Additional Actions for Budget Balance: Revenue Impact</i>          | \$0.430           | \$0.860           | \$0.879           | 0.899             |
| Other Operating Revenue   | (\$0.287)         | (\$0.287)         | (\$0.287)         | (\$0.287)         |
| <b>Sub-Total Non-Reimbursable Revenue Changes</b>                     | <b>\$ .803</b>    | <b>\$1.086</b>    | <b>\$ .931</b>    | <b>\$ .806</b>    |
| <b>Expenses</b>   |                   |                   |                   |                   |
| <b>Cost Reduction Programs:</b>                                       |                   |                   |                   |                   |
| 2010 Budget Reduction Program   | 2.931             | 1.036             | 1.035             | 2.520             |
| Administration  | (0.024)           | 1.294             | 1.294             | 1.294             |
| Additional Reductions in Overtime                                     | 0.000             | 0.079             | 0.079             | 0.079             |
| <b>Sub-Total Cost Reduction Programs</b>                              | <b>2.907</b>      | <b>2.409</b>      | <b>2.408</b>      | <b>3.893</b>      |
| <b>Major Re-estimates/Technical Adjustments/Other:</b>                |                   |                   |                   |                   |
| Health & Welfare  | (0.375)           | (1.005)           | (0.990)           | (0.969)           |
| Labor   | 0.000             | (0.198)           | 0.182             | 0.052             |
| Bus Fuel-Inflation Update   | 0.925             | 1.425             | 1.431             | 1.213             |
| Voluntary Severance Costs   | (0.769)           | 0.000             | 0.000             | 0.000             |
| All Other   | 0.038             | 0.110             | 0.011             | 0.011             |
| <b>Sub-Total Non-Reimbursable Expense Changes</b>                     | <b>\$2.726</b>    | <b>\$2.741</b>    | <b>\$3.042</b>    | <b>\$4.200</b>    |
| <b>Total Non-Reimbursable Major Changes</b>                           | <b>\$3.529</b>    | <b>\$3.827</b>    | <b>\$3.973</b>    | <b>\$5.006</b>    |
| <b><i>Reimbursable Major Changes</i></b>                              |                   |                   |                   |                   |
| <b>Revenue</b>  |                   |                   |                   |                   |
| Reimbursement of Increased Expense Requirements                       | 0.000             | 0.000             | 0.000             | 0.000             |
| <b>Sub-Total Reimbursable Revenue Changes</b>                         | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    |
| <b>Expenses</b>   |                   |                   |                   |                   |
| Capital Project Material/Maintenance Contract Requirements            | 0.000             | 0.000             | 0.000             | 0.000             |
| <b>Sub-Total Reimbursable Expense Changes</b>                         | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    |
| <b>Total Reimbursable Major Changes</b>                               | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    |
| <b>Total Accrual Changes</b>  | <b>\$3.529</b>    | <b>\$3.827</b>    | <b>\$3.973</b>    | <b>\$5.006</b>    |
| <b><i>Cash Adjustment Changes</i></b>                                 |                   |                   |                   |                   |
| Timing of 2009 Results Impacting 2010                                 | (5.733)           | 0.000             | 0.000             | 0.000             |
| <b>Total Cash Adjustment Changes</b>                                  | <b>(\$5.733)</b>  | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    |
| <b>Total Baseline Changes</b>   | <b>(\$2.204)</b>  | <b>\$3.827</b>    | <b>\$3.973</b>    | <b>\$5.006</b>    |
| <b>Total Changes</b>  | <b>(\$2.204)</b>  | <b>\$3.827</b>    | <b>\$3.973</b>    | <b>\$5.006</b>    |
| <b>2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$89.805)</b> | <b>(\$88.147)</b> | <b>(\$91.763)</b> | <b>(\$93.887)</b> |

**MTA LONG ISLAND BUS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
RIDERSHIP/(UTILIZATION)**

**Ridership:**

As of May 2010, fixed-route ridership is trending upward and is 1.7% better than the February year-to-date budget. Farebox revenue is favorable by 1.9%. The latest regional employment data shows improvements and the forecast for each plan year reflects these changes.

Paratransit ridership has increased by 22.1% since 2003. However, the current trend indicates an unfavorable 2.1% change relative to the February plan. This will be further impacted by the adherence to ADA prescribed service. The forecast for the 2011 – 2014 plan years follow the regional employment indicators.

**Revenue:**

Recent changes to the economic and employment outlook in the New York region have improved. Accordingly, the 2010 July Plan was revised to reflect current regional employment data.

Fixed-route revenue in 2010 is now projected to be \$41.9 million, which is \$1.2 million higher than the February Plan. This is because of the impact of changes to the Nassau-Suffolk non-farm employment forecast. 2010 revenue benefits from a full year forecast at the new fare levels. Based on projected ridership increases, small increases are forecasted for each of the remaining Plan years as follow: \$1.4 million in 2011, \$1.3 million in 2012, \$1.2 million in 2013 and \$1.0 million in 2014

Paratransit farebox revenue is projected to be \$1.2 million for 2010, which reflects a decrease of \$0.1 million over the February Plan. Small annual revenue decreases are projected for each plan year, based on the February plan of \$0.1 million from 2011 to 2014.



**MTA LONG ISLAND BUS**  
**July Financial Plan 2011-2014**  
**Ridership/(Utilization)**  
(in millions)

| <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|------------------------|---------------------------------------|--|-------------|-------------|-------------|
|------------------------|---------------------------------------|--|-------------|-------------|-------------|

**RIDERSHIP**

|                        |               |               |               |               |               |               |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Fixed Route            | 30.757        | 30.644        | 30.889        | 31.198        | 31.448        | 31.668        |
| Paratransit            | 0.395         | 0.358         | 0.361         | 0.365         | 0.367         | 0.370         |
| <b>Total Ridership</b> | <b>31.152</b> | <b>31.002</b> | <b>31.250</b> | <b>31.563</b> | <b>31.815</b> | <b>32.038</b> |

**FAREBOX REVENUE**

|                      |                 |                 |                 |                 |                 |                 |
|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Fixed Route          | \$40.719        | \$41.921        | \$42.256        | \$42.679        | \$43.020        | \$43.322        |
| Paratransit          | 1.295           | 1.196           | 1.206           | 1.218           | 1.228           | 1.235           |
| <b>Total Revenue</b> | <b>\$42.014</b> | <b>\$43.117</b> | <b>\$43.462</b> | <b>\$43.897</b> | <b>\$44.248</b> | <b>\$44.557</b> |

**MTA LONG ISLAND BUS**  
**JULY FINANCIAL PLAN 2011 - 2014**  
**2010 BUDGET REDUCTION PROGRAM (BRP) SUMMARY**  
(\$ in millions)

|   | Favorable/(Unfavorable) |                |             |                |             |                |             |                |             |                |
|---|-------------------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
|   | <u>Pos.</u>             | <u>2010</u>    | <u>Pos.</u> | <u>2011</u>    | <u>Pos.</u> | <u>2012</u>    | <u>Pos.</u> | <u>2013</u>    | <u>Pos.</u> | <u>2014</u>    |
| <u>Administration</u>                         |                         |                |             |                |             |                |             |                |             |                |
| Project Deferrals/IT                          | -                       | 0.221          | 1           | 0.291          | 1           | 0.291          | 1           | 0.291          | 1           | 0.291          |
| Pensions                                      | -                       | 0.821          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Staff Reductions                              | <u>11</u>               | <u>0.344</u>   | <u>6</u>    | <u>0.242</u>   | <u>6</u>    | <u>0.242</u>   | <u>6</u>    | <u>0.242</u>   | <u>6</u>    | <u>0.242</u>   |
| Subtotal Administration                       | 11                      | 1.386          | 7           | 0.533          | 7           | 0.533          | 7           | 0.533          | 7           | 0.533          |
| % of Total Proposed                           |                         | 47.3%          |             | 51.4%          |             | 51.4%          |             | 21.2%          |             | 21.2%          |
| <u>Maintenance</u>                            |                         |                |             |                |             |                |             |                |             |                |
| Shop Overhaul Program/OT Reduction Initiative | (5)                     | 1.069          | (5)         | 0.000          | (5)         | 0.000          | (5)         | 0.000          | (5)         | 0.000          |
| Transmission Recycle                          | -                       | 0.094          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Wheelchair Maintenance                        | <u>1</u>                | <u>0.038</u>   | <u>1</u>    | <u>0.076</u>   | <u>1</u>    | <u>0.076</u>   | <u>1</u>    | <u>0.076</u>   | <u>1</u>    | <u>0.076</u>   |
| Subtotal Maintenance                          | (4)                     | 1.201          | (4)         | 0.076          | (4)         | 0.076          | (4)         | 0.076          | (4)         | 0.076          |
| % of Total Proposed                           |                         | 41.0%          |             | 7.3%           |             | 7.3%           |             | 3.0%           |             | 3.0%           |
| <u>Revenue Enhancement</u>                    |                         |                |             |                |             |                |             |                |             |                |
| None  | -                       | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Subtotal Revenue Enhancement                  | -                       | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| % of Total Proposed                           |                         | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |
| <u>Safety</u>                                 |                         |                |             |                |             |                |             |                |             |                |
| None  | -                       | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Subtotal Safety                               | -                       | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| % of Total Proposed                           |                         | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |
| <u>Other</u>                                  |                         |                |             |                |             |                |             |                |             |                |
| Health & Welfare Rates                        | -                       | 0.515          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Rapid Procurement                             | -                       | 0.001          | -           | 0.003          | -           | 0.003          | -           | 0.001          | -           | 0.001          |
| Subtotal Security                             | -                       | 0.516          | -           | 0.003          | -           | 0.003          | -           | 0.001          | -           | 0.001          |
| % of Total Proposed                           |                         | 17.6%          |             | 0.3%           |             | 0.3%           |             | 0.0%           |             | 0.0%           |
| <u>Service</u>                                |                         |                |             |                |             |                |             |                |             |                |
| None  | -                       | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Subtotal Service                              | -                       | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| % of Total Proposed                           |                         | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |
| <u>Service Support</u>                        |                         |                |             |                |             |                |             |                |             |                |
| Hastus Implementation                         | (1)                     | (0.426)        | (1)         | (0.081)        | (1)         | (0.081)        | (1)         | 1.405          | (1)         | 1.405          |
| Shifting Efficiencies                         | <u>5</u>                | <u>0.253</u>   | <u>5</u>    | <u>0.505</u>   | <u>5</u>    | <u>0.505</u>   | <u>5</u>    | <u>0.505</u>   | <u>5</u>    | <u>0.505</u>   |
| Subtotal Service Support                      | 4                       | (0.173)        | 4           | 0.424          | 4           | 0.424          | 4           | 1.910          | 4           | 1.910          |
| % of Total Proposed                           |                         | -5.9%          |             | 40.9%          |             | 40.9%          |             | 75.8%          |             | 75.8%          |
| <u>Other</u>                                  |                         |                |             |                |             |                |             |                |             |                |
| None  | -                       | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Subtotal Other                                | -                       | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| % of Total Proposed                           |                         | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |
| <b>Agency Submission</b>                      | <b>11</b>               | <b>\$2.930</b> | <b>7</b>    | <b>\$1.036</b> | <b>7</b>    | <b>\$1.036</b> | <b>7</b>    | <b>\$2.520</b> | <b>7</b>    | <b>\$2.520</b> |
| <u>Other</u>                                  |                         |                |             |                |             |                |             |                |             |                |
| <b>Cash Non-Timing (2009)</b>                 | -                       | 4.024          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Subtotal Other                                | -                       | 4.024          | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| % of Total Proposed                           |                         | 137.3%         |             | 0.0%           |             | 0.0%           |             | 0.0%           |             | 0.0%           |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Administration

**Program:** Project Deferral/IT

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | As a result of the Cyclical Project and Rapid Procurement Review, IT economies are available. |
|----------------------------|---|

|  |  |                                  |          |  |
|--|--|----------------------------------|----------|--|
| <b>Program Description/<br/>Implementation Plan:</b> | This program includes the completion of the UTS rollout, the implementation of Kronos and Trak maintenance system. |                                  |          |  |
| <b>Program Implementation Date:</b>                  | 7/1/2010   | <b>When will savings begin?:</b> | 7/1/2010 |  |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.221                 | \$0.290     | \$0.290     | \$0.290     | \$0.290     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 1           | 1           | 1           | 1           |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Administration

**Program:** Pensions

**Background Details:** LI Bus provides Pensions for employees.

**Program Description/  
Implementation Plan:** Based on the 2010 bill from the MTA, actuarial results indicate an economy is available as compared to the adopted budget.

**Program Implementation Date:** 1/1/2010      **When will savings begin?:** 1/1/2010

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.821                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Administration

**Program:** Staff Reductions

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | The LI Bus budget includes positions in all areas of administration, operations, maintenance, and public safety. |
|----------------------------|--|

|  |  |
|--|--|
| <b>Program Description/<br/>Implementation Plan:</b> | A review was conducted to identify staff reductions in addition to those previously identified as administrative economies. This reviewed included all areas of operations. This program includes the following reductions: Budget (1), Material (1), QP (1), OP (1), Comm Svc (-3), Para (-4). These reductions, in combination with the previous administrative reductions, include positions already removed from the 2011 budget for the BSC; therefore we must add them back in 2011 as they will not represent a reduction in LIB Bus, but rather the BSC. These add backs include Controller (1), IT (3), and HR (1). |
| <b>Program Implementation Date:</b>                  | 7/1/2010   |
| <b>When will savings begin?:</b>                     | 7/1/2010   |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.344                 | \$0.242     | \$0.242     | \$0.242     | \$0.242     |
| <i>Total Reduction in Positions Required:</i> | 11                      | 6           | 6           | 6           | 6           |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Maintenance Support/Central Maintenance Facility (CMF)

**Program:** Shop Overhaul Program/Overtime Reduction Initiative

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | In 2009 Long Island Bus began the implementation of a scheduled Shop Overhaul Program. |
|----------------------------|--|

|  |  |                                  |          |  |
|--|--|----------------------------------|----------|--|
| <b>Program Description/<br/>Implementation Plan:</b> | This modification phases in the implementation of the Shop Program over the 2010/2011 period. It reduces the scope of work to only critical items such as engine, structure, and key component replacements. |                                  |          |  |
| <b>Program Implementation Date:</b>                  | 1/1/2010   | <b>When will savings begin?:</b> | 1/1/2010 |  |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.069                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | (5)                     | (5)         | (5)         | (5)         | (5)         |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Maintenance

**Program:** Transmission Recycling

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Vehicles being retired from revenue service are sent to Eastchester Depot prior to sale as scrap. Prior to sale, recyclable parts and units are tested/evaluated and recycled into inventory. This offsets the cost of new or rebuilt parts and units. |
|----------------------------|--|

|  |  |                                  |          |  |
|--|--|----------------------------------|----------|--|
| <b>Program Description/<br/>Implementation Plan:</b> | This program has been expanded to include Transmission, and given the level of units available in 2010, LI Bus can significantly reduce 2010 new/rebuilt rebuilt requirements. |                                  |          |  |
| <b>Program Implementation Date:</b>                  | 1/1/2010   | <b>When will savings begin?:</b> | 1/1/2010 |  |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.094                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Maintenance

**Program:** Wheelchair Maintenance

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | LI Bus provides 100% accessibility. New buses are being delivered with ramps as opposed to lifts. |
|----------------------------|---|

|  |  |
|--|--|
| <b>Program Description/<br/>Implementation Plan:</b> | This program reduces the funding for wheelchair maintenance as the new bus ramps require less maintenance than the older buses with lifts. |
|--|--|

|                                     |          |                                  |          |
|-------------------------------------|----------|----------------------------------|----------|
| <b>Program Implementation Date:</b> | 7/1/2010 | <b>When will savings begin?:</b> | 7/1/2010 |
|-------------------------------------|----------|----------------------------------|----------|

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.038                 | \$0.076     | \$0.076     | \$0.076     | \$0.076     |
| <i>Total Reduction in Positions Required:</i> | 1                       | 1           | 1           | 1           | 1           |



**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Administration

**Program:** Health and Welfare

**Background Details:** LI Bus provides Health and Welfare for employees.

**Program Description/  
Implementation Plan:** Based on revised rates for LIB employees.

**Program Implementation Date:** 1/1/2010      **When will savings begin?:** 1/1/2010

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.515                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Other  
**Program:** Rapid Procurement

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Renegotiating with vendors to achieve lower contract prices. |
|----------------------------|--|

|  |          |                                  |          |
|--|----------|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> |          |                                  |          |
|  |          |                                  |          |
| <b>Program Implementation Date:</b>                  | 1/1/2010 | <b>When will savings begin?:</b> | 1/1/2010 |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.001                 | \$0.003     | \$0.003     | \$0.001     | \$0.001     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Service Support

**Program:** Hastus Implementation

**Background Details:** Currently LI Bus uses an inadequate systems to develop schedules.

**Program Description/  
Implementation Plan:** This initiative will implement the Hastus system (currently in place in NYC Transit) in LI Bus. While this initiative will require an additional position, beginning in 2013 a 2% reduction in bus operator pay hours and mileage will provide an attract return on investment.

**Program Implementation Date:** 7/1/2010      **When will savings begin?:** 1/1/2013

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | (\$0.426)               | (\$0.081)   | (\$0.081)   | \$1.405     | \$1.405     |
| <i>Total Reduction in Positions Required:</i> | (1)                     | (1)         | (1)         | (1)         | (1)         |

**MTA Long Island Bus  
July Financial Plan 2011-2014  
2010 Budget Reduction Program**

**Category by Function:** Service Support  
**Program:** Shifting Efficiencies

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | Non-revenue bus operators are required to move buses through the fueling, vault, cleaning processes and parking them. |
|----------------------------|---|

|  |  |
|--|--|
| <b>Program Description/<br/>Implementation Plan:</b> | A study of best practices has indicated economies can be achieved. |
| <b>Program Implementation Date:</b>                  | 7/1/2010   |
| <b>When will savings begin?:</b>                     | 7/1/2010   |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.253                 | \$0.505     | \$0.505     | \$0.505     | \$0.505     |
| <i>Total Reduction in Positions Required:</i> | 5                       | 5           | 5           | 5           | 5           |

**MTA LONG ISLAND BUS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES  
POSITIONS**

**Total Non-Reimbursable and Reimbursable Baseline Positions**

The starting baseline for the February Plan is 1,129 positions. There is a total reduction of -25 positions, which will result in the sum of 1,104 for the July 2010 Plan. The changes are as follows:

- -14 15% Administration Reduction
- -11 Budget Reduction Program

**2010 - July Plan vs February Plan**

The total baseline positions are projected to changes as follows:

2010 – Net change of -25 positions

**1) -14 15% Administration Reduction**

- -14 15% Administrative reduction

**2) -11 Budget Reduction Program**

- -11 Staff reduction
- -5 Shifting efficiencies
- -1 Wheelchair maintenance reduction
- +5 Shop overtime conversion
- +1 Hastus implementation management

**2011 – July Plan vs February Plan**

2011 – Net change of -21 positions from February Financial Plan

**1) -14 15% Administration Reduction**

- -14 15% Administrative reduction

**2) -7 Budget Reduction Program**

- -6 Staff reduction
- -5 Shifting Efficiencies
- -1 Project Deferrals
- -1 Wheelchair maintenance reduction
- +5 Shop overtime conversion
- +1 Hastus implementation management

**2012 – 2014 – July Plan vs February Plan**

There is a 21 position change from the February plan mirrors the 2011 program.

**MTA LONG ISLAND BUS  
2011 PRELIMINARY BUDGET  
JULY FININCIAL PLAN 2011 - 2014  
SUMMARY OF MAJOR YEAR-TO-YEAR CHANGES  
POSITIONS**

**Total Non-Reimbursable and Reimbursable Baseline Positions**

**2010: Baseline Positions**

The 2010 February Plan starts with a base of 1,129 of which 15 positions are reimbursable. The total net number of changes is -25, which brings us to 1,104, the July Plan. The changes are as follows:

- -14 15% Administration Reduction
- -11 Budget Reduction Program

**2010- February Plan to the July Plan**

The total baseline positions are projected to change as follows:

2010- Net Change of -25 Positions

- 1) -14 15% Administration Reduction
- 2) -11 Budget Reduction Program
  - -11 Additional Administration/ Staff Reduction
  - -1 Wheelchair Maintenance
  - +5 Shop Overtime Conversion
  - -5 Shifting Positions
  - +1 Hastus

**2011: Changes**

Throughout the next three years spanning through 2014 the net change is -11 positions. The total goes from 1,104 to 1,093 of which the reimbursable positions do not change. The changes are as follows:

2011- Net Change of :

- -10 BSC Reduction (-15 plus +5 BSC already reduced in 2010)
- -1 Project Deferrals

**2012- 2014: No Changes**

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011-2014**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

| <b>FUNCTION/DEPARTMENT</b>                       | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  |
|--|------------------------|---------------------------------------|--|--------------|--------------|--------------|
| <b>Administration</b>                            |                        |                                       |  |              |              |              |
| Office of the EVP                                | -                      | -                                     | -                                      | -            | -            | -            |
| Human Resources                                  | 8                      | 7                                     | 3                                      | 3            | 3            | 3            |
| Office of Management and Budget                  | 3                      | 5                                     | 8                                      | 8            | 8            | 8            |
| Technology & Information Services                | 19                     | 21                                    | 20                                     | 20           | 20           | 20           |
| Material   | 9                      | 12                                    | 12                                     | 12           | 12           | 12           |
| Controller                                       | 15                     | 15                                    | 10                                     | 10           | 10           | 10           |
| Office of the President                          | 2                      | 2                                     | 2                                      | 2            | 2            | 2            |
| System Safety Administration                     | 3                      | 3                                     | 3                                      | 3            | 3            | 3            |
| Law  | 8                      | 9                                     | 9                                      | 9            | 9            | 9            |
| Corporate Communications                         | 4                      | 3                                     | 3                                      | 3            | 3            | 3            |
| Labor Relations                                  | 1                      | 1                                     | 1                                      | 1            | 1            | 1            |
| Non Departmental                                 | -                      | 4                                     | 1                                      | 1            | 1            | 1            |
| <b>Total Administration</b>                      | <b>72</b>              | <b>82</b>                             | <b>72</b>                              | <b>72</b>    | <b>72</b>    | <b>72</b>    |
| <b>Operations</b>                                |                        |                                       |  |              |              |              |
| Buses (Fixed Route)                              | 588                    | 555                                   | 555                                    | 555          | 555          | 555          |
| Buses (Paratransit)                              | 152                    | 155                                   | 155                                    | 155          | 155          | 155          |
| Office of the Executive Vice President, Regional | 2                      | 4                                     | 4                                      | 4            | 4            | 4            |
| Safety & Training                                | 7                      | 6                                     | 6                                      | 6            | 6            | 6            |
| Road Operations                                  | -                      | 19                                    | 19                                     | 19           | 19           | 19           |
| Transportation Support                           | 19                     | 13                                    | 13                                     | 13           | 13           | 13           |
| Operations Planning                              | 6                      | 6                                     | 6                                      | 6            | 6            | 6            |
| Revenue Control                                  | 9                      | 6                                     | 6                                      | 6            | 6            | 6            |
| <b>Total Operations</b>                          | <b>783</b>             | <b>764</b>                            | <b>764</b>                             | <b>764</b>   | <b>764</b>   | <b>764</b>   |
| <b>Maintenance</b>                               |                        |                                       |  |              |              |              |
| Buses (Fixed Route)                              | 208                    | 184                                   | 184                                    | 184          | 184          | 184          |
| Buses (Paratransit)                              | 12                     | 14                                    | 13                                     | 13           | 13           | 13           |
| Maintenance Support/CMF                          | 2                      | 22                                    | 22                                     | 22           | 22           | 22           |
| Facilities                                       | 13                     | 15                                    | 15                                     | 15           | 15           | 15           |
| Supply Logistics                                 | 19                     | 18                                    | 18                                     | 18           | 18           | 18           |
| <b>Total Maintenance</b>                         | <b>254</b>             | <b>253</b>                            | <b>252</b>                             | <b>252</b>   | <b>252</b>   | <b>252</b>   |
| <b>Engineering/Capital</b>                       |                        |                                       |  |              |              |              |
| Capital Program Management                       | 14                     | 3                                     | 3                                      | 3            | 3            | 3            |
| <b>Public Safety</b>                             |                        |                                       |  |              |              |              |
| Office of the Senior Vice President              | 2                      | 2                                     | 2                                      | 2            | 2            | 2            |
| <b>Total Positions</b>                           | <b>1,125</b>           | <b>1,104</b>                          | <b>1,093</b>                           | <b>1,093</b> | <b>1,093</b> | <b>1,093</b> |
| Non-Reimbursable                                 | 1,111                  | 1,101                                 | 1,090                                  | 1,090        | 1,090        | 1,090        |
| Reimbursable                                     | 14                     | 3                                     | 3                                      | 3            | 3            | 3            |
| Total Full-Time                                  | 1,023                  | 1,004                                 | 993                                    | 993          | 993          | 993          |
| Total Full-Time Equivalents                      | 102                    | 100                                   | 100                                    | 100          | 100          | 100          |

**MTA LONG ISLAND BUS**  
**July Financial Plan 2011-2014**  
**Total Positions by Function and Occupation**

| FUNCTION/OCCUPATIONAL GROUP       | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012         | 2013         | 2014         |
|-----------------------------------|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| <b>Administration</b>             |                |                              |                               |              |              |              |
| Managers/Supervisors              | 32             | 40                           | 36                            | 36           | 36           | 36           |
| Professional, Technical, Clerical | 40             | 42                           | 36                            | 36           | 36           | 36           |
| Operational Hourlies              | -              | -                            | -                             | -            | -            | -            |
| <b>Total Administration</b>       | <b>72</b>      | <b>82</b>                    | <b>72</b>                     | <b>72</b>    | <b>72</b>    | <b>72</b>    |
| <b>Operations</b>                 |                |                              |                               |              |              |              |
| Managers/Supervisors              | 76             | 66                           | 66                            | 66           | 66           | 66           |
| Professional, Technical, Clerical | 49             | 41                           | 41                            | 41           | 41           | 41           |
| Operational Hourlies              | 658            | 657                          | 657                           | 657          | 657          | 657          |
| <b>Total Operations</b>           | <b>783</b>     | <b>764</b>                   | <b>764</b>                    | <b>764</b>   | <b>764</b>   | <b>764</b>   |
| <b>Maintenance</b>                |                |                              |                               |              |              |              |
| Managers/Supervisors              | 39             | 46                           | 45                            | 45           | 45           | 45           |
| Professional, Technical, Clerical | 2              | 2                            | 2                             | 2            | 2            | 2            |
| Operational Hourlies              | 213            | 205                          | 205                           | 205          | 205          | 205          |
| <b>Total Maintenance</b>          | <b>254</b>     | <b>253</b>                   | <b>252</b>                    | <b>252</b>   | <b>252</b>   | <b>252</b>   |
| <b>Engineering/Capital</b>        |                |                              |                               |              |              |              |
| Managers/Supervisors              | 7              |                              |                               |              |              |              |
| Professional, Technical, Clerical | 7              | 3                            | 3                             | 3            | 3            | 3            |
| Operational Hourlies              |                |                              |                               |              |              |              |
| <b>Total Engineering/Capital</b>  | <b>14</b>      | <b>3</b>                     | <b>3</b>                      | <b>3</b>     | <b>3</b>     | <b>3</b>     |
| <b>Public Safety</b>              |                |                              |                               |              |              |              |
| Managers/Supervisors              | -              |                              |                               |              |              |              |
| Professional, Technical, Clerical | -              |                              |                               |              |              |              |
| Operational Hourlies              | 2              | 2                            | 2                             | 2            | 2            | 2            |
| <b>Total Public Safety</b>        | <b>2</b>       | <b>2</b>                     | <b>2</b>                      | <b>2</b>     | <b>2</b>     | <b>2</b>     |
| <b>Total Positions</b>            |                |                              |                               |              |              |              |
| Managers/Supervisors              | 154            | 152                          | 147                           | 147          | 147          | 147          |
| Professional, Technical, Clerical | 98             | 88                           | 82                            | 82           | 82           | 82           |
| Operational Hourlies              | 873            | 864                          | 864                           | 864          | 864          | 864          |
| <b>Total Baseline Positions</b>   | <b>1,125</b>   | <b>1,104</b>                 | <b>1,093</b>                  | <b>1,093</b> | <b>1,093</b> | <b>1,093</b> |



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# **Long Island Rail Road**

**MTA LONG ISLAND RAIL ROAD**  
**2011 Preliminary Budget**  
**July Financial Plan 2011-2014**

**FINANCIAL OVERVIEW**

The Long Island Rail Road approached the 2011 Preliminary Budget and 2012-2014 Financial Plan with the goal of making every dollar count. In response to the regional recession – which has resulted in lower MTA subsidies – this Plan incorporates \$39 million in cost saving programs.

Ridership through May has exceeded the Adopted Budget by 0.2%, however, has remained under 2009 levels by 2.5%. The Mid-Year Forecast projects 2010 total ridership to be 82.4 million, which is an increase of 0.4% over the 2010 Adopted Budget. Based on employment forecasts, the 2011 Preliminary Budget projects a 1.5% growth in ridership.

When developing its Preliminary Budget, the LIRR made every effort to reduce expenses by improving agency efficiencies with minimal impact to the customer (only \$3 million of the \$39 million in budget reductions directly impact customers). While the entire budget was subject to intensive review, three critical areas of focus were administrative costs, operational overtime and non-mission critical projects.

*Administrative Costs:* One of the primary objectives of the budget development process was to reduce administrative expenditures. The Preliminary Budget eliminates 15% of all administrative staffing – over 130 positions - and reduces material handling and inventory costs by taking initial steps to develop an efficient supply chain and improving inventory management procedures.

*Operational Overtime:* Through the creation of the Overtime Task Force and improved oversight in the field, the Long Island Rail Road has achieved significant overtime reductions in 2009 and the first half of 2010. During 2009, overtime hours worked in the operating departments were down 5.5% versus 2008. When adjusted for wage growth, overtime spending was down 4.6%. The success has extended to the current year.

- Through May 2010, overtime hours worked and dollars spent in the operating departments were down 14.7% and 14.0%, respectively when compared to 2009.

The 2010 Adopted Budget contained numerous overtime reduction initiatives, setting an aggressive target of an 11.2% reduction compared to 2009. This Preliminary 2011 Budget builds on that start by reducing overtime expenditures by an additional \$11 million, or 12%. The key initiatives are:

- Redeploy resources between maintenance facilities and adjust/level maintenance schedules.
- More effectively deploy train and engine service staff to offset relief day overtime.
- Adjust tour start times to improve alignment with track outages and work schedule.
- Modify training programs to reduce overtime backfilling.
- Contract out snow removal.

*Project Eliminations/ Deferrals:* Additional efforts to make every dollar count included a top-to-bottom review of all administrative projects. This analysis identified \$13.0 million of lower priority projects in 2010 to be cancelled or deferred with little or no impact to service or customers. Many of these are stand alone Operating Funded Capital projects such as technology initiatives and equipment purchases.

*Fare Collection:* Through a detailed analysis of fare collection practices, various efficiencies were identified. Specific initiatives include changing punch day ticket validation staffing levels, eliminating additional weekday and weekend collector tours and rebalancing weekend staffing. In addition, changes to the Mail and Ride Program enrollment policies will enable the Long Island Rail Road to generate staffing and non-payroll savings.

*Customer Impacts:* While the LIRR paid special attention to avoid implementing budget reductions that impact customers, there are nevertheless a small number of them contained in the Preliminary Budget. In 2010, the Long Island Rail Road will reduce the number of cars on certain trains where excess capacity exists, mostly during the off-peak period and reduce hours and close some ticket windows.

## **Operational Performance**

The LIRR's continues to strive for on-time performance improvement. The record of 95.2% for 2009 was the best since record keeping started in 1979. On-time performance was slightly below the 2009 level due to major snowstorms in the first quarter of 2010, and is 93.6% through May. This was made possible by the dedicated work of employees, particularly those responsible for maintaining the fleet and right-of-way in a state of good repair.

The LIRR's fleet of M7 cars was especially reliable, achieving a mean distance between failures (MDBF) of 364,935 miles – far better than expected. Through the first five months of 2010, these trends have continued. MDBF continues to exceed both the same five-month period of 2009 and the year-end 2009 level. Car Availability is also reflective of investments to maintenance which improved fleet reliability with the AM Peak Electric Fleet for the first five months of 2010 exceeding the 2009 year-end actual and the same five-month period of 2009, as well as the 2010 year-to-date target.

The LIRR's record in the area of safety and security has exceeded the target and continues to improve. Customer injury for the first four months of 2010 were the lowest in years at 5.27 customer injuries per one million customers compared to 5.86 during the same period in 2009. On a full year basis, the LIRR target is to reduce customer injuries from 5.93 at the end of 2009 to 5.22 at the end of 2010.

Employee lost time and restricted duty injury rates for the first four months of 2010 were 2.55 accidents per 200,000 worker hours compared to 2.70 during the same period in 2009. On a full year basis, the LIRR target is to reduce employee accidents per 200,000 worker hours to 2.05 at the end of 2010.

The financial projections in the attached statements reflect the most current projections by the LIRR for the balance of 2010, carrying out into 2014.

### **2010 Mid-Year Forecast**

The LIRR's 2010 Mid-Year Forecast is comprised of non-reimbursable revenue totaling \$566.2 million and non-reimbursable expenses including depreciation, other post employment benefits and environmental remediation of \$1,530.3 million that generate an operating deficit of (\$964.1) million. The 2010 Mid-Year reimbursable revenue and expenses each total \$212.9 million.

The Baseline Accrued Deficit is \$44.8 million better than the 2010 Adopted Budget. The Baseline Cash Deficit is favorable by \$36.7 million to the Adopted Budget.

Total Non-Reimbursable revenue is (\$1.3) million unfavorable to the 2010 Adopted Budget. Farebox Revenue is slightly better-than-budget due to higher ridership, partially offset by lower yield per passenger. Other Operating Revenue is unfavorable by (\$1.4) million due to the Accounting treatment of the New York and Atlantic Railroad reimbursement for LIRR services performed during a 2009 derailment, lower than projected rental and real estate revenue and lower than projected interest on overnight deposits.

Total Non-Reimbursable expenses (excluding depreciation and OPEB) are favorable by \$38.6 million, or 3.3%. The reduction is largely driven by the Budget Reduction Program (BRP), 15% Administrative Position Reductions and lower than projected Health & Welfare rates and Traction Power rates.

The major cash adjustments from the February plan are for the timing of the Right of Way lease settlement, cash timing for 2009 expenses (including Pension) and the Budget Reduction Plan cash only adjustments (primarily materials).

Full-time positions total 6,585 in the 2010 Mid-Year Forecast, with 6,053 non-reimbursable positions and 532 reimbursable positions. This reflects a reduction of 167

positions from 2009 Year-end Actual and 199 positions from the 2010 Adopted Budget. Most of these reductions are associated with the Budget Reduction Program and the 15% Administrative Position Reduction.

## **2011 Preliminary Budget - Baseline**

The goals and objectives contained in the 2011 Preliminary Budget are consistent with the LIRR's mission and its aim to continue to improve service attributes. Among the key goals for 2011 are maintaining on-time performance at 95.1% 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 2011 Revenue budget totals \$772.2 million of which \$573.2 million is Non-reimbursable revenue and \$199.0 million is Reimbursable revenue. The total expense budget is \$1,771.8 million, of which \$1,376.8 million 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 \$1,177.8 million in 2011, while Reimbursable expenses are \$199.0 million in the accrued statements.

The cash budget for 2011 incorporates \$841.9 million in cash receipts and \$1,446.3 million in cash disbursements. The baseline cash requirement is \$(604.4) million, as driven by operating expenses paid for in 2011, revenues received in 2011, 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, revenues in the 2011 Preliminary Budget are lower than in the 2010 Mid-Year Forecast and expenses are higher. Total revenues of \$772.2 million are \$6.8 million lower than in the Mid-Year Forecast, with Non-reimbursable revenues rising by \$7.0 million and Reimbursable revenues falling by \$13.9 million. Baseline Ridership in 2011 increases over the 2010 Mid-Year Forecast by 1.3 million rides, or 1.5%. Operating expenses before depreciation of \$1,376.8 billion reflect growth of \$24.3 million over the 2010 Mid-Year Forecast. Non-reimbursable expenses increase by \$38.2 million and reimbursable expenses decrease by \$13.9 million. While the resulting total operating baseline deficit increases by \$35.5 million to \$(999.6) million in 2011, the projected baseline cash deficit (or subsidy requirement) of \$(604.4) million in 2011 is higher by \$23.2 million.

Full-time positions total 6,501 in the 2011 Preliminary Budget, with 5,605 non-reimbursable positions and 896 reimbursable positions. Compared to the 2010 Mid-Year Forecast, this reflects a total decrease of 84 positions, 448 non-reimbursable

positions and an increase of 364 reimbursable positions, consistent with anticipated levels of capital funding and timing of project activity in 2011. The major drivers of the reimbursable headcount change are the 2011 Track Program, East Side Access Construction and Positive Train Control.

There are no major programmatic New Needs identified in the 2011 Preliminary Budget.

## **2012-2014 Projections**

The baseline projections for 2012 through 2014 reflect minor changes that impact 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 95.1%. During this period, the LIRR will continue its Reliability Centered Maintenance (RCM) for its M7 fleet, as many components start to enter key maintenance stages. Fulfillment of RCM requirements will continue to place growing demands on resources, in both labor and maintenance materials. In 2013, the LIRR will begin ramping up costs for service to Grand Central Terminal scheduled to open in 2017 (East Side Access).

The baseline projections for 2012-2014 reflect these various impacts. Non-reimbursable revenues grow less than 1.6% in any year, while Reimbursable revenues decrease by 6.5% in 2011, and then increase by 3.0% in 2012, 0.1% in 2013 and 0.8% in 2014.

The pace of expense growth is higher, driven by rates that exceed inflation in Health and Welfare (active and retirees), Traction and Propulsion Power, and Pension costs throughout the plan. Non-reimbursable expenses (before depreciation) grow by 5.2% from \$1,177.8 million in 2011 to \$1,239.2 million in 2012. They continue to rise by 4.4% in 2013 and 5.1% in 2014, reaching \$1,359.6 million. East Side Access ramp up costs are included beginning in 2013. Reimbursable expenses increase by 3.0% (to \$204.9 million) in 2012 and then increase by less than 1.0% per year, reaching \$206.9 million in 2014.

On a year-to-year basis, the Baseline positions increase in 2012 by 26 positions over 2011, 137 positions in 2013 and 149 positions in 2014. The increase in 2012 is primarily related to Reliability Centered Maintenance activity. The increases in 2013 and 2014 are primarily related to the East Side Access ramp up. For the period 2011 to 2014, reimbursable positions remain flat.

Appearing in a separate section is a discussion of the major assumptions in the 2012-2014 forecasts and reconciliations to the February plan for the years through 2014.

## **GAP CLOSING MEASURES – Budget Reduction Program (BRP)**

### **BRP Actions**

The July Financial Plan includes a Budget Reduction Program resulting in 2010 operating expense reductions of \$48.5 Million. This includes Strategic Initiatives of \$18.6 million (inventory/material management, overtime savings and administrative reductions), project eliminations and deferrals of \$12.9 million, programmatic and other reductions of \$11.1 million and various expense re-estimates of \$5.8 million.

The 2011 BRP results in \$26.4 million in savings and include continuation of Strategic Initiatives of \$6.2 million for overtime and administrative reductions, project eliminations of \$0.9 million, programmatic and other reductions of \$14.1 million and various re-estimates of \$5.2 million.



**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE</b>                                   |                    |                          |                           |                      |                      |                      |
|---|--------------------|--------------------------|---------------------------|----------------------|----------------------|----------------------|
|   | <b>2009</b>        | <b>2010</b>              | <b>2011</b>               |                      |                      |                      |
|   | <b>Actual</b>      | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          |
| <b>Operating Revenue</b>                                  |                    |                          |                           |                      |                      |                      |
| Farebox Revenue   | \$509.306          | \$529.368                | \$538.082                 | \$546.204            | \$552.194            | \$557.511            |
| Toll Revenue  |                    |                          |                           |                      |                      |                      |
| Other Operating Revenue                                   | 36.587             | 36.799                   | 35.128                    | 36.295               | 37.015               | 38.351               |
| Capital and Other Reimbursements                          |                    |                          |                           |                      |                      |                      |
| <b>Total Revenue</b>                                      | <b>\$545.894</b>   | <b>\$566.167</b>         | <b>\$573.210</b>          | <b>\$582.499</b>     | <b>\$589.209</b>     | <b>\$595.862</b>     |
| <b>Operating Expenses</b>                                 |                    |                          |                           |                      |                      |                      |
| <b><u>Labor:</u></b>                                      |                    |                          |                           |                      |                      |                      |
| Payroll   | \$426.935          | \$417.397                | \$414.172                 | \$426.161            | \$444.950            | \$464.928            |
| Overtime  | 91.744             | 79.060                   | 74.025                    | 75.456               | 75.939               | 77.476               |
| Health and Welfare  | 75.428             | 73.890                   | 82.687                    | 88.664               | 97.168               | 106.933              |
| OPEB Current Payment                                      | 48.027             | 51.781                   | 58.674                    | 63.031               | 67.711               | 72.739               |
| Pensions  | 136.286            | 137.318                  | 153.075                   | 166.698              | 169.813              | 174.229              |
| Other Fringe Benefits                                     | 92.272             | 85.346                   | 89.551                    | 92.650               | 97.260               | 102.488              |
| Reimbursable Overhead                                     | (28.483)           | (44.853)                 | (32.941)                  | (34.302)             | (31.130)             | (29.060)             |
| <b>Total Labor Expenses</b>                               | <b>\$842.209</b>   | <b>\$799.939</b>         | <b>\$839.243</b>          | <b>\$878.358</b>     | <b>\$921.710</b>     | <b>\$969.734</b>     |
| <b><u>Non-Labor:</u></b>                                  |                    |                          |                           |                      |                      |                      |
| Traction and Propulsion Power                             | \$77.857           | \$81.479                 | \$85.545                  | \$90.963             | \$96.441             | \$102.210            |
| Fuel for Buses and Trains                                 | 13.385             | 16.806                   | 17.579                    | 18.397               | 19.136               | 19.727               |
| Insurance   | 15.720             | 14.784                   | 16.320                    | 17.640               | 19.084               | 20.661               |
| Claims  | 11.717             | 15.813                   | 15.813                    | 16.110               | 16.116               | 16.472               |
| Paratransit Service Contracts                             | 0.000              | 0.000                    | 0.000                     | 0.000                | 0.000                | 0.000                |
| Maintenance and Other Operating Contracts                 | 63.289             | 76.026                   | 74.709                    | 75.841               | 76.580               | 78.685               |
| Professional Service Contracts                            | 23.082             | 19.947                   | 18.912                    | 19.316               | 19.488               | 19.981               |
| Materials & Supplies                                      | 103.843            | 104.417                  | 98.527                    | 111.182              | 114.126              | 120.358              |
| Other Business Expenses                                   | 9.394              | 10.402                   | 11.141                    | 11.362               | 11.525               | 11.756               |
| <b>Total Non-Labor Expenses</b>                           | <b>\$318.287</b>   | <b>\$339.674</b>         | <b>\$338.546</b>          | <b>\$360.811</b>     | <b>\$372.495</b>     | <b>\$389.852</b>     |
| <b><u>Other Expenses Adjustments:</u></b>                 |                    |                          |                           |                      |                      |                      |
| Other   | \$0.000            | \$0.000                  | \$0.000                   | \$0.000              | \$0.000              | \$0.000              |
| <b>Total Other Expense Adjustments</b>                    | <b>\$0.000</b>     | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>       | <b>\$0.000</b>       | <b>\$0.000</b>       |
| <b>Total Expenses before Depreciation and GASB Adj's.</b> | <b>\$1,160.496</b> | <b>\$1,139.613</b>       | <b>\$1,177.789</b>        | <b>\$1,239.169</b>   | <b>\$1,294.205</b>   | <b>\$1,359.586</b>   |
| Depreciation  | \$306.980          | \$315.911                | \$317.991                 | \$317.060            | \$309.279            | \$298.284            |
| OPEB Obligation   | 60.008             | 72.743                   | 75.000                    | 77.250               | 79.568               | 81.955               |
| Environmental Remediation                                 | 0.124              | 2.000                    | 2.000                     | 2.000                | 2.000                | 2.000                |
| <b>Total Expenses</b>                                     | <b>\$1,527.608</b> | <b>\$1,530.267</b>       | <b>\$1,572.780</b>        | <b>\$1,635.479</b>   | <b>\$1,685.052</b>   | <b>\$1,741.825</b>   |
| <b>Baseline Surplus/(Deficit)</b>                         | <b>(\$981.714)</b> | <b>(\$964.100)</b>       | <b>(\$999.570)</b>        | <b>(\$1,052.980)</b> | <b>(\$1,095.843)</b> | <b>(\$1,145.963)</b> |

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| REIMBURSABLE                              |                  |                              |                               |                  |                  |                  |
|---|------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
|   | 2009<br>Actual   | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012             | 2013             | 2014             |
| <b>Revenue</b>                            |                  |                              |                               |                  |                  |                  |
| Farebox Revenue                           |                  |                              |                               |                  |                  |                  |
| Toll Revenue                              |                  |                              |                               |                  |                  |                  |
| Other Operating Revenue                   |                  |                              |                               |                  |                  |                  |
| Capital and Other Reimbursements          | \$186.873        | \$212.851                    | \$198.972                     | \$204.881        | \$205.131        | \$206.869        |
| <b>Total Revenue</b>                      | <b>\$186.873</b> | <b>\$212.851</b>             | <b>\$198.972</b>              | <b>\$204.881</b> | <b>\$205.131</b> | <b>\$206.869</b> |
| <b>Expenses</b>                           |                  |                              |                               |                  |                  |                  |
| <b><u>Labor:</u></b>                      |                  |                              |                               |                  |                  |                  |
| Payroll                                   | \$73.306         | \$78.099                     | \$81.521                      | \$84.170         | \$86.197         | \$87.889         |
| Overtime                                  | 14.746           | 11.650                       | 9.334                         | 9.540            | 9.728            | 9.919            |
| Health and Welfare                        | 12.743           | 13.244                       | 13.899                        | 14.523           | 15.035           | 15.331           |
| OPEB Current Payment                      | -                | -                            | -                             | -                | -                | -                |
| Pensions                                  | 24.541           | 22.103                       | 20.893                        | 21.101           | 20.972           | 21.386           |
| Other Fringe Benefits                     | 15.393           | 15.974                       | 16.739                        | 17.490           | 18.107           | 18.463           |
| Reimbursable Overhead                     | 28.483           | 44.853                       | 32.941                        | 34.302           | 31.130           | 29.060           |
| <b>Total Labor Expenses</b>               | <b>\$169.212</b> | <b>\$185.923</b>             | <b>\$175.327</b>              | <b>\$181.126</b> | <b>\$181.169</b> | <b>\$182.048</b> |
| <b><u>Non-Labor:</u></b>                  |                  |                              |                               |                  |                  |                  |
| Traction and Propulsion Power             | \$0.175          | \$0.073                      | \$0.000                       | \$0.000          | \$0.000          | \$0.000          |
| Fuel for Buses and Trains                 | -                | -                            | -                             | -                | -                | -                |
| Insurance                                 | 0.768            | 1.332                        | 0.894                         | 0.917            | 0.935            | 0.954            |
| Claims                                    | -                | -                            | -                             | -                | -                | -                |
| Paratransit Service Contracts             | -                | -                            | -                             | -                | -                | -                |
| Maintenance and Other Operating Contracts | 8.151            | 7.983                        | 8.086                         | 8.194            | 8.283            | 8.460            |
| Professional Service Contracts            | 1.072            | 0.611                        | 0.479                         | 0.501            | 0.518            | 0.529            |
| Materials & Supplies                      | 7.249            | 16.834                       | 14.097                        | 14.050           | 14.130           | 14.780           |
| Other Business Expenses                   | 0.246            | 0.095                        | 0.089                         | 0.093            | 0.096            | 0.098            |
| <b>Total Non-Labor Expenses</b>           | <b>\$17.661</b>  | <b>\$26.928</b>              | <b>\$23.645</b>               | <b>\$23.755</b>  | <b>\$23.962</b>  | <b>\$24.821</b>  |
| <b><u>Other Expenses Adjustments:</u></b> |                  |                              |                               |                  |                  |                  |
| Other                                     | \$0.000          | \$0.000                      | \$0.000                       | \$0.000          | \$0.000          | \$0.000          |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>   | <b>\$0.000</b>               | <b>\$0.000</b>                | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Total Expenses before Depreciation</b> | <b>\$186.873</b> | <b>\$212.851</b>             | <b>\$198.972</b>              | <b>\$204.881</b> | <b>\$205.131</b> | <b>\$206.869</b> |
| Depreciation                              | -                | -                            | -                             | -                | -                | -                |
| <b>Total Expenses</b>                     | <b>\$186.873</b> | <b>\$212.851</b>             | <b>\$198.972</b>              | <b>\$204.881</b> | <b>\$205.131</b> | <b>\$206.869</b> |
| <b>Baseline Surplus/(Deficit)</b>         | <b>-</b>         | <b>-</b>                     | <b>-</b>                      | <b>-</b>         | <b>-</b>         | <b>-</b>         |

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE / REIMBURSABLE</b>                    |                        |                                       |  |                      |                      |                      |
|---|------------------------|---------------------------------------|--|----------------------|----------------------|----------------------|
|   | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          |
| <b>Revenue</b>  |                        |                                       |  |                      |                      |                      |
| Farebox Revenue   | \$509.306              | \$529.368                             | \$538.082                              | \$546.204            | \$552.194            | \$557.511            |
| Toll Revenue  | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| Other Operating Revenue                                   | 36.587                 | 36.799                                | 35.128                                 | 36.295               | 37.015               | 38.351               |
| Capital and Other Reimbursements                          | 186.873                | 212.851                               | 198.972                                | 204.881              | 205.131              | 206.869              |
| <b>Total Revenue</b>                                      | <b>\$732.767</b>       | <b>\$779.018</b>                      | <b>\$772.182</b>                       | <b>\$787.380</b>     | <b>\$794.340</b>     | <b>\$802.731</b>     |
| <b>Expenses</b>   |                        |                                       |  |                      |                      |                      |
| <b><u>Labor:</u></b>                                      |                        |                                       |  |                      |                      |                      |
| Payroll   | \$500.241              | \$495.496                             | \$495.693                              | \$510.331            | \$531.147            | \$552.817            |
| Overtime  | 106.490                | 90.710                                | 83.359                                 | 84.996               | 85.667               | 87.395               |
| Health and Welfare  | 88.171                 | 87.134                                | 96.586                                 | 103.187              | 112.203              | 122.264              |
| OPEB Current Payment                                      | 48.027                 | 51.781                                | 58.674                                 | 63.031               | 67.711               | 72.739               |
| Pensions  | 160.827                | 159.421                               | 173.968                                | 187.799              | 190.785              | 195.615              |
| Other Fringe Benefits                                     | 107.665                | 101.320                               | 106.290                                | 110.140              | 115.367              | 120.951              |
| Reimbursable Overhead                                     | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Labor Expenses</b>                               | <b>\$1,011.421</b>     | <b>\$985.862</b>                      | <b>\$1,014.570</b>                     | <b>\$1,059.484</b>   | <b>\$1,102.879</b>   | <b>\$1,151.782</b>   |
| <b><u>Non-Labor:</u></b>                                  |                        |                                       |  |                      |                      |                      |
| Traction and Propulsion Power                             | \$78.032               | \$81.552                              | \$85.545                               | \$90.963             | \$96.441             | \$102.210            |
| Fuel for Buses and Trains                                 | 13.385                 | 16.806                                | 17.579                                 | 18.397               | 19.136               | 19.727               |
| Insurance   | 16.488                 | 16.116                                | 17.214                                 | 18.557               | 20.019               | 21.615               |
| Claims  | 11.717                 | 15.813                                | 15.813                                 | 16.110               | 16.116               | 16.472               |
| Paratransit Service Contracts                             | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| Maintenance and Other Operating Contracts                 | 71.440                 | 84.009                                | 82.795                                 | 84.035               | 84.863               | 87.145               |
| Professional Service Contracts                            | 24.154                 | 20.558                                | 19.391                                 | 19.817               | 20.006               | 20.510               |
| Materials & Supplies                                      | 111.092                | 121.251                               | 112.624                                | 125.232              | 128.256              | 135.138              |
| Other Business Expenses                                   | 9.640                  | 10.497                                | 11.230                                 | 11.455               | 11.621               | 11.854               |
| <b>Total Non-Labor Expenses</b>                           | <b>\$335.948</b>       | <b>\$366.602</b>                      | <b>\$362.191</b>                       | <b>\$384.566</b>     | <b>\$396.457</b>     | <b>\$414.673</b>     |
| <b><u>Other Expenses Adjustments:</u></b>                 |                        |                                       |  |                      |                      |                      |
| Other   | \$0.000                | \$0.000                               | \$0.000                                | \$0.000              | \$0.000              | \$0.000              |
| <b>Total Other Expense Adjustments</b>                    | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>       | <b>\$0.000</b>       | <b>\$0.000</b>       |
| <b>Total Expenses before Depreciation and GASB Adjts.</b> | <b>\$1,347.369</b>     | <b>\$1,352.464</b>                    | <b>\$1,376.761</b>                     | <b>\$1,444.050</b>   | <b>\$1,499.336</b>   | <b>\$1,566.455</b>   |
| Depreciation  | \$306.980              | \$315.911                             | \$317.991                              | \$317.060            | \$309.279            | \$298.284            |
| OPEB Obligation   | 60.008                 | 72.743                                | 75.000                                 | 77.250               | 79.568               | 81.955               |
| Environmental Remediation                                 | 0.124                  | 2.000                                 | 2.000                                  | 2.000                | 2.000                | 2.000                |
| <b>Total Expenses</b>                                     | <b>\$1,714.481</b>     | <b>\$1,743.118</b>                    | <b>\$1,771.752</b>                     | <b>\$1,840.360</b>   | <b>\$1,890.183</b>   | <b>\$1,948.694</b>   |
| <b>Baseline Surplus/(Deficit)</b>                         | <b>(\$981.714)</b>     | <b>(\$964.100)</b>                    | <b>(\$999.570)</b>                     | <b>(\$1,052.980)</b> | <b>(\$1,095.843)</b> | <b>(\$1,145.963)</b> |

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2011 - 2014**  
**Cash Receipts & Expenditures**  
(\$ in millions)

| <b>CASH RECEIPTS AND EXPENDITURES</b>        |                        |                                       |  |                    |                    |                    |
|--|------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
|  | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
| <b>Receipts</b>                              |                        |                                       |  |                    |                    |                    |
| Farebox Revenue                              | \$537.488              | \$559.368                             | \$569.082                              | \$577.204          | \$583.194          | \$588.511          |
| Vehicle Toll Revenue                         | 0.000                  | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue                      | 35.237                 | 70.954                                | 43.164                                 | 44.377             | 45.143             | 46.527             |
| Capital and Other Reimbursements             | 233.339                | 251.249                               | 229.649                                | 236.170            | 236.718            | 238.641            |
| <b>Total Receipts</b>                        | <b>\$806.065</b>       | <b>\$881.571</b>                      | <b>\$841.895</b>                       | <b>\$857.751</b>   | <b>\$865.055</b>   | <b>\$873.679</b>   |
| <b>Expenditures</b>                          |                        |                                       |  |                    |                    |                    |
| <b><u>Labor:</u></b>                         |                        |                                       |  |                    |                    |                    |
| Payroll                                      | \$494.809              | \$497.016                             | \$493.455                              | \$508.070          | \$528.863          | \$550.465          |
| Overtime                                     | 106.118                | 90.710                                | 83.359                                 | 84.996             | 85.667             | 87.395             |
| Health and Welfare                           | 88.420                 | 87.134                                | 96.586                                 | 103.187            | 112.203            | 122.264            |
| OPEB Current Payment                         | 47.832                 | 51.781                                | 58.674                                 | 63.031             | 67.711             | 72.739             |
| Pensions                                     | 144.361                | 177.408                               | 173.968                                | 187.799            | 190.785            | 195.615            |
| Other Fringe Benefits                        | 107.793                | 102.291                               | 106.290                                | 110.140            | 115.367            | 120.951            |
| GASB Account                                 | 7.825                  | 7.358                                 | 7.948                                  | 8.552              | 9.074              | 9.719              |
| Reimbursable Overhead                        | 0.000                  | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| <b>Total Labor Expenditures</b>              | <b>\$997.159</b>       | <b>\$1,013.698</b>                    | <b>\$1,020.280</b>                     | <b>\$1,065.775</b> | <b>\$1,109.670</b> | <b>\$1,159.148</b> |
| <b><u>Non-Labor:</u></b>                     |                        |                                       |  |                    |                    |                    |
| Traction and Propulsion Power                | \$76.461               | \$106.788                             | \$88.281                               | \$93.571           | \$99.224           | \$105.179          |
| Fuel for Buses and Trains                    | 13.232                 | 16.806                                | 17.579                                 | 18.397             | 19.136             | 19.727             |
| Insurance                                    | 21.833                 | 20.502                                | 22.979                                 | 23.426             | 25.096             | 27.867             |
| Claims                                       | 13.342                 | 12.478                                | 13.978                                 | 14.259             | 14.264             | 14.601             |
| Paratransit Service Contracts                | 0.000                  | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts    | 79.133                 | 92.707                                | 85.695                                 | 87.015             | 87.843             | 90.128             |
| Professional Service Contracts               | 19.375                 | 23.706                                | 17.755                                 | 17.317             | 17.506             | 17.860             |
| Materials & Supplies                         | 155.331                | 132.573                               | 137.945                                | 148.217            | 149.438            | 166.598            |
| Other Business Expenses                      | 8.460                  | 10.113                                | 10.830                                 | 11.037             | 11.203             | 11.422             |
| <b>Total Non-Labor Expenditures</b>          | <b>\$387.168</b>       | <b>\$415.673</b>                      | <b>\$395.042</b>                       | <b>\$413.239</b>   | <b>\$423.710</b>   | <b>\$453.382</b>   |
| <b><u>Other Expenditure Adjustments:</u></b> |                        |                                       |  |                    |                    |                    |
| Other  | \$28.869               | \$30.000                              | \$31.000                               | \$31.000           | \$31.000           | \$31.000           |
| <b>Total Other Expenditure Adjustments</b>   | <b>\$28.869</b>        | <b>\$30.000</b>                       | <b>\$31.000</b>                        | <b>\$31.000</b>    | <b>\$31.000</b>    | <b>\$31.000</b>    |
| <b>Total Expenditures</b>                    | <b>\$1,413.196</b>     | <b>\$1,459.371</b>                    | <b>\$1,446.322</b>                     | <b>\$1,510.014</b> | <b>\$1,564.380</b> | <b>\$1,643.530</b> |
| Cash Timing and Availability Adjustment      | \$3.430                | (\$3.430)                             | \$0.000                                | \$0.000            | \$0.000            | \$0.000            |
| <b>Baseline Cash Deficit</b>                 | <b>(\$603.702)</b>     | <b>(\$581.230)</b>                    | <b>(\$604.427)</b>                     | <b>(\$652.263)</b> | <b>(\$699.325)</b> | <b>(\$769.851)</b> |

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2011 - 2014**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

| <b>CASH FLOW ADJUSTMENTS</b>  |                   |                          |                           |                   |                   |                   |
|---|-------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
|   | <b>2009</b>       | <b>2010</b>              | <b>2011</b>               |                   |                   |                   |
|   | <b>Actual</b>     | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       |
| <b>Receipts</b>   |                   |                          |                           |                   |                   |                   |
| Farebox Revenue   | \$28.182          | \$30.000                 | \$31.000                  | \$31.000          | \$31.000          | \$31.000          |
| Vehicle Toll Revenue  | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Other Operating Revenue   | (1.350)           | 34.155                   | 8.036                     | 8.082             | 8.128             | 8.176             |
| Capital and Other Reimbursements  | 46.466            | 38.398                   | 30.677                    | 31.289            | 31.587            | 31.772            |
| <b>Total Receipts</b>   | <b>\$73.298</b>   | <b>\$102.553</b>         | <b>\$69.713</b>           | <b>\$70.371</b>   | <b>\$70.715</b>   | <b>\$70.948</b>   |
| <b>Expenditures</b>   |                   |                          |                           |                   |                   |                   |
| <b><u>Labor:</u></b>  |                   |                          |                           |                   |                   |                   |
| Payroll   | \$5.432           | (\$1.520)                | \$2.238                   | \$2.261           | \$2.284           | \$2.352           |
| Overtime  | 0.372             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Health and Welfare  | (0.249)           | 0.000                    | 0.000                     | 0.000             | (0.000)           | 0.000             |
| OPEB Current Payment  | 0.195             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Pensions  | 16.466            | (17.987)                 | 0.000                     | 0.000             | (0.000)           | (0.000)           |
| Other Fringe Benefits   | (0.128)           | (0.971)                  | 0.000                     | 0.000             | (0.000)           | 0.000             |
| GASB Account  | (7.825)           | (7.358)                  | (7.948)                   | (8.552)           | (9.074)           | (9.719)           |
| Reimbursable Overhead   | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| <b>Total Labor Expenditures</b>   | <b>\$14.262</b>   | <b>(\$27.836)</b>        | <b>(\$5.710)</b>          | <b>(\$6.291)</b>  | <b>(\$6.791)</b>  | <b>(\$7.366)</b>  |
| <b><u>Non-Labor:</u></b>  |                   |                          |                           |                   |                   |                   |
| Traction and Propulsion Power   | \$1.571           | (\$25.236)               | (\$2.736)                 | (\$2.608)         | (\$2.783)         | (\$2.969)         |
| Fuel for Buses and Trains   | 0.153             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Insurance   | (5.345)           | (4.386)                  | (5.765)                   | (4.869)           | (5.077)           | (6.252)           |
| Claims  | (1.625)           | 3.335                    | 1.835                     | 1.851             | 1.852             | 1.871             |
| Paratransit Service Contracts   | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Maintenance and Other Operating Contracts                                   | (7.693)           | (8.698)                  | (2.900)                   | (2.980)           | (2.980)           | (2.983)           |
| Professional Service Contracts  | 4.779             | (3.148)                  | 1.636                     | 2.500             | 2.500             | 2.650             |
| Materials & Supplies  | (44.239)          | (11.322)                 | (25.321)                  | (22.985)          | (21.182)          | (31.460)          |
| Other Business Expenditures   | 1.180             | 0.384                    | 0.400                     | 0.418             | 0.418             | 0.432             |
| <b>Total Non-Labor Expenditures</b>   | <b>(\$51.220)</b> | <b>(\$49.071)</b>        | <b>(\$32.851)</b>         | <b>(\$28.673)</b> | <b>(\$27.253)</b> | <b>(\$38.709)</b> |
| <b><u>Other Expenditures Adjustments:</u></b>                               |                   |                          |                           |                   |                   |                   |
| Other   | (\$28.869)        | (\$30.000)               | (\$31.000)                | (\$31.000)        | (\$31.000)        | (\$31.000)        |
| <b>Total Other Expenditures Adjustments</b>                                 | <b>(\$28.869)</b> | <b>(\$30.000)</b>        | <b>(\$31.000)</b>         | <b>(\$31.000)</b> | <b>(\$31.000)</b> | <b>(\$31.000)</b> |
| <b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b> | <b>\$7.471</b>    | <b>(\$4.354)</b>         | <b>\$0.152</b>            | <b>\$4.407</b>    | <b>\$5.671</b>    | <b>(\$6.127)</b>  |
| Depreciation Adjustment   | \$306.980         | \$315.911                | \$317.991                 | \$317.060         | \$309.279         | \$298.284         |
| OPEB Obligation   | 60.008            | 72.743                   | 75.000                    | 77.250            | 79.568            | 81.955            |
| Environmental Remediation   | 0.124             | 2.000                    | 2.000                     | 2.000             | 2.000             | 2.000             |
| Cash Timing and Availability Adjustment                                     | 3.430             | (3.430)                  | 0.000                     | 0.000             | 0.000             | 0.000             |
| <b>Baseline Total Cash Conversion Adjustments</b>                           | <b>\$378.013</b>  | <b>\$382.870</b>         | <b>\$395.143</b>          | <b>\$400.717</b>  | <b>\$396.518</b>  | <b>\$376.112</b>  |

**MTA Long Island Rail Road  
2011 Preliminary Budget  
July Financial Plan 2011 – 2014  
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 1.6% in 2011 over 2010 due to ridership growth.
- Passenger revenue forecasts in the outer years 2012 - 2014 reveal modest annual growth due to increases in ridership.

**Other Operating Revenue**

- Other revenues are lower in 2011 from the 2010 Mid-Year Forecast due to a one-time revenue stream associated with selling air rights over the right of way.
- Projected to grow each year primarily through contractual and inflationary increases.

**Capital and Other Reimbursements**

- Reflects the 2010 - 2014 Capital Program and other project activity including overbuilds and East Side Access materials.

**Expenses**

**Payroll**

- 2010 - 2014 includes increases for management and represented employees of 1.87%, 2.23%, 2.20%, 1.97% and 1.97%, respectively.
- Headcount changes each year are associated with the Budget Reduction Program (BRP), 15% Administrative Reductions, Business Service Center and changes in programs and Capital Program activity.
- 2013 includes East Side Access ramp-up costs.

**Overtime**

- 2010 - 2011 decrease of \$7.4 million or 8.1% is primarily associated with the full year impact of the BRP including lower weather-related OT due to contracting out to third parties, various fleet maintenance activities, fare collection efficiencies and additional management control initiatives.
- 2011 –2012 increase is due to the beginning of the M7 Reliability Centered Maintenance program for HVAC in 2012, which was extended from 6 years to 8 years.
- 2012 - 2014 increases reflect CPI increases and changes in Capital Program activity.

### **Health & Welfare**

- 2011 reflects an annual rate increase of approximately 13.1% for family and 13.5% for individual coverage over 2010.
- 2012 - 2014 reflects annual rate increases of approximately 7.0% for family and 6.5% 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**

- 2010 is based on actuals through March and implementation of AABB Service Reductions and the BRP.
- 2011 includes full year impact of the 2010 AABB Service Reductions and BRP and price inflators provided by the MTA.
- 2012 - 2014 reflects price inflators provided by MTA.

### **Fuel**

- 2010 is based on actuals through March and implementation of AABB Service Reductions and BRP.
- 2011 includes full year impact of the 2010 AABB Service Reductions and BRP and price inflators provided by the MTA.
- 2012 - 2014 reflects price inflators provided by MTA.

### **Insurance**

- 2010 is based on actual results through March, which reflect favorable insurance premium payments and prior year credits.
- 2011 - 2014 reflects price inflators provided by MTA.

### **Claims**

- 2010 reflects actual experience through March and the anticipated settlement and payout of claims for the balance of the year.
- 2011 - 2014 reflects inflationary increases.

### **Maintenance and Other Operating Contracts**

- 2010 – 2011 decline due to full year implementation of BRP.
- 2011 – 2012 increases due to normal inflationary increases.
- 2013 – 2014 includes East Side Access start-up costs.

### **Professional Service Contracts**

- 2010 – 2011 reflects changes in System Initiative projects and full year impact of BRP.
- 2011 – 2012 increases due to normal inflationary increases.
- 2013 – 2014 includes East Side Access start-up costs.

### **Material and Supplies**

- The decrease in materials from 2010 - 2011 is primarily Reliability Centered Maintenance (RCM) material, the BRP and a decrease in East Side Access material.
- 2011 – 2012 reflects higher RCM material.
- 2013 – 2014 includes East Side Access start-up costs.

### **Other Business Expenses**

- 2010 includes several one-year BRP initiatives and prior year adjustments.
- 2011 - 2014 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.
- 2010 includes operating funded capital project deferrals and eliminations as part of the BRP.
- Insurance and Claims & Suits – payments versus accrued expenses.
- 2010 - 2014 - timing of material purchases versus charge-outs.
- Depreciation and other non-cash adjustments for each year 2010 - 2014.
- Traction and Propulsion Power – reflects projected LIPA settlement.



**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | Favorable/(Unfavorable) |                    |                       |                      |                       |                      |                       |                      |                       |
|--|-------------------------|--------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012                 | Change<br>2012 - 2011 | 2013                 | Change<br>2013 - 2012 | 2014                 | Change<br>2014 - 2013 |
| <b>Revenue</b>   |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Farebox Revenue  | \$529.368               | \$538.082          | \$8.715               | \$546.204            | \$8.122               | \$552.194            | \$5.990               | \$557.511            | \$5.317               |
| Vehicle Toll Revenue                                     | 0.000                   | 0.000              | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 |
| Other Operating Revenue                                  | 36.799                  | 35.128             | (1.672)               | 36.295               | 1.167                 | 37.015               | 0.720                 | 38.351               | 1.337                 |
| Capital and Other Reimbursements                         | 0.000                   | 0.000              | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 |
| <b>Total Revenue</b>                                     | <b>\$566.167</b>        | <b>\$573.210</b>   | <b>\$7.043</b>        | <b>\$582.499</b>     | <b>\$9.289</b>        | <b>\$589.209</b>     | <b>\$6.710</b>        | <b>\$595.862</b>     | <b>\$6.653</b>        |
| <b>Expenses</b>  |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Labor:   |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Payroll  | \$417.397               | \$414.172          | 3.225                 | \$426.161            | (\$11.989)            | \$444.950            | (\$18.789)            | \$464.928            | (\$19.978)            |
| Overtime   | 79.060                  | 74.025             | 5.035                 | 75.456               | (1.431)               | 75.939               | (0.483)               | 77.476               | (1.537)               |
| Health and Welfare                                       | 73.890                  | 82.687             | (8.797)               | 88.664               | (5.977)               | 97.168               | (8.504)               | 106.933              | (9.766)               |
| OPEB Current Payment                                     | 51.781                  | 58.674             | (6.893)               | 63.031               | (4.357)               | 67.711               | (4.680)               | 72.739               | (5.028)               |
| Pensions   | 137.318                 | 153.075            | (15.757)              | 166.698              | (13.623)              | 169.813              | (3.115)               | 174.229              | (4.416)               |
| Other Fringe Benefits                                    | 85.346                  | 89.551             | (4.205)               | 92.650               | (3.099)               | 97.260               | (4.610)               | 102.488              | (5.229)               |
| Reimbursable Overhead                                    | (44.853)                | (32.941)           | (11.912)              | (34.302)             | 1.361                 | (31.130)             | (3.172)               | (29.060)             | (2.070)               |
| <b>Total Labor Expenses</b>                              | <b>\$799.939</b>        | <b>\$839.243</b>   | <b>(\$39.304)</b>     | <b>\$878.358</b>     | <b>(\$39.115)</b>     | <b>\$921.710</b>     | <b>(\$43.352)</b>     | <b>\$969.734</b>     | <b>(\$48.024)</b>     |
| Non-Labor:   |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Traction and Propulsion Power                            | \$81.479                | \$85.545           | (\$4.066)             | \$90.963             | (\$5.418)             | \$96.441             | (\$5.478)             | \$102.210            | (\$5.769)             |
| Fuel for Buses and Trains                                | 16.806                  | 17.579             | (0.773)               | 18.397               | (0.818)               | 19.136               | (0.739)               | 19.727               | (0.591)               |
| Insurance  | 14.784                  | 16.320             | (1.536)               | 17.640               | (1.320)               | 19.084               | (1.444)               | 20.661               | (1.576)               |
| Claims   | 15.813                  | 15.813             | 0.000                 | 16.110               | (0.297)               | 16.116               | (0.006)               | 16.472               | (0.357)               |
| Paratransit Service Contracts                            | 0.000                   | 0.000              | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 |
| Maintenance and Other Operating Contracts                | 76.026                  | 74.709             | 1.317                 | 75.841               | (1.132)               | 76.580               | (0.739)               | 78.685               | (2.106)               |
| Professional Service Contracts                           | 19.947                  | 18.912             | 1.035                 | 19.316               | (0.404)               | 19.488               | (0.172)               | 19.981               | (0.494)               |
| Materials & Supplies                                     | 104.417                 | 98.527             | 5.890                 | 111.182              | (12.655)              | 114.126              | (2.944)               | 120.358              | (6.233)               |
| Other Business Expenses                                  | 10.402                  | 11.141             | (0.739)               | 11.362               | (0.221)               | 11.525               | (0.163)               | 11.756               | (0.232)               |
| <b>Total Non-Labor Expenses</b>                          | <b>\$339.674</b>        | <b>\$338.546</b>   | <b>\$1.128</b>        | <b>\$360.811</b>     | <b>(\$22.265)</b>     | <b>\$372.495</b>     | <b>(\$11.684)</b>     | <b>\$389.852</b>     | <b>(\$17.357)</b>     |
| Other Expenses Adjustments:                              |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Other  | 0.000                   | 0.000              | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>          | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>       | <b>\$0.000</b>        | <b>\$0.000</b>       | <b>\$0.000</b>        | <b>\$0.000</b>       | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$1,139.613</b>      | <b>\$1,177.789</b> | <b>(\$38.176)</b>     | <b>\$1,239.169</b>   | <b>(\$61.380)</b>     | <b>\$1,294.205</b>   | <b>(\$55.036)</b>     | <b>\$1,359.586</b>   | <b>(\$65.381)</b>     |
| Depreciation   | \$315.911               | \$317.991          | (\$2.080)             | \$317.060            | \$0.931               | \$309.279            | \$7.781               | \$298.284            | \$10.995              |
| OPEB Obligation  | 72.743                  | 75.000             | (2.257)               | 77.250               | (2.250)               | 79.568               | (2.318)               | 81.955               | (2.387)               |
| Environmental Remediation                                | 2.000                   | 2.000              | 0.000                 | 2.000                | 0.000                 | 2.000                | 0.000                 | 2.000                | 0.000                 |
| <b>Total Expenses</b>                                    | <b>\$1,530.267</b>      | <b>\$1,572.780</b> | <b>(\$42.513)</b>     | <b>\$1,635.479</b>   | <b>(\$62.699)</b>     | <b>\$1,685.052</b>   | <b>(\$49.573)</b>     | <b>\$1,741.825</b>   | <b>(\$54.386)</b>     |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$964.100)</b>      | <b>(\$999.570)</b> | <b>(\$35.470)</b>     | <b>(\$1,052.980)</b> | <b>(\$53.410)</b>     | <b>(\$1,095.843)</b> | <b>(\$42.863)</b>     | <b>(\$1,145.963)</b> | <b>(\$47.732)</b>     |

**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

|   | Favorable/(Unfavorable) |                  |                       |                  |                       |                  |                       |                  |                       |
|---|-------------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
|   | 2010                    | 2011             | Change<br>2011 - 2010 | 2012             | Change<br>2012 - 2011 | 2013             | Change<br>2013 - 2012 | 2014             | Change<br>2014 - 2013 |
| <b>Revenue</b>                            |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Farebox Revenue                           | \$0.000                 | \$0.000          | \$0.000               | \$0.000          | \$0.000               | \$0.000          | \$0.000               | \$0.000          | \$0.000               |
| Vehicle Toll Revenue                      | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Other Operating Revenue                   | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Capital and Other Reimbursements          | 212.851                 | 198.972          | (13.879)              | 204.881          | 5.909                 | 205.131          | 0.250                 | 206.869          | 1.738                 |
| <b>Total Revenue</b>                      | <b>\$212.851</b>        | <b>\$198.972</b> | <b>(\$13.879)</b>     | <b>\$204.881</b> | <b>\$5.909</b>        | <b>\$205.131</b> | <b>\$0.250</b>        | <b>\$206.869</b> | <b>\$1.738</b>        |
| <b>Expenses</b>                           |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Labor:                                    |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Payroll                                   | \$78.099                | \$81.521         | (\$3.422)             | \$84.170         | (\$2.649)             | \$86.197         | (\$2.027)             | \$87.889         | (\$1.692)             |
| Overtime                                  | 11.650                  | 9.334            | 2.316                 | 9.540            | (0.206)               | 9.728            | (0.188)               | 9.919            | (0.191)               |
| Health and Welfare                        | 13.244                  | 13.899           | (0.655)               | 14.523           | (0.624)               | 15.035           | (0.512)               | 15.331           | (0.296)               |
| OPEB Current Payment                      | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Pensions                                  | 22.103                  | 20.893           | 1.210                 | 21.101           | (0.208)               | 20.972           | 0.129                 | 21.386           | (0.414)               |
| Other Fringe Benefits                     | 15.974                  | 16.739           | (0.765)               | 17.490           | (0.751)               | 18.107           | (0.617)               | 18.463           | (0.356)               |
| Reimbursable Overhead                     | 44.853                  | 32.941           | 11.912                | 34.302           | (1.361)               | 31.130           | 3.172                 | 29.060           | 2.070                 |
| <b>Total Labor Expenses</b>               | <b>\$185.923</b>        | <b>\$175.327</b> | <b>\$10.596</b>       | <b>\$181.126</b> | <b>(\$5.799)</b>      | <b>\$181.169</b> | <b>(\$0.043)</b>      | <b>\$182.048</b> | <b>(\$0.879)</b>      |
| Non-Labor:                                |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Traction and Propulsion Power             | \$0.073                 | \$0.000          | \$0.073               | \$0.000          | \$0.000               | \$0.000          | \$0.000               | \$0.000          | \$0.000               |
| Fuel for Buses and Trains                 | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Insurance                                 | 1.332                   | 0.894            | 0.438                 | 0.917            | (0.023)               | 0.935            | (0.018)               | 0.954            | (0.019)               |
| Claims                                    | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Paratransit Service Contracts             | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Maintenance and Other Operating Contracts | 7.983                   | 8.086            | (0.103)               | 8.194            | (0.108)               | 8.283            | (0.089)               | 8.460            | (0.177)               |
| Professional Service Contracts            | 0.611                   | 0.479            | 0.132                 | 0.501            | (0.022)               | 0.518            | (0.017)               | 0.529            | (0.011)               |
| Materials & Supplies                      | 16.834                  | 14.097           | 2.737                 | 14.050           | 0.047                 | 14.130           | (0.080)               | 14.780           | (0.650)               |
| Other Business Expenses                   | 0.095                   | 0.089            | 0.006                 | 0.093            | (0.004)               | 0.096            | (0.003)               | 0.098            | (0.002)               |
| <b>Total Non-Labor Expenses</b>           | <b>\$26.928</b>         | <b>\$23.645</b>  | <b>\$3.283</b>        | <b>\$23.755</b>  | <b>(\$0.110)</b>      | <b>\$23.962</b>  | <b>(\$0.207)</b>      | <b>\$24.821</b>  | <b>(\$0.859)</b>      |
| Other Expenses Adjustments:               |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Other                                     | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>          | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation</b> | <b>\$212.851</b>        | <b>\$198.972</b> | <b>\$13.879</b>       | <b>\$204.881</b> | <b>(\$5.909)</b>      | <b>\$205.131</b> | <b>(\$0.250)</b>      | <b>\$206.869</b> | <b>(\$1.738)</b>      |
| Depreciation                              | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| <b>Total Expenses</b>                     | <b>\$212.851</b>        | <b>\$198.972</b> | <b>\$13.879</b>       | <b>\$204.881</b> | <b>(\$5.909)</b>      | <b>\$205.131</b> | <b>(\$0.250)</b>      | <b>\$206.869</b> | <b>(\$1.738)</b>      |
| <b>Baseline Surplus/(Deficit)</b>         | <b>\$0.000</b>          | <b>\$0.000</b>   | <b>(\$0.000)</b>      | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>(\$0.000)</b>      | <b>\$0.000</b>   | <b>\$0.000</b>        |

**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**

|  | Favorable/(Unfavorable) |                    |                       |                      |                       |                      |                       |                      |                       |
|--|-------------------------|--------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012                 | Change<br>2012 - 2011 | 2013                 | Change<br>2013 - 2012 | 2014                 | Change<br>2014 - 2013 |
| <b>Revenue</b>   |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Farebox Revenue  | \$529.368               | \$538.082          | \$8.715               | \$546.204            | \$8.122               | \$552.194            | \$5.990               | \$557.511            | \$5.317               |
| Vehicle Toll Revenue                                     | 0.000                   | 0.000              | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 |
| Other Operating Revenue                                  | 36.799                  | 35.128             | (1.672)               | 36.295               | 1.167                 | 37.015               | 0.720                 | 38.351               | 1.337                 |
| Capital and Other Reimbursements                         | 212.851                 | 198.972            | (13.879)              | 204.881              | 5.909                 | 205.131              | 0.250                 | 206.869              | 1.738                 |
| <b>Total Revenue</b>                                     | <b>\$779.018</b>        | <b>\$772.182</b>   | <b>(\$6.836)</b>      | <b>\$787.380</b>     | <b>\$15.198</b>       | <b>\$794.340</b>     | <b>\$6.960</b>        | <b>\$802.731</b>     | <b>\$8.391</b>        |
| <b>Expenses</b>  |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| <b>Labor:</b>  |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Payroll  | \$495.496               | \$495.693          | (\$0.197)             | \$510.331            | (\$14.638)            | \$531.147            | (\$20.816)            | \$552.817            | (\$21.670)            |
| Overtime   | 90.710                  | 83.359             | 7.351                 | 84.996               | (1.637)               | 85.667               | (0.671)               | 87.395               | (1.728)               |
| Health and Welfare                                       | 87.134                  | 96.586             | (9.452)               | 103.187              | (6.601)               | 112.203              | (9.016)               | 122.264              | (10.062)              |
| OPEB Current Payment                                     | 51.781                  | 58.674             | (6.893)               | 63.031               | (4.357)               | 67.711               | (4.680)               | 72.739               | (5.028)               |
| Pensions   | 159.421                 | 173.968            | (14.547)              | 187.799              | (13.831)              | 190.785              | (2.986)               | 195.615              | (4.830)               |
| Other Fringe Benefits                                    | 101.320                 | 106.290            | (4.970)               | 110.140              | (3.850)               | 115.367              | (5.227)               | 120.951              | (5.585)               |
| Reimbursable Overhead                                    | 0.000                   | 0.000              | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 |
| <b>Total Labor Expenses</b>                              | <b>\$985.862</b>        | <b>\$1,014.570</b> | <b>(\$28.708)</b>     | <b>\$1,059.484</b>   | <b>(\$44.914)</b>     | <b>\$1,102.879</b>   | <b>(\$43.395)</b>     | <b>\$1,151.782</b>   | <b>(\$48.903)</b>     |
| <b>Non-Labor:</b>  |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Traction and Propulsion Power                            | \$81.552                | \$85.545           | (\$3.993)             | \$90.963             | (\$5.418)             | \$96.441             | (\$5.478)             | \$102.210            | (\$5.769)             |
| Fuel for Buses and Trains                                | 16.806                  | 17.579             | (0.773)               | 18.397               | (0.818)               | 19.136               | (0.739)               | 19.727               | (0.591)               |
| Insurance  | 16.116                  | 17.214             | (1.098)               | 18.557               | (1.343)               | 20.019               | (1.462)               | 21.615               | (1.595)               |
| Claims   | 15.813                  | 15.813             | 0.000                 | 16.110               | (0.297)               | 16.116               | (0.006)               | 16.472               | (0.357)               |
| Paratransit Service Contracts                            | 0.000                   | 0.000              | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 |
| Maintenance and Other Operating Contracts                | 84.009                  | 82.795             | 1.214                 | 84.035               | (1.240)               | 84.863               | (0.828)               | 87.145               | (2.283)               |
| Professional Service Contracts                           | 20.558                  | 19.391             | 1.167                 | 19.817               | (0.426)               | 20.006               | (0.189)               | 20.510               | (0.505)               |
| Materials & Supplies                                     | 121.251                 | 112.624            | 8.627                 | 125.232              | (12.608)              | 128.256              | (3.024)               | 135.138              | (6.883)               |
| Other Business Expenses                                  | 10.497                  | 11.230             | (0.733)               | 11.455               | (0.225)               | 11.621               | (0.166)               | 11.854               | (0.234)               |
| <b>Total Non-Labor Expenses</b>                          | <b>\$366.602</b>        | <b>\$362.191</b>   | <b>\$4.411</b>        | <b>\$384.566</b>     | <b>(\$22.375)</b>     | <b>\$396.457</b>     | <b>(\$11.891)</b>     | <b>\$414.673</b>     | <b>(\$18.216)</b>     |
| <b>Other Expenses Adjustments:</b>                       |                         |                    |                       |                      |                       |                      |                       |                      |                       |
| Other  | 0.000                   | 0.000              | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 | 0.000                | 0.000                 |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>          | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>       | <b>\$0.000</b>        | <b>\$0.000</b>       | <b>\$0.000</b>        | <b>\$0.000</b>       | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$1,352.464</b>      | <b>\$1,376.761</b> | <b>(\$24.297)</b>     | <b>\$1,444.050</b>   | <b>(\$67.289)</b>     | <b>\$1,499.336</b>   | <b>(\$55.286)</b>     | <b>\$1,566.455</b>   | <b>(\$67.119)</b>     |
| Depreciation   | \$315.911               | \$317.991          | (\$2.080)             | \$317.060            | \$0.931               | \$309.279            | \$7.781               | \$298.284            | \$10.995              |
| OPEB Obligation  | 72.743                  | 75.000             | (2.257)               | 77.250               | (2.250)               | 79.568               | (2.318)               | 81.955               | (2.387)               |
| Environmental Remediation                                | 2.000                   | 2.000              | 0.000                 | 2.000                | 0.000                 | 2.000                | 0.000                 | 2.000                | 0.000                 |
| <b>Total Expenses</b>                                    | <b>\$1,743.118</b>      | <b>\$1,771.752</b> | <b>(\$28.634)</b>     | <b>\$1,840.360</b>   | <b>(\$68.608)</b>     | <b>\$1,890.183</b>   | <b>(\$49.823)</b>     | <b>\$1,948.694</b>   | <b>(\$56.124)</b>     |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$964.100)</b>      | <b>(\$999.570)</b> | <b>(\$35.470)</b>     | <b>(\$1,052.980)</b> | <b>(\$53.410)</b>     | <b>(\$1,095.843)</b> | <b>(\$42.863)</b>     | <b>(\$1,145.963)</b> | <b>(\$47.732)</b>     |

**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

|  | Favorable/(Unfavorable) |                    |                       |                    |                       |                    |                       |                    |                       |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b><u>Receipts</u></b>                     |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue                            | \$559.368               | \$569.082          | \$9.714               | \$577.204          | \$8.122               | \$583.194          | \$5.990               | \$588.511          | \$5.317               |
| Vehicle Toll Revenue                       | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| Other Operating Revenue                    | 70.954                  | 43.164             | (27.790)              | 44.377             | 1.213                 | 45.143             | 0.766                 | 46.527             | 1.384                 |
| Capital and Other Reimbursements           | 251.249                 | 229.649            | (21.600)              | 236.170            | 6.521                 | 236.718            | 0.548                 | 238.641            | 1.923                 |
| <b>Total Receipts</b>                      | <b>\$881.571</b>        | <b>\$841.895</b>   | <b>(\$39.676)</b>     | <b>\$857.751</b>   | <b>\$15.856</b>       | <b>\$865.055</b>   | <b>\$7.304</b>        | <b>\$873.679</b>   | <b>\$8.624</b>        |
| <b><u>Expenditures</u></b>                 |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| <b>Labor:</b>                              |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Payroll                                    | \$497.016               | \$493.455          | \$3.561               | \$508.070          | (\$14.615)            | \$528.863          | (\$20.793)            | \$550.465          | (\$21.602)            |
| Overtime                                   | 90.710                  | 83.359             | 7.351                 | 84.996             | (1.637)               | 85.667             | (0.671)               | 87.395             | (1.728)               |
| Health and Welfare                         | 87.134                  | 96.586             | (9.452)               | 103.187            | (6.601)               | 112.203            | (9.016)               | 122.264            | (10.061)              |
| OPEB Current Payment                       | 51.781                  | 58.674             | (6.893)               | 63.031             | (4.357)               | 67.711             | (4.680)               | 72.739             | (5.028)               |
| Pensions                                   | 177.408                 | 173.968            | 3.440                 | 187.799            | (13.831)              | 190.785            | (2.986)               | 195.615            | (4.830)               |
| Other Fringe Benefits                      | 102.291                 | 106.290            | (3.999)               | 110.140            | (3.850)               | 115.367            | (5.227)               | 120.951            | (5.584)               |
| GASB Account                               | 7.358                   | 7.948              | (0.590)               | 8.552              | (0.604)               | 9.074              | (0.522)               | 9.719              | (0.645)               |
| Reimbursable Overhead                      | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| <b>Total Labor Expenditures</b>            | <b>\$1,013.698</b>      | <b>\$1,020.280</b> | <b>(\$6.582)</b>      | <b>\$1,065.775</b> | <b>(\$45.495)</b>     | <b>\$1,109.670</b> | <b>(\$43.895)</b>     | <b>\$1,159.148</b> | <b>(\$49.478)</b>     |
| <b>Non-Labor:</b>                          |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Traction and Propulsion Power              | \$106.788               | \$88.281           | \$18.507              | \$93.571           | (\$5.290)             | \$99.224           | (\$5.653)             | \$105.179          | (\$5.955)             |
| Fuel for Buses and Trains                  | 16.806                  | 17.579             | (0.773)               | 18.397             | (0.818)               | 19.136             | (0.739)               | 19.727             | (0.591)               |
| Insurance                                  | 20.502                  | 22.979             | (2.477)               | 23.426             | (0.447)               | 25.096             | (1.670)               | 27.867             | (2.771)               |
| Claims                                     | 12.478                  | 13.978             | (1.500)               | 14.259             | (0.281)               | 14.264             | (0.005)               | 14.601             | (0.337)               |
| Paratransit Service Contracts              | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| Maintenance and Other Operating Contracts  | 92.707                  | 85.695             | 7.012                 | 87.015             | (1.320)               | 87.843             | (0.828)               | 90.128             | (2.285)               |
| Professional Service Contracts             | 23.706                  | 17.755             | 5.951                 | 17.317             | 0.438                 | 17.506             | (0.189)               | 17.860             | (0.354)               |
| Materials & Supplies                       | 132.573                 | 137.945            | (5.372)               | 148.217            | (10.272)              | 149.438            | (1.221)               | 166.598            | (17.160)              |
| Other Business Expenses                    | 10.113                  | 10.830             | (0.717)               | 11.037             | (0.207)               | 11.203             | (0.166)               | 11.422             | (0.219)               |
| <b>Total Non-Labor Expenditures</b>        | <b>\$415.673</b>        | <b>\$395.042</b>   | <b>\$20.631</b>       | <b>\$413.239</b>   | <b>(\$18.197)</b>     | <b>\$423.710</b>   | <b>(\$10.471)</b>     | <b>\$453.382</b>   | <b>(\$29.672)</b>     |
| <b>Other Expenditure Adjustments:</b>      |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Other                                      | \$30.000                | \$31.000           | (1.000)               | \$31.000           | 0.000                 | \$31.000           | 0.000                 | \$31.000           | 0.000                 |
| <b>Total Other Expenditure Adjustments</b> | <b>\$30.000</b>         | <b>\$31.000</b>    | <b>(\$1.000)</b>      | <b>\$31.000</b>    | <b>\$0.000</b>        | <b>\$31.000</b>    | <b>\$0.000</b>        | <b>\$31.000</b>    | <b>\$0.000</b>        |
| <b>Total Expenditures</b>                  | <b>\$1,459.371</b>      | <b>\$1,446.322</b> | <b>\$13.049</b>       | <b>\$1,510.014</b> | <b>(\$63.692)</b>     | <b>\$1,564.380</b> | <b>(\$54.366)</b>     | <b>\$1,643.530</b> | <b>(\$79.150)</b>     |
| Cash Timing and Availability Adjustment    | (3.430)                 | 0.000              | (3.430)               | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| <b>Baseline Cash Deficit</b>               | <b>(\$581.230)</b>      | <b>(\$604.427)</b> | <b>(\$23.197)</b>     | <b>(\$652.263)</b> | <b>(\$47.836)</b>     | <b>(\$699.325)</b> | <b>(\$47.062)</b>     | <b>(\$769.851)</b> | <b>(\$70.526)</b>     |

**MTA Long Island Rail Road  
2011 Preliminary Budget  
July Financial Plan 2011 - 2014  
Summary of Changes between Financial Plans by Category**

**2010: July Financial Plan vs. February Financial Plan**

2010 July Financial Plan is based on actual performance through March with projections for April through December based on current trends and known activities and includes the BRP and 15% administrative reductions.

**Revenue**

- Ridership is 0.3 million favorable to plan. Passenger Revenue is on plan as higher ridership is offset by a lower yield per passenger.
- Other Operating Revenue is lower due to accounting treatment for reimbursement related to New York and Atlantic Railroad derailment in 2009, MTA rent and real estate projections, and lower interest on overnight deposits.
- 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 the February Plan due to the 15% administrative reductions, the Budget Reduction Program (BRP), a hiring freeze, a decrease in health and welfare costs and lower pension costs based on the latest actuarial evaluation.
- Lower Traction and Propulsion Power is due to lower consumption associated with the BRP and lower inflationary increases per MTA guidance.
- Lower Insurance is based on prior period credits, the BRP and MTA guidance.
- Lower Maintenance and other Operating Contracts are due to IT and BRP initiatives.
- Lower Materials and Supplies due to one-time BRP related savings, RCM activities and timing of East Side Access material.
- Other Business Expense favorable due to prior year adjustments and one-time BRP initiative.
- All other non-payroll expenses on plan.

**2011 - 2013: July Financial Plan vs. February Financial Plan**

**Revenue**

- 2011 - 2013 is slightly favorable to plan.
- Other Operating Revenue is unfavorable to the Adopted Budget due to a lower advertising guarantee based on a recent agreement with CBS Outdoor.
- Capital and Other Reimbursements are lower primarily resulting from changes in capital project activity.

**Expense**

- Payroll and Benefits – 2011-2013 decreased from the February Plan due to the full year impact of 15% administrative reductions and BRP and latest actuarial estimate for Pension liabilities, partially offset by higher rates for health and welfare.
- Traction Power is lower due to the full year impact of the BRP and lower estimated rates per MTA guidance.
- Diesel Fuel is lower resulting from rate adjustments per MTA guidance.
- Lower Insurance is based on BRP and MTA guidance.
- Material & Supplies change each year due to a re-estimate of material needs associated with RCM and inventory adjustments.
- Professional Services increase is based on the timing of IT initiatives.
- All other non-payroll expenses are re-estimates based on planned activities changes in service contracts and adjustments to inflationary increases.

**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | 2010               | 2011               | 2012               | 2013               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>(\$617.947)</b> | <b>(\$642.210)</b> | <b>(\$694.546)</b> | <b>(\$745.758)</b> |
| <b>Baseline Changes</b>  |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Farebox Revenue  | \$0.067            | (\$0.024)          | \$0.175            | \$0.097            |
| Vehicle Toll Revenue   | 0.000              | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue  | (1.398)            | (2.345)            | (2.062)            | (1.950)            |
| Capital and Other Reimbursement  | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total Revenue Changes</b>   | <b>(\$1.330)</b>   | <b>(\$2.369)</b>   | <b>(\$1.887)</b>   | <b>(\$1.853)</b>   |
| <b>Expenses</b>  |                    |                    |                    |                    |
| <b>Labor:</b>  |                    |                    |                    |                    |
| Payroll and Overtime   | \$8.793            | \$23.598           | \$23.656           | \$23.996           |
| Health and Welfare   | 7.095              | 2.123              | 2.742              | 3.475              |
| OPEB Current Payment   | 2.254              | (0.376)            | (0.059)            | (0.205)            |
| Pensions   | 1.927              | 0.805              | 0.904              | 0.904              |
| Other Fringe Benefits  | 4.103              | 3.612              | 3.588              | 3.722              |
| Reimbursable Overhead  | (0.161)            | (0.465)            | (0.327)            | (0.344)            |
| <b>Total Labor Expense Changes</b>   | <b>\$24.011</b>    | <b>\$29.297</b>    | <b>\$30.504</b>    | <b>\$31.548</b>    |
| <b>Non-Labor:</b>  |                    |                    |                    |                    |
| Traction and Propulsion Power  | \$4.477            | \$6.631            | \$8.555            | \$10.029           |
| Fuel for Buses and Trains  | (0.014)            | 0.277              | 0.139              | 0.073              |
| Insurance  | 1.997              | 1.786              | 1.927              | 2.052              |
| Claims   | 0.000              | 0.000              | 0.000              | 0.000              |
| Paratransit Service Contracts  | 0.000              | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts                                      | 4.733              | 2.699              | 2.582              | 2.947              |
| Professional Service Contracts   | 0.064              | (0.528)            | (1.508)            | (1.196)            |
| Materials & Supplies   | 2.606              | (1.637)            | (0.633)            | (1.628)            |
| Other Business Expenses  | 0.734              | 0.168              | 0.154              | (0.160)            |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$14.597</b>    | <b>\$9.396</b>     | <b>\$11.216</b>    | <b>\$12.117</b>    |
| <b>Total Expense Changes before Depreciation and GASB Adj.</b>                 | <b>\$38.608</b>    | <b>\$38.693</b>    | <b>\$41.720</b>    | <b>\$43.665</b>    |
| <b>Depreciation</b>  | <b>(\$2.965)</b>   | <b>(\$2.965)</b>   | <b>(\$8.678)</b>   | <b>(\$8.141)</b>   |
| OPEB Obligation  | 10.489             | 10.655             | 11.831             | 13.077             |
| Environmental Remediation  | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total Expense Changes</b>   | <b>\$46.132</b>    | <b>\$46.383</b>    | <b>\$44.873</b>    | <b>\$48.601</b>    |
| <b>Cash Adjustment Changes</b>   |                    |                    |                    |                    |
| Timing (from 2009)   | (\$10.997)         | \$0.000            | \$0.000            | \$0.000            |
| Budget Reduction Program Cash Adjustments                                      | 17.852             | (1.170)            | (0.953)            | 0.100              |
| Payroll Lag  | (2.040)            | 0.000              | 0.000              | 0.000              |
| Misc Charges and Credits (non-cash)  | 1.750              | 2.212              | 2.718              | 3.725              |
| Revenue - NYAR settlement from 2009 derailment                                 | 0.925              | 0.000              | 0.000              | 0.000              |
| Pension (net of BRP and timing)  | (10.448)           | 0.000              | 0.000              | 0.000              |
| Insurance (add'l cash adj net of timing)                                       | 1.428              | 0.256              | 0.765              | 0.876              |
| IT Technical adjustments (Operating Funded Capital)                            | 0.418              | (0.274)            | (0.080)            | (0.080)            |
| Additional Operating Funded Capital adjustments (net of BRP)                   | 0.550              | 0.436              | 0.000              | 0.000              |
| Depreciation/OPEB/Environmental Remediation                                    | (7.524)            | (7.690)            | (3.153)            | (4.936)            |
| Other Misc   | 0.002              | (0.001)            | 0.000              | 0.001              |
| <b>Total Cash Adjustment Changes</b>   | <b>(\$8.084)</b>   | <b>(\$6.231)</b>   | <b>(\$0.703)</b>   | <b>(\$0.314)</b>   |
| <b>Total Baseline Changes</b>  | <b>\$36.717</b>    | <b>\$37.783</b>    | <b>\$42.283</b>    | <b>\$46.433</b>    |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$581.230)</b> | <b>(\$604.427)</b> | <b>(\$652.263)</b> | <b>(\$699.325)</b> |

**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

|  | 2010             | 2011             | 2012             | 2013             |
|--|------------------|------------------|------------------|------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Baseline Changes</b>  |                  |                  |                  |                  |
| <b>Revenue</b>   |                  |                  |                  |                  |
| Farebox Revenue  | \$0.000          | \$0.000          | \$0.000          | \$0.000          |
| Vehicle Toll Revenue   | 0.000            | 0.000            | 0.000            | 0.000            |
| Other Operating Revenue  | 0.000            | 0.000            | 0.000            | 0.000            |
| Capital and Other Reimbursement  | (3.492)          | (2.726)          | (1.993)          | (2.049)          |
| <b>Total Revenue Changes</b>   | <b>(\$3.492)</b> | <b>(\$2.726)</b> | <b>(\$1.993)</b> | <b>(\$2.049)</b> |
| <b>Expenses</b>  |                  |                  |                  |                  |
| <i>Labor:</i>  |                  |                  |                  |                  |
| Payroll and Overtime   | \$2.487          | \$1.616          | \$1.106          | \$1.132          |
| Health and Welfare   | 0.220            | 0.130            | 0.136            | 0.141            |
| OPEB Current Payment   | 0.000            | 0.000            | 0.000            | 0.000            |
| Pensions   | 0.170            | 0.295            | 0.196            | 0.196            |
| Other Fringe Benefits  | 0.242            | 0.157            | 0.164            | 0.170            |
| Reimbursable Overhead  | 0.161            | 0.465            | 0.327            | 0.344            |
| <b>Total Labor Expense Changes</b>   | <b>\$3.280</b>   | <b>\$2.663</b>   | <b>\$1.929</b>   | <b>\$1.983</b>   |
| <i>Non-Labor:</i>  |                  |                  |                  |                  |
| Traction and Propulsion Power  | (\$0.073)        | \$0.000          | \$0.000          | \$0.000          |
| Fuel for Buses and Trains  | 0.000            | 0.000            | 0.000            | 0.000            |
| Insurance  | (0.065)          | 0.011            | 0.011            | 0.011            |
| Claims   | 0.000            | 0.000            | 0.000            | 0.000            |
| Paratransit Service Contracts  | 0.000            | 0.000            | 0.000            | 0.000            |
| Maintenance and Other Operating Contracts                                      | 0.028            | 0.023            | 0.024            | 0.025            |
| Professional Service Contracts   | (0.147)          | 0.005            | 0.004            | 0.005            |
| Materials & Supplies   | 0.478            | 0.023            | 0.024            | 0.024            |
| Other Business Expenses  | (0.009)          | 0.001            | 0.001            | 0.001            |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$0.212</b>   | <b>\$0.063</b>   | <b>\$0.064</b>   | <b>\$0.066</b>   |
| <b>Total Expense Changes</b>   | <b>\$3.492</b>   | <b>\$2.726</b>   | <b>\$1.993</b>   | <b>\$2.049</b>   |
| <b>Cash Adjustment Changes</b>   |                  |                  |                  |                  |
| Capital and Other Reimbursements   | 0.000            | 0.000            | 0.000            | 0.000            |
| <b>Total Cash Adjustment Changes</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Total Baseline Changes</b>  | <b>(\$0.000)</b> | <b>(\$0.000)</b> | <b>(\$0.000)</b> | <b>(\$0.000)</b> |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$0.000)</b> | <b>(\$0.000)</b> | <b>(\$0.000)</b> | <b>(\$0.000)</b> |



**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE/REIMBURSABLE**

|  | 2010               | 2011               | 2012               | 2013               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>(\$617.947)</b> | <b>(\$642.210)</b> | <b>(\$694.546)</b> | <b>(\$745.758)</b> |
| <b>Baseline Changes</b>  |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Farebox Revenue  | \$0.067            | (\$0.024)          | \$0.175            | \$0.097            |
| Vehicle Toll Revenue   | 0.000              | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue  | (1.398)            | (2.345)            | (2.062)            | (1.950)            |
| Capital and Other Reimbursement  | (3.492)            | (2.726)            | (1.993)            | (2.049)            |
| <b>Total Revenue Changes</b>   | <b>(\$4.822)</b>   | <b>(\$5.095)</b>   | <b>(\$3.880)</b>   | <b>(\$3.902)</b>   |
| <b>Expenses</b>  |                    |                    |                    |                    |
| <b>Labor:</b>  |                    |                    |                    |                    |
| Payroll and Overtime   | \$11.280           | \$25.214           | \$24.762           | \$25.128           |
| Health and Welfare   | 7.315              | 2.253              | 2.878              | 3.616              |
| OPEB Current Payment   | 2.254              | (0.376)            | (0.059)            | (0.205)            |
| Pensions   | 2.097              | 1.100              | 1.100              | 1.100              |
| Other Fringe Benefits  | 4.345              | 3.769              | 3.752              | 3.892              |
| Reimbursable Overhead  | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total Labor Expense Changes</b>   | <b>\$27.291</b>    | <b>\$31.960</b>    | <b>\$32.433</b>    | <b>\$33.531</b>    |
| <b>Non-Labor:</b>  |                    |                    |                    |                    |
| Traction and Propulsion Power  | \$4.404            | \$6.631            | \$8.555            | \$10.029           |
| Fuel for Buses and Trains  | (0.014)            | 0.277              | 0.139              | 0.073              |
| Insurance  | 1.932              | 1.797              | 1.938              | 2.063              |
| Claims   | 0.000              | 0.000              | 0.000              | 0.000              |
| Paratransit Service Contracts  | 0.000              | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts                                      | 4.761              | 2.722              | 2.606              | 2.972              |
| Professional Service Contracts   | (0.083)            | (0.523)            | (1.504)            | (1.191)            |
| Materials & Supplies   | 3.084              | (1.614)            | (0.609)            | (1.604)            |
| Other Business Expenses  | 0.725              | 0.169              | 0.155              | (0.159)            |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$14.809</b>    | <b>\$9.459</b>     | <b>\$11.280</b>    | <b>\$12.183</b>    |
| <b>Total Expense Changes before Depreciation and GASB Adj.</b>                 | <b>\$42.100</b>    | <b>\$41.419</b>    | <b>\$43.713</b>    | <b>\$45.714</b>    |
| Depreciation   | (\$2.965)          | (\$2.965)          | (\$8.678)          | (\$8.141)          |
| OPEB Obligation  | 10.489             | 10.655             | 11.831             | 13.077             |
| Environmental Remediation  | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total Expense Changes</b>   | <b>\$49.624</b>    | <b>\$49.109</b>    | <b>\$46.866</b>    | <b>\$50.649</b>    |
| <b>Cash Adjustment Changes</b>   |                    |                    |                    |                    |
| Timing (from 2009)   | (\$10.997)         | \$0.000            | \$0.000            | \$0.000            |
| Budget Reduction Program Cash Adjustments                                      | 17.852             | (1.170)            | (0.953)            | 0.100              |
| Payroll Lag  | (2.040)            | 0.000              | 0.000              | 0.000              |
| Misc Charges and Credits (non-cash)  | 1.750              | 2.212              | 2.718              | 3.725              |
| Revenue - NYAR settlement from 2009 derailment                                 | 0.925              | 0.000              | 0.000              | 0.000              |
| Pension (net of BRP and timing)  | (10.448)           | 0.000              | 0.000              | 0.000              |
| Insurance (add'l cash adj net of timing)                                       | 1.428              | 0.256              | 0.765              | 0.876              |
| IT Technical adjustments (Operating Funded Capital)                            | 0.418              | (0.274)            | (0.080)            | (0.080)            |
| Additional Operating Funded Capital adjustments (net of BRP)                   | 0.550              | 0.436              | 0.000              | 0.000              |
| Depreciation/OPEB/Environmental Remediation                                    | (7.524)            | (7.690)            | (3.153)            | (4.936)            |
| Other Misc   | 0.002              | (0.001)            | 0.000              | 0.001              |
| <b>Total Cash Adjustment Changes</b>   | <b>(\$8.084)</b>   | <b>(\$6.231)</b>   | <b>(\$0.703)</b>   | <b>(\$0.314)</b>   |
| <b>Total Baseline Changes</b>  | <b>\$36.717</b>    | <b>\$37.783</b>    | <b>\$42.283</b>    | <b>\$46.433</b>    |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$581.230)</b> | <b>(\$604.427)</b> | <b>(\$652.263)</b> | <b>(\$699.325)</b> |

**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

|  | 2010               | 2011               | 2012               | 2013               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b>               | <b>(\$617.947)</b> | <b>(\$642.210)</b> | <b>(\$694.546)</b> | <b>(\$745.758)</b> |
| <b><i>Non-Reimbursable Major Changes</i></b>   |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Passenger Revenue  | \$0.067            | (\$0.024)          | \$0.175            | \$0.097            |
| New York Atlantic Railroad derailment - Captured in cash                                     | (0.925)            | -                  | -                  | -                  |
| CBS Outdoor agreement  | (0.049)            | (2.782)            | (2.521)            | (2.516)            |
| Budget Reduction Program   | 0.035              | 0.425              | 0.425              | 0.425              |
| All Other Operating Revenue  | (0.459)            | 0.013              | 0.033              | 0.141              |
| Sub-Total Non-Reimbursable Revenue Changes   | (\$1.330)          | (\$2.369)          | (\$1.887)          | (\$1.853)          |
| <b>Expenses</b>  |                    |                    |                    |                    |
| Budget Reduction Program (BRP)   | 30.577             | 27.144             | 27.824             | 28.384             |
| 15% Administrative Reduction   | 7.693              | 10.090             | 10.447             | 10.730             |
| Severance  | (2.045)            | -                  | -                  | -                  |
| Furlough Adjustment  | (2.704)            | -                  | -                  | -                  |
| Additional Reductions in Overtime  | 0.000              | 2.083              | 2.083              | 2.083              |
| Traction Power Inflation Changes   | 2.932              | 5.667              | 7.574              | 9.038              |
| Diesel Power Inflation Changes   | (0.014)            | 0.278              | 0.139              | 0.074              |
| Engineering Weather OT   | (0.905)            | -                  | -                  | -                  |
| Utility - Natural Gas  | (0.379)            | (0.168)            | (0.127)            | (0.123)            |
| Insurance (excluding BRP)  | 1.072              | 1.166              | 1.432              | 1.432              |
| H&W Retiree Rates (excluding BRP)  | 1.254              | (1.376)            | (1.059)            | (1.205)            |
| H&W Active Rates (excluding BRP)   | 0.583              | (2.996)            | (2.524)            | (1.990)            |
| Penn Station Cleaning Contract Savings   | 0.158              | 0.316              | 0.316              | 0.316              |
| Dr/Cr Card Fees  | 0.096              | 0.096              | 0.048              | (0.267)            |
| Miscellaneous charges and credits  | (1.750)            | (2.212)            | (2.718)            | (3.725)            |
| Depreciation/OPEB/ Environmental Remediation   | 7.524              | 7.690              | 3.153              | 4.936              |
| Other (Primarily vacant positions in 1qtr 2010 and represented wage progression outer years) | 2.040              | (1.395)            | (1.716)            | (1.084)            |
| Sub-Total Non-Reimbursable Expense Changes   | \$46.132           | \$46.383           | \$44.873           | \$48.601           |
| <b>Total Non-Reimbursable Major Changes</b>  | <b>\$44.802</b>    | <b>\$44.014</b>    | <b>\$42.986</b>    | <b>\$46.747</b>    |
| <b><i>Reimbursable Major Changes</i></b>   |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Capital and Other Reimbursement  | (3.492)            | (2.726)            | (1.993)            | (2.049)            |
| Sub-Total Reimbursable Revenue Changes   | (\$3.492)          | (\$2.726)          | (\$1.993)          | (\$2.049)          |
| <b>Expenses</b>  |                    |                    |                    |                    |
| Labor  | \$3.280            | \$2.663            | \$1.929            | \$1.983            |
| Non-Labor  | 0.212              | 0.063              | 0.064              | 0.066              |
| Sub-Total Reimbursable Expense Changes   | \$3.492            | \$2.726            | \$1.993            | \$2.049            |
| <b>Total Reimbursable Major Changes</b>  | <b>(\$0.000)</b>   | <b>(\$0.000)</b>   | <b>(\$0.000)</b>   | <b>(\$0.000)</b>   |
| <b>Total Accrual Changes</b>   | <b>\$44.802</b>    | <b>\$44.014</b>    | <b>\$42.986</b>    | <b>\$46.747</b>    |
| <b><i>Cash Adjustment Changes</i></b>  |                    |                    |                    |                    |
| Timing (from 2009)   | (\$10.997)         | \$0.000            | \$0.000            | \$0.000            |
| Budget Reduction Program Cash Adjustments  | 17.852             | (1.170)            | (0.953)            | 0.100              |
| Payroll Lag  | (2.040)            | -                  | -                  | -                  |
| Misc Charges and Credits (non-cash)  | 1.750              | 2.212              | 2.718              | 3.725              |
| Revenue - NYAR settlement from 2009 derailment   | 0.925              | -                  | -                  | -                  |
| Pension (net of BRP and timing)  | (10.448)           | -                  | -                  | -                  |
| Insurance (add'l cash adj net of timing)   | 1.428              | 0.256              | 0.765              | 0.876              |
| IT Technical adjustments (Operating Funded Capital)  | 0.418              | (0.274)            | (0.080)            | (0.080)            |
| Additional Operating Funded Capital adjustments (net of BRP)                                 | 0.550              | 0.436              | -                  | -                  |
| Depreciation/OPEB/Environmental Remediation  | (7.524)            | (7.690)            | (3.153)            | (4.936)            |
| Other Misc   | 0.002              | (0.001)            | -                  | 0.001              |
| <b>Total Cash Adjustment Changes</b>   | <b>(\$8.084)</b>   | <b>(\$6.231)</b>   | <b>(\$0.703)</b>   | <b>(\$0.314)</b>   |
| <b>Total Baseline Changes</b>  | <b>\$36.717</b>    | <b>\$37.783</b>    | <b>\$42.283</b>    | <b>\$46.433</b>    |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>                   | <b>(\$581.230)</b> | <b>(\$604.427)</b> | <b>(\$652.263)</b> | <b>(\$699.325)</b> |

**MTA Long Island Rail Road  
2011 Preliminary Budget  
July Financial Plan 2011 – 2014**

**RIDERSHIP/UTILIZATION PROJECTIONS**

- The regional economy and employment are the primary drivers of passenger ridership and revenue.
- Ridership through May has exceeded the Adopted Budget by 0.2%, however, has remained under 2009 levels by 2.5%. The Mid-Year Forecast projects 2010 total ridership to be 82.4 million, which is an increase of 0.4% over the 2010 Adopted Budget. Based on employment forecasts, the 2011 Preliminary Budget projects a 1.5% growth in ridership.
- Ridership projections for the outer years 2012-2014 reveal modest annual growth of 1.7% in 2012, 1.1% in 2013 and 1.0% in 2014.

**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Ridership/ (Utilization)**  
(in millions)

|                                       | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>      | <b>2013</b>      | <b>2014</b>      |
|---------------------------------------|------------------------|---------------------------------------|--|------------------|------------------|------------------|
| <b><u>RIDERSHIP</u></b>               |                        |                                       |  |                  |                  |                  |
| Monthly                               | 46.764                 | 46.322                                | 47.081                                 | 47.954           | 48.450           | 48.921           |
| Weekly                                | 1.814                  | 1.859                                 | 1.891                                  | 1.919            | 1.940            | 1.959            |
| <b>Total Commutation</b>              | <b>48.578</b>          | <b>48.181</b>                         | <b>48.971</b>                          | <b>49.873</b>    | <b>50.390</b>    | <b>50.879</b>    |
| One-Way Full Fare                     | 7.419                  | 7.293                                 | 7.415                                  | 7.524            | 7.607            | 7.679            |
| One-Way Off Peak                      | 17.459                 | 17.547                                | 17.740                                 | 18.002           | 18.199           | 18.373           |
| All Other                             | 9.495                  | 9.395                                 | 9.542                                  | 9.681            | 9.787            | 9.882            |
| <b>Total Non Commutation</b>          | <b>34.373</b>          | <b>34.235</b>                         | <b>34.697</b>                          | <b>35.208</b>    | <b>35.593</b>    | <b>35.935</b>    |
| <b>Total Ridership</b>                | <b>82.951</b>          | <b>82.416</b>                         | <b>83.668</b>                          | <b>85.080</b>    | <b>85.983</b>    | <b>86.814</b>    |
| <b><u>FAREBOX REVENUE</u></b>         |                        |                                       |  |                  |                  |                  |
| Passenger Revenue                     | \$509.306              | \$529.368                             | \$538.082                              | \$546.204        | \$552.194        | \$557.511        |
| <b>Baseline Total Farebox Revenue</b> | <b>\$509.306</b>       | <b>\$529.368</b>                      | <b>\$538.082</b>                       | <b>\$546.204</b> | <b>\$552.194</b> | <b>\$557.511</b> |

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Proposals - Cash Basis**  
(\$ in millions)

|  | Favorable/(Unfavorable) |                 |            |                 |            |                 |            |                 |            |                 |
|--|-------------------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|
|  | Pos.                    | 2010            | Pos.       | 2011            | Pos.       | 2012            | Pos.       | 2013            | Pos.       | 2014            |
| <b>Administration</b>                                    |                         |                 |            |                 |            |                 |            |                 |            |                 |
| Administrative and Management Staff Reductions           | 43                      | 3.643           | 31         | 3.384           | 31         | 3.491           | 31         | 3.583           | 31         | 3.678           |
| Administrative Savings Initiatives - Non Payroll Savings | -                       | 1.055           | -          | 0.500           | -          | 0.350           | -          | 0.350           | -          | 0.350           |
| Additional Overtime Initiatives                          | -                       | 1.625           | -          | 2.016           | -          | 2.060           | -          | 2.104           | -          | 2.159           |
| Eliminate Restricted Duty                                | -                       | 0.800           | -          | 1.600           | -          | 1.600           | -          | 1.600           | -          | 1.600           |
| Corporate Expense Re-estimates                           | -                       | 9.029           | -          | 5.993           | -          | 5.996           | -          | 5.995           | -          | 6.000           |
| Pension Re-estimate                                      | -                       | 1.130           | -          | 1.100           | -          | 1.100           | -          | 1.100           | -          | 1.100           |
| Material and Inventory Management                        | -                       | 9.000           | -          | (4.000)         | -          | 0.000           | -          | 0.000           | -          | 0.000           |
| Project Elimination and Deferral                         | 5                       | 12.815          | 5          | 0.781           | -          | (1.570)         | -          | (0.447)         | -          | (0.443)         |
| Rapid Procurement Review                                 | -                       | <u>0.088</u>    | -          | <u>0.088</u>    | -          | <u>0.088</u>    | -          | <u>0.088</u>    | -          | <u>0.088</u>    |
| <b>Subtotal Administration</b>                           | <b>48</b>               | <b>39.185</b>   | <b>36</b>  | <b>11.462</b>   | <b>31</b>  | <b>13.115</b>   | <b>31</b>  | <b>14.373</b>   | <b>31</b>  | <b>14.532</b>   |
| <b>Customer Convenience/Amenities</b>                    |                         |                 |            |                 |            |                 |            |                 |            |                 |
| Cleaning   | 3                       | 0.875           | 3          | 1.000           | 3          | 1.023           | 3          | 1.046           | 3          | 1.069           |
| Reduce Ticket Windows                                    | 7                       | 0.246           | 7          | 0.635           | 7          | 0.657           | 7          | 0.677           | 7          | 0.699           |
| Consist Reductions and Ticket Window Closings            | -                       | 1.678           | 18         | 2.687           | 18         | 2.762           | 18         | 2.825           | 18         | 2.893           |
| <b>Subtotal Customer Convenience/Amenities</b>           | <b>10</b>               | <b>2.799</b>    | <b>28</b>  | <b>4.322</b>    | <b>28</b>  | <b>4.442</b>    | <b>28</b>  | <b>4.548</b>    | <b>28</b>  | <b>4.661</b>    |
| <b>Maintenance</b>                                       |                         |                 |            |                 |            |                 |            |                 |            |                 |
| Fleet Maintenance Initiatives                            | -                       | <u>1.685</u>    | -          | <u>2.837</u>    | -          | <u>1.557</u>    | -          | <u>1.600</u>    | -          | <u>1.638</u>    |
| <b>Subtotal Maintenance</b>                              | <b>-</b>                | <b>1.685</b>    | <b>-</b>   | <b>2.837</b>    | <b>-</b>   | <b>1.557</b>    | <b>-</b>   | <b>1.600</b>    | <b>-</b>   | <b>1.638</b>    |
| <b>Revenue Enhancement</b>                               |                         |                 |            |                 |            |                 |            |                 |            |                 |
| Revenue Initiatives                                      | -                       | <u>0.035</u>    | -          | <u>0.425</u>    | -          | <u>0.425</u>    | -          | <u>0.425</u>    | -          | <u>0.425</u>    |
| <b>Subtotal Revenue Enhancement</b>                      | <b>-</b>                | <b>0.035</b>    | <b>-</b>   | <b>0.425</b>    | <b>-</b>   | <b>0.425</b>    | <b>-</b>   | <b>0.425</b>    | <b>-</b>   | <b>0.425</b>    |
| <b>Safety</b>  |                         |                 |            |                 |            |                 |            |                 |            |                 |
| None   | -                       | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    |
| <b>Subtotal Safety</b>                                   | <b>-</b>                | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    |
| <b>Security</b>  |                         |                 |            |                 |            |                 |            |                 |            |                 |
| None   | -                       | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    |
| <b>Subtotal Security</b>                                 | <b>-</b>                | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    |
| <b>Service</b>   |                         |                 |            |                 |            |                 |            |                 |            |                 |
| None   | -                       | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    |
| <b>Subtotal Service</b>                                  | <b>-</b>                | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    |
| <b>Service Support</b>                                   |                         |                 |            |                 |            |                 |            |                 |            |                 |
| Fare Collection Efficiencies                             | 36                      | 1.964           | 38         | 4.160           | 38         | 4.283           | 38         | 4.391           | 38         | 4.505           |
| Operations Support & Efficiencies                        | <u>11</u>               | <u>2.797</u>    | <u>17</u>  | <u>3.193</u>    | <u>17</u>  | <u>3.474</u>    | <u>17</u>  | <u>3.572</u>    | <u>17</u>  | <u>3.657</u>    |
| <b>Subtotal Service Support</b>                          | <b>47</b>               | <b>4.761</b>    | <b>55</b>  | <b>7.353</b>    | <b>55</b>  | <b>7.757</b>    | <b>55</b>  | <b>7.963</b>    | <b>55</b>  | <b>8.162</b>    |
| <b>Other</b>   |                         |                 |            |                 |            |                 |            |                 |            |                 |
| None   | -                       | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    | -          | <u>0.000</u>    |
| <b>Subtotal Other</b>                                    | <b>-</b>                | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    | <b>-</b>   | <b>0.000</b>    |
| <b>Agency Submission</b>                                 | <b>105</b>              | <b>\$48.465</b> | <b>119</b> | <b>\$26.399</b> | <b>114</b> | <b>\$27.296</b> | <b>114</b> | <b>\$28.909</b> | <b>114</b> | <b>\$29.418</b> |

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Administrative and Management Staff Reductions

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Administrative and Management position reductions in Engineering, Maintenance of Equipment, Stores Department, Transportation Services and Public Affairs. |
|----------------------------|--|

|  |   |                                      |  |
|--|---|--------------------------------------|--|
| <b>Program Description/<br/>Implementation Plan:</b> | This reduction of 43 positions will be implemented through eliminating vacant non-critical administrative positions and through lay-offs. Exact titles will be determined based on the ongoing functional review analysis. Six of these 43 positions can be eliminated as a result of the recently implemented consolidation of the former Transportation and Passenger Services departments. |                                      |  |
| <b>Program Implementation Date:</b>                  | 7/1/2010  | <b>When will savings begin?:</b>     | 7/1/2010                                   |
|  |   | <b>Are these savings recurring?:</b> | Yes. Estimated 31 positions are recurring. |
| <b>Other Issues:</b>                                 | Potential layoffs.  |                                      |  |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$3.643                 | \$3.384     | \$3.491     | \$3.583     | \$3.678     |
| <i>Total Reduction in Positions Required:</i> | 43                      | 31          | 31          | 31          | 31          |
| <i>(List Title of Positions)</i>              | TBD                     |             |             |             |             |
| <i>Impact on Operations:</i>                  |                         |             |             |             |             |
| Ridership Per Week (in thousands)             |                         |             |             |             |             |
| Mean Distance Between Failure                 |                         |             |             |             |             |
| On-Time Performance                           |                         |             |             |             |             |
| Other<br>(Identify Appropriate Indicator)     |                         |             |             |             |             |
| <i>List of Other Concerns:</i>                |                         |             |             |             |             |

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Administrative Non-payroll Savings

**Background Details:** Administrative reductions will be implemented in the following areas: employee recruitment, postage, uniform contracts, warehouse space leases, corporate communications graphics contracts and advertising.

**Program Description/Implementation Plan:** Employee recruitment costs (background investigations, advertising and job fairs) and several advertising initiatives will be reduced in 2010. The new joint employee uniform procurement with NYCT resulted in a 25% reduction in costs. The leasing of additional warehouse space will be deferred until October at a lower rate. Overall spending on graphing contracts and postage will be reduced across the Five-Year Plan.

**Program Implementation Date:** 7/1/2010 **When will savings begin?:** 7/1/2010

**Are these savings recurring?:** Yes

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.055                 | \$0.500     | \$0.350     | \$0.350     | \$0.350     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Eliminate Restricted Duty

**Background Details:** The Rail Road has on average 40 employees who are assigned to restricted or "light" duty as a result of medical limitations. Approximately half of these individual did not develop their conditions on the job. This reduction would eliminate restricted duty.

**Program Description/Implementation Plan:** Employees who are on restricted duty due to on-the-job injury would still receive salary but would not report to a work location. The others would no longer be paid. Savings assumes implementation mid 2010.

**Program Implementation Date:** 07/01/10      **When will savings begin?:** 07/01/10

**Are these savings recurring?:** Yes

**Other Issues:** Change from current practice.

|   | Favorable/(Unfavorable) |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>          |                         |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$0.800</b>          | <b>\$1.600</b> | <b>\$1.600</b> | <b>\$1.600</b> | <b>\$1.600</b> |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0              | 0              | 0              | 0              |
| <i>(List Title of Positions)</i>              |                         |                |                |                |                |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*



**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Revenue

**Program:** Revenue Initiatives

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Implement several initiatives that generate additional revenue to more accurately reflect LIRR costs and inflation. Increase beverage prices, negotiate exclusive sponsorship for beverage carts and increase parking garage fees. |
|----------------------------|--|

|  |   |                                      |          |
|--|---|--------------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | 1) The railroad will pursue increasing beverage prices by 3% in September 2010 and negotiate exclusive sponsorship for beverage carts, this is consistent with MNR.<br>2) Increase parking garage fees by up to 20% at Mineola and Ronkonkoma, implementation 2011. |                                      |          |
| <b>Program Implementation Date:</b>                  | 7/1/2010  | <b>When will savings begin?:</b>     | 7/1/2010 |
|  |   | <b>Are these savings recurring?:</b> | Yes      |
| <b>Other Issues:</b>                                 | Beverage and parking increases require Board Approval.  |                                      |          |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.035                 | \$0.425     | \$0.425     | \$0.425     | \$0.425     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance  
  
Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Service Support**

**Program:**

**Fare Collection Efficiencies**

**Background Details:**

The Transportation Services Department has concluded the first phase of its analysis of fare collection practices and identified a series of efficiencies that can reduce staffing requirements.

**Program Description/  
Implementation Plan:**

Specific initiatives include completing punch days ticket validation using base crew staffing levels, eliminating additional weekday and weekend collector tours and rebalancing Port Washington weekend staffing. In addition, by changing Mail and Ride Program enrollment policies the LIRR would be able to generate staffing and OTPS reductions.

**Program Implementation Date:**

7/1/10

**When will savings begin?:**

7/1/10

**Are these savings recurring?:**

Yes

**Other Issues:**

Layoffs

Favorable/(Unfavorable)

*Financial Impact (Operating):*

Net Cash Savings (in millions)

**2010**

**2011**

**2012**

**2013**

**2014**

**\$1.964**

**\$4.160**

**\$4.283**

**\$4.391**

**\$4.505**

*Total Reduction in Positions Required:*

36

38

38

38

38

*(List Title of Positions)*

Conductors and Assistant Conductors

*Impact on Operations:*

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*

Layoffs

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Service Support

**Program:** Operations Support & Efficiencies

**Background Details:** Savings achieved through operations support and efficiencies in Engineering, Information Technology (IT) and Transportation Services.

**Program Description/Implementation Plan:**

**Engineering-** Transfer the Lower Montauk Track and right of way to New York and Atlantic Railway until required for East Side Access operation. Reduce overtime costs through improved management controls and extend ROW tree trimming and vegetation management cycle to over 10 years.

**IT-** eliminate most radios used in the Customer Assistance Program (by LIRR managers) and achieve Verizon circuit savings due to the connecting TVMs to the Fiber Optic Network (beginning in 2012).

**Transportation Services-** eliminate 2 ticket receiver positions at PSNY, reduce staffing after the completion of the Jamaica Central Control Mini Theater, lower penalty payments, reduce overtime through improved management control, realign Citifield service/support based on current ridership levels and eliminate 2 Special Platform Conductors at Jamaica.

**Program Implementation Date:** 7/1/10      **When will savings begin?:** 7/1/2010

**Are these savings recurring?:** Yes

**Other Issues:** Layoffs

Favorable/(Unfavorable)

|  | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|
|--|-------------|-------------|-------------|-------------|-------------|

*Financial Impact (Operating):*

|                                |                |                |                |                |                |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| Net Cash Savings (in millions) | <b>\$2.797</b> | <b>\$3.193</b> | <b>\$3.474</b> | <b>\$3.572</b> | <b>\$3.657</b> |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|

|   |    |    |    |    |    |
|---|----|----|----|----|----|
| <i>Total Reduction in Positions Required:</i> | 11 | 17 | 17 | 17 | 17 |
|---|----|----|----|----|----|

*(List Title of Positions)* Track Workers, Signalmen, Locomotive Engineers, Conductors, Assistant Conductors, Ticket Clerks, Train Directors, and Block Operators.

*Impact on Operations:*

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Corporate Expense Re-estimates

**Background Details:** Based on a review of actual invoices and expenditures, the LIRR has determined that it can reduce its budget in the following areas: Health & Welfare rates, Station Liability Insurance, Engineering-Non-Payroll spending, Security Guard Contracts, and the Amtrak Joint Facility agreement.

**Program Description/Implementation Plan:** Re-estimates are based on the following assumptions: Actual Health and Welfare rates are running under budget by approximately \$50 per employee per month. Actual station liability insurance invoices and audit credit refund. One time elimination of non-payroll projects and initiatives in Engineering. Budget savings in current security guard staffing. Reduce budget for LIRR joint facility costs with Amtrak in line with current spending levels.

**Program Implementation Date:** 7/1/2010      **When will savings begin?:** 7/1/2010  
**Are these savings recurring?:** Yes

**Other Issues:**

|   | Favorable/(Unfavorable) |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>          |                         |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$9.029</b>          | <b>\$5.993</b> | <b>\$5.996</b> | <b>\$5.995</b> | <b>\$6.000</b> |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0              | 0              | 0              | 0              |
| <i>(List Title of Positions)</i>              |                         |                |                |                |                |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration  
**Program:** Pension Re-estimate

**Background Details:** In an effort to coordinate agency submissions and identify additional savings opportunities that may have been overlooked, LIRR staff reached out to MNR staff. The following item emerged as potential savings to the LIRR but requires further direction from the MTA: pension rate re-estimate (\$1.1 million).

**Program Description/Implementation Plan:** In an effort to coordinate agency submissions and identify additional savings opportunities that may have been overlooked, LIRR staff reached out to MNR staff. The following item emerged as potential savings to the LIRR but requires further direction from the MTA: pension rate re-estimate (\$1.1 million).

**Program Implementation Date:** 7/1/2010      **When will savings begin?:** 7/1/2010  
**Are these savings recurring?:** Yes

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.130                 | \$1.100     | \$1.100     | \$1.100     | \$1.100     |
| <i>Total Reduction in Positions Required:</i> |                         |             |             |             |             |
| (List Title of Positions)                     |                         |             |             |             |             |
| <i>Impact on Operations:</i>                  |                         |             |             |             |             |
| Ridership Per Week (in thousands)             |                         |             |             |             |             |
| Mean Distance Between Failure                 |                         |             |             |             |             |
| On-Time Performance                           |                         |             |             |             |             |
| Other   |                         |             |             |             |             |
| (Identify Appropriate Indicator)              |                         |             |             |             |             |
| <i>List of Other Concerns:</i>                |                         |             |             |             |             |

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Material and Inventory Management

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | The LIRR's internal Inventory Management Task Force has strengthened oversight of the fleet component procurement process and identified opportunities to lower material expenses. |
|----------------------------|--|

|  |   |
|--|---|
| <b>Program Description/<br/>Implementation Plan:</b> | A joint initiative between Maintenance of Equipment, Procurement, Management and Budget and Operations Support and Analysis has resulted in new policies and procedures that more clearly identify production plan and min-max needs requirements and impose tighter internal controls. This will result in one time savings in 2010 as well as a shift of certain 2010 items from 2010 to 2011. This reduction is in addition to the \$3.0 million in annual material savings that was built into the railroad's budget as part of the original AABs starting in 2009. |
|--|---|

|                                     |          |                                  |          |
|-------------------------------------|----------|----------------------------------|----------|
| <b>Program Implementation Date:</b> | 1/1/2010 | <b>When will savings begin?:</b> | 1/1/2010 |
|-------------------------------------|----------|----------------------------------|----------|

|  |  |                                      |    |
|--|--|--------------------------------------|----|
|  |  | <b>Are these savings recurring?:</b> | No |
|--|--|--------------------------------------|----|

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$9.000                 | (\$4.000)   | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Project Elimination and Deferral

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | Delay various operating funded capital projects including highway vehicle replacement, Bethpage Facility security upgrade, LIRR facility upgrades and other miscellaneous projects. |
|----------------------------|---|

|   |  |                                      |          |
|---|--|--------------------------------------|----------|
| <b>Program Description/Implementation Plan:</b> | Various operating budget funded initiatives will either be eliminated or deferred. |                                      |          |
| <b>Program Implementation Date:</b>             | 7/1/10   | <b>When will savings begin?:</b>     | 7/1/2010 |
|   |  | <b>Are these savings recurring?:</b> | No       |
| <b>Other Issues:</b>                            |  |                                      |          |

|                                      | Favorable/(Unfavorable) |                |                  |                  |                  |
|--------------------------------------|-------------------------|----------------|------------------|------------------|------------------|
|                                      | <u>2010</u>             | <u>2011</u>    | <u>2012</u>      | <u>2013</u>      | <u>2014</u>      |
| <i>Financial Impact (Operating):</i> |                         |                |                  |                  |                  |
| Net Cash Savings (in millions)       | <b>\$12.815</b>         | <b>\$0.781</b> | <b>(\$1.570)</b> | <b>(\$0.447)</b> | <b>(\$0.443)</b> |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| <i>Total Reduction in Positions Required:</i> | 5 | 5 | 0 | 0 | 0 |
|---|---|---|---|---|---|

*(List Title of Positions)*

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Administration  
**Program:** Rapid Procurement Review

**Background Details:** Procurement savings.

**Program Description/Implementation Plan:** Procurement savings based on rapid procurement review.

**Program Implementation Date:** 7/1/2010      **When will savings begin?:** 7/1/2010  
**Are these savings recurring?:** Yes

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.088                 | \$0.088     | \$0.088     | \$0.088     | \$0.088     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |
| <i>Impact on Operations:</i>                  |                         |             |             |             |             |
| Ridership Per Week (in thousands)             |                         |             |             |             |             |
| Mean Distance Between Failure                 |                         |             |             |             |             |
| On-Time Performance                           |                         |             |             |             |             |
| Other<br>(Identify Appropriate Indicator)     |                         |             |             |             |             |
| <i>List of Other Concerns:</i>                |                         |             |             |             |             |



**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Customer Convenience

**Program:** Cleaning

**Background Details:** Through improved productivity the LIRR will be able to reduce costs for station and rolling stock cleaning.

**Program Description/Implementation Plan:** There are currently three vacant Station Appearance Maintainers, which will not be filled. In addition, a 10% reduction in overtime for Station Appearance Maintainers will be implemented. A reduction of overtime for Car Appearance Maintainers will also be implemented. In both cases, 2011 will include a full year's savings. Separately, a 50% reduction in pigeon proofing will be implemented each year beginning January 2010.

**Program Implementation Date:** 7/1/2010 **When will savings begin?:** 7/1/2010

**Are these savings recurring?:** Yes

**Other Issues:**

|   | Favorable/(Unfavorable)        |                |                |                |                |
|---|--------------------------------|----------------|----------------|----------------|----------------|
|   | <u>2010</u>                    | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>          |                                |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$0.875</b>                 | <b>\$1.000</b> | <b>\$1.023</b> | <b>\$1.046</b> | <b>\$1.069</b> |
| <i>Total Reduction in Positions Required:</i> | 3                              | 3              | 3              | 3              | 3              |
| <i>(List Title of Positions)</i>              | Station Appearance Maintainers |                |                |                |                |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Customer Convenience

**Program:** Reduce Ticket Windows

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | The LIRR will close 3 ticket windows based on sales data and other operational considerations. It will reduce window hours at other selected stations. |
|----------------------------|--|

|  |  |                                      |          |
|--|--|--------------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | The location of the ticket window closings will be determined based on ticket sale levels and other operational considerations, such as ticket receiver required for train crews. The LIRR would eliminate one ticket selling tour at Hempstead and Long Beach and reduce ticket selling tours at Atlantic Terminal. |                                      |          |
| <b>Program Implementation Date:</b>                  | 8/31/2010  | <b>When will savings begin?:</b>     | 9/1/2010 |
|  |  | <b>Are these savings recurring?:</b> | Yes      |
| <b>Other Issues:</b>                                 |  |                                      |          |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.246                 | \$0.635     | \$0.657     | \$0.677     | \$0.699     |
| <i>Total Reduction in Positions Required:</i> | 7                       | 7           | 7           | 7           | 7           |
| <i>(List Title of Positions)</i>              | Ticket Clerks           |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Customer Convenience**

**Program:**

**Consist Reductions and Ticket Window Closings**

**Background Details:**

Reduce the number of cars on selected peak trains and weekend off-peak trains that have excess seating capacity to reduce traction power costs. In 2011, close 18 ticket windows resulting in reduced staffing levels.

**Program Description/  
Implementation Plan:**

The LIRR would reduce consist sizes on its weekend and AM peak trains. This would increase the number of standees on trains. The ticket window closings would leave only 9 stations, mostly terminals, with staffed ticket windows.

**Program Implementation Date:**

7/1/2010

**When will savings begin?:**

7/1/2010

**Are these savings recurring?:**

Yes

**Other Issues:**

Layoffs

Favorable/(Unfavorable)

|   | <u>2010</u>               | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
|---|---------------------------|----------------|----------------|----------------|----------------|
| <i>Financial Impact (Operating):</i>          |                           |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$1.678</b>            | <b>\$2.687</b> | <b>\$2.762</b> | <b>\$2.825</b> | <b>\$2.893</b> |
| <i>Total Reduction in Positions Required:</i> | 0                         | 18             | 18             | 18             | 18             |
| <i>(List Title of Positions)</i>              | Ticket Clerks and Agents. |                |                |                |                |

*Impact on Operations:*

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Fleet Maintenance Initiatives

**Background Details:** The LIRR will implement a series of initiatives to reduce costs associated with rolling stock maintenance. These initiatives are possible as a result of the Maintenance of Equipment Department's review of parts/components reliability.

**Program Description/Implementation Plan:** The M3 cars are currently on a 60-day Periodic Inspection schedule compared to 92 days for M7 cars. This proposal would move the M3 to the same inspection period as the M7. Based on a review of the reliability of the M7 HVAC, the scheduled overhaul of the M7 HVAC will be extended two years to every eight years. The West Side Yard Support Shops currently operate on three shifts per day. The proposal would lower the operations to one shift. Staff and workload performed on the remaining shifts would be moved to HSF. Savings are generated largely through a reduction in overtime coupled with a reduction in materials.

**Program Implementation Date:** 7/1/2010      **When will savings begin?:** 7/1/2010

**Are these savings recurring?:** Yes (except for HVAC)

**Other Issues:**

|  | Favorable/(Unfavorable) |             |             |             |             |
|--|-------------------------|-------------|-------------|-------------|-------------|
|  | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>         |                         |             |             |             |             |
| Net Cash Savings (in millions)               | \$1.685                 | \$2.837     | \$1.557     | \$1.600     | \$1.638     |
| <i>Total Reduction in Positions Required</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>             |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance  
  
Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Revenue

**Program:** Revenue Initiatives

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Implement several initiatives that generate additional revenue to more accurately reflect LIRR costs and inflation. Increase beverage prices, negotiate exclusive sponsorship for beverage carts and increase parking garage fees. |
|----------------------------|--|

|  |   |                                      |          |
|--|---|--------------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | 1) The railroad will pursue increasing beverage prices by 3% in September 2010 and negotiate exclusive sponsorship for beverage carts, this is consistent with MNR.<br>2) Increase parking garage fees by up to 20% at Mineola and Ronkonkoma, implementation 2011. |                                      |          |
| <b>Program Implementation Date:</b>                  | 7/1/2010  | <b>When will savings begin?:</b>     | 7/1/2010 |
|  |   | <b>Are these savings recurring?:</b> | Yes      |
| <b>Other Issues:</b>                                 | Beverage and parking increases require Board Approval.  |                                      |          |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.035                 | \$0.425     | \$0.425     | \$0.425     | \$0.425     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance  
  
Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Service Support**

**Program:**

**Fare Collection Efficiencies**

**Background Details:**

The Transportation Services Department has concluded the first phase of its analysis of fare collection practices and identified a series of efficiencies that can reduce staffing requirements.

**Program Description/  
Implementation Plan:**

Specific initiatives include completing punch days ticket validation using base crew staffing levels, eliminating additional weekday and weekend collector tours and rebalancing Port Washington weekend staffing. In addition, by changing Mail and Ride Program enrollment policies the LIRR would be able to generate staffing and OTPS reductions.

**Program Implementation Date:**

7/1/10

**When will savings begin?:**

7/1/10

**Are these savings recurring?:**

Yes

**Other Issues:**

Layoffs

Favorable/(Unfavorable)

|                                      | <u>2010</u>    | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <i>Financial Impact (Operating):</i> |                |                |                |                |                |
| Net Cash Savings (in millions)       | <b>\$1.964</b> | <b>\$4.160</b> | <b>\$4.283</b> | <b>\$4.391</b> | <b>\$4.505</b> |

*Total Reduction in Positions Required:*

36

38

38

38

38

*(List Title of Positions)*

Conductors and Assistant Conductors

*Impact on Operations:*

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*

Layoffs

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** Service Support

**Program:** Operations Support & Efficiencies

**Background Details:** Savings achieved through operations support and efficiencies in Engineering, Information Technology (IT) and Transportation Services.

**Program Description/Implementation Plan:**

**Engineering-** Transfer the Lower Montauk Track and right of way to New York and Atlantic Railway until required for East Side Access operation. Reduce overtime costs through improved management controls and extend ROW tree trimming and vegetation management cycle to over 10 years.

**IT-** eliminate most radios used in the Customer Assistance Program (by LIRR managers) and achieve Verizon circuit savings due to the connecting TVMs to the Fiber Optic Network (beginning in 2012).

**Transportation Services-** eliminate 2 ticket receiver positions at PSNY, reduce staffing after the completion of the Jamaica Central Control Mini Theater, lower penalty payments, reduce overtime through improved management control, realign Citifield service/support based on current ridership levels and eliminate 2 Special Platform Conductors at Jamaica.

**Program Implementation Date:** 7/1/10      **When will savings begin?:** 7/1/2010

**Are these savings recurring?:** Yes

**Other Issues:** Layoffs

Favorable/(Unfavorable)

|                                      | <u>2010</u>    | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <i>Financial Impact (Operating):</i> |                |                |                |                |                |
| Net Cash Savings (in millions)       | <b>\$2.797</b> | <b>\$3.193</b> | <b>\$3.474</b> | <b>\$3.572</b> | <b>\$3.657</b> |

|   |    |    |    |    |    |
|---|----|----|----|----|----|
| <i>Total Reduction in Positions Required:</i> | 11 | 17 | 17 | 17 | 17 |
|---|----|----|----|----|----|

*(List Title of Positions)* Track Workers, Signalmen, Locomotive Engineers, Conductors, Assistant Conductors, Ticket Clerks, Train Directors, and Block Operators.

*Impact on Operations:*

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Long Island Rail Road  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Administration**

**Program:**

**Additional Overtime Initiatives**

**Background Details:**

Through improved overtime controls, the LIRR will implement reductions in scheduled and unscheduled overtime. The LIRR has identified overtime control as a critical agency priority and specified particular areas of focus for reduction. An Overtime Task Force was developed in 2009 which will be strengthened and refocused in 2010.

**Program Description/  
Implementation Plan:**

Various initiatives will be implemented that are focused on controlling overtime such as deploying train and engine service staff to offset overtime, conducting training on the job during straight-time hours, redeploying staff, changing shift hours, etc. Some of these overtime reductions are associated with reimbursable project activity.

**Program Implementation Date:**

7/1/2010

**When will savings begin?:**

7/1/2010

**Are these savings recurring?:**

Yes

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.625                 | \$2.016     | \$2.060     | \$2.104     | \$2.159     |
| <i>Total Reduction in Positions Required:</i> |                         |             |             |             |             |
| (List Title of Positions)                     | 0                       | 0           | 0           | 0           | 0           |
| <i>Impact on Operations:</i>                  |                         |             |             |             |             |
| Ridership Per Week (in thousands)             |                         |             |             |             |             |
| Mean Distance Between Failure                 |                         |             |             |             |             |
| On-Time Performance                           |                         |             |             |             |             |
| Other   |                         |             |             |             |             |
| (Identify Appropriate Indicator)              |                         |             |             |             |             |
| <i>List of Other Concerns:</i>                |                         |             |             |             |             |



**MTA Long Island Rail Road  
2011 Preliminary Budget  
July Financial Plan 2011 – 2014**

**POSITION ASSUMPTIONS**

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 and achieve corporate goals as well as those in line with reimbursable activity.

**NON-REIMBURSABLE POSITIONS:**

- 2010 includes a reduction of 94 non-reimbursable positions due to the 15% administrative reductions. This number is reduced to 77 in 2011, as 16 positions are Business Service Center (BSC) related.
- The Budget Reduction Program (BRP) results in a 105-position reduction in 2010, 119 in 2011 and 114 in 2012 – 2014. Most of these positions are within the Operating and Maintenance Departments, including Administrative and Management staff reductions of 43 in 2010 and 31 in 2011 – 2014.
- Annual staffing levels include the impact of 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:**

- Annual staffing levels represent the positions required to support the Capital Program, as well as changes in other reimbursable projects. The increase in 2011 over 2010 is associated with the 2011 Track Program, East Side Access Construction and Positive Train Control.

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2011 - 2014**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents**

| FUNCTION/DEPARTMENT                        | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012         | 2013         | 2014         |
|--|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| <b>Administration</b>                      |                |                              |                               |              |              |              |
| Executive VP                               | 2              | 2                            | 2                             | 2            | 2            | 2            |
| Sr. VP Administration                      | 2              | 2                            | 2                             | 2            | 2            | 2            |
| Labor Relations                            | 10             | 9                            | 9                             | 9            | 9            | 9            |
| Procurement & Logistics (excl. Stores)     | 81             | 84                           | 84                            | 84           | 84           | 86           |
| Human Resources                            | 102            | 84                           | 75                            | 75           | 81           | 89           |
| Strategic Investments                      | 37             | 38                           | 38                            | 38           | 38           | 38           |
| Diversity Management                       | 0              | 2                            | 2                             | 2            | 2            | 2            |
| President                                  | 4              | 4                            | 4                             | 4            | 4            | 4            |
| VP & Chief Financial Officer               | 103            | 96                           | 68                            | 68           | 68           | 68           |
| Information Technology                     | 174            | 160                          | 160                           | 160          | 160          | 160          |
| VP - East Side Access & Special Projects   | 27             | 26                           | 26                            | 26           | 26           | 26           |
| Market Dev. & Public Affairs               | 69             | 57                           | 57                            | 57           | 57           | 57           |
| Gen. Counsel & Secretary                   | 35             | 31                           | 31                            | 31           | 31           | 31           |
| System Safety                              | 21             | 19                           | 19                            | 19           | 19           | 19           |
| Security Department                        | 6              | 5                            | 5                             | 5            | 5            | 5            |
| VP Operations/Oper. S/A & Serv. Planning   | 41             | 39                           | 39                            | 39           | 39           | 39           |
| <b>Total Administration</b>                | <b>714</b>     | <b>658</b>                   | <b>621</b>                    | <b>621</b>   | <b>627</b>   | <b>637</b>   |
| <b>Operations</b>                          |                |                              |                               |              |              |              |
| Transportation                             | 1,847          | 1,744                        | 1,745                         | 1,751        | 1,909        | 2,001        |
| Passenger Service (Ticket Clerks & Agents) | 166            | 153                          | 135                           | 135          | 135          | 135          |
| <b>Total Operations</b>                    | <b>2,013</b>   | <b>1,897</b>                 | <b>1,880</b>                  | <b>1,886</b> | <b>2,044</b> | <b>2,136</b> |
| <b>Maintenance</b>                         |                |                              |                               |              |              |              |
| Engineering                                | 1,706          | 1,650                        | 1,677                         | 1,671        | 1,665        | 1,683        |
| Equipment                                  | 1,923          | 1,948                        | 1,894                         | 1,920        | 1,899        | 1,927        |
| Passenger Service (excl. Ticket Selling)   | 183            | 187                          | 185                           | 185          | 185          | 186          |
| Procurement (Stores)                       | 99             | 94                           | 94                            | 94           | 94           | 94           |
| <b>Total Maintenance</b>                   | <b>3,911</b>   | <b>3,879</b>                 | <b>3,850</b>                  | <b>3,870</b> | <b>3,843</b> | <b>3,890</b> |
| <b>Engineering/Capital</b>                 |                |                              |                               |              |              |              |
| Capital Program Management                 | 114            | 151                          | 150                           | 150          | 150          | 150          |
| Force Acct Mgmt                            | 0              | 0                            | 0                             | 0            | 0            | 0            |
| <b>Total Engineering/Capital</b>           | <b>114</b>     | <b>151</b>                   | <b>150</b>                    | <b>150</b>   | <b>150</b>   | <b>150</b>   |
| <b>Total Baseline Positions</b>            | <b>6,752</b>   | <b>6,585</b>                 | <b>6,501</b>                  | <b>6,527</b> | <b>6,664</b> | <b>6,813</b> |
| <i>Non-Reimbursable</i>                    | 6,127          | 6,053                        | 5,605                         | 5,631        | 5,768        | 5,917        |
| <i>Reimbursable</i>                        | 625            | 532                          | 896                           | 896          | 896          | 896          |
| <i>Total Full-Time</i>                     | 6,752          | 6,585                        | 6,501                         | 6,527        | 6,664        | 6,813        |
| <i>Total Full-Time Equivalents</i>         | -              | -                            | -                             | -            | -            | -            |

**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Total Positions by Function and Occupation**

| <b>FUNCTION/OCCUPATIONAL GROUP</b> | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  |
|------------------------------------|------------------------|---------------------------------------|--|--------------|--------------|--------------|
| <b>Administration</b>              |                        |                                       |  |              |              |              |
| Managers/Supervisors               | 338                    | 322                                   | 318                                    | 318          | 320          | 324          |
| Professional, Technical, Clerical  | 376                    | 336                                   | 303                                    | 303          | 307          | 313          |
| Operational Hourlies               | -                      | -                                     | -                                      | -            | -            | -            |
| <b>Total Administration</b>        | <b>714</b>             | <b>658</b>                            | <b>621</b>                             | <b>621</b>   | <b>627</b>   | <b>637</b>   |
| <b>Operations</b>                  |                        |                                       |  |              |              |              |
| Managers/Supervisors               | 262                    | 271                                   | 268                                    | 268          | 268          | 268          |
| Professional, Technical, Clerical  | 158                    | 142                                   | 130                                    | 130          | 130          | 130          |
| Operational Hourlies               | 1,593                  | 1,484                                 | 1,482                                  | 1,488        | 1,646        | 1,738        |
| <b>Total Operations</b>            | <b>2,013</b>           | <b>1,897</b>                          | <b>1,880</b>                           | <b>1,886</b> | <b>2,044</b> | <b>2,136</b> |
| <b>Maintenance</b>                 |                        |                                       |  |              |              |              |
| Managers/Supervisors               | 702                    | 705                                   | 715                                    | 715          | 716          | 724          |
| Professional, Technical, Clerical  | 269                    | 267                                   | 267                                    | 267          | 268          | 268          |
| Operational Hourlies               | 2,940                  | 2,907                                 | 2,868                                  | 2,888        | 2,859        | 2,898        |
| <b>Total Maintenance</b>           | <b>3,911</b>           | <b>3,879</b>                          | <b>3,850</b>                           | <b>3,870</b> | <b>3,843</b> | <b>3,890</b> |
| <b>Engineering/Capital</b>         |                        |                                       |  |              |              |              |
| Managers/Supervisors               | 96                     | 123                                   | 122                                    | 122          | 122          | 122          |
| Professional, Technical, Clerical  | 18                     | 28                                    | 28                                     | 28           | 28           | 28           |
| Operational Hourlies               | -                      | -                                     | -                                      | -            | -            | -            |
| <b>Total Engineering/Capital</b>   | <b>114</b>             | <b>151</b>                            | <b>150</b>                             | <b>150</b>   | <b>150</b>   | <b>150</b>   |
| <b>Public Safety</b>               |                        |                                       |  |              |              |              |
| Managers/Supervisors               | -                      | -                                     | -                                      | -            | -            | -            |
| Professional, Technical, Clerical  | -                      | -                                     | -                                      | -            | -            | -            |
| Operational Hourlies               | -                      | -                                     | -                                      | -            | -            | -            |
| <b>Total Public Safety</b>         | <b>-</b>               | <b>-</b>                              | <b>-</b>                               | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| <b>Total Baseline Positions</b>    |                        |                                       |  |              |              |              |
| Managers/Supervisors               | 1,398                  | 1,421                                 | 1,423                                  | 1,423        | 1,426        | 1,438        |
| Professional, Technical, Clerical  | 821                    | 773                                   | 728                                    | 728          | 733          | 739          |
| Operational Hourlies               | 4,533                  | 4,391                                 | 4,350                                  | 4,376        | 4,505        | 4,636        |
| <b>Total Baseline Positions</b>    | <b>6,752</b>           | <b>6,585</b>                          | <b>6,501</b>                           | <b>6,527</b> | <b>6,664</b> | <b>6,813</b> |

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# **Metro-North Railroad**

**MTA METRO-NORTH RAILROAD  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014**

**FINANCIAL OVERVIEW**

Beginning in the second half of 2008 the effects of the worldwide economic downturn have had a severe impact on Metro-North. Rising regional unemployment levels and the general collapse of the credit and stock markets not only resulted in ridership declines compared to record-setting levels achieved in 2008, but also reduced discretionary income and consumer spending during a period of severe economic uncertainty. Metro-North's resulting revenue losses, in addition to lower projected operating subsidies available from the MTA and Connecticut Department of Transportation (due to recession-driven reductions in projected transit-dedicated tax proceeds), have placed pressure on the Railroad to further reduce operating costs to contribute toward achieving budgetary balance.

Consequently, over the last two years Metro-North has implemented a series of cost-reduction plans to reduce its subsidy requirements, thus improving its recovery ratio. These plans were developed in accordance with MTA system-wide guidelines and were designed to maintain current safety standards and, where possible, minimize adverse impacts on service quality and customer service. These actions were also used as an opportunity to develop long-term cost reduction measures that improve efficiency and ensure that every revenue dollar is maximized in supporting daily operations.

During 2009, cost reductions were enacted, which included service cost efficiencies, management efforts to lower operating labor costs, material usage and contracted service fees, and a concerted effort to reduce administrative expenses. In addition, new ticket vending machines were added in Grand Central Terminal and at outlying station locations, which generated additional efficiencies in ticket selling. These actions, in addition to a reduction in injury claims costs in accordance with railroad efforts to promote safety, enabled Metro-North to reduce its operating subsidies to levels that were below budget and forecasted projections.

In 2010, additional subsidy reduction measures have been included in the July Financial Plan yielding annual savings of \$47.4 million and 144 position eliminations. Specific actions include:

- \$6.3 million annual savings from the implementation of service reductions in the form of train consolidations and reduced train consists that save on-board staffing (9 positions) and eliminate car miles and related traction power and fleet maintenance costs.

- \$10.3 million in annual salary and fringe benefit savings from a 15% reduction in the administrative workforce yielding a decrease of 88 positions.
- A further Budget Reduction Plan (BRP) that generates over \$31.6 million in 2010 cost savings and an additional 56 position eliminations with carryover savings of over \$16 million in 2011 and beyond. This initiative includes a series of programmatic and process changes that identify efficiencies in overtime, procurement of material and supplies inventory, revenue collection, and operations staffing. Specific actions in this plan represent:
  - \$2.6 million in the elimination or deferral of projects related to facility improvements, information system fees and development costs.
  - \$0.7 million in favorable contract negotiations that have created savings in GCT retail management fees, data processing costs and the purchase of rolling stock parts inventory.
  - \$1.0 million in higher non passenger revenues from actions that increase GCT retail operation profits and promote new sources of revenues at outlying stations.
  - \$5.9 million in strategic procurement initiatives which leverage joint contract opportunities with the LIRR on rolling stock part procurements and competitive pricing bids on rubbish removal.
  - \$2.7 million in the reduction of unscheduled overtime costs (including fringes). This initiative was based on a review of overtime by causality with a focus on changing the corporate culture in response to emergencies, vacation, holiday coverage and absenteeism. These efforts extend in 2011 with an additional \$3.8 million in overtime cost cutbacks (including fringe) through further refinements to management controls and assignment coverage.
  - \$1.1 million in reducing the costs of ticket selling and revenue collection by maximizing the utilization of ticket vending machines and reducing ticket collector requirements by adjusting crew schedules and train crew sizing.
  - \$0.7 million in scheduling changes in the deployment of personnel to inspect and maintain the new M8 car fleet.
  - \$1.1 million in operations staffing reductions to streamline right-of-way maintenance and material management.
  - \$0.3 million reduction in Meadowlands Football Service.
  - \$15.5 million in subsidy reductions based on favorable cost trends and cash savings that include lower advertising costs, fringe benefit expenses, electric propulsion pricing and other cost adjustments.

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 resources 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.

While there are no significant new needs that have been added since the adoption of the February 2010 Financial Plan, Metro-North will continue existing programs that support strategic focus areas. Examples of these programs are highlighted below:

#### Customer Service/Service Reliability

- The first full-year operation of Yankees-E.153<sup>rd</sup> Street station service will take place in 2010. This very successful service will provide:
  - baseball season travel to the new Yankee Stadium from all three East of Hudson service lines;
  - a transportation option for Bronx residents; and
  - Park-and-ride opportunities for tri-state area travelers to midtown Manhattan.
- Provisions for additional East of Hudson train service are included during 2011-2014.
- Equipment overhauls and labor and material resources have been realigned in accordance with revised car delivery schedules and strategic decisions to replace the aging M2 fleet as well as the M4/M6 cars with new M8 equipment. This change results in further reductions in material and propulsion requirements in 2011 and beyond.
- Resources to maintain the new Danbury Branch signal system have been added in 2011.
- A new Interactive Voice Response system (IVR) was recently implemented that will increase the capacity and reliability of the customer telephone information system.
- Metro-North *train time* was introduced where customers can access convenient, “real-time” train status and schedule information via their smart phones and computers, and can check departure times, destination, scheduled stops and track assignments.
- 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.
- Cyclical station painting and maintenance programs have been incorporated to maintain/improve the environment at outlying stations.

#### Safety and Security

- Metro-North has incorporated resources to support the maintenance and monitoring functions associated with the implementation of new security systems in New York and Connecticut.
- GCT safety will be strengthened with resources added to support new fire safety systems and the fire brigade.

#### Financial Stability

- Increase passenger revenues through the implementation of new train service in 2011 - 2014 that 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.
- Complete the installation and implementation of Kronos timekeeping at all facilities to improve the tracking and reporting of personnel costs.
- Accounting and Human Resource functions will be transferred to the Business Service Center in 2011 that will reduce the Metro-North workforce by an additional 45 positions.

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 (including mandated fare holddown payments), security projects, 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.

The culmination of these efforts is illustrated in the improvement in financial performance indicators shown below

| Financial Performance Indicators                               |               |           |               |           |               |           |
|--|---------------|-----------|---------------|-----------|---------------|-----------|
| 2010-2012 Comparison Between February and July Financial Plans |               |           |               |           |               |           |
|  | 2010          |           | 2011          |           | 2012          |           |
|  | February Plan | July Plan | February Plan | July Plan | February Plan | July Plan |
| Fare Operating Ratio   | 53.3%         | 56.8%     | 52.6%         | 55.6%     | 52.8%         | 55.2%     |
| Cost Per Passenger   | \$12.21       | \$11.59   | \$12.40       | \$11.85   | \$12.32       | \$11.93   |
| Subsidy Per Passenger  | \$5.91        | \$5.21    | \$5.84        | \$5.23    | \$5.90        | \$5.36    |

## 2010 MID-YEAR FORECAST

The Mid-Year Forecast subsidy requirements for non-reimbursable operations are \$47.4 million lower than the 2010 Adopted Budget. The decrease reflects higher revenues of \$18.4 million and lower cash expenditures of \$29.0 million. Passenger revenues are \$16.1 million higher than projected due to improving ridership (2.1% increase vs. Adopted budget) in both the commutation and non-commutation markets. Non-

passenger revenues are higher by \$2.3 million related to better-than-anticipated advertising and GCT retail proceeds. Favorable expenses reflect the \$31.7 million Budget Reduction Plan described above which incorporates labor cost savings from position eliminations and overtime reductions, inventory and contract service savings from improved management and term renegotiations, energy pricing adjustments, lower fringe cost provisions, as well as lower advertising and ticket selling costs.

The 2010 Mid-Year Reimbursable revenue and expense projections total \$213.9 million which is \$20.8 million lower than the February Plan reflecting multiple rescheduling changes due to funding constraints including the new MTA 5 Year Program projects and GCT Leaks project as well as delays on the 525 North Broadway project. These decreases are offset by the inclusion of previously unfunded CDOT projects not included in the 2010 Adopted Budget.

## **2011 PRELIMINARY Budget-BASELINE**

The 2011 Preliminary Budget baseline includes non-reimbursable revenue projections of \$578.7 million that reflect ridership growth of 2.1%, and higher advertising, parking and GCT retail revenues. Expenditures include the full year value of Administrative Staff cutbacks (\$10 million) and service reductions (\$6.3 million) enacted in mid-2010 as well as the carryover of (\$16 million) of savings from the 2010 Budget Reduction Plan. Additional overtime savings (\$2.7 million) have been programmed through further adjustments in assignment coverage requirements and management control efforts. An additional 45 positions will be eliminated (\$5.7 million) with the transfer of Accounting and Human Resource functions to the Business Service Center. The 2011 Preliminary Budget also includes provisions for the start of a seat replacement program on the M7 cars, costs associated with the phase-in of new M8 cars and the retirement of the M2 fleet, further staffing of the GCT Fire Brigade, continuation of locomotive overhauls, support costs for the full implementation of system-wide monitoring and intrusion detection equipment and operations costs associated with service improvements and rising West of Hudson operating fees.

## **2012-2014 PROJECTIONS**

The 2012-2014 expenditure projections will allow Metro-North to continue 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. Financial stability measures include the removal of completed programs such as concrete tie replacements and the West of Hudson locomotive overhaul, and the incorporation of projected cost changes in energy, healthcare and material. Major assumptions reflected in the 2011-2014 projections and reconciliation to the February Plan is furnished later in this document.

**MTA METRO NORTH RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

| NON-REIMBURSABLE   |                    |                              |                               |                    |                    |                    |
|--|--------------------|------------------------------|-------------------------------|--------------------|--------------------|--------------------|
|  | 2009<br>Actual     | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012               | 2013               | 2014               |
| <b>Operating Revenue</b>                                 |                    |                              |                               |                    |                    |                    |
| Farebox Revenue  | \$501.937          | \$525.160                    | \$536.460                     | \$552.472          | \$563.719          | \$572.896          |
| Toll Revenue   | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue                                  | 40.314             | 40.079                       | 42.247                        | 43.149             | 43.615             | 44.340             |
| MNR - MTA  | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| MNR - CDOT   | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| MNR - Other  | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| Capital and Other Reimbursements                         | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| <b>Total Revenue</b>                                     | <b>\$542.251</b>   | <b>\$565.239</b>             | <b>\$578.707</b>              | <b>\$595.621</b>   | <b>\$607.334</b>   | <b>\$617.236</b>   |
| <b>Operating Expenses</b>                                |                    |                              |                               |                    |                    |                    |
| <b>Labor:</b>  |                    |                              |                               |                    |                    |                    |
| Payroll  | \$385.971          | \$386.733                    | \$397.472                     | \$409.922          | \$423.962          | \$434.952          |
| Overtime   | 57.563             | 55.891                       | 55.046                        | 56.979             | 58.915             | 60.818             |
| Health and Welfare                                       | 69.239             | 73.085                       | 81.587                        | 88.132             | 95.563             | 102.559            |
| OPEB Current Payment                                     | 10.620             | 9.410                        | 10.467                        | 11.353             | 12.312             | 13.351             |
| Pensions   | 44.991             | 47.767                       | 48.293                        | 50.190             | 51.898             | 53.328             |
| Other Fringe Benefits                                    | 79.973             | 78.116                       | 79.562                        | 81.392             | 86.143             | 89.058             |
| Reimbursable Overhead                                    | (42.851)           | (37.974)                     | (37.403)                      | (37.607)           | (38.139)           | (38.662)           |
| <b>Total Labor</b>                                       | <b>\$605.506</b>   | <b>\$613.030</b>             | <b>\$635.023</b>              | <b>\$660.361</b>   | <b>\$690.655</b>   | <b>\$715.404</b>   |
| <b>Non-Labor:</b>  |                    |                              |                               |                    |                    |                    |
| Traction and Propulsion Power                            | \$60.520           | \$60.571                     | \$63.651                      | \$67.948           | \$76.897           | \$80.609           |
| Fuel for Buses and Trains                                | 12.758             | 16.511                       | 18.464                        | 19.498             | 21.647             | 23.024             |
| Insurance  | 11.853             | 10.800                       | 11.963                        | 13.008             | 14.275             | 15.623             |
| Claims   | 1.193              | 10.800                       | 10.800                        | 10.800             | 10.800             | 10.800             |
| Paratransit Service Contracts                            |                    |                              |                               |                    |                    |                    |
| Maintenance and Other Operating Contracts                | 78.853             | 96.217                       | 100.266                       | 101.067            | 98.984             | 100.156            |
| Professional Service Contracts                           | 24.681             | 29.464                       | 34.586                        | 35.238             | 36.236             | 37.451             |
| Materials & Supplies                                     | 79.628             | 88.059                       | 94.166                        | 96.779             | 102.922            | 103.906            |
| Other Business Expenses                                  | 15.536             | 14.619                       | 15.676                        | 15.523             | 15.894             | 16.827             |
| <b>Total Non-Labor</b>                                   | <b>\$285.022</b>   | <b>\$327.040</b>             | <b>\$349.572</b>              | <b>\$359.861</b>   | <b>\$377.655</b>   | <b>\$388.396</b>   |
| <b>Other Expenses Adjustments:</b>                       |                    |                              |                               |                    |                    |                    |
| Other  |                    |                              |                               |                    |                    |                    |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>     | <b>\$0.000</b>               | <b>\$0.000</b>                | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$890.528</b>   | <b>\$940.070</b>             | <b>\$984.596</b>              | <b>\$1,020.223</b> | <b>\$1,068.310</b> | <b>\$1,103.799</b> |
| Depreciation   | \$248.343          | \$215.000                    | \$231.000                     | \$248.167          | \$256.760          | \$265.611          |
| OPEB Obligation  | 43.965             | 63.000                       | 67.000                        | 71.000             | 75.000             | 79.000             |
| Environmental Remediation                                | 5.101              | 9.000                        | 8.000                         | 8.240              | 8.487              | 8.742              |
| <b>Total Expenses</b>                                    | <b>\$1,187.937</b> | <b>\$1,227.070</b>           | <b>\$1,290.596</b>            | <b>\$1,347.630</b> | <b>\$1,408.557</b> | <b>\$1,457.152</b> |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$645.686)</b> | <b>(\$661.831)</b>           | <b>(\$711.889)</b>            | <b>(\$752.009)</b> | <b>(\$801.223)</b> | <b>(\$839.916)</b> |
| <b>Cash Conversion Adjustments:</b>                      |                    |                              |                               |                    |                    |                    |
| Depreciation   | \$248.343          | \$215.000                    | \$231.000                     | \$248.167          | \$256.760          | \$265.611          |
| Operating/Capital  | (19.371)           | (15.338)                     | (14.984)                      | (16.000)           | (17.000)           | (17.001)           |
| Other Cash Adjustments                                   | 46.288             | 42.001                       | 64.673                        | 65.318             | 74.329             | 68.016             |
| <b>Total Cash Conversion Adjustments</b>                 | <b>\$275.260</b>   | <b>\$241.663</b>             | <b>\$280.689</b>              | <b>\$297.485</b>   | <b>\$314.089</b>   | <b>\$316.626</b>   |
| <b>Baseline Cash Surplus/(Deficit)</b>                   | <b>(\$370.426)</b> | <b>(\$420.168)</b>           | <b>(\$431.200)</b>            | <b>(\$454.524)</b> | <b>(\$487.134)</b> | <b>(\$523.290)</b> |

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**MTA METRO NORTH RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

| NON-REIMBURSABLE / REIMBURSABLE                          |                    |                              |                               |                    |                    |                    |
|--|--------------------|------------------------------|-------------------------------|--------------------|--------------------|--------------------|
|  | 2009<br>Actual     | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012               | 2013               | 2014               |
| <b>Revenue</b>   |                    |                              |                               |                    |                    |                    |
| Farebox Revenue  | \$501.937          | \$525.160                    | \$536.460                     | \$552.472          | \$563.719          | \$572.896          |
| Toll Revenue   | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue                                  | 40.314             | 40.079                       | 42.247                        | 43.149             | 43.615             | 44.340             |
| MNR - MTA  | 109.635            | 102.539                      | 103.607                       | 106.218            | 109.064            | 111.788            |
| MNR - CDOT   | 59.253             | 92.974                       | 83.520                        | 64.855             | 59.898             | 61.311             |
| MNR - Other  | 16.273             | 18.377                       | 16.566                        | 12.517             | 13.436             | 13.694             |
| Capital and Other Reimbursements                         | 185.161            | 213.890                      | 203.693                       | 183.590            | 182.398            | 186.793            |
| <b>Total Revenue</b>                                     | <b>\$727.412</b>   | <b>\$779.129</b>             | <b>\$782.400</b>              | <b>\$779.211</b>   | <b>\$789.732</b>   | <b>\$804.029</b>   |
| <b>Expenses</b>  |                    |                              |                               |                    |                    |                    |
| <b>Labor:</b>  |                    |                              |                               |                    |                    |                    |
| Payroll  | \$428.887          | \$430.885                    | \$442.353                     | \$455.535          | \$470.242          | \$481.888          |
| Overtime   | 76.043             | 69.342                       | 68.660                        | 70.755             | 72.838             | 74.885             |
| Health and Welfare                                       | 79.283             | 83.092                       | 92.392                        | 99.635             | 107.836            | 115.601            |
| OPEB Current Payment                                     | 10.620             | 9.410                        | 10.467                        | 11.353             | 12.312             | 13.351             |
| Pensions   | 50.120             | 53.114                       | 53.960                        | 56.061             | 57.971             | 59.603             |
| Other Fringe Benefits                                    | 90.125             | 87.817                       | 89.243                        | 91.136             | 96.272             | 99.403             |
| Reimbursable Overhead                                    | (0.526)            | (1.299)                      | (0.147)                       | (0.150)            | (0.153)            | (0.156)            |
| <b>Total Labor</b>                                       | <b>\$734.552</b>   | <b>\$732.363</b>             | <b>\$756.927</b>              | <b>\$784.325</b>   | <b>\$817.319</b>   | <b>\$844.575</b>   |
| <b>Non-Labor:</b>  |                    |                              |                               |                    |                    |                    |
| Traction and Propulsion Power                            | \$60.520           | \$60.571                     | \$63.651                      | \$67.948           | \$76.897           | \$80.609           |
| Fuel for Buses and Trains                                | 12.758             | 16.511                       | 18.464                        | 19.498             | 21.647             | 23.024             |
| Insurance  | 16.287             | 14.642                       | 15.928                        | 17.035             | 18.358             | 19.761             |
| Claims   | 1.193              | 10.800                       | 10.800                        | 10.800             | 10.800             | 10.800             |
| Paratransit Service Contracts                            | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts                | 99.693             | 148.132                      | 132.817                       | 116.077            | 114.912            | 116.356            |
| Professional Service Contracts                           | 32.974             | 37.549                       | 43.418                        | 42.745             | 41.171             | 42.470             |
| Materials & Supplies                                     | 102.833            | 118.084                      | 129.905                       | 129.245            | 133.084            | 135.534            |
| Other Business Expenses                                  | 14.879             | 15.309                       | 16.378                        | 16.139             | 16.520             | 17.464             |
| <b>Total Non-Labor</b>                                   | <b>\$341.137</b>   | <b>\$421.597</b>             | <b>\$431.361</b>              | <b>\$419.487</b>   | <b>\$433.389</b>   | <b>\$446.018</b>   |
| <b>Other Adjustments:</b>                                |                    |                              |                               |                    |                    |                    |
| Other  | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| <b>Total Other Adjustments</b>                           | <b>\$0.000</b>     | <b>\$0.000</b>               | <b>\$0.000</b>                | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$1,075.689</b> | <b>\$1,153.960</b>           | <b>\$1,188.289</b>            | <b>\$1,203.813</b> | <b>\$1,250.708</b> | <b>\$1,290.592</b> |
| Depreciation   | \$248.343          | \$215.000                    | \$231.000                     | \$248.167          | \$256.760          | \$265.611          |
| OPEB Obligation  | 43.965             | 63.000                       | 67.000                        | 71.000             | 75.000             | 79.000             |
| Environmental Remediation                                | 5.101              | 9.000                        | 8.000                         | 8.240              | 8.487              | 8.742              |
| <b>Total Expenses</b>                                    | <b>\$1,373.098</b> | <b>\$1,440.960</b>           | <b>\$1,494.289</b>            | <b>\$1,531.220</b> | <b>\$1,590.955</b> | <b>\$1,643.945</b> |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$645.686)</b> | <b>(\$661.831)</b>           | <b>(\$711.889)</b>            | <b>(\$752.009)</b> | <b>(\$801.223)</b> | <b>(\$839.916)</b> |
| <b>Cash Conversion Adjustments:</b>                      |                    |                              |                               |                    |                    |                    |
| Depreciation   | \$248.343          | \$215.000                    | \$231.000                     | \$248.167          | \$256.760          | \$265.611          |
| Operating/Capital  | (19.371)           | (15.338)                     | (14.984)                      | (16.000)           | (17.000)           | (17.001)           |
| Other Cash Adjustments                                   | 46.288             | 42.001                       | 64.673                        | 65.318             | 74.329             | 68.016             |
| <b>Total Cash Conversion Adjustments</b>                 | <b>\$275.260</b>   | <b>\$241.663</b>             | <b>\$280.689</b>              | <b>\$297.485</b>   | <b>\$314.089</b>   | <b>\$316.626</b>   |
| <b>Baseline Cash Surplus/(Deficit)</b>                   | <b>(\$370.426)</b> | <b>(\$420.168)</b>           | <b>(\$431.200)</b>            | <b>(\$454.524)</b> | <b>(\$487.134)</b> | <b>(\$523.290)</b> |

**MTA Metro-North Railroad  
July Financial Plan 2011 - 2014  
Cash Receipts & Expenditures  
(\$ in millions)**

| CASH RECEIPTS AND EXPENDITURES            |                    |                              |                               |                    |                    |                    |
|---|--------------------|------------------------------|-------------------------------|--------------------|--------------------|--------------------|
|   | 2009<br>Actual     | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012               | 2013               | 2014               |
| <b>Receipts</b>                           |                    |                              |                               |                    |                    |                    |
| Farebox Revenue                           | \$512.050          | \$533.445                    | \$545.310                     | \$560.872          | \$572.169          | \$582.096          |
| Toll Revenue                              | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue                   | 67.170             | 61.551                       | 66.007                        | 67.684             | 68.750             | 69.050             |
| MNR - MTA                                 | 106.981            | 100.651                      | 103.323                       | 105.899            | 108.740            | 111.541            |
| MNR - CDOT                                | 60.833             | 87.383                       | 83.819                        | 65.117             | 60.165             | 61.604             |
| MNR - Other                               | 30.722             | 16.645                       | 17.014                        | 13.511             | 13.187             | 13.610             |
| Capital and Other Reimbursements          | 198.536            | 204.679                      | 204.156                       | 184.527            | 182.092            | 186.755            |
| <b>Total Receipts</b>                     | <b>\$777.756</b>   | <b>\$799.675</b>             | <b>\$815.473</b>              | <b>\$813.083</b>   | <b>\$823.011</b>   | <b>\$837.901</b>   |
| <b>Expenditures</b>                       |                    |                              |                               |                    |                    |                    |
| <b>Labor:</b>                             |                    |                              |                               |                    |                    |                    |
| Payroll                                   | \$426.318          | \$429.767                    | \$440.969                     | \$458.444          | \$468.430          | \$487.661          |
| Overtime                                  | 76.848             | 69.809                       | 68.365                        | 71.436             | 72.536             | 76.639             |
| Health and Welfare                        | 83.168             | 95.273                       | 105.599                       | 113.802            | 122.828            | 131.950            |
| OPEB Current Payment                      | 10.620             | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| Pensions                                  | 44.229             | 57.763                       | 54.005                        | 56.112             | 58.023             | 59.657             |
| Other Fringe Benefits                     | 89.536             | 87.998                       | 89.521                        | 92.249             | 96.259             | 101.334            |
| GASB Account                              | 6.548              | 7.216                        | 7.984                         | 8.746              | 9.607              | 10.512             |
| Reimbursable Overhead                     | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| <b>Total Labor</b>                        | <b>\$737.267</b>   | <b>\$747.826</b>             | <b>\$766.443</b>              | <b>\$800.789</b>   | <b>\$827.683</b>   | <b>\$867.753</b>   |
| <b>Non-Labor:</b>                         |                    |                              |                               |                    |                    |                    |
| Traction and Propulsion Power             | \$60.536           | \$60.571                     | \$63.651                      | \$67.948           | \$76.897           | \$80.609           |
| Fuel for Buses and Trains                 | 12.778             | 16.511                       | 18.464                        | 19.498             | 21.647             | 23.024             |
| Insurance                                 | 17.025             | 13.810                       | 16.623                        | 16.647             | 18.520             | 20.551             |
| Claims                                    | 8.814              | 12.146                       | 10.946                        | 10.946             | 10.946             | 10.946             |
| Paratransit Service Contracts             | 0.000              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts | 129.682            | 178.828                      | 161.328                       | 143.917            | 143.133            | 143.480            |
| Professional Service Contracts            | 35.087             | 38.952                       | 45.190                        | 44.622             | 43.143             | 44.413             |
| Materials & Supplies                      | 112.495            | 121.833                      | 134.997                       | 134.872            | 139.226            | 139.449            |
| Other Business Expenses                   | 34.498             | 29.365                       | 29.031                        | 28.367             | 28.949             | 30.967             |
| <b>Total Non-Labor</b>                    | <b>\$410.915</b>   | <b>\$472.016</b>             | <b>\$480.230</b>              | <b>\$466.817</b>   | <b>\$482.461</b>   | <b>\$493.439</b>   |
| <b>Other Adjustments:</b>                 |                    |                              |                               |                    |                    |                    |
| Other                                     | \$0.000            | \$0.000                      | \$0.000                       | \$0.000            | \$0.000            | \$0.000            |
| Cash Timing and Availability Adjustmen    | 7.973              | 0.000                        | 0.000                         | 0.000              | 0.000              | 0.000              |
| <b>Total Other Adjustments</b>            | <b>\$7.973</b>     | <b>\$0.000</b>               | <b>\$0.000</b>                | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenditures</b>                 | <b>\$1,156.155</b> | <b>\$1,219.842</b>           | <b>\$1,246.673</b>            | <b>\$1,267.606</b> | <b>\$1,310.144</b> | <b>\$1,361.192</b> |
| <b>Baseline Cash Deficit</b>              | <b>(\$378.399)</b> | <b>(\$420.167)</b>           | <b>(\$431.200)</b>            | <b>(\$454.523)</b> | <b>(\$487.133)</b> | <b>(\$523.291)</b> |
| <b>Subsidies</b>                          |                    |                              |                               |                    |                    |                    |
| MTA                                       | (\$293.476)        | (\$338.430)                  | (\$337.465)                   | (\$349.796)        | (\$368.718)        | (\$399.268)        |
| CDOT                                      | (84.923)           | (81.737)                     | (93.736)                      | (104.726)          | (118.415)          | (124.023)          |
| <b>Total Subsidies</b>                    | <b>(\$378.399)</b> | <b>(\$420.167)</b>           | <b>(\$431.201)</b>            | <b>(\$454.522)</b> | <b>(\$487.133)</b> | <b>(\$523.291)</b> |

**MTA METRO NORTH RAILROAD**  
**July Financial Plan 2011 - 2014**  
**Cash Conversion (Cash Flow Adjustments)**  
**(\$ in millions)**

| CASH FLOW ADJUSTMENTS   |                   |                              |                               |                   |                   |                   |
|---|-------------------|------------------------------|-------------------------------|-------------------|-------------------|-------------------|
|   | 2009<br>Actual    | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012              | 2013              | 2014              |
| <b>Receipts</b>   |                   |                              |                               |                   |                   |                   |
| Farebox Revenue   | \$10.113          | \$8.285                      | \$8.850                       | \$8.400           | \$8.450           | \$9.200           |
| Toll Revenue  | 0.000             | 0.000                        | 0.000                         | 0.000             | 0.000             | 0.000             |
| Other Operating Revenue   | 26.856            | 21.472                       | 23.760                        | 24.535            | 25.135            | 24.710            |
| MNR - MTA   | (2.654)           | (1.888)                      | (0.284)                       | (0.319)           | (0.324)           | (0.247)           |
| MNR - CDOT  | 1.580             | (5.591)                      | 0.299                         | 0.262             | 0.267             | 0.293             |
| MNR - Other   | 14.449            | (1.732)                      | 0.448                         | 0.994             | (0.249)           | (0.084)           |
| Capital and Other Reimbursements  | 13.375            | (9.211)                      | 0.463                         | 0.937             | (0.306)           | (0.038)           |
| <b>Total Receipts</b>   | <b>\$50.344</b>   | <b>\$20.546</b>              | <b>\$33.073</b>               | <b>\$33.872</b>   | <b>\$33.279</b>   | <b>\$33.872</b>   |
| <b>Expenditures</b>   |                   |                              |                               |                   |                   |                   |
| Payroll   | \$2.569           | \$1.118                      | \$1.384                       | (\$2.909)         | \$1.812           | (\$5.773)         |
| Overtime  | (0.805)           | (0.467)                      | 0.295                         | (0.681)           | 0.302             | (1.754)           |
| Health and Welfare  | (3.885)           | (12.181)                     | (13.207)                      | (14.167)          | (14.992)          | (16.349)          |
| OPEB Current Payment  | 0.000             | 9.410                        | 10.467                        | 11.353            | 12.312            | 13.351            |
| Pensions  | 5.891             | (4.649)                      | (0.045)                       | (0.051)           | (0.052)           | (0.054)           |
| Other Fringe Benefits   | 0.589             | (0.181)                      | (0.278)                       | (1.113)           | 0.013             | (1.931)           |
| GASB Account  | (6.548)           | (7.216)                      | (7.984)                       | (8.746)           | (9.607)           | (10.512)          |
| Reimbursable Overhead   | (0.526)           | (1.299)                      | (0.147)                       | (0.150)           | (0.153)           | (0.156)           |
| <b>Total Labor</b>  | <b>(\$2.715)</b>  | <b>(\$15.463)</b>            | <b>(\$9.516)</b>              | <b>(\$16.464)</b> | <b>(\$10.364)</b> | <b>(\$23.178)</b> |
| <b>Non-Labor:</b>   |                   |                              |                               |                   |                   |                   |
| Traction and Propulsion Power   | (\$0.016)         | \$0.000                      | \$0.000                       | \$0.000           | \$0.000           | \$0.000           |
| Fuel for Buses and Trains   | (0.020)           | 0.000                        | 0.000                         | 0.000             | 0.000             | 0.000             |
| Insurance   | (0.738)           | 0.832                        | (0.695)                       | 0.388             | (0.162)           | (0.790)           |
| Claims  | (7.621)           | (1.346)                      | (0.146)                       | (0.146)           | (0.146)           | (0.146)           |
| Paratransit Service Contracts   | 0.000             | 0.000                        | 0.000                         | 0.000             | 0.000             | 0.000             |
| Maintenance and Other Operating Contracts                                       | (29.989)          | (30.696)                     | (28.511)                      | (27.840)          | (28.221)          | (27.124)          |
| Professional Service Contracts  | (2.113)           | (1.403)                      | (1.772)                       | (1.877)           | (1.972)           | (1.943)           |
| Materials & Supplies  | (9.662)           | (3.749)                      | (5.092)                       | (5.627)           | (6.142)           | (3.915)           |
| Other Business Expenditures   | (19.619)          | (14.056)                     | (12.653)                      | (12.228)          | (12.429)          | (13.503)          |
| <b>Total Non-Labor</b>  | <b>(\$69.778)</b> | <b>(\$50.419)</b>            | <b>(\$48.869)</b>             | <b>(\$47.330)</b> | <b>(\$49.072)</b> | <b>(\$47.421)</b> |
| <b>Other Adjustments:</b>   |                   |                              |                               |                   |                   |                   |
| Other   | (\$22.149)        | (\$45.337)                   | (\$25.311)                    | (\$29.922)        | (\$26.158)        | (\$36.727)        |
| <b>Total Other Expenditure Adjustments</b>                                      | <b>(\$22.149)</b> | <b>(\$45.337)</b>            | <b>(\$25.311)</b>             | <b>(\$29.922)</b> | <b>(\$26.158)</b> | <b>(\$36.727)</b> |
| <b>Total Cash Conversion Adjustments before<br/>Depreciation and GASB Adjs.</b> | <b>(\$44.298)</b> | <b>(\$90.673)</b>            | <b>(\$50.622)</b>             | <b>(\$59.843)</b> | <b>(\$52.315)</b> | <b>(\$73.455)</b> |
| Depreciation Adjustment   | \$248.343         | \$215.000                    | \$231.000                     | \$248.167         | \$256.760         | \$265.611         |
| OPEB Obligation   | 43.965            | 63.000                       | 67.000                        | 71.000            | 75.000            | 79.000            |
| Environmental Remediation   | 5.101             | 9.000                        | 8.000                         | 8.240             | 8.487             | 8.742             |
| <b>Baseline Total Cash Conversion Adjustments</b>                               | <b>\$275.260</b>  | <b>\$241.663</b>             | <b>\$280.689</b>              | <b>\$297.485</b>  | <b>\$314.089</b>  | <b>\$316.626</b>  |

**MTA METRO-NORTH RAILROAD  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014  
YEAR-TO-YEAR CHANGES BY CATEGORY- BASELINE**

**FAREBOX REVENUE**

Non-Reimbursable

- East of Hudson ridership growth is projected at 1.1% in 2010, 2.1% in 2011, 2.9% in 2012, in 2013 2.0%, and 1.6% in 2014.
- 2011 assumes resumption of long-term regional economic growth.
- 2010 Revenues reflect the full year impact of the June 2009 10% fare increase. No additional fare increases are assumed.
- 2011-2014 ridership growth reflects a gradual recovery from the regional economic slowdown and the full-year impact of the Yankee-E.153<sup>rd</sup> Street service. Through 2014, increase in ridership reflects the resumption of modest employment growth and the continuing impacts of service initiatives.

Reimbursable

- Not applicable

Cash

- 2010-2014 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

- 2010 increase reflects the positive impact of the new agreement with CBS/Viacom and the area's increasing economic activity on advertising revenues, as well as increased commissary sales. In addition to these increases are higher net GCT retail tenant revenues, partially offset by a decrease in parking revenues and interest income due to lower interest and a lower level of investible funds.
- 2011 revenue increase reflects higher revenues from parking expansions and rate increases, higher advertising reflecting the new contract, the continuing improvement in GCT retail sales, and higher commissary revenues. These increases are slightly offset by a higher provision for GCT revenue funded restoration projects.



- 2012-2014 reflects contracted escalations in advertising revenues and higher GCT retail revenue, offset slightly by a higher provision for GCT restoration projects.

#### Cash

- 2010-2014 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.

- 2011 accrued expenditures (and receipts) are based upon the latest projections of capital project activity. Lower reimbursements in 2011 are primarily attributable to the winding down of the Danbury Branch Signal System and GCT Leaks Remediation (NYCDOT Share) plus scope reduction/completion of M-4 Mid-Life Remanufacture and completion of NHL Bombardier End Door Coach Mid-Life Overhaul (change orders).
- 2012 accrued expenditures (and receipts) are based upon the latest projections of capital project activity. Lower reimbursements in 2012 are primarily attributable to the continued winding down of the Danbury Branch Signal System and GCT Leaks Remediation (NYCDOT Share) plus the completion of the NHL Concrete Tie Project (in late 2011).
- 2013-2014 accrued expenditures (and receipts) are based on a continuation of 2012 project cost levels adjusted for the impact of inflation.

#### Cash

- 2010 includes adjustments for receipt timing differences. In addition, 2010-2014 includes cash adjustments to MTA and CDOT receipts for reimbursable portion of GASB contribution.

## **PAYROLL**

### **Non-Reimbursable**

- In 2010 both Non-Agreement and Agreement payroll reflect the partial year impacts of mid-year service reductions (9 positions), a 15% administrative payroll reduction net of severance (88 positions), and the benefits gained from the implementation of the Budget Reduction Program (BRP) (56 positions - of which 24 are deferrals to 2011). The BRP includes position reductions in ticket selling, material management, and rolling stock and facility maintenance.
- 2011-2014 benefit from the full year savings from the administrative payroll reductions and the Budget Reduction Program
- Non-Agreement salaries include provisions for cost of living increases in 2010-2014 of 1.87%, 2.23%, 2.20% and 1.97% respectively.
- 2011 is favorably impacted by the transfer of 45 Human Resources and Accounting positions to the BSC (\$2.4 million).
- 2011 includes the cost of positions to staff the GCT Fire Brigade (\$0.9 million) and 3 positions to support Human Resources functions (\$.3 million) and the incremental cost of Drug Testing positions to be added in October of 2010.
- 2013 payroll increases by (\$1.1 million) for Quality Control positions added to monitor operations division performance.
- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2014 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, 1.97% in 2013, and 1.91% in 2014.
- 2011 includes additional labor costs for Safety and Security improvements that support new intrusion detection and security monitoring systems in New York and Connecticut (\$1.4 million) and support personnel for the new Harmon Shop facilities (\$0.5 million) and the servicing of new M8 cars (\$ 2.3 million).
- 2012-2014 includes staffing costs for servicing of the new M-8 cars of \$2.3 million, \$1.5 million, and \$ 1.1 million respectively.
- 2012 and 2014 include FRA mandated emergency preparedness training (\$0.5 million).
- 2011-2014 includes additional T&E staffing to cover added service improvements of \$0.6 million in 2011, \$1.2 million in 2012, \$2.1 million in 2013, and \$1.0 million in 2014.

### **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**

- 2010-2014 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**

- Overtime follows the same inflation rate assumptions as the Agreement increases noted above and increases 2010 overtime costs by approximately \$1.0 million.
- As part of the Budget Reduction Program initiatives, a series of controls have been put in place to limit overtime in areas controlled by management. As a result, overtime budgets have been reduced by \$2.0 million in 2010, and an additional \$2.7 million in 2011.
- Included in 2011-2014 is higher scheduled overtime of \$0.5 million per year due to on-board coverage requirements for new service additions.

### **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**

- 2010 forecast reflects revised net premium rate increases for the NYS Empire Plan for employees with family coverage of 2.9% and for individual coverage of 3.6%.
- 2011-2014 include estimated annual premium increases for NYS Empire Plan health care and insurance premiums of 13.2% in 2011 and 6.9 % for 2012-2014.
- 2010-2014 costs are lower due to staffing reductions noted above 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**

- 2010-2014 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 health care for current retirees. The estimated annual costs for 2011-2014 are \$11.4 million in 2011, \$11.4 million in 2012, and \$12.3 million in 2013, and 13.4 million in 2014.

## **PENSIONS**

### **Non-Reimbursable and Reimbursable**

- 2010-2014 Pension costs reflect lower projected actuarial calculated annual required contributions.
- The 2010-2014 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 in 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 draft projections prepared by actuarial consultants. Future actuarial valuations are expected to reflect more accurate estimates of the pension liabilities on behalf of these employees.

### **Cash**

- 2010 includes an increase to MTA cash requirements for 2009 pension liability paid in 2010 (\$4.5 million).

## **OTHER FRINGE BENEFITS**

### **Non-Reimbursable**

- Railroad Retirement tax rates for Tier I and II remain constant for 2011-2014 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$106,800 in 2011 and 2012, \$117,300 in 2013 and \$122,700 in 2014.
- Maximum earnings level for Tier II is estimated at \$79,200 in 2011 and 2012, \$87,000 in 2013, and \$91,200 in 2014.
- Other cost adjustments reflect inflationary salary increases and changes in staffing levels effected by the implementation of the 15% Administrative Staffing and Budget Reduction Programs.

### **Reimbursable**

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

### **Cash**

- 2010-2014 adjustments include differences between expense accruals and cash disbursements.

## **GASB ACCOUNT**

### **Cash**

- 2010-2014 includes cash expenditures to fund a contribution to a special GASB 45 (Government Accounting Standards Board) fund earmarked for post-retirement liabilities for “Other than Pension Benefits” (healthcare costs).

## **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 2011 are based on a percentage share of direct labor costs charged to reimbursable projects. 2012-2014 overhead costs are based on the continuation of 2011 forecast levels, adjusted for inflation-based increases in labor costs.
- Material handling and equipment recovery increases are predicated on CPI-based inflation rates.

## **TRACTION AND PROPULSION POWER**

### **Non-Reimbursable**

- 2010-2014 also incorporates the net effect of the rolling stock equipment plan, new service, and savings from the AABB and Budget Reduction Program plans. Also included over this period are cost changes associated with the incorporation of the new M8 cars into NHL service, offset by the gradual retirement of the M2, M4 and M6 car fleet.
- 2010 forecasted prices are now estimated at 6% vs. a budgeted growth rate of 11%.
- In 2011-2014 costs reflect NYPA, CL&P and NYSEG annual increases of 4.2% in 2011, 6.7% in 2012, 3.6% in 2013, and 4.4 % in 2014. Anticipated savings due to the lower than previously projected prices offset the above mentioned service and Equipment Plan changes.

## **FUEL FOR BUSES AND TRAINS**

### **Non-Reimbursable**

- Fuel Prices reflect higher rates in 2011 of 8.7%, 2012 3.7%, 3.9% in 2013, and 3.23% in 2014. These rates are substantially lower than those previously assumed in the February Plan and offset incorporated Service Plan increases.

## **INSURANCE**

### **Non-Reimbursable and Reimbursable**

- Increases in 2011-2014 reflect revised insurance premium estimates.

### **Cash**

- 2010-2014 reflects increase in force account payments as well as All-Agency insurance costs. 2010-2014 also includes the difference between expense accruals and cash payments.

## **CLAIMS**

### **Non-Reimbursable**

- 2010 - 2014 reflect current claims trends.

**The Remaining Non-Reimbursable Cost Categories, other than Material & Supplies, were inflated by CPI Increases in 2011-2014 of 1.71%, 2.12%, 2.22%, and 2.17% respectively.**

## **MAINTENANCE AND OTHER CONTRACTS**

### **Non-Reimbursable**

- 2010-2014 includes fluctuating costs for East and West of Hudson locomotive overhauls as work is performed or completed. In 2010, these costs increase \$1.7 million; 2012 includes reductions of \$4.2 million, and 2013 a reduction of \$5.8 million respectively as program costs wind down or are completed.
- 2011 includes the cost of Customer and Employee Communications initiatives \$0.6 million.
- 2010–2014 incorporates higher West of Hudson subsidy payments in 2010 and 2011 of \$2.1 million, and in 2013 \$1.5 million due to contract cost escalations, service enhancements, and West of Hudson fare hold-down payments.
- 2011-2013 includes equipment disposal costs primarily for M2, M4, and M6 cars of \$1.3 million, \$3.9 million, and \$1.1 million respectively.
- In 2014 disposal costs are reduced by \$1.6 million.

### **Reimbursable**

- CPI increases in 2011-2014 follow the same pattern as non-reimbursable costs noted above.
- In 2011, decreased expenditures reflect the winding down of the Danbury Branch Signal System and GCT Leaks Remediation (NYCDOT Share) plus scope reduction/completion of the M4 Mid Life Overhaul and completion of NHL End Door Bombardier Coaches Mid-Life Overhaul; in 2012, decreased expenditures reflect the continued winding down of the Danbury Branch Signal System and GCT Leaks Remediation (NYCDOT Share) plus completion of the

NHL Concrete Tie project (in late 2011); and, in 2013, the estimate reflects the continuation of 2012 levels.

#### Cash

- 2010 cash adjustments include the elimination of non-cash GASB 49 environmental accruals and payment of 2009 accruals for equipment overhauls and real estate administration costs. 2010-2014 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. 2010-2014 also includes payments on behalf of CDOT for station facilities and the MTA for electricity charges.

### **PROFESSIONAL SERVICE CONTRACTS**

#### Non-Reimbursable

- 2010 -2014 includes Budget Reduction Program initiatives that reduce cost by \$2.3 million in 2010 and by \$1.0 million in 2011-2014, primarily for reductions advertising fees and a one-time provision for BSC PeopleSoft interface modifications.
- 2011 includes the effect of fewer position being transferred to the BSC due to the 15% Administrative Reduction Program (offset in Payroll costs) that adversely impact Professional Services by (\$2.4 million), and higher Security costs for the IESS/3C System and Physical Hardening project (\$0.8 million).

#### Reimbursable

- CPI increases in 2011-2014 follow the same pattern as non-reimbursable costs noted above.
- In 2011, the minor increase reflects the impact of the GCT Leaks Remediation (NYCDOT Share) and NHL Overhead Bridges. In 2012, the reduction reflects the completion of these two projects. In 2013-2014, levels are consistent with 2012 projections adjusted for the impact of inflation.

### **MATERIAL AND SUPPLIES**

#### Non-Reimbursable

- Inflationary increases based on the Chained Price Index for Industrial Building Materials were applied to prices in 2011-2014, and increase in 2011 and 2012 by 4.99%, by 5.07% in 2013, and by 4.86% in 2014.
- 2010 includes \$0.7 million earmarked for office space renovations that are eliminated in 2011.
- 2010-2014 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.
  - 2011 includes reduced material requirements for the NHL Equipment Replacement Plan (\$2.5 million) offset by \$4.4 million for new M8 car spare parts.

- 2012 includes additional expenditures for new M8 car spare parts (\$1.8 million), partially offset by lower cost for the NHL Equipment Replacement Plan (\$1.3 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 (\$4.3 million).
- 2014 includes the continued reduction in the M8 car spare parts procurement initiative for (\$4.4 million).

#### Reimbursable

- CPI increases in 2010-2013 follow the same pattern as non-reimbursable costs noted above.
- In 2011, the increase reflects requirements for the NHL Concrete Tie project. In 2012, the reduction reflects the winding down of the Danbury Branch Signal System and completion of the NHL Concrete Tie project in late 2011. In 2013, the reduction reflects the completion of the Danbury Branch Signal System project. In 2014, levels are consistent with 2013 projections adjusted for the impact of inflation.

#### Cash

- Cash adjustments reflect differences between expense accruals and cash requirements:
  - 2010 includes reductions in cash requirements due to 2008 advance inventory purchases (\$1.0 million). In addition, 2010-2014 includes decreases to cash requirements due to ongoing reductions in material consumption (\$4.4 million in 2010; \$2.4 million 2011-2014).
  - 2010-2014 includes adjustment for obsolete material reserve (\$0.6 million per year).

### **OTHER BUSINESS EXPENSES**

#### Non-Reimbursable

- 2011 includes the tri-annual cost of providing winter gear to agreement employees that is eliminated in 2012 and reinstated in 2014.

#### Reimbursable

- CPI increases in 2011-2014 follow the same pattern as non-reimbursable costs noted above.

#### Cash

- 2010-2014 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

- 2010-2014 includes provisions for changes in Metro-North's capital assets.

**OPEB OBLIGATION (GASB 45)**

Non-Reimbursable

- 2010-2014 costs reflect the recognition of the liability for Post Retirement Benefits (healthcare costs) for future retirees.

**ENVIRONMENTAL REMEDIATION (GASB 49)**

Non-Reimbursable

- 2010-2014 costs reflect the estimated liability for pollution remediation costs associated with capital projects.

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

|  | Favorable/(Unfavorable) |                    |                       |                    |                       |                    |                       |                    |                       |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b>Revenue</b>   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue  | \$525.160               | \$536.460          | \$11.300              | \$552.472          | \$16.012              | \$563.719          | \$11.247              | \$572.896          | \$9.177               |
| Vehicle Toll Revenue                                     |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Other Operating Revenue                                  | 40.079                  | 42.247             | \$2.168               | 43.149             | \$0.902               | 43.615             | \$0.466               | 44.340             | \$0.725               |
| Capital and Other Reimbursements                         |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| <b>Total Revenue</b>                                     | <b>\$565.239</b>        | <b>\$578.707</b>   | <b>\$13.468</b>       | <b>\$595.621</b>   | <b>\$16.914</b>       | <b>\$607.334</b>   | <b>\$11.713</b>       | <b>\$617.236</b>   | <b>\$9.902</b>        |
| <b>Expenses</b>  |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Labor:   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Payroll  | \$386.733               | \$397.472          | (\$10.739)            | \$409.922          | (\$12.450)            | \$423.962          | (\$14.040)            | \$434.952          | (\$10.990)            |
| Overtime   | 55.891                  | 55.046             | 0.845                 | 56.979             | (1.933)               | 58.915             | (1.936)               | 60.818             | (1.903)               |
| Health and Welfare                                       | 73.085                  | 81.587             | (8.501)               | 88.132             | (6.546)               | 95.563             | (7.431)               | 102.559            | (6.995)               |
| OPEB Current Payment                                     | 9.410                   | 10.467             | (1.057)               | 11.353             | (0.886)               | 12.312             | (0.959)               | 13.351             | (1.039)               |
| Pensions   | 47.767                  | 48.293             | (0.525)               | 50.190             | (1.897)               | 51.898             | (1.709)               | 53.328             | (1.430)               |
| Other Fringe Benefits                                    | 78.116                  | 79.562             | (1.446)               | 81.392             | (1.830)               | 86.143             | (4.751)               | 89.058             | (2.915)               |
| Reimbursable Overhead                                    | (37.974)                | (37.403)           | (0.571)               | (37.607)           | 0.204                 | (38.139)           | 0.532                 | (38.662)           | 0.523                 |
| <b>Total Labor Expenses</b>                              | <b>\$613.030</b>        | <b>\$635.023</b>   | <b>(\$21.994)</b>     | <b>\$660.361</b>   | <b>(\$25.338)</b>     | <b>\$690.655</b>   | <b>(\$30.294)</b>     | <b>\$715.404</b>   | <b>(\$24.748)</b>     |
| Non-Labor:   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Traction and Propulsion Power                            | 60.571                  | 63.651             | (\$3.080)             | 67.948             | (\$4.297)             | 76.897             | (\$8.949)             | 80.609             | (\$3.712)             |
| Fuel for Buses and Trains                                | 16.511                  | 18.464             | (1.953)               | 19.498             | (1.034)               | 21.647             | (2.149)               | 23.024             | (1.377)               |
| Insurance  | 10.800                  | 11.963             | (1.163)               | 13.008             | (1.045)               | 14.275             | (1.267)               | 15.623             | (1.348)               |
| Claims   | 10.800                  | 10.800             | (0.000)               | 10.800             | 0.000                 | 10.800             | 0.000                 | 10.800             | 0.000                 |
| Paratransit Service Contracts                            | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| Maintenance and Other                                    | 96.217                  | 100.266            | (4.049)               | 101.067            | (0.801)               | 98.984             | 2.083                 | 100.156            | (1.172)               |
| Professional Service Contracts                           | 29.464                  | 34.586             | (5.122)               | 35.238             | (0.652)               | 36.236             | (0.998)               | 37.451             | (1.215)               |
| Materials & Supplies                                     | 88.059                  | 94.166             | (6.107)               | 96.779             | (2.613)               | 102.922            | (6.143)               | 103.906            | (0.984)               |
| Other Business Expenses                                  | 14.619                  | 15.676             | (1.057)               | 15.523             | 0.153                 | 15.894             | (0.370)               | 16.827             | (0.933)               |
| <b>Total Non-Labor Expenses</b>                          | <b>\$327.040</b>        | <b>\$349.572</b>   | <b>(\$22.532)</b>     | <b>\$359.861</b>   | <b>(\$10.289)</b>     | <b>\$377.655</b>   | <b>(\$17.793)</b>     | <b>\$388.396</b>   | <b>(\$10.741)</b>     |
| Other Expenses Adjustments:                              |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Other  | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>          | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$940.070</b>        | <b>\$984.596</b>   | <b>(\$44.526)</b>     | <b>\$1,020.223</b> | <b>(\$35.627)</b>     | <b>\$1,068.310</b> | <b>(\$48.087)</b>     | <b>\$1,103.799</b> | <b>(\$35.490)</b>     |
| Depreciation   | 215.000                 | 231.000            | (16.000)              | 248.167            | (17.167)              | 256.760            | (8.593)               | 265.611            | (8.851)               |
| OPEB Obligation  | 63.000                  | 67.000             | (4.000)               | 71.000             | (4.000)               | 75.000             | (4.000)               | 79.000             | (4.000)               |
| Environmental Remediation                                | 9.000                   | 8.000              | 1.000                 | 8.240              | (0.240)               | 8.487              | (0.247)               | 8.742              | (0.255)               |
| <b>Total Expenses</b>                                    | <b>\$1,227.070</b>      | <b>\$1,290.596</b> | <b>(\$63.526)</b>     | <b>\$1,347.630</b> | <b>(\$57.034)</b>     | <b>\$1,408.557</b> | <b>(\$60.928)</b>     | <b>\$1,457.152</b> | <b>(\$48.595)</b>     |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$661.831)</b>      | <b>(\$711.889)</b> | <b>(\$50.058)</b>     | <b>(\$752.009)</b> | <b>(\$40.120)</b>     | <b>(\$801.223)</b> | <b>(\$49.215)</b>     | <b>(\$839.916)</b> | <b>(\$38.693)</b>     |

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**REIMBURSABLE**

|   | Favorable/(Unfavorable) |                  |                       |                  |                       |                  |                       |                  |                       |
|---|-------------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
|   | 2010                    | 2011             | Change<br>2011 - 2010 | 2012             | Change<br>2012 - 2011 | 2013             | Change<br>2013 - 2012 | 2014             | Change<br>2014 - 2013 |
| <b>Revenue</b>                            |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Farebox Revenue                           | \$0.000                 | \$0.000          | \$0.000               | \$0.000          | \$0.000               | \$0.000          | \$0.000               | \$0.000          | \$0.000               |
| Vehicle Toll Revenue                      | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Other Operating Revenue                   | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Capital and Other Reimbursements          | 213.890                 | 203.693          | (10.197)              | 183.590          | (20.103)              | 182.398          | (1.192)               | 186.793          | 4.395                 |
| <b>Total Revenue</b>                      | <b>\$213.890</b>        | <b>\$203.693</b> | <b>(\$10.197)</b>     | <b>\$183.590</b> | <b>(\$20.103)</b>     | <b>\$182.398</b> | <b>(\$1.192)</b>      | <b>\$186.793</b> | <b>\$4.395</b>        |
| <b>Expenses</b>                           |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Labor:                                    |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Payroll                                   | \$44.152                | \$44.881         | (0.729)               | \$45.613         | (\$0.732)             | \$46.280         | (\$0.667)             | \$46.936         | (\$0.656)             |
| Overtime                                  | 13.451                  | 13.614           | (0.163)               | 13.776           | (0.162)               | 13.923           | (0.147)               | 14.067           | (0.144)               |
| Health and Welfare                        | 10.007                  | 10.805           | (0.798)               | 11.503           | (0.698)               | 12.273           | (0.770)               | 13.042           | (0.769)               |
| OPEB Current Payment                      |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Pensions                                  | 5.347                   | 5.667            | (0.320)               | 5.871            | (0.204)               | 6.073            | (0.202)               | 6.275            | (0.202)               |
| Other Fringe Benefits                     | 9.701                   | 9.681            | 0.020                 | 9.744            | (0.063)               | 10.129           | (0.385)               | 10.345           | (0.216)               |
| Reimbursable Overhead                     | 36.675                  | 37.256           | (0.581)               | 37.457           | (0.201)               | 37.986           | (0.529)               | 38.506           | (0.520)               |
| <b>Total Labor Expenses</b>               | <b>\$119.333</b>        | <b>\$121.904</b> | <b>(\$2.571)</b>      | <b>\$123.964</b> | <b>(\$2.060)</b>      | <b>\$126.664</b> | <b>(\$2.700)</b>      | <b>\$129.171</b> | <b>(\$2.507)</b>      |
| Non-Labor:                                |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Traction and Propulsion Power             | \$0.000                 | \$0.000          | 0.000                 | \$0.000          | \$0.000               | \$0.000          | \$0.000               | \$0.000          | \$0.000               |
| Fuel for Buses and Trains                 | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Insurance                                 | 3.842                   | 3.965            | (0.123)               | 4.027            | (0.062)               | 4.083            | (0.056)               | 4.138            | (0.055)               |
| Claims                                    | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Paratransit Service Contracts             | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| Operating Contracts                       | 51.915                  | 32.551           | 19.364                | 15.010           | 17.541                | 15.928           | (0.918)               | 16.200           | (0.272)               |
| Professional Service Contracts            | 8.085                   | 8.832            | (0.747)               | 7.507            | 1.325                 | 4.935            | 2.572                 | 5.019            | (0.084)               |
| Materials & Supplies                      | 30.025                  | 35.739           | (5.714)               | 32.466           | 3.273                 | 30.162           | 2.304                 | 31.628           | (1.466)               |
| Other Business Expenses                   | 0.690                   | 0.702            | (0.012)               | 0.616            | 0.086                 | 0.626            | (0.010)               | 0.637            | (0.011)               |
| <b>Total Non-Labor Expenses</b>           | <b>\$94.557</b>         | <b>\$81.789</b>  | <b>\$12.768</b>       | <b>\$59.626</b>  | <b>\$22.163</b>       | <b>\$55.734</b>  | <b>\$3.892</b>        | <b>\$57.622</b>  | <b>(\$1.888)</b>      |
| Other Expenses Adjustments:               |                         |                  |                       |                  |                       |                  |                       |                  |                       |
| Other                                     | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>          | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation</b> | <b>\$213.890</b>        | <b>\$203.693</b> | <b>\$10.197</b>       | <b>\$183.590</b> | <b>\$20.103</b>       | <b>\$182.398</b> | <b>\$1.192</b>        | <b>\$186.793</b> | <b>(\$4.395)</b>      |
| Depreciation                              | 0.000                   | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 | 0.000            | 0.000                 |
| <b>Total Expenses</b>                     | <b>\$213.890</b>        | <b>\$203.693</b> | <b>\$10.197</b>       | <b>\$183.590</b> | <b>\$20.103</b>       | <b>\$182.398</b> | <b>\$1.192</b>        | <b>\$186.793</b> | <b>(\$4.395)</b>      |
| <b>Baseline Surplus/(Deficit)</b>         | <b>\$0.000</b>          | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>\$0.000</b>        | <b>\$0.000</b>   | <b>(\$0.000)</b>      | <b>\$0.000</b>   | <b>(\$0.000)</b>      |

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and REIMBURSABLE**

|   | Favorable/(Unfavorable) |                    |                       |                    |                       |                    |                       |                    |                       |
|---|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|   | 2010                    | 2011               | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b>Revenue</b>                            |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue                           | \$525.160               | \$536.460          | \$11.300              | \$552.472          | \$16.012              | \$563.719          | \$11.247              | \$572.896          | \$9.177               |
| Vehicle Toll Revenue                      | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| Other Operating Revenue                   | 40.079                  | 42.247             | 2.168                 | 43.149             | 0.902                 | 43.615             | 0.466                 | 44.340             | 0.725                 |
| Capital and Other Reimbursements          | 213.890                 | 203.693            | (10.197)              | 183.590            | (20.103)              | 182.398            | (1.192)               | 186.793            | 4.395                 |
| <b>Total Revenue</b>                      | <b>\$779.129</b>        | <b>\$782.400</b>   | <b>\$3.271</b>        | <b>\$779.211</b>   | <b>(\$3.189)</b>      | <b>\$789.732</b>   | <b>\$10.521</b>       | <b>\$804.029</b>   | <b>\$14.297</b>       |
| <b>Expenses</b>                           |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Labor:                                    |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Payroll                                   | \$430.885               | \$442.353          | (\$11.468)            | \$455.535          | (\$13.182)            | \$470.242          | (\$14.707)            | \$481.888          | (\$11.646)            |
| Overtime                                  | 69.342                  | 68.660             | 0.682                 | 70.755             | (2.095)               | 72.838             | (2.083)               | 74.885             | (2.047)               |
| Health and Welfare                        | 83.092                  | 92.392             | (9.299)               | 99.635             | (7.244)               | 107.836            | (8.201)               | 115.601            | (7.764)               |
| Fuel for Buses and Trains                 | 16.511                  | 18.464             | (1.953)               | 19.498             | (1.034)               | 21.647             | (2.149)               | 23.024             | (1.377)               |
| Insurance                                 | 14.642                  | 15.928             | (1.286)               | 17.035             | (1.107)               | 18.358             | (1.323)               | 19.761             | (1.403)               |
| Claims                                    | 10.800                  | 10.800             | (0.000)               | 10.800             | 0.000                 | 10.800             | 0.000                 | 10.800             | 0.000                 |
| Paratransit Service Contracts             | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| Maintenance and Other Operating Contracts | 148.132                 | 132.817            | 15.315                | 116.077            | 16.740                | 114.912            | 1.165                 | 116.356            | (1.444)               |
| Professional Service Contracts            | 37.549                  | 43.418             | (5.869)               | 42.745             | 0.673                 | 41.171             | 1.574                 | 42.470             | (1.299)               |
| Materials & Supplies                      | 118.084                 | 129.905            | (11.821)              | 129.245            | 0.660                 | 133.084            | (3.839)               | 135.534            | (2.450)               |
| Other Business Expenses                   | 15.309                  | 16.378             | (1.069)               | 16.139             | 0.239                 | 16.520             | (0.380)               | 17.464             | (0.944)               |
| <b>Total Non-Labor Expenses</b>           | <b>\$421.597</b>        | <b>\$431.361</b>   | <b>(\$9.764)</b>      | <b>\$419.487</b>   | <b>\$11.874</b>       | <b>\$433.389</b>   | <b>(\$13.901)</b>     | <b>\$446.018</b>   | <b>(\$12.629)</b>     |
| Other Expenses Adjustments:               | \$0.000                 | \$0.000            | \$0.000               | \$0.000            | \$0.000               | \$0.000            | \$0.000               | \$0.000            | \$0.000               |
| Other                                     | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>          | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation</b> | <b>\$1,153.960</b>      | <b>\$1,188.289</b> | <b>(\$34.329)</b>     | <b>\$1,203.813</b> | <b>(\$15.524)</b>     | <b>\$1,250.708</b> | <b>(\$46.895)</b>     | <b>\$1,290.592</b> | <b>(\$39.885)</b>     |
| Depreciation                              | \$215.000               | \$231.000          | (16.000)              | \$248.167          | (\$17.167)            | \$256.760          | (\$8.593)             | \$265.611          | (\$8.851)             |
| OPEB Obligation                           | 63.000                  | 67.000             | (4.000)               | 71.000             | (4.000)               | 75.000             | (4.000)               | 79.000             | (4.000)               |
| Environmental Remediation                 | 9.000                   | 8.000              | 1.000                 | 8.240              | (0.240)               | 8.487              | (0.247)               | 8.742              | (0.255)               |
| <b>Total Expenses</b>                     | <b>\$1,440.960</b>      | <b>\$1,494.289</b> | <b>(\$53.329)</b>     | <b>\$1,531.220</b> | <b>(\$36.931)</b>     | <b>\$1,590.955</b> | <b>(\$59.736)</b>     | <b>\$1,643.945</b> | <b>(\$52.990)</b>     |
| <b>Baseline Surplus/(Deficit)</b>         | <b>(\$661.831)</b>      | <b>(\$711.889)</b> | <b>(\$50.058)</b>     | <b>(\$752.009)</b> | <b>(\$40.120)</b>     | <b>(\$801.223)</b> | <b>(\$49.215)</b>     | <b>(\$839.916)</b> | <b>(\$38.693)</b>     |

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Year-to-Year Changes by Category - Cash Basis**  
**(\$ in millions)**

|  | Favorable/(Unfavorable) |                    |                       |                    |                       |                    |                       |                    |                       |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b>Cash Receipts &amp; Expenditures</b>      |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| <b><u>Receipts</u></b>                       |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue                              | \$533.445               | \$545.310          | \$11.865              | \$560.872          | \$15.562              | \$572.169          | \$11.297              | \$582.096          | \$9.927               |
| Vehicle Toll Revenue                         | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| Other Operating Revenue                      | 61.551                  | 66.007             | 4.456                 | 67.684             | 1.677                 | 68.750             | 1.066                 | 69.050             | 0.300                 |
| Capital and Other Reimbursements             | 204.679                 | 204.156            | (0.523)               | 184.527            | (19.629)              | 182.092            | (2.435)               | 186.755            | 4.663                 |
| <b>Total Receipts</b>                        | <b>\$799.675</b>        | <b>\$815.473</b>   | <b>\$15.798</b>       | <b>\$813.083</b>   | <b>(\$2.390)</b>      | <b>\$823.011</b>   | <b>\$9.928</b>        | <b>\$837.901</b>   | <b>\$14.890</b>       |
| <b><u>Expenditures</u></b>                   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| <b>Labor:</b>                                |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Payroll                                      | \$429.767               | \$440.969          | (\$11.202)            | \$458.444          | (\$17.475)            | \$468.430          | (\$9.987)             | \$487.661          | (\$19.231)            |
| Overtime                                     | 69.809                  | 68.365             | 1.444                 | 71.436             | (3.071)               | 72.536             | (1.099)               | 76.639             | (4.103)               |
| Health and Welfare                           | 95.273                  | 105.599            | (10.326)              | 113.802            | (8.203)               | 122.828            | (9.026)               | 131.950            | (9.122)               |
| OPEB Current Payment                         | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| Pensions                                     | 57.763                  | 54.005             | 3.758                 | 56.112             | (2.107)               | 58.023             | (1.911)               | 59.657             | (1.634)               |
| Other Fringe Benefits                        | 87.998                  | 89.521             | (1.523)               | 92.249             | (2.728)               | 96.259             | (4.010)               | 101.334            | (5.075)               |
| Reimbursable Overhead                        | 7.216                   | 7.984              | (0.768)               | 8.746              | (0.762)               | 9.607              | (0.861)               | 10.512             | (0.905)               |
| <b>Total Labor Expenditures</b>              | <b>\$747.826</b>        | <b>\$766.443</b>   | <b>(\$18.617)</b>     | <b>\$800.789</b>   | <b>(\$34.346)</b>     | <b>\$827.683</b>   | <b>(\$26.894)</b>     | <b>\$867.753</b>   | <b>(\$40.070)</b>     |
| <b>Non-Labor:</b>                            |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Traction and Propulsion Power                | \$60.571                | \$63.651           | (\$3.080)             | \$67.948           | (\$4.297)             | \$76.897           | (\$8.949)             | \$80.609           | (\$3.712)             |
| Fuel for Buses and Trains                    | 16.511                  | 18.464             | (1.953)               | 19.498             | (1.034)               | 21.647             | (2.149)               | 23.024             | (1.377)               |
| Insurance                                    | 13.810                  | 16.623             | (2.813)               | 16.647             | (0.024)               | 18.520             | (1.873)               | 20.551             | (2.031)               |
| Claims                                       | 12.146                  | 10.946             | 1.200                 | 10.946             | 0.000                 | 10.946             | 0.000                 | 10.946             | 0.000                 |
| Paratransit Service Contracts                | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| Maintenance and Other<br>Operating Contracts | 178.828                 | 161.328            | 17.500                | 143.917            | 17.411                | 143.133            | 0.784                 | 143.480            | (0.347)               |
| <b>Total Expenditures</b>                    | <b>\$1,219.842</b>      | <b>\$1,246.673</b> | <b>(\$26.831)</b>     | <b>\$1,267.606</b> | <b>(\$20.933)</b>     | <b>\$1,310.144</b> | <b>(\$42.538)</b>     | <b>\$1,361.192</b> | <b>(\$51.048)</b>     |
| <b>Baseline Net Cash Deficit</b>             | <b>(\$420.167)</b>      | <b>(\$431.200)</b> | <b>(\$11.033)</b>     | <b>(\$454.523)</b> | <b>(\$23.323)</b>     | <b>(\$487.133)</b> | <b>(\$32.610)</b>     | <b>(\$523.291)</b> | <b>(\$36.158)</b>     |
| <b><u>Subsidies</u></b>                      |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| MTA  | (\$338.430)             | (\$337.465)        | \$0.965               | (\$349.796)        | (\$12.331)            | (\$368.718)        | (\$18.921)            | (\$399.268)        | (\$30.550)            |
| CDOT   | (81.737)                | (93.736)           | (11.999)              | (104.726)          | (10.990)              | (118.415)          | (13.689)              | (124.023)          | (5.608)               |
| <b>Total Subsidies</b>                       | <b>(\$420.167)</b>      | <b>(\$431.201)</b> | <b>(\$11.034)</b>     | <b>(\$454.522)</b> | <b>(\$23.321)</b>     | <b>(\$487.133)</b> | <b>(\$32.610)</b>     | <b>(\$523.291)</b> | <b>(\$36.158)</b>     |

**MTA METRO-NORTH RAILROAD  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014  
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

Revisions to Metro-North's financial plan for the 2010-2014 period reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of recently implemented cost reduction plans.

**2010: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN**

The Mid-Year Forecast subsidy requirements for non-reimbursable operations are \$47.4 million lower than the 2010 Adopted Budget. The decrease reflects higher revenues of \$18.4 million and lower expenditures of \$29.0 million. Passenger revenues are \$16.1 million higher than projected due to improving ridership (2.1% increase vs. Adopted Budget) in both the commutation and non-commutation markets. Non-passenger revenues are higher by \$2.3 million related to better-than-anticipated advertising and GCT retail proceeds. Favorable expenses reflect the \$31.7 million Budget Reduction Plan described previously which incorporates labor cost savings from position eliminations and overtime reductions, inventory and contract service savings from improved management and term renegotiations, energy pricing adjustments, lower fringe cost provisions, lower advertising costs, as well as ticket selling.

Reimbursable project costs (and receipts) for 2010 are \$20.8 million lower than the Adopted Budget reflecting multiple rescheduling changes due to funding constraints including the new MTA 5-Year Program projects and GCT Leaks project as well as delays on the 525 North Broadway project offset by the inclusion of previously unfunded CDOT projects not included in the 2010 Adopted Budget.

**2011: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN**

The 2011 Preliminary Budget subsidy requirements are \$59.2 million lower than the February Financial Plan. The decrease reflects a \$13.9 million increase in revenues primarily driven by an increase in passenger revenues due to increased ridership, and cash expenditures that are \$45.3 million lower than the February Financial Plan. Of this total \$26.6 million is attributable to the continuation of the 2010 Budget Reduction Plan and a full year implementation of the Administrative Staffing Reduction Plan. Additional cost savings include further reductions in overtime (\$2.7 million), lower fringe benefit costs, lower insurance and claims costs due to continued efforts to improve safety and lower expenditures for Police costs. Energy and

material usage costs are also lower due to favorable pricing as well as adjustments to the NHL Equipment Plan which reflects an earlier retirement of the M2 fleet

Reimbursable project costs (and receipts) for 2011 are \$28.8 million lower than the February Plan and essentially reflect a continuation of project levels from 2010 decreased by the winding down of the Danbury Branch Signal System and GCT Leaks Remediation projects (NYCDOT Share) as well as the scope reduction/completion of the M4 Mid-Life Overhaul and completion of the NHL End Door Bombardier Mid-Life Coach Overhaul (change orders).

### **2012 - 2013: JULY FINANCIAL PLAN VS. FEBRUARY FINANCIAL PLAN**

The 2012 - 2013 July Financial Plan subsidy requirements are lower than the February Financial Plan by \$76.8 million in 2012, and \$68.9 million in 2013. These increases reflect increases in East of Hudson passenger revenues 2012-2013 reflective of an improvement in the regional economy and the continuation of the 2010 overall budget and Administrative Staff Reduction Plans. The projections also reflect the continuation of lower fringe benefit costs, lower insurance and claims costs and lower expenditures for Police Services. Energy and material usage costs are also lower due to favorable pricing as well as adjustments to the NHL Equipment Plan which reflects an earlier retirement of the M2 fleet as well as the retirement of M4 and M6 cars in conjunction with the acquisition of the new M8 car fleet.

Reimbursable project costs (and receipts) compared to the February Plan are lower by \$52.8 million in 2012, and by \$51.8 million in 2013 reflecting a continuation of project levels from 2010 but reduced by the completion of the Danbury Branch Signal System, GCT Leaks Remediation (NYCDOT Share), NHL Concrete Tie (late 2011) and CDOT Overhead Bridges.

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

| NON-REIMBURSABLE   |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2010               | 2011               | 2012               | 2013               |
| <b>2010 February Financial Plan Baseline - Operating Cash Income/(Deficit)</b> | <b>(\$467.583)</b> | <b>(\$490.373)</b> | <b>(\$531.318)</b> | <b>(\$556.055)</b> |
| <b>Baseline Changes</b>  |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Farebox Revenue  | \$16.092           | \$10.993           | \$8.028            | \$4.332            |
| Vehicle Toll Revenue   | 0.000              | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue  | 2.298              | 2.864              | 3.262              | 2.270              |
| Capital and Other Reimbursement  | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total Revenue Changes</b>   | <b>\$18.390</b>    | <b>\$13.857</b>    | <b>\$11.290</b>    | <b>\$6.602</b>     |
| <b>Expenses</b>  |                    |                    |                    |                    |
| <b>Labor:</b>  |                    |                    |                    |                    |
| Payroll  | \$4.967            | \$9.011            | \$10.169           | \$11.942           |
| Overtime   | 2.485              | 4.720              | 4.919              | 5.055              |
| Health and Welfare   | 5.721              | 3.158              | 3.649              | 4.132              |
| OPEB Current Payment   | 0.000              | 0.000              | 0.000              | 0.000              |
| Pensions   | 2.261              | 7.951              | 12.385             | 12.425             |
| Other Fringe Benefits  | 1.353              | 2.217              | 2.325              | 2.936              |
| Reimbursable Overhead  | (1.982)            | (2.485)            | (2.917)            | (2.974)            |
| <b>Total Labor Expense Changes</b>   | <b>\$14.803</b>    | <b>\$24.573</b>    | <b>\$30.530</b>    | <b>\$33.515</b>    |
| <b>Non-Labor:</b>  |                    |                    |                    |                    |
| Traction and Propulsion Power  | \$6.710            | \$9.749            | \$15.027           | \$15.961           |
| Fuel for Buses and Trains  | 1.201              | 3.029              | 2.359              | 8.112              |
| Insurance  | 2.534              | 2.843              | 3.485              | 4.141              |
| Claims   | 1.200              | 1.200              | 1.200              | 1.200              |
| Paratransit Service Contracts  | 0.000              | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts                                      | 4.881              | 2.957              | 3.822              | (1.985)            |
| Professional Service Contracts   | 4.868              | 3.522              | 4.303              | 4.038              |
| Materials & Supplies   | (2.679)            | 1.841              | 5.294              | 0.970              |
| Other Business Expenses  | (1.039)            | (1.080)            | (1.159)            | (1.258)            |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$17.677</b>    | <b>\$24.061</b>    | <b>\$34.331</b>    | <b>\$31.179</b>    |
| <b>Total Expenses before Depreciation and GASB Adjustments</b>                 | <b>\$32.480</b>    | <b>\$48.633</b>    | <b>\$64.860</b>    | <b>\$64.694</b>    |
| Depreciation   | \$16.724           | \$8.824            | \$0.000            | \$0.000            |
| OPEB Obligation  | 0.000              | 0.000              | 0.000              | 0.000              |
| Environmental Remediation  | (1.000)            | 0.240              | 0.247              | 0.255              |
| <b>Total Expense Changes</b>   | <b>\$48.204</b>    | <b>\$57.697</b>    | <b>\$65.107</b>    | <b>\$64.949</b>    |
| <b>Cash Conversion Adjustment Changes</b>                                      |                    |                    |                    |                    |
| Depreciation   | (\$16.724)         | (\$8.824)          | \$0.000            | \$0.000            |
| Operating/Capital  | (0.085)            | 2.407              | 0.000              | 0.000              |
| Other Cash Adjustments   | (2.369)            | (5.963)            | 0.397              | (2.628)            |
| <b>Total Cash Conversion Adjustments</b>                                       | <b>(\$19.178)</b>  | <b>(\$12.380)</b>  | <b>\$0.397</b>     | <b>(\$2.628)</b>   |
| <b>Total Baseline Changes</b>  | <b>\$47.416</b>    | <b>\$59.174</b>    | <b>\$76.794</b>    | <b>\$68.923</b>    |
| <b>2010 July Financial Plan Baseline - Operating Cash Income/(Deficit)</b>     | <b>(\$420.167)</b> | <b>(\$431.199)</b> | <b>(\$454.524)</b> | <b>(\$487.132)</b> |



**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

| REIMBURSABLE   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2010              | 2011              | 2012              | 2013              |
| <b>2010 February Financial Plan Baseline - Operating Cash Income/(Deficit)</b> | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Baseline Changes</b>  |                   |                   |                   |                   |
| <b>Revenue</b>   |                   |                   |                   |                   |
| Farebox Revenue  | \$0.000           | \$0.000           | \$0.000           | \$0.000           |
| Vehicle Toll Revenue   | 0.000             | 0.000             | 0.000             | 0.000             |
| Other Operating Revenue  | 0.000             | 0.000             | 0.000             | 0.000             |
| Capital and Other Reimbursement  | (20.775)          | (28.819)          | (52.769)          | (51.757)          |
| <b>Total Revenue Changes</b>   | <b>(\$20.775)</b> | <b>(\$28.819)</b> | <b>(\$52.769)</b> | <b>(\$51.757)</b> |
| <b>Expenses</b>  |                   |                   |                   |                   |
| <b>Labor:</b>  |                   |                   |                   |                   |
| Payroll  | (\$1.349)         | (\$1.366)         | (\$1.382)         | (\$1.398)         |
| Overtime   | 2.096             | 2.121             | 2.146             | 2.169             |
| Health and Welfare   | 0.468             | 0.074             | 0.080             | 0.084             |
| OPEB Current Payment   | 0.000             | 0.000             | 0.000             | 0.000             |
| Pensions   | 1.390             | 1.566             | 2.070             | 1.944             |
| Other Fringe Benefits  | (0.089)           | 0.030             | 0.032             | 0.029             |
| Reimbursable Overhead  | 1.520             | 1.557             | 1.972             | 2.007             |
| <b>Total Labor Expense Changes</b>   | <b>\$4.036</b>    | <b>\$3.983</b>    | <b>\$4.918</b>    | <b>\$4.835</b>    |
| <b>Non-Labor:</b>  |                   |                   |                   |                   |
| Traction and Propulsion Power  | \$0.000           | \$0.000           | \$0.000           | \$0.000           |
| Fuel for Buses and Trains  | 0.000             | 0.000             | 0.000             | 0.000             |
| Insurance  | 0.629             | 0.611             | 0.621             | 0.629             |
| Claims   | 0.000             | 0.000             | 0.000             | 0.000             |
| Paratransit Service Contracts  | 0.000             | 0.000             | 0.000             | 0.000             |
| Maintenance and Other Operating Contracts                                      | (2.301)           | 10.043            | 25.906            | 17.392            |
| Professional Service Contracts   | (3.038)           | (3.671)           | (2.239)           | 0.434             |
| Materials & Supplies   | 21.678            | 18.084            | 23.698            | 28.603            |
| Other Business Expenses  | (0.229)           | (0.230)           | (0.134)           | (0.136)           |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$16.739</b>   | <b>\$24.837</b>   | <b>\$47.852</b>   | <b>\$46.922</b>   |
| <b>Cash Conversion Adjustment Changes</b>                                      |                   |                   |                   |                   |
| Depreciation   | 0.000             | 0.000             | 0.000             | 0.000             |
| Operating/Capital  | 0.000             | 0.000             | 0.000             | 0.000             |
| Other Cash Adjustments   | 0.000             | 0.000             | 0.000             | 0.000             |
| <b>Total Cash Conversion Adjustments</b>                                       | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Baseline Changes</b>  | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>2010 July Financial Plan Baseline - Operating Cash Income/(Deficit)</b>     | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

|  | 2010               | 2011               | 2012               | 2013               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>2010 February Financial Plan Baseline - Operating Cash Income/(Deficit)</b> | <b>(\$467.583)</b> | <b>(\$490.373)</b> | <b>(\$531.318)</b> | <b>(\$556.055)</b> |
| <b>Baseline Changes</b>  |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Farebox Revenue  | \$16.092           | \$10.993           | \$8.028            | \$4.332            |
| Vehicle Toll Revenue   | 0.000              | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue  | 2.298              | 2.864              | 3.262              | 2.270              |
| Capital and Other Reimbursement  | (20.775)           | (28.819)           | (52.769)           | (51.757)           |
| <b>Total Revenue Changes</b>   | <b>(\$2.385)</b>   | <b>(\$14.962)</b>  | <b>(\$41.479)</b>  | <b>(\$45.155)</b>  |
| <b>Expenses</b>  |                    |                    |                    |                    |
| <b>Labor:</b>  |                    |                    |                    |                    |
| Payroll  | \$3.618            | \$7.645            | \$8.787            | \$10.544           |
| Overtime   | 4.580              | 6.841              | 7.065              | 7.224              |
| Health and Welfare   | 6.188              | 3.232              | 3.729              | 4.215              |
| OPEB Current Payment   | 0.000              | 0.000              | 0.000              | 0.000              |
| Pensions   | 3.651              | 9.517              | 14.455             | 14.369             |
| Other Fringe Benefits  | 1.264              | 2.247              | 2.357              | 2.964              |
| Reimbursable Overhead  | (0.462)            | (0.928)            | (0.946)            | (0.968)            |
| <b>Total Labor Expense Changes</b>   | <b>\$18.839</b>    | <b>\$28.555</b>    | <b>\$35.448</b>    | <b>\$38.350</b>    |
| <b>Non-Labor:</b>  |                    |                    |                    |                    |
| Traction and Propulsion Power  | \$6.710            | \$9.749            | \$15.027           | \$15.961           |
| Fuel for Buses and Trains  | 1.201              | 3.029              | 2.359              | 8.112              |
| Insurance  | 3.163              | 3.454              | 4.106              | 4.770              |
| Claims   | 1.200              | 1.200              | 1.200              | 1.200              |
| Paratransit Service Contracts  | 0.000              | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts                                      | 2.580              | 13.000             | 29.728             | 15.407             |
| Professional Service Contracts   | 1.831              | (0.149)            | 2.064              | 4.472              |
| Materials & Supplies   | 18.999             | 19.925             | 28.992             | 29.573             |
| Other Business Expenses  | (1.268)            | (1.311)            | (1.294)            | (1.393)            |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$34.416</b>    | <b>\$48.897</b>    | <b>\$82.182</b>    | <b>\$78.101</b>    |
| <b>Total Expenses before Non-Cash Liability Adjs.</b>                          | <b>\$53.255</b>    | <b>\$77.453</b>    | <b>\$117.630</b>   | <b>\$116.451</b>   |
| Depreciation   | \$16.724           | \$8.824            | \$0.000            | \$0.000            |
| 2009 Agency Program to Eliminate the Gap (PEGs)                                | 0.000              | 0.000              | 0.000              | 0.000              |
| <b>Total PEGS</b>  | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Baseline Net Surplus/(Deficit) Changes</b>                                  | <b>\$66.594</b>    | <b>\$71.554</b>    | <b>\$76.397</b>    | <b>\$71.551</b>    |
| <b>Cash Conversion Adjustment Changes</b>                                      |                    |                    |                    |                    |
| Depreciation   | (\$16.724)         | (\$8.824)          | \$0.000            | \$0.000            |
| Operating/Capital  | (0.085)            | 2.407              | 0.000              | 0.000              |
| Other Cash Adjustments   | (2.369)            | (5.963)            | 0.397              | (2.628)            |
| <b>Total Cash Conversion Adjustments</b>                                       | <b>(\$19.178)</b>  | <b>(\$12.380)</b>  | <b>\$0.397</b>     | <b>(\$2.628)</b>   |
| <b>Total Baseline Changes</b>  | <b>\$47.416</b>    | <b>\$59.174</b>    | <b>\$76.794</b>    | <b>\$68.923</b>    |
| <b>2010 July Financial Plan Baseline - Operating Cash Income/(Deficit)</b>     | <b>(\$420.167)</b> | <b>(\$431.199)</b> | <b>(\$454.524)</b> | <b>(\$487.132)</b> |

**MTA METRO NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
**(\$ In millions)**

| TOTAL NON-REIMBURSABLE and REIMBURSABLE  |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2010               | 2011               | 2012               | 2013               |
| <b>2010 February Financial Plan Baseline - Operating Cash Income/(Deficit)</b>   | <b>(\$467.583)</b> | <b>(\$490.373)</b> | <b>(\$531.318)</b> | <b>(\$556.055)</b> |
| <b><i>Non-Reimbursable Major Changes</i></b>   |                    |                    |                    |                    |
| Revenue  |                    |                    |                    |                    |
| Fare Box Revenue   | \$16.092           | \$10.993           | \$8.028            | \$4.332            |
| Non Passenger Revenue Budget Reduction Program   | 1.447              | 1.585              | 1.585              | 1.380              |
| Non Passenger Revenue  | .851               | 1.279              | 1.677              | .890               |
| Sub-Total Non-Reimbursable Revenue Changes   | \$18.390           | \$13.857           | \$11.290           | \$6.602            |
| Expenses   |                    |                    |                    |                    |
| EQUIPMENT REPLACEMENT PLAN - DISPOSAL COSTS -  | 0.210              | 2.250              | 0.600              | (4.800)            |
| EQUIPMENT REPLACEMENT PLAN - H&H (OP. COSTS)   | 0.929              | 1.774              | 1.314              | 0.854              |
| EQUIPMENT REPLACEMENT PLAN - NHL (OP. COSTS)   | (0.177)            | 5.710              | 9.878              | 4.135              |
| NEW HAVEN - MAINTENANCE FACILITY SHOP  | 0.000              | 2.677              | 1.590              | 2.512              |
| EQUIP STRATEGY - GENESIS LOCOMOTIVE OVERHAUL   | 1.392              | 1.392              | 1.392              | 1.392              |
| EQUIP STRATEGY - W of H LOCOMOTIVE OVERHAUL (9   | 1.600              | (1.600)            | 0.000              | 0.000              |
| MN DATACOMM NETWORK  | 0.443              | 0.443              | 0.443              | 0.443              |
| OTHER BUSINESS EXPENSES (Credit Card Fees)   | (1.039)            | (1.080)            | (1.159)            | (1.258)            |
| BSC TRANSFER HR AND CONTROLLER POSITIONS (Net of   | 0.000              | (1.343)            | (1.343)            | (1.343)            |
| ADJUSTMENT TO MISCELLANEOUS CURRENT YEAR CONTRACTS   | (1.134)            | 0.000              | 0.000              | 0.000              |
| MATERIAL & SUPPLIES (Adjustment to current year usage)   | (2.507)            | 0.000              | 0.000              | 0.000              |
| BUDGET REDUCTION PROGRAM   | 17.097             | 9.824              | 10.554             | 10.523             |
| ADMINISTRATIVE REDUCTION PROGRAM ( Less Cash Portion)  | (1.319)            | 10.292             | 10.607             | 10.944             |
| SECURITY PLAN - IESS/3C SYSTEM AND PHYSICAL  | 0.943              | 0.943              | 0.943              | 0.943              |
| TRACTION AND PROPULSION  | 3.710              | 9.749              | 15.027             | 15.959             |
| DIESEL FUEL  | 1.201              | 3.029              | 2.359              | 8.112              |
| REIMBURSABLE OH RECOVERY   | (1.982)            | (2.485)            | (2.917)            | (2.974)            |
| DEPRECIATION   | 16.724             | 8.824              | 0.000              | 0.000              |
| CLAIMS   | 1.200              | 1.200              | 1.200              | 1.200              |
| INSURANCE  | 2.534              | 2.843              | 3.485              | 4.141              |
| HEALTH & WELFARE   | 2.526              | 1.003              | 1.336              | 1.640              |
| OCCUPANCY  | 2.475              | 2.231              | 2.206              | 2.175              |
| STRAIGHT TIME LABOR  | 3.916              | (0.786)            | 0.155              | 1.726              |
| OVERTIME   | 0.485              | 2.696              | 2.850              | 2.943              |
| ALL OTHER  | (1.021)            | (1.889)            | 4.589              | 5.680              |
| Sub-Total Non-Reimbursable Expense Changes   | \$48.204           | \$57.697           | \$65.107           | \$64.947           |
| <b>Total Non-Reimbursable Major Changes</b>  | <b>\$66.594</b>    | <b>\$71.554</b>    | <b>\$76.397</b>    | <b>\$71.549</b>    |
| <b><i>Reimbursable Major Changes</i></b>   |                    |                    |                    |                    |
| Revenue  |                    |                    |                    |                    |
| Projections for 2011-2014 assume capital project activity levels similar to 2010 MYF adjusted for the winding down/ completion of one-time projects active in 2010 | (20.776)           | (28.819)           | (52.769)           | (51.756)           |
| Projections for 2011-2014 assume capital project activity levels similar to 2010 MYF adjusted for the winding down/ completion of one-time projects active in 2010 | 20.776             | 28.819             | 52.769             | 51.756             |
| Sub-Total Reimbursable Expense Changes   | \$20.776           | \$28.819           | \$52.769           | \$51.756           |
| <b>Total Reimbursable Major Changes</b>  | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Accrual Changes</b>   | <b>\$66.594</b>    | <b>\$71.554</b>    | <b>\$76.397</b>    | <b>\$71.549</b>    |
| <b><i>Cash Adjustment Changes</i></b>  |                    |                    |                    |                    |
| Additional Force Account receipts  | \$2.072            | \$1.390            | \$1.370            | (\$2.084)          |
| 2009 Pension Liability Paid in 2010  | (4.489)            | \$0.000            | \$0.000            | \$0.000            |
| Budget Reduction Plan Cash Adjustment Savings  | 11.700             | 2.350              | 2.350              | 2.350              |
| Budget Reduction Plan Operating Capital Project Savings  | 1.430              | 2.520              | 0.000              | 0.000              |
| Operating Capital Program Changes  | (1.515)            | (0.113)            | 0.000              | 0.000              |
| Administrative Reduction Program (cash portion)  | (1.842)            | 0.000              | 0.000              | 0.000              |
| Depreciation   | (16.724)           | (8.824)            | 0.000              | 0.000              |
| Change in Accrued vs Paid Workdays   | 0.000              | \$2.364            | \$0.000            | \$0.000            |
| CDOT Admin Asset Reimbursement Policy Change   | (3.953)            | (9.487)            | (\$2.000)          | (\$1.000)          |
| 2009 Accrual for Bombardier End Door Coach Program Paid in 2010  | (2.035)            | 0.000              | \$0.000            | \$0.000            |
| 2009 Accrual for MTA Real Estate Admin in 2010   | (0.500)            | 0.000              | \$0.000            | \$0.000            |
| Increase Provision for Retiree Payouts   | 0.000              | (1.200)            | \$0.000            | \$0.000            |
| Claims   | (1.200)            | 0.000              | \$0.000            | \$0.000            |
| Other  | (2.123)            | (1.381)            | (1.324)            | (1.894)            |
| <b>Total Cash Adjustment Changes</b>   | <b>(\$19.179)</b>  | <b>(\$12.381)</b>  | <b>\$0.396</b>     | <b>(\$2.628)</b>   |
| <b>Total Baseline Changes</b>  | <b>\$47.415</b>    | <b>\$59.173</b>    | <b>\$76.793</b>    | <b>\$68.921</b>    |
| <b>Total Changes</b>   | <b>\$47.415</b>    | <b>\$59.173</b>    | <b>\$76.793</b>    | <b>\$68.921</b>    |
| <b>2010 July Financial Plan Baseline - Operating Cash Income/(Deficit)</b>   | <b>(\$420.168)</b> | <b>(\$431.200)</b> | <b>(\$454.525)</b> | <b>(\$487.134)</b> |

**MTA METRO-NORTH RAILROAD  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014  
RIDERSHIP/ (UTILIZATION)**

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 2010 Mid-Year Forecast reflects East of Hudson service ridership that is 1.0% higher than the 2010 Adopted Budget and 1.1% higher than 2009 actual results, reflecting a gradually improving economy and regional employment. In 2011, 2012, 2013 and 2014, ridership is projected to grow 2.1%, 2.9%, 2.0% and 1.6% respectively. Projections over this period assume no fare increases. In 2011-2014 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 2010 customer levels that are 0.5% lower than 2009 actual results. In 2011, 2012, 2013 and 2014, West of Hudson ridership is projected to grow 2.0%, 2.6%, 2.4% and 2.3%, respectively. The substantial growth rates during the 2011–2014 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 Jarvis line service in 2011.

**MTA METRO NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Ridership (Utilization)**  
**(in millions)**

|                                       | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>      | <b>2013</b>      | <b>2014</b>      |
|---------------------------------------|------------------------|---------------------------------------|--|------------------|------------------|------------------|
| <b><u>Ridership</u></b>               |                        |                                       |  |                  |                  |                  |
| Harlem Line                           | 26.163                 | 26.226                                | 26.898                                 | 27.824           | 28.473           | 29.033           |
| Hudson Line                           | 15.497                 | 15.356                                | 15.755                                 | 16.296           | 16.696           | 17.031           |
| New Haven Line                        | 36.315                 | 37.213                                | 37.793                                 | 38.663           | 39.293           | 39.778           |
| West of Hudson Mail & Ride            | -                      | -                                     | -                                      | -                | -                | -                |
| <b>Baseline Total Ridership</b>       | <b>77.975</b>          | <b>78.795</b>                         | <b>80.446</b>                          | <b>82.783</b>    | <b>84.462</b>    | <b>85.842</b>    |
| <b><u>Farebox Revenue</u></b>         |                        |                                       |  |                  |                  |                  |
| Harlem Line                           | \$148.400              | \$156.147                             | \$160.415                              | \$166.243        | \$170.276        | \$173.780        |
| Hudson Line                           | 108.715                | 112.432                               | 115.593                                | 119.899          | 123.023          | 125.693          |
| New Haven Line                        | 244.203                | 255.656                               | 259.507                                | 265.360          | 269.425          | 272.403          |
| West of Hudson Mail & Ride            | 0.712                  | 0.925                                 | 0.945                                  | 0.970            | 0.995            | 1.020            |
| <b>Baseline Total Farebox Revenue</b> | <b>\$502.030</b>       | <b>\$525.160</b>                      | <b>\$536.460</b>                       | <b>\$552.472</b> | <b>\$563.719</b> | <b>\$572.896</b> |

**MTA Metro-North Railroad**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Proposals (BRPs)**  
**(\$ in millions)**

|                                       |  | 2010       |                | 2011       |                | 2012       |                | 2013       |                | 2014       |                |
|---------------------------------------|--|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
|                                       |  | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> | <u>Pos</u> | <u>Dollars</u> |
| <b>Administration</b>                 |  |            |                |            |                |            |                |            |                |            |                |
|                                       | Financial Plan Update (subsidy reductions based on cost trends and cash adjustments that include: lower advertising costs, fringe benefit expenses, electric propulsion pricing and other cost provisions)   | -          | \$15.500       | -          | \$2.492        | -          | \$3.000        | -          | \$3.000        | -          | \$3.000        |
|                                       | Strategic Procurement Initiative (includes reductions in material inventory and rubbish removal costs negotiation of lower cost contracts and on-going management review of inventory replenishments, consumption and reliability)                                       | -          | 5.900          | -          | 2.350          | -          | 2.350          | -          | 2.350          | -          | 2.350          |
|                                       | Project Eliminations and Deferrals (includes the deferral of equipment purchases and the development of several computer systems as well as the elimination of ticket issuing machine purchases, inspection train upgrades and a new identification pass issuing system. | -          | \$2.625        | -          | \$2.328        | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        |
|                                       | Rapid Procurement Initiative (reflects savings from favorable contract renegotiations for GCT retail management fees, data processing services and rolling stock parts inventory.  | -          | 0.710          | -          | 0.598          | -          | 0.606          | -          | 0.146          | -          | 0.114          |
| <b>Sub-Total</b>                      | <b>Administration</b>  | -          | \$24.735       | -          | \$7.768        | -          | \$5.956        | -          | \$5.496        | -          | \$5.464        |
| <b>Customer Convenience/Amenities</b> |  |            |                |            |                |            |                |            |                |            |                |
|                                       | Revenue Sales and Collection (cost saving initiatives that reduce on-board staffing and ticket sellers)  | 11         | \$1.071        | 11         | \$2.088        | 11         | \$2.069        | 11         | \$2.091        | 11         | \$2.153        |
| <b>Sub-Total</b>                      | <b>Customer Convenience/Amenities</b>  | 11         | \$1.071        | 11         | \$2.088        | 11         | \$2.069        | 11         | \$2.091        | 11         | \$2.153        |
| <b>Maintenance</b>                    |  |            |                |            |                |            |                |            |                |            |                |
|                                       | Operations Staffing Reductions (includes reductions in Coach Cleaners, Facility Maintenance and Material Management and GCT Usher positions)   | 21         | \$1.115        | 21         | \$1.945        | 21         | \$1.968        | 21         | \$1.989        | 21         | \$2.090        |
|                                       | Deferral of MoE Positions Required for Inspection and Maintenance for the New M8 Fleet   | 24         | 0.716          | -          | -              | -          | -              | -          | -              | -          | -              |
|                                       | Reduce Operations Division Unscheduled Overtime by 3%  | -          | 2.706          | -          | 2.730          | -          | 2.736          | -          | 2.802          | -          | 2.851          |
| <b>Sub-Total</b>                      | <b>Maintenance</b>   | 45         | \$4.537        | 21         | \$4.675        | 21         | \$4.704        | 21         | \$4.791        | 21         | \$4.941        |
| <b>Other</b>                          |  |            |                |            |                |            |                |            |                |            |                |
| <b>Sub-Total</b>                      | <b>Other</b>   | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        |
| <b>Revenue</b>                        |  |            |                |            |                |            |                |            |                |            |                |
|                                       | Grow Non-Fare revenue (reduce GCT retail management fees, implement vending machine program and increase parking and commissary prices)  | -          | 1.020          | -          | 1.425          | -          | 1.434          | -          | 1.545          | -          | 1.587          |
| <b>Sub-Total</b>                      | <b>Revenue Enhancement</b>   | -          | \$1.020        | -          | \$1.425        | -          | \$1.434        | -          | \$1.545        | -          | \$1.587        |
| <b>Safety</b>                         |  |            |                |            |                |            |                |            |                |            |                |
|                                       | <b>Safety</b>  |            |                |            |                |            |                |            |                |            |                |
| <b>Sub-Total</b>                      |  | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        |
| <b>Security</b>                       |  |            |                |            |                |            |                |            |                |            |                |
| <b>Sub-Total</b>                      | <b>Security</b>  | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        | -          | \$0.000        |

**MTA Metro-North Railroad**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Proposals (BRPs)**  
**(\$ in millions)**

|                        |                                     | 2010       |                 | 2011       |                 | 2012       |                 | 2013       |                 | 2014       |                 |
|------------------------|-------------------------------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|
|                        |                                     | <u>Pos</u> | <u>Dollars</u>  | <u>Pos</u> | <u>Dollars</u>  | <u>Pos</u> | <u>Dollars</u>  | <u>Pos</u> | <u>Dollars</u>  | <u>Pos</u> | <u>Dollars</u>  |
| <b>Service</b>         |                                     |            |                 |            |                 |            |                 |            |                 |            |                 |
|                        | Reduce Meadowlands Football Service | -          | \$0.311         | 0          | \$0.323         | 0          | \$0.326         | 0          | \$0.330         | 0          | \$0.333         |
| <b>Sub-Total</b>       | <b>Service</b>                      | -          | \$0.311         | -          | \$0.323         | -          | \$0.326         | -          | \$0.330         | -          | \$0.333         |
| <b>Service Support</b> |                                     |            |                 |            |                 |            |                 |            |                 |            |                 |
| <b>Sub-Total</b>       | <b>Service Support</b>              | -          | \$0.000         | -          | \$0.000         | -          | \$0.000         | -          | \$0.000         | -          | \$0.000         |
| <b>Total Programs</b>  |                                     | <u>56</u>  | <u>\$31.674</u> | <u>32</u>  | <u>\$16.279</u> | <u>32</u>  | <u>\$14.489</u> | <u>32</u>  | <u>\$14.253</u> | <u>32</u>  | <u>\$14.478</u> |

**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Administration**

**Program:**

**Budget Plan Reduction - Financial Plan Update**

**Background Details:**

Review of the 2010-2013 Financial Plan identified areas of potential savings that have then resulted in the following initiatives:

- Reduce spending on Advertising programs.
- Reduce Electric Propulsion power rates to reflect lower cost trends; growth in rates is now estimated at approximately 6% based on actual results for both 2009 and YTD 2010 vs. budgeted projected growth of 11%.
- Reduce Pension costs to reflect the lower actuarial calculation of the required contribution to the MTA DB Plan for 2010.
- Reduce H&W cost to reflect lower premium rates than budgeted for MetLife and NYSHIP/Empire contract payments. Growth in premium rates for 2010 is now estimated at approximately 7% above 2009 rates; budget projected premium rate increases of 10.6%.
- Increase vacancy savings to reflect higher number of vacant positions than budgeted. Attributed to the slowdown in hiring of both new 2010 positions and existing positions that become vacant.
- Reduced Cash Requirements due to timing.
- Eliminate the President's Vision 2013 Management Initiatives funding.
- Defer (one time) GCT Employee Welfare Facility furniture purchase into 2011.

**Program Description/Implementation Plan:**

**Program Implementation Date:** 1/2010      **When will savings begin?:** 1/2010  
**Are these savings recurring?:** Partial

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$15.500                | \$2.492     | \$3.000     | \$3.000     | \$3.000     |
|   |                         |             |             |             |             |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |

*(List Title of Positions)*

**Impact on Operations:**

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*



**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Administration**

**Program:**

**Budget Reduction Plan - Strategic Procurement Initiative**

**Background Details:**

This is a key initiative that MNR started in January and involves joint partnered reviews between the Operating Division and the Procurement Department. It is a major refinement to MNR's material purchasing and inventory maintenance business processes. In addition, we will continue to aggressively pursue joint initiatives with the LIRR and other MTA agencies so as to capture economies of scale wherever possible.

Thus, attacking both sides of the procurement process – reducing and streamlining purchasing activity as well as increasing competition to bring down prices – Metro-North has been able to identify both one-time and recurring savings. Examples include: 1) conducting joint reviews with M of E and M of W to adjust purchasing levels and reduce both usage and inventory; 2) increasing competition in bids for rubbish removal which resulted in a \$1.5 million savings; and 3) buying an inventory forecasting system that is anticipated to help reduce costs annually.

**Program Description/Implementation Plan:**

- Obtain one-time and on-going reduction in maintenance material and supply purchases thru partnered reviews between Operations and Materials Management.
- Reduce Min/Max replenishments based on new review of stock margins.
- Reduce material consumption projected for Planned maintenance Activity due to identified improved commodity performance/reliability.
- Reduce Rubbish Removal Services costs by maximizing competitive bidding field for vendors in the Metropolitan Area
- Joint Procurement Contract Savings.
- Reducing material purchases thru implementation and use of the Inventory Forecasting System.

**Program Implementation Date:**

1/2010

**When will savings begin?:**

1/2010

**Are these savings recurring?:** Y

**Other Issues:**

|                                      | Favorable/(Unfavorable) |                |                |                |                |
|--------------------------------------|-------------------------|----------------|----------------|----------------|----------------|
|                                      | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i> |                         |                |                |                |                |
| Net Cash Savings (in millions)       | <b>\$5.900</b>          | <b>\$2.350</b> | <b>\$2.350</b> | <b>\$2.350</b> | <b>\$2.350</b> |

*Total Reduction in Positions Required:*

**0                      0                      0                      0                      0**

*(List Title of Positions)*

*Impact on Operations:*

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Administration**

**Program:**

**Budget Reduction Plan - Project Elimination and Deferrals**

**Background Details:**

The project elimination and deferral initiative is a cyclical project review of all IT and administrative projects. This review evaluated and ranked projects based on their contributions toward operational support, safety, regulatory compliance and efficiency. The results of this study yielded \$2.7 million in savings of which \$0.7 million are project deferrals, \$1.3 million are project eliminations, and \$0.6 million reflect savings from PeopleSoft system initiatives to be implemented at a lower cost. In addition, there is \$1.1 million in estimated MTA Headquarter savings allocated to Metro-North. This amount needs to be finalized by the MTA.

**Program Description/Implementation Plan:**

**Projects Deferred to 2011:**

Commissary Renovation (GCT) - Phase II  
Shop Equipment Replacement Plan  
New Train Scheduling System  
School Commutation Program  
Fork Truck Fleet Replacement

**Projects Eliminated:**

Ticket Issuing Machine Credit / Debit/ Smart Card Initiative - Hardware and Software (transferred to Capital Program)  
NWP Yard Parking Lot Drainage With Pump Station  
Inspection Train Design  
Pass Bureau System

**Continuing Projects With Further Savings:**

BSC PeopleSoft Interfaces

**Allocated Portion With Further Savings:**

BSC PeopleSoft Interfaces

**Allocated Portion of MTA HQ Reduction:**

Placeholder Value Per MTA Budget

**Program Implementation Date:**

1/2010

**When will savings begin?:**

1/2010

**Are these savings recurring?:** N

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$2.625                 | \$2.328     | \$0.000     | \$0.000     | \$0.000     |
|   |                         |             |             |             |             |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

**Impact on Operations:**

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** *Administration*

**Program:** *Budget Plan Reduction - Rapid Procurement*

**Background Details:**

The Rapid Procurement initiative was designed to take advantage of recent changes in the market place that present the MTA with opportunities to better leverage its buying power and supplier relationships in order to obtain reduced pricing and immediate savings in procurements. This initiative was performed by Cyclical Project Review at the request of the MTA and yielded a savings of \$0.7 million in 2010, \$0.6 million in 2011 and 2012 and \$0.1 million in 2013.

To achieve these savings Metro-North expenditure history was analyzed and categorized. Vendors falling within targeted economic categories were engaged to develop new contract terms and pricing reductions. Proposals to amend existing contracts were submitted to the MTA/Agencies for rapid approval in order to begin the immediate capture of savings.

**Program Description/Implementation Plan:**

1. Increase Net GCT Retail Revenues thru Reduction in LaSalle Expenditures and Management Fees.
2. Reduce the cost of IBM Data Center Service.
3. Reduce the cost on rolling stock parts inventory.

**Program Implementation Date:** *4/2010*      **When will savings begin?:** *4/2010*

**Are these savings recurring?:** *Y*

**Other Issues:**

|   | Favorable/(Unfavorable) |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>          |                         |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$0.710</b>          | <b>\$0.598</b> | <b>\$0.606</b> | <b>\$0.146</b> | <b>\$0.114</b> |
|   |                         |                |                |                |                |
| <i>Total Reduction in Positions Required:</i> | <b>0</b>                | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |

*(List Title of Positions)*

**Impact on Operations:**

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** *Customer Convenience and Amenities*

**Program:** **Budget Reduction Plan - Revenue Sales and Collection Initiative**

**Background Details:**

A review of revenue collection processes was performed which encompassed both on-board collections and station ticket selling.

**On-Board Revenue Collection**

In the first quarter of 2010, a review of on-train staffing levels was conducted using results from the fall 2009 count program and Ticket Issuing Machines (TIMS) on-board ticket sales data. This information was then evaluated using the Crew Productivity model and other factors such as stopping patterns of individual trains, number of intermediate riders, and ticket types (commutation verses non commutation), to determine the optimal staffing level for each train. This review resulted in the elimination of 6 train service positions as revenue collection requirements were streamlined.

**Station Ticket Selling**

A review of ticket selling operations at stations was conducted taking into account sales volumes, conductor remittance locations, key transfer station points, and Amtrak contractual obligations. In addition, the State of Connecticut requested the closure of ticket offices at three Connecticut stations using the same criteria. It was determined from this review that TVM sales could replace ticket office sales at various locations which results in the elimination of 10 ticket selling positions through the closure of several stations, or the elimination of work shifts and extra list coverage.

**Program Description/Implementation Plan:**

Further T&E Efficiencies were obtained as follows: Reduce Train Crew Size Through Reduction in Assistant Conductor Positions (4/2010), Reduce Scheduled Overtime (6/2010), No Meal Payments and On/Off Duty Times. Obtain Operational Efficiencies Thru Elimination of Certain Deadhead Trains and Equipment Turns (6/2010). Implement Variable Day of the Week Train Crew Sizing (6/2010). A total of six Assistant Conductor positions will be eliminated as a result of these efforts.

**Station Closing Includes:**

Close Conn-NHL Ticket Office Windows at Westport, New Canaan, and Fairfield on 7/7/2010.

Close Ticket Office Windows at Yonkers 7/7/2010.

Reduce Ticket Seller Extra List That Provide Coverage for Vacancies and Time off 7/7/2010.

**Program Implementation Date:**

various dates as  
identified in  
description

**When will savings begin?:**

various dates as identified  
in description

**Are these savings recurring?:** Y

**Other Issues:**

|  | Favorable/(Unfavorable) |             |             |             |             |
|--|-------------------------|-------------|-------------|-------------|-------------|
|  | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |

*Financial Impact (Operating):*

|                                |                |                |                |                |                |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| Net Cash Savings (in millions) | <b>\$1.071</b> | <b>\$2.088</b> | <b>\$2.069</b> | <b>\$2.091</b> | <b>\$2.153</b> |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| <i>Total Reduction in Positions Required:</i> | <b>11</b> | <b>11</b> | <b>11</b> | <b>11</b> | <b>11</b> |
|---|-----------|-----------|-----------|-----------|-----------|

*(List Title of Positions)*

*Impact on Operations:*

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** *Maintenance*

**Program:** **Budget Plan Reduction - Operations Staffing Reduction Initiative**

**Background Details:**

Metro-North performed a review of its operations to seek opportunities where staffing efficiencies could be gained without compromising safety, essential maintenance, and the least possible disruption to customer service. These efforts resulted in a reduction of 21 positions at a cost savings of \$1.1 million in 2010 and \$1.9 million annually thereafter that will defer certain projects/work efforts, increase productivity, extend cleaning cycles on trains and at stations, and increase response times to infrastructure repairs.

**Program Description/Implementation Plan:**

- Reduce 3 MofW Harlem & Hudson Interlocking Lighting Program positions that perform repairs and maintenance to interlockings high mast lighting.
- Reduce 1 MofW Station Lighting Program Positions that perform inspections.
- Reduce 2 MofW Positions that support Right of Way fencing maintenance.
- Reduce 2 Material Management Inventory Clerk Positions that support material delivery to MofE work locations.
- Reduce 2 Material Management Supervisory Positions.
- Reduce 2 positions; Material Management Manager Planning and Statistical Analysis Position.
- Reduce cost to provide customer information by reducing 5 GCT Usher positions.
- Increase MofE productivity through a reduction of 4 Mechanics at the new Harmon Diesel Locomotive Repair Shop.

**Program Implementation Date:** 6/2010      **When will savings begin?:** 6/2010

**Are these savings recurring?:** Y

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.115                 | \$1.945     | \$1.968     | \$1.989     | \$2.090     |
|   |                         |             |             |             |             |
| <i>Total Reduction in Positions Required:</i> | 21                      | 21          | 21          | 21          | 21          |

*(List Title of Positions)*

*Impact on Operations:*

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** *Maintenance*

**Program:** *Budget Plan Reduction - Deferral of M8 Positions*

**Background Details:**

To reduce costs, the plan to integrate the new fleet of M8 cars into Metro-North service was re-evaluated. As a result, M8's will be placed into service coincident with an expedited M2 retirement schedule. This will reduce the intermediate need for additional resources due to fleet expansion. However, it will increase the risk of meeting the NHL AM and PM peak car requirement. This initiative defers the addition of 24 positions that were scheduled to be added in September 2010 until 2011 at a savings of \$0.7 million.

**Program Description/Implementation Plan:**

1. Deferral of 19 MofE Positions Required for Inspection and Maintenance for the New M8 Fleet.
2. Deferral of 5 Operations Services Positions Required for Coach Cleaning for the New M8 Fleet.

**Program Implementation Date:** 9/2010      **When will savings begin?:** 9/2010

**Are these savings recurring?:** N

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.716                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
|   |                         |             |             |             |             |
| <i>Total Reduction in Positions Required:</i> | 24                      | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Maintenance**

**Program:**

**Budget Reduction Plan - Reduce Operations Division Unscheduled Overtime by 3%**

**Background Details:**

The Operations Division conducted a review to reduce overtime which considered "protect" service in peak periods and emergency coverage (including weather related events), as well as specific departmental reviews of service needs, work functions, and position coverage requirements. This review resulted in a plan to reduce overtime expenditures by \$2.0 million.

**Program Description/Implementation Plan:**

Overtime savings are planned for the following departments GCT \$0.1million, Operation Services \$0.4 million, M of E \$0.9 million, M of W \$0.6 million. The M of E amount also includes \$0.1 million in new shop efficiencies and throughput.

**Program Implementation Date:**

1/2010

**When will savings begin?:**

1/2010

**Are these savings recurring?:** Y

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$2.707                 | \$2.731     | \$2.736     | \$2.802     | \$2.851     |
|   |                         |             |             |             |             |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

**Impact on Operations:**

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:** *Revenue*

**Program:** *Budget Reduction Plan - Grow Non- Fare Revenue*

**Background Details:**

As part of Vision 2013 goals, growth in non fare revenue as a means to fund operating costs and reduce subsidies has become a primary focus of Metro North. As a result the programs noted below are being pursued and result in \$1.0 million in additional revenues in 2010 and \$ 1.4 million annually thereafter.

**Program Description/Implementation Plan:**

-Increase net GCT Retail Revenues thru reduction in Jones Lang LaSalle operating expenditures and the management fees paid to them by MN for GCT retail management (Separate from Cyclical Project Review, Rapid Procurement Initiative) - 1/2010.  
-Increase Commissary prices by 3% to reflect CPI price increases - 9/2010.  
-Increase Parking fees by 9.6% to further close the price gap with local Municipalities - 11/2010 (Requires Board approval).  
-Implement new system-wide Vending Operator Program with exclusive branding for Coca-Cola as the brand-exclusive beverage provider and M&M/MARS as the exclusive snack provider - 1/2010.  
-Increase current commissary cart sponsorship thru a new broadened Sponsorship Program leveraging all commissary assets beyond the carts and offering "Product Sale" exclusivity components - 10/2010.

**Program Implementation Date:**

various dates as  
identified in  
description

**When will savings begin?:**

various dates as  
identified in description

**Are these savings recurring?:** Y

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.020                 | \$1.425     | \$1.434     | \$1.545     | \$1.587     |
|   |                         |             |             |             |             |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

**Impact on Operations:**

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*



**MTA Metro-North Railroad  
July Financial Plan 2011-2014  
2010 Budget Reduction Plan Worksheet**

**Category by Function:**

**Service**

**Program:**

**Budget Reduction Plan - Service Reduction Initiative - Reduce Meadowlands Football Service**

**Background Details:**

To reduce costs, train service provided was reviewed on all lines and in all time periods. This review was performed under the guidelines to impact the fewest number of riders; minimize the negative effects to riders; operate service within existing service and capacity guidelines; and improve the cost-efficiency of the service provided.

**Program Description/Implementation Plan:**

Meadowlands football game service will be reduced from two to one train in the fall of 2010.

**Program Implementation Date:**

9/2010

**When will savings begin?:**

9/2010

**Are these savings recurring?:** Y

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.311                 | \$0.323     | \$0.326     | \$0.330     | \$0.333     |
|   |                         |             |             |             |             |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

**Impact on Operations:**

Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA METRO-NORTH RAILROAD  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014  
POSITIONS**

**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, cost reduction programs or re-estimates, consistent with the associated cost changes incorporated into the financial plan.

The 2011-2014 staffing levels assume changes in project activity requirements.

**YEAR-TO-YEAR CHANGES**

**2010 - 2011**

The 2010 Mid-Year Forecast reflects the reduction of 163 non-reimbursable positions from the 2010 Adopted Budget. This reduction consists of the Administrative Staffing Reduction Plan which totaled 88 positions and additional cuts resulting from the Budget Reduction Plan (BRP) which totaled 56 positions, as well as additional vacancies, which will total 19 at the end of December, 2010. Of the 56 BRP reductions, customer service related efficiencies result in the reduction of five GCT Ushers, five ticket sellers based on the maximized utilization of the ticket selling machines, and six assistant conductors due to on-board crew scheduling and sizing adjustments. Twenty four agreement positions required to maintain the new M8 fleets have been deferred to 2011 and increased productivity at the new Harmon Diesel Locomotive Repair Shop has enabled a reduction of four positions. Right-of-Way maintenance functions have been streamlined through the reduction of six positions for maintaining interlocking, high mast lighting and fencing. Material management efficiencies include the elimination of a Planner, Statistical Analyst and four inventory storeroom positions. Reimbursable positions are 41 fewer paid compared to the 2010 Adopted Budget.

The 2011 Preliminary Budget includes the addition of 112 non-reimbursable positions; a net programmatic addition of 73 positions and a reduction in projected

vacancies of 39 positions at the end of December 2011 vs. 2010. The programmatic change includes the addition of 45 positions in support of New Haven Maintenance Facility Shop Complex, 24 positions to support the M8 Service Plan, nine T&E positions for new train service, eight positions to establish the second shift coach shop, six positions to support signal and CTC improvements for the Danbury Branch, three positions to support Harlem/Hudson Power Improvements, 20 positions to support security improvements to include 11 for the GCT Fire Brigade, four for GCT Halls/Trainshed Fire Safety, and five for other security related projects. Further, two positions to support material management and training functions, and one to support turnout replacement for mainline/high speed were added. These increases are offset by the net transfer of 45 positions from both the Human Resources and Controller departments to support the BSC.

### **2011 - 2012**

The increase of 57 non-reimbursable paid positions reflects the addition of 46 maintenance positions to support the New Haven Maintenance Facility Shop Complex, 21 T&E positions for new train service, and one staffing increase for Training, offset by the reduction of 11 positions associated with the completion of the M3 enhanced maintenance program.

### **2012 - 2013**

The increase of 77 non-reimbursable paid positions reflects 21 additional coach cleaners, 13 maintenance positions to support the New Haven Maintenance Facility Shop Complex, 30 T&E positions for new train service (18) and additional revenue-collection coverage (12), and 13 security related positions.

### **2013 - 2014**

The increase of 32 non-reimbursable paid positions reflects 18 maintenance positions to support the New Haven Maintenance Facility Shop Complex, and 14 T&E positions for new train service.

**MTA METRO NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents**

| <b>FUNCTION/DEPARTMENT</b>             | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  |
|--|------------------------|---------------------------------------|--|--------------|--------------|--------------|
| <b>Administration</b>                  |                        |                                       |  |              |              |              |
| President                              | 3                      | 3                                     | 3                                      | 3            | 3            | 3            |
| Labor Relations                        | 12                     | 10                                    | 10                                     | 10           | 10           | 10           |
| Safety                                 | 17                     | 16                                    | 16                                     | 16           | 16           | 16           |
| Corporate Communications               | 21                     | 17                                    | 17                                     | 17           | 17           | 17           |
| Customer Service                       | 246                    | 221                                   | 227                                    | 227          | 227          | 227          |
| Legal                                  | 17                     | 16                                    | 16                                     | 16           | 16           | 16           |
| Claims Services                        | 16                     | 12                                    | 14                                     | 14           | 14           | 14           |
| Environmental Compliance & Svce        | 6                      | 7                                     | 7                                      | 7            | 7            | 7            |
| VP Admin                               | 0                      | 2                                     | 2                                      | 2            | 2            | 2            |
| VP Human Resources                     | 4                      | 3                                     | 3                                      | 3            | 3            | 3            |
| Human Resources & Diversity            | 45                     | 34                                    | 18                                     | 18           | 18           | 18           |
| Training                               | 26                     | 25                                    | 31                                     | 32           | 32           | 32           |
| Employee Relations & Diversity         | 4                      | 4                                     | 4                                      | 4            | 4            | 4            |
| VP Planning Procurem't & Bus Dev Admin | 2                      | 2                                     | 2                                      | 2            | 2            | 2            |
| Operations Planning & Analysis         | 20                     | 17                                    | 18                                     | 18           | 18           | 18           |
| Capital Planning & Programming         | 14                     | 14                                    | 14                                     | 14           | 14           | 14           |
| Business Development Facilities & Mktg | 21                     | 20                                    | 20                                     | 20           | 20           | 20           |
| Long Range Planning                    | 9                      | 10                                    | 10                                     | 10           | 10           | 10           |
| VP Finance & Info Systems              | 2                      | 2                                     | 2                                      | 2            | 2            | 2            |
| Controller                             | 116                    | 105                                   | 81                                     | 81           | 81           | 81           |
| Information Technology & Project Mgmt  | 107                    | 94                                    | 97                                     | 97           | 97           | 97           |
| Budget                                 | 16                     | 14                                    | 14                                     | 14           | 14           | 14           |
| Corporate *                            | 0                      | 0                                     | (35)                                   | (35)         | (35)         | (35)         |
| <b>Total Administration</b>            | <b>724</b>             | <b>648</b>                            | <b>591</b>                             | <b>592</b>   | <b>592</b>   | <b>592</b>   |
| <b>Operations</b>                      |                        |                                       |  |              |              |              |
| VP Operations                          | 48                     | 52                                    | 54                                     | 54           | 67           | 67           |
| Operations Services                    | 1,718                  | 1,751                                 | 1,788                                  | 1,815        | 1,871        | 1,885        |
| Metro-North West                       | 27                     | 27                                    | 28                                     | 28           | 28           | 28           |
| <b>Total Operations</b>                | <b>1,793</b>           | <b>1,830</b>                          | <b>1,870</b>                           | <b>1,897</b> | <b>1,966</b> | <b>1,980</b> |
| <b>Maintenance</b>                     |                        |                                       |  |              |              |              |
| GCT                                    | 360                    | 345                                   | 368                                    | 368          | 368          | 368          |
| Maintenance of Equipment               | 1,247                  | 1,265                                 | 1,328                                  | 1,357        | 1,365        | 1,383        |
| Maintenance of Way                     | 1,526                  | 1,608                                 | 1,649                                  | 1,649        | 1,649        | 1,649        |
| Procurement & Material Management      | 169                    | 162                                   | 164                                    | 164          | 164          | 164          |
| <b>Total Maintenance</b>               | <b>3,302</b>           | <b>3,380</b>                          | <b>3,509</b>                           | <b>3,538</b> | <b>3,546</b> | <b>3,564</b> |
| <b>Engineering/Capital</b>             |                        |                                       |  |              |              |              |
| Construction Management                | 37                     | 35                                    | 39                                     | 39           | 39           | 39           |
| Engineering & Design                   | 64                     | 64                                    | 68                                     | 68           | 68           | 68           |
| <b>Total Engineering/Capital</b>       | <b>101</b>             | <b>99</b>                             | <b>107</b>                             | <b>107</b>   | <b>107</b>   | <b>107</b>   |
| <b>Total Baseline Positions</b>        | <b>5,920</b>           | <b>5,957</b>                          | <b>6,077</b>                           | <b>6,134</b> | <b>6,211</b> | <b>6,243</b> |
| <i>Non-Reimbursable</i>                | 5,358                  | 5,386                                 | 5,498                                  | 5,555        | 5,632        | 5,664        |
| <i>Reimbursable</i>                    | 562                    | 571                                   | 579                                    | 579          | 579          | 579          |
| <i>Total Full-Time</i>                 | 5,917                  | 5,955                                 | 6,075                                  | 6,132        | 6,209        | 6,241        |
| <i>Total Full-Time-Equivalents</i>     | 3                      | 2                                     | 2                                      | 2            | 2            | 2            |

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2011-2014**  
**Total Positions by Function and Occupation**

| FUNCTION/OCCUPATIONAL GROUP     |                                   | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012  | 2013  | 2014  |
|---------------------------------|-----------------------------------|----------------|------------------------------|-------------------------------|-------|-------|-------|
| <b>Administration</b>           |                                   |                |                              |                               |       |       |       |
|                                 | Managers/Supervisors              | 47             | 46                           | 46                            | 46    | 46    | 46    |
|                                 | Professional, Technical, Clerical | 648            | 574                          | 517                           | 518   | 518   | 518   |
|                                 | Operational Hourlies              | 29             | 28                           | 28                            | 28    | 28    | 28    |
|                                 | <b>Total Administration</b>       | 724            | 648                          | 591                           | 592   | 592   | 592   |
| <b>Operations</b>               |                                   |                |                              |                               |       |       |       |
|                                 | Managers/Supervisors              | 23             | 25                           | 25                            | 25    | 25    | 25    |
|                                 | Professional, Technical, Clerical | 315            | 327                          | 326                           | 326   | 339   | 339   |
|                                 | Operational Hourlies              | 1,455          | 1,478                        | 1,519                         | 1,546 | 1,602 | 1,616 |
|                                 | <b>Total Operations</b>           | 1,793          | 1,830                        | 1,870                         | 1,897 | 1,966 | 1,980 |
| <b>Maintenance</b>              |                                   |                |                              |                               |       |       |       |
|                                 | Managers/Supervisors              | 41             | 42                           | 42                            | 42    | 42    | 42    |
|                                 | Professional, Technical, Clerical | 1,013          | 1,034                        | 1,063                         | 1,063 | 1,063 | 1,063 |
|                                 | Operational Hourlies              | 2,248          | 2,304                        | 2,404                         | 2,433 | 2,441 | 2,459 |
|                                 | <b>Total Maintenance</b>          | 3,302          | 3,380                        | 3,509                         | 3,538 | 3,546 | 3,564 |
| <b>Engineering/Capital</b>      |                                   |                |                              |                               |       |       |       |
|                                 | Managers/Supervisors              | 30             | 30                           | 39                            | 39    | 39    | 39    |
|                                 | Professional, Technical, Clerical | 71             | 69                           | 68                            | 68    | 68    | 68    |
|                                 | Operational Hourlies              | -              | -                            | -                             | -     | -     | -     |
|                                 | <b>Total Engineering/Capital</b>  | 101            | 99                           | 107                           | 107   | 107   | 107   |
| <b>Public Safety</b>            |                                   |                |                              |                               |       |       |       |
|                                 | Managers/Supervisors              | -              | -                            | -                             | -     | -     | -     |
|                                 | Professional, Technical, Clerical | -              | -                            | -                             | -     | -     | -     |
|                                 | Operational Hourlies              | -              | -                            | -                             | -     | -     | -     |
|                                 | <b>Total Public Safety</b>        | -              | -                            | -                             | -     | -     | -     |
| <b>Total Baseline Positions</b> |                                   |                |                              |                               |       |       |       |
|                                 | Managers/Supervisors              | 141            | 143                          | 152                           | 152   | 152   | 152   |
|                                 | Professional, Technical, Clerical | 2,047          | 2,004                        | 1,974                         | 1,975 | 1,988 | 1,988 |
|                                 | Operational Hourlies              | 3,732          | 3,810                        | 3,951                         | 4,007 | 4,071 | 4,103 |
|                                 | <b>Total Baseline Positions</b>   | 5,920          | 5,957                        | 6,077                         | 6,134 | 6,211 | 6,243 |

## **MTA Headquarters**

**MTA HEADQUARTERS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014**

**Highlights of Operations**

MTA Headquarters is comprised of two distinct operations. There is one component comprised of administrative departments, and the other being MTA Security, including the MTA Police Department. In an effort to help close an MTA funding Gap caused by lower MTA subsidies, MTA Headquarters Preliminary Budget contains significant cost saving programs. The July Financial Plan reflects the incorporation of the Administrative Reduction Program (ARP), which results in the reduction of 133 non-reimbursable positions beginning in 2010 and annualized salary savings of \$11.1 million in each year of the Plan beginning in 2011-a 20.0% reduction in MTA non-reimbursable salaries compared with the February Plan. The ARP includes voluntary and involuntary reductions as well as the elimination of vacant positions. Savings associated with vacancies and the voluntary portion of the ARP were realized as of May 7, 2010. Savings associated with the involuntary portion of the ARP were realized as of July 8, 2010. Factoring in related fringe benefit costs associated with the ARP, annualized savings grow to \$13.5 million per year.

Also included are savings resulting from the Budget Reduction Plan totaling \$22.6 million, mainly in non-personnel services expenses and reductions in MTA Police overtime. The Plan also includes the elimination or deferral of projects totaling \$15.5 million as well as the reduction of \$2.0 million in MTA PD overtime. Operating expenses for the Business Service Center (BSC) are included in the July Financial Plan. Approved by the MTA board in 2008, the BSC is expected to generate substantial savings beginning in 2012 as a result of consolidating certain administrative functions across MTA agencies. The BSC will open its doors in early 2011.

The Financial Plan promotes only those programs that are self-funded, or issues deemed the highest priority by MTA management. While MTA Headquarters continues to reduce spending, the 2011 Preliminary Budget reflects MTA's leadership in issues critical to the MTA commuting region. The Office of Strategic Initiatives group has been formed with the goal of increasing operating efficiencies throughout the organization and reallocating scarce financial resources. The group's accomplishments already include studies and recommendations to reduce operating capital and overtime which have resulted in the savings of millions of dollars throughout the MTA. New groups for New Fare Payments Systems and Bus Customer Information Systems are being formed to explore ways for the MTA to invest in new technologies, to improve services and to maintain a high level of convenience to the riding community.

The security of MTA facilities, customers, and employees continues to be a major consideration. The MTA Headquarters Financial Plan includes operating funds for the Integrated Electronic Security System (IESS) facility. This facility provides for the

deployment of various electronic technologies with the aim of detecting, deterring, identifying, delaying, and/or preventing terrorist security threats on MTA properties.

In order to ensure the MTA's financial stability and to promote institutional transformation, MTA Headquarters has acted on the findings of two studies to determine the cost benefits of a shared services business service center (BSC). Under BSC, select administrative functions for all the MTA agencies are combined and use one Enterprise Resource Planning (ERP), Financial and Human Resources/Payroll system along with other technologies to process administrative and back-office transactions. Also, the MTA Defined Benefit Pension Plan, a complex multi-article pension plan for represented and non-represented participants in MNR, LIRR, LI Bus, MTA Bus, MTA PD and SIRTOA, is now centralized in the BSC. The MTA Board's decision in February 2008 to go forward with the BSC will result in substantial real savings to the MTA as early as 2012. Operating funds for the BSC are included in the MTA Headquarters Financial Plan.

Funding is also included for Projects and Planning related expenses, specifically for oversight of the West Side Yards Development project. All funding is reimbursable by the project developer.

While the MTA has made significant strategic improvements in its operations it continues to seek opportunities to do more with PEGs by downsizing and maximizing efficiencies. Details of the Administrative Reduction Program and the Budget Reduction Plan are discussed in a separate section.

## **Financial Overview**

### **2010 Mid-Year Forecast**

MTA Headquarters Budget Reduction Program will contribute to lowering the Baseline Deficit to \$383.9 million in the 2010 Mid-Year Forecast from the Adopted Budget of \$413.1 million. Included in the reductions are savings of non-personnel expenses across all departments, reduced MTA Police overtime usage and lower re-estimated Health and Welfare costs, all totaling \$22.6 million. Lower depreciation charges from operating capital projects either eliminated or deferred until later years also contributed to the reduction. The Administrative Reduction Program has resulted in 42 voluntary retirements, and 91 involuntary layoffs and vacancy eliminations, totaling 133 positions. Savings associated with vacancies and the voluntary portion of the ARP were realized as of May 7, 2010. Savings associated with the involuntary portion of the ARP were realized as of July 8, 2010. Factoring in related fringe benefit costs associated with the ARP, annualized savings grow to \$13.5 million per year.

Headcount of 1,474 positions in 2010 represents a reduction of 94 positions from the 2010 Adopted Budget. The formation of a Strategic Initiatives group reporting to the Chief Operating Officer consisting of 10 operating budget positions, is tasked with performing in-depth analyses of the MTA organization in order to eliminate



redundancies and optimize processes and spans of control. Additionally, two groups have been formed to develop New Fare Payments, consisting of 23 positions, and Bus Customer Information Systems, consisting of 5 positions. These two groups will be reimbursed by the MTA Capital Program.

## **2011 Preliminary Budget- Baseline**

MTA Headquarters projects a Baseline Deficit of \$403.1 million in the 2011 Preliminary Budget. This is \$29.1 million lower than the February Plan of \$432.2 million. The savings are primarily attributable to the continued impact of the Budget Reduction Program; additional MTAPD overtime reductions; the impact of the annualized labor costs of the Administrative Reduction Program began in 2010, and lower depreciation charges from eliminated operating capital projects. The annualized cost of the new Chief Operating Officer's group, miscellaneous costs associated with 30 additional police officers in MTA Police Department partially offset these savings. The officers will be funded for 3 years by the COPS Hiring Recovery Program, a federally funded program that will allow MTAPD to deploy uniform officers in problem prone locations throughout the MTA system.

The baseline budget assumes headcount levels of 1,720 employees. This is a favorable variance from the February Plan mainly due to the Administrative Reduction Program that eliminated 133 positions, partly offset by the formation of the Chief Operating Officer's group of 38 positions in 2010 plus 2 positions in 2011, and the 30 MTAPD officers to be hired under the federally funded COPS Hiring Recovery Program.

## **2012-2014 Projections**

The Baseline Deficit for 2012 decreases to \$412.0 million from the February Plan of \$437.6 million. The favorable reduction is primarily attributable to the continued impact of the annualized labor costs savings from the Administrative Reduction Program begun in 2010; the continued impact of the Budget Reduction Program; and MTAPD overtime reductions. The impact of the annualized cost of the new Chief Operating Officer's group provides a partial offset. The baseline headcount decreases to 1,734 from the February Plan of 1,796 employees, mainly due to the Administrative Reduction Program that eliminated 133 positions, partly offset by the formation of the Strategic Initiatives Group of 40 positions and the 30 MTAPD officers to be hired under the federally funded COPS Hiring Recovery Program.

The Baseline Deficit for 2013 decreases to \$425.2 million from the February Plan of \$454.4 million. The favorable reduction is primarily attributable to the impact of the annualized labor costs savings of the Administrative Reduction Program begun in 2010; the continued impact of the Budget Reduction Program; and MTAPD overtime reductions. The impact of the annualized cost of the new Chief Operating Officer's group provides a partial offset. The baseline headcount decreases from the February Plan to 1,718 from 1,780 employees, mainly due to the Administrative Reduction Program that eliminated 133 positions, partly offset by the formation of the Strategic

Initiatives Group of 40 positions and the 30 MTAPD officers to be hired under the federally funded COPS Hiring Recovery Program.

An increase in the Baseline Deficit for 2014 to \$446.7 million is mainly attributable to inflation and increased payroll costs due to the anticipated expiration of the COPS Hiring Recovery Program grant. It is also expected that MTAPD will need to increase its patrol force by an additional 53 officers in 2014 as the East Side Access project nears completion. The baseline headcount increases to 1,771 employees mainly due to the required security presence of MTAPD headcount in anticipation of the completion of East Side Access.

### **Budget Reduction Program**

In compliance with the Budget Reduction Program MTA Headquarters will achieve targeted budget reductions of \$22.6 million in 2010. Elimination and deferral of operating capital projects totaling \$15.5 million result from savings identified as a result of the Cyclical Project Review and comprise the largest portion of the Budget Reduction Program. Strategic initiative savings of \$3.8 million includes \$0.8 million in overtime and fringe benefits savings resulting from MTAPD command staff's increased vigilance to reduce overtime in all areas. Other reductions primarily result from reduced professional services for Real Estate activity on agency projects; lower consulting services for outside legal expenses; and professional services related to financial services, advertising, Information Technology, and Human Resources. Re-estimated Health and Welfare expenses resulting from lower projected rates reduce costs by \$1.2 million. Other savings represent further reductions in areas such as employee expenses, office furniture and equipment, supplies, and telecommunications, mainly as a result of MTA Headquarters headcount decreases.

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE</b>                                 |                         |                                       |  |                    |                    |                    |
|---|-------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
|   | <b>2009<br/>Actuals</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
| <b>Operating Revenue</b>                                |                         |                                       |  |                    |                    |                    |
| Fare Revenue  | \$0.000                 | \$0.000                               | \$0.000                                | \$0.000            | \$0.000            | \$0.000            |
| Vehicle Toll Revenue                                    | -                       | -                                     | -                                      | -                  | -                  | -                  |
| <u>Other Operating Revenue</u>                          |                         |                                       |  |                    |                    |                    |
| Rental Income   | 50.312                  | 52.676                                | 53.645                                 | 54.787             | 55.932             | 56.906             |
| Data Center Billings                                    |                         |                                       |  |                    |                    |                    |
| Other   | 4.181                   | 3.999                                 | 4.047                                  | 4.133              | 4.220              | 4.293              |
| Total Other Operating Revenue                           | 54.493                  | 56.675                                | 57.692                                 | 58.921             | 60.152             | 61.199             |
| Capital and Other Reimbursements                        |                         |                                       |  |                    |                    |                    |
| <b>Total Revenue</b>                                    | <b>\$54.493</b>         | <b>\$56.675</b>                       | <b>\$57.692</b>                        | <b>\$58.921</b>    | <b>\$60.152</b>    | <b>\$61.199</b>    |
| <b>Operating Expenses</b>                               |                         |                                       |  |                    |                    |                    |
| <u>Labor:</u>   |                         |                                       |  |                    |                    |                    |
| Payroll   | \$143.867               | \$136.178                             | \$154.596                              | \$157.598          | \$160.086          | \$167.724          |
| Overtime  | 13.471                  | 9.613                                 | 8.746                                  | 8.932              | 9.098              | 9.268              |
| Health and Welfare                                      | 16.057                  | 15.262                                | 20.161                                 | 21.491             | 23.625             | 26.366             |
| OPEB Current Payment                                    | 5.555                   | 6.200                                 | 7.200                                  | 8.400              | 9.600              | 10.900             |
| Pensions  | 22.773                  | 22.916                                | 27.389                                 | 27.790             | 29.062             | 25.722             |
| Other Fringe Benefits                                   | 11.746                  | 11.296                                | 13.019                                 | 12.383             | 13.028             | 13.866             |
| Reimbursable Overhead                                   | (31.394)                | (46.242)                              | (56.487)                               | (57.909)           | (59.464)           | (57.510)           |
| <b>Total Labor Expenses</b>                             | <b>\$182.075</b>        | <b>\$155.223</b>                      | <b>\$174.623</b>                       | <b>\$178.685</b>   | <b>\$185.036</b>   | <b>\$196.335</b>   |
| <u>Non-Labor:</u>                                       |                         |                                       |  |                    |                    |                    |
| Traction and Propulsion Power                           |                         |                                       |  |                    |                    |                    |
| Fuel for Buses and Trains                               |                         |                                       |  |                    |                    |                    |
| Insurance   | 4.208                   | 3.942                                 | 4.422                                  | 4.864              | 5.351              | 5.886              |
| Claims  |                         |                                       |  |                    |                    |                    |
| Paratransit Service Contracts                           |                         |                                       |  |                    |                    |                    |
| Maintenance and Other Operating Contracts               | 25.241                  | 40.663                                | 44.743                                 | 45.644             | 46.598             | 47.408             |
| Professional Service Contracts                          | 32.790                  | 45.242                                | 39.541                                 | 39.948             | 40.783             | 41.979             |
| Materials & Supplies                                    | 3.683                   | 6.665                                 | 5.846                                  | 2.818              | 2.904              | 2.978              |
| <u>Other Business Expenses</u>                          |                         |                                       |  |                    |                    |                    |
| MTA Internal Subsidy                                    | 52.254                  | 52.591                                | 55.274                                 | 57.694             | 58.163             | 61.189             |
| Other   | 38.258                  | 46.153                                | 48.428                                 | 49.449             | 50.735             | 52.004             |
| Total Other Business Expenses                           | 90.512                  | 98.743                                | 103.702                                | 107.143            | 108.899            | 113.193            |
| <b>Total Non-Labor Expenses</b>                         | <b>\$156.434</b>        | <b>\$195.255</b>                      | <b>\$198.255</b>                       | <b>\$200.417</b>   | <b>\$204.534</b>   | <b>\$211.444</b>   |
| <u>Other Expenses Adjustments:</u>                      |                         |                                       |  |                    |                    |                    |
| Other   |                         |                                       |  |                    |                    |                    |
| <b>Total Other Expense Adjustments</b>                  | <b>\$0.000</b>          | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation and GASB Adj.</b> | <b>\$338.509</b>        | <b>\$350.478</b>                      | <b>\$372.878</b>                       | <b>\$379.101</b>   | <b>\$389.569</b>   | <b>\$407.780</b>   |
| Depreciation  | 29.605                  | 26.644                                | 20.800                                 | 20.800             | 20.800             | 20.800             |
| OPEB Obligation   | 64.345                  | 63.500                                | 67.100                                 | 71.000             | 75.000             | 79.300             |
| Environmental Remediation                               |                         |                                       |  |                    |                    |                    |
| <b>Total Expenses</b>                                   | <b>\$432.459</b>        | <b>\$440.622</b>                      | <b>\$460.778</b>                       | <b>\$470.901</b>   | <b>\$485.369</b>   | <b>\$507.880</b>   |
| <b>Baseline Surplus/(Deficit)</b>                       | <b>(\$377.966)</b>      | <b>(\$383.948)</b>                    | <b>(\$403.086)</b>                     | <b>(\$411.980)</b> | <b>(\$425.217)</b> | <b>(\$446.681)</b> |

[illegible]

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE / REIMBURSABLE</b>                    |                    |                          |                           |                    |                    |                    |
|---|--------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
|   | <b>2009</b>        | <b>2010</b>              | <b>2011</b>               |                    |                    |                    |
|   | <b>Actuals</b>     | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
| <b>Revenue</b>  |                    |                          |                           |                    |                    |                    |
| Fare Revenue  | \$0.000            | \$0.000                  | \$0.000                   | \$0.000            | \$0.000            | \$0.000            |
| Vehicle Toll Revenue                                      | -                  | -                        | -                         | -                  | -                  | -                  |
| <u>Other Operating Revenue</u>                            |                    |                          |                           |                    |                    |                    |
| Rental Income   | 50.312             | 52.676                   | 53.645                    | 54.787             | 55.932             | 56.906             |
| Data Center Billings                                      | -                  | -                        | -                         | -                  | -                  | -                  |
| Other   | 4.181              | 3.999                    | 4.047                     | 4.133              | 4.220              | 4.293              |
| Total Other Operating Revenue                             | 54.493             | 56.675                   | 57.692                    | 58.921             | 60.152             | 61.199             |
| Capital and Other Reimbursements                          | 47.714             | 59.251                   | 80.212                    | 87.423             | 89.214             | 87.483             |
| <b>Total Revenue</b>                                      | <b>\$102.207</b>   | <b>\$115.926</b>         | <b>\$137.904</b>          | <b>\$146.344</b>   | <b>\$149.366</b>   | <b>\$148.682</b>   |
| <b>Expenses</b>   |                    |                          |                           |                    |                    |                    |
| <u>Labor:</u>   |                    |                          |                           |                    |                    |                    |
| Payroll   | \$146.731          | \$139.550                | \$158.209                 | \$161.291          | \$163.851          | \$171.561          |
| Overtime  | 13.478             | 9.613                    | 8.746                     | 8.932              | 9.098              | 9.268              |
| Health and Welfare  | 16.371             | 15.708                   | 20.651                    | 22.023             | 24.202             | 26.990             |
| OPEB Current Payment                                      | 5.555              | 6.200                    | 7.200                     | 8.400              | 9.600              | 10.900             |
| Pensions  | 23.004             | 23.247                   | 27.755                    | 28.171             | 29.460             | 26.134             |
| Other Fringe Benefits                                     | 12.270             | 11.568                   | 13.305                    | 12.682             | 13.339             | 14.188             |
| Reimbursable Overhead                                     | -                  | -                        | -                         | -                  | -                  | -                  |
| <b>Total Labor Expenses</b>                               | <b>\$217.409</b>   | <b>\$205.886</b>         | <b>\$235.865</b>          | <b>\$241.499</b>   | <b>\$249.550</b>   | <b>\$259.041</b>   |
| <u>Non-Labor:</u>   |                    |                          |                           |                    |                    |                    |
| Traction and Propulsion Power                             | \$0.000            | \$0.000                  | \$0.000                   | \$0.000            | \$0.000            | \$0.000            |
| Fuel for Buses and Trains                                 | -                  | -                        | -                         | -                  | -                  | -                  |
| Insurance   | 4.208              | 3.942                    | 4.422                     | 4.864              | 5.351              | 5.886              |
| Claims  | -                  | -                        | -                         | -                  | -                  | -                  |
| Paratransit Service Contracts                             | -                  | -                        | -                         | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts                 | 25.241             | 40.721                   | 44.777                    | 45.676             | 46.631             | 47.442             |
| Professional Service Contracts                            | 45.143             | 53.617                   | 58.322                    | 64.365             | 65.287             | 66.558             |
| Materials & Supplies                                      | 3.689              | 6.742                    | 5.924                     | 2.898              | 2.986              | 3.061              |
| <u>Other Business Expenses</u>                            |                    |                          |                           |                    |                    |                    |
| MTA Internal Subsidy                                      | 52.254             | 52.591                   | 55.274                    | 57.694             | 58.163             | 61.189             |
| Other Business Expenses                                   | 38.279             | 46.230                   | 48.505                    | 49.527             | 50.815             | 52.085             |
| Total Other Business Expenses                             | 90.533             | 98.820                   | 103.779                   | 107.221            | 108.979            | 113.275            |
| <b>Total Non-Labor Expenses</b>                           | <b>\$168.814</b>   | <b>\$203.843</b>         | <b>\$217.224</b>          | <b>\$225.025</b>   | <b>\$229.233</b>   | <b>\$236.222</b>   |
| <u>Other Expenses Adjustments:</u>                        |                    |                          |                           |                    |                    |                    |
| Other   | \$0.000            | \$0.000                  | \$0.000                   | \$0.000            | \$0.000            | \$0.000            |
| <b>Total Other Expense Adjustments</b>                    | <b>\$0.000</b>     | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation and GASB Adjts.</b> | <b>\$386.223</b>   | <b>\$409.729</b>         | <b>\$453.090</b>          | <b>\$466.524</b>   | <b>\$478.783</b>   | <b>\$495.263</b>   |
| Depreciation  | 29.605             | 26.644                   | 20.800                    | 20.800             | 20.800             | 20.800             |
| OPEB Obligation   | 64.345             | 63.500                   | 67.100                    | 71.000             | 75.000             | 79.300             |
| Environmental Remediation                                 | -                  | -                        | -                         | -                  | -                  | -                  |
| <b>Total Expenses</b>                                     | <b>\$480.173</b>   | <b>\$499.873</b>         | <b>\$540.990</b>          | <b>\$558.324</b>   | <b>\$574.583</b>   | <b>\$595.363</b>   |
| <b>Baseline Surplus/(Deficit)</b>                         | <b>(\$377.966)</b> | <b>(\$383.948)</b>       | <b>(\$403.086)</b>        | <b>(\$411.980)</b> | <b>(\$425.217)</b> | <b>(\$446.681)</b> |

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Cash Receipts & Expenditures**  
(\$ in millions)

| <b>CASH RECEIPTS AND EXPENDITURES</b>         |                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | <b>2009</b>        | <b>2010</b>        | <b>2011</b>        |                    |                    |                    |
|   | <b>Actuals</b>     | <b>Mid-Year</b>    | <b>Preliminary</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
|   |                    | <b>Forecast</b>    | <b>Budget</b>      |                    |                    |                    |
| <b>Receipts</b>                               |                    |                    |                    |                    |                    |                    |
| Fare Revenue                                  | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            | \$0.000            |
| Vehicle Toll Revenue                          | -                  | -                  | -                  | -                  | -                  | -                  |
| <u>Other Operating Revenue</u>                |                    |                    |                    |                    |                    |                    |
| Rental Income                                 | 50.310             | 52.676             | 53.645             | 54.787             | 55.932             | 56.906             |
| Data Center Billings                          |                    | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              |
| Other   | 4.754              | 4.349              | 4.406              | 4.500              | 4.594              | 4.673              |
| Total Other Operating Revenue                 | 55.064             | 57.025             | 58.050             | 59.287             | 60.526             | 61.579             |
| Capital and Other Reimbursements              | 47.714             | 59.251             | 80.212             | 87.423             | 89.214             | 87.483             |
| <b>Total Receipts</b>                         | <b>\$102.778</b>   | <b>\$116.276</b>   | <b>\$138.263</b>   | <b>\$146.710</b>   | <b>\$149.740</b>   | <b>\$149.062</b>   |
| <b>Expenditures</b>                           |                    |                    |                    |                    |                    |                    |
| <u>Labor:</u>                                 |                    |                    |                    |                    |                    |                    |
| Payroll                                       | \$132.882          | \$137.108          | \$155.836          | \$158.871          | \$161.394          | \$168.988          |
| Overtime                                      | 13.477             | 9.613              | 8.746              | 8.932              | 9.098              | 9.268              |
| Health and Welfare                            | 15.829             | 14.717             | 19.652             | 20.996             | 23.130             | 25.874             |
| OPEB Current Payment                          | 5.555              | 6.200              | 7.200              | 8.400              | 9.600              | 10.900             |
| Pensions                                      | 12.793             | 28.847             | 27.622             | 28.052             | 29.352             | 26.037             |
| Other Fringe Benefits                         | 12.528             | 11.516             | 13.250             | 12.625             | 13.279             | 14.126             |
| GASB Account                                  | 0.000              | 0.991              | 0.999              | 1.027              | 1.071              | 1.116              |
| Reimbursable Overhead                         | 0.000              | -                  | -                  | -                  | -                  | -                  |
| <b>Total Labor Expenditures</b>               | <b>\$193.064</b>   | <b>\$208.991</b>   | <b>\$233.304</b>   | <b>\$238.903</b>   | <b>\$246.925</b>   | <b>\$256.309</b>   |
| <u>Non-Labor:</u>                             |                    |                    |                    |                    |                    |                    |
| Traction and Propulsion Power                 |                    |                    |                    |                    |                    |                    |
| Fuel for Buses and Trains                     |                    |                    |                    |                    |                    |                    |
| Insurance                                     | 3.326              | 3.745              | 4.201              | 4.621              | 5.083              | 5.592              |
| Claims  | -                  | -                  | -                  | -                  | -                  | -                  |
| Paratransit Service Contracts                 | -                  | -                  | -                  | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts     | 25.078             | 39.296             | 43.433             | 44.306             | 45.232             | 46.019             |
| Professional Service Contracts                | 32.976             | 50.668             | 55.406             | 61.147             | 62.023             | 63.230             |
| Materials & Supplies                          | 2.949              | 6.506              | 5.746              | 2.811              | 2.896              | 2.969              |
| <u>Other Business Expenses</u>                |                    |                    |                    |                    |                    |                    |
| MTA Internal Subsidy                          | 52.254             | 52.591             | 55.274             | 57.694             | 58.163             | 61.189             |
| Other Business Expenses                       | 40.679             | 42.762             | 45.110             | 46.060             | 47.258             | 48.439             |
| Total Other Business Expenses                 | 92.933             | 95.353             | 100.384            | 103.754            | 105.422            | 109.629            |
| <b>Total Non-Labor Expenditures</b>           | <b>\$157.262</b>   | <b>\$195.568</b>   | <b>\$209.171</b>   | <b>\$216.639</b>   | <b>\$220.656</b>   | <b>\$227.438</b>   |
| <u>Other Expenditure Adjustments:</u>         |                    |                    |                    |                    |                    |                    |
| Capital                                       | \$3.899            | 5.319              | 20.566             | 20.566             | 20.566             | 20.566             |
| Unallocated Service Enhancement Policy Action |                    |                    |                    |                    |                    |                    |
| <b>Total Other Expenditure Adjustments</b>    | <b>\$3.899</b>     | <b>\$5.319</b>     | <b>\$20.566</b>    | <b>\$20.566</b>    | <b>\$20.566</b>    | <b>\$20.566</b>    |
| <b>Total Expenditures</b>                     | <b>\$354.225</b>   | <b>\$409.879</b>   | <b>\$463.041</b>   | <b>\$476.108</b>   | <b>\$488.147</b>   | <b>\$504.313</b>   |
| <b>Baseline Cash Deficit</b>                  | <b>(\$251.447)</b> | <b>(\$293.603)</b> | <b>(\$324.779)</b> | <b>(\$329.399)</b> | <b>(\$338.407)</b> | <b>(\$355.251)</b> |

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

| <b>CASH FLOW ADJUSTMENTS</b>  |                  |                          |                           |                   |                   |                   |
|---|------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
|   | <b>2009</b>      | <b>2010</b>              | <b>2011</b>               |                   |                   |                   |
|   | <b>Actuals</b>   | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       |
| <b>Receipts</b>   |                  |                          |                           |                   |                   |                   |
| Fare Revenue  | \$0.000          | \$0.000                  | \$0.000                   | \$0.000           | \$0.000           | \$0.000           |
| Vehicle Toll Revenue  | -                | -                        | -                         | -                 | -                 | -                 |
| Other Operating Revenue   | 0.571            | 0.350                    | 0.358                     | 0.366             | 0.374             | 0.380             |
| Capital and Other Reimbursements  | 0.000            | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| <b>Total Receipts</b>   | <b>\$0.571</b>   | <b>\$0.350</b>           | <b>\$0.358</b>            | <b>\$0.366</b>    | <b>\$0.374</b>    | <b>\$0.380</b>    |
| <b>Expenditures</b>   |                  |                          |                           |                   |                   |                   |
| <b><u>Labor:</u></b>  |                  |                          |                           |                   |                   |                   |
| Payroll   | \$13.849         | \$2.442                  | \$2.373                   | \$2.419           | \$2.458           | \$2.573           |
| Overtime  | 0.001            |                          |                           |                   |                   |                   |
| Health and Welfare  | 0.542            | 0.991                    | 0.999                     | 1.027             | 1.071             | 1.116             |
| OPEB Current Payment  | 0.000            | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Pensions  | 10.211           | (5.600)                  | 0.133                     | 0.120             | 0.108             | 0.097             |
| Other Fringe Benefits   | (0.258)          | 0.052                    | 0.055                     | 0.057             | 0.059             | 0.062             |
| GASB Account  | 0.000            | (0.991)                  | (0.999)                   | (1.027)           | (1.071)           | (1.116)           |
| Reimbursable Overhead   | 0.000            | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| <b>Total Labor Expenditures</b>   | <b>\$24.345</b>  | <b>(\$3.105)</b>         | <b>\$2.561</b>            | <b>\$2.596</b>    | <b>\$2.625</b>    | <b>\$2.732</b>    |
| <b><u>Non-Labor:</u></b>  |                  |                          |                           |                   |                   |                   |
| Traction and Propulsion Power   |                  |                          |                           |                   |                   |                   |
| Fuel for Buses and Trains   |                  |                          |                           |                   |                   |                   |
| Insurance   | 0.882            | 0.197                    | 0.221                     | 0.243             | 0.268             | 0.294             |
| Claims  | -                | -                        | -                         | -                 | -                 | -                 |
| Paratransit Service Contracts   | -                | -                        | -                         | -                 | -                 | -                 |
| Maintenance and Other Operating Contracts                                   | 0.163            | 1.425                    | 1.343                     | 1.370             | 1.399             | 1.423             |
| Professional Service Contracts  | 12.167           | 2.949                    | 2.916                     | 3.218             | 3.264             | 3.328             |
| Materials & Supplies  | 0.740            | 0.236                    | 0.178                     | 0.087             | 0.090             | 0.092             |
| <b><u>Other Business Expenses</u></b>                                       |                  |                          |                           |                   |                   |                   |
| MTA Internal Subsidy  |                  | -                        | -                         | -                 | -                 | -                 |
| Other Business Expenses   | (2.400)          | 3.467                    | 3.395                     | 3.467             | 3.557             | 3.646             |
| Total Other Business Expenses   | (2.400)          | 3.467                    | 3.395                     | 3.467             | 3.557             | 3.646             |
| <b>Total Non-Labor Expenditures</b>   | <b>\$11.552</b>  | <b>\$8.274</b>           | <b>\$8.054</b>            | <b>\$8.386</b>    | <b>\$8.577</b>    | <b>\$8.783</b>    |
| <b><u>Other Expenditure Adjustments:</u></b>                                |                  |                          |                           |                   |                   |                   |
| Capital   | (\$3.899)        | (\$5.319)                | (\$20.566)                | (\$20.566)        | (\$20.566)        | (\$20.566)        |
| <b>Total Other Expenditure Adjustments</b>                                  | <b>(\$3.899)</b> | <b>(\$5.319)</b>         | <b>(\$20.566)</b>         | <b>(\$20.566)</b> | <b>(\$20.566)</b> | <b>(\$20.566)</b> |
| <b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b> | <b>\$32.569</b>  | <b>\$0.200</b>           | <b>(\$9.593)</b>          | <b>(\$9.218)</b>  | <b>(\$8.990)</b>  | <b>(\$8.670)</b>  |
| Depreciation Adjustment   | 29.605           | 26.644                   | 20.800                    | 20.800            | 20.800            | 20.800            |
| OPEB Obligation   | 64.345           | 63.500                   | 67.100                    | 71.000            | 75.000            | 79.300            |
| Environmental Remediation   | -                | -                        | -                         | -                 | -                 | -                 |
| <b>Baseline Total Cash Conversion Adjustments</b>                           | <b>\$126.519</b> | <b>\$90.344</b>          | <b>\$78.307</b>           | <b>\$82.582</b>   | <b>\$86.810</b>   | <b>\$91.430</b>   |

**MTA HEADQUARTERS  
JULY FINANCIAL PLAN 2010-2014  
YEAR-TO-YEAR CHANGES BY CATEGORY - BASELINE**

**Baseline Assumptions:**

The following explanations refer to the year-to-year variances in MTA Baseline assumptions for the July Financial Plan 2011-2014:

**Receipts:**

Rental Income, Data Center Billings, and Other

- The 2010 July Financial Plan reflects a re-estimate of charge-backs to Agencies for work performed by MTA Headquarters on their behalf, revised rental revenue, and higher recovery of costs billable to the Connecticut Department of Transportation, through Metro North, for Police expenses required to patrol and secure the New Haven Line.
- Thereafter, 2011, 2012, 2013, 2014 are inflated by the CPI-Urban 1.20%, 2.13%, 2.09%, and 1.74%, respectively.

**Expenditures:**

Payroll

- Payroll in the July Financial Plan in 2010 primarily reflects the one-time only severance costs associated with the voluntary retirements, and involuntary separations of non-reimbursable personnel related to the Administrative Reduction Program. The Plan assumes that all separations are completed by July 1, 2010. Also reflected are costs related to the formation of three new groups -- Strategic Initiatives, Bus Customer Information Systems and New Fare Media.
- An increase in 2011 primarily reflects the impact of new hires at the BSC as operations "go live", the impact of the Chief Operating Officer's group, and the hiring of 30 additional Police officers. Offsetting this, in part, is the annualized salary impact of the Administrative Reduction Program of non-reimbursable positions.
- Thereafter 2012, 2013, and 2014 reflect MTA Headquarters and MTA Police civilian salaries inflated at the rates prevailing in the February Plan.
- MTA Police represented salaries are inflated according to prevailing patterned bargaining rates, with 2014 reflecting the increase in patrol force to secure the East Side Access Project.

Overtime

- Overtime expenses throughout the July Financial Plan, which are primarily related to MTA Police operations, have been reduced as a result of the Budget



Reduction Plan and by the Strategic Initiatives study. These reductions are slightly offset by a re-estimate for overtime needs at the BSC.

- Expense in 2011, 2012, 2013, and 2014 are inflated by prevailing pattern bargaining rates.

#### Health and Welfare

- Health and Welfare premium rates in 2010 projected to increase at a rate of 3.3% over 2009, 13.3% in 2011 and 6.8% in each year thereafter.

#### Pensions

- The July Financial Plan primarily reflects adjustments resulting from changes in headcount as well as increases based on the CPI-Urban rates of 1.20% in 2011, 2.13% in 2012, 2.09% in 2013, and 1.74% in 2014.

#### Other Fringe Benefits

- The Plan years 2011, 2012, 2013 and 2014 are inflated by the CPI-Urban rates of 1.20%, 2.13%, 2.09%, and 1.74%, respectively.

#### Insurance

- Insurance premiums for 2010, 2011, and 2012 are inflated at approximately 10% annually (due to market increases) with some off-setting adjustments.

#### Maintenance and Other Operating Contracts

- Maintenance expenses in the July Financial Plan for 2010 reflect the one year impact of the Budget Reduction Plan due to the delayed opening of the Integrated Electronic Security System All Agency facility, costing approximately \$11.0 million. It is anticipated that IESS will open in the last quarter of 2010.
- Preliminary 2011 Budget reflects restoration of full-year IESS maintenance expenses of approximately \$11 million and CPI-Urban growth of 1.20% on all other existing maintenance and operating contracts. Thereafter, 2012, 2013 and 2014 are inflated by the CPI-Urban rates of 2.13%, 2.09%, and 1.74%, respectively.

#### Professional Service Contracts

- Professional Services in the July Financial Plan for 2010 primarily reflect re-estimates of the West Side Yards Development Project as well as the impact of Budget Reduction Plan decreases.
- Thereafter, 2011, 2012, 2013 and 2014 are inflated by the CPI-Urban rates of 1.20%, 2.13%, 2.09%, and 1.74%, respectively, with adjustments made to reflect, anticipated levels of West Side Yard project work, and lower levels of BRPs.

#### Materials & Supplies

- Expenses in 2011, 2012, 2013, and 2014 are inflated by the CPI-Urban rates of 1.20%, 2.13%, 2.09%, and 1.74%, respectively, and lower levels of BRPs.

#### MTA Internal Subsidy

- All years reflect MTA support requirements for SIRTOA and Long Island Bus based on projected revenue and support shortfalls from state and local subsidies.
- An adjustment to the elimination of Rockaway Resident Support AABB is reflected in 2010.

#### Other Business Expenses

- Increases in 2011, 2012, 2013 and 2014 are inflated by the CPI-Urban rates of 1.20%, 2.13%, 2.09%, and 1.74%, respectively.

#### **Other Expenditure Adjustments:**

##### Capital Expenditures

- 2010 expenditures of \$5.3 million reflect the results of the Cyclical Project Review study of operating capital that eliminated or deferred projects totaling \$15.5 million, including savings from rapid procurement.
- Capital expenditures in 2011 are \$20.6 million and remain constant at \$20.6 million for 2012-2014.

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | Favorable/(Unfavorable) |                    |                       |                    |                       |                    |                       |                    |                       |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b>Revenue</b>   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue  |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Vehicle Toll Revenue                                     |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Other Operating Revenue                                  |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Rental Income  | 52.676                  | 53.645             | 0.969                 | 54.787             | 1.143                 | 55.932             | 1.145                 | 56.906             | 0.973                 |
| Data Center Billings                                     |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Other  | 3.999                   | 4.047              | 0.048                 | 4.133              | 0.086                 | 4.220              | 0.086                 | 4.293              | 0.073                 |
| Capital and Other Reimbursements                         |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| <b>Total Revenue</b>                                     | <b>\$56.675</b>         | <b>\$57.692</b>    | <b>\$1.017</b>        | <b>\$58.921</b>    | <b>\$1.229</b>        | <b>\$60.152</b>    | <b>\$1.231</b>        | <b>\$61.199</b>    | <b>\$1.047</b>        |
| <b>Expenses</b>  |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Labor:   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Payroll  | 136.178                 | 154.596            | (18.418)              | 157.598            | (3.002)               | 160.086            | (2.488)               | 167.724            | (7.638)               |
| Overtime   | 9.613                   | 8.746              | 0.867                 | 8.932              | (0.186)               | 9.098              | (0.166)               | 9.268              | (0.170)               |
| Health and Welfare                                       | 15.262                  | 20.161             | (4.899)               | 21.491             | (1.330)               | 23.625             | (2.134)               | 26.366             | (2.741)               |
| OPEB Current Payment                                     | 6.200                   | 7.200              | (1.000)               | 8.400              | (1.200)               | 9.600              | (1.200)               | 10.900             | (1.300)               |
| Pensions   | 22.916                  | 27.389             | (4.473)               | 27.790             | (0.401)               | 29.062             | (1.273)               | 25.722             | 3.341                 |
| Other Fringe Benefits                                    | 11.296                  | 13.019             | (1.722)               | 12.383             | 0.636                 | 13.028             | (0.645)               | 13.866             | (0.838)               |
| Reimbursable Overhead                                    | (46.242)                | (56.487)           | 10.246                | (57.909)           | 1.422                 | (59.464)           | 1.554                 | (57.510)           | (1.954)               |
| <b>Total Labor Expenses</b>                              | <b>\$155.223</b>        | <b>\$174.623</b>   | <b>(\$19.400)</b>     | <b>\$178.685</b>   | <b>(\$4.062)</b>      | <b>\$185.036</b>   | <b>(\$6.351)</b>      | <b>\$196.335</b>   | <b>(\$11.300)</b>     |
| Non-Labor:   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Traction and Propulsion Power                            |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Fuel for Buses and Trains                                |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Insurance  | 3.942                   | 4.422              | (0.480)               | 4.864              | (0.442)               | 5.351              | (0.486)               | 5.886              | (0.535)               |
| Claims   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Paratransit Service Contracts                            |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Maintenance and Other Operating                          |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Contracts  | 40.663                  | 44.743             | (4.081)               | 45.644             | (0.900)               | 46.598             | (0.954)               | 47.408             | (0.811)               |
| Professional Service Contracts                           | 45.242                  | 39.541             | 5.701                 | 39.948             | (0.407)               | 40.783             | (0.834)               | 41.979             | (1.196)               |
| Materials & Supplies                                     | 6.665                   | 5.846              | 0.819                 | 2.818              | 3.028                 | 2.904              | (0.086)               | 2.978              | (0.074)               |
| MTA Internal Subsidy                                     | 52.591                  | 55.274             | (2.684)               | 57.694             | (2.420)               | 58.163             | (0.469)               | 61.189             | (3.026)               |
| Other Business Expenses                                  | 46.153                  | 48.428             | (2.275)               | 49.449             | (1.021)               | 50.735             | (1.287)               | 52.004             | (1.269)               |
| <b>Total Non-Labor Expenses</b>                          | <b>\$195.255</b>        | <b>\$198.255</b>   | <b>(\$3.000)</b>      | <b>\$200.417</b>   | <b>(\$2.162)</b>      | <b>\$204.534</b>   | <b>(\$4.117)</b>      | <b>\$211.444</b>   | <b>(\$6.910)</b>      |
| Other Expenses Adjustments:                              |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Other  |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>          | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$350.478</b>        | <b>\$372.878</b>   | <b>(\$22.400)</b>     | <b>\$379.101</b>   | <b>(\$6.224)</b>      | <b>\$389.569</b>   | <b>(\$10.468)</b>     | <b>\$407.780</b>   | <b>(\$18.210)</b>     |
| Depreciation   | 26.644                  | 20.800             | 5.844                 | 20.800             | 0.000                 | 20.800             | 0.000                 | 20.800             | 0.000                 |
| OPEB Obligation  | 63.500                  | 67.100             | (3.600)               | 71.000             | (3.900)               | 75.000             | (4.000)               | 79.300             | (4.300)               |
| Environmental Remediation                                |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| <b>Total Expenses</b>                                    | <b>\$440.622</b>        | <b>\$460.778</b>   | <b>(\$20.155)</b>     | <b>\$470.901</b>   | <b>(\$10.124)</b>     | <b>\$485.369</b>   | <b>(\$14.468)</b>     | <b>\$507.880</b>   | <b>(\$22.510)</b>     |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$383.948)</b>      | <b>(\$403.086)</b> | <b>(\$19.138)</b>     | <b>(\$411.980)</b> | <b>(\$8.895)</b>      | <b>(\$425.217)</b> | <b>(\$13.237)</b>     | <b>(\$446.681)</b> | <b>(\$21.464)</b>     |

## REIMBURSABLE

[illegible]

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS AND EXPENDITURES**

|  | Favorable/(Unfavorable) |                    |                       |                    |                       |                    |                       |                    |                       |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b>Revenue</b>                             |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue                            |                         |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |
| Vehicle Toll Revenue                       |                         |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |
| Other Operating Revenue                    |                         |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |
| Rental Income                              | 52.676                  | 53.645             | 0.969                 | 54.787             | 1.143                 | 55.932             | 1.145                 | 56.906             | 0.973                 |
| Data Center Billings                       |                         |                    | 0.000                 | -                  | 0.000                 |                    | 0.000                 | -                  | 0.000                 |
| Other                                      | 4.349                   | 4.406              | 0.057                 | 4.500              | 0.094                 | 4.594              | 0.094                 | 4.673              | 0.080                 |
| Capital and Other Reimbursements           | 59.251                  | 80.212             | 20.961                | 87.423             | 7.211                 | 89.214             | 1.791                 | 87.483             | (1.730)               |
| <b>Total Revenue</b>                       | <b>\$116.276</b>        | <b>\$138.263</b>   | <b>\$21.987</b>       | <b>\$146.710</b>   | <b>\$8.447</b>        | <b>\$149.740</b>   | <b>\$3.030</b>        | <b>\$149.062</b>   | <b>(\$0.677)</b>      |
| <b>Expenses</b>                            |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| <b>Labor:</b>                              |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Payroll                                    | 137.108                 | 155.836            | (\$18.728)            | 158.871            | (\$3.036)             | 161.394            | (\$2.522)             | 168.988            | (\$7.594)             |
| Overtime                                   | 9.613                   | 8.746              | 0.867                 | 8.932              | (0.186)               | 9.098              | (0.166)               | 9.268              | (0.170)               |
| Health and Welfare                         | 14.717                  | 19.652             | (4.936)               | 20.996             | (1.344)               | 23.130             | (2.134)               | 25.874             | (2.743)               |
| OPEB Current Payment                       | 6.200                   | 7.200              | (1.000)               | 8.400              | (1.200)               | 9.600              | (1.200)               | 10.900             | (1.300)               |
| Pensions                                   | 28.847                  | 27.622             | 1.225                 | 28.052             | (0.430)               | 29.352             | (1.300)               | 26.037             | 3.315                 |
| Other Fringe Benefits                      | 11.516                  | 13.250             | (1.734)               | 12.625             | 0.625                 | 13.279             | (0.655)               | 14.126             | (0.847)               |
| GASB Account                               | 0.991                   | 0.999              | (0.008)               | 1.027              | (0.028)               | 1.071              | (0.044)               | 1.116              | (0.045)               |
| Reimbursable Overhead                      | 0.000                   | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 | 0.000              | 0.000                 |
| <b>Total Labor Expenditures</b>            | <b>\$208.991</b>        | <b>\$233.304</b>   | <b>(\$24.313)</b>     | <b>\$238.903</b>   | <b>(\$5.599)</b>      | <b>\$246.925</b>   | <b>(\$8.021)</b>      | <b>\$256.309</b>   | <b>(\$9.384)</b>      |
| <b>Non-Labor:</b>                          |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Traction and Propulsion Power              |                         |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |
| Fuel for Buses and Trains                  |                         |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |                    | 0.000                 |
| Insurance                                  | 3.745                   | 4.201              | (0.456)               | 4.621              | (0.420)               | 5.083              | (0.462)               | 5.592              | (0.508)               |
| Claims                                     | -                       | -                  | 0.000                 | -                  | 0.000                 | -                  | 0.000                 | -                  | 0.000                 |
| Paratransit Service Contracts              | -                       | -                  | 0.000                 | -                  | 0.000                 | -                  | 0.000                 | -                  | 0.000                 |
| Maintenance and Other Operating Contracts  | 39.296                  | 43.433             | (4.137)               | 44.306             | (0.873)               | 45.232             | (0.926)               | 46.019             | (0.787)               |
| Professional Service Contracts             | 50.668                  | 55.406             | (4.738)               | 61.147             | (5.741)               | 62.023             | (0.876)               | 63.230             | (1.207)               |
| Materials & Supplies                       | 6.506                   | 5.746              | 0.760                 | 2.811              | 2.936                 | 2.896              | (0.086)               | 2.969              | (0.073)               |
| MTA Internal Subsidy                       | 52.591                  | 55.274             | (2.684)               | 57.694             | (2.420)               | 58.163             | (0.469)               | 61.189             | (3.026)               |
| Other Business Expenses                    | 42.762                  | 45.110             | (2.347)               | 46.060             | (0.951)               | 47.258             | (1.198)               | 48.439             | (1.181)               |
| <b>Total Non-Labor Expenditures</b>        | <b>\$195.568</b>        | <b>\$209.171</b>   | <b>(\$13.602)</b>     | <b>\$216.639</b>   | <b>(\$7.469)</b>      | <b>\$220.656</b>   | <b>(\$4.017)</b>      | <b>\$227.438</b>   | <b>(\$6.782)</b>      |
| <b>Other Expenditure Adjustments:</b>      |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Capital                                    | 5.319                   | 20.566             | (15.247)              | 20.566             | -                     | 20.566             | -                     | 20.566             | -                     |
| <b>Total Other Expenditure Adjustments</b> | <b>\$5.319</b>          | <b>\$20.566</b>    | <b>(\$15.247)</b>     | <b>\$20.566</b>    | <b>\$0.000</b>        | <b>\$20.566</b>    | <b>\$0.000</b>        | <b>\$20.566</b>    | <b>\$0.000</b>        |
| <b>Total Expenditures</b>                  | <b>\$409.879</b>        | <b>\$463.041</b>   | <b>(\$53.162)</b>     | <b>\$476.108</b>   | <b>(\$13.067)</b>     | <b>\$488.147</b>   | <b>(\$12.038)</b>     | <b>\$504.313</b>   | <b>(\$16.167)</b>     |
| <b>Baseline Cash Deficit</b>               | <b>(\$293.603)</b>      | <b>(\$324.779)</b> | <b>(\$31.175)</b>     | <b>(\$329.399)</b> | <b>(\$4.620)</b>      | <b>(\$338.407)</b> | <b>(\$9.008)</b>      | <b>(\$355.251)</b> | <b>(\$16.844)</b>     |

**MTA HEADQUARTERS  
JULY FINANCIAL PLAN 2011-2014  
SUMMARY OF PLAN-TO-PLAN CHANGES - BASELINE**

The following explanations summarize the total differences between the July Financial Plan and the February Financial Plan:

**2010: July Financial Plan vs. February Financial Plan**

The Baseline Cash Deficit in the July Financial Plan of \$293.6 million is a \$31.5 million improvement from the February Plan of \$325.1 million. The decrease is primarily attributable to reductions from the Budget Reduction Plan of \$21.5 million, coupled with the partial year savings of \$3.5 million from the Administrative Reduction Program.

**2011: July Financial Plan vs. February Financial Plan**

The Baseline Cash Deficit in the July Financial Plan of \$324.8 million is a \$14.7 million decrease from the February Plan of \$339.5 million. The favorable variance is primarily attributable to continued savings from the Budget Reduction Program, the full year annualized impact of the payroll reductions resulting from the Administrative Reduction Program, and the additional MTAPD overtime targeted for reduction.

**2012, 2013, 2014: July Financial Plan vs. February Financial Plan**

The Baseline Cash Deficit in the July Financial Plan of \$329.4 million in 2012 is a \$17.2 million decrease from the February Plan of \$346.6 million. The Baseline Cash Deficit in the July Financial Plan of \$338.4 million in 2013 is a \$21.5 million decrease from the February Plan of \$359.9 million. The reasons for the variances are due to the continuation of initiatives as described previously. The Baseline Cash Deficit in the July Financial Plan increases to \$355.3 million for 2014.

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | 2010               | 2011               | 2012               | 2013               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>(\$325.140)</b> | <b>(\$339.548)</b> | <b>(\$346.612)</b> | <b>(\$359.860)</b> |
| <b>Baseline Changes</b>  |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Farebox Revenue  |                    |                    |                    |                    |
| Vehicle Toll Revenue   |                    |                    |                    |                    |
| Rental Income  | \$1.746            | \$2.028            | \$2.056            | \$1.988            |
| Data Center Billings   | \$0.000            | \$0.000            | \$0.000            | \$0.000            |
| Other  | \$0.352            | \$0.351            | \$0.357            | \$0.357            |
| Capital and Other Reimbursement  | \$0.000            | \$0.000            | \$0.000            | \$0.000            |
| <b>Total Revenue Changes</b>   | <b>\$2.098</b>     | <b>\$2.379</b>     | <b>\$2.413</b>     | <b>\$2.344</b>     |
| <b>Expenses</b>  |                    |                    |                    |                    |
| <b>Labor:</b>  |                    |                    |                    |                    |
| Payroll  | (\$1.442)          | \$0.777            | (\$1.953)          | (\$0.579)          |
| Overtime   | 0.584              | 1.690              | 1.747              | 1.829              |
| Health and Welfare   | 3.223              | 2.512              | 2.979              | 3.316              |
| OPEB Current Payment   | 1.700              | 2.200              | 2.700              | 3.200              |
| Pensions   | (0.071)            | (2.294)            | (0.406)            | (0.450)            |
| Other Fringe Benefits  | 0.512              | (0.465)            | 0.563              | 0.602              |
| <u>Reimbursable Overhead</u>   | <u>1.011</u>       | <u>8.332</u>       | <u>8.601</u>       | <u>9.051</u>       |
| <b>Total Labor Expense Changes</b>   | <b>\$5.518</b>     | <b>\$12.753</b>    | <b>\$14.231</b>    | <b>\$16.970</b>    |
| <b>Non-Labor:</b>  |                    |                    |                    |                    |
| Traction and Propulsion Power  |                    |                    |                    |                    |
| Fuel for Buses and Trains  |                    |                    |                    |                    |
| Insurance  | (\$0.346)          | (\$0.467)          | (\$0.513)          | (\$0.564)          |
| Claims   | -                  | -                  | -                  | -                  |
| Paratransit Service Contracts  | -                  | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts                                      | 2.823              | (0.472)            | (1.204)            | (1.136)            |
| Professional Service Contracts   | (2.551)            | 3.780              | 2.554              | 2.703              |
| Materials & Supplies   | 5.099              | (1.466)            | 0.989              | 1.021              |
| MTA Internal Subsidy   | 9.572              | 5.350              | 5.777              | 7.374              |
| <u>Other Business Expenses</u>   | <u>(1.111)</u>     | <u>(0.669)</u>     | <u>(0.824)</u>     | <u>(1.090)</u>     |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$13.486</b>    | <b>\$6.056</b>     | <b>\$6.780</b>     | <b>\$8.308</b>     |
| <b>Gap Closing Expenses :</b>  |                    |                    |                    |                    |
| <b>Total Gap Closing Expenses</b>  | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation and GASB Adj.</b>                        |                    |                    |                    |                    |
| Depreciation   | \$4.415            | \$4.788            | \$0.000            | \$0.000            |
| OPEB Obligation  | \$3.600            | \$3.100            | \$2.200            | \$1.600            |
| Environmental Remediation  |                    |                    |                    |                    |
| <b>Total Expense Changes</b>   | <b>\$27.019</b>    | <b>\$26.697</b>    | <b>\$23.211</b>    | <b>\$26.878</b>    |
| <b>Cash Adjustment Changes</b>   |                    |                    |                    |                    |
| Revenue Adjustments  | (2.940)            | (3.387)            | (3.461)            | (3.541)            |
| Expense Adjustments  | 5.361              | (10.918)           | (4.949)            | (4.228)            |
| <b>Total Cash Adjustment Changes</b>   | <b>\$2.420</b>     | <b>(\$14.306)</b>  | <b>(\$8.409)</b>   | <b>(\$7.770)</b>   |
| <b>Total Baseline Changes</b>  | <b>\$31.537</b>    | <b>\$14.770</b>    | <b>\$17.214</b>    | <b>\$21.453</b>    |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$293.603)</b> | <b>(\$324.779)</b> | <b>(\$329.399)</b> | <b>(\$338.407)</b> |

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

|   | 2010              | 2011             | 2012             | 2013             |
|---|-------------------|------------------|------------------|------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash</b> | <b>\$0.000</b>    | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Baseline Changes</b>                                       |                   |                  |                  |                  |
| <b>Revenue</b>  |                   |                  |                  |                  |
| Farebox Revenue   |                   |                  |                  |                  |
| Vehicle Toll Revenue  |                   |                  |                  |                  |
| Rental Income   |                   |                  |                  |                  |
| Data Center Billings  |                   |                  |                  |                  |
| Other   |                   |                  |                  |                  |
| <u>Capital and Other Reimbursement</u>                        | <u>(\$12.788)</u> | <u>\$1.047</u>   | <u>\$6.829</u>   | <u>\$9.292</u>   |
| <b>Total Revenue Changes</b>                                  | <b>(\$12.788)</b> | <b>\$1.047</b>   | <b>\$6.829</b>   | <b>\$9.292</b>   |
| <b>Expenses</b>   |                   |                  |                  |                  |
| <b>Labor:</b>   |                   |                  |                  |                  |
| Payroll   | \$ .537           | \$ .592          | \$ .605          | \$ .617          |
| Overtime  | -                 | -                | -                | -                |
| Health and Welfare  | 0.125             | 0.117            | 0.130            | 0.143            |
| OPEB Current Payment  | -                 | -                | -                | -                |
| Pensions  | 0.061             | 0.027            | 0.028            | 0.030            |
| Other Fringe Benefits   | 0.044             | 0.037            | 0.038            | 0.040            |
| <u>Reimbursable Overhead</u>                                  | <u>(1.011)</u>    | <u>(8.332)</u>   | <u>(8.601)</u>   | <u>(9.051)</u>   |
| <b>Total Labor Expense Changes</b>                            | <b>(\$2.44)</b>   | <b>(\$7.560)</b> | <b>(\$7.800)</b> | <b>(\$8.222)</b> |
| <b>Non-Labor:</b>   |                   |                  |                  |                  |
| Traction and Propulsion Power                                 |                   |                  |                  |                  |
| Fuel for Buses and Trains                                     |                   |                  |                  |                  |
| Insurance   |                   |                  |                  |                  |
| Claims  |                   |                  |                  |                  |
| Paratransit Service Contracts                                 |                   |                  |                  |                  |
| Maintenance and Other Operating Contracts                     | (\$ .054)         | (\$ .029)        | (\$ .028)        | (\$ .028)        |
| Professional Services   | 13.087            | 6.542            | 0.999            | (1.043)          |
| Materials & Supplies  | (0.000)           | 0.000            | 0.000            | 0.000            |
| MTA Internal Subsidy  | -                 | -                | -                | -                |
| <u>Other Business Expenses</u>                                | <u>(0.001)</u>    | <u>0.000</u>     | <u>0.000</u>     | <u>0.000</u>     |
| <b>Total Non-Labor Expense Changes</b>                        | <b>\$13.032</b>   | <b>\$6.513</b>   | <b>\$ .972</b>   | <b>(\$1.070)</b> |
| <b>Gap Closing Expenses :</b>                                 |                   |                  |                  |                  |
| <b>Total Gap Closing Expenses</b>                             | <b>\$ .000</b>    | <b>\$ .000</b>   | <b>\$ .000</b>   | <b>\$ .000</b>   |
| <b>Total Expenses before Depreciation</b>                     | <b>\$12.788</b>   | <b>(\$1.047)</b> | <b>(\$6.829)</b> | <b>(\$9.292)</b> |
| <b>Depreciation</b>   |                   |                  |                  |                  |
| <b>Total Expense Changes</b>                                  | <b>\$12.788</b>   | <b>(\$1.047)</b> | <b>(\$6.829)</b> | <b>(\$9.292)</b> |
| <b>Cash Adjustment Changes</b>                                |                   |                  |                  |                  |
| <b>Total Cash Adjustment Changes</b>                          | <b>\$0.000</b>    | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Total Baseline Changes</b>                                 | <b>\$0.000</b>    | <b>(\$0.000)</b> | <b>(\$0.000)</b> | <b>\$0.000</b>   |
| <b>Baseline 2010 July Financial Plan - Operating Cash</b>     | <b>\$0.000</b>    | <b>(\$0.000)</b> | <b>(\$0.000)</b> | <b>\$0.000</b>   |



**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

|  | 2010               | 2011               | 2012               | 2013               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>(\$325.140)</b> | <b>(\$339.548)</b> | <b>(\$346.612)</b> | <b>(\$359.860)</b> |
| <b>Non-Reimbursable Major Changes</b>  |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Change in Rental Income  | 2.398              | 2.829              | 2.878              | 2.852              |
| Increased Transit Museum Revenues  | 0.352              | 0.350              | 0.357              | 0.357              |
| All other  | (0.652)            | (0.800)            | (0.822)            | (0.865)            |
| <b>Sub-Total Non-Reimbursable Revenue Changes</b>                              | <b>\$2.098</b>     | <b>\$2.379</b>     | <b>\$2.413</b>     | <b>\$2.344</b>     |
| <b>Expenses</b>  |                    |                    |                    |                    |
| Administrative Reductions (net of separation exps)                             | 1.586              | 13.355             | 13.917             | 14.294             |
| Budget Reduction Program   | 5.906              | 4.286              | 4.390              | 4.513              |
| Increased New Initiatives Departments (net)                                    | (2.628)            | (2.907)            | (3.129)            | (3.357)            |
| Overtime Reductions  | -                  | 1.653              | 1.708              | 1.789              |
| MTA PD East Side Access Staffing (net)   | -                  | (0.383)            | -                  | -                  |
| Customer Information System Pilot Program                                      | (0.420)            | -                  | -                  | -                  |
| BSC Re-estimates   | 6.441              | (0.572)            | (1.588)            | (1.622)            |
| Insurance Expense Re-estimates   | (0.346)            | (0.467)            | (0.513)            | (0.564)            |
| Reduced Data Center Chargebacks  | (0.346)            | (1.217)            | (1.243)            | (1.269)            |
| Re-evaluation of MTAHQ Vacancy Rates & Savings                                 | (3.141)            | (4.670)            | (4.726)            | (4.868)            |
| Revised OPEB Current Contributions   | 1.700              | 2.200              | 2.700              | 3.200              |
| Change in Recoverable Overhead   | (2.527)            | -                  | -                  | 1.124              |
| Lower Employee Benefits  | 1.186              | 1.327              | 2.234              | 2.415              |
| Inflationary Changes   | -                  | 0.411              | 0.221              | 0.240              |
| Revised OPEB Accrued Expenses  | 3.600              | 3.100              | 2.200              | 1.600              |
| Revised Depreciation   | 4.415              | 4.788              | -                  | -                  |
| Change in Cross Bay Toll AAB   | (0.650)            | (0.600)            | (0.600)            | (0.600)            |
| Revised Support for Subsidiaries   | 10.222             | 5.950              | 6.377              | 7.974              |
| All Other  | 2.021              | \$0.452            | \$1.269            | \$2.011            |
| <b>Sub-Total Non-Reimbursable Expense Changes</b>                              | <b>\$27.020</b>    | <b>\$26.705</b>    | <b>\$23.216</b>    | <b>\$26.880</b>    |
| <b>Total Non-Reimbursable Major Changes</b>                                    | <b>\$29.119</b>    | <b>\$29.084</b>    | <b>\$25.629</b>    | <b>\$29.225</b>    |
| <b>Reimbursable Major Changes</b>  |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Change in Recoverable Expenses Levels  | (\$12.788)         | \$1.047            | \$6.829            | \$9.292            |
| <b>Sub-Total Reimbursable Revenue Changes</b>                                  | <b>(\$12.788)</b>  | <b>\$1.047</b>     | <b>\$6.829</b>     | <b>\$9.292</b>     |
| <b>Expenses</b>  |                    |                    |                    |                    |
| Change in West Side Yard Development Schedule                                  | 13.087             | 6.542              | 0.999              | (1.043)            |
| Revised Defined Benefit Expenses   | (0.054)            | (0.029)            | (0.028)            | (0.028)            |
| Increased Recoverable Expenses   | (1.011)            | (8.332)            | (8.601)            | (9.051)            |
| All Other  | 0.766              | 0.772              | 0.800              | 0.830              |
| <b>Sub-Total Reimbursable Expense Changes</b>                                  | <b>\$12.788</b>    | <b>(\$1.047)</b>   | <b>(\$6.829)</b>   | <b>(\$9.292)</b>   |
| <b>Total Reimbursable Major Changes</b>  | <b>\$0.000</b>     | <b>(\$0.000)</b>   | <b>(\$0.000)</b>   | <b>\$0.000</b>     |
| <b>Total Accrual Changes</b>   | <b>\$29.119</b>    | <b>\$29.084</b>    | <b>\$25.629</b>    | <b>\$29.225</b>    |
| <b>Cash Adjustment Changes</b>   |                    |                    |                    |                    |
| Reduced Investment Income  | (\$2.940)          | (\$3.387)          | (\$3.461)          | (\$3.541)          |
| Revised Operating Capital  | \$15.481           | \$0.234            | \$0.234            | \$0.234            |
| Change in Expense Cash Adjustments   | (\$2.107)          | (\$3.273)          | (\$2.988)          | (\$2.864)          |
| All Other  | (\$8.015)          | (\$7.888)          | (\$2.200)          | (\$1.600)          |
| <b>Total Cash Adjustment Changes</b>   | <b>\$2.419</b>     | <b>(\$14.314)</b>  | <b>(\$8.415)</b>   | <b>(\$7.772)</b>   |
| <b>Total Baseline Changes</b>  | <b>\$31.537</b>    | <b>\$14.770</b>    | <b>\$17.214</b>    | <b>\$21.453</b>    |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$293.603)</b> | <b>(\$324.779)</b> | <b>(\$329.399)</b> | <b>(\$338.407)</b> |

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Proposals - Cash Basis**  
(\$ in millions)

|  | Favorable/(Unfavorable) |                 |      |                |      |                |      |                |      |                |
|--|-------------------------|-----------------|------|----------------|------|----------------|------|----------------|------|----------------|
|  | Pos.                    | 2010            | Pos. | 2011           | Pos. | 2012           | Pos. | 2013           | Pos. | 2014           |
| <u>Administration</u>  |                         |                 |      |                |      |                |      |                |      |                |
| Cyclical Project Review - Offset                                     | -                       | (\$2.000)       | -    | \$0.000        | -    | \$0.000        | -    | 0.000          | -    | 0.000          |
| Cyclical Project Review - Project Deferral & Elimination/Rapid Proc. | -                       | 15.460          | -    | 0.234          | -    | 0.234          | -    | 0.234          | -    | 0.234          |
| Health & Welfare - Lower Rates <sup>1</sup>                          | -                       | 1.186           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| Reduce Real Estate Operating Costs                                   | -                       | 1.291           | -    | 1.307          | -    | 1.334          | -    | 1.362          | -    | 1.386          |
| IT and Communications Expenses                                       | -                       | 0.847           | -    | 0.373          | -    | 0.381          | -    | 0.389          | -    | 0.396          |
| Miscellaneous Reductions   | -                       | 0.720           | -    | 0.253          | -    | 0.258          | -    | 0.264          | -    | 0.268          |
| Outside Financial and Audit Services                                 | -                       | 1.098           | -    | 0.911          | -    | 0.930          | -    | 0.950          | -    | 0.966          |
| IESS Maintenance <sup>1</sup>  | -                       | 1.068           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| Lobbying, Marketing and Advertising <sup>1</sup>                     | -                       | 1.580           | -    | 0.100          | -    | 0.102          | -    | 0.104          | -    | 0.106          |
| <i>Subtotal Administration</i>                                       | -                       | 21.250          | -    | 3.178          | -    | 3.239          | -    | 3.303          | -    | 3.356          |
| <u>Customer Convenience/Amenities</u>                                |                         |                 |      |                |      |                |      |                |      |                |
| None   | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <i>Subtotal Customer Convenience/Amenities</i>                       | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <u>Maintenance</u>   |                         |                 |      |                |      |                |      |                |      |                |
| None   | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <i>Subtotal Maintenance</i>  | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <u>Revenue Enhancement</u>   |                         |                 |      |                |      |                |      |                |      |                |
| None   | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <i>Subtotal Revenue Enhancement</i>                                  | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <u>Safety</u>  |                         |                 |      |                |      |                |      |                |      |                |
| None   | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <i>Subtotal Safety</i>   | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <u>Security</u>  |                         |                 |      |                |      |                |      |                |      |                |
| MTA Police OTPS  |                         | 0.500           |      | 0.507          |      | 0.518          |      | 0.529          |      | 0.538          |
| MTA Police Overtime  | -                       | 0.813           | -    | 0.846          | -    | 0.874          | -    | 0.916          | -    | 0.958          |
| <i>Subtotal Security</i>   | -                       | 1.313           | -    | 1.353          | -    | 1.392          | -    | 1.445          | -    | 1.496          |
| <u>Service</u>   |                         |                 |      |                |      |                |      |                |      |                |
| None   | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <i>Subtotal Service</i>  | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <u>Service Support</u>   |                         |                 |      |                |      |                |      |                |      |                |
| None   | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <i>Subtotal Service Support</i>                                      | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <u>Other</u>   |                         |                 |      |                |      |                |      |                |      |                |
| None   | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <i>Subtotal Other</i>  | -                       | 0.000           | -    | 0.000          | -    | 0.000          | -    | 0.000          | -    | 0.000          |
| <b>Agency Submission</b>   | -                       | <b>\$22.563</b> | -    | <b>\$4.531</b> | -    | <b>\$4.631</b> | -    | <b>\$4.748</b> | -    | <b>\$4.852</b> |

<sup>1</sup> These proposals are non-recurring.

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Administration

**Program:** Cyclical Project Review - Offset

**Background Details:**

|  |   |                                      |           |
|--|---|--------------------------------------|-----------|
| <b>Program Description/<br/>Implementation Plan:</b> | These expenses are for costs associated with the Cyclical Project Review. |                                      |           |
| <b>Program Implementation Date:</b>                  | 3/19/2010   | <b>When will savings begin?:</b>     | 3/19/2010 |
|  |   | <b>Are these savings recurring?:</b> | No        |
| <b>Other Issues:</b>                                 |   |                                      |           |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | (\$2.000)               | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance  
  
Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Administration

**Program:** Cyclical Project Review - Project Deferral & Elimination/Rapid Procurement

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | Elimination and deferral of operating capital projects totaling \$15.460 million, identified by cyclical project review and savings from rapid procurement review comprise the largest portion of the Budget Reduction Program. |
|----------------------------|---|

|  |  |
|--|--|
| <b>Program Description/<br/>Implementation Plan:</b> |  |
| <b>Program Implementation Date:</b>                  | 3/19/2010 <b>When will savings begin?:</b> 3/19/2010 |
|  | <b>Are these savings recurring?:</b> Yes             |
| <b>Other Issues:</b>                                 |  |

|  | Favorable/(Unfavorable) |             |             |             |             |
|--|-------------------------|-------------|-------------|-------------|-------------|
|  | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>         |                         |             |             |             |             |
| Net Cash Savings (in millions)               | \$15.460                | \$0.234     | \$0.234     | \$0.234     | \$0.234     |
| <i>Total Reduction in Positions Required</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>             |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance  
  
Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Administration

**Program:** Health & Welfare - Lower Rates

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | To reduce Health & Welfare due to change in Fringe Rates |
|----------------------------|--|

**Program Description/  
Implementation Plan:**

**Program Implementation Date:** 3/19/2010      **When will savings begin?:** 3/19/2010

**Are these savings recurring?:** No

**Other Issues:**

|                                      | Favorable/(Unfavorable) |             |             |             |             |
|--------------------------------------|-------------------------|-------------|-------------|-------------|-------------|
|                                      | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i> |                         |             |             |             |             |
| Net Cash Savings (in millions)       | \$1.186                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| <i>Total Reduction in Positions Required:</i> | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|

*(List Title of Positions)*

*Impact on Operations:*

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Administration

**Program:** Reduce Real Estate Operating Costs

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | MTA Outside Legal Services reduction due to Real Estate using MTA Legal Department.<br>Reduction in Professional Services due to numerous Agency Projects being held or reduced.<br>Purchase of Office Furniture, Computer Equip - Software/Hardware, and Office Supplies for the<br>MTA Real Estate Department reduced due to budget cuts. |
|----------------------------|---|

|  |                                    |                                      |           |
|--|------------------------------------|--------------------------------------|-----------|
| <b>Program Description/<br/>Implementation Plan:</b> | Reduce Real Estate Operating Costs |                                      |           |
| <b>Program Implementation Date:</b>                  | 3/19/2010                          | <b>When will savings begin?:</b>     | 3/19/2010 |
|  |                                    | <b>Are these savings recurring?:</b> | Yes       |
| <b>Other Issues:</b>                                 |                                    |                                      |           |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.291                 | \$1.307     | \$1.334     | \$1.362     | \$1.386     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Administration

**Program:** IT and Communications Expenses

**Background Details:** Reducing Professional Services due to reduction in Disaster Recovery contract and E-Alert running well below budget. Software support reduction due to software being supported at the BSC. Lower communication expenses with reduced headcount.

**Program Description/Implementation Plan:** Reduce IT and Communications Expenses

**Program Implementation Date:** 3/19/2010      **When will savings begin?:** 3/19/2010

**Are these savings recurring?:** Yes

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.847                 | \$0.373     | \$0.381     | \$0.389     | \$0.396     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:**

**Administration**

**Program:**

**Miscellaneous Reductions**

**Background Details:**

Lower maintenance and repairs and reduced supplies needed due to headcount reductions. Professional Service reduction due to Hay contract being paid out of Corp Acct. Reduced Public Hearing expenses.

**Program Description/  
Implementation Plan:**

Reduce Miscellaneous expenses.

**Program Implementation Date:**

**3/19/2010**

**When will savings begin?:**

**3/19/2010**

**Are these savings recurring?:**

**Yes**

**Other Issues:**

Favorable/(Unfavorable)

*Financial Impact (Operating):*

Net Cash Savings (in millions)

| <u>2010</u>    | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
|----------------|----------------|----------------|----------------|----------------|
| <b>\$0.720</b> | <b>\$0.253</b> | <b>\$0.258</b> | <b>\$0.264</b> | <b>\$0.268</b> |

*Total Reduction in Positions Required:*

|   |   |   |   |   |
|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|

*(List Title of Positions)*

*Impact on Operations:*

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*



**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:**

**Administration**

**Program:**

**Outside Financial and Audit Services**

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | Reduce the use of outside consultant services and limit the use of Winston staff for "on board train observations". |
|----------------------------|---|

|  |   |                                      |           |
|--|---|--------------------------------------|-----------|
| <b>Program Description/<br/>Implementation Plan:</b> | Reduce Outside Financial and Audit Services |                                      |           |
| <b>Program Implementation Date:</b>                  | 3/19/2010                                   | <b>When will savings begin?:</b>     | 3/19/2010 |
|  |   | <b>Are these savings recurring?:</b> | Yes       |
| <b>Other Issues:</b>                                 |   |                                      |           |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.098                 | \$0.911     | \$0.930     | \$0.950     | \$0.966     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |
| <i>Impact on Operations:</i>                  |                         |             |             |             |             |
| Ridership Per Week (in thousands)             |                         |             |             |             |             |
| Mean Distance Between Failure                 |                         |             |             |             |             |
| On-Time Performance                           |                         |             |             |             |             |
| Other   |                         |             |             |             |             |
| (Identify Appropriate Indicator)              |                         |             |             |             |             |
| <i>List of Other Concerns:</i>                |                         |             |             |             |             |

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Administration

**Program:** IESS Maintenance

**Background Details:** IESS All Agency Maintenance and Repairs Reductions due to delayed opening.

**Program Description/  
Implementation Plan:** Reduce IESS Maintenance expenses.

**Program Implementation Date:** 3/19/2010      **When will savings begin?:** 3/19/2010

**Are these savings recurring?:** No

**Other Issues:**

|                                      | Favorable/(Unfavorable) |             |             |             |             |
|--------------------------------------|-------------------------|-------------|-------------|-------------|-------------|
|                                      | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i> |                         |             |             |             |             |
| Net Cash Savings (in millions)       | \$1.068                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |

*Total Reduction in Positions Required:* 0      0      0      0      0

*(List Title of Positions)*

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Administration

**Program:** Lobbying, Marketing and Advertising

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Reduce Professional Services for Marketing, Lobbying and Corporate wide activities and expenses. |
|----------------------------|--|

|   |  |                                      |           |
|---|--|--------------------------------------|-----------|
| <b>Program Description/Implementation Plan:</b> | Reduce Lobbying, Marketing and Advertising expenses. |                                      |           |
| <b>Program Implementation Date:</b>             | 3/19/2010  | <b>When will savings begin?:</b>     | 3/19/2010 |
|   |  | <b>Are these savings recurring?:</b> | Yes       |
| <b>Other Issues:</b>                            |  |                                      |           |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$1.580                 | \$0.100     | \$0.102     | \$0.104     | \$0.106     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Security

**Program:** MTA Police OTPS

**Background Details:** To re-evaluate MTA Police Cleaning Costs, Maint and Repairs, Purchase of Office Furniture, Supplies and Computer Software and Equipment. This PEG will also reduce Membership Dues, Meeting expenses, Seminars and Professional Training.

**Program Description/ Implementation Plan:** MTA Police OTPS

**Program Implementation Date:** 3/19/2010      **When will savings begin?:** 3/19/2010

**Are these savings recurring?:** Yes

**Other Issues:**

|                                      | Favorable/(Unfavorable) |             |             |             |             |
|--------------------------------------|-------------------------|-------------|-------------|-------------|-------------|
|                                      | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i> |                         |             |             |             |             |
| Net Cash Savings (in millions)       | \$0.500                 | \$0.507     | \$0.518     | \$0.529     | \$0.538     |

*Total Reduction in Positions Required:* 0      0      0      0      0

*(List Title of Positions)*

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan Worksheet**  
(\$ in millions)

**Category by Function:** Security

**Program:** MTA Police Overtime

**Background Details:** The Police Department has been able to reduce overtime expenses by means of evaluating and redeploying. The Department will continue to evaluate the service being supplied to agencies, customers, employees and property of the MTA .

**Program Description/ Implementation Plan:** Reduce MTA Police Overtime

**Program Implementation Date:** 3/19/2010      **When will savings begin?:** 3/19/2010

**Are these savings recurring?:** Yes

**Other Issues:**

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.813                 | \$0.846     | \$0.874     | \$0.916     | \$0.958     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |
| <i>(List Title of Positions)</i>              |                         |             |             |             |             |

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA HEADQUARTERS  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014  
POSITIONS**

**Positions**

Headcount of 1,474 positions in 2010 represents a reduction of 94 positions from the 2010 Adopted Budget, which already included work force reductions as a result of PEGs and AABB savings taken in prior plans. The Administrative Reduction Program builds on the prior reductions and eliminates 133 MTA Headquarters non-reimbursable positions either through voluntary retirements, elimination of vacant positions, or involuntary layoffs. Partially offsetting this was the formation of a Strategic Initiatives group with 10 positions that will perform in-depth analyses of the MTA organization in order to put the MTA on the path of continuous improvement that removes redundancy and optimizes process and span of control. Also offsetting the reduction is the creation of two groups (a total of 28 capitally-funded positions) that will administer the New Fare Payments, consisting of 23 positions, and Bus Customer Information Systems, consisting of 5 positions. The level of employees will increase to 1,720 positions in 2011 with the opening of the BSC and the addition of the 30 MTAPD officers to be hired under the federally funded COPS Hiring Recovery Program. In 2012, headcount increases to 1,734 positions mainly as a result of BSC additions. Headcount decreases to 1,718 positions in 2013 primarily due to a continuous improvement programs at the BSC. In 2014 headcount increase to 1,771 primarily due to the increases required by the MTA Police to staff and patrol East Side Access.

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents**

| FUNCTION/DEPARTMENT                           | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012         | 2013         | 2014         |
|---|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| <b>Administration</b>                         |                |                              |                               |              |              |              |
| Executive                                     | 3              | 5                            | 5                             | 5            | 5            | 5            |
| Strategic Initiatives                         | 0              | 10                           | 10                            | 10           | 10           | 10           |
| Bus Customer Info                             | 0              | 5                            | 7                             | 7            | 7            | 7            |
| New Fare Systems                              | 0              | 23                           | 23                            | 23           | 23           | 23           |
| Administration                                | 205            | 173                          | 173                           | 173          | 173          | 173          |
| Audit   | 99             | 86                           | 86                            | 86           | 86           | 86           |
| Chief Financial Officer                       | 90             | 84                           | 55                            | 55           | 55           | 55           |
| Corporate and Community Affairs               | 48             | 41                           | 41                            | 41           | 41           | 41           |
| Policy and Media Relations                    | 11             | 10                           | 10                            | 10           | 10           | 10           |
| General Counsel                               | 64             | 57                           | 57                            | 57           | 57           | 57           |
| Office of Diversity                           | 31             | 28                           | 28                            | 28           | 28           | 28           |
| Chief of Staff/Senior Policy Advisor          | 29             | 19                           | 19                            | 19           | 19           | 19           |
| Spec. Project Develop/Planning                | 9              | 8                            | 8                             | 8            | 8            | 8            |
| Labor Relations                               | 5              | 5                            | 5                             | 5            | 5            | 5            |
| PCAC  | 4              | 4                            | 4                             | 4            | 4            | 4            |
| Vending Fare Media                            | 6              | 3                            | 3                             | 3            | 3            | 3            |
| Corporate Account                             | 1              | 0                            | 0                             | 1            | 2            | 2            |
| <u>Business Service Center</u>                | 98             | 136                          | 379                           | 392          | 375          | 375          |
| <b>Total Administration</b>                   | <b>703</b>     | <b>697</b>                   | <b>913</b>                    | <b>927</b>   | <b>911</b>   | <b>911</b>   |
| <b>Public Safety</b>                          | <b>770</b>     | <b>777</b>                   | <b>807</b>                    | <b>807</b>   | <b>807</b>   | <b>860</b>   |
| <b>Impact of Gap Closing Actions</b>          |                |                              |                               |              |              |              |
| <i>Remainder of Administrative Reductions</i> | 0              | 0                            | 0                             | 0            | 0            | 0            |
| <b>Baseline Total Positions</b>               | <b>1,473</b>   | <b>1,474</b>                 | <b>1,720</b>                  | <b>1,734</b> | <b>1,718</b> | <b>1,771</b> |
| <i>Non-Reimbursable</i>                       | 1,428          | 1,423                        | 1,669                         | 1,683        | 1,667        | 1,720        |
| <i>Reimbursable</i>                           | 45             | 51                           | 51                            | 51           | 51           | 51           |
| <i>Full-Time</i>                              | 1,473          | 1,474                        | 1,720                         | 1,734        | 1,718        | 1,771        |
| <i>Full-Time Equivalents</i>                  | -              | -                            | -                             | -            | -            | -            |

**MTA HEADQUARTERS**  
**July Financial Plan 2011-2014**  
**Total Positions by Function and Occupation**

| FUNCTION/OCCUPATIONAL GROUP |                                   | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012  | 2013  | 2014  |
|-----------------------------|-----------------------------------|----------------|------------------------------|-------------------------------|-------|-------|-------|
| <b>Administration</b>       |                                   |                |                              |                               |       |       |       |
|                             | Managers/Supervisors              | 434            | 403                          | 443                           | 443   | 443   | 443   |
|                             | Professional, Technical, Clerical | 269            | 294                          | 470                           | 484   | 468   | 468   |
|                             | Operational Hourlies              |                |                              |                               |       |       |       |
|                             | <b>Total Administration</b>       | 703            | 697                          | 913                           | 927   | 911   | 911   |
| <b>Operations</b>           |                                   |                |                              |                               |       |       |       |
|                             | Managers/Supervisors              |                |                              |                               |       |       |       |
|                             | Professional, Technical, Clerical |                |                              |                               |       |       |       |
|                             | Operational Hourlies              |                |                              |                               |       |       |       |
|                             | <b>Total Operations</b>           | -              | -                            | -                             | -     | -     | -     |
| <b>Maintenance</b>          |                                   |                |                              |                               |       |       |       |
|                             | Managers/Supervisors              |                |                              |                               |       |       |       |
|                             | Professional, Technical, Clerical |                |                              |                               |       |       |       |
|                             | Operational Hourlies              |                |                              |                               |       |       |       |
|                             | <b>Total Maintenance</b>          | -              | -                            | -                             | -     | -     | -     |
| <b>Engineering/Capital</b>  |                                   |                |                              |                               |       |       |       |
|                             | Managers/Supervisors              |                |                              |                               |       |       |       |
|                             | Professional, Technical, Clerical |                |                              |                               |       |       |       |
|                             | Operational Hourlies              |                |                              |                               |       |       |       |
|                             | <b>Total Engineering/Capital</b>  | -              | -                            | -                             | -     | -     | -     |
| <b>Public Safety</b>        |                                   |                |                              |                               |       |       |       |
|                             | Managers/Supervisors              | 35             | 36                           | 36                            | 36    | 36    | 37    |
|                             | Professional, Technical, Clerical | 68             | 73                           | 73                            | 73    | 73    | 74    |
|                             | Operational Hourlies (Uniformed)  | 667            | 668                          | 698                           | 698   | 698   | 749   |
|                             | <b>Total Public Safety</b>        | 770            | 777                          | 807                           | 807   | 807   | 860   |
| <b>Total Positions</b>      |                                   |                |                              |                               |       |       |       |
|                             | Managers/Supervisors              | 469            | 439                          | 479                           | 479   | 479   | 480   |
|                             | Professional, Technical, Clerical | 337            | 367                          | 543                           | 557   | 541   | 542   |
|                             | Operational Hourlies              | 667            | 668                          | 698                           | 698   | 698   | 749   |
|                             | <b>Total Baseline Positions</b>   | 1,473          | 1,474                        | 1,720                         | 1,734 | 1,718 | 1,771 |



**MTA INSPECTOR GENERAL  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011-2014**

**Highlights of Operations**

The Office of Inspector General's budget is predominately driven by the wages and benefits necessary to support our investigative unit, including attorneys, investigators, and personnel with financial investigations expertise; our audit and analysis unit with staff that have qualitative and quantitative analytical skills; and an administrative and support function, including but not limited to personnel for purchasing, information systems, accounting and reception. These resources are used to investigate and audit matters of concern throughout the MTA and its subsidiaries.

**Financial Overview**

The budget for the Office of Inspector General for the years 2011-2014 reflect expense reductions consistent with the guidelines and assumptions used by MTA Headquarters.

**2010 Mid-Year Forecast**

In the 2010 Mid-Year Forecast a total of \$13.5 million is projected in baseline expenses, compared to \$12.8 million in the Adopted Budget. It provides funding for on-going legal matters and investigations including a confidential investigation shared by the Manhattan District Attorney and the Port Authority Inspector General's offices. The investigation has led to indictments and is continuing. Other joint cases with our investigative prosecutorial partners within both local and federal jurisdictions may require similar efforts in the second half of 2010 and 2011. Although specific cuts are not identified in this financial plan, there will be some selected so as to minimize the impact on current investigations and audits. The Office of Inspector General will realize savings from a combination of vacancy savings and reductions in employee expenses; office furniture and equipment; auto fuel and repairs; office supplies; and, maintenance and repair costs.

**2011 Preliminary Budget – Baseline**

In the 2011 Preliminary Budget, a total of \$13.0 million is projected in baseline expenses compared to \$13.3 million in the February Financial Plan. This reflects recurring savings from Programs to Eliminate the Gap (PEG) and Additional Actions for Budget Balance (AABB) reductions.

## **2012-2014 Projections**

The budget for the Office of Inspector General for the years 2011-2014 maintains the base funding from the previous year and provides inflationary growth according to the guidelines and assumptions used by MTA Headquarters.

[illegible]

[illegible]

[illegible]

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**REIMBURSABLE**

|   | Favorable/(Unfavorable) |                 |                       |                 |                       |                 |                       |                 |                       |
|---|-------------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
|   | 2010                    | 2011            | Change<br>2011 - 2010 | 2012            | Change<br>2012 - 2011 | 2013            | Change<br>2013 - 2012 | 2014            | Change<br>2014 - 2013 |
| <b>Revenue</b>                            |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Farebox Revenue                           | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| Vehicle Toll Revenue                      | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Other Operating Revenue                   | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Capital and Other Reimbursements          | \$13.491                | \$13.013        | (\$0.478)             | \$13.395        | \$0.382               | \$13.764        | \$0.369               | \$14.135        | \$0.371               |
| <b>Total Revenue</b>                      | <b>\$13.491</b>         | <b>\$13.013</b> | <b>(\$0.478)</b>      | <b>\$13.395</b> | <b>\$0.382</b>        | <b>\$13.764</b> | <b>\$0.369</b>        | <b>\$14.135</b> | <b>\$0.371</b>        |
| <b>Expenses</b>                           |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Labor:                                    |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Payroll                                   | \$7.343                 | \$7.409         | (0.066)               | \$7.572         | (0.163)               | \$7.721         | (0.149)               | \$7.869         | (0.147)               |
| Overtime                                  | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Health and Welfare                        | 0.854                   | 1.005           | (0.151)               | 1.091           | (0.086)               | 1.182           | (0.091)               | 1.279           | (0.098)               |
| OPEB Current Payment                      | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Pensions                                  | 0.702                   | 0.750           | (0.048)               | 0.783           | (0.033)               | 0.815           | (0.032)               | 0.845           | (0.030)               |
| Other Fringe Benefits                     | 0.583                   | 0.587           | (0.004)               | 0.613           | (0.026)               | 0.638           | (0.025)               | 0.661           | (0.023)               |
| Reimbursable Overhead                     | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| <b>Total Labor Expenses</b>               | <b>\$9.482</b>          | <b>\$9.751</b>  | <b>(\$0.269)</b>      | <b>\$10.059</b> | <b>(\$0.308)</b>      | <b>\$10.356</b> | <b>(\$0.297)</b>      | <b>\$10.655</b> | <b>(\$0.299)</b>      |
| Non-Labor:                                |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Traction and Propulsion Power             | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| Fuel for Buses and Trains                 | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Insurance                                 | 0.015                   | 0.017           | (0.002)               | 0.018           | (0.001)               | 0.020           | (0.002)               | 0.022           | (0.002)               |
| Claims                                    | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Paratransit Service Contracts             | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Maintenance and Other                     |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Operating Contracts                       | 0.244                   | 0.246           | (0.002)               | 0.252           | (0.006)               | 0.257           | (0.005)               | 0.262           | (0.005)               |
| Professional Service Contracts            | 0.807                   | 0.007           | 0.800                 | 0.007           | 0.000                 | 0.008           | (0.001)               | 0.008           | 0.000                 |
| Materials & Supplies                      | 0.110                   | 0.112           | (0.002)               | 0.114           | (0.002)               | 0.116           | (0.002)               | 0.118           | (0.002)               |
| MTA Internal Subsidy                      | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Other Business Expenses                   | 2.654                   | 2.678           | (0.024)               | 2.739           | (0.061)               | 2.797           | (0.058)               | 2.856           | (0.059)               |
| <b>Total Non-Labor Expenses</b>           | <b>\$3.830</b>          | <b>\$3.060</b>  | <b>\$0.770</b>        | <b>\$3.130</b>  | <b>(\$0.070)</b>      | <b>\$3.198</b>  | <b>(\$0.068)</b>      | <b>\$3.266</b>  | <b>(\$0.068)</b>      |
| Other Expenses Adjustments:               |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Other                                     | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>          | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation</b> | <b>\$13.312</b>         | <b>\$12.811</b> | <b>\$0.501</b>        | <b>\$13.189</b> | <b>(\$0.378)</b>      | <b>\$13.554</b> | <b>(\$0.365)</b>      | <b>\$13.921</b> | <b>(\$0.367)</b>      |
| Depreciation                              | 0.179                   | 0.202           | (0.023)               | 0.206           | (0.004)               | 0.210           | (0.004)               | 0.214           | (0.004)               |
| <b>Total Expenses</b>                     | <b>\$13.491</b>         | <b>\$13.013</b> | <b>\$0.478</b>        | <b>\$13.395</b> | <b>(\$0.382)</b>      | <b>\$13.764</b> | <b>(\$0.369)</b>      | <b>\$14.135</b> | <b>(\$0.371)</b>      |
| <b>Baseline Surplus/(Deficit)</b>         | <b>\$0.000</b>          | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$26.789</b> | <b>\$0.000</b>        | <b>\$27.528</b> | <b>(\$0.000)</b>      | <b>\$28.269</b> | <b>(\$0.000)</b>      |

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Cash Basis**  
**(\$ in millions)**

**CASH RECEIPTS & EXPENDITURES**

|  | Favorable/(Unfavorable) |                 |                       |                 |                       |                 |                       |                 |                       |
|--|-------------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
|  | 2010                    | 2011            | Change<br>2011 - 2010 | 2012            | Change<br>2012 - 2011 | 2013            | Change<br>2013 - 2012 | 2014            | Change<br>2014 - 2013 |
| <b><u>Receipts</u></b>                     |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Farebox Revenue                            | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| Vehicle Toll Revenue                       | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Other Operating Revenue                    | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Capital and Other Reimbursements           | 13.498                  | 12.811          | (0.687)               | 13.789          | 0.978                 | 13.734          | (0.055)               | 14.101          | 0.367                 |
| <b>Total Receipts</b>                      | <b>\$13.498</b>         | <b>\$12.811</b> | <b>(\$0.687)</b>      | <b>\$13.789</b> | <b>\$0.978</b>        | <b>\$13.734</b> | <b>(\$0.055)</b>      | <b>\$14.101</b> | <b>\$0.367</b>        |
| <b><u>Expenditures</u></b>                 |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Labor:                                     |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Payroll                                    | 7.343                   | 7.409           | (0.066)               | 7.572           | (0.163)               | 7.721           | (0.149)               | 7.869           | (0.147)               |
| Overtime                                   | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Health and Welfare                         | 0.854                   | 1.005           | (0.151)               | 1.091           | (0.086)               | 1.182           | (0.091)               | 1.279           | (0.098)               |
| OPEB Current Payment                       | -                       | -               | 0.000                 | -               | 0.000                 | -               | 0.000                 | -               | 0.000                 |
| Pensions                                   | 0.702                   | 0.750           | (0.048)               | 0.783           | (0.033)               | 0.815           | (0.032)               | 0.845           | (0.030)               |
| Other Fringe Benefits                      | 0.583                   | 0.587           | (0.004)               | 0.613           | (0.026)               | 0.638           | (0.025)               | 0.661           | (0.023)               |
| Reimbursable Overhead                      | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| <b>Total Labor Expenditures</b>            | <b>\$9.482</b>          | <b>\$9.751</b>  | <b>(\$0.269)</b>      | <b>\$10.059</b> | <b>(\$0.308)</b>      | <b>\$10.356</b> | <b>(\$0.297)</b>      | <b>\$10.655</b> | <b>(\$0.299)</b>      |
| Non-Labor:                                 |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Traction and Propulsion Power              | \$0.000                 | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               | \$0.000         | \$0.000               |
| Fuel for Buses and Trains                  | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Insurance                                  | 0.015                   | 0.017           | (0.002)               | 0.018           | (0.001)               | 0.020           | (0.002)               | 0.022           | (0.002)               |
| Claims                                     | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Paratransit Service Contracts              | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Maintenance and Other                      | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Operating Contracts                        | 0.244                   | 0.246           | (0.002)               | 0.252           | (0.006)               | 0.257           | (0.005)               | 0.262           | (0.005)               |
| Professional Service Contracts             | 0.807                   | 0.007           | 0.800                 | 0.007           | 0.000                 | 0.008           | (0.001)               | 0.008           | 0.000                 |
| Materials & Supplies                       | 0.110                   | 0.112           | (0.002)               | 0.114           | (0.002)               | 0.116           | (0.002)               | 0.118           | (0.002)               |
| MTA Internal Subsidy                       | -                       | -               | -                     | -               | -                     | -               | -                     | -               | -                     |
| Other Business Expenses                    | 2.654                   | 2.678           | (0.024)               | 2.739           | (0.061)               | 2.797           | (0.058)               | 2.856           | (0.059)               |
| <b>Total Non-Labor Expenditures</b>        | <b>\$3.830</b>          | <b>\$3.060</b>  | <b>\$0.770</b>        | <b>\$3.130</b>  | <b>(\$0.070)</b>      | <b>\$3.198</b>  | <b>(\$0.068)</b>      | <b>\$3.266</b>  | <b>(\$0.068)</b>      |
| Other Expenditure Adjustments:             |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Other                                      | 0.186                   | 0.000           | 0.186                 | 0.600           | (0.600)               | 0.180           | 0.420                 | 0.180           | 0.000                 |
| <b>Total Other Expenditure Adjustments</b> | <b>\$0.186</b>          | <b>\$0.000</b>  | <b>\$0.186</b>        | <b>\$0.600</b>  | <b>(\$0.600)</b>      | <b>\$0.180</b>  | <b>\$0.420</b>        | <b>\$0.180</b>  | <b>\$0.000</b>        |
| <b>Total Expenditures</b>                  | <b>\$13.498</b>         | <b>\$12.811</b> | <b>\$0.687</b>        | <b>\$13.789</b> | <b>(\$0.978)</b>      | <b>\$13.734</b> | <b>\$0.055</b>        | <b>\$14.101</b> | <b>(\$0.367)</b>      |
| <b>Baseline Cash Deficit</b>               | <b>\$0.000</b>          | <b>\$0.000</b>  | <b>0.000</b>          | <b>\$0.000</b>  | <b>0.000</b>          | <b>\$0.000</b>  | <b>0.000</b>          | <b>\$0.000</b>  | <b>0.000</b>          |

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2011 - 2014**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

**REIMBURSABLE**

|   | 2010              | 2011              | 2012              | 2013              |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Baseline:</b>  |                   |                   |                   |                   |
| <b>Changes</b>  |                   |                   |                   |                   |
| <b>Revenue:</b>   |                   |                   |                   |                   |
| Capital and Other Reimbursements                                      | \$ 0.689          | \$ (0.269)        | \$ (0.280)        | \$ (0.414)        |
| <b>Sub-Total Revenue Changes</b>                                      | <b>\$ 0.689</b>   | <b>\$ (0.269)</b> | <b>\$ (0.280)</b> | <b>\$ (0.414)</b> |
| <b>Expenses:</b>  |                   |                   |                   |                   |
| Payroll   | \$ -              | \$ 0.165          | \$ 0.169          | \$ 0.191          |
| Overtime  | -                 | -                 | -                 | -                 |
| Health and Welfare  | 0.141             | 0.097             | 0.109             | 0.208             |
| OPEB Current Payment  | -                 | -                 | -                 | -                 |
| Pensions  | (0.026)           | (0.022)           | (0.023)           | (0.021)           |
| Other Fringe Benefits   | (0.027)           | 0.011             | 0.012             | 0.015             |
| Reimbursable Overhead   | -                 | -                 | -                 | -                 |
| Insurance   | 0.003             | 0.004             | 0.006             | 0.009             |
| Claims  | -                 | -                 | -                 | -                 |
| Paratransit Service Contracts   | -                 | -                 | -                 | -                 |
| Maintenance and Other   |                   |                   |                   |                   |
| Operating Contracts   | -                 | 0.001             | -                 | 0.001             |
| Professional Service Contracts  | (0.800)           | -                 | -                 | -                 |
| Materials & Supplies  | -                 | -                 | -                 | -                 |
| Other Business Expenses   | -                 | 0.013             | 0.007             | 0.010             |
| Depreciation  | 0.020             | -                 | -                 | 0.001             |
| <b>Sub-Total Expense Changes</b>                                      | <b>\$ (0.689)</b> | <b>\$ 0.269</b>   | <b>\$ 0.280</b>   | <b>\$ 0.414</b>   |
| <b>Cash Adjustments:</b>  |                   |                   |                   |                   |
| Revenue   |                   |                   |                   |                   |
| Expense   |                   |                   |                   |                   |
| <b>Sub-Total Cash Adjustment Changes</b>                              | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       |
| <b>Total Baseline Changes</b>   | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>(\$0.000)</b>  |
| <b>Total Changes</b>  | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>(\$0.000)</b>  |
| <b>2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>(\$0.000)</b>  |



MTA INSPECTOR GENERAL  
July Financial Plan 2011 - 2014  
Total Positions by Function  
Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents

| FUNCTION/DEPARTMENT                 | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012          | 2013          | 2014          |
|-------------------------------------|----------------|------------------------------|-------------------------------|---------------|---------------|---------------|
| <b>Administration</b>               |                |                              |                               |               |               |               |
| Office of the Inspector General     | 81             | 86                           | 86                            | 86            | 86            | 86            |
| <b>Total Administration</b>         | <b>81</b>      | <b>86</b>                    | <b>86</b>                     | <b>86</b>     | <b>86</b>     | <b>86</b>     |
| <br><b>Baseline Total Positions</b> | <br><b>81</b>  | <br><b>86</b>                | <br><b>86</b>                 | <br><b>86</b> | <br><b>86</b> | <br><b>86</b> |
| <br><b>Non-Reimbursable</b>         | <br>0          | <br>0                        | <br>0                         | <br>0         | <br>0         | <br>0         |
| <b>Reimbursable</b>                 | 81             | 86                           | 86                            | 86            | 86            | 86            |
| <b>Total</b>                        | <b>81</b>      | <b>86</b>                    | <b>86</b>                     | <b>86</b>     | <b>86</b>     | <b>86</b>     |
| <br><b>Total Full-Time</b>          | <br>81         | <br>86                       | <br>86                        | <br>86        | <br>86        | <br>86        |
| <b>Total Full-Time Equivalents</b>  | 0              | 0                            | 0                             | 0             | 0             | 0             |

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**First Mutual Transportation Assurance Co.  
(FMTAC)**

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**2011 PRELIMINARY BUDGET**  
**JULY FINANCIAL PLAN FOR 2011 - 2014**

**FINANCIAL OVERVIEW**

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. It is the goal of FMTAC to maximize the efficiency and flexibility of the insurance programs while minimizing costs to the MTA and its subsidiaries. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Insurance premiums from the Agencies (revenue) are recorded as credits to the Insurance expense line. Premiums are increasing 10% annually, except the Paratransit policy which is increasing 20% annually due to anticipated increases in new carriers.

Additional expenses consist primarily of Claims and Other Business Expenses.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**2011 PRELIMINARY BUDGET**  
**JULY FINANCIAL PLAN 2011-2014**

**2010 Mid-Year Forecast**

In the 2010 Mid-Year Forecast, a total of \$69.630 million is projected in Baseline Surplus compared to the \$53.428 million Baseline Deficit in the 2010 Adopted Budget. This consists of an increase of \$15.412 millions in revenues as well as an decrease in expenses of \$0.790 million. The favorable outcome is primarily due to higher Other Operating Revenue from Investments than projected in the 2010 Adopted Budget. Claims are based on actuarial analysis of claim activity on an estimated basis. Revenue and Other Business Expenses are based on trending actual results through April 2010.

**2011 Preliminary Budget**

In the 2011 Preliminary Budget, a total of \$73.974 million is projected in Baseline Surplus compared to the \$58.287 million Baseline Deficit in the February Plan. This consists of an increase of \$15.583 million in revenues as well as a decrease in expenses of \$0.104 million. The favorable outcome is primarily due to higher Other Operating Revenue from Investments then projected in the 2010 Adopted Budget. Claims are based on actuarial analysis of claim activity on an estimated basis.

**2012 – 2014 Projections**

2011 – 2014 Projections are representative of 2010 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2010 projections at a rate equal to CPI. Claims are based on actuarial analysis of projected claims activities and adjustments, whether favorable or unfavorable in required reserves. Other Business Expenses are estimated to increase over 2010 at a rate of 2% each year.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2011-2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE</b>                   |                 |                          |                           |                   |                   |                   |
|---|-----------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
|   | <b>2009</b>     | <b>2010</b>              | <b>2011</b>               |                   |                   |                   |
|   | <b>Actual</b>   | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       |
| <b>Operating Revenue</b>                  |                 |                          |                           |                   |                   |                   |
| Farebox Revenue                           | \$0.000         | \$0.000                  | \$0.000                   | \$0.000           | \$0.000           | \$0.000           |
| Toll Revenue                              | -               | -                        | -                         | -                 | -                 | -                 |
| Other Operating Revenue                   | 11.198          | 31.827                   | 32.209                    | 32.895            | 33.582            | 34.167            |
| Investment Income                         | 26.345          | 27.321                   | 27.649                    | 28.238            | 28.828            | 29.330            |
| Capital and Other Reimbursements          | -               | -                        | -                         | -                 | -                 | -                 |
| <b>Total Revenue</b>                      | <b>\$37.543</b> | <b>\$59.148</b>          | <b>\$59.858</b>           | <b>\$61.133</b>   | <b>\$62.410</b>   | <b>\$63.496</b>   |
| <b>Operating Expenses</b>                 |                 |                          |                           |                   |                   |                   |
| <b><u>Labor:</u></b>                      |                 |                          |                           |                   |                   |                   |
| Payroll                                   | \$0.000         | \$0.000                  | \$0.000                   | \$0.000           | \$0.000           | \$0.000           |
| Overtime                                  | -               | -                        | -                         | -                 | -                 | -                 |
| Health and Welfare                        | -               | -                        | -                         | -                 | -                 | -                 |
| Pensions                                  | -               | -                        | -                         | -                 | -                 | -                 |
| Other Fringe Benefits                     | -               | -                        | -                         | -                 | -                 | -                 |
| Reimbursable Overhead                     | -               | -                        | -                         | -                 | -                 | -                 |
| <b>Total Labor Expenses</b>               | <b>\$0.000</b>  | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b><u>Non-Labor:</u></b>                  |                 |                          |                           |                   |                   |                   |
| Traction and Propulsion Power             | \$0.000         | \$0.000                  | \$0.000                   | \$0.000           | \$0.000           | \$0.000           |
| Fuel for Buses and Trains                 | -               | -                        | -                         | -                 | -                 | -                 |
| Insurance                                 | (75.469)        | (73.893)                 | (84.961)                  | (98.412)          | (113.702)         | (131.711)         |
| Claims                                    | 79.457          | 55.953                   | 63.238                    | 71.128            | 76.400            | 82.479            |
| Paratransit Service Contracts             | -               | -                        | -                         | -                 | -                 | -                 |
| Maintenance and Other Operating Contracts | -               | -                        | -                         | -                 | -                 | -                 |
| Professional Service Contracts            | -               | -                        | -                         | -                 | -                 | -                 |
| Materials & Supplies                      | -               | -                        | -                         | -                 | -                 | -                 |
| Other Business Expenses                   | 9.545           | 7.458                    | 7.607                     | 7.759             | 7.914             | 8.073             |
| <b>Total Non-Labor Expenses</b>           | <b>\$13.533</b> | <b>(\$10.482)</b>        | <b>(\$14.116)</b>         | <b>(\$19.525)</b> | <b>(\$29.388)</b> | <b>(\$41.159)</b> |
| <b><u>Other Expenses Adjustments:</u></b> |                 |                          |                           |                   |                   |                   |
| Other                                     | \$0.000         | \$0.000                  | \$0.000                   | \$0.000           | \$0.000           | \$0.000           |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>  | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Expenses before Depreciation</b> | <b>\$13.533</b> | <b>(\$10.482)</b>        | <b>(\$14.116)</b>         | <b>(\$19.525)</b> | <b>(\$29.388)</b> | <b>(\$41.159)</b> |
| Depreciation                              | -               | -                        | -                         | -                 | -                 | -                 |
| <b>Total Expenses</b>                     | <b>\$13.533</b> | <b>(\$10.482)</b>        | <b>(\$14.116)</b>         | <b>(\$19.525)</b> | <b>(\$29.388)</b> | <b>(\$41.159)</b> |
| <b>Baseline Surplus/(Deficit)</b>         | <b>\$24.010</b> | <b>\$69.630</b>          | <b>\$73.974</b>           | <b>\$80.657</b>   | <b>\$91.798</b>   | <b>\$104.656</b>  |

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**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2011-2014**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

| <b>CASH FLOW ADJUSTMENTS</b>                                 |                        |                                       |  |                   |                    |                    |
|--|------------------------|---------------------------------------|--|-------------------|--------------------|--------------------|
|  | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>       | <b>2013</b>        | <b>2014</b>        |
| <b>Receipts</b>  |                        |                                       |  |                   |                    |                    |
| Farebox Revenue  | \$0.000                | \$0.000                               | \$0.000                                | \$0.000           | \$0.000            | \$0.000            |
| Vehicle Toll Revenue   | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Other Operating Revenue                                      | 0.000                  | 0.000                                 | 0.000                                  | 0.000             | 0.000              | 0.000              |
| Investment Income  | 0.000                  | 0.000                                 | 0.000                                  | 0.000             | 0.000              | 0.000              |
| Capital and Other Reimbursements                             | -                      | -                                     | -                                      | -                 | -                  | -                  |
| <b>Total Receipts</b>  | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>    | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Expenditures</b>  |                        |                                       |  |                   |                    |                    |
| <b><u>Labor:</u></b>   |                        |                                       |  |                   |                    |                    |
| Payroll  | \$0.000                | \$0.000                               | \$0.000                                | \$0.000           | \$0.000            | \$0.000            |
| Overtime   | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Health and Welfare   | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Pensions   | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Other Fringe Benefits  | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Reimbursable Overhead  | -                      | -                                     | -                                      | -                 | -                  | -                  |
| <b>Total Labor Expenditures</b>                              | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>    | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b><u>Non-Labor:</u></b>                                     |                        |                                       |  |                   |                    |                    |
| Traction and Propulsion Power                                | \$0.000                | \$0.000                               | \$0.000                                | \$0.000           | \$0.000            | \$0.000            |
| Fuel for Buses and Trains                                    | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Insurance  | 0.000                  | 0.000                                 | 0.000                                  | 0.000             | 0.000              | 0.000              |
| Claims   | 0.000                  | 6.437                                 | 7.275                                  | 8.735             | 9.382              | 10.129             |
| Paratransit Service Contracts                                | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Maintenance and Other Operating Contracts                    | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Professional Service Contracts                               | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Materials & Supplies   | -                      | -                                     | -                                      | -                 | -                  | -                  |
| Other Business Expenditures                                  | -                      | -                                     | -                                      | -                 | -                  | -                  |
| <b>Total Non-Labor Expenditures</b>                          | <b>\$0.000</b>         | <b>\$6.437</b>                        | <b>\$7.275</b>                         | <b>\$8.735</b>    | <b>\$9.382</b>     | <b>\$10.129</b>    |
| <b><u>Other Expenditures Adjustments:</u></b>                |                        |                                       |  |                   |                    |                    |
| Other  | (\$24.010)             | (\$76.067)                            | (\$81.249)                             | (\$89.392)        | (\$101.180)        | (\$114.785)        |
| <b>Total Other Expenditures Adjustments</b>                  | <b>(\$24.010)</b>      | <b>(\$76.067)</b>                     | <b>(\$81.249)</b>                      | <b>(\$89.392)</b> | <b>(\$101.180)</b> | <b>(\$114.785)</b> |
| <b>Total Cash Conversion Adjustments before Depreciation</b> | <b>(\$24.010)</b>      | <b>(\$69.630)</b>                     | <b>(\$73.974)</b>                      | <b>(\$80.657)</b> | <b>(\$91.798)</b>  | <b>(\$104.656)</b> |
| Depreciation Adjustment                                      | -                      | -                                     | -                                      | -                 | -                  | -                  |
| <b>Total Cash Conversion Adjustments</b>                     | <b>(\$24.010)</b>      | <b>(\$69.630)</b>                     | <b>(\$73.974)</b>                      | <b>(\$80.657)</b> | <b>(\$91.798)</b>  | <b>(\$104.656)</b> |



**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**JULY FINANCIAL PLAN 2011-2014**  
**YEAR-TO-YEAR CHANGES BY CATEGORY - BASELINE**

**Revenue**

**Investment Income**

- Investment income is derived through FMTAC based on the investments held with Dwight Asset Management.
- Investment income is projected based on the All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts May 12, 2010.

**Expenses**

**Insurance**

- Insurance (premiums paid to FMTAC) is from the 2010 Mid-Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets and are based on increases in the market as well as increases in the claims expense and reserve adjustments.
- Insurance (premiums) is estimated to increase approximately 10% each year for 2011 – 2014, except the Paratransit policy which is increasing 20% annually due to anticipated increases in new carriers.

**Claims**

- Claims expenses are determined by actuarial projection for 2011 – 2014 actual claim expense paid and any adjustment either favorable or unfavorable to reserves.

**Other Business Expenses**

- Other Business Expenses increase 2% for 2011 – 2014 and are representative of general increases for professional services provided and expenses not directly related to claims.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2011-2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

|   | Favorable/(Unfavorable) |                   |                       |                   |                       |                   |                       |                   |                       |
|---|-------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
|   | 2010                    | 2011              | Change<br>2011 - 2010 | 2012              | Change<br>2012 - 2011 | 2013              | Change<br>2013 - 2012 | 2014              | Change<br>2014 - 2013 |
| <b><u>Revenue</u></b>                     |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Farebox Revenue                           | \$0.000                 | \$0.000           | \$0.000               | \$0.000           | \$0.000               | \$0.000           | \$0.000               | \$0.000           | \$0.000               |
| Vehicle Toll Revenue                      | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Other Operating Revenue                   | 31.827                  | 32.209            | 0.382                 | 32.895            | 0.686                 | 33.582            | 0.688                 | 34.167            | 0.584                 |
| Investment Income                         | 27.321                  | 27.649            | 0.328                 | 28.238            | 0.589                 | 28.828            | 0.590                 | 29.330            | 0.502                 |
| Capital and Other Reimbursement           |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| <b>Total Revenue</b>                      | <b>\$59.148</b>         | <b>\$59.858</b>   | <b>\$0.710</b>        | <b>\$61.133</b>   | <b>\$1.275</b>        | <b>\$62.410</b>   | <b>\$1.278</b>        | <b>\$63.496</b>   | <b>\$1.086</b>        |
| <b><u>Expenses</u></b>                    |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Labor:                                    |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Payroll                                   | \$0.000                 | \$0.000           | \$0.000               | \$0.000           | \$0.000               | \$0.000           | \$0.000               | \$0.000           | \$0.000               |
| Overtime                                  | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Health and Welfare                        | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| OPEB Current Payment                      | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Pensions                                  | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Other Fringe Benefits                     | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Reimbursable Overhead                     | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| <b>Total Labor Expenses</b>               | <b>\$0.000</b>          | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        |
| Non-Labor:                                |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Traction and Propulsion Power             | \$0.000                 | \$0.000           | \$0.000               | \$0.000           | \$0.000               | \$0.000           | \$0.000               | \$0.000           | \$0.000               |
| Fuel for Buses and Trains                 | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Insurance                                 | (73.893)                | (84.961)          | 11.068                | (98.412)          | 13.451                | (113.702)         | 15.290                | (131.711)         | 18.009                |
| Claims                                    | 55.953                  | 63.238            | (7.285)               | 71.128            | (7.890)               | 76.400            | (5.272)               | 82.479            | (6.079)               |
| Paratransit Service Contracts             | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Maintenance and Other Operating Contracts | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Professional Service Contracts            | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Materials & Supplies                      | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| Other Business Expenses                   | 7.458                   | 7.607             | (0.149)               | 7.759             | (0.152)               | 7.914             | (0.155)               | 8.073             | (0.158)               |
| <b>Total Non-Labor Expenses</b>           | <b>(\$10.482)</b>       | <b>(\$14.116)</b> | <b>\$3.634</b>        | <b>(\$19.525)</b> | <b>\$5.409</b>        | <b>(\$29.388)</b> | <b>\$9.863</b>        | <b>(\$41.159)</b> | <b>\$11.772</b>       |
| Other Expenses Adjustments:               |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Other                                     | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>          | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        | <b>\$0.000</b>    | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation</b> | <b>(\$10.482)</b>       | <b>(\$14.116)</b> | <b>\$3.634</b>        | <b>(\$19.525)</b> | <b>\$5.409</b>        | <b>(\$29.388)</b> | <b>\$9.863</b>        | <b>(\$41.159)</b> | <b>\$11.772</b>       |
| Depreciation                              | -                       | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 | -                 | 0.000                 |
| <b>Total Expenses</b>                     | <b>(\$10.482)</b>       | <b>(\$14.116)</b> | <b>\$3.634</b>        | <b>(\$19.525)</b> | <b>\$5.409</b>        | <b>(\$29.388)</b> | <b>\$9.863</b>        | <b>(\$41.159)</b> | <b>\$11.772</b>       |
| <b>Baseline Surplus/(Deficit)</b>         | <b>\$69.630</b>         | <b>\$73.974</b>   | <b>\$4.344</b>        | <b>\$80.657</b>   | <b>\$6.684</b>        | <b>\$91.798</b>   | <b>\$11.140</b>       | <b>\$104.656</b>  | <b>\$12.858</b>       |

### CASH RECEIPTS & EXPENDITURES

[illegible]

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**JULY FINANCIAL PLAN 2011-2014**  
**SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

**2010 – 2013 July Financial Plan vs February Financial Plan**

**Revenue**

Revenue changes from the February Plan over the 2010 – 2013 periods include:

- An increase baseline estimate for 2010 and 2011 due to an improvement in investment income for the first four months of 2010.

**Expenses**

Expense changes from the February Plan over the 2010 – 2013 periods include:

- An increase in Insurance (premium revenue) as projected in the 2010 Mid-Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets.
- Claim expenses resulted in unfavorable developments due to updated loss projections from actuarial projections.
- Other Business Expense decreased due to updated estimates based on actual results through April 2010. The inflation rate for Other Business Expense is expected to increase 2% per year.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2011-2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

| <b>NON-REIMBURSABLE</b>  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
|  | <b>2010</b>    | <b>2011</b>    | <b>2012</b>    | <b>2013</b>    |
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b><i>Baseline Changes</i></b>   |                |                |                |                |
| <b>Revenue</b>   |                |                |                |                |
| Farebox Revenue  |                |                |                |                |
| Vehicle Toll Revenue   |                |                |                |                |
| Other Operating Revenue  | 22.056         | 22.306         | 22.778         | 23.233         |
| Investment Income  | (6.644)        | (6.723)        | (6.547)        | (6.374)        |
| Capital and Other Reimbursement  |                |                |                |                |
| Total Revenue Changes  | \$15.412       | \$15.583       | \$16.231       | \$16.859       |
| <b>Expenses</b>  |                |                |                |                |
| <b>Labor:</b>  |                |                |                |                |
| Payroll  |                |                |                |                |
| Health and Welfare   |                |                |                |                |
| OPEB Current Payment   |                |                |                |                |
| Pensions   |                |                |                |                |
| Other Fringe Benefits  |                |                |                |                |
| Reimbursable Overhead  |                |                |                |                |
| Total Labor Expense Changes  | \$ .000        | \$ .000        | \$ .000        | \$ .000        |
| <b>Non-Labor:</b>  |                |                |                |                |
| Traction and Propulsion Power  |                |                |                |                |
| Fuel for Buses and Trains  |                |                |                |                |
| Insurance  | \$1.990        | \$2.332        | \$2.679        | \$3.135        |
| Claims   | (\$2.714)      | (\$3.772)      | (\$5.285)      | (\$5.137)      |
| Paratransit Service Contracts  |                |                |                |                |
| Maintenance and Other Operating Contracts                                      |                |                |                |                |
| Materials & Supplies   |                |                |                |                |
| Other Business Expenses  | 1.514          | 1.544          | 1.575          | 1.607          |
| Total Non-Labor Expense Changes  | \$ .790        | \$ .104        | (\$1.031)      | (\$ .395)      |
| Total Expenses before Depreciation and GASB Adjs.                              |                |                |                |                |
| Depreciation   |                |                |                |                |
| OPEB Obligation  |                |                |                |                |
| Environmental Remediation  |                |                |                |                |
| Total Expense Changes  | \$ .790        | \$ .104        | (\$1.031)      | (\$ .395)      |
| <b>Cash Adjustment Changes</b>   |                |                |                |                |
| <b>Revenue:</b>  |                |                |                |                |
| Other Operating Revenue  | 0.000          | 0.000          | 0.000          | 0.000          |
| <b>Expenses:</b>   |                |                |                |                |
| Claims   | 0.312          | 0.434          | 0.649          | 0.630          |
| Other Business Expenses  |                |                |                |                |
| Total Expense Changes  | \$0.312        | \$0.434        | \$0.649        | \$0.630        |
| Restricted Cash Adjustment   | (16.514)       | (16.121)       | (15.849)       | (17.093)       |
| Total Cash Adjustment Changes  | (\$16.202)     | (\$15.687)     | (\$15.200)     | (\$16.463)     |
| <b>Total Baseline Changes</b>  | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

|  | 2010                   | 2011                   | 2012                   | 2013                   |
|--|------------------------|------------------------|------------------------|------------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>\$0.000</b>         | <b>\$0.000</b>         | <b>\$0.000</b>         | <b>\$0.000</b>         |
| <i><b>Non-Reimbursable Major Changes</b></i>                                   |                        |                        |                        |                        |
| Revenue  | \$15.412               | \$15.583               | \$16.231               | \$16.859               |
| <b>Sub-Total Non-Reimbursable Revenue Changes</b>                              | <b>\$15.412</b>        | <b>\$15.583</b>        | <b>\$16.231</b>        | <b>\$16.859</b>        |
| Expenses   | \$0.790                | \$0.104                | (\$1.031)              | (\$0.395)              |
| <b>Sub-Total Non-Reimbursable Expense Changes</b>                              | <b>\$0.790</b>         | <b>\$0.104</b>         | <b>(\$1.031)</b>       | <b>(\$0.395)</b>       |
| <i><b>Total Non-Reimbursable Major Changes</b></i>                             | <i><b>\$16.202</b></i> | <i><b>\$15.687</b></i> | <i><b>\$15.200</b></i> | <i><b>\$16.463</b></i> |
| <i><b>Reimbursable Major Changes</b></i>                                       |                        |                        |                        |                        |
| Revenue  |                        |                        |                        |                        |
| Sub-Total Reimbursable Revenue Changes   |                        |                        |                        |                        |
| Expenses   |                        |                        |                        |                        |
| Sub-Total Reimbursable Expense Changes   |                        |                        |                        |                        |
| <i><b>Total Reimbursable Major Changes</b></i>                                 | <i><b>\$0.000</b></i>  | <i><b>\$0.000</b></i>  | <i><b>\$0.000</b></i>  | <i><b>\$0.000</b></i>  |
| <b>Total Accrual Changes</b>   | <b>\$16.202</b>        | <b>\$15.687</b>        | <b>\$15.200</b>        | <b>\$16.463</b>        |
| <b>Cash Adjustment Changes</b>   | <b>(\$16.202)</b>      | <b>(\$15.687)</b>      | <b>(\$15.200)</b>      | <b>(\$16.463)</b>      |
| <b>Total Cash Adjustment Changes</b>   | <b>(\$16.202)</b>      | <b>(\$15.687)</b>      | <b>(\$15.200)</b>      | <b>(\$16.463)</b>      |
| <i><b>Total Baseline Changes</b></i>   | <i><b>\$0.000</b></i>  | <i><b>\$0.000</b></i>  | <i><b>\$0.000</b></i>  | <i><b>\$0.000</b></i>  |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>\$0.000</b>         | <b>\$0.000</b>         | <b>\$0.000</b>         | <b>\$0.000</b>         |

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**New York City Transit**



**MTA NEW YORK CITY TRANSIT  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014**

**FINANCIAL OVERVIEW**

MTA NYC Transit service consists of:

- A subway system operating 6,290 subway cars on 26 routes over 231 route miles and 659 miles of mainline track, serving 466 active stations located in four of New York City's (City) boroughs;
- A bus system of more than 4,500 buses operating approximately 103 million revenue vehicle miles per year on 208 local and 36 express routes in all five boroughs;
- Access-a-Ride, a paratransit service that operates throughout the City under private contractors to serve persons whose disabilities preclude their use of bus and subway services.

In response to the regional recession which has resulted in lower MTA subsidies, this Plan incorporates significant cost savings programs.

First, the following Additional Actions for Budget Balance (AABB) were established as part of the February 2010 Financial Plan process:

- Preliminary bus and subway service reductions to be implemented at the end of June 2010-projected 699 position reductions and savings of \$32 million in 2010 and \$72 million in 2011
  1. Preliminary bus service reductions included the discontinuance of 21 local and 12 express bus routes, the discontinuance of weekend service on 12 local and 2 express bus routes, rerouting bus service where possible to partially replace discontinued routes and a change in the hours of operation of 39 local bus routes. Some of these proposed reductions were restored in the July Financial Plan.
  2. Preliminary subway service reductions included the rerouting of the M Line to replace the V Line between Broadway-Lafayette and Forest Hills, extend the Q Line to Astoria, operate the N Line local north of Canal Street to replace the W Line, and changes to weekend and off-peak levels of service on multiple lines.
- Cut central administration payroll by 15% to result in position reductions of 324 with savings of \$20 million in 2010.

- The reduction of 450 positions (originally planned to be accomplished through attrition) was replaced with layoffs in order to generate immediate savings of \$11 million in 2010 and \$21 million in 2011
- Paratransit efficiencies projected to save \$40 million in 2010 and \$80 million in 2011 and subsequent years
- Phased elimination of free student fares-this proposed action has now been eliminated in the July Financial Plan.

Then, in the July Financial Plan, MTA New York City Transit established several Budget Reduction Program (BRP) actions as an integral part of the July 2010 Financial Plan process. Major BRP/other cost reduction actions are summarized as follows:

- BRP actions are projected to save \$75.4 million and 611 position reductions in 2010 and \$106.9 million and 637 position reductions in 2011.
  1. 2011 savings and position reductions from the streamlining of subway operations:
    - ✓ Extending SMS cycle/other SMS economies-\$20.9 million, 146 positions
    - ✓ Car, track and escalator cleaning-\$13.5 million, 173 positions
    - ✓ Employee facilities-\$1.6 million, 14 positions
    - ✓ Station switching-\$0.8 million, 9 positions
    - ✓ Terminal supervision-\$3.4 million, 35 positions
    - ✓ Car quality control-\$4.6 million, 17 positions
    - ✓ Dedicated announcers-\$1.5 million, 19 positions
    - ✓ Grouting program-\$2.2 million, 24 positions
    - ✓ Electronic maintenance-\$1.8 million, 20 positions
    - ✓ OTPS reductions-\$4.8 million
  2. 2011 savings and position reductions from the streamlining of bus operations:
    - ✓ Elimination of Bio-Diesel fuel-\$3.4 million
    - ✓ Shop plan reductions-\$1.4 million, 17 positions
    - ✓ Maintenance economies-\$3.1 million, 34 positions
    - ✓ Reduce Meredith Avenue depot staffing-\$1.8 million, 19 positions
    - ✓ Close Amsterdam depot-\$4.1 million, 46 positions
    - ✓ Shifting efficiencies-\$2.1 million, 22 positions
    - ✓ OTPS reductions-\$1.0 million
  3. Other operations streamlining includes facilities security post reductions, revenue control efficiencies and other OTPS efficiencies-\$4.2 million, 45 positions
  4. Both subways and buses will be implementing management controls in order to reduce unscheduled overtime expenditures and inventory levels. Total unscheduled overtime savings are projected at \$15.4 million per

year and inventory savings are projected at \$4.0 million for 2010 and 2011.

- Administration streamlining/actions are projected to save \$55.5 million in 2011 with position reductions of 475.
- Paratransit revisions from the February Financial Plan assumptions are projected to increase savings by \$15.5 million in 2011 due to negotiated lower vendor rates and projected additional no-show policy savings. 2010 cash savings from lower vendor rates were partially offset by the early release of \$11.3 million of vendor retainage balances.

## **2010 Mid-Year Forecast**

MTA NYC Transit's 2010 Mid-Year Forecast includes total expenses before depreciation and other post-employment benefits of \$7,081.2 million, consisting of \$6,133.8 million of non-reimbursable expenses and \$947.4 million of reimbursable expenses. Total revenues are projected to be \$4,543.0 million, of which \$3,595.6 million are operating revenues and \$947.4 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 45,634 (40,288 non-reimbursable positions and 5,346 reimbursable positions).

The 2010 net cash deficit is projected to decrease by \$35.5 million from the 2010 Adopted Budget.

Major operating cash changes include:

- Budget Reduction Program actions to result in cost reductions mostly in subway/bus operations of \$75.4 million including scheduled overtime reductions of \$15.4 million and inventory reductions of \$4.0 million.
- A re-estimate of farebox revenue based on higher subway ridership than anticipated resulting in an increase of \$42.0 million.
- A projected decrease in NYCERS pension costs of \$28.8 million based on current actuarial data driven by the partial stock market recovery which served to reduce recent pension investment losses.
- A reduction in electric power inflation assumptions resulting in a cost reduction of \$25.2 million.
- The unfavorable timing to 2011 of \$53.4 million of capital reimbursements which fund labor/other costs in support of capital projects.
- Cost increase revisions of \$22.6 million to February Financial Plan preliminary actions (AABB) relating to bus/subway service and station staffing reductions including reinstatements of some service reductions based on discussions at

public hearings and costs of implementation, average rates of pay and availability of personnel.

- The timing of 2009 results impacting 2010 by a negative \$23.8 million.
- An early release of \$11.3 million of vendor retainage balances. This release partly offset savings from negotiated lower paratransit vendor rates.
- Net cash loss of \$5.8 million due to the elimination of student fare implementation proposed in the February Financial Plan.
- A projected \$5.2 million reduction in paratransit Urban Tax revenue based on commercial property transactions in the MTA region.

Reimbursable expenses are projected to increase in 2010 by \$7.1 million due mostly to additional track program material/maintenance contract requirements. This increase is offset by a corresponding reimbursement increase.

Total baseline positions are projected to decrease by 1,069, due mostly to Budget Reduction Program actions eliminating 611 positions and additional administration position reductions of 506.

## **2011 Preliminary Budget**

MTA New York City Transit's 2011 Preliminary Budget includes total expenses before depreciation and other post-employment benefits of \$7,226.3 million, consisting of \$6,302.3 million of non-reimbursable expenses and \$924.0 million of reimbursable expenses. Total revenues are projected to be \$4,604.4 million, of which \$3,680.3 million are operating revenues and \$924.0 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 45,403, including 40,360 non-reimbursable positions and 5,043 reimbursable positions.

The 2011 net cash deficit is projected to decrease by \$234.1 million from the February Financial Plan. Major operating cash variances include:

- Budget Reduction Program actions to result in savings mostly in subway/bus operations of \$106.9 million including \$15.4 million of scheduled overtime reductions and \$4.0 million of inventory reductions.
- Administration streamlining to result in additional cost reductions of \$55.5 million.
- A reduction in electric power inflation assumptions resulting in a cost reduction of \$46.2 million.
- The favorable timing from 2010 of \$52.2 million of capital reimbursements which fund labor/other costs in support of capital projects.

- A re-estimate of farebox revenue based on higher subway ridership than anticipated and projected higher employment levels resulting in an increase of \$47.9 million.
- A projected decrease in NYCERS pension costs of \$47.7 million based on current actuarial data driven by the partial stock market recovery which served to reduce recent pension investment losses.
- An increase in paratransit savings of \$15.5 million due to negotiated lower vendor rates and projected additional no-show policy savings.
- Cost increase revisions of \$27.3 million to February Financial Plan preliminary actions relating to bus/subway service and station staffing reductions including reinstatements of some service reductions based on discussions at public hearings and costs of implementation, average rates of pay and availability of personnel.
- Elimination of unspecified PEG savings of \$61.7 million included in the February Financial Plan as these savings were replaced by the savings identified above.
- Net cash loss of \$19.8 million due to the elimination of student fare implementation proposed in the February Financial Plan.

Reimbursable expenses are projected to increase in 2011 by \$9.3 million due mostly to additional track program material/maintenance contract requirements. This increase is offset by a corresponding reimbursement increase.

Total baseline positions are projected to decrease by 996, due mostly to Budget Reduction Program actions eliminating 637 positions and additional administrative position reductions of 475.

## **2012-2013 Projections**

Net cash deficits are projected to decrease by \$61.0 million in 2012 and \$56.3 million in 2013 relative to the February Financial Plan. Major operating cash changes include:

- Budget Reduction Program actions to result in savings mostly in subway/bus operations of \$100.5 million in 2012 and \$103.0 million in 2013 including unscheduled overtime savings of \$15.4 million each year.
- A reduction in electric power inflation assumptions resulting in cost reductions of \$66.9 million in 2012 and \$91.2 million in 2013.
- A re-estimate of farebox revenue based on higher subway ridership than anticipated and projected higher employment levels resulting in increases of \$74.2 million in 2012 and \$91.1 million in 2013.

- Projected decreases in NYCERS pension costs of \$57.3 million in 2012 and \$69.3 million in 2013 based on current actuarial data driven by the partial stock market recovery which served to reduce recent pension investment losses.
- Administration streamlining to result in additional cost reductions of \$52.7 million in 2012 and \$51.9 million in 2013.
- An increase in paratransit savings of \$11.1 million in 2012 and \$14.1 million in 2013 due to negotiated lower vendor rates and projected additional no-show policy savings.
- Cost increase revisions of \$15.2 million in 2012 and \$5.3 million in 2013 to February Financial Plan preliminary actions relating to bus/subway service and station staffing reductions including reinstatements of some service reductions based on discussions at public hearings and costs of implementation, average rates of pay and availability of personnel.
- Elimination of unspecified PEG savings of \$123.4 million in 2012 and \$185.1 million in 2013 included in the February Financial Plan.
- Net cash losses of \$144.8 million in 2012 and 2013 due to the elimination of student fare implementation proposed in the February Financial Plan.

Reimbursable expenses are projected to increase by \$9.7 million in 2012 and \$9.1 million in 2013 due mostly to additional track program material/maintenance contract requirements. These increases are offset by corresponding reimbursement increases.

Total baseline positions are projected to decrease by 907 in 2012 and 933 in 2013, due mostly to Budget Reduction Program actions eliminating 575 positions in 2012 and 603 positions in 2013, and additional administrative position reductions of 434 in both 2012 and 2013.

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

| <b>NON-REIMBURSABLE</b>  |                        |                                       |  |                      |                      |                      |
|--|------------------------|---------------------------------------|--|----------------------|----------------------|----------------------|
|  | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          |
| <b>Operating Revenue</b>                                       |                        |                                       |  |                      |                      |                      |
| <b>Farebox Revenue:</b>  |                        |                                       |  |                      |                      |                      |
| Subway   | \$2,245.620            | \$2,392.395                           | \$2,440.897                            | \$2,499.193          | \$2,534.537          | \$2,567.873          |
| Bus  | 821.111                | 856.985                               | 873.378                                | 894.388              | 906.988              | 918.853              |
| Paratransit  | 13.942                 | 17.097                                | 18.536                                 | 21.582               | 25.083               | 29.110               |
| Fare Media Liability   | 52.087                 | 51.764                                | 52.092                                 | 52.221               | 52.221               | 52.221               |
| <b>Farebox Revenue</b>   | <b>\$3,132.760</b>     | <b>\$3,318.241</b>                    | <b>\$3,384.903</b>                     | <b>\$3,467.384</b>   | <b>\$3,518.829</b>   | <b>\$3,568.057</b>   |
| Vehicle Toll Revenue   | \$0.000                | \$0.000                               | \$0.000                                | \$0.000              | \$0.000              | \$0.000              |
| <b>Other Operating Revenue:</b>                                |                        |                                       |  |                      |                      |                      |
| Fare Reimbursement   | 65.078                 | 84.016                                | 84.016                                 | 84.016               | 84.016               | 84.016               |
| Paratransit Reimbursement                                      | 71.127                 | 86.295                                | 104.930                                | 125.646              | 148.279              | 174.701              |
| Other  | 115.839                | 107.038                               | 106.488                                | 109.749              | 113.650              | 117.683              |
| <b>Other Operating Revenue</b>                                 | <b>\$252.044</b>       | <b>\$277.349</b>                      | <b>\$295.434</b>                       | <b>\$319.411</b>     | <b>\$345.945</b>     | <b>\$376.400</b>     |
| Capital and Other Reimbursements                               | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Revenue</b>   | <b>\$3,384.804</b>     | <b>\$3,595.590</b>                    | <b>\$3,680.337</b>                     | <b>\$3,786.795</b>   | <b>\$3,864.774</b>   | <b>\$3,944.457</b>   |
| <b>Expenses</b>  |                        |                                       |  |                      |                      |                      |
| <b>Labor:</b>  |                        |                                       |  |                      |                      |                      |
| Payroll  | 2,804.650              | 2,806.297                             | 2,856.616                              | 2,923.168            | 2,978.420            | 3,037.591            |
| Overtime   | 247.284                | 245.188                               | 235.067                                | 240.750              | 245.658              | 250.966              |
| Total Salaries & Wages   | 3,051.934              | 3,051.485                             | 3,091.683                              | 3,163.918            | 3,224.078            | 3,288.557            |
| Health and Welfare   | 474.569                | 502.486                               | 535.023                                | 582.445              | 637.468              | 696.874              |
| OPEB Current Payment   | 248.806                | 273.661                               | 299.193                                | 326.911              | 357.090              | 391.566              |
| Pensions   | 756.617                | 752.176                               | 768.855                                | 807.445              | 849.934              | 926.950              |
| Other Fringe Benefits  | 281.037                | 240.066                               | 233.704                                | 241.626              | 248.887              | 254.745              |
| Total Fringe Benefits  | 1,761.029              | 1,768.389                             | 1,836.775                              | 1,958.427            | 2,093.379            | 2,270.135            |
| Reimbursable Overhead  | (213.011)              | (212.771)                             | (202.931)                              | (201.751)            | (201.682)            | (205.195)            |
| <b>Total Labor Expenses</b>                                    | <b>\$4,599.952</b>     | <b>\$4,607.103</b>                    | <b>\$4,725.527</b>                     | <b>\$4,920.594</b>   | <b>\$5,115.775</b>   | <b>\$5,353.497</b>   |
| <b>Non-Labor:</b>  |                        |                                       |  |                      |                      |                      |
| Traction and Propulsion Power                                  | 176.878                | 196.898                               | 210.129                                | 226.563              | 244.378              | 263.572              |
| Fuel for Buses and Trains                                      | 118.921                | 125.168                               | 128.930                                | 138.324              | 149.501              | 161.145              |
| Insurance  | 53.869                 | 57.981                                | 64.062                                 | 76.515               | 93.130               | 113.516              |
| Claims   | 114.105                | 77.983                                | 78.083                                 | 78.083               | 78.083               | 78.083               |
| Paratransit Service Contracts                                  | 370.094                | 380.890                               | 384.110                                | 462.247              | 553.424              | 660.325              |
| Maintenance and Other Operating Contracts                      | 212.724                | 220.959                               | 240.337                                | 249.687              | 257.451              | 264.707              |
| Professional Service Contracts                                 | 99.298                 | 94.201                                | 97.719                                 | 100.663              | 103.480              | 105.994              |
| Materials & Supplies   | 299.213                | 312.406                               | 309.421                                | 317.967              | 335.528              | 348.341              |
| Other Business Expenses  | 53.972                 | 60.175                                | 63.971                                 | 66.685               | 69.074               | 70.193               |
| <b>Total Non-Labor Expenses</b>                                | <b>\$1,499.074</b>     | <b>\$1,526.661</b>                    | <b>\$1,576.762</b>                     | <b>\$1,716.734</b>   | <b>\$1,884.049</b>   | <b>\$2,065.876</b>   |
| <b>Other Expense Adjustments:</b>                              |                        |                                       |  |                      |                      |                      |
| Other  | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Other Expense Adjustments</b>                         | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>       | <b>\$0.000</b>       | <b>\$0.000</b>       |
| <b>Total Expenses before Depreciation and GASB Adjustments</b> |                        |                                       |  |                      |                      |                      |
|  | <b>\$6,099.026</b>     | <b>\$6,133.764</b>                    | <b>\$6,302.289</b>                     | <b>\$6,637.328</b>   | <b>\$6,999.824</b>   | <b>\$7,419.373</b>   |
| Depreciation   | 1,231.057              | 1,325.000                             | 1,400.000                              | 1,475.000            | 1,550.000            | 1,625.000            |
| OPEB Obligation  | 828.291                | 1,098.900                             | 1,144.800                              | 1,191.600            | 1,240.313            | 1,291.000            |
| Environmental Remediation                                      | (1.531)                | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Expenses</b>  | <b>\$8,156.843</b>     | <b>\$8,557.664</b>                    | <b>\$8,847.089</b>                     | <b>\$9,303.928</b>   | <b>\$9,790.137</b>   | <b>\$10,335.373</b>  |
| <b>Baseline Surplus/(Deficit)</b>                              | <b>(\$4,772.039)</b>   | <b>(\$4,962.074)</b>                  | <b>(\$5,166.752)</b>                   | <b>(\$5,517.133)</b> | <b>(\$5,925.363)</b> | <b>(\$6,390.916)</b> |

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**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

| <b>NON-REIMBURSABLE/REIMBURSABLE</b>                               |                        |                                       |  |                      |                      |                      |
|--|------------------------|---------------------------------------|--|----------------------|----------------------|----------------------|
|  | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          |
| <b>Revenue</b>   |                        |                                       |  |                      |                      |                      |
| <u><b>Farebox Revenue:</b></u>                                     |                        |                                       |  |                      |                      |                      |
| Subway   | \$2,245.620            | \$2,392.395                           | \$2,440.897                            | \$2,499.193          | \$2,534.537          | \$2,567.873          |
| Bus  | 821.111                | 856.985                               | 873.378                                | 894.388              | 906.988              | 918.853              |
| Paratransit  | 13.942                 | 17.097                                | 18.536                                 | 21.582               | 25.083               | 29.110               |
| Fare Media Liability   | 52.087                 | 51.764                                | 52.092                                 | 52.221               | 52.221               | 52.221               |
| <b>Farebox Revenue</b>   | <b>\$3,132.760</b>     | <b>\$3,318.241</b>                    | <b>\$3,384.903</b>                     | <b>\$3,467.384</b>   | <b>\$3,518.829</b>   | <b>\$3,568.057</b>   |
| Vehicle Toll Revenue   | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <u><b>Other Operating Revenue:</b></u>                             |                        |                                       |  |                      |                      |                      |
| Fare Reimbursement   | 65.078                 | 84.016                                | 84.016                                 | 84.016               | 84.016               | 84.016               |
| Paratransit Reimbursement  | 71.127                 | 86.295                                | 104.930                                | 125.646              | 148.279              | 174.701              |
| Other  | 115.839                | 107.038                               | 106.488                                | 109.749              | 113.650              | 117.683              |
| <b>Other Operating Revenue</b>                                     | <b>252.044</b>         | <b>277.349</b>                        | <b>295.434</b>                         | <b>319.411</b>       | <b>345.945</b>       | <b>376.400</b>       |
| Capital and Other Reimbursements                                   | 938.377                | 947.442                               | 924.018                                | 930.956              | 931.440              | 948.437              |
| <b>Total Revenue</b>   | <b>\$4,323.181</b>     | <b>\$4,543.032</b>                    | <b>\$4,604.355</b>                     | <b>\$4,717.751</b>   | <b>\$4,796.214</b>   | <b>\$4,892.894</b>   |
| <b>Expenses</b>  |                        |                                       |  |                      |                      |                      |
| <u><b>Labor:</b></u>   |                        |                                       |  |                      |                      |                      |
| Payroll  | 3,187.593              | 3,213.559                             | 3,257.775                              | 3,326.632            | 3,382.188            | 3,447.263            |
| Overtime   | 330.474                | 313.639                               | 304.750                                | 311.625              | 317.101              | 323.782              |
| Total Salaries & Wages   | 3,518.067              | 3,527.198                             | 3,562.525                              | 3,638.257            | 3,699.289            | 3,771.045            |
| Health and Welfare   | 495.375                | 525.733                               | 560.456                                | 609.626              | 666.516              | 727.919              |
| OPEB Current Payment   | 248.806                | 273.661                               | 299.193                                | 326.911              | 357.090              | 391.566              |
| Pensions   | 775.221                | 770.076                               | 788.082                                | 827.401              | 870.832              | 950.323              |
| Other Fringe Benefits  | 385.438                | 353.882                               | 344.281                                | 352.193              | 359.016              | 366.610              |
| Total Fringe Benefits  | 1,904.840              | 1,923.352                             | 1,992.012                              | 2,116.131            | 2,253.454            | 2,436.418            |
| Reimbursable Overhead  | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Labor Expenses</b>  | <b>\$5,422.907</b>     | <b>\$5,450.550</b>                    | <b>\$5,554.537</b>                     | <b>\$5,754.388</b>   | <b>\$5,952.743</b>   | <b>\$6,207.463</b>   |
| <u><b>Non-Labor:</b></u>   |                        |                                       |  |                      |                      |                      |
| Traction and Propulsion Power                                      | 176.946                | 196.898                               | 210.129                                | 226.563              | 244.378              | 263.572              |
| Fuel for Buses and Trains  | 118.951                | 125.168                               | 128.930                                | 138.324              | 149.501              | 161.145              |
| Insurance  | 53.869                 | 57.981                                | 64.062                                 | 76.515               | 93.130               | 113.516              |
| Claims   | 116.414                | 77.983                                | 78.083                                 | 78.083               | 78.083               | 78.083               |
| Paratransit Service Contracts                                      | 370.094                | 380.890                               | 384.110                                | 462.247              | 553.424              | 660.325              |
| Maintenance and Other Operating Contracts                          | 244.803                | 252.492                               | 271.814                                | 281.170              | 288.934              | 296.190              |
| Professional Service Contracts                                     | 115.970                | 110.071                               | 113.335                                | 115.910              | 118.803              | 121.317              |
| Materials & Supplies   | 362.479                | 368.397                               | 356.735                                | 367.817              | 382.612              | 395.425              |
| Other Business Expenses  | 54.970                 | 60.776                                | 64.572                                 | 67.267               | 69.656               | 70.774               |
| <b>Total Non-Labor Expenses</b>                                    | <b>\$1,614.496</b>     | <b>\$1,630.656</b>                    | <b>\$1,671.770</b>                     | <b>\$1,813.896</b>   | <b>\$1,978.521</b>   | <b>\$2,160.347</b>   |
| <u><b>Other Expense Adjustments:</b></u>                           |                        |                                       |  |                      |                      |                      |
| Other  | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Other Expense Adjustments</b>                             | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>       | <b>\$0.000</b>       | <b>\$0.000</b>       |
| <b>Total Expenses before<br/>Depreciation and GASB Adjustments</b> | <b>\$7,037.403</b>     | <b>\$7,081.206</b>                    | <b>\$7,226.307</b>                     | <b>\$7,568.284</b>   | <b>\$7,931.264</b>   | <b>\$8,367.810</b>   |
| Depreciation   | 1,231.057              | 1,325.000                             | 1,400.000                              | 1,475.000            | 1,550.000            | 1,625.000            |
| OPEB Obligation  | 828.291                | 1,098.900                             | 1,144.800                              | 1,191.600            | 1,240.313            | 1,291.000            |
| Environmental Remediation  | (1.531)                | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Expenses</b>  | <b>\$9,095.220</b>     | <b>\$9,505.106</b>                    | <b>\$9,771.107</b>                     | <b>\$10,234.884</b>  | <b>\$10,721.577</b>  | <b>\$11,283.810</b>  |
| <b>Baseline Surplus/(Deficit)</b>                                  | <b>(\$4,772.039)</b>   | <b>(\$4,962.074)</b>                  | <b>(\$5,166.752)</b>                   | <b>(\$5,517.133)</b> | <b>(\$5,925.363)</b> | <b>(\$6,390.916)</b> |

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2011 - 2014**  
**Cash Receipts & Expenditures**

| <b>CASH RECEIPTS AND EXPENDITURES</b>      |                        |                                       |  |                      |                      |                      |
|--|------------------------|---------------------------------------|--|----------------------|----------------------|----------------------|
|  | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          |
| <b>Receipts</b>                            |                        |                                       |  |                      |                      |                      |
| Farebox Revenue                            | \$3,149.100            | \$3,322.469                           | \$3,389.133                            | \$3,465.915          | \$3,528.760          | \$3,572.288          |
| Vehicle Toll Revenue                       | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <u>Other Operating Revenue:</u>            |                        |                                       |  |                      |                      |                      |
| Fare Reimbursement                         | 65.100                 | 84.016                                | 84.016                                 | 84.016               | 84.016               | 84.016               |
| Paratransit Reimbursement                  | 71.478                 | 85.621                                | 104.667                                | 125.526              | 148.215              | 174.484              |
| Other                                      | 116.422                | 115.759                               | 106.988                                | 110.749              | 114.650              | 118.683              |
| <b>Other Operating Revenue</b>             | <b>\$253.000</b>       | <b>\$285.396</b>                      | <b>\$295.671</b>                       | <b>\$320.291</b>     | <b>\$346.881</b>     | <b>\$377.183</b>     |
| Capital and Other Reimbursements           | 980.900                | 921.092                               | 978.976                                | 929.002              | 930.835              | 944.391              |
| <b>Total Receipts</b>                      | <b>\$4,383.000</b>     | <b>\$4,528.957</b>                    | <b>\$4,663.780</b>                     | <b>\$4,715.208</b>   | <b>\$4,806.476</b>   | <b>\$4,893.862</b>   |
| <b>Expenditures</b>                        |                        |                                       |  |                      |                      |                      |
| <u>Labor:</u>                              |                        |                                       |  |                      |                      |                      |
| Payroll                                    | 3,124.573              | 3,233.625                             | 3,229.988                              | 3,290.325            | 3,355.375            | 3,419.739            |
| Overtime                                   | 326.828                | 315.597                               | 302.151                                | 308.224              | 314.587              | 321.197              |
| Total Salaries & Wages                     | 3,451.401              | 3,549.222                             | 3,532.139                              | 3,598.549            | 3,669.962            | 3,740.936            |
| Health and Welfare                         | 483.540                | 519.716                               | 556.079                                | 604.877              | 661.364              | 722.329              |
| OPEB Current Payment                       | 256.860                | 273.661                               | 299.193                                | 326.911              | 357.090              | 391.566              |
| Pensions                                   | 649.200                | 852.808                               | 769.861                                | 810.970              | 852.674              | 906.480              |
| Other Fringe Benefits                      | 316.700                | 338.104                               | 325.474                                | 333.681              | 342.086              | 350.522              |
| Total Fringe Benefits                      | 1,706.300              | 1,984.289                             | 1,950.607                              | 2,076.439            | 2,213.214            | 2,370.897            |
| GASB Account                               | 39.300                 | 34.331                                | 35.122                                 | 36.233               | 37.088               | 37.801               |
| Reimbursable Overhead                      | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Labor Expenditures</b>            | <b>\$5,197.001</b>     | <b>\$5,567.842</b>                    | <b>\$5,517.868</b>                     | <b>\$5,711.221</b>   | <b>\$5,920.264</b>   | <b>\$6,149.634</b>   |
| <u>Non-Labor:</u>                          |                        |                                       |  |                      |                      |                      |
| Traction and Propulsion Power              | 173.600                | 200.398                               | 210.129                                | 226.563              | 244.378              | 263.572              |
| Fuel for Buses and Trains                  | 116.200                | 125.168                               | 128.930                                | 138.324              | 149.501              | 161.145              |
| Insurance                                  | 46.200                 | 65.509                                | 65.038                                 | 81.494               | 96.585               | 117.274              |
| Claims                                     | 70.500                 | 76.977                                | 70.377                                 | 72.063               | 73.789               | 75.558               |
| Paratransit Service Contracts              | 363.500                | 387.213                               | 379.110                                | 457.247              | 548.424              | 655.325              |
| Maintenance and Other Operating Contracts  | 255.100                | 263.192                               | 282.514                                | 291.870              | 299.634              | 306.890              |
| Professional Service Contracts             | 107.600                | 106.571                               | 108.335                                | 110.910              | 113.803              | 116.317              |
| Materials & Supplies                       | 360.500                | 364.971                               | 354.735                                | 369.817              | 384.612              | 397.425              |
| Other Business Expenditures                | 50.999                 | 60.776                                | 64.572                                 | 67.267               | 69.656               | 70.774               |
| <b>Total Non-Labor Expenditures</b>        | <b>\$1,544.199</b>     | <b>\$1,650.775</b>                    | <b>\$1,663.740</b>                     | <b>\$1,815.555</b>   | <b>\$1,980.382</b>   | <b>\$2,164.280</b>   |
| <u>Other Expenditure Adjustments:</u>      |                        |                                       |  |                      |                      |                      |
| Other                                      | 0.000                  | 0.000                                 | 0.000                                  | 0.000                | 0.000                | 0.000                |
| <b>Total Other Expenditure Adjustments</b> | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>       | <b>\$0.000</b>       | <b>\$0.000</b>       |
| <b>Total Expenditures</b>                  | <b>\$6,741.200</b>     | <b>\$7,218.617</b>                    | <b>\$7,181.608</b>                     | <b>\$7,526.776</b>   | <b>\$7,900.646</b>   | <b>\$8,313.914</b>   |
| <b>Baseline Cash Deficit</b>               | <b>(\$2,358.200)</b>   | <b>(\$2,689.660)</b>                  | <b>(\$2,517.828)</b>                   | <b>(\$2,811.568)</b> | <b>(\$3,094.170)</b> | <b>(\$3,420.052)</b> |

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2011 - 2014**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

| <b>CASH FLOW ADJUSTMENTS</b>  |                        |                                       |  |                    |                    |                    |
|---|------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
|   | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
| <b>Receipts</b>   |                        |                                       |  |                    |                    |                    |
| Fare Revenue  | \$16.340               | \$4.228                               | \$4.230                                | (\$1.469)          | \$9.931            | \$4.231            |
| Vehicle Toll Revenue  | 0.000                  | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| <u>Other Operating Revenue:</u>   |                        |                                       |  |                    |                    |                    |
| Fare Reimbursement  | 0.022                  | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| Paratransit Reimbursement   | 0.351                  | (0.674)                               | (0.263)                                | (0.120)            | (0.064)            | (0.217)            |
| Other   | 0.583                  | 8.721                                 | 0.500                                  | 1.000              | 1.000              | 1.000              |
| <b>Other Operating Revenue</b>  | <b>\$0.956</b>         | <b>\$8.047</b>                        | <b>\$0.237</b>                         | <b>\$0.880</b>     | <b>\$0.936</b>     | <b>\$0.783</b>     |
| Capital and Other Reimbursements  | 42.523                 | (26.350)                              | 54.958                                 | (1.954)            | (0.605)            | (4.046)            |
| <b>Total Receipt Adjustments</b>  | <b>\$59.819</b>        | <b>(\$14.075)</b>                     | <b>\$59.425</b>                        | <b>(\$2.543)</b>   | <b>\$10.262</b>    | <b>\$0.968</b>     |
| <b>Expenditures</b>   |                        |                                       |  |                    |                    |                    |
| <u>Labor:</u>   |                        |                                       |  |                    |                    |                    |
| Payroll   | 63.020                 | (20.066)                              | 27.787                                 | 36.307             | 26.813             | 27.524             |
| Overtime  | 3.646                  | (1.958)                               | 2.599                                  | 3.401              | 2.514              | 2.585              |
| Total Salaries & Wages  | 66.666                 | (22.024)                              | 30.386                                 | 39.708             | 29.327             | 30.109             |
| Health and Welfare  | 11.835                 | 6.017                                 | 4.377                                  | 4.749              | 5.152              | 5.590              |
| OPEB Current Payment  | (8.054)                | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| Pensions  | 126.021                | (82.732)                              | 18.221                                 | 16.431             | 18.158             | 43.843             |
| Other Fringe Benefits   | 68.738                 | 15.778                                | 18.807                                 | 18.512             | 16.930             | 16.088             |
| Total Fringe Benefits   | 198.540                | (60.937)                              | 41.405                                 | 39.692             | 40.240             | 65.521             |
| GASB Account  | (39.300)               | (34.331)                              | (35.122)                               | (36.233)           | (37.088)           | (37.801)           |
| Reimbursable Overhead   |                        |                                       |  |                    |                    |                    |
| <b>Total Labor Expenditures</b>   | <b>\$225.906</b>       | <b>(\$117.292)</b>                    | <b>\$36.669</b>                        | <b>\$43.167</b>    | <b>\$32.479</b>    | <b>\$57.829</b>    |
| <u>Non-Labor:</u>   |                        |                                       |  |                    |                    |                    |
| Traction and Propulsion Power   | 3.346                  | (3.500)                               | 0.000                                  | 0.000              | 0.000              | 0.000              |
| Fuel for Buses and Trains   | 2.751                  | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| Insurance   | 7.669                  | (7.528)                               | (0.976)                                | (4.979)            | (3.455)            | (3.758)            |
| Claims  | 45.914                 | 1.006                                 | 7.706                                  | 6.020              | 4.294              | 2.525              |
| Paratransit Service Contracts   | 6.594                  | (6.323)                               | 5.000                                  | 5.000              | 5.000              | 5.000              |
| Maintenance and Other Operating Contracts   | (10.297)               | (10.700)                              | (10.700)                               | (10.700)           | (10.700)           | (10.700)           |
| Professional Service Contracts  | 8.370                  | 3.500                                 | 5.000                                  | 5.000              | 5.000              | 5.000              |
| Materials & Supplies  | 1.979                  | 3.426                                 | 2.000                                  | (2.000)            | (2.000)            | (2.000)            |
| Other Business Expenditures   | 3.971                  | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| <b>Total Non-Labor Expenditures</b>   | <b>\$70.297</b>        | <b>(\$20.119)</b>                     | <b>\$8.030</b>                         | <b>(\$1.659)</b>   | <b>(\$1.861)</b>   | <b>(\$3.933)</b>   |
| <u>Other Expenditure Adjustments:</u>   |                        |                                       |  |                    |                    |                    |
| Other   | 0.000                  | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| <b>Total Other Expenditure Adjustments</b>  | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenditure Adjustments</b>  | <b>\$296.203</b>       | <b>(\$137.411)</b>                    | <b>\$44.699</b>                        | <b>\$41.508</b>    | <b>\$30.618</b>    | <b>\$53.896</b>    |
| <b>Total Cash Conversion Adjustments<br/>before Depreciation and GASB Adjustments</b> | <b>\$356.022</b>       | <b>(\$151.486)</b>                    | <b>\$104.124</b>                       | <b>\$38.965</b>    | <b>\$40.880</b>    | <b>\$54.864</b>    |
| Depreciation Adjustment   | 1,231.057              | 1,325.000                             | 1,400.000                              | 1,475.000          | 1,550.000          | 1,625.000          |
| OPEB Obligation   | 828.291                | 1,098.900                             | 1,144.800                              | 1,191.600          | 1,240.313          | 1,291.000          |
| Environmental Remediation   | (1.531)                | 0.000                                 | 0.000                                  | 0.000              | 0.000              | 0.000              |
| <b>Baseline Total Cash Conversion Adjustments</b>                                     | <b>\$2,413.839</b>     | <b>\$2,272.414</b>                    | <b>\$2,648.924</b>                     | <b>\$2,705.565</b> | <b>\$2,831.193</b> | <b>\$2,970.864</b> |
| <b>Total Cash Conversion Adjustments</b>  | <b>\$2,413.839</b>     | <b>\$2,272.414</b>                    | <b>\$2,648.924</b>                     | <b>\$2,705.565</b> | <b>\$2,831.193</b> | <b>\$2,970.864</b> |

**MTA NEW YORK CITY TRANSIT  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014  
YEAR-TO-YEAR CHANGES BY CATEGORY-BASELINE**

**TOTAL REVENUE/RECEIPTS**

**Farebox Revenue**

- Subway/bus farebox revenue annual growth based largely on Global Insight projected NYC employment levels.
- Farebox cash receipts include adjustments for expired MetroCards and the timing of cash receipts from counting and depositing, which can cause some fluctuations in cash received from year to year.

**Other Operating Revenue**

- Paratransit reimbursements include contractually-capped annual increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses and Urban Tax revenue generated from Commercial Real Estate Market transactions.
- Other revenues include annual increases mostly from advertising revenues based upon current contracts in place.
- 2010 cash receipts includes \$8.2 million of favorable timing from 2009 regarding funds received from a letter of credit related to an advertising agency experiencing financial difficulties in 2009.

**Capital and Other Reimbursements**

- Annual reimbursement levels fluctuate year-to-year based upon reimbursable expense levels driven mostly by capital project requirements.
- Annual cash adjustments are included to recognize changes in the timing of receipts.
- 2010 includes \$5.9 million of unfavorable timing of receipts as these receipts were actually received in 2009.

**TOTAL EXPENSES/EXPENDITURES**

**Payroll**

- 2011-2014 projections include primarily CPI-based rate increases as follows: 2011=3.00%, 2012=2.20%, 2013=1.97% and 2014=1.91%.
- 2010 includes \$3.5 million of unfavorable cash timing adjustments from 2009.

**Overtime**

- 2011-2014 payroll wage rate increase assumptions apply.

**Health & Welfare**

- Inflation assumptions for 2011-2014: Annual employees - 2011=7.0% and 2012-2014=6.9% per year; hourly employees=9.0% for each year 2011-2014.
- 2010 includes \$1.7 million of favorable cash timing adjustments from 2009.

**Pension**

- Projections are consistent with current actuarial information

**Other Fringe Benefits**

- Projections are consistent with payroll rate increase assumptions.
- 2010 includes \$0.3 million of unfavorable cash timing adjustments from 2009.

**Traction and Propulsion Power**

- The financial plan reflects projected weighted average New York Power Authority/Con Edison energy rate increases as follows: 2011=7.7%, 2012=7.7%, 2013=7.8% and 2014=7.8%.
- 2010 includes \$3.5 million of unfavorable cash timing adjustments from 2009.

**Fuel for Buses and Trains**

- Diesel fuel inflation assumptions are as follows: 2011=7.0%, 2012=4.2%, 2013=3.9% and 2014=3.2%.

**Insurance**

- Inflation assumptions were provided by the MTA.
- 2010 includes \$8.7 million of unfavorable cash timing adjustments from 2009.

**Paratransit Service Contracts**

- The primary driver of expense increases is projected annual ridership growth of 15%.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI
- 2010 includes a \$0.4 million unfavorable cash timing adjustment from 2009.

**Maintenance and Other Operating Contracts**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011=1.71%, 2012=2.12%, 2013=2.22% and 2014=2.17%.
- Facility power inflation assumptions are based on projected weighted average New York Power Authority/Con Edison energy rate increases as follows: 2011=7.7%, 2012=7.7%, 2013=7.8% and 2014=7.8%.
- 2010 includes a \$1.6 million unfavorable cash timing adjustment from 2009.

**Professional Service Contracts**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011=1.71%, 2012=2.12%, 2013=2.22% and 2014=2.17%.
- 2010 includes a \$2.1 million unfavorable cash timing adjustment from 2009.

**Materials and Supplies**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011=1.89%, 2012=1.83%, 2013=1.95% and 2014=1.98%.
- 2010 includes a \$1.9 million unfavorable cash timing adjustment from 2009.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance program requirements.

**Other Business Expenses**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011=1.71%, 2012=2.12%, 2013=2.22% and 2014=2.17%.

**Depreciation (non-cash)**

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include subway station rehabilitations, track & switches, new subway cars and buses.

**MTA New York City Transit**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

|  | Favorable/(Unfavorable) |                      |                     |                      |                     |                      |                     |                      |                     |
|--|-------------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|  | 2010                    | 2011                 | Change<br>2011-2010 | 2012                 | Change<br>2012-2011 | 2013                 | Change<br>2013-2012 | 2014                 | Change<br>2014-2013 |
| <b>Revenue</b>   |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Farebox Revenue:   |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Subway   | \$2,392.395             | \$2,440.897          | \$48.502            | \$2,499.193          | \$58.296            | \$2,534.537          | \$35.344            | \$2,567.873          | \$33.336            |
| Bus  | 856.985                 | 873.378              | 16.393              | 894.388              | 21.010              | 906.988              | 12.600              | 918.853              | 11.865              |
| Paratransit  | 17.097                  | 18.536               | 1.439               | 21.582               | 3.046               | 25.083               | 3.501               | 29.110               | 4.027               |
| Fare Media Liability   | 51.764                  | 52.092               | 0.328               | 52.221               | 0.129               | 52.221               | 0.000               | 52.221               | 0.000               |
| <b>Total Farebox Revenue</b>                                       | <b>\$3,318.241</b>      | <b>\$3,384.903</b>   | <b>\$66.662</b>     | <b>\$3,467.384</b>   | <b>\$82.481</b>     | <b>\$3,518.829</b>   | <b>\$51.445</b>     | <b>\$3,568.057</b>   | <b>\$49.228</b>     |
| Vehicle Toll Revenue   | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| Other Operating Revenue:   |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Fare Reimbursement   | 84.016                  | 84.016               | 0.000               | 84.016               | 0.000               | 84.016               | 0.000               | 84.016               | 0.000               |
| Paratransit Reimbursement  | 86.295                  | 104.930              | 18.635              | 125.646              | 20.716              | 148.279              | 22.633              | 174.701              | 26.422              |
| Other  | 107.038                 | 106.488              | (0.550)             | 109.749              | 3.261               | 113.650              | 3.901               | 117.683              | 4.033               |
| <b>Total Other Operating Revenue</b>                               | <b>277.349</b>          | <b>295.434</b>       | <b>18.085</b>       | <b>319.411</b>       | <b>23.977</b>       | <b>345.945</b>       | <b>26.534</b>       | <b>376.400</b>       | <b>30.455</b>       |
| Capital and Other Reimbursements                                   | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| <b>Total Revenue</b>   | <b>\$3,595.590</b>      | <b>\$3,680.337</b>   | <b>\$84.747</b>     | <b>\$3,786.795</b>   | <b>\$106.458</b>    | <b>\$3,864.774</b>   | <b>\$77.979</b>     | <b>\$3,944.457</b>   | <b>\$79.683</b>     |
| <b>Expenses</b>  |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Labor:   |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Payroll  | 2,806.297               | 2,856.616            | (50.319)            | 2,923.168            | (66.552)            | 2,978.420            | (55.252)            | 3,037.591            | (59.171)            |
| Overtime   | 245.188                 | 235.067              | 10.121              | 240.750              | (5.683)             | 245.658              | (4.908)             | 250.966              | (5.308)             |
| Total Salaries & Wages   | 3,051.485               | 3,091.683            | (40.198)            | 3,163.918            | (72.235)            | 3,224.078            | (60.160)            | 3,288.557            | (64.479)            |
| Health and Welfare   | 502.486                 | 535.023              | (32.537)            | 582.445              | (47.422)            | 637.468              | (55.023)            | 696.874              | (59.406)            |
| OPEB Current Payment   | 273.661                 | 299.193              | (25.532)            | 326.911              | (27.718)            | 357.090              | (30.179)            | 391.566              | (34.476)            |
| Pensions   | 752.176                 | 768.855              | (16.679)            | 807.445              | (38.590)            | 849.934              | (42.489)            | 926.950              | (77.016)            |
| Other Fringe Benefits  | 240.066                 | 233.704              | 6.362               | 241.626              | (7.922)             | 248.887              | (7.261)             | 254.745              | (5.858)             |
| Total Fringe Benefits  | 1,768.389               | 1,836.775            | (68.386)            | 1,958.427            | (121.652)           | 2,093.379            | (134.952)           | 2,270.135            | (176.756)           |
| Reimbursable Overhead  | (212.771)               | (202.931)            | (9.840)             | (201.751)            | (1.180)             | (201.682)            | (0.069)             | (205.195)            | 3.513               |
| <b>Total Labor Expenses</b>  | <b>\$4,607.103</b>      | <b>\$4,725.527</b>   | <b>(\$118.424)</b>  | <b>\$4,920.594</b>   | <b>(\$195.067)</b>  | <b>\$5,115.775</b>   | <b>(\$195.181)</b>  | <b>\$5,353.497</b>   | <b>(\$237.722)</b>  |
| Non-Labor:   |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Traction and Propulsion Power                                      | 196.898                 | 210.129              | (13.231)            | 226.563              | (16.434)            | 244.378              | (17.815)            | 263.572              | (19.194)            |
| Fuel for Buses and Trains  | 125.168                 | 128.930              | (3.762)             | 138.324              | (9.394)             | 149.501              | (11.177)            | 161.145              | (11.644)            |
| Insurance  | 57.981                  | 64.062               | (6.081)             | 76.515               | (12.453)            | 93.130               | (16.615)            | 113.516              | (20.386)            |
| Claims   | 77.983                  | 78.083               | (0.100)             | 78.083               | 0.000               | 78.083               | 0.000               | 78.083               | 0.000               |
| Paratransit Service Contracts                                      | 380.890                 | 384.110              | (3.220)             | 462.247              | (78.137)            | 553.424              | (91.177)            | 660.325              | (106.901)           |
| Mtce. and Other Operating Contracts                                | 220.959                 | 240.337              | (19.378)            | 249.687              | (9.350)             | 257.451              | (7.764)             | 264.707              | (7.256)             |
| Professional Service Contracts                                     | 94.201                  | 97.719               | (3.518)             | 100.663              | (2.944)             | 103.480              | (2.817)             | 105.994              | (2.514)             |
| Materials & Supplies   | 312.406                 | 309.421              | 2.985               | 317.967              | (8.546)             | 335.528              | (17.561)            | 348.341              | (12.813)            |
| Other Business Expenses  | 60.175                  | 63.971               | (3.796)             | 66.685               | (2.714)             | 69.074               | (2.389)             | 70.193               | (1.119)             |
| <b>Total Non-Labor Expenses</b>                                    | <b>\$1,526.661</b>      | <b>\$1,576.762</b>   | <b>(\$50.101)</b>   | <b>\$1,716.734</b>   | <b>(\$139.972)</b>  | <b>\$1,884.049</b>   | <b>(\$167.315)</b>  | <b>\$2,065.876</b>   | <b>(\$181.827)</b>  |
| Other Expense Adjustments:   |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Other  | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| <b>Total Other Expense Adjustments</b>                             | <b>\$0.000</b>          | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      |
| <b>Total Expenses before<br/>Depreciation and GASB Adjustments</b> | <b>\$6,133.764</b>      | <b>\$6,302.289</b>   | <b>(\$168.525)</b>  | <b>\$6,637.328</b>   | <b>(\$335.039)</b>  | <b>\$6,999.824</b>   | <b>(\$362.496)</b>  | <b>\$7,419.373</b>   | <b>(\$419.549)</b>  |
| Depreciation   | 1,325.000               | 1,400.000            | (75.000)            | 1,475.000            | (75.000)            | 1,550.000            | (75.000)            | 1,625.000            | (75.000)            |
| OPEB Obligation  | 1,098.900               | 1,144.800            | (45.900)            | 1,191.600            | (46.800)            | 1,240.313            | (48.713)            | 1,291.000            | (50.687)            |
| Environmental Remediation  | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| <b>Total Expenses</b>  | <b>\$8,557.664</b>      | <b>\$8,847.089</b>   | <b>(\$289.425)</b>  | <b>\$9,303.928</b>   | <b>(\$456.839)</b>  | <b>\$9,790.137</b>   | <b>(\$486.209)</b>  | <b>\$10,335.373</b>  | <b>(\$545.236)</b>  |
| <b>Baseline Surplus/(Deficit)</b>                                  | <b>(\$4,962.074)</b>    | <b>(\$5,166.752)</b> | <b>(\$204.678)</b>  | <b>(\$5,517.133)</b> | <b>(\$350.381)</b>  | <b>(\$5,925.363)</b> | <b>(\$408.230)</b>  | <b>(\$6,390.916)</b> | <b>(\$465.553)</b>  |

## REIMBURSABLE

| REIMBURSABLE                              | Favorable/(Unfavorable) |                  |                     |                  |                     |                  |                     |                  |                     |
|---|-------------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
|   | 2010                    | 2011             | Change<br>2011-2010 | 2012             | Change<br>2012-2011 | 2013             | Change<br>2013-2012 | 2014             | Change<br>2014-2013 |
| <b>Revenue</b>                            |                         |                  |                     |                  |                     |                  |                     |                  |                     |
| Farebox Revenue                           | \$0.000                 | \$0.000          | \$0.000             | \$0.000          | \$0.000             | \$0.000          | \$0.000             | \$0.000          | \$0.000             |
| Vehicle Toll Revenue                      | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| Other Operating Revenue                   | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| Capital and Other Reimbursements          | 947.442                 | 924.018          | (23.424)            | 930.956          | 6.938               | 931.440          | 0.484               | 948.437          | 16.997              |
| <b>Total Revenue</b>                      | <b>\$947.442</b>        | <b>\$924.018</b> | <b>(\$23.424)</b>   | <b>\$930.956</b> | <b>\$6.938</b>      | <b>\$931.440</b> | <b>\$0.484</b>      | <b>\$948.437</b> | <b>\$16.997</b>     |
| <b>Expenses</b>                           |                         |                  |                     |                  |                     |                  |                     |                  |                     |
| Labor:                                    |                         |                  |                     |                  |                     |                  |                     |                  |                     |
| Payroll                                   | 407.262                 | 401.159          | 6.103               | 403.464          | (2.305)             | 403.768          | (0.304)             | 409.672          | (5.904)             |
| Overtime                                  | 68.451                  | 69.683           | (1.232)             | 70.875           | (1.192)             | 71.443           | (0.568)             | 72.816           | (1.373)             |
| Total Salaries & Wages                    | 475.713                 | 470.842          | 4.871               | 474.339          | (3.497)             | 475.211          | (0.872)             | 482.488          | (7.277)             |
| Health and Welfare                        | 23.247                  | 25.433           | (2.186)             | 27.181           | (1.748)             | 29.048           | (1.867)             | 31.045           | (1.997)             |
| OPEB Current Payment                      | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| Pensions                                  | 17.900                  | 19.227           | (1.327)             | 19.956           | (0.729)             | 20.898           | (0.942)             | 23.373           | (2.475)             |
| Other Fringe Benefits                     | 113.816                 | 110.577          | 3.239               | 110.567          | 0.010               | 110.129          | 0.438               | 111.865          | (1.736)             |
| Total Fringe Benefits                     | 154.963                 | 155.237          | (0.274)             | 157.704          | (2.467)             | 160.075          | (2.371)             | 166.283          | (6.208)             |
| Reimbursable Overhead                     | 212.771                 | 202.931          | 9.840               | 201.751          | 1.180               | 201.682          | 0.069               | 205.195          | (3.513)             |
| <b>Total Labor Expenses</b>               | <b>\$843.447</b>        | <b>\$829.010</b> | <b>\$14.437</b>     | <b>\$833.794</b> | <b>(\$4.784)</b>    | <b>\$836.968</b> | <b>(\$3.174)</b>    | <b>\$853.966</b> | <b>(\$16.998)</b>   |
| Non-Labor:                                |                         |                  |                     |                  |                     |                  |                     |                  |                     |
| Traction and Propulsion Power             | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| Fuel for Buses and Trains                 | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| Insurance                                 | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| Claims                                    | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| Paratransit Service Contracts             | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| Mtce. and Other Operating Contracts       | 31.533                  | 31.477           | 0.056               | 31.483           | (0.006)             | 31.483           | 0.000               | 31.483           | 0.000               |
| Professional Service Contracts            | 15.870                  | 15.616           | 0.254               | 15.247           | 0.369               | 15.323           | (0.076)             | 15.323           | 0.000               |
| Materials & Supplies                      | 55.991                  | 47.314           | 8.677               | 49.850           | (2.536)             | 47.084           | 2.766               | 47.084           | 0.000               |
| Other Business Expenses                   | 0.601                   | 0.601            | 0.000               | 0.582            | 0.019               | 0.582            | 0.000               | 0.581            | 0.001               |
| <b>Total Non-Labor Expenses</b>           | <b>\$103.995</b>        | <b>\$95.008</b>  | <b>\$8.987</b>      | <b>\$97.162</b>  | <b>(\$2.154)</b>    | <b>\$94.472</b>  | <b>\$2.690</b>      | <b>\$94.471</b>  | <b>\$0.001</b>      |
| Other Expense Adjustments:                |                         |                  |                     |                  |                     |                  |                     |                  |                     |
| Other                                     | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>          | <b>\$0.000</b>   | <b>\$0.000</b>      | <b>\$0.000</b>   | <b>\$0.000</b>      | <b>\$0.000</b>   | <b>\$0.000</b>      | <b>\$0.000</b>   | <b>\$0.000</b>      |
| <b>Total Expenses before Depreciation</b> |                         |                  |                     |                  |                     |                  |                     |                  |                     |
| <b>Depreciation</b>                       | <b>\$947.442</b>        | <b>\$924.018</b> | <b>\$23.424</b>     | <b>\$930.956</b> | <b>(\$6.938)</b>    | <b>\$931.440</b> | <b>(\$0.484)</b>    | <b>\$948.437</b> | <b>(\$16.997)</b>   |
| Depreciation                              | 0.000                   | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               | 0.000            | 0.000               |
| <b>Total Expenses</b>                     | <b>\$947.442</b>        | <b>\$924.018</b> | <b>\$23.424</b>     | <b>\$930.956</b> | <b>(\$6.938)</b>    | <b>\$931.440</b> | <b>(\$0.484)</b>    | <b>\$948.437</b> | <b>(\$16.997)</b>   |
| <b>Baseline Surplus/(Deficit)</b>         | <b>\$0.000</b>          | <b>\$0.000</b>   | <b>\$0.000</b>      | <b>\$0.000</b>   | <b>\$0.000</b>      | <b>\$0.000</b>   | <b>\$0.000</b>      | <b>\$0.000</b>   | <b>\$0.000</b>      |



**MTA New York City Transit**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE**

|   | Favorable/(Unfavorable) |                      |                     |                      |                     |                      |                     |                      |                     |
|---|-------------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|   | 2010                    | 2011                 | Change<br>2011-2010 | 2012                 | Change<br>2012-2011 | 2013                 | Change<br>2013-2012 | 2014                 | Change<br>2014-2013 |
| <b>Revenue</b>                                |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Farebox Revenue:                              |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Subway  | \$2,392.395             | \$2,440.897          | \$48.502            | \$2,499.193          | \$58.296            | \$2,534.537          | \$35.344            | \$2,567.873          | \$33.336            |
| Bus   | 856.985                 | 873.378              | 16.393              | 894.388              | 21.010              | 906.988              | 12.600              | 918.853              | 11.865              |
| Paratransit                                   | 17.097                  | 18.536               | 1.439               | 21.582               | 3.046               | 25.083               | 3.501               | 29.110               | 4.027               |
| Fare Media Liability                          | 51.764                  | 52.092               | 0.328               | 52.221               | 0.129               | 52.221               | 0.000               | 52.221               | 0.000               |
| <b>Total Farebox Revenue</b>                  | <b>\$3,318.241</b>      | <b>\$3,384.903</b>   | <b>\$66.662</b>     | <b>\$3,467.384</b>   | <b>\$82.481</b>     | <b>\$3,518.829</b>   | <b>\$51.445</b>     | <b>\$3,568.057</b>   | <b>\$49.228</b>     |
| Vehicle Toll Revenue                          | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| Other Operating Revenue:                      |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Fare Reimbursement                            | 84.016                  | 84.016               | 0.000               | 84.016               | 0.000               | 84.016               | 0.000               | 84.016               | 0.000               |
| Paratransit Reimbursement                     | 86.295                  | 104.930              | 18.635              | 125.646              | 20.716              | 148.279              | 22.633              | 174.701              | 26.422              |
| Other   | 107.038                 | 106.488              | (0.550)             | 109.749              | 3.261               | 113.650              | 3.901               | 117.683              | 4.033               |
| Total Other Operating Revenue                 | 277.349                 | 295.434              | 18.085              | 319.411              | 23.977              | 345.945              | 26.534              | 376.400              | 30.455              |
| Capital and Other Reimbursements              | 947.442                 | 924.018              | (23.424)            | 930.956              | 6.938               | 931.440              | 0.484               | 948.437              | 16.997              |
| <b>Total Revenue</b>                          | <b>\$4,543.032</b>      | <b>\$4,604.355</b>   | <b>\$61.323</b>     | <b>\$4,717.751</b>   | <b>\$113.396</b>    | <b>\$4,796.214</b>   | <b>\$78.463</b>     | <b>\$4,892.894</b>   | <b>\$96.680</b>     |
| <b>Expenses</b>                               |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Labor:  |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Payroll                                       | 3,213.559               | 3,257.775            | (44.216)            | 3,326.632            | (68.857)            | 3,382.188            | (55.556)            | 3,447.263            | (65.075)            |
| Overtime                                      | 313.639                 | 304.750              | 8.889               | 311.625              | (6.875)             | 317.101              | (5.476)             | 323.782              | (6.681)             |
| Total Salaries & Wages                        | 3,527.198               | 3,562.525            | (35.327)            | 3,638.257            | (75.732)            | 3,699.289            | (61.032)            | 3,771.045            | (71.756)            |
| Health and Welfare                            | 525.733                 | 560.456              | (34.723)            | 609.626              | (49.170)            | 666.516              | (56.890)            | 727.919              | (61.403)            |
| OPEB Current Payment                          | 273.661                 | 299.193              | (25.532)            | 326.911              | (27.718)            | 357.090              | (30.179)            | 391.566              | (34.476)            |
| Pensions                                      | 770.076                 | 788.082              | (18.006)            | 827.401              | (39.319)            | 870.832              | (43.431)            | 950.323              | (79.491)            |
| Other Fringe Benefits                         | 353.882                 | 344.281              | 9.601               | 352.193              | (7.912)             | 359.016              | (6.823)             | 366.610              | (7.594)             |
| Total Fringe Benefits                         | 1,923.352               | 1,992.012            | (68.660)            | 2,116.131            | (124.119)           | 2,253.454            | (137.323)           | 2,436.418            | (182.964)           |
| Reimbursable Overhead                         | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| <b>Total Labor Expenses</b>                   | <b>\$5,450.550</b>      | <b>\$5,554.537</b>   | <b>(\$103.987)</b>  | <b>\$5,754.388</b>   | <b>(\$199.851)</b>  | <b>\$5,952.743</b>   | <b>(\$198.355)</b>  | <b>\$6,207.463</b>   | <b>(\$254.720)</b>  |
| Non-Labor:                                    |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Traction and Propulsion Power                 | 196.898                 | 210.129              | (13.231)            | 226.563              | (16.434)            | 244.378              | (17.815)            | 263.572              | (19.194)            |
| Fuel for Buses and Trains                     | 125.168                 | 128.930              | (3.762)             | 138.324              | (9.394)             | 149.501              | (11.177)            | 161.145              | (11.644)            |
| Insurance                                     | 57.981                  | 64.062               | (6.081)             | 76.515               | (12.453)            | 93.130               | (16.615)            | 113.516              | (20.386)            |
| Claims  | 77.983                  | 78.083               | (0.100)             | 78.083               | 0.000               | 78.083               | 0.000               | 78.083               | 0.000               |
| Paratransit Service Contracts                 | 380.890                 | 384.110              | (3.220)             | 462.247              | (78.137)            | 553.424              | (91.177)            | 660.325              | (106.901)           |
| Mtce. and Other Operating Contracts           | 252.492                 | 271.814              | (19.322)            | 281.170              | (9.356)             | 288.934              | (7.764)             | 296.190              | (7.256)             |
| Professional Service Contracts                | 110.071                 | 113.335              | (3.264)             | 115.910              | (2.575)             | 118.803              | (2.893)             | 121.317              | (2.514)             |
| Materials & Supplies                          | 368.397                 | 356.735              | 11.662              | 367.817              | (11.082)            | 382.612              | (14.795)            | 395.425              | (12.813)            |
| Other Business Expenses                       | 60.776                  | 64.572               | (3.796)             | 67.267               | (2.695)             | 69.656               | (2.389)             | 70.774               | (1.118)             |
| <b>Total Non-Labor Expenses</b>               | <b>\$1,630.656</b>      | <b>\$1,671.770</b>   | <b>(\$41.114)</b>   | <b>\$1,813.896</b>   | <b>(\$142.126)</b>  | <b>\$1,978.521</b>   | <b>(\$164.625)</b>  | <b>\$2,160.347</b>   | <b>(\$181.826)</b>  |
| Other Expense Adjustments:                    |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Other   | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| <b>Total Other Expense Adjustments</b>        | <b>\$0.000</b>          | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      |
| <b>Total Expenses before<br/>Depreciation</b> | <b>\$7,081.206</b>      | <b>\$7,226.307</b>   | <b>(\$145.101)</b>  | <b>\$7,568.284</b>   | <b>(\$341.977)</b>  | <b>\$7,931.264</b>   | <b>(\$362.980)</b>  | <b>\$8,367.810</b>   | <b>(\$436.546)</b>  |
| Depreciation                                  | 1,325.000               | 1,400.000            | (75.000)            | 1,475.000            | (75.000)            | 1,550.000            | (75.000)            | 1,625.000            | (75.000)            |
| OPEB Obligation                               | 1,098.900               | 1,144.800            | (45.900)            | 1,191.600            | (46.800)            | 1,240.313            | (48.713)            | 1,291.000            | (50.687)            |
| Environmental Remediation                     | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| <b>Total Expenses</b>                         | <b>\$9,505.106</b>      | <b>\$9,771.107</b>   | <b>(\$266.001)</b>  | <b>\$10,234.884</b>  | <b>(\$463.777)</b>  | <b>\$10,721.577</b>  | <b>(\$486.693)</b>  | <b>\$11,283.810</b>  | <b>(\$562.233)</b>  |
| <b>Baseline Surplus/(Deficit)</b>             | <b>(\$4,962.074)</b>    | <b>(\$5,166.752)</b> | <b>(\$204.678)</b>  | <b>(\$5,517.133)</b> | <b>(\$350.381)</b>  | <b>(\$5,925.363)</b> | <b>(\$408.230)</b>  | <b>(\$6,390.916)</b> | <b>(\$465.553)</b>  |

MTA New York City Transit  
July Financial Plan 2011 - 2014  
Year-to-Year Changes by Category - Cash Basis  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

|  | Favorable/(Unfavorable) |                      |                     |                      |                     |                      |                     |                      |                     |
|--|-------------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|  | 2010                    | 2011                 | Change<br>2011-2010 | 2012                 | Change<br>2012-2011 | 2013                 | Change<br>2013-2012 | 2014                 | Change<br>2014-2013 |
| <b>Receipts</b>                            |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Farebox Revenue                            | \$3,322.469             | \$3,389.133          | \$66.664            | \$3,465.915          | \$76.782            | \$3,528.760          | \$62.845            | \$3,572.288          | \$43.528            |
| Vehicle Toll Revenue                       | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| Other Operating Revenue:                   |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Fare Reimbursement                         | 84.016                  | 84.016               | 0.000               | 84.016               | 0.000               | 84.016               | 0.000               | 84.016               | 0.000               |
| Paratransit Reimbursement                  | 85.621                  | 104.667              | 19.046              | 125.526              | 20.859              | 148.215              | 22.689              | 174.484              | 26.269              |
| Other                                      | 115.759                 | 106.988              | (8.771)             | 110.749              | 3.761               | 114.650              | 3.901               | 118.683              | 4.033               |
| <b>Total Other Operating Revenue</b>       | <b>285.396</b>          | <b>295.671</b>       | <b>10.275</b>       | <b>320.291</b>       | <b>24.620</b>       | <b>346.881</b>       | <b>26.590</b>       | <b>377.183</b>       | <b>30.302</b>       |
| Capital and Other Reimbursements           | 921.092                 | 978.976              | 57.884              | 929.002              | (49.974)            | 930.835              | 1.833               | 944.391              | 13.556              |
| <b>Total Receipts</b>                      | <b>\$4,528.957</b>      | <b>\$4,663.780</b>   | <b>\$134.823</b>    | <b>\$4,715.208</b>   | <b>\$51.428</b>     | <b>\$4,806.476</b>   | <b>\$91.268</b>     | <b>\$4,893.862</b>   | <b>\$87.386</b>     |
| <b>Expenditures</b>                        |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Labor:                                     |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Payroll                                    | 3,233.625               | 3,229.988            | 3.636               | 3,290.325            | (60.337)            | 3,355.375            | (65.050)            | 3,419.739            | (64.364)            |
| Overtime                                   | 315.597                 | 302.151              | 13.447              | 308.224              | (6.073)             | 314.587              | (6.363)             | 321.197              | (6.610)             |
| Total Salaries & Wages                     | 3,549.222               | 3,532.139            | 17.083              | 3,598.549            | (66.410)            | 3,669.962            | (71.413)            | 3,740.936            | (70.974)            |
| Health and Welfare                         | 519.716                 | 556.079              | (36.363)            | 604.877              | (48.798)            | 661.364              | (56.487)            | 722.329              | (60.965)            |
| OPEB Current Payment                       | 273.661                 | 299.193              | (25.532)            | 326.911              | (27.718)            | 357.090              | (30.179)            | 391.566              | (34.476)            |
| Pensions                                   | 852.808                 | 769.861              | 82.947              | 810.970              | (41.109)            | 852.674              | (41.704)            | 906.480              | (53.806)            |
| Other Fringe Benefits                      | 338.104                 | 325.474              | 12.630              | 333.681              | (8.207)             | 342.086              | (8.405)             | 350.522              | (8.436)             |
| Total Fringe Benefits                      | 1,984.289               | 1,950.607            | 33.682              | 2,076.439            | (125.832)           | 2,213.214            | (136.775)           | 2,370.897            | (157.683)           |
| GASB Account                               | 34.331                  | 35.122               | (0.791)             | 36.233               | (1.111)             | 37.088               | (0.855)             | 37.801               | (0.713)             |
| Reimbursable Overhead                      | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| <b>Total Labor Expenditures</b>            | <b>\$5,567.842</b>      | <b>\$5,517.868</b>   | <b>\$49.974</b>     | <b>\$5,711.221</b>   | <b>(\$193.353)</b>  | <b>\$5,920.264</b>   | <b>(\$209.043)</b>  | <b>\$6,149.634</b>   | <b>(\$229.370)</b>  |
| Non-Labor:                                 |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Traction and Propulsion Power              | 200.398                 | 210.129              | (9.731)             | 226.563              | (16.434)            | 244.378              | (17.815)            | 263.572              | (19.194)            |
| Fuel for Buses and Trains                  | 125.168                 | 128.930              | (3.762)             | 138.324              | (9.394)             | 149.501              | (11.177)            | 161.145              | (11.644)            |
| Insurance                                  | 65.509                  | 65.038               | 0.471               | 81.494               | (16.456)            | 96.585               | (15.091)            | 117.274              | (20.689)            |
| Claims                                     | 76.977                  | 70.377               | 6.600               | 72.063               | (1.686)             | 73.789               | (1.726)             | 75.558               | (1.769)             |
| Paratransit Service Contracts              | 387.213                 | 379.110              | 8.103               | 457.247              | (78.137)            | 548.424              | (91.177)            | 655.325              | (106.901)           |
| Mtce. and Other Operating Contracts        | 263.192                 | 282.514              | (19.322)            | 291.870              | (9.356)             | 299.634              | (7.764)             | 306.890              | (7.256)             |
| Professional Service Contracts             | 106.571                 | 108.335              | (1.764)             | 110.910              | (2.575)             | 113.803              | (2.893)             | 116.317              | (2.514)             |
| Materials & Supplies                       | 364.971                 | 354.735              | 10.236              | 369.817              | (15.082)            | 384.612              | (14.795)            | 397.425              | (12.813)            |
| Other Business Expenditures                | 60.776                  | 64.572               | (3.796)             | 67.267               | (2.695)             | 69.656               | (2.389)             | 70.774               | (1.118)             |
| <b>Total Non-Labor Expenditures</b>        | <b>\$1,650.775</b>      | <b>\$1,663.740</b>   | <b>(\$12.965)</b>   | <b>\$1,815.555</b>   | <b>(\$151.815)</b>  | <b>\$1,980.382</b>   | <b>(\$164.827)</b>  | <b>\$2,164.280</b>   | <b>(\$183.898)</b>  |
| Other Expenditure Adjustments:             |                         |                      |                     |                      |                     |                      |                     |                      |                     |
| Other                                      | 0.000                   | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               | 0.000                | 0.000               |
| <b>Total Other Expenditure Adjustments</b> | <b>\$0.000</b>          | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      | <b>\$0.000</b>       | <b>\$0.000</b>      |
| <b>Total Expenditures</b>                  | <b>\$7,218.617</b>      | <b>\$7,181.608</b>   | <b>\$37.009</b>     | <b>\$7,526.776</b>   | <b>(\$345.168)</b>  | <b>\$7,900.646</b>   | <b>(\$373.870)</b>  | <b>\$8,313.914</b>   | <b>(\$413.268)</b>  |
| <b>Baseline Cash Deficit</b>               | <b>(\$2,689.660)</b>    | <b>(\$2,517.828)</b> | <b>\$171.832</b>    | <b>(\$2,811.568)</b> | <b>(\$293.740)</b>  | <b>(\$3,094.170)</b> | <b>(\$282.602)</b>  | <b>(\$3,420.052)</b> | <b>(\$325.882)</b>  |

MTA New York City Transit  
July Financial Plan 2011 - 2014  
Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)  
(\$ in millions)

**CASH FLOW ADJUSTMENTS**

|  | Favorable/(Unfavorable) |                    |                     |                    |                     |                    |                     |                    |                     |
|--|-------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
|  | 2010                    | 2011               | Change<br>2011-2010 | 2012               | Change<br>2012-2011 | 2013               | Change<br>2013-2012 | 2014               | Change<br>2014-2013 |
| <b><u>Receipts</u></b>                                       |                         |                    |                     |                    |                     |                    |                     |                    |                     |
| Farebox Revenue  | \$4.228                 | \$4.230            | \$0.002             | (\$1.469)          | (\$5.699)           | \$9.931            | \$11.400            | \$4.231            | (\$5.700)           |
| Vehicle Toll Revenue   | 0.000                   | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| Other Operating Revenue:                                     |                         |                    |                     |                    |                     |                    |                     |                    |                     |
| Fare Reimbursement   | 0.000                   | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| Paratransit Reimbursement                                    | (0.674)                 | (0.263)            | 0.411               | (0.120)            | 0.143               | (0.064)            | 0.056               | (0.217)            | (0.153)             |
| Other  | 8.721                   | 0.500              | (8.221)             | 1.000              | 0.500               | 1.000              | 0.000               | 1.000              | 0.000               |
| <b>Total Other Operating Revenue</b>                         | <b>8.047</b>            | <b>0.237</b>       | <b>(7.810)</b>      | <b>0.880</b>       | <b>0.643</b>        | <b>0.936</b>       | <b>0.056</b>        | <b>0.783</b>       | <b>(0.153)</b>      |
| Capital and Other Reimbursements                             | (26.350)                | 54.958             | 81.308              | (1.954)            | (56.912)            | (0.605)            | 1.349               | (4.046)            | (3.441)             |
| <b>Total Receipt Adjustments</b>                             | <b>(\$14.075)</b>       | <b>\$59.425</b>    | <b>\$73.500</b>     | <b>(\$2.543)</b>   | <b>(\$61.968)</b>   | <b>\$10.262</b>    | <b>\$12.805</b>     | <b>\$0.968</b>     | <b>(\$9.294)</b>    |
| <b><u>Expenditures</u></b>                                   |                         |                    |                     |                    |                     |                    |                     |                    |                     |
| Labor:   |                         |                    |                     |                    |                     |                    |                     |                    |                     |
| Payroll  | (20.066)                | 27.787             | 47.852              | 36.307             | 8.520               | 26.813             | (9.494)             | 27.524             | 0.711               |
| Overtime   | (1.958)                 | 2.599              | 4.558               | 3.401              | 0.802               | 2.514              | (0.887)             | 2.585              | 0.071               |
| Total Salaries & Wages                                       | (22.024)                | 30.386             | 52.410              | 39.708             | 9.322               | 29.327             | (10.381)            | 30.109             | 0.782               |
| Health and Welfare   | 6.017                   | 4.377              | (1.640)             | 4.749              | 0.372               | 5.152              | 0.403               | 5.590              | 0.438               |
| OPEB Current Payment   | 0.000                   | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| Pensions   | (82.732)                | 18.221             | 100.953             | 16.431             | (1.790)             | 18.158             | 1.727               | 43.843             | 25.685              |
| Other Fringe Benefits  | 15.778                  | 18.807             | 3.029               | 18.512             | (0.295)             | 16.930             | (1.582)             | 16.088             | (0.842)             |
| Total Fringe Benefits  | (60.937)                | 41.405             | 102.342             | 39.692             | (1.713)             | 40.240             | 0.548               | 65.521             | 25.281              |
| GASB Account   | (34.331)                | (35.122)           | (0.791)             | (36.233)           | (1.111)             | (37.088)           | (0.855)             | (37.801)           | (0.713)             |
| Reimbursable Overhead  | 0.000                   | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| <b>Total Labor Expenditures</b>                              | <b>(\$117.292)</b>      | <b>\$36.669</b>    | <b>\$153.961</b>    | <b>\$43.167</b>    | <b>\$6.498</b>      | <b>\$32.479</b>    | <b>(\$10.688)</b>   | <b>\$57.829</b>    | <b>\$25.350</b>     |
| Non-Labor:   |                         |                    |                     |                    |                     |                    |                     |                    |                     |
| Traction and Propulsion Power                                | (3.500)                 | 0.000              | 3.500               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| Fuel for Buses and Trains                                    | 0.000                   | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| Insurance  | (7.528)                 | (0.976)            | 6.552               | (4.979)            | (4.003)             | (3.455)            | 1.524               | (3.758)            | (0.303)             |
| Claims   | 1.006                   | 7.706              | 6.700               | 6.020              | (1.686)             | 4.294              | (1.726)             | 2.525              | (1.769)             |
| Paratransit Service Contracts                                | (6.323)                 | 5.000              | 11.323              | 5.000              | 0.000               | 5.000              | 0.000               | 5.000              | 0.000               |
| Mtce. and Other Operating Contracts                          | (10.700)                | (10.700)           | 0.000               | (10.700)           | 0.000               | (10.700)           | 0.000               | (10.700)           | 0.000               |
| Professional Service Contracts                               | 3.500                   | 5.000              | 1.500               | 5.000              | 0.000               | 5.000              | 0.000               | 5.000              | 0.000               |
| Materials & Supplies   | 3.426                   | 2.000              | (1.426)             | (2.000)            | (4.000)             | (2.000)            | 0.000               | (2.000)            | 0.000               |
| Other Business Expenditures                                  | 0.000                   | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| <b>Total Non-Labor Expenditures</b>                          | <b>(\$20.119)</b>       | <b>\$8.030</b>     | <b>\$28.149</b>     | <b>(\$1.659)</b>   | <b>(\$9.689)</b>    | <b>(\$1.861)</b>   | <b>(\$0.202)</b>    | <b>(\$3.933)</b>   | <b>(\$2.072)</b>    |
| Other Expenditure Adjustments:                               |                         |                    |                     |                    |                     |                    |                     |                    |                     |
| Other  | 0.000                   | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| <b>Total Other Expenditure Adjustments</b>                   | <b>\$0.000</b>          | <b>\$0.000</b>     | <b>\$0.000</b>      | <b>\$0.000</b>     | <b>\$0.000</b>      | <b>\$0.000</b>     | <b>\$0.000</b>      | <b>\$0.000</b>     | <b>\$0.000</b>      |
| <b>Total Expenditure Adjustments</b>                         | <b>(\$137.411)</b>      | <b>\$44.699</b>    | <b>\$182.110</b>    | <b>\$41.508</b>    | <b>(\$3.191)</b>    | <b>\$30.618</b>    | <b>(\$10.890)</b>   | <b>\$53.896</b>    | <b>\$23.278</b>     |
| <b>Total Cash Conversion Adjustments before Depreciation</b> | <b>(\$151.486)</b>      | <b>\$104.124</b>   | <b>\$255.610</b>    | <b>\$38.965</b>    | <b>(\$65.159)</b>   | <b>\$40.880</b>    | <b>\$1.915</b>      | <b>\$54.864</b>    | <b>\$13.984</b>     |
| Depreciation Adjustment                                      | 1,325.000               | 1,400.000          | 75.000              | 1,475.000          | 75.000              | 1,550.000          | 75.000              | 1,625.000          | 75.000              |
| OPEB Obligation  | 1,098.900               | 1,144.800          | 45.900              | 1,191.600          | 46.800              | 1,240.313          | 48.713              | 1,291.000          | 50.687              |
| Environmental Remediation                                    | 0.000                   | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               | 0.000              | 0.000               |
| <b>Baseline Total Cash Conversion Adj.</b>                   | <b>\$2,272.414</b>      | <b>\$2,648.924</b> | <b>\$376.510</b>    | <b>\$2,705.565</b> | <b>\$56.641</b>     | <b>\$2,831.193</b> | <b>\$125.628</b>    | <b>\$2,970.864</b> | <b>\$139.671</b>    |
| <b>Total Cash Conversion Adjustments</b>                     | <b>\$2,272.414</b>      | <b>\$2,648.924</b> | <b>\$376.510</b>    | <b>\$2,705.565</b> | <b>\$56.641</b>     | <b>\$2,831.193</b> | <b>\$125.628</b>    | <b>\$2,970.864</b> | <b>\$139.671</b>    |

**MTA NEW YORK CITY TRANSIT  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014  
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

**2010: July Financial Plan vs. February Financial Plan**

**Revenue Changes**

Revenue changes from the February Financial Plan resulted in an increase of \$34.4 million. Major changes include:

- A re-estimate of farebox revenue based on higher subway ridership than anticipated resulting in an increase of \$42.0 million.
- A net cash loss of \$5.8 million due to the elimination of student fare implementation proposed in the February Financial Plan.
- A projected \$5.2 million reduction in paratransit Urban Tax revenue based on commercial property transactions in the MTA region.
- A decrease in other operating revenue of \$3.7 million due to lower advertising revenues as an agency in financial difficulty was replaced by another agency and lower Transit Adjudication Bureau (TAB) fees than anticipated.
- An increase in capital reimbursements of \$7.1 million consistent with increased reimbursable expense levels.

**Expense Changes**

Total expenses decrease from the February Financial Plan by \$71.8 million. Major changes include:

- Budget Reduction Program actions to result in cost reductions mostly in subway/bus operations of \$71.4 million including scheduled overtime reductions of \$15.4 million.
- A reduction in electric power inflation assumptions resulting in a cost reduction of \$25.2 million.
- A projected decrease in NYCERS pension costs of \$15.7 million based on current actuarial data driven by the partial stock market recovery which served to reduce recent pension investment losses.
- Cost increase revisions of \$22.6 million to February Financial Plan preliminary actions (AABB) relating to bus/subway service and station staffing reductions including reinstatements of some service reductions based on discussions at

public hearings and costs of implementation, average rates of pay and availability of personnel.

- Increased reimbursable expenses of \$7.1 million due mostly to additional track program material/maintenance contract requirements.
- The timing of 2009 results impacting 2010 by a negative \$5.4 million.
- Additional unscheduled overtime of \$4.0 million due to major snowstorms in February.

### **Cash Adjustments**

Net cash adjustments were unfavorable by \$70.7 million. Major changes include:

- An unfavorable \$53.4 million due to the timing of capital reimbursements
- An unfavorable \$18.5 million of timing from 2009 year end results
- An unfavorable \$11.3 million due to an early release of retainage balances paid to paratransit vendors
- The favorable timing of pension payments of \$13.1 million

### **2011-2013: July Financial Plan vs. February Financial Plan**

#### **Revenue Changes**

Revenue changes from the February Financial Plan results in an increase of \$22.9 million in 2011 and reductions of \$73.3 million in 2012 and \$59.8 million in 2013.

Major changes include:

- Net losses of \$19.8 million in 2011 and \$144.8 million in 2012 and 2013 due to the elimination of student fare implementation proposed in the February Financial Plan.
- Re-estimates of farebox revenue based on higher subway ridership than anticipated and higher projected employment levels resulting in increases of \$47.9 million in 2011, \$74.2 million in 2012 and \$91.1 million in 2013.
- Other operating revenues decreased by \$10.7 million in 2011, \$8.9 million in 2012 and \$9.1 million in 2013 primarily due to lower advertising revenues as an advertising agency in financial difficulty was replaced by another agency.
- Increases in capital reimbursements of \$9.3 million in 2011, \$9.7 million in 2012 and \$9.4 million in 2013 consistent with increased reimbursable expense levels.

## **Expense Changes**

Total expenses decrease by \$201.9 million in 2011, \$243.7 million in 2012 and \$290.1 million in 2013 from the February Financial Plan.

Major changes include:

- Budget Reduction Program actions to result in cost reductions mostly in subway/bus operations of \$102.9 million in 2011, \$100.5 million in 2012 and \$103.0 million in 2013 including scheduled overtime reductions of \$15.4 million each year.
- A reduction in electric power inflation assumptions resulting in cost reductions of \$46.2 million in 2011, \$66.9 million in 2012 and \$91.2 million in 2013.
- Administration streamlining to result in additional cost reductions of \$55.5 million in 2011, \$52.7 million in 2012 and \$51.9 million in 2013.
- An increase in paratransit savings of \$15.5 million in 2011, \$11.1 million in 2012 and \$14.1 million in 2013 due to negotiated lower vendor rates and projected additional no-show policy savings.
- Projected decreases in NYCERS pension costs of \$24.8 million in 2011, \$35.3 million in 2012 and \$49.4 million in 2013 based on current actuarial data driven by the partial stock market recovery which served to reduce recent pension investment losses.
- Cost increase revisions of \$27.3 million in 2011, \$15.2 million in 2012 and \$5.3 million in 2013 to February Financial Plan preliminary actions (AABB) relating to bus/subway service and station staffing reductions including reinstatements of some service reductions based on discussions at public hearings and costs of implementation, average rates of pay and availability of personnel.

## **Cash Adjustments**

Cash adjustments are projected to be favorable by \$71.0 million in 2011, \$14.0 million in 2012 and \$11.1 million in 2013.

Major changes include:

- A favorable \$52.2 million in 2011 due to the timing of capital reimbursements.
- The favorable timing of pension payments of \$22.9 million in 2011, \$22.0 million in 2012 and \$19.9 million in 2013.
- Projected additional public liability claims payments of \$5.0 million each year.
- Reduced interest income receipts of \$2.0 million in 2011 and \$1.5 million in both 2012 and 2013 due to lower cash balances.
- The unfavorable timing of property/liability insurance payments of \$0.7 million in 2011, \$1.2 million in 2012 and \$2.4 million in 2013.

**MTA New York City Transit**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

| <b>NON-REIMBURSABLE</b>                                       |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          |
| <b>2010 February Financial Plan - Cash Deficit</b>            | <b>(\$2,761.940)</b> | <b>(\$2,757.093)</b> | <b>(\$2,871.441)</b> | <b>(\$3,149.254)</b> |
| <b>Baseline Changes</b>                                       |                      |                      |                      |                      |
| <b>Revenue</b>  |                      |                      |                      |                      |
| Farebox Revenue   | 41.995               | 47.944               | 74.234               | 91.061               |
| Student Fare Revenue  | (49.000)             | (90.000)             | (215.000)            | (215.000)            |
| Other Operating Revenue                                       | 34.314               | 55.665               | 57.735               | 54.789               |
| Capital and Other Reimbursement                               | 0.000                | 0.000                | 0.000                | 0.000                |
| <b>Total Revenue Changes</b>                                  | <b>\$27.309</b>      | <b>\$13.609</b>      | <b>(\$83.031)</b>    | <b>(\$69.150)</b>    |
| <b>Expenses</b>   |                      |                      |                      |                      |
| <i>Labor:</i>   |                      |                      |                      |                      |
| Payroll   | (7.581)              | 60.240               | 64.429               | 74.112               |
| Overtime  | (0.787)              | 17.766               | 18.135               | 18.552               |
| Health and Welfare  | 14.832               | 16.857               | 18.980               | 21.165               |
| OPEB Current Payment  | 0.000                | (0.031)              | (0.046)              | (0.063)              |
| Pensions  | 12.341               | 31.063               | 42.954               | 57.674               |
| Other Fringe Benefits   | (15.104)             | 5.201                | 4.677                | 5.085                |
| Reimbursable Overhead   | 0.339                | 0.444                | (0.159)              | (0.379)              |
| <b>Total Labor Expense Changes</b>                            | <b>\$4.040</b>       | <b>\$131.540</b>     | <b>\$148.970</b>     | <b>\$176.146</b>     |
| <i>Non-Labor:</i>   |                      |                      |                      |                      |
| Traction and Propulsion Power                                 | 23.883               | 39.037               | 54.639               | 72.930               |
| Fuel for Buses and Trains                                     | 2.569                | 10.820               | 13.105               | 13.028               |
| Insurance   | 0.557                | 1.486                | (0.005)              | (6.101)              |
| Claims  | 0.000                | 0.000                | 0.000                | 0.000                |
| Paratransit Service Contracts                                 | 2.440                | 10.091               | 4.920                | 7.579                |
| Maintenance and Other Operating Contracts                     | 9.964                | 7.568                | 14.473               | 25.413               |
| Professional Service Contracts                                | 0.922                | (3.830)              | (3.554)              | (4.782)              |
| Materials & Supplies  | 35.490               | 15.811               | 22.706               | 18.031               |
| Other Business Expenses                                       | (0.997)              | (1.337)              | (1.804)              | (2.751)              |
| <b>Total Non-Labor Expense Changes</b>                        | <b>\$74.828</b>      | <b>\$79.646</b>      | <b>\$104.480</b>     | <b>\$123.347</b>     |
| Depreciation  | \$0.000              | \$0.000              | \$0.000              | \$0.000              |
| <b>Total Expense Changes</b>                                  | <b>\$78.868</b>      | <b>\$211.186</b>     | <b>\$253.450</b>     | <b>\$299.493</b>     |
| <b>Cash Adjustment Changes</b>                                |                      |                      |                      |                      |
| Revenue   | 5.764                | (2.046)              | (1.275)              | (1.211)              |
| Expense   | (17.880)             | 20.828               | 15.391               | 12.220               |
| Depreciation  | 0.000                | 0.000                | 0.000                | 0.000                |
| <b>Total Cash Adjustment Changes</b>                          | <b>(\$12.116)</b>    | <b>\$18.782</b>      | <b>\$14.116</b>      | <b>\$11.009</b>      |
| <b>Total Baseline Changes</b>                                 | <b>\$94.061</b>      | <b>\$243.577</b>     | <b>\$184.535</b>     | <b>\$241.352</b>     |
| Elim. of 2011/Post-2011 Unspecified PEGS-February Fin'l. Plan | \$0.000              | (\$61.700)           | (\$123.400)          | (\$185.100)          |
| <b>Total Changes</b>  | <b>\$94.061</b>      | <b>\$181.877</b>     | <b>\$61.135</b>      | <b>\$56.252</b>      |
| <b>2010 July Financial Plan - Cash Deficit</b>                | <b>(\$2,667.879)</b> | <b>(\$2,575.216)</b> | <b>(\$2,810.306)</b> | <b>(\$3,093.002)</b> |

**MTA New York City Transit**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

| REIMBURSABLE                                       |                   |                  |                  |                  |
|--|-------------------|------------------|------------------|------------------|
|  | 2010              | 2011             | 2012             | 2013             |
| <b>2010 February Financial Plan - Cash Deficit</b> | <b>\$36.777</b>   | <b>\$5.167</b>   | <b>(\$1.167)</b> | <b>(\$1.253)</b> |
| <b>Baseline Changes</b>                            |                   |                  |                  |                  |
| <b>Revenue</b>                                     |                   |                  |                  |                  |
| Farebox Revenue                                    | 0.000             | 0.000            | 0.000            | 0.000            |
| Other Operating Revenue                            | 0.000             | 0.000            | 0.000            | 0.000            |
| Capital and Other Reimbursement                    | 7.086             | 9.261            | 9.740            | 9.350            |
| <b>Total Revenue Changes</b>                       | <b>\$7.086</b>    | <b>\$9.261</b>   | <b>\$9.740</b>   | <b>\$9.350</b>   |
| <b>Expenses</b>                                    |                   |                  |                  |                  |
| <i>Labor:</i>                                      |                   |                  |                  |                  |
| Payroll  | 0.073             | (0.626)          | 0.964            | 2.142            |
| Overtime   | (0.312)           | (0.310)          | (0.319)          | (0.371)          |
| Health and Welfare                                 | 0.069             | (0.478)          | (0.509)          | (0.539)          |
| OPEB Current Payment                               | 0.000             | 0.000            | 0.000            | 0.000            |
| Pensions   | 0.671             | (0.919)          | (1.895)          | (2.984)          |
| Other Fringe Benefits                              | (0.316)           | (0.247)          | (0.165)          | 0.083            |
| Reimbursable Overhead                              | (0.339)           | (0.444)          | 0.159            | 0.379            |
| <b>Total Labor Expense Changes</b>                 | <b>(\$0.154)</b>  | <b>(\$3.024)</b> | <b>(\$1.765)</b> | <b>(\$1.290)</b> |
| <i>Non-Labor:</i>                                  |                   |                  |                  |                  |
| Traction and Propulsion Power                      | 0.000             | 0.000            | 0.000            | 0.000            |
| Fuel for Buses and Trains                          | 0.000             | 0.000            | 0.000            | 0.000            |
| Insurance  | 0.000             | 0.000            | 0.000            | 0.000            |
| Claims   | 0.000             | 0.000            | 0.000            | 0.000            |
| Paratransit Service Contracts                      | 0.000             | 0.000            | 0.000            | 0.000            |
| Maintenance and Other Operating Contracts          | (2.481)           | (2.412)          | (2.412)          | (2.412)          |
| Professional Service Contracts                     | (0.255)           | (1.136)          | (1.872)          | (1.965)          |
| Materials & Supplies                               | (4.195)           | (2.700)          | (3.670)          | (3.670)          |
| Other Business Expenses                            | (0.001)           | 0.011            | (0.021)          | (0.013)          |
| <b>Total Non-Labor Expense Changes</b>             | <b>(\$6.932)</b>  | <b>(\$6.237)</b> | <b>(\$7.975)</b> | <b>(\$8.060)</b> |
| <b>Total Expense Changes</b>                       | <b>(\$7.086)</b>  | <b>(\$9.261)</b> | <b>(\$9.740)</b> | <b>(\$9.350)</b> |
| <b>Cash Adjustment Changes</b>                     |                   |                  |                  |                  |
| Capital Reimbursement Timing                       | (58.558)          | 52.221           | (0.095)          | 0.085            |
| <b>Total Cash Adjustment Changes</b>               | <b>(\$58.558)</b> | <b>\$52.221</b>  | <b>(\$0.095)</b> | <b>\$0.085</b>   |
| <b>Total Baseline Changes</b>                      | <b>(\$58.558)</b> | <b>\$52.221</b>  | <b>(\$0.095)</b> | <b>\$0.085</b>   |
| <b>2010 July Financial Plan - Cash Deficit</b>     | <b>(\$21.781)</b> | <b>\$57.388</b>  | <b>(\$1.262)</b> | <b>(\$1.168)</b> |



**MTA New York City Transit**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

| NON-REIMBURSABLE and<br>REIMBURSABLE                          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2010                 | 2011                 | 2012                 | 2013                 |
| <b>2010 February Financial Plan - Cash Deficit</b>            | <b>(\$2,725.163)</b> | <b>(\$2,751.926)</b> | <b>(\$2,872.608)</b> | <b>(\$3,150.507)</b> |
| <b>Baseline Changes</b>                                       |                      |                      |                      |                      |
| <b>Revenue</b>  |                      |                      |                      |                      |
| Farebox Revenue   | 41.995               | 47.944               | 74.234               | 91.061               |
| Student Fare Revenue  | (49.000)             | (90.000)             | (215.000)            | (215.000)            |
| Other Operating Revenue                                       | 34.314               | 55.665               | 57.735               | 54.789               |
| Capital and Other Reimbursement                               | 7.086                | 9.261                | 9.740                | 9.350                |
| <b>Total Revenue Changes</b>                                  | <b>\$34.395</b>      | <b>\$22.870</b>      | <b>(\$73.291)</b>    | <b>(\$59.800)</b>    |
| <b>Expenses</b>   |                      |                      |                      |                      |
| <b>Labor:</b>   |                      |                      |                      |                      |
| Payroll   | (7.508)              | 59.614               | 65.393               | 76.254               |
| Overtime  | (1.099)              | 17.456               | 17.816               | 18.181               |
| Health and Welfare  | 14.901               | 16.379               | 18.471               | 20.626               |
| OPEB Current Payment  | 0.000                | (0.031)              | (0.046)              | (0.063)              |
| Pensions  | 13.012               | 30.144               | 41.059               | 54.690               |
| Other Fringe Benefits   | (15.420)             | 4.954                | 4.512                | 5.168                |
| Reimbursable Overhead   | 0.000                | 0.000                | 0.000                | 0.000                |
| <b>Total Labor Expense Changes</b>                            | <b>\$3.886</b>       | <b>\$128.516</b>     | <b>\$147.205</b>     | <b>\$174.856</b>     |
| <b>Non-Labor:</b>   |                      |                      |                      |                      |
| Traction and Propulsion Power                                 | 23.883               | 39.037               | 54.639               | 72.930               |
| Fuel for Buses and Trains                                     | 2.569                | 10.820               | 13.105               | 13.028               |
| Insurance   | 0.557                | 1.486                | (0.005)              | (6.101)              |
| Claims  | 0.000                | 0.000                | 0.000                | 0.000                |
| Paratransit Service Contracts                                 | 2.440                | 10.091               | 4.920                | 7.579                |
| Maintenance and Other Operating Contracts                     | 7.483                | 5.156                | 12.061               | 23.001               |
| Professional Service Contracts                                | 0.667                | (4.966)              | (5.426)              | (6.747)              |
| Materials & Supplies  | 31.295               | 13.111               | 19.036               | 14.361               |
| Other Business Expenses                                       | (0.998)              | (1.326)              | (1.825)              | (2.764)              |
| <b>Total Non-Labor Expense Changes</b>                        | <b>\$67.896</b>      | <b>\$73.409</b>      | <b>\$96.505</b>      | <b>\$115.287</b>     |
| Depreciation  | \$0.000              | \$0.000              | \$0.000              | \$0.000              |
| <b>Total Expense Changes</b>                                  | <b>\$71.782</b>      | <b>\$201.925</b>     | <b>\$243.710</b>     | <b>\$290.143</b>     |
| <b>Cash Adjustment Changes</b>                                |                      |                      |                      |                      |
| Revenue   | 5.764                | (2.046)              | (1.275)              | (1.211)              |
| Expense   | (17.880)             | 20.828               | 15.391               | 12.220               |
| Capital Reimbursement Timing                                  | (58.558)             | 52.221               | (0.095)              | 0.085                |
| Depreciation  | 0.000                | 0.000                | 0.000                | 0.000                |
| <b>Total Cash Adjustment Changes</b>                          | <b>(\$70.674)</b>    | <b>\$71.003</b>      | <b>\$14.021</b>      | <b>\$11.094</b>      |
| <b>Total Baseline Changes</b>                                 | <b>\$35.503</b>      | <b>\$295.798</b>     | <b>\$184.440</b>     | <b>\$241.437</b>     |
| Elim. of 2011/Post-2011 Unspecified PEGS-February Fin'l. Plan | <b>\$0.000</b>       | <b>(\$61.700)</b>    | <b>(\$123.400)</b>   | <b>(\$185.100)</b>   |
| <b>Total Changes</b>  | <b>\$35.503</b>      | <b>\$234.098</b>     | <b>\$61.040</b>      | <b>\$56.337</b>      |
| <b>2010 July Financial Plan - Cash Deficit</b>                | <b>(\$2,689.660)</b> | <b>(\$2,517.828)</b> | <b>(\$2,811.568)</b> | <b>(\$3,094.170)</b> |

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**TOTAL NON-REIMBURSABLE and REIMBURSABLE**

|   | 2010                 | 2011                 | 2012                 | 2013                 |
|---|----------------------|----------------------|----------------------|----------------------|
| <b>2010 February Financial Plan - Operating Cash Income/(Deficit)</b>                                     | <b>(\$2,725.163)</b> | <b>(\$2,751.926)</b> | <b>(\$2,872.608)</b> | <b>(\$3,150.507)</b> |
| <b>Non-Reimbursable Major Changes</b>   |                      |                      |                      |                      |
| <b>Revenue</b>  |                      |                      |                      |                      |
| Farebox Revenue   | 41.995               | 47.944               | 74.234               | 91.061               |
| Student Fare Revenue Elimination-Net of Reimbursements  | (5.750)              | (19.750)             | (144.750)            | (144.750)            |
| Paratransit Urban Tax Revenue   | (5.195)              | (3.917)              | (3.639)              | (6.392)              |
| Other Operating Revenue   | (3.741)              | (10.668)             | (8.876)              | (9.069)              |
| <b>Sub-Total Non-Reimbursable Revenue Changes</b>   | <b>\$27.309</b>      | <b>\$13.609</b>      | <b>(\$83.031)</b>    | <b>(\$69.150)</b>    |
| <b>Expenses</b>   |                      |                      |                      |                      |
| <b>Budget Reduction Program (BRP), AABBs:</b>   |                      |                      |                      |                      |
| Subway/Bus - Operations (BRP)   | 71.449               | 102.948              | 100.547              | 102.965              |
| Administration  | (3.871)              | 55.459               | 52.733               | 51.861               |
| Paratransit -Revisions to February Financial Plan   | 3.960                | 15.545               | 11.146               | 14.138               |
| Subway/Bus Service Reductions/Station Staffing Reductions-<br>Revisions to February Financial Plan (AABB) | (22.630)             | (27.316)             | (15.191)             | (5.253)              |
| <b>Sub-Total Budget Reduction Program/AABBs</b>   | <b>48.908</b>        | <b>146.636</b>       | <b>149.235</b>       | <b>163.711</b>       |
| <b>Major Re-estimates/Technical Adjustments/Other:</b>  |                      |                      |                      |                      |
| Pension-Actuarial Updates   | 15.698               | 24.780               | 35.309               | 49.363               |
| Electric Power-Inflation Update   | 25.221               | 46.154               | 66.888               | 91.242               |
| Bus Fuel-Inflation Update   | (0.767)              | (2.341)              | (1.305)              | (1.860)              |
| Timing of 2009 Results Impacting 2010-2011  | (5.367)              | (2.561)              | 0.000                | 0.000                |
| Overtime-February 2010 Snowstorms   | (4.000)              | 0.000                | 0.000                | 0.000                |
| All Other   | (0.825)              | (1.482)              | 3.323                | (2.963)              |
| <b>Sub-Total Non-Reimbursable Expense Changes</b>   | <b>\$78.868</b>      | <b>\$211.186</b>     | <b>\$253.450</b>     | <b>\$299.493</b>     |
| <b>Total Non-Reimbursable Major Changes</b>   | <b>\$106.177</b>     | <b>\$224.795</b>     | <b>\$170.419</b>     | <b>\$230.343</b>     |
| <b>Reimbursable Major Changes</b>   |                      |                      |                      |                      |
| <b>Revenue</b>  |                      |                      |                      |                      |
| Reimbursement of Increased Expense Requirements   | 7.086                | 9.261                | 9.740                | 9.069                |
| <b>Sub-Total Reimbursable Revenue Changes</b>   | <b>\$7.086</b>       | <b>\$9.261</b>       | <b>\$9.740</b>       | <b>\$9.069</b>       |
| <b>Expenses</b>   |                      |                      |                      |                      |
| Capital Project Material/Maintenance Contract Requirements  | (7.086)              | (9.261)              | (9.740)              | (9.069)              |
| <b>Sub-Total Reimbursable Expense Changes</b>   | <b>(\$7.086)</b>     | <b>(\$9.261)</b>     | <b>(\$9.740)</b>     | <b>(\$9.069)</b>     |
| <b>Total Reimbursable Major Changes</b>   | <b>\$0.000</b>       | <b>\$0.000</b>       | <b>\$0.000</b>       | <b>\$0.000</b>       |
| <b>Total Accrual Changes</b>  | <b>\$106.177</b>     | <b>\$224.795</b>     | <b>\$170.419</b>     | <b>\$230.343</b>     |
| <b>Cash Adjustment Changes</b>  |                      |                      |                      |                      |
| Capital Reimbursement Timing  | (53.385)             | 52.220               | (0.109)              | 0.062                |
| Pension Payment Timing  | 13.137               | 22.884               | 21.956               | 19.935               |
| Timing of 2009 Results Impacting 2010   | (18.459)             | 0.000                | 0.000                | 0.000                |
| Paratransit Retainage Payments  | (11.323)             | 0.000                | 0.000                | 0.000                |
| Inventory Reduction Program (BRP)   | 4.000                | 4.000                | 0.000                | 0.000                |
| Public Liability Additional Payment Requirements  | (5.000)              | (5.000)              | (5.000)              | (5.000)              |
| Interest Income-Reduced Cash Balances   | (2.000)              | (2.000)              | (1.500)              | (1.500)              |
| Insurance-Property/Liability Timing of Cash Payments  | 0.813                | (0.747)              | (1.237)              | (2.375)              |
| Other   | 1.543                | (0.354)              | (0.089)              | (0.028)              |
| <b>Total Cash Adjustment Changes</b>  | <b>(\$70.674)</b>    | <b>\$71.003</b>      | <b>\$14.021</b>      | <b>\$11.094</b>      |
| <b>Total Baseline Changes</b>   | <b>\$35.503</b>      | <b>\$295.798</b>     | <b>\$184.440</b>     | <b>\$241.437</b>     |
| Elim. 2011/Post-2011 Unspecified PEGs-February Financial Plan   | \$0.000              | (\$61.700)           | (\$123.400)          | (\$185.100)          |
| <b>Total Changes</b>  | <b>\$35.503</b>      | <b>\$234.098</b>     | <b>\$61.040</b>      | <b>\$56.337</b>      |
| <b>2010 July Financial Plan - Operating Cash Income/(Deficit)</b>   | <b>(\$2,689.660)</b> | <b>(\$2,517.828)</b> | <b>(\$2,811.568)</b> | <b>(\$3,094.170)</b> |

**MTA NEW YORK CITY TRANSIT  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014**

**RIDERSHIP/ (UTILIZATION)**

The July 2010 Financial Plan baseline ridership forecast assumes that the weather adjusted April 2010 year-to-date trend, which was 2.1% above budget for subway and 0.4 % below budget for bus, will continue for the rest of the year. The lower than budgeted bus ridership is due to a 12.5 million ridership decrease in 2010 due to a methodology change in the counting of bus ridership. Excluding the methodology change, bus ridership is 1.5 percent above budget. In 2011, subway and bus ridership is projected to increase by approximately 1.8% based on Global Insight's 2011 employment forecast. The February 2010 plan assumed a 1.67% increase in 2011. As a result of the better than expected 2010 ridership and higher 2011 employment forecast, ridership (excluding service adjustment impacts) is 21.1 million higher than the February Plan in 2010 and 27.3 million higher in 2011.

Working off the revised 2011 projection, 2012-2013 ridership growth forecasts are based on the May 2010 Global Insight employment forecast, which projects higher employment increases in 2012-2013 than the September 2009 forecast used in the February 2010 Plan. The resulting ridership (excluding service adjustment impacts) is expected to be 44.9 million higher than the February Plan in 2012, and 56.2 million higher in 2013.

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2011-2014**  
**Ridership/(Utilization)**  
(\$ in millions)

|   | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
|---|------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
| <b>RIDERSHIP</b>  |                        |                                       |  |                    |                    |                    |
| Subway  | 1,579.867              | 1,600.061                             | 1,632.100                              | 1,669.464          | 1,692.117          | 1,713.483          |
| Bus   | 726.472                | 709.617                               | 722.751                                | 738.600            | 748.104            | 757.055            |
| Paratransit   | 8.490                  | 9.462                                 | 10.259                                 | 11.945             | 13.883             | 16.112             |
| <b>Total Ridership</b>                                  | <b>2,314.829</b>       | <b>2,319.140</b>                      | <b>2,365.110</b>                       | <b>2,420.009</b>   | <b>2,454.104</b>   | <b>2,486.650</b>   |
|   |                        |                                       |  |                    |                    |                    |
| <b>FAREBOX REVENUE (Excluding fare media liability)</b> |                        |                                       |  |                    |                    |                    |
| Subway  | \$2,245.620            | \$2,392.395                           | \$2,440.897                            | \$2,499.193        | \$2,534.537        | \$2,567.873        |
| Bus   | 821.111                | 856.985                               | 873.378                                | 894.388            | 906.988            | 918.853            |
| Paratransit   | 13.942                 | 17.097                                | 18.536                                 | 21.582             | 25.083             | 29.110             |
| <b>Total Farebox Revenue</b>                            | <b>\$3,080.673</b>     | <b>\$3,266.477</b>                    | <b>\$3,332.811</b>                     | <b>\$3,415.163</b> | <b>\$3,466.608</b> | <b>\$3,515.836</b> |

| MTA New York City Transit                                |  |      |          |      |           |      |           |      |           |      |           |
|--|--|------|----------|------|-----------|------|-----------|------|-----------|------|-----------|
| July Financial Plan 2011 - 2014                          |  |      |          |      |           |      |           |      |           |      |           |
| 2010 Budget Reduction Program (BRP) Summary <sup>1</sup> |  |      |          |      |           |      |           |      |           |      |           |
| (\$ millions)  |  |      |          |      |           |      |           |      |           |      |           |
|  |  |      |          |      |           |      |           |      |           |      |           |
|  |  | 2010 |          | 2011 |           | 2012 |           | 2013 |           | 2014 |           |
|  |  | Pos  | \$M      | Pos  | \$M       | Pos  | \$M       | Pos  | \$M       | Pos  | \$M       |
| <b>Administration</b>                                    |  |      |          |      |           |      |           |      |           |      |           |
|  | BRP - 15% Reduction Plan (Central Admin)   | 338  | \$21.028 | 338  | \$35.442  | 338  | \$35.296  | 338  | \$34.926  | 338  | \$34.926  |
|  | BRP - BSC Transfer Reduction               |      |          | (20) | (\$2.153) | (61) | (\$6.185) | (61) | (\$6.185) | (61) | (\$6.185) |
|  | BRP - 10% Oper Dept Admin Sppt             | 144  | \$9.399  | 144  | \$15.309  | 144  | \$15.309  | 144  | \$15.309  | 144  | \$15.309  |
|  | BRP - Rapid Procurement/Project Elim       | 14   | \$6.421  |      | \$1.566   |      | \$3.018   |      | \$2.516   |      | \$2.168   |
|  | BRP - OTPS Reductions                      |      | \$4.280  |      | \$3.696   |      | \$3.696   |      | \$3.696   |      | \$3.696   |
|  | BRP - MTA/LI Bus NYCT Support              | 10   | \$0.683  | 13   | \$1.599   | 13   | \$1.599   | 13   | \$1.599   | 13   | \$1.599   |
|  | Sub-Total Administration                   | 506  | \$41.811 | 475  | \$55.459  | 434  | \$52.733  | 434  | \$51.861  | 434  | \$51.513  |
| <b>Maintenance</b>                                       |  |      |          |      |           |      |           |      |           |      |           |
|  | BRP - Empl Facility Enhance 25% Reduct     |      |          | 14   | \$1.646   | 14   | \$1.646   | 14   | \$1.646   | 14   | \$1.646   |
|  | BRP - Car Quality Control Streamlining     | 17   | \$2.558  | 17   | \$4.555   | 17   | \$4.555   | 17   | \$4.555   | 17   | \$4.555   |
|  | BRP - Reduce Escalator Cleaning            | 11   | \$0.511  | 11   | \$0.980   | 11   | \$0.980   | 11   | \$0.980   | 11   | \$0.980   |
|  | BRP - Extend SMS Cycle/Other SMS Economies | 109  | \$10.693 | 146  | \$20.948  | 84   | \$19.215  | 111  | \$20.136  | 107  | \$17.316  |
|  | BRP - Track Cleaning Reductions            | 46   | \$2.054  | 46   | \$3.938   | 46   | \$3.938   | 46   | \$3.938   | 46   | \$3.938   |
|  | BRP - Grouting Program Reduction           | 24   | \$1.137  | 24   | \$2.180   | 24   | \$2.180   | 24   | \$2.180   | 24   | \$2.180   |
|  | BRP - Shop Plan Reductions                 | 74   | \$10.829 | 17   | \$1.350   | 17   | \$1.317   | 17   | \$1.086   | 17   | \$0.936   |
|  | BRP - Bus Mtc Economies                    | 34   | \$1.361  | 34   | \$3.050   | 34   | \$3.050   | 34   | \$3.050   | 34   | \$3.050   |
|  | BRP - OTPS Reductions (Buses)              |      | \$2.074  |      | \$1.047   |      | \$1.047   |      | \$1.047   |      | \$1.047   |
|  | BRP - OTPS Reductions (All Other)          |      | \$1.695  |      | \$0.383   |      | \$0.383   |      | \$0.383   |      | \$0.383   |
|  | BRP - Electronics Maintenance Economies    | 2    | \$0.074  | 20   | \$1.802   | 20   | \$1.802   | 20   | \$1.802   | 20   | \$1.802   |
|  | BRP - Other Savings (Subways)              | 18   | \$0.790  | 13   | \$1.132   | 13   | \$1.210   | 13   | \$1.210   | 13   | \$1.210   |
|  | Sub-Total Maintenance                      | 335  | \$33.776 | 342  | \$43.011  | 280  | \$41.323  | 307  | \$42.013  | 303  | \$39.043  |
| <b>Other</b>   |  |      |          |      |           |      |           |      |           |      |           |
|  | Additional Savings - Inventory Drawdown    |      | \$4.000  |      | \$4.000   |      |           |      |           |      |           |
|  | BRP - Facilities-Security Post Reductions  | 7    | \$0.344  | 16   | \$1.259   | 16   | \$1.259   | 16   | \$1.259   | 16   | \$1.259   |
|  | BRP - OTPS Reductions (Subways)            |      | \$4.477  |      | \$4.839   |      | \$5.089   |      | \$5.089   |      | \$5.089   |
|  | Sub-Total Other                            | 7    | \$8.821  | 16   | \$10.098  | 16   | \$6.348   | 16   | \$6.348   | 16   | \$6.348   |
| <b>Service Support</b>                                   |  |      |          |      |           |      |           |      |           |      |           |
|  | Additional Savings - \$14M OT (Subways)    |      |          |      | \$8.541   |      | \$8.541   |      | \$8.541   |      | \$8.541   |
|  | Additional Savings - \$14M OT (Buses)      | (11) |          | (11) | \$6.060   | (11) | \$6.060   | (11) | \$6.060   | (11) | \$6.060   |
|  | Additional Savings - \$14M OT (All Other)  |      |          |      | \$0.808   |      | \$0.808   |      | \$0.808   |      | \$0.808   |
|  | BRP - Overtime Reductions                  | (27) | \$0.622  | (27) | \$1.665   | (27) | \$1.665   | (27) | \$1.665   | (27) | \$1.665   |
|  | BRP - Station Switching Economy            | 9    | \$0.364  | 9    | \$0.814   | 9    | \$0.814   | 9    | \$0.814   | 9    | \$0.814   |
|  | BRP - Terminal Supervision Economy         | 35   | \$1.742  | 35   | \$3.418   | 35   | \$3.418   | 35   | \$3.418   | 35   | \$3.418   |
|  | BRP - Car Cleaning Reductions              | 116  | \$4.542  | 116  | \$8.642   | 116  | \$8.642   | 116  | \$8.642   | 116  | \$8.642   |
|  | BRP - Dedicated Announcers Reduction       | 19   | \$0.780  | 19   | \$1.497   | 19   | \$1.497   | 19   | \$1.497   | 19   | \$1.497   |

|   |
|---|
| <p align="center"><b>MTA New York City Transit</b><br/> <b>July Financial Plan 2011 - 2014</b><br/> <b>2010 Budget Reduction Program (BRP) Summary <sup>1</sup></b><br/> <b>(\$ millions)</b></p> |
|---|

[illegible]

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |   |                     |                |                            |        |
|--------------------------|---|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT  | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 1   |                     |                | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - 15% Reduction Plan (Central Administration) |                     |                |                            |        |

**Description and Implementation Plan**

NYCT will eliminate a total of 351 positions (including 13 full-time equivalents), performing administrative support functions in various central administrative departments. The savings submission exceeded the targeted quota reduction by 27 FTEs.

**Background Details**

As part of the \$280 million Reduction Plan, NYCT is reducing its administrative personnel by 15%.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 338                | 338                | 338                | 338                | 338                |
| <b>Financial Impact</b> | \$21.028           | \$35.442           | \$35.296           | \$34.926           | \$34.926           |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                              |                     |                |                            |        |
|--------------------------|------------------------------|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                         | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 1/1/11 |
| <b>PEG / New Need ID</b> | 2                            |                     |                | <b>Savings Date</b>        | 1/1/11 |
| <b>Program:</b>          | BRP - BSC Transfer Reduction |                     |                |                            |        |

**Description and Implementation Plan**

Offset of positions included in the 15% Reduction Plan that are scheduled to be transferred to the BSC. Includes TIS (15 positions), Office of the Controller (18 positions) and Human Resources (28 positions).

**Background Details**

Offset of positions included in the 15% Reduction Plan that are scheduled to be transferred to the BSC beginning with 20 positions in 2011 to administer general ledger, accounts payable functions, followed by 41 positions in 2012 for payroll and human resources functions.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | -                  | (20)               | (61)               | (61)               | (61)               |
| <b>Financial Impact</b> | \$0.000            | (\$2.153)          | (\$6.185)          | (\$6.185)          | (\$6.185)          |



**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |   |                     |                |                            |        |
|--------------------------|---|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT  | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 3   |                     |                | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - 10% Operating Department Administrative Support |                     |                |                            |        |

**Description and Implementation Plan**

NYCT will eliminate a total of 144 positions performing administrative support functions in various operating departments. The majority of the savings are scheduled to begin in June, although in some cases immediate savings are achieved as of January 2010 through elimination of vacant positions.

**Background Details**

As part of the \$280 million Reduction Plan, NYCT is reducing its operating department's administrative personnel by 10%.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 144                | 144                | 144                | 144                | 144                |
| <b>Financial Impact</b> | \$9.399            | \$15.309           | \$15.309           | \$15.309           | \$15.309           |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |   |                     |                |                            |        |
|--------------------------|---|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT  | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 4   |                     |                | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - Rapid Procurement/Project Elimination |                     |                |                            |        |

**Description and Implementation Plan**

Authority-wide reduction in 2010. Savings derived from renegotiation of various supplier's contracts, project deferrals / elimination in various departments(e.g elimination of non-revenue vehicle purchases, customer surveys / rider report cards); the elimination of 14 positions in the Department of Subway's Employee Facility Enhancements Program and implementation of HASTUS, a scheduling application that includes "crew optimizer" software.

**Background Details**

Savings derived from project eliminations / deferral and contractual savings were identified. It should also be noted that the Department of Subways has taken a permanent 25% reduction in the Employee Facility Enhancement Program beginning in 2011, see PEG worksheet entitled "Employee Facility Enhancement Reduc".

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 14                 | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$6.421            | \$1.566            | \$3.018            | \$2.516            | \$2.168            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                       |                     |                |                            |        |
|--------------------------|-----------------------|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                  | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 5                     |                     |                | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - OTPS Reductions |                     |                |                            |        |

**Description and Implementation Plan**

Savings from various departments include: a \$1.9M reduction in refuse collection based on historical patterns; \$1.6M from the reprioritization for data processing material expenditures and consultant services; \$0.4M in reduced overtime costs as NYCT foregoes its policy of providing Traffic Checker coverage at Yankee home games and the U.S. Open tournament along with the elimination of planned data processing and stationary purchases within the Operations Planning division and a \$0.2M reduction in employee training, medical consulting and tuition reimbursement.

**Background Details**

The key assumptions of this savings initiative include the reprioritization of major data processing expenditures, aligning the budget with historical refuse collection and uniforming expense trends and rethinking NYCT's responsibility to provide customer service outside of the actual transit system.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | -                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$4.280            | \$3.696            | \$3.696            | \$3.696            | \$3.696            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                               |                     |                |                            |        |
|--------------------------|-------------------------------|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                          | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 6                             |                     |                | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - MTA/LI Bus NYCT Support |                     |                |                            |        |

**Description and Implementation Plan**

In an effort to reduce MTA Agency costs for medical review and data processing services, NYCT will provide support for these services to both MTA - Bus and LI - Bus at a more favorable rate than the current service providers. Memorandums of Understanding (MOU's) are being developed / finalized identifying the scope of work as well as specific responsibilities of the service provider (NYCT) and the clients (MTA - Bus / LI - Bus). Savings is based on switching non-reimbursable quota from the Occupational Health Division (OHS) and Technology and Information Service (TIS) Division to non-capital reimbursable thereby reducing the expense outlay. In addition, TIS will provide system maintenance support to the bus companies for UTS and Spear.

**Background Details**

Preliminary plans for OHS support to the two bus companies includes a service ramp-up beginning in July 2010 for MTA - Bus's Yonkers and Eastchester depots. Support for the remaining MTA - Bus and LI - Bus depots and staff will begin during the first quarter of 2011. The reimbursable medical staff supporting this initiative would begin with 4 positions and increase to 7 as OHS assumes medical support for the MTA / LI Bus depots in Nassau and Queens. Six positions are projected to support the IT portion of the initiative.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 10                 | 13                 | 13                 | 13                 | 13                 |
| <b>Financial Impact</b> | \$0.683            | \$1.599            | \$1.599            | \$1.599            | \$1.599            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |   |                     |             |                            |        |
|--------------------------|---|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT  | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 1/1/11 |
| <b>PEG / New Need ID</b> | 7   |                     |             | <b>Savings Date</b>        | 1/1/11 |
| <b>Program:</b>          | BRP - Employee Facility Enhancement 25% Reduction |                     |             |                            |        |

**Description and Implementation Plan**

The Employee Facility Enhancement (EFE) program will be permanently reduced by 25%. As a result of this reduction, the goal will be reduced from 60 employee facility enhancements per year to 45. The 2010 reduction has already been included in the MTA savings plan.

**Background Details**

The Employee Facility Enhancement (EFE) program began in September 2007 when 57 positions were added to re-establish a nonreimbursable Department of Subways employee facilities rehabilitation program that had been eliminated in 2003. Through February 2010, 152 employee facilities (locker rooms, crew rooms, lunch rooms and toilets) have been upgraded by the EFE Program with installation of new lighting and plumbing fixtures, replacement of flooring and ceiling tiles and repainting.

|                         | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total Headcount</b>  | -           | 14          | 14          | 14          | 14          |
| <b>Financial Impact</b> | \$0.000     | \$1.646     | \$1.646     | \$1.646     | \$1.646     |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |  |                     |             |                            |        |
|--------------------------|--|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                   | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 8                                      |                     |             | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Car Quality Control Streamlining |                     |             |                            |        |

**Description and Implementation Plan**

In addition to the Car Quality Control Pilot on the #1 and L lines, Car Equipment implemented a glass/Mylar Maintenance Program in 2007 to replace vandalized glass and install 4-ply Mylar on 2,788 subway cars (R44, R46, R62, R62A, R68, R68A) which was completed at the end of 2009. Four-ply Mylar was also installed on all R142, R142A and R143 cars (R160's have 4-ply Mylar installed by the manufacturer). The remaining resources for the pilot are being eliminated as a result of streamlining the two programs together to maintain one fleet-wide glass/Mylar maintenance program.

**Background Details**

A Car Quality Control Program was established in September 2007 on two lines (#1 and L) to ensure that all subway cars are maintained in a scratch-free condition through timely change-out (within 24 hours) of scratched Mylar vandal shields. The initial budget was based on an estimated number of scratch hits that is greater than actual experience. Based on the lower level of hits, resources provided for this pilot are being reduced without affecting quality.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 17                 | 17                 | 17                 | 17                 | 17                 |
| <b>Financial Impact</b> | \$2.558            | \$4.555            | \$4.555            | \$4.555            | \$4.555            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                                 |                     |             |                            |        |
|--------------------------|---------------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                            | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 9                               |                     |             | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Reduce Escalator Cleaning |                     |             |                            |        |

**Description and Implementation Plan**

This program will reduce Escalator Step Cleaning and Heavy Cleaning Gangs. The annual goal of cleaning the steps of 48 escalators will be eliminated. The scheduled removal of steps and extensive cleaning of the escalator truss, pans and pits as well as the scheduled cleaning of escalator steps with the Rotomac machine will be discontinued. However, Rotomac machines will still be used to clean the escalator steps during routine maintenance and heavy cleaning will be performed during major repairs.

**Background Details**

In 2007 as part of the Elevator and Escalator Customer Enhancement Initiative, the Escalator Step Cleaning program was developed to improve the cleanliness and reliability of escalators by ensuring that escalators are clean and free from debris without the dismantling of escalators thereby putting them out of service. This budget reduction discontinues that program.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 11                 | 11                 | 11                 | 11                 | 11                 |
| <b>Financial Impact</b> | \$0.511            | \$0.980            | \$0.980            | \$0.980            | \$0.980            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |  |                     |             |                            |        |
|--------------------------|--|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                       | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 10   |                     |             | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - Extend SMS Cycle/Other SMS Economies |                     |             |                            |        |

**Description and Implementation Plan**

First, the extension of the 6-year SMS cycle to a 6-1/2 year cycle will reduce an average of 80 cars enrolled in the SMS program annually. EMD's HVAC SMS reduction saves 1 position and \$0.096M through 2013. Finally, costs associated with disposal and retirement of the R44 fleet include removal of salvagable parts, having an outside contractor remove the cars from the property via flat bed trucks, and abatement/disposal of the cars offsite (vendor contract).

**Background Details**

Savings in Car Equipment's SMS Program resulted from elimination of scheduled enhanced work and 6-year SMS work for the R44 fleet due to advanced retirement. Savings also realized by extending the 6 and 12 year SMS cycle to 6-1/2 and 13 year SMS cycle. Electronics Maintenance Division's savings in HVAC SMS is associated with Car Equipment's 6 and 12 year SMS cycle extension. The savings are offset by the costs of land based disposal of the R44 cars -- reefing would be too costly for this car class.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 109                | 146                | 84                 | 111                | 107                |
| <b>Financial Impact</b> | \$10.693           | \$20.948           | \$19.215           | \$20.136           | \$17.316           |



**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                                 |                     |             |                            |        |
|--------------------------|---------------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                            | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 11                              |                     |             | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Track Cleaning Reductions |                     |             |                            |        |

**Description and Implementation Plan**

This program reduces the track cleaning goal from 26,000 station tracks per year to 19,500. As a result of this reduction, 5 out of 20 cleaning gangs (35 positions) will be eliminated. The goal for scraping will be reduced from 150,000 linear feet to 100,000 and 1 out of 3 scraping gangs (11 positions) will be eliminated.

**Background Details**

The purpose of the track cleaning program is to address train delays due to fires, arcing insulators and high water incidents. In 2006, 93 positions (68 for trackbed cleaning and 25 for trackbed scraping) comprised of 12 supervisors and 81 hourlies were added to this program.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 46                 | 46                 | 46                 | 46                 | 46                 |
| <b>Financial Impact</b> | \$2.054            | \$3.938            | \$3.938            | \$3.938            | \$3.938            |

**MTA New York City Transit**  
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(\$ in millions)

|                          |                                  |                     |             |                            |        |
|--------------------------|----------------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                             | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 12                               |                     |             | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Grouting Program Reduction |                     |             |                            |        |

**Description and Implementation Plan**

The Water Intrusion Remediation program addresses water leaks by injecting grout into subway tunnel walls and ceilings. This reduction will reduce the program by 50%, from 8 grouting gangs (each gang consists of 1 supervisor and 5 maintainers) to 4 gangs. This reduction will slow down the pace of remediation by reducing the goal commensurately - from 10,000 to 5,000 leaks per year.

**Background Details**

Four grouting gangs were added to the budget in 2001 and an additional 4 gangs were added in 2006. Grouting is also completed through various Capital Program projects; this work will continue subject to appropriate capital funding. Since the program's start in 2001, over 87,000 leaks have been remedied.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 24                 | 24                 | 24                 | 24                 | 24                 |
| <b>Financial Impact</b> | \$1.137            | \$2.180            | \$2.180            | \$2.180            | \$2.180            |

**MTA New York City Transit**  
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**(\$ in millions)**

|                          |                            |                     |             |                            |        |
|--------------------------|----------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                       | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 13                         |                     |             | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - Shop Plan Reductions |                     |             |                            |        |

**Description and Implementation Plan**

This proposal reduce 74 hourly positions supporting bus shop work. This includes elimination of heavy scheduled operations (HSO) on 1999 New Flyer CNG buses, reduced scopes on the 2000 fleet of articulated buses and 40% paint reduction limited to the all 1999 fleet buses included in the 2010 shop program. In addition miscellaneous shop maintenance and helper positions supporting parts running, cleaning, salvage, welding, etc were reduced.

**Background Details**

This programs eliminates or reduces Shop maintenance on the older buses (1999 and 2000 fleets) predicated on expected procurement of replacement buses in 2011 and 2012. Reductions in Shop miscellaneous support maintenance positions may adversely impact Shop production and productivity.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 74                 | 17                 | 17                 | 17                 | 17                 |
| <b>Financial Impact</b> | \$10.829           | \$1.350            | \$1.317            | \$1.086            | \$0.936            |

**MTA New York City Transit**  
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**(\$ in millions)**

|                          |                                 |                     |             |                            |        |
|--------------------------|---------------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                            | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 14                              |                     |             | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - Bus Maintenance Economies |                     |             |                            |        |

**Description and Implementation Plan**

This proposal eliminates restoration work to the Museum Fleet and includes savings from decreased costs in required wheelchair lift maintenance.

**Background Details**

Currently DOB maintains a Museum Fleet of 23 vintage buses for public display. Further restoration work has been eliminated from the budget. In addition, DOB maintenance costs for wheel chair systems has declined significantly. The recent new bus purchases are equipped with wheel chair ramps instead of more expensive wheel chair lift/platforms found in older fleets. The wheel chair ramps have significantly lower maintenance costs than wheel chair lifts.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 34                 | 34                 | 34                 | 34                 | 34                 |
| <b>Financial Impact</b> | \$1.361            | \$3.050            | \$3.050            | \$3.050            | \$3.050            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
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(\$ in millions)

|                          |                               |                     |             |                            |        |
|--------------------------|-------------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                          | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 15                            |                     |             | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - OTPS Reductions (Buses) |                     |             |                            |        |

**Description and Implementation Plan**

Recurring savings were identified in the Dept of Buses for water and sewer expenses based on less usage, and for bus filter cleaning contracts based on favorable new contract prices. One time savings were identified in administrative expenses such as travel expense, training expenses, real estate, rental costs and professional service/consultant contract costs.

**Background Details**

Reduction levels were based on review of existing OTPS budgets and identification of expenses which could be eliminated in the short-term as well as identifying opportunities for recurring savings based on favorable actual expenses due to lower usage or more favorable contract pricings.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | -                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$2.074            | \$1.047            | \$1.047            | \$1.047            | \$1.047            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                                   |                     |             |                            |        |
|--------------------------|-----------------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                              | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 16                                |                     |             | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - OTPS Reductions (All Other) |                     |             |                            |        |

**Description and Implementation Plan**

This initiative reflects the discontinuation of the R42/R32 railcar reefing programs, a reduction in the scope of the PA Canarsie maintenance contract as well as decreased armed guard coverage at the Arthur Kill bus lot. Additionally, warehousing operations has implemented an 18 month deferral on the replacement of material handling equipment as well as reductions in other operating costs.

**Background Details**

The major component in 2010 is the discontinuation of the reefing program which reflects a savings of \$2.4M in transportation, hazardous material abatement and barging costs, partially offset by a \$1.1M loss in scrap revenue. In all, 290 railcars (50 R42's and 240 R32's) will remain in service. Outyear savings reflects the scope reduction for PA Canarsie maintenance and the elimination of 1 tour of armed guard coverage at the Arthur Kill bus lot.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | -                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$1.695            | \$0.383            | \$0.383            | \$0.383            | \$0.383            |

**MTA New York City Transit**  
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(\$ in millions)

|                          |   |                     |             |                            |        |
|--------------------------|---|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                    | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 17                                      |                     |             | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Electronics Maintenance Economies |                     |             |                            |        |

**Description and Implementation Plan**

Position savings via improved component testing, consolidation of maintenance and repair functions, extension of preventative maintenance cycles and a reduction of quality control inspections on electronic equipment including OPTO cameras, turnstile swipe/read/write (SRW) components, coin modules, integrated fare units, PBX and Asynchronous equipment. In addition to these measures, the planned closure of subway booths has reduced the total amount of equipment to be maintained.

**Background Details**

Beginning June 2010, efficiencies gained through improved component testing result in a reduction in hourly maintainers, with the majority of savings occurring January 2011.

|                         | <u><b>2009</b></u> | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 2                  | 20                 | 20                 | 20                 | 20                 |
| <b>Financial Impact</b> | \$0.074            | \$1.802            | \$1.802            | \$1.802            | \$1.802            |

**MTA New York City Transit**  
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**(\$ in millions)**

|                          |                               |                     |             |                            |        |
|--------------------------|-------------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                          | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 18                            |                     |             | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Other Savings (Subways) |                     |             |                            |        |

**Description and Implementation Plan**

The Division of Stations will reduce 8 positions in Operations Support Assignment Center (OSAC), Rail Control Center (RCC), and Stations Programs. The Division of Track will defer 5 positions for Rail Grinder maintenance to 2011. The Division of Power will reduce 3 positions (4% of quota) in the Cable section. Electronics Maintenance will reclassify 2 positions to the reimbursable budget to support control area reconfiguration associated with station rehabilitations.

**Background Details**

As part of the \$280 million Reduction Plan, NYCT proposed to reduce its Department of Subways operations support personnel.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 18                 | 13                 | 13                 | 13                 | 13                 |
| <b>Financial Impact</b> | \$0.790            | \$1.132            | \$1.210            | \$1.210            | \$1.210            |



**MTA New York City Transit**  
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(\$ in millions)

|                          |   |                     |       |                            |        |
|--------------------------|---|---------------------|-------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                    | <b>PEG Category</b> | Other | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 19                                      |                     |       | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | Additional Savings - Inventory Drawdown |                     |       |                            |        |

**Description and Implementation Plan**

This program estimates that \$4M in cash will be saved both in 2010 and 2011 through anticipated drawdown of inventory materials.

**Background Details**

Each year the Logistics subdivision of the Division of Materiel reviews current year budgeted material requirements versus department's actual usage of parts and estimated forecasts. Departmental forecasts are necessary to evaluate the need to buy materials to support planned maintenance and to maintain inventory at optimal levels. Inventory drawdown is cash savings achieved when materials on hand in inventory are used at a greater rate than the amount of materials purchased in that year to maintain adequate inventory. This also reduces the size of the inventory. Review of 2010 and 2011 maintenance budgets and materials requirements indicate that a drawdown of \$4M can be achieved in both years.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | -                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$4.000            | \$4.000            | \$0.000            | \$0.000            | \$0.000            |

**MTA New York City Transit**  
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(\$ in millions)

|                          |   |                     |       |                            |        |
|--------------------------|---|---------------------|-------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                      | <b>PEG Category</b> | Other | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 20  |                     |       | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - Facilities-Security Post Reductions |                     |       |                            |        |

**Description and Implementation Plan**

Staff efficiencies resulting from reductions in the number of security posts at various transit locations. Savings is partially offset by an investment in closed circuit cameras and the installation of high entry exit turnstiles (HEET's) at unstaffed locations.

**Background Details**

A total of eleven security posts spanning three tours will be eliminated.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 7                  | 16                 | 16                 | 16                 | 16                 |
| <b>Financial Impact</b> | \$0.344            | \$1.259            | \$1.259            | \$1.259            | \$1.259            |

**MTA New York City Transit**  
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(\$ in millions)

|                          |                                 |                     |       |                            |        |
|--------------------------|---------------------------------|---------------------|-------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                            | <b>PEG Category</b> | Other | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 21                              |                     |       | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - OTPS Reductions (Subways) |                     |       |                            |        |

**Description and Implementation Plan**

Subway-wide reduction in materials and supplies and rentals and miscellaneous. This reduction includes but is not limited to: less replacement of Glass/Mylar on Subway car windows; reduced elevator and escalator SMS material inventory; less janitorial services in low-populated buildings; reduced building services at 2 Broadway; and limited new furniture purchases.

**Background Details**

Reduction levels were based on review of existing OTPS budgets and identification of expenses which could be eliminated in the short-term as well as identifying opportunities for recurring savings based on favorable actual expenses due to lower usage or more favorable contract pricings.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | -                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$4.477            | \$4.839            | \$5.089            | \$5.089            | \$5.089            |

**MTA New York City Transit**  
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(\$ in millions)

|                          |   |                     |                 |                            |        |
|--------------------------|---|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                    | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 22                                      |                     |                 | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | Additional Savings - \$14M OT (Subways) |                     |                 |                            |        |

**Description and Implementation Plan**

This program reduces unscheduled overtime by \$8.5M in Subways starting in 2011.

**Background Details**

The Department of Subways evaluated current spending patterns and needs to determine appropriate overtime levels. Reductions were based on each divisions ability to absorb unscheduled overtime cuts.

|                         | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total Headcount</b>  | -           | -           | -           | -           | -           |
| <b>Financial Impact</b> | \$0.000     | \$8.540     | \$8.540     | \$8.540     | \$8.540     |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
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**(\$ in millions)**

|                          |                                       |                     |                 |                            |        |
|--------------------------|---------------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                  | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 23                                    |                     |                 | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | Additional Savings - \$14M OT (Buses) |                     |                 |                            |        |

**Description and Implementation Plan**

This agency-wide proposal reduces unscheduled overtime by \$6.1M in Buses starting in 2011. Areas of overtime reductions include bus operator extra board relief, clerical and professional staff overtime reductions, conversion of overtime for 11 cleaner positions, reduced task times for specific maintenance work, supervisory overtime savings based on better performance versus budget in commingling of assignments and overtime reductions achieved by implementing a revised goal of operating 99.4% of scheduled service.

**Background Details**

Reduction levels were based on each areas ability to absorb unscheduled overtime cuts.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | (11)               | (11)               | (11)               | (11)               | (11)               |
| <b>Financial Impact</b> | (\$0.000)          | \$6.060            | \$6.060            | \$6.060            | \$6.060            |

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**(\$ in millions)**

|                          |   |                     |                 |                            |        |
|--------------------------|---|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                      | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 24  |                     |                 | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | Additional Savings - \$14M OT (All Other) |                     |                 |                            |        |

**Description and Implementation Plan**

This program reduces unscheduled overtime by \$0.8M in the Departments of Security, Revenue Control and Supply Logistics starting in 2011.

**Background Details**

Reductions were based on each department's ability to absorb unscheduled overtime cuts.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | -                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$0.000            | \$0.808            | \$0.808            | \$0.808            | \$0.808            |

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(\$ in millions)

|                          |                           |                     |                 |                            |        |
|--------------------------|---------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                      | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 25                        |                     |                 | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - Overtime Reductions |                     |                 |                            |        |

**Description and Implementation Plan**

Savings derived by reinvesting overtime into staff costs in various departments.

**Background Details**

A majority of the savings pertains to EMD (\$1.6M annual savings), and is the continuation of various actions which reduced overtime during 2009. Savings also reflects the elimination of an agency-wide vacancy provision and the reinvestment of Buses' unscheduled overtime costs which equated to the addition of 25 maintainer positions.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|                         | (27)               | (27)               | (27)               | (27)               | (27)               |
| <b>Total Headcount</b>  |                    |                    |                    |                    |                    |
| <b>Financial Impact</b> | \$0.622            | \$1.665            | \$1.665            | \$1.665            | \$1.665            |

**MTA New York City Transit**  
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(\$ in millions)

|                          |                                 |                     |                 |                            |        |
|--------------------------|---------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                            | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 26                              |                     |                 | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - Station Switching Economy |                     |                 |                            |        |

**Description and Implementation Plan**

This proposal eliminates a total of 9 Station Switching Train Operators at three B Division terminal locations (Bay Pkwy, Church Ave and Continental Ave) due to AABBB service changes. These savings are reflected in the June 27, 2010 RTO pick.

**Background Details**

The M train will no longer operate to Bay Pkwy and the G train will be cut back to Court Sq. These service changes will result in the elimination of 9 Station Switching Train Operator positions, which were used to facilitate terminal relaying.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 9                  | 9                  | 9                  | 9                  | 9                  |
| <b>Financial Impact</b> | \$0.364            | \$0.814            | \$0.814            | \$0.814            | \$0.814            |



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**(\$ in millions)**

|                          |                                    |                     |                 |                            |        |
|--------------------------|------------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                               | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 27                                 |                     |                 | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - Terminal Supervision Economy |                     |                 |                            |        |

**Description and Implementation Plan**

This proposal reduces a total of 35 dispatchers by eliminating duplicative work at crew reporting centers (28 ATD's) and eliminating terminal supervision at locations no longer supporting train service due to AABB reductions (3 ATD's and 4 TD's).

**Background Details**

AABB service reductions will extend the Q to Astoria and will result in eliminating terminal supervision (3 ATD's and 4 TD's) at 57th St.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 35                 | 35                 | 35                 | 35                 | 35                 |
| <b>Financial Impact</b> | \$1.742            | \$3.418            | \$3.418            | \$3.418            | \$3.418            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                               |                     |                 |                            |        |
|--------------------------|-------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                          | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 28                            |                     |                 | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Car Cleaning Reductions |                     |                 |                            |        |

**Description and Implementation Plan**

Car Equipment will reduce car cleaning at all train terminal locations. This reduction will eliminate the remaining resources added in 2007 for the pilot program on the 7 & L lines (56 positions) as well as 60 positions from other terminal locations.

**Background Details**

In August of 2007, a pilot program was implemented on the 7 and L lines to enhance terminal cleaning by increasing the number of cleaners at Main St and Rockaway Parkway terminals and create new cleaning operations at two additional terminals (Times Square and 8th Ave/14th St.). The pilot program was scaled back by 77 cleaner positions and 10 supervisor positions in two phases: 2009: 28 cleaners & 1 supervisor; 2010: 49 cleaners & 9 supervisors. The remaining resources for the pilot -- 48 cleaners and 8 supervisors will be eliminated starting in June 2010. The 60 other terminal cleaning reductions will be taken by reducing the number of cleaners assigned to each terminal.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 116                | 116                | 116                | 116                | 116                |
| <b>Financial Impact</b> | \$4.542            | \$8.642            | \$8.642            | \$8.642            | \$8.642            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                                      |                     |                 |                            |        |
|--------------------------|--------------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                                 | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 29                                   |                     |                 | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Dedicated Announcers Reduction |                     |                 |                            |        |

**Description and Implementation Plan**

This proposal reduces by 19 the number of dedicated announcers assigned to provide customer service information from key locations (usually towers), each of which are connected via public address system to a number of subway stations.

**Background Details**

There are currently 29 announcers assigned to the Dedicated Announcers Program; 28 of these positions staff 14 Key Station Locations and one announcer is assigned to General Order coverage during midnight shifts. The elimination of 19 positions will reduce the number of key locations from 14 (with a 183 station span of control) to 5 (with an 78 station span of control) and eliminate midnight General Order coverage.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 19                 | 19                 | 19                 | 19                 | 19                 |
| <b>Financial Impact</b> | \$0.780            | \$1.497            | \$1.497            | \$1.497            | \$1.497            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                                 |                     |                 |                            |        |
|--------------------------|---------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                            | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 30                              |                     |                 | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - Eliminate Bio-Diesel Fuel |                     |                 |                            |        |

**Description and Implementation Plan**

This reflects rescision of Section II of Executive Order-142 mandating biodiesel use for transportation fuel.

**Background Details**

Executive Order 142 enacted by Governor Pataki in 2005 required the use of biodiesel transportation fuel and biodiesel heating oil at levels of 10% and 5%, respectively, by 2012. As of September 2009, bus operations had converted 14 depots to B5 (i.e., 5% biodiesel blend), including six NYCT depots and all 8 MTABC depots, and was prepared to continue this roll-out of biodiesel in March 2010 under the new fuel contract. With Executive Order-35 in February 2010, Governor Paterson rescinded Section II of EO-142, the transportation fuel portion (but not the heating fuel portion), citing "advancements in vehicle engine technology coupled with significant improvements in diesel fuel quality" which made this mandate "not cost-effective". At this point, the transportation fuel vendor was notified that the MTA would not be using biodiesel any longer, though the MTA continues towards biodiesel conversion for heating oil where practicable.

|                         | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total Headcount</b>  | -           | -           | -           | -           | -           |
| <b>Financial Impact</b> | \$1.407     | \$3.417     | \$4.409     | \$4.409     | \$4.409     |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |  |                     |                 |                            |        |
|--------------------------|--|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT   | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 6/1/10 |
| <b>PEG / New Need ID</b> | 31   |                     |                 | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Reduce Meredith Avenue to Annex/Charleston Delay |                     |                 |                            |        |

**Description and Implementation Plan**

This proposal reduces 21 management and maintenance hourly positions supporting Meredith Avenue depot when it is converted to an annex. Savings in 2010 also reflects the delayed opening of Charleston Depot from January 2010 to July 2010. This reduction is offset by the addition of two (2) Electronics Maintenance Division (EMD) positions which had not been provided to support operations at Charleston Depot. EMD positions are mainly for farebox, destination signage and bus radio maintenance.

**Background Details**

Meredith Avenue Depot operations have been scaled back to an annex operating 5 days per week instead of 7. Charleston depot will have a 'soft opening' in July 2010 to initially test bus operations out of the depot. Full operations are planned for September 2010. Minimal EMD support for Charleston and Meredith Depot has been added to reflect both lower requirements at Meredith as an annex and that EMD work can be performed at other existing Staten Island depots.

|                         | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total Headcount</b>  | 19          | 19          | 19          | 19          | 19          |
| <b>Financial Impact</b> | \$3.204     | \$1.800     | \$1.800     | \$1.800     | \$1.800     |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                             |                     |                 |                            |        |
|--------------------------|-----------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                        | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 32                          |                     |                 | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - Close Amsterdam Depot |                     |                 |                            |        |

**Description and Implementation Plan**

This proposal reallocates buses from Amsterdam to Manhattanville, Quill, and 126th Street Depots commencing in July 2010. In addition, storeroom operations supporting bus maintenance at Amsterdam Depot (SR#12) will be closed, reducing three (3) hourly storeroom positions.

**Background Details**

Due to planned service reductions commencing in July 2010, Amsterdam Depot can be closed and the existing service and buses can be relocated to other depots providing budget savings from eliminating fixed staffing at the depot. Savings are partially offset by increased mileage requirements due to the longer distance required for buses to travel from their assigned depot to the beginning of their routes.

|                         | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total Headcount</b>  | 46          | 46          | 46          | 46          | 46          |
| <b>Financial Impact</b> | \$1.919     | \$4.093     | \$4.114     | \$4.114     | \$4.114     |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                             |                     |                 |                            |        |
|--------------------------|-----------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                        | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 4/1/10 |
| <b>PEG / New Need ID</b> | 33                          |                     |                 | <b>Savings Date</b>        | 4/1/10 |
| <b>Program:</b>          | BRP - Shifting Efficiencies |                     |                 |                            |        |

**Description and Implementation Plan**

This proposal reduces depot shifters in all boroughs, though predominantly in Manhattan and Staten Island.

**Background Details**

DOB has non-revenue operators to move buses for fueling, maintenance work and parking. In 2009 DOB has reviewed shifting requirements. As part of the review each division identified potential reductions. DOB was able to reduce a total of 22 of 315 non revenue shifting positions (7% reduction) primarily in Manhattan and Staten Island depots.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 22                 | 22                 | 22                 | 22                 | 22                 |
| <b>Financial Impact</b> | \$1.466            | \$2.104            | \$2.104            | \$2.104            | \$2.104            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                                    |                     |                 |                            |        |
|--------------------------|------------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                               | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 34                                 |                     |                 | <b>Savings Date</b>        | 6/1/10 |
| <b>Program:</b>          | BRP - Revenue Control Efficiencies |                     |                 |                            |        |

**Description and Implementation Plan**

Via efficiencies and operational changes a total of 25 positions will be eliminated in 2010 while an additional 4 positions will be eliminated during 2011. Decreased ridership in 2010 and the anticipated 2013 implementation of Smart Card result in decreased fare media expenditures.

**Background Details**

Operational changes and efficiencies include reducing revenue collection cycle from weekly to biweekly at 197 station booths; eliminating HPEM night shift operations by not wrapping round-trip MetroCards that are delivered to various social service groups; upgrades to the HPEM encoding speeds; and implementation of interfaces to from cash settlement system to the Passenger Revenue Audit System (PRAS). In addition, staff efficiencies will be gained from the planned closure of 29 full time booths.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 25                 | 29                 | 29                 | 29                 | 29                 |
| <b>Financial Impact</b> | \$0.801            | \$2.559            | \$2.559            | \$2.559            | \$2.559            |



**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                                 |                     |                 |                            |        |
|--------------------------|---------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                            | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 4/1/10 |
| <b>PEG / New Need ID</b> | 35                              |                     |                 | <b>Savings Date</b>        | 4/1/10 |
| <b>Program:</b>          | BRP - Other Savings (All Other) |                     |                 |                            |        |

**Description and Implementation Plan**

The Department of Security will reduce property protection coverage at various locations. Corporate Communication will defer OTPS funding for various projects. The Department of Supply Logistics will reduce two managerial positions and one supervisory position in its storerooms.

**Background Details**

As part of the \$280 million Reduction Plan, NYCT proposed to reduce its operating department's operations support personnel.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 2                  | 2                  | 2                  | 3                  | 3                  |
| <b>Financial Impact</b> | \$0.197            | \$0.750            | \$0.713            | \$0.823            | \$0.823            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                            |                     |                 |                            |        |
|--------------------------|----------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                       | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> | 36                         |                     |                 | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | Additional Savings - Other |                     |                 |                            |        |

**Description and Implementation Plan**

This proposal achieves savings through reducing the Station Cleaner training float by 9 Cleaners, Bus platform budget adjustments in 2010 and by postponing staffing the IRT Cortlandt St Station to 2014 due to construction delays by the NY/NJ Port Authority.

**Background Details**

The 6 Station Agent positions for the IRT Cortlandt St Station were originally scheduled to return in 2010, but due to continued delays in reopening the station these positions have been taken as savings until 2014. Training float and platform budget adjustments are made annually to reflect changes in schedule/staffing requirements.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 9                  | 15                 | 15                 | 15                 | 9                  |
| <b>Financial Impact</b> | \$1.414            | \$1.075            | \$1.075            | \$1.075            | \$0.606            |

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                              |                     |                 |                            |        |
|--------------------------|------------------------------|---------------------|-----------------|----------------------------|--------|
| <b>Business Unit</b>     | NYCT                         | <b>PEG Category</b> | Service Support | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> | 37                           |                     |                 | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - AABBS Service Spinoffs |                     |                 |                            |        |

**Description and Implementation Plan**

This program reflects the reduction of 5 dispatcher positions eliminated as service is reduced as well as additional savings from phasing in April through June 2010 until full implementation is achieved in July 2010. Also included are increased costs for outreach to the public on the affected routes via bus stop panels and guide-a-ride inserts on bus canisters.

**Background Details**

Service reductions are planned to be implemented in July 2010.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 5                  | 5                  | 5                  | 5                  | 5                  |
| <b>Financial Impact</b> | \$2.321            | \$0.520            | \$0.520            | \$0.520            | \$0.520            |

**MTA NEW YORK CITY TRANSIT  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014  
POSITIONS**

**POSITION ASSUMPTIONS**

**2010: July Financial Plan vs. February Financial Plan**

Total positions are projected to decrease by 1,069, due mostly to Budget Reduction Program actions of 611 and administration actions of 506. These reductions are partly offset by an increase of 58 positions due primarily to the reinstatement of some service cuts that were originally planned to be implemented in the February Financial Plan.

**2011-2013: July Financial Plan vs. February Financial Plan**

Total positions are projected to decrease by 996 in 2011, 907 in 2012 and 933 in 2013. These reductions were due mostly to Budget Reduction Program actions of 637 in 2011, 575 in 2012 and 603 in 2013 and administration actions of 475 in 2011 and 434 in 2012 and 2013. These reductions are partly offset by position increases of 124 in 2011, 110 in 2012 and 102 in 2013 due to primarily to the reinstatement of some service cuts that were originally planned to be implemented in the February Financial Plan and training float/availability adjustments.

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-time Positions/Full-time Equivalents**

| Function/Department               | 2009<br>Actual* | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012          | 2013          | 2014          |
|-----------------------------------|-----------------|------------------------------|-------------------------------|---------------|---------------|---------------|
| <b>Administration</b>             |                 |                              |                               |               |               |               |
| Office of the President           | -               | 13                           | 13                            | 13            | 13            | 13            |
| Law                               | -               | 260                          | 260                           | 260           | 260           | 260           |
| Office of the EVP                 | -               | 33                           | 32                            | 32            | 30            | 30            |
| Human Resources                   | -               | 309                          | 309                           | 168           | 168           | 168           |
| Office of Management and Budget   | -               | 39                           | 39                            | 39            | 39            | 39            |
| Capital Planning & Budget         | -               | 35                           | 35                            | 35            | 35            | 35            |
| Corporate Communications          | -               | 235                          | 235                           | 235           | 235           | 235           |
| AFC Program Management & Sales    | -               | 54                           | 54                            | 54            | 54            | 54            |
| Technology & Information Services | -               | 442                          | 426                           | 403           | 403           | 403           |
| Non-Departmental                  | -               | 42                           | 63                            | 63            | 63            | 63            |
| Labor Relations                   | -               | 72                           | 72                            | 72            | 72            | 72            |
| Materiel                          | -               | 237                          | 234                           | 234           | 232           | 232           |
| Controller                        | -               | 191                          | 147                           | 123           | 123           | 123           |
| <b>Total Administration</b>       | -               | <b>1,962</b>                 | <b>1,919</b>                  | <b>1,731</b>  | <b>1,727</b>  | <b>1,727</b>  |
| <b>Operations</b>                 |                 |                              |                               |               |               |               |
| Subways Service Delivery          | -               | 10,289                       | 10,245                        | 10,229        | 10,170        | 10,175        |
| Subways Oper. Support/Admin.      | -               | 338                          | 338                           | 338           | 338           | 338           |
| <b>Subtotal - Subways</b>         | -               | <b>10,627</b>                | <b>10,583</b>                 | <b>10,567</b> | <b>10,508</b> | <b>10,513</b> |
| Buses                             | -               | 10,137                       | 10,194                        | 10,189        | 10,181        | 10,181        |
| Paratransit                       | -               | 149                          | 148                           | 148           | 148           | 148           |
| Operations Planning               | -               | 369                          | 369                           | 369           | 369           | 369           |
| Revenue Control                   | -               | 423                          | 419                           | 419           | 419           | 419           |
| <b>Total Operations</b>           | -               | <b>21,705</b>                | <b>21,713</b>                 | <b>21,692</b> | <b>21,625</b> | <b>21,630</b> |
| <b>Maintenance</b>                |                 |                              |                               |               |               |               |
| Subways Service Delivery          | -               | 503                          | 503                           | 503           | 503           | 503           |
| Subways Oper. Support/Admin.      | -               | 193                          | 192                           | 192           | 192           | 192           |
| Subways Office of the SVP         | -               | 47                           | 44                            | 44            | 44            | 44            |
| Subways Engineering               | -               | 321                          | 293                           | 279           | 264           | 263           |
| Subways Car Equipment             | -               | 3,999                        | 3,997                         | 4,117         | 4,106         | 4,097         |
| Subways Infrastructure            | -               | 1,681                        | 1,615                         | 1,617         | 1,612         | 1,612         |
| Subways Stations                  | -               | 2,764                        | 2,762                         | 2,762         | 2,860         | 2,864         |
| Subways Track                     | -               | 2,741                        | 2,746                         | 2,745         | 2,745         | 2,745         |
| Subways Power                     | -               | 638                          | 585                           | 585           | 578           | 579           |
| Subways Signals                   | -               | 1,305                        | 1,269                         | 1,224         | 1,223         | 1,223         |
| Subways Electronics Maintenance   | -               | 1,396                        | 1,339                         | 1,338         | 1,335         | 1,324         |
| <b>Subtotal - Subways</b>         | -               | <b>15,588</b>                | <b>15,345</b>                 | <b>15,406</b> | <b>15,462</b> | <b>15,446</b> |
| Buses                             | -               | 3,686                        | 3,747                         | 3,757         | 3,824         | 3,866         |
| Revenue Control                   | -               | 137                          | 137                           | 137           | 137           | 137           |
| Supply Logistics                  | -               | 547                          | 547                           | 547           | 546           | 546           |
| System Safety                     | -               | 90                           | 90                            | 90            | 90            | 90            |
| <b>Total Maintenance</b>          | -               | <b>20,048</b>                | <b>19,866</b>                 | <b>19,937</b> | <b>20,059</b> | <b>20,085</b> |
| <b>Engineering/Capital</b>        |                 |                              |                               |               |               |               |
| Capital Program Management        | -               | 1,438                        | 1,438                         | 1,438         | 1,438         | 1,438         |
| <b>Total Engineering/Capital</b>  | -               | <b>1,438</b>                 | <b>1,438</b>                  | <b>1,438</b>  | <b>1,438</b>  | <b>1,438</b>  |
| <b>Public Safety</b>              |                 |                              |                               |               |               |               |
| Security                          | -               | 481                          | 467                           | 467           | 467           | 467           |
| <b>Total Public Safety</b>        | -               | <b>481</b>                   | <b>467</b>                    | <b>467</b>    | <b>467</b>    | <b>467</b>    |
| <b>Total Baseline Positions*</b>  | <b>48,216</b>   | <b>45,634</b>                | <b>45,403</b>                 | <b>45,265</b> | <b>45,316</b> | <b>45,347</b> |
| Non-Reimbursable                  | 45,368          | 40,288                       | 40,360                        | 40,304        | 40,453        | 40,486        |
| Reimbursable                      | 2,848           | 5,346                        | 5,043                         | 4,961         | 4,863         | 4,861         |
| Total Full-Time                   | 47,976          | 45,474                       | 45,243                        | 45,105        | 45,156        | 45,187        |
| Total Full-Time Equivalents       | 240             | 160                          | 160                           | 160           | 160           | 160           |

\*The July Financial Plan position data by category includes a recent major subways reorganization which also impacted other departments.  
2009 actual data by category is not available as it has not been restated.

**MTA New York City Transit**  
**July Financial Plan 2011-2014**  
**Total Positions by Function and Occupation**

| FUNCTION/OCCUPATIONAL GROUP       | 2009<br>Actual* | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012          | 2013          | 2014          |
|-----------------------------------|-----------------|------------------------------|-------------------------------|---------------|---------------|---------------|
| <b>Administration</b>             |                 |                              |                               |               |               |               |
| Managers/Supervisors              | -               | 628                          | 614                           | 584           | 580           | 580           |
| Professional, Technical, Clerical | -               | 1,269                        | 1,219                         | 1,062         | 1,062         | 1,062         |
| Operational Hourlies              | -               | 65                           | 86                            | 85            | 85            | 85            |
| <b>Total Administration</b>       | -               | <b>1,962</b>                 | <b>1,919</b>                  | <b>1,731</b>  | <b>1,727</b>  | <b>1,727</b>  |
| <b>Operations</b>                 |                 |                              |                               |               |               |               |
| Managers/Supervisors              | -               | 2,681                        | 2,649                         | 2,649         | 2,643         | 2,642         |
| Professional, Technical, Clerical | -               | 445                          | 439                           | 438           | 438           | 438           |
| Operational Hourlies              | -               | 18,579                       | 18,625                        | 18,605        | 18,544        | 18,550        |
| <b>Total Operations</b>           | -               | <b>21,705</b>                | <b>21,713</b>                 | <b>21,692</b> | <b>21,625</b> | <b>21,630</b> |
| <b>Maintenance</b>                |                 |                              |                               |               |               |               |
| Managers/Supervisors              | -               | 3,547                        | 3,516                         | 3,519         | 3,512         | 3,510         |
| Professional, Technical, Clerical | -               | 1,038                        | 989                           | 972           | 969           | 968           |
| Operational Hourlies              | -               | 15,463                       | 15,361                        | 15,446        | 15,578        | 15,607        |
| <b>Total Maintenance</b>          | -               | <b>20,048</b>                | <b>19,866</b>                 | <b>19,937</b> | <b>20,059</b> | <b>20,085</b> |
| <b>Engineering/Capital</b>        |                 |                              |                               |               |               |               |
| Managers/Supervisors              | -               | 324                          | 324                           | 324           | 324           | 324           |
| Professional, Technical, Clerical | -               | 1,112                        | 1,112                         | 1,112         | 1,112         | 1,112         |
| Operational Hourlies              | -               | 2                            | 2                             | 2             | 2             | 2             |
| <b>Total Engineering/Capital</b>  | -               | <b>1,438</b>                 | <b>1,438</b>                  | <b>1,438</b>  | <b>1,438</b>  | <b>1,438</b>  |
| <b>Public Safety</b>              |                 |                              |                               |               |               |               |
| Managers/Supervisors              | -               | 92                           | 92                            | 92            | 92            | 92            |
| Professional, Technical, Clerical | -               | 31                           | 31                            | 31            | 31            | 31            |
| Operational Hourlies              | -               | 358                          | 344                           | 344           | 344           | 344           |
| <b>Total Public Safety</b>        | -               | <b>481</b>                   | <b>467</b>                    | <b>467</b>    | <b>467</b>    | <b>467</b>    |
| <b>Total Positions</b>            |                 |                              |                               |               |               |               |
| Managers/Supervisors              | -               | 7,272                        | 7,195                         | 7,168         | 7,151         | 7,148         |
| Professional, Technical, Clerical | -               | 3,895                        | 3,790                         | 3,615         | 3,612         | 3,611         |
| Operational Hourlies              | -               | 34,467                       | 34,418                        | 34,482        | 34,553        | 34,588        |
| <b>Total Baseline Positions*</b>  | <b>48,216</b>   | <b>45,634</b>                | <b>45,403</b>                 | <b>45,265</b> | <b>45,316</b> | <b>45,347</b> |
| Non-Reimbursable                  | 45,368          | 40,288                       | 40,360                        | 40,304        | 40,453        | 40,486        |
| Reimbursable                      | 2,848           | 5,346                        | 5,043                         | 4,961         | 4,863         | 4,861         |
| Total Full-Time                   | 47,976          | 45,474                       | 45,243                        | 45,105        | 45,156        | 45,187        |
| Total Full-Time Equivalents       | 240             | 160                          | 160                           | 160           | 160           | 160           |

\*The July Financial Plan position data by category includes a recent major subways reorganization which also impacted other departments.  
2009 actual data by category is not available as it has not been restated.

**MTA Bus Company**

**MTA BUS COMPANY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014**

**HIGHLIGHTS OF OPERATIONS**

The mission of MTA Bus Company (MTA Bus) is to provide safe, reliable, convenient and efficient bus service throughout the boroughs of Manhattan, the Bronx, Brooklyn and Queens, as well as parts of Yonkers and western Nassau County.

MTA Bus operates the tenth largest transit fleet in the United States. Service is provided on 80 routes by over 1,290 local and express buses including 389 low floor hybrid electric buses and 231 CNG buses.

MTA Bus operates under an agreement with the City of New York which consolidated the operations of seven private bus companies. The agreement, approved by the MTA Board, stipulated that the City of New York will pay MTA Bus the difference between the actual cost of route service operations and all revenues and subsidies received by MTA Bus. Thus, the current costs of MTA Bus operations are 100% reimbursable by the City.

In 2008, a consolidation of operational responsibilities for MTA Bus, New York City Transit's Department of Buses (NYCT-DOB) and Long Island Bus (LI Bus) was initiated to streamline management and support functions, thereby providing all bus customers served by the MTA with the same level of service. Achievements to date include:

- Establishing a single management structure to set policy for all three companies and ensure coordination in all aspects of management and operations.
- Standardizing maintenance procedures and service manuals.
- Progressing the assimilation of information systems and standards.
- Unifying Bus Command Center functions of MTA Bus and NYCT DOB and increasing coordination with the LI Bus Command Center.
- Incorporating road operations management, which is now organized by geographic locale rather than by company.
- Ensuring effective and consistent training regimens across all three companies.
- Consolidating procurements to ensure the best terms are achieved.
- Sharing of fleet and facility resources (for example, MTA Bus can now lay over express buses in NYCT DOB facilities to reduce non-revenue miles and expenses).
- Economies from the joint bus scrap program.



## **FINANCIAL OVERVIEW**

The 2010 July forecast and projections for the years 2011-2014 reflect approved service reductions, restored Additional Actions for Budget Balance (AABB) items and the current Budget Reduction Programs (BRP's).

Currently, the main areas of focus are:

- Bus service and administration efficiencies
- Maintenance efficiencies
- Aggressive monitoring and control of overtime
- Inventory management
- Efficient management of procurements and operating/professional contracts

In late 2009, MTA Bus responded to the projected MTA 2010 budget gap by establishing the following AABB's to help balance the 2010 Adopted Budget, and part of the 2011 February Plan:

- Bus service adjustments with projected savings of 25 positions and \$1.4 million in 2010 and approximately \$2.8 million in 2011 and the out-years
  1. Discontinue Underused Routes
  2. Loading Guidelines Adjustments

The 2010 July Plan includes the distribution of these February AABB service reductions into the generic budget categories.

In early 2010 further deterioration of subsidy revenue projections at the MTA resulted in further increases in the budget gap. In response to this scenario, MTA Bus established several budget reduction actions as an integral part of the July 2010 Financial Plan process.

Actions implemented include 15% administrative reductions which have an annual savings of \$2.8 million in 2011 through 2014. In 2010, the net savings are \$40 thousand which include a nine month pro-rated administrative reduction of \$2.1 million offset by the February Plan cash furlough of \$2.0 million.

MTA Bus is focused on managing overtime usage and is committed to a series of tighter controls that will insure the achievement of the target savings of \$2.7 million in 2011 thru 2014.

An integral part of the 2010 July Plan are the BRP actions that have targeted annual savings of \$19.1 million in 2010, \$3.9 million in 2011 and 2012; and \$7.8 million in 2013 and 2014. The 2010 BRP Administrative savings primarily include the following programs:

- 15% Admin Reduction net impact of \$40 thousand (includes a nine month prorated allocation of \$2.1 million offset by the February Plan cash furlough of \$2.0 million)
- Shop Program-\$5.9 million
- Material & Contracts-\$3.3 million
- Facilities/Defer Staffing-\$2.9 million
- Hastus-\$2.5 million
- Traffic Checking & Passenger Environment Surveys-\$1.9 million
- Additional Administrative Position Reductions-\$1.0 million
- Shop Paint Reduction-\$0.6 million
- Transmission Recycling-\$0.3 million
- Health & Welfare-\$0.2 million
- Project Deferrals/IT-\$0.2 million
- Wheelchair Maintenance-\$0.2 million
- Bus Shifting Efficiencies-\$80 thousand
- Rapid Procurement -\$4 thousand

Other financial impacts include a 2009 cash timing adjustment of \$46.4 million in 2010, pension re-assessments ranging from \$5.3 million to \$5.7 million, a loss of advertising revenue of \$2.9 million in 2011 thru 2014, as well as inflation adjustments and severance costs. The cash timing of \$46.4 million represents the 2009 Actuals vs 2009 Final Budget Estimate variance. Details are referenced in the Plan-to-Plan changes section.

The July Plan projects farebox revenue to increase approximately 1.0% per year through 2014. BRP and AABB reduction programs have helped offset the cash timing expense impact as well as the increased pension re-assessment costs, inflation and the loss of advertising revenue.

Capital projects for upgrading facilities, purchasing depot equipment and replacing service vehicles are dependent on available funding, which is limited. Given the current funding levels in the 2011 – 2014 Capital Program, approximately 50 buses will have exceeded their twelve-year useful life and still be in revenue service at MTA Bus at the end of the 5-year period.

### **2010 Mid-Year Forecast**

Total revenue is projected to be \$188.2 million, of which \$165.5 million is expected from Farebox Revenue, \$17.7 million in Other Operating Revenue and \$5.0 million is Capital and Other Reimbursements. Overall, total revenue decreased by \$0.7 million compared with the February Plan.

MTA Bus Company's forecast reflects total baseline expenses of \$489.2 million before Depreciation and OPEB obligations. The baseline deficit increased by \$33.9 million from the February Plan which was primarily driven by:

*Non-Reimbursable Revenue Changes:*

- A re-estimate of farebox revenue based on ridership trends resulted in an increase of \$2.1 million in revenue
- A loss of advertising revenue of \$2.9 million

*Cost Reduction Savings:*

- Budget Reduction Program savings total \$19.1 million:
  - Shop Program of \$5.9 million
  - Material & Contracts of \$3.3 million
  - Facilities Staffing of \$3.0 million
  - Hastus of \$2.6 million
  - Traffic Checking & Passenger Environment Surveys of \$1.9 million
  - Other smaller elements subtotaling \$2.5 million

*Re-estimates/Technical Adjustments/Other:*

- Non-Reimbursable costs total \$5.9 million:
  - Pension re-assessment of \$5.3 million
  - Voluntary severance cost of \$0.4 million
  - Bus fuel-inflation of \$0.2 million

*Cash Adjustment changes:*

- Timing of 2009 results impacting 2010 totaling \$46.4 million (see details in Plan-to-Plan section)

## **2011 Preliminary Budget-Baseline**

Total revenue is projected to be \$191.7 million, of which \$167.2 million is expected from Farebox Revenue, \$18.8 million in Other Operating Revenue, and \$5.7 million is Capital and Other Reimbursements. This reflects a \$1.6 million decrease compared with the February Plan.

MTA Bus Company's forecast reflects total baseline expenses of \$515.6 million before Depreciation and OPEB obligations. The baseline deficit decreased by \$2.6 million from the February Plan which was primarily driven by the following:

*Non-Reimbursable Revenue Changes:*

- A re-estimate of farebox revenue based on ridership resulted in an increase of \$1.2 million
- A loss of advertising revenue of \$2.9 million

*Cost Reduction Savings:*

- Administration savings of \$2.8 million
- Overtime savings of \$2.7 million
- BRP savings total \$3.9 million due primarily to Project Deferrals/IT, Additional Administrative Position Reductions and Material and Contracts efficiencies.

*Re-estimates/Technical Adjustments/Other:*

- Non-Reimbursable costs total \$5.1 million:
  - Pension re-assessment cost of \$5.4 million
  - Bus fuel-inflation/other savings of \$0.3 million

**2012 – 2014 Projections**

The 2012 through 2014 total Revenue and total Expenses before Depreciation and OPEB obligation are as follows:

- Revenue:
  - 2012 - \$194.5 million of which farebox is \$169.7 million
  - 2013 - \$197.2 million of which farebox is \$171.9 million
  - 2014 - \$199.9 million of which farebox is \$174.1 million
- Expenses:
  - 2012 - \$531.7 million
  - 2013 - \$550.3 million
  - 2014 - \$564.2 million

Farebox revenue projections are based on a model that uses current economic data (employment) to forecast ridership levels that translates in revenue. Small increases in ridership and revenue is projected in each of the plan years. The revised advertising contract negatively impacts each of the plan years.

**MTA BUS COMPANY**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE</b>                                   |                    |                          |                           |                    |                    |                    |
|---|--------------------|--------------------------|---------------------------|--------------------|--------------------|--------------------|
|   | <b>2009</b>        | <b>2010</b>              | <b>2011</b>               |                    |                    |                    |
|   | <b>Actual</b>      | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
| <b>Operating Revenue</b>                                  |                    |                          |                           |                    |                    |                    |
| Farebox Revenue   | \$160.016          | \$165.498                | \$167.152                 | \$169.659          | \$171.865          | \$174.099          |
| Toll Revenue  | -                  | -                        | -                         | -                  | -                  | -                  |
| Other Operating Revenue                                   | 21.371             | 17.722                   | 18.841                    | 19.019             | 19.391             | 19.771             |
| Capital and Other Reimbursements                          | -                  | -                        | -                         | -                  | -                  | -                  |
| <b>Total Revenue</b>                                      | <b>\$181.387</b>   | <b>\$183.220</b>         | <b>\$185.993</b>          | <b>\$188.678</b>   | <b>\$191.256</b>   | <b>\$193.870</b>   |
| <b>Operating Expenses</b>                                 |                    |                          |                           |                    |                    |                    |
| <b><u>Labor:</u></b>                                      |                    |                          |                           |                    |                    |                    |
| Payroll   | \$196.974          | \$212.558                | \$222.313                 | \$227.676          | \$231.296          | \$233.078          |
| Overtime  | 53.812             | 44.329                   | 41.101                    | 42.047             | 43.013             | 42.311             |
| Health and Welfare  | 27.071             | 36.563                   | 40.114                    | 43.135             | 46.587             | 50.417             |
| OPEB Current Payment                                      | 12.360             | 13.230                   | 13.892                    | 14.586             | 15.315             | 16.081             |
| Pensions  | 29.174             | 29.484                   | 31.931                    | 34.094             | 34.763             | 35.457             |
| Other Fringe Benefits                                     | 19.626             | 21.866                   | 22.465                    | 22.972             | 23.662             | 22.811             |
| Reimbursable Overhead                                     | -                  | -                        | -                         | -                  | -                  | -                  |
| <b>Total Labor Expenses</b>                               | <b>\$339.017</b>   | <b>\$358.031</b>         | <b>\$371.815</b>          | <b>\$384.510</b>   | <b>\$394.639</b>   | <b>\$400.156</b>   |
| <b><u>Non-Labor:</u></b>                                  |                    |                          |                           |                    |                    |                    |
| Traction and Propulsion Power                             |                    |                          |                           |                    |                    |                    |
| Fuel for Buses and Trains                                 | \$28.634           | \$30.977                 | \$34.756                  | \$36.156           | \$37.517           | \$38.710           |
| Insurance   | 14.012             | 12.020                   | 13.195                    | 14.515             | 15.937             | 19.544             |
| Claims  | 25.300             | 23.000                   | 24.000                    | 25.000             | 26.000             | 27.000             |
| Paratransit Service Contracts                             | -                  | -                        | -                         | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts                 | 21.769             | 23.554                   | 24.973                    | 26.230             | 27.338             | 23.101             |
| Professional Service Contracts                            | 3.299              | 5.633                    | 4.204                     | 4.207              | 4.558              | 7.037              |
| Materials & Supplies                                      | 22.878             | 27.223                   | 30.727                    | 29.169             | 32.203             | 38.117             |
| Other Business Expenses                                   | 3.063              | 3.796                    | 6.206                     | 6.153              | 6.128              | 4.449              |
| <b>Total Non-Labor Expenses</b>                           | <b>\$118.955</b>   | <b>\$126.203</b>         | <b>\$138.061</b>          | <b>\$141.429</b>   | <b>\$149.681</b>   | <b>\$157.957</b>   |
| <b><u>Other Expenses Adjustments:</u></b>                 |                    |                          |                           |                    |                    |                    |
| Other   | -                  | -                        | -                         | -                  | -                  | -                  |
| <b>Total Other Expense Adjustments</b>                    | <b>\$0.000</b>     | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation &amp; GASB Adj.</b> | <b>\$457.972</b>   | <b>\$484.234</b>         | <b>\$509.877</b>          | <b>\$525.939</b>   | <b>\$544.320</b>   | <b>\$558.113</b>   |
| Depreciation  | \$36.469           | \$40.185                 | \$42.235                  | \$42.235           | \$42.235           | \$42.235           |
| OPEB Obligation   | 47.140             | 67.602                   | 68.521                    | 70.001             | 71.611             | 73.000             |
| Environmental Remediation                                 | 2.036              | -                        | -                         | -                  | -                  | -                  |
| <b>Total Expenses</b>                                     | <b>\$543.617</b>   | <b>\$592.021</b>         | <b>\$620.633</b>          | <b>\$638.175</b>   | <b>\$658.166</b>   | <b>\$673.348</b>   |
| <b>Baseline Surplus/(Deficit)</b>                         | <b>(\$362.230)</b> | <b>(\$408.801)</b>       | <b>(\$434.640)</b>        | <b>(\$449.497)</b> | <b>(\$466.910)</b> | <b>(\$479.478)</b> |

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**MTA BUS COMPANY**  
**July Financial Plan 2011 - 2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE / REIMBURSABLE</b>                    |                        |                                       |  |                    |                    |                    |
|---|------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
|   | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
| <b>Revenue</b>  |                        |                                       |  |                    |                    |                    |
| Farebox Revenue   | \$160.016              | \$165.498                             | \$167.152                              | \$169.659          | \$171.865          | \$174.099          |
| Toll Revenue  | -                      | -                                     | -                                      | -                  | -                  | -                  |
| Other Operating Revenue                                   | 21.371                 | 17.722                                | 18.841                                 | 19.019             | 19.391             | 19.771             |
| Capital and Other Reimbursements                          | 0.144                  | 4.989                                 | 5.683                                  | 5.807              | 5.935              | 6.052              |
| <b>Total Revenue</b>                                      | <b>\$181.531</b>       | <b>\$188.209</b>                      | <b>\$191.676</b>                       | <b>\$194.486</b>   | <b>\$197.191</b>   | <b>\$199.922</b>   |
| <b>Expenses</b>   |                        |                                       |  |                    |                    |                    |
| <b><u>Labor:</u></b>                                      |                        |                                       |  |                    |                    |                    |
| Payroll   | \$197.052              | \$216.292                             | \$226.553                              | \$232.008          | \$235.724          | \$237.592          |
| Overtime  | 53.812                 | 44.329                                | 41.101                                 | 42.047             | 43.013             | 42.311             |
| Health and Welfare  | 27.111                 | 37.211                                | 40.860                                 | 43.898             | 47.366             | 51.211             |
| OPEB Current Payment                                      | 12.360                 | 13.230                                | 13.892                                 | 14.586             | 15.315             | 16.081             |
| Pensions  | 29.194                 | 29.792                                | 32.287                                 | 34.457             | 35.135             | 35.837             |
| Other Fringe Benefits                                     | 19.632                 | 22.166                                | 22.806                                 | 23.321             | 24.020             | 23.175             |
| Reimbursable Overhead                                     | -                      | -                                     | -                                      | -                  | -                  | -                  |
| <b>Total Labor Expenses</b>                               | <b>\$339.161</b>       | <b>\$363.020</b>                      | <b>\$377.498</b>                       | <b>\$390.317</b>   | <b>\$400.573</b>   | <b>\$406.207</b>   |
| <b><u>Non-Labor:</u></b>                                  |                        |                                       |  |                    |                    |                    |
| Traction and Propulsion Power                             |                        |                                       |  |                    |                    |                    |
| Fuel for Buses and Trains                                 | \$28.634               | \$30.977                              | \$34.756                               | \$36.156           | \$37.517           | \$38.710           |
| Insurance   | 14.012                 | 12.020                                | 13.195                                 | 14.515             | 15.937             | 19.544             |
| Claims  | 25.300                 | 23.000                                | 24.000                                 | 25.000             | 26.000             | 27.000             |
| Paratransit Service Contracts                             | -                      | -                                     | -                                      | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts                 | 21.769                 | 23.554                                | 24.973                                 | 26.230             | 27.338             | 23.101             |
| Professional Service Contracts                            | 3.299                  | 5.633                                 | 4.204                                  | 4.207              | 4.558              | 7.037              |
| Materials & Supplies                                      | 22.878                 | 27.223                                | 30.727                                 | 29.169             | 32.203             | 38.117             |
| Other Business Expenses                                   | 3.063                  | 3.796                                 | 6.206                                  | 6.153              | 6.128              | 4.449              |
| <b>Total Non-Labor Expenses</b>                           | <b>\$118.955</b>       | <b>\$126.203</b>                      | <b>\$138.061</b>                       | <b>\$141.429</b>   | <b>\$149.681</b>   | <b>\$157.957</b>   |
| <b><u>Other Expenses Adjustments:</u></b>                 |                        |                                       |  |                    |                    |                    |
| Other   | \$0.000                | \$0.000                               | \$0.000                                | \$0.000            | \$0.000            | \$0.000            |
| <b>Total Other Expense Adjustments</b>                    | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenses before Depreciation &amp; GASB Adj.</b> | <b>\$458.116</b>       | <b>\$489.223</b>                      | <b>\$515.559</b>                       | <b>\$531.746</b>   | <b>\$550.254</b>   | <b>\$564.164</b>   |
| Depreciation  | \$36.469               | \$40.185                              | \$42.235                               | \$42.235           | \$42.235           | \$42.235           |
| OPEB Obligation   | 47.140                 | 67.602                                | 68.521                                 | 70.001             | 71.611             | 73.000             |
| Environmental Remediation                                 | 2.036                  | -                                     | -                                      | -                  | -                  | -                  |
| <b>Total Expenses</b>                                     | <b>\$543.761</b>       | <b>\$597.010</b>                      | <b>\$626.315</b>                       | <b>\$643.982</b>   | <b>\$664.100</b>   | <b>\$679.399</b>   |
| <b>Baseline Surplus/(Deficit)</b>                         | <b>(\$362.230)</b>     | <b>(\$408.801)</b>                    | <b>(\$434.640)</b>                     | <b>(\$449.497)</b> | <b>(\$466.909)</b> | <b>(\$479.477)</b> |

**MTA BUS COMPANY**  
**July Financial Plan 2011 - 2014**  
**Cash Receipts & Expenditures**  
(\$ in millions)

| <b>CASH RECEIPTS AND EXPENDITURES</b>        |                        |                                       |  |                    |                    |                    |
|--|------------------------|---------------------------------------|--|--------------------|--------------------|--------------------|
|  | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
| <b>Receipts</b>                              |                        |                                       |  |                    |                    |                    |
| Farebox Revenue                              | \$158.241              | \$165.498                             | \$167.152                              | \$169.659          | \$171.865          | \$174.099          |
| Other Operating Revenue                      | 22.041                 | 17.722                                | 18.841                                 | 19.019             | 19.391             | 19.771             |
| Capital and Other Reimbursements             | -                      | 10.538                                | 11.130                                 | 11.372             | 11.957             | 12.195             |
| <b>Total Receipts</b>                        | <b>\$180.282</b>       | <b>\$193.757</b>                      | <b>\$197.123</b>                       | <b>\$200.050</b>   | <b>\$203.213</b>   | <b>\$206.065</b>   |
| <b>Expenditures</b>                          |                        |                                       |  |                    |                    |                    |
| <b><u>Labor:</u></b>                         |                        |                                       |  |                    |                    |                    |
| Payroll                                      | \$206.176              | \$240.800                             | \$225.645                              | \$231.081          | \$234.776          | \$236.629          |
| Overtime                                     | 45.641                 | 46.122                                | 41.101                                 | 42.047             | 43.013             | 42.311             |
| Health and Welfare                           | 41.165                 | 37.124                                | 40.684                                 | 43.718             | 47.182             | 51.024             |
| OPEB Current Payment                         | 8.323                  | 13.230                                | 13.892                                 | 14.586             | 15.315             | 16.081             |
| Pensions                                     | 28.921                 | 30.733                                | 32.201                                 | 34.370             | 35.046             | 35.746             |
| Other Fringe Benefits                        | 20.030                 | 26.331                                | 22.731                                 | 23.244             | 23.941             | 23.095             |
| GASB Account                                 | -                      | 6.884                                 | 3.948                                  | 4.317              | 5.317              | 6.317              |
| Reimbursable Overhead                        | -                      | 0.000                                 | 0.000                                  | 0.000              | 0.000              | -                  |
| <b>Total Labor Expenditures</b>              | <b>\$350.256</b>       | <b>\$401.224</b>                      | <b>\$380.201</b>                       | <b>\$393.363</b>   | <b>\$404.591</b>   | <b>\$411.203</b>   |
| <b><u>Non-Labor:</u></b>                     |                        |                                       |  |                    |                    |                    |
| Traction and Propulsion Power                |                        |                                       |  |                    |                    |                    |
| Fuel for Buses and Trains                    | \$30.797               | \$30.977                              | \$34.756                               | \$36.156           | \$37.517           | \$38.710           |
| Insurance                                    | 1.610                  | 21.361                                | 13.195                                 | 14.515             | 15.937             | 19.544             |
| Claims                                       | 12.555                 | 13.045                                | 11.800                                 | 17.100             | 22.000             | 23.000             |
| Paratransit Service Contracts                | -                      | -                                     | -                                      | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts    | 26.903                 | 26.597                                | 30.975                                 | 32.361             | 33.937             | 29.830             |
| Professional Service Contracts               | 3.878                  | 6.741                                 | 4.204                                  | 4.207              | 4.558              | 7.037              |
| Materials & Supplies                         | 26.389                 | 27.223                                | 30.727                                 | 29.169             | 32.203             | 38.117             |
| Other Business Expenses                      | 2.513                  | 5.764                                 | 6.206                                  | 6.153              | 6.128              | 4.449              |
| <b>Total Non-Labor Expenditures</b>          | <b>\$104.645</b>       | <b>\$131.708</b>                      | <b>\$131.864</b>                       | <b>\$139.660</b>   | <b>\$152.281</b>   | <b>\$160.686</b>   |
| <b><u>Other Expenditure Adjustments:</u></b> |                        |                                       |  |                    |                    |                    |
| Other  | \$0.000                | \$0.000                               | \$0.000                                | \$0.000            | \$0.000            | \$0.000            |
| <b>Total Other Expenditure Adjustments</b>   | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Expenditures</b>                    | <b>\$454.901</b>       | <b>\$532.932</b>                      | <b>\$512.065</b>                       | <b>\$533.022</b>   | <b>\$556.872</b>   | <b>\$571.888</b>   |
| <b>Baseline Cash Deficit</b>                 | <b>(\$274.619)</b>     | <b>(\$339.175)</b>                    | <b>(\$314.942)</b>                     | <b>(\$332.972)</b> | <b>(\$353.659)</b> | <b>(\$365.824)</b> |



**MTA BUS COMPANY**  
**July Financial Plan 2011 - 2014**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

| <b>CASH FLOW ADJUSTMENTS</b>                                 |                        |                                       |  |                  |                  |                  |
|--|------------------------|---------------------------------------|--|------------------|------------------|------------------|
|  | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>      | <b>2013</b>      | <b>2014</b>      |
| <b>Receipts</b>  |                        |                                       |  |                  |                  |                  |
| Farebox Revenue  | (\$1.775)              | \$0.000                               | \$0.000                                | \$0.000          | \$0.000          | \$0.000          |
| Vehicle Toll Revenue   | -                      | -                                     | -                                      | -                | -                | -                |
| Other Operating Revenue                                      | 0.670                  | -                                     | -                                      | -                | -                | -                |
| Capital and Other Reimbursements                             | (0.144)                | 5.548                                 | 5.448                                  | 5.565            | 6.022            | 6.143            |
| <b>Total Receipts</b>  | <b>(\$1.249)</b>       | <b>\$5.548</b>                        | <b>\$5.448</b>                         | <b>\$5.565</b>   | <b>\$6.022</b>   | <b>\$6.143</b>   |
| <b>Expenditures</b>  |                        |                                       |  |                  |                  |                  |
| <b><u>Labor:</u></b>   |                        |                                       |  |                  |                  |                  |
| Payroll  | (\$9.124)              | (\$24.508)                            | \$0.908                                | \$0.928          | \$0.947          | \$0.962          |
| Overtime   | 8.171                  | (1.793)                               | -                                      | -                | -                | -                |
| Health and Welfare   | (14.054)               | 0.087                                 | 0.176                                  | 0.180            | 0.184            | 0.187            |
| OPEB Current Payment   | 4.037                  | -                                     | -                                      | -                | -                | -                |
| Pensions   | 0.273                  | (0.940)                               | 0.086                                  | 0.087            | 0.089            | 0.091            |
| Other Fringe Benefits  | (0.398)                | (4.165)                               | 0.075                                  | 0.077            | 0.079            | 0.080            |
| GASB Account   | -                      | (6.884)                               | (3.948)                                | (4.317)          | (5.317)          | (6.317)          |
| Reimbursable Overhead  | -                      | (0.000)                               | (0.000)                                | (0.000)          | (0.000)          | -                |
| <b>Total Labor Expenditures</b>                              | <b>(\$11.095)</b>      | <b>(\$38.203)</b>                     | <b>(\$2.703)</b>                       | <b>(\$3.046)</b> | <b>(\$4.018)</b> | <b>(\$4.997)</b> |
| <b><u>Non-Labor:</u></b>                                     |                        |                                       |  |                  |                  |                  |
| Traction and Propulsion Power                                |                        |                                       |  |                  |                  |                  |
| Fuel for Buses and Trains                                    | (\$2.163)              | \$0.000                               | \$0.000                                | \$0.000          | \$0.000          | \$0.000          |
| Insurance  | 12.402                 | (9.341)                               | -                                      | -                | -                | -                |
| Claims   | 12.745                 | 9.955                                 | 12.200                                 | 7.900            | 4.000            | 4.000            |
| Paratransit Service Contracts                                | -                      | -                                     | -                                      | -                | -                | -                |
| Maintenance and Other Operating Contracts                    | (5.134)                | (3.043)                               | (6.002)                                | (6.130)          | (6.599)          | (6.729)          |
| Professional Service Contracts                               | (0.579)                | (1.108)                               | -                                      | -                | -                | -                |
| Materials & Supplies   | (3.511)                | 0.000                                 | -                                      | -                | -                | -                |
| Other Business Expenditures                                  | 0.550                  | (1.968)                               | -                                      | -                | -                | -                |
| <b>Total Non-Labor Expenditures</b>                          | <b>\$14.310</b>        | <b>(\$5.506)</b>                      | <b>\$6.198</b>                         | <b>\$1.770</b>   | <b>(\$2.599)</b> | <b>(\$2.729)</b> |
| <b><u>Other Expenditures Adjustments:</u></b>                |                        |                                       |  |                  |                  |                  |
| Other  | \$0.000                | \$0.000                               | \$0.000                                | \$0.000          | \$0.000          | \$0.000          |
| <b>Total Other Expenditures Adjustments</b>                  | <b>\$0.000</b>         | <b>\$0.000</b>                        | <b>\$0.000</b>                         | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Total Cash Conversion Adjustments before Depreciation</b> | <b>\$1.966</b>         | <b>(\$38.161)</b>                     | <b>\$8.942</b>                         | <b>\$4.289</b>   | <b>(\$0.595)</b> | <b>(\$1.583)</b> |
| Depreciation Adjustment                                      | \$36.469               | \$40.185                              | \$42.235                               | \$42.235         | \$42.235         | \$42.235         |
| OPEB Obligation  | 47.140                 | 67.602                                | 68.521                                 | 70.001           | 71.611           | 73.000           |
| Environmental Remediation                                    | 2.036                  | -                                     | -                                      | -                | -                | -                |
| <b>Baseline Total Cash Conversion Adjustments</b>            | <b>\$87.611</b>        | <b>\$69.626</b>                       | <b>\$119.698</b>                       | <b>\$116.525</b> | <b>\$113.251</b> | <b>\$113.653</b> |

**MTA BUS COMPANY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
YEAR-TO-YEAR CHANGES BY CATEGORY – BASELINE**

**TOTAL REVENUE / RECEIPTS**

**Farebox Revenue**

- Annual changes in farebox revenue are based on year-to-date actual results, as well as local employment indicators.

**Other Operating Revenue**

- A change in the agency-wide advertising contract resulted in lower advertising revenue.

**Capital and Other Reimbursements**

- Annual reimbursement levels fluctuate year-to-year based on reimbursable expense levels driven mostly by capital project requirements.

**TOTAL EXPENSES / EXPENDITURES**

**Payroll**

- Payroll costs are impacted by the reduction programs as well as inflation assumptions which are the same as the February Plan.

**Overtime**

- Payroll wage rate increase assumptions apply but managing overtime is a major component of the expense reduction program. Annual changes reflect these initiatives.

**Health & Welfare**

- Inflation assumption for subsequent years (composite general inflators) is on average 7.0% (7.2% family, 6.7% individual).

**Pension**

- Pension rates remain unchanged – projections reflect the impact of changes in headcount, associated pay rates and the Budget Reduction Program.

## **Other Fringe Benefits**

- Projections are consistent with payroll rate assumptions.

## **Fuel for Buses and Trains**

- The 2010 Diesel fuel average price per gallon is \$2.44. Below are the projections:
  - 2011 = \$2.60 representing 7.0% increase compared to 2010.
  - 2012 = \$2.71 representing 4.2% increase compared to 2011.
  - 2013 = \$2.82 representing 3.8% increase compared to 2012.
  - 2014 = \$2.91 representing 3.2% increase compared to 2013.
- The 2010 CNG fuel average price per therm is \$1.34. Below are the projections:
  - 2011 = \$1.45 representing 8.3% increase compared to 2010.
  - 2012 = \$1.50 representing 3.6% increase compared to 2011.
  - 2013 = \$1.56 representing 3.4% increase compared to 2012.
  - 2014 = \$1.60 representing 3.2% increase compared to 2013.

## **Insurance**

- Annual changes were based on payment and policy renewal schedules.

## **Claims**

- Projections are consistent with the current third-party actuarial valuation.

## **Maintenance and Other Operating Contracts, Professional Service Contracts, Materials & Supplies and Other Business Expenses**

- 2011 – 2014 inflation assumptions are based upon Global Insight's estimates as follows:
  - 2011: 1.20%.
  - 2012: 2.13%.
  - 2013: 2.09%.
  - 2014: 1.74%.

## **Depreciation (non-cash)**

- Annual expense changes are due to projections of additional capital assets (e.g., buses) reaching beneficial use.

**MTA BUS COMPANY**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | Favorable/(Unfavorable) |                    |                       |                    |                       |                    |                       |                    |                       |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b>Revenue</b>   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue  | \$165.498               | \$167.152          | \$1.654               | \$169.659          | \$2.507               | \$171.865          | \$2.206               | \$174.099          | \$2.234               |
| Vehicle Toll Revenue                                     | -                       | -                  | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| Other Operating Revenue                                  | 17.722                  | 18.841             | 1.119                 | 19.019             | 0.178                 | 19.391             | 0.372                 | 19.771             | 0.380                 |
| Capital and Other Reimbursements                         | -                       | -                  | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| <b>Total Revenue</b>                                     | <b>\$183.220</b>        | <b>\$185.993</b>   | <b>\$2.773</b>        | <b>\$188.678</b>   | <b>\$2.685</b>        | <b>\$191.256</b>   | <b>\$2.578</b>        | <b>\$193.870</b>   | <b>\$2.614</b>        |
| <b>Expenses</b>  |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Labor:   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Payroll  | \$212.558               | \$222.313          | (\$9.755)             | \$227.676          | (\$5.363)             | \$231.296          | (\$3.621)             | \$233.078          | (\$1.782)             |
| Overtime   | 44.329                  | 41.101             | 3.228                 | 42.047             | (0.946)               | 43.013             | (0.967)               | 42.311             | 0.703                 |
| Health and Welfare                                       | 36.563                  | 40.114             | (3.551)               | 43.135             | (3.021)               | 46.587             | (3.452)               | 50.417             | (3.830)               |
| OPEB Current Payment                                     | 13.230                  | 13.892             | (0.662)               | 14.586             | (0.695)               | 15.315             | (0.729)               | 16.081             | (0.766)               |
| Pensions   | 29.484                  | 31.931             | (2.447)               | 34.094             | (2.163)               | 34.763             | (0.670)               | 35.457             | (0.694)               |
| Other Fringe Benefits                                    | 21.866                  | 22.465             | (0.599)               | 22.972             | (0.508)               | 23.662             | (0.690)               | 22.811             | 0.852                 |
| Reimbursable Overhead                                    | -                       | -                  | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| <b>Total Labor Expenses</b>                              | <b>\$358.031</b>        | <b>\$371.815</b>   | <b>(\$13.785)</b>     | <b>\$384.510</b>   | <b>(\$12.695)</b>     | <b>\$394.639</b>   | <b>(\$10.128)</b>     | <b>\$400.156</b>   | <b>(\$5.517)</b>      |
| Non-Labor:   |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Traction and Propulsion Power                            |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Fuel for Buses and Trains                                | \$30.977                | \$34.756           | (\$3.779)             | \$36.156           | (\$1.399)             | \$37.517           | (\$1.362)             | \$38.710           | (\$1.193)             |
| Insurance  | 12.020                  | 13.195             | (1.175)               | 14.515             | (1.320)               | 15.937             | (1.422)               | 19.544             | (3.607)               |
| Claims   | 23.000                  | 24.000             | (1.000)               | 25.000             | (1.000)               | 26.000             | (1.000)               | 27.000             | (1.000)               |
| Paratransit Service Contracts                            | -                       | -                  | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| Maintenance and Other Operating Contracts                | 23.554                  | 24.973             | (1.419)               | 26.230             | (1.258)               | 27.338             | (1.107)               | 23.101             | 4.237                 |
| Professional Service Contracts                           | 5.633                   | 4.204              | 1.429                 | 4.207              | (0.003)               | 4.558              | (0.351)               | 7.037              | (2.478)               |
| Materials & Supplies                                     | 27.223                  | 30.727             | (3.504)               | 29.169             | 1.558                 | 32.203             | (3.034)               | 38.117             | (5.914)               |
| Other Business Expenses                                  | 3.796                   | 6.206              | (2.410)               | 6.153              | 0.053                 | 6.128              | 0.025                 | 4.449              | 1.679                 |
| <b>Total Non-Labor Expenses</b>                          | <b>\$126.203</b>        | <b>\$138.061</b>   | <b>(\$11.859)</b>     | <b>\$141.429</b>   | <b>(\$3.368)</b>      | <b>\$149.681</b>   | <b>(\$8.252)</b>      | <b>\$157.957</b>   | <b>(\$8.276)</b>      |
| Other Expenses Adjustments:                              |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Other  | \$0.000                 | \$0.000            | \$0.000               | \$0.000            | \$0.000               | \$0.000            | \$0.000               | \$0.000            | \$0.000               |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>          | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$484.234</b>        | <b>\$509.877</b>   | <b>(\$25.643)</b>     | <b>\$525.939</b>   | <b>(\$16.063)</b>     | <b>\$544.320</b>   | <b>(\$18.380)</b>     | <b>\$558.113</b>   | <b>(\$13.793)</b>     |
| Depreciation   | \$40.185                | \$42.235           | (\$2.050)             | \$42.235           | \$0.000               | \$42.235           | \$0.000               | \$42.235           | \$0.000               |
| OPEB Obligation  | 67.602                  | 68.521             | (0.919)               | 70.001             | (1.480)               | 71.611             | (1.610)               | 73.000             | (1.389)               |
| Environmental Remediation                                | -                       | -                  | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| <b>Total Expenses</b>                                    | <b>\$592.021</b>        | <b>\$620.633</b>   | <b>(\$28.612)</b>     | <b>\$638.175</b>   | <b>(\$17.543)</b>     | <b>\$658.166</b>   | <b>(\$19.990)</b>     | <b>\$673.348</b>   | <b>(\$15.182)</b>     |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$408.801)</b>      | <b>(\$434.640)</b> | <b>(\$25.839)</b>     | <b>(\$449.497)</b> | <b>(\$14.857)</b>     | <b>(\$466.910)</b> | <b>(\$17.413)</b>     | <b>(\$479.478)</b> | <b>(\$12.569)</b>     |

## REIMBURSABLE

[illegible]

**MTA BUS COMPANY**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**CASH RECEIPTS AND EXPENDITURES**

|  | Favorable/(Unfavorable) |                    |                       |                    |                       |                    |                       |                    |                       |
|--|-------------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 2010                    | 2011               | Change<br>2011 - 2010 | 2012               | Change<br>2012 - 2011 | 2013               | Change<br>2013 - 2012 | 2014               | Change<br>2014 - 2013 |
| <b><u>Receipts</u></b>                     |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Farebox Revenue                            | \$165.498               | \$167.152          | \$1.654               | \$169.659          | \$2.507               | \$171.865          | \$2.206               | \$174.099          | \$2.234               |
| Vehicle Toll Revenue                       | -                       | -                  | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| Other Operating Revenue                    | 17.722                  | 18.841             | 1.119                 | 19.019             | 0.178                 | 19.391             | 0.372                 | 19.771             | 0.380                 |
| Capital and Other Reimbursements           | 10.538                  | 11.130             | 0.593                 | 11.372             | 0.242                 | 11.957             | 0.585                 | 12.195             | 0.238                 |
| <b>Total Receipts</b>                      | <b>\$193.757</b>        | <b>\$197.123</b>   | <b>\$3.366</b>        | <b>\$200.050</b>   | <b>\$2.927</b>        | <b>\$203.213</b>   | <b>\$3.163</b>        | <b>\$206.065</b>   | <b>\$2.852</b>        |
| <b><u>Expenditures</u></b>                 |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Labor:                                     |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Payroll                                    | \$240.800               | \$225.645          | \$15.155              | \$231.081          | (\$5.436)             | \$234.776          | (\$3.695)             | \$236.629          | (\$1.853)             |
| Overtime                                   | 46.122                  | 41.101             | 5.021                 | 42.047             | (0.946)               | 43.013             | (0.967)               | 42.311             | 0.703                 |
| Health and Welfare                         | 37.124                  | 40.684             | (3.560)               | 43.718             | (3.033)               | 47.182             | (3.465)               | 51.024             | (3.842)               |
| OPEB Current Payment                       | 13.230                  | 13.892             | (0.662)               | 14.586             | (0.695)               | 15.315             | (0.729)               | 16.081             | (0.766)               |
| Pensions                                   | 30.733                  | 32.201             | (1.468)               | 34.370             | (2.169)               | 35.046             | (0.676)               | 35.746             | (0.700)               |
| Other Fringe Benefits                      | 26.331                  | 22.731             | 3.600                 | 23.244             | (0.514)               | 23.941             | (0.696)               | 23.095             | 0.846                 |
| GASB Account                               | 6.884                   | 3.948              | 2.936                 | 4.317              | (0.369)               | 5.317              | (1.000)               | 6.317              | (1.000)               |
| Reimbursable Overhead                      | 0.000                   | 0.000              | (0.000)               | 0.000              | (0.000)               | 0.000              | 0.000                 | -                  | 0.000                 |
| <b>Total Labor Expenditures</b>            | <b>\$401.224</b>        | <b>\$380.201</b>   | <b>\$21.022</b>       | <b>\$393.363</b>   | <b>(\$13.162)</b>     | <b>\$404.591</b>   | <b>(\$11.228)</b>     | <b>\$411.203</b>   | <b>(\$6.612)</b>      |
| Non-Labor:                                 |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Traction and Propulsion Power              |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Fuel for Buses and Trains                  | \$30.977                | \$34.756           | (\$3.779)             | \$36.156           | (\$1.399)             | \$37.517           | (\$1.362)             | \$38.710           | (\$1.193)             |
| Insurance                                  | 21.361                  | 13.195             | 8.166                 | 14.515             | (1.320)               | 15.937             | (1.422)               | 19.544             | (3.607)               |
| Claims                                     | 13.045                  | 11.800             | 1.245                 | 17.100             | (5.300)               | 22.000             | (4.900)               | 23.000             | (1.000)               |
| Paratransit Service Contracts              | -                       | -                  | -                     | -                  | -                     | -                  | -                     | -                  | -                     |
| Maintenance and Other Operating Contracts  | 26.597                  | 30.975             | (4.378)               | 32.361             | (1.386)               | 33.937             | (1.577)               | 29.830             | 4.108                 |
| Professional Service Contracts             | 6.741                   | 4.204              | 2.537                 | 4.207              | (0.003)               | 4.558              | (0.351)               | 7.037              | (2.478)               |
| Materials & Supplies                       | 27.223                  | 30.727             | (3.504)               | 29.169             | 1.558                 | 32.203             | (3.034)               | 38.117             | (5.914)               |
| Other Business Expenses                    | 5.764                   | 6.206              | (0.442)               | 6.153              | 0.053                 | 6.128              | 0.025                 | 4.449              | 1.679                 |
| <b>Total Non-Labor Expenditures</b>        | <b>\$131.708</b>        | <b>\$131.864</b>   | <b>(\$0.155)</b>      | <b>\$139.660</b>   | <b>(\$7.796)</b>      | <b>\$152.281</b>   | <b>(\$12.621)</b>     | <b>\$160.686</b>   | <b>(\$8.405)</b>      |
| Other Expenditure Adjustments:             |                         |                    |                       |                    |                       |                    |                       |                    |                       |
| Other                                      | \$0.000                 | \$0.000            | \$0.000               | \$0.000            | \$0.000               | \$0.000            | \$0.000               | \$0.000            | \$0.000               |
| <b>Total Other Expenditure Adjustments</b> | <b>\$0.000</b>          | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        | <b>\$0.000</b>     | <b>\$0.000</b>        |
| <b>Total Expenditures</b>                  | <b>\$532.932</b>        | <b>\$512.065</b>   | <b>\$20.867</b>       | <b>\$533.022</b>   | <b>(\$20.957)</b>     | <b>\$556.872</b>   | <b>(\$23.849)</b>     | <b>\$571.888</b>   | <b>(\$15.017)</b>     |
| <b>Baseline Cash Deficit</b>               | <b>(\$339.175)</b>      | <b>(\$314.942)</b> | <b>\$24.233</b>       | <b>(\$332.972)</b> | <b>(\$18.030)</b>     | <b>(\$353.659)</b> | <b>(\$20.687)</b>     | <b>(\$365.824)</b> | <b>(\$12.165)</b>     |

**MTA BUS COMPANY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

**2010: July Financial Plan vs. February Financial Plan**

**Revenue and Expense Changes**

Total 2010 revenue of \$188.2 million versus expenses before depreciation of \$489.2 million resulted in a change from the February Plan, comprised mostly of:

- Revenue - \$0.7 million decrease resulting from a farebox re-estimate of \$2.0 million offset by a loss of \$2.9 million from advertising revenue.
- Fuel – \$0.2 million in costs based on current pricing forecasts.
- Program changes – BRP savings of \$19.1 million. Pension re-assessment of \$5.3 million and severance costs of \$0.4 million.

**Reimbursable Changes**

The reimbursable budget for MTA Bus includes in-house labor needed to manage, inspect and support facility projects from initial concept through final completion. It also includes the purchase of capital vehicles and equipment, which will be paid initially by the operating budget and then reimbursed from the Capital Program. Labor increased by \$30 thousand. Non-labor is being reduced by \$2.9 million in maintenance and other operating contracts. These expenses should not be reflected in the MTA Bus operating budget.

**Cash Adjustments**

Cash for all plans mirror the Non-reimbursable / Reimbursable accrual tables, however, the following \$46.4 million cash adjustment was made in 2010 only and represents the cash timing of the 2009 Actuals vs 2009 Final Budget Estimate variance.

Major changes include:

- \$25.6 million in retro-active wage adjustments for all hourly union employees
- \$1.8 million in overtime
- \$4.2 million in other fringe benefits
- \$1.0 million in pension costs based on a third-party actuarial evaluation
- \$9.3 million in insurance
- \$0.6 million in claims
- \$0.2 million in maintenance and other operating contracts
- \$1.1 million in professional service contracts
- \$2.0 million in other business expenses
- \$3.3 million in GASB
- (\$2.7) million in capital and other reimbursements

## **2011-2013: July Financial Plan vs. February Financial Plan**

### **Revenue and Expense Changes**

#### 2011

\$1.6 million lower revenue offset with non-revenue expense savings of \$4.2 million compared to the February Plan total baseline deficit decrease of \$2.6 million. The savings are primarily driven by the BRPs, Administrative Position Reduction and Overtime.

#### Reimbursable Changes

Labor is being increased by \$0.6 million while non labor is being reduced by \$6.0 million. These expenses should not be reflected in the MTA Bus operating budget.

#### 2012

\$1.6 million lower revenue offset by expense savings of \$4.0 million compared to the February Plan total baseline deficit decrease of \$2.4 million. The savings are primarily driven by the BRPs, Administrative Position Reductions and Overtime.

#### 2013

\$1.2 million lower revenue offset by non-revenue expense savings of \$7.7 million compared to the February Plan total baseline deficit decrease of \$6.5 million. The savings are primarily driven by the BRPs, Administrative Position Reductions and Overtime.



**MTA BUS COMPANY**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

|  | 2010               | 2011               | 2012               | 2013               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>(\$305.272)</b> | <b>(\$317.563)</b> | <b>(\$335.407)</b> | <b>(\$360.130)</b> |
| <b>Baseline Changes</b>  |                    |                    |                    |                    |
| <b>Revenue</b>   |                    |                    |                    |                    |
| Farebox Revenue  | \$2.040            | \$0.964            | \$1.027            | \$1.395            |
| Reduced Fare/Toll Increase   |                    |                    |                    |                    |
| Additional Actions for Budget Balance: Revenue Impact                          | 0.131              | 0.261              | 0.267              | 0.273              |
| Vehicle Toll Revenue   |                    |                    |                    |                    |
| Other Operating Revenue  | (2.858)            | (2.858)            | (2.858)            | (2.858)            |
| Capital and Other Reimbursements   | -                  | -                  | -                  | -                  |
| <b>Total Revenue Changes</b>   | <b>(\$0.688)</b>   | <b>(\$1.633)</b>   | <b>(\$1.564)</b>   | <b>(\$1.190)</b>   |
| <b>Expenses</b>  |                    |                    |                    |                    |
| <b>Labor:</b>  |                    |                    |                    |                    |
| Payroll  | \$7.176            | \$5.730            | \$5.773            | \$9.670            |
| Overtime   | 0.731              | 3.536              | 3.536              | 3.536              |
| Health and Welfare   | 1.628              | 1.105              | 1.113              | 1.118              |
| OPEB Current Payment   | -                  | -                  | -                  | -                  |
| Pensions   | (4.586)            | (4.857)            | (4.970)            | (5.084)            |
| Other Fringe Benefits  | 0.698              | 0.619              | 0.625              | 0.628              |
| Reimbursable Overhead  | (0.590)            | (0.690)            | (0.705)            | (0.721)            |
| <b>Total Labor Expense Changes</b>   | <b>\$5.057</b>     | <b>\$5.443</b>     | <b>\$5.371</b>     | <b>\$9.147</b>     |
| <b>Non-Labor:</b>  |                    |                    |                    |                    |
| Traction and Propulsion Power  |                    |                    |                    |                    |
| Fuel for Buses and Trains  | \$0.151            | \$0.684            | \$0.615            | \$0.332            |
| Insurance  | -                  | -                  | -                  | -                  |
| Claims   | -                  | -                  | -                  | -                  |
| Paratransit Service Contracts  | -                  | -                  | -                  | -                  |
| Maintenance and Other Operating Contracts                                      | 0.342              | 0.317              | 0.290              | 0.338              |
| Professional Service Contracts   | 2.955              | 0.006              | 0.001              | 0.024              |
| Materials & Supplies   | 3.142              | 0.081              | 0.054              | 0.168              |
| Other Business Expenses  | 2.481              | 0.009              | 0.002              | 0.013              |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$9.071</b>     | <b>\$1.096</b>     | <b>\$0.962</b>     | <b>\$0.875</b>     |
| Other Expenditure Adjustments:   |                    |                    |                    |                    |
| Other  | -                  | -                  | -                  | -                  |
| <b>Total Other Expenditure Adjustments</b>                                     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Gap Closing Actions:</b>  |                    |                    |                    |                    |
| Additional Actions for Budget Balance: Expense Impact                          | (1.488)            | (2.975)            | (3.039)            | (3.081)            |
| <b>Total Gap Closing Actions</b>   | <b>(\$1.488)</b>   | <b>(\$2.975)</b>   | <b>(\$3.039)</b>   | <b>(\$3.081)</b>   |
| <i>Total Expenses before Depreciation and GASB Adjs.</i>                       |                    |                    |                    |                    |
| Depreciation   | -                  | -                  | -                  | -                  |
| OPEB Obligation  | -                  | -                  | -                  | -                  |
| Environmental Remediation  | -                  | -                  | -                  | -                  |
| <b>Total Expense Changes</b>   | <b>\$12.640</b>    | <b>\$3.565</b>     | <b>\$3.294</b>     | <b>\$6.941</b>     |
| <b>Reimbursable Adjustment Changes</b>   |                    |                    |                    |                    |
| <b>Revenue:</b>  |                    |                    |                    |                    |
|  |                    |                    |                    |                    |
| <b>Expenses:</b>   |                    |                    |                    |                    |
| Reimbursable Overhead Adjustments  | 0.590              | 0.690              | 0.705              | 0.721              |
| <b>Total Expense Changes</b>   | <b>\$0.590</b>     | <b>\$0.690</b>     | <b>\$0.705</b>     | <b>\$0.721</b>     |
| Timing of 2009 Results Impacting 2010  | (\$46.445)         |                    |                    |                    |
| <b>Total Cash Adjustment Changes</b>   | <b>(\$45.855)</b>  | <b>\$0.690</b>     | <b>\$0.705</b>     | <b>\$0.721</b>     |
| <b>Total Baseline Changes</b>  | <b>(\$33.903)</b>  | <b>\$2.622</b>     | <b>\$2.435</b>     | <b>\$6.472</b>     |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$339.175)</b> | <b>(\$314.942)</b> | <b>(\$332.972)</b> | <b>(\$353.659)</b> |

**MTA BUS COMPANY**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

|  | 2010             | 2011             | 2012             | 2013             |
|--|------------------|------------------|------------------|------------------|
| <b>Baseline 2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Baseline Changes</b>  |                  |                  |                  |                  |
| <b>Revenue</b>   |                  |                  |                  |                  |
| Farebox Revenue  | -                | -                | -                | -                |
| Vehicle Toll Revenue   | -                | -                | -                | -                |
| Capital and Other Reimbursements   | (2.860)          | (5.448)          | (5.565)          | (6.021)          |
| <b>Total Revenue Changes</b>   | <b>(\$2.860)</b> | <b>(\$5.448)</b> | <b>(\$5.565)</b> | <b>(\$6.021)</b> |
| <b>Expenses</b>  |                  |                  |                  |                  |
| <b>Labor:</b>  |                  |                  |                  |                  |
| Payroll  | (\$0.449)        | (\$0.908)        | (\$0.927)        | (\$0.947)        |
| Overtime   | -                | -                | -                | -                |
| Health and Welfare   | (0.087)          | (0.176)          | (0.181)          | (0.185)          |
| OPEB Current Payment   | -                | -                | -                | -                |
| Pensions   | (0.042)          | (0.086)          | (0.087)          | (0.089)          |
| Other Fringe Benefits  | (0.037)          | (0.075)          | (0.077)          | (0.079)          |
| Reimbursable Overhead  | 0.590            | 0.690            | 0.705            | 0.721            |
| <b>Total Labor Expense Changes</b>   | <b>(\$0.025)</b> | <b>(\$0.555)</b> | <b>(\$0.567)</b> | <b>(\$0.579)</b> |
| <b>Non-Labor:</b>  |                  |                  |                  |                  |
| Traction and Propulsion Power  | -                | -                | -                | -                |
| Fuel for Buses and Trains  | -                | -                | -                | -                |
| Insurance  | -                | -                | -                | -                |
| Claims   | -                | -                | -                | -                |
| Paratransit Service Contracts  | -                | -                | -                | -                |
| Maintenance and Other Operating Contracts                                      | 2.885            | 6.002            | 6.132            | 6.601            |
| Professional Service Contracts   | -                | -                | -                | -                |
| Materials & Supplies   | -                | -                | -                | -                |
| Other Business Expenses  | -                | -                | -                | -                |
| <b>Total Non-Labor Expense Changes</b>   | <b>\$2.885</b>   | <b>\$6.002</b>   | <b>\$6.132</b>   | <b>\$6.601</b>   |
| <i>Total Expenses before Depreciation</i>                                      |                  |                  |                  |                  |
| Depreciation   |                  |                  |                  |                  |
| <b>Total Expense Changes</b>   | <b>\$2.860</b>   | <b>\$5.448</b>   | <b>\$5.565</b>   | <b>\$6.022</b>   |
| <b>Cash Adjustment Changes</b>   |                  |                  |                  |                  |
| <b>Total Cash Adjustment Changes</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Total Baseline Changes</b>  | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |
| <b>Baseline 2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   | <b>\$0.000</b>   |

**MTA BUS COMPANY**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**TOTAL NON-REIMBURSABLE and REIMBURSABLE**

|   | 2010               | 2011               | 2012               | 2013               |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>2010 February Financial Plan - Operating Cash Income/(Deficit)</b> | <b>(\$305.272)</b> | <b>(\$317.563)</b> | <b>(\$335.407)</b> | <b>(\$360.130)</b> |
| <b><i>Non-Reimbursable Major Changes</i></b>                          |                    |                    |                    |                    |
| <b>Revenue</b>  |                    |                    |                    |                    |
| Farebox Revenue   | \$2.039            | \$0.964            | \$1.026            | \$1.395            |
| Additional Actions for Budget Balance: Revenue Impact                 | 0.131              | 0.261              | 0.267              | 0.273              |
| Vehicle Toll Revenue  |                    |                    |                    |                    |
| Other Operating Revenue   | (2.858)            | (2.858)            | (2.858)            | (2.858)            |
| Capital and Other Reimbursements                                      |                    |                    |                    |                    |
| <b>Sub-Total Non-Reimbursable Revenue Changes</b>                     | <b>(\$0.688)</b>   | <b>(\$1.633)</b>   | <b>(\$1.565)</b>   | <b>(\$1.190)</b>   |
| <b>Expenses</b>   |                    |                    |                    |                    |
| <b>Cost Reduction Programs:</b>                                       |                    |                    |                    |                    |
| 2010 Budget Reduction Program   | \$19.135           | \$3.902            | \$3.902            | \$7.781            |
| Administration  | 0.039              | 2.811              | 2.811              | 2.811              |
| Additional Reductions in Overtime                                     | -                  | 2.717              | 2.717              | 2.717              |
| <b>Sub-Total Cost Reduction Programs</b>                              | <b>\$19.174</b>    | <b>\$9.430</b>     | <b>\$9.430</b>     | <b>\$13.309</b>    |
| <b>Major Re-estimates/Technical Adjustments/Other:</b>                |                    |                    |                    |                    |
| Pension Reassessment  | (\$5.307)          | (\$5.414)          | (\$5.529)          | (\$5.644)          |
| Bus Fuel-Inflation Update   | (0.216)            | 0.144              | 0.072              | (0.213)            |
| Voluntary Severance Costs   | (0.421)            | -                  | -                  | -                  |
| All Other   | -                  | 0.094              | 0.027              | 0.209              |
| <b>Sub-Total Non-Reimbursable Expense Changes</b>                     | <b>\$13.230</b>    | <b>\$4.254</b>     | <b>\$4.000</b>     | <b>\$7.661</b>     |
| <b>Total Non-Reimbursable Major Changes</b>                           | <b>\$12.542</b>    | <b>\$2.621</b>     | <b>\$2.435</b>     | <b>\$6.471</b>     |
| <b><i>Reimbursable Major Changes</i></b>                              |                    |                    |                    |                    |
| <b>Revenue</b>  |                    |                    |                    |                    |
| <b>Sub-Total Reimbursable Revenue Changes</b>                         | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Expenses</b>   |                    |                    |                    |                    |
| <b>Sub-Total Reimbursable Expense Changes</b>                         | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Reimbursable Major Changes</b>                               | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Accrual Changes</b>  | <b>\$12.542</b>    | <b>\$2.621</b>     | <b>\$2.435</b>     | <b>\$6.471</b>     |
| <b><i>Cash Adjustment Changes</i></b>                                 |                    |                    |                    |                    |
| Timing of 2009 Results Impacting 2010                                 | (46.445)           | -                  | -                  | -                  |
| <b>Total Cash Adjustment Changes</b>                                  | <b>(\$46.445)</b>  | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Baseline Changes</b>   | <b>(\$33.903)</b>  | <b>\$2.621</b>     | <b>\$2.435</b>     | <b>\$6.471</b>     |
| <b>Total Changes</b>  | <b>(\$33.903)</b>  | <b>\$2.621</b>     | <b>\$2.435</b>     | <b>\$6.471</b>     |
| <b>2010 July Financial Plan - Operating Cash Income/(Deficit)</b>     | <b>(\$339.175)</b> | <b>(\$314.942)</b> | <b>(\$332.972)</b> | <b>(\$353.659)</b> |

**MTA BUS COMPANY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014  
RIDERSHIP / UTILIZATION**

**Fixed Route Ridership:**

As of May 2010 year-to-date, utilization has declined 2.0% below comparable 2009 actuals. The cause of the year-to-date decline is partly due to inclement February weather that negatively affected ridership and farebox revenue. The July Plan ridership projections reflect an average 1.0% annual increase in 2011 through 2014.

Compared to the February Plan, July Plan ridership has remained consistent with small variances through 2014. The forecast is based on the May 2010 Global Insight Employment Forecast, which projects employment growth in 2012-2013 compared to the September 2009 forecast used in the February Plan.

**Revenue:**

Recent changes to the economic and employment outlook in the New York region shows improvements and as such revenue farebox projections reflect these increases. Compared to the February Plan, the July Plan revenue has increased 1.0% a year in 2011 through 2014.

**MTA Bus Company**  
**July Financial Plan 2011-2014**  
**Ridership/(Utilization)**  
(in millions)

|  | 2009   | 2010                 | 2011                  |      |      |      |
|--|--------|----------------------|-----------------------|------|------|------|
|  | Actual | Mid-Year<br>Forecast | Preliminary<br>Budget | 2012 | 2013 | 2014 |

**RIDERSHIP**

|             |         |         |         |         |         |         |
|-------------|---------|---------|---------|---------|---------|---------|
| Fixed Route | 119.993 | 118.320 | 119.503 | 121.295 | 122.872 | 124.469 |
|-------------|---------|---------|---------|---------|---------|---------|

|                                 |                |                |                |                |                |                |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Baseline Total Ridership</b> | <b>119.993</b> | <b>118.320</b> | <b>119.503</b> | <b>121.295</b> | <b>122.872</b> | <b>124.469</b> |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|

**FAREBOX REVENUE**

|             |           |           |           |           |           |           |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fixed Route | \$160.016 | \$165.498 | \$167.152 | \$169.659 | \$171.865 | \$174.099 |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|

|                               |                  |                  |                  |                  |                  |                  |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Baseline Total Revenue</b> | <b>\$160.016</b> | <b>\$165.498</b> | <b>\$167.152</b> | <b>\$169.659</b> | <b>\$171.865</b> | <b>\$174.099</b> |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|

**MTA BUS COMPANY**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Program (BRP) Summary**  
(\$ in millions)

|  | Favorable/(Unfavorable) |                 |             |                |             |                |             |                |             |                |
|--|-------------------------|-----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
|  | <u>Pos.</u>             | <u>2010</u>     | <u>Pos.</u> | <u>2011</u>    | <u>Pos.</u> | <u>2012</u>    | <u>Pos.</u> | <u>2013</u>    | <u>Pos.</u> | <u>2014</u>    |
| <u>Administration</u>                            |                         |                 |             |                |             |                |             |                |             |                |
| Project Deferrals/IT                             | -                       | 0.171           | 7           | 1.779          | 7           | 1.779          | 7           | 1.779          | 7           | 1.779          |
| Defer Staffing                                   | 32                      | 2.973           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Rapid Procurement                                | -                       | 0.004           | -           | 0.007          | -           | 0.007          | -           | 0.003          | -           | 0.003          |
| Health & Welfare                                 | -                       | 0.249           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Staff Reductions                                 | 15                      | 0.938           | 4           | 0.749          | 4           | 0.749          | 4           | 0.749          | 4           | 0.749          |
| <i>Subtotal Administration</i>                   | 47                      | 4.335           | 11          | 2.535          | 11          | 2.535          | 11          | 2.531          | 11          | 2.531          |
| <u>Customer Convenience/Amenities</u>            |                         |                 |             |                |             |                |             |                |             |                |
| None   | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <i>Subtotal Customer Convenience/Amenities</i>   | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <u>Maintenance</u>                               |                         |                 |             |                |             |                |             |                |             |                |
| Shop Overhaul Program                            | 25                      | 5.931           | (7)         | 0.000          | (7)         | 0.000          | (7)         | 0.000          | (11)        | 0.000          |
| Shop Paint Reduction                             | 5                       | 0.556           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Transmission Recycle                             | -                       | 0.277           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| Wheelchair Maintenance                           | 5                       | 0.205           | 5           | 0.410          | 5           | 0.410          | 5           | 0.410          | 5           | 0.410          |
| <i>Subtotal Maintenance</i>                      | 35                      | 6.969           | (2)         | 0.410          | (2)         | 0.410          | (2)         | 0.410          | (6)         | 0.410          |
| <u>Revenue Enhancement</u>                       |                         |                 |             |                |             |                |             |                |             |                |
| None   | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <i>Subtotal Revenue Enhancement</i>              | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <u>Safety</u>                                    |                         |                 |             |                |             |                |             |                |             |                |
| None   | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <i>Subtotal Safety</i>                           | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <u>Security</u>                                  |                         |                 |             |                |             |                |             |                |             |                |
| None   | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <i>Subtotal Security</i>                         | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <u>Service</u>                                   |                         |                 |             |                |             |                |             |                |             |                |
| None   | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <i>Subtotal Service</i>                          | -                       | 0.000           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |
| <u>Service Support</u>                           |                         |                 |             |                |             |                |             |                |             |                |
| Traffic Checking & Passenger Environment Surveys | -                       | 1.900           | -           | 1.000          | -           | 1.000          | -           | 1.000          | -           | 1.000          |
| Hastus Implementation                            | (7)                     | 2.561           | (7)         | (0.788)        | (7)         | (0.788)        | (7)         | 3.095          | (7)         | 3.095          |
| Shifting Efficiencies                            | 2                       | 0.079           | 2           | 0.158          | 2           | 0.158          | 2           | 0.158          | 2           | 0.158          |
| <i>Subtotal Service Support</i>                  | (5)                     | 4.540           | (5)         | 0.370          | (5)         | 0.370          | (5)         | 4.253          | (5)         | 4.253          |
| <u>Other</u>                                     |                         |                 |             |                |             |                |             |                |             |                |
| Materials and Contracts                          | -                       | 3.293           | -           | 0.587          | -           | 0.587          | -           | 0.587          | -           | 0.587          |
| <i>Subtotal Other</i>                            | -                       | 3.293           | -           | 0.587          | -           | 0.587          | -           | 0.587          | -           | 0.587          |
| <b>Agency Submission</b>                         | <b>77</b>               | <b>\$19.137</b> | <b>4</b>    | <b>\$3.902</b> | <b>4</b>    | <b>\$3.902</b> | <b>4</b>    | <b>\$7.781</b> | <b>-</b>    | <b>\$7.781</b> |
| 2009 Cash Non Timing                             | -                       | 8.800           | -           | 0.000          | -           | 0.000          | -           | 0.000          | -           | 0.000          |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Project Deferrals/IT

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | As a result of the Cyclical Project and Rapid Procurement Review analysis, IT economies are available. |
|----------------------------|--|

|  |  |                                  |          |
|--|--|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | This program includes the completion of the UTS rollout, the implementation of Kronos and the Trak maintenance system. |                                  |          |
| <b>Program Implementation Date:</b>                  | 7/1/2010   | <b>When will savings begin?:</b> | 7/1/2010 |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.171                 | \$1.778     | \$1.778     | \$1.778     | \$1.778     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 7           | 7           | 7           | 7           |

**MTA Bus Company**  
**July Financial Plan 2011-2014**  
**2010 Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Defer Staffing

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Pending Labor negotiations for a Facility Maintainer Title, MTA Bus has held off filling supervisory and facility maintainer positions. The requirements have also been delayed pending the delivery/completion of various facility/equipment capital and operating improvements |
|----------------------------|--|

|   |   |
|---|---|
| <b>Program Description/Implementation Plan:</b> | This program delays filling these positions until 2011. |
|---|---|

|                                     |          |                                  |          |
|-------------------------------------|----------|----------------------------------|----------|
| <b>Program Implementation Date:</b> | 1/1/2010 | <b>When will savings begin?:</b> | 1/1/2010 |
|-------------------------------------|----------|----------------------------------|----------|

|   | Favorable/(Unfavorable) |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>          |                         |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$2.973</b>          | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <i>Total Reduction in Positions Required:</i> | 32                      | 0              | 0              | 0              | 0              |



**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Rapid Procurement

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Renegotiating with vendors to achieve lower contract prices. |
|----------------------------|--|

|  |  |                                  |          |
|--|--|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | Renegotiating with vendors to achieve lower contract prices. |                                  |          |
| <b>Program Implementation Date:</b>                  | 1/1/2010   | <b>When will savings begin?:</b> | 1/1/2010 |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.004                 | \$0.007     | \$0.007     | \$0.003     | \$0.003     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Health and Welfare

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | MTA Bus provides Health and Welfare for employees. |
|----------------------------|--|

|  |   |                                  |          |
|--|---|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | Based on revised rates for MTABC employees. |                                  |          |
| <b>Program Implementation Date:</b>                  | 1/1/2010                                    | <b>When will savings begin?:</b> | 1/1/2010 |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.249                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Administration and Operations

**Program:** Staff Reduction

|                            |   |
|----------------------------|---|
| <b>Background Details:</b> | The MTA Bus budget includes positions in all areas of administration, operations, maintenance, and public safety. |
|----------------------------|---|

|  |  |
|--|--|
| <b>Program Description/<br/>Implementation Plan:</b> | A review was conducted to identify staff reductions identified as administrative economies. This reviewed included all areas of operations. Budget (2), Material (2), Training (3), OP (1), CTO (1), Museum Fleet (2), Farebox (3). These reductions, in combination with the previous administrative reductions, include positions already removed from the 2011 budget for the BSC; therefore we must add them back in 2011 as they will not represent a reduction in MTA Bus, but rather the BSC. These add backs include Controller (6), IT (5), and HR (1). |
|--|--|

|                                     |                 |                                  |                 |
|-------------------------------------|-----------------|----------------------------------|-----------------|
| <b>Program Implementation Date:</b> | <b>7/1/2010</b> | <b>When will savings begin?:</b> | <b>7/1/2010</b> |
|-------------------------------------|-----------------|----------------------------------|-----------------|

|   | Favorable/(Unfavorable) |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>          |                         |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$0.938</b>          | <b>\$0.749</b> | <b>\$0.749</b> | <b>\$0.749</b> | <b>\$0.749</b> |
| <i>Total Reduction in Positions Required:</i> | 15                      | 4              | 4              | 4              | 4              |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Shop Overhaul Program

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | In 2009 the MTA Bus Company began the implementation of a scheduled Shop Overhaul Program in a centralized facility utilizing the NYC Transit Department of Buses' East New York Shop. |
|----------------------------|--|

|  |   |                                  |          |
|--|---|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | This modification phases in the implementation of the Shop Program over the 2010/2011 period. It reduces the scope of work to only critical items such as engine, structure, and key component replacements. It is also heavily dependent on the approval of the 2010-2014 Capital Program and the replacement of the 1999 Orion CNG Fleet in 2011. |                                  |          |
| <b>Program Implementation Date:</b>                  | 1/1/2010  | <b>When will savings begin?:</b> | 1/1/2010 |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$5.931                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 25                      | (7)         | (7)         | (7)         | (11)        |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Shop Paint Reduction

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | In 2009 the MTA Bus Company began the implementation of a scheduled Shop Overhaul Program in a centralized facility utilizing the NYC Transit Department of Buses' East New York Shop. |
|----------------------------|--|

|  |  |                                  |          |
|--|--|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | This modification eliminates paint on the 1999 Orion fleet. It is also heavily dependent on the approval of the 2010 - 2014 Capital Program and the replacement of the 1999 Orion CNG Fleet in 2011. |                                  |          |
| <b>Program Implementation Date:</b>                  | 1/1/2010   | <b>When will savings begin?:</b> | 1/1/2010 |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.556                 | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| <i>Total Reduction in Positions Required:</i> | 5                       | 0           | 0           | 0           | 0           |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Transmission Recycling

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | Vehicles being retired from revenue service are sent to Eastchester Depot prior to sale as scrap. Prior to sale, recyclable parts and units are tested/evaluated and recycled into inventory. This offsets the cost of new or rebuilt parts and units. |
|----------------------------|--|

|   |   |
|---|---|
| <b>Program Description/Implementation Plan:</b> | This program has been expanded to include Transmission, and given the level of units available in 2010, MTA Bus can significantly reduce 2010 new/rebuilt rebuilt requirements. |
|---|---|

|                                     |          |                                  |          |
|-------------------------------------|----------|----------------------------------|----------|
| <b>Program Implementation Date:</b> | 1/1/2010 | <b>When will savings begin?:</b> | 1/1/2010 |
|-------------------------------------|----------|----------------------------------|----------|

|   | Favorable/(Unfavorable) |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>          |                         |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$0.277</b>          | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0              | 0              | 0              | 0              |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Wheelchair Maintenance

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | MTA Bus provides 100% accessibility. New buses are being delivered with ramps as opposed to lifts. |
|----------------------------|--|

|  |  |                                  |          |
|--|--|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | This program reduces the funding for wheelchair maintenance as the new bus ramps require less maintenance than the older buses with lifts. |                                  |          |
| <b>Program Implementation Date:</b>                  | 7/1/2010   | <b>When will savings begin?:</b> | 7/1/2010 |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.205                 | \$0.410     | \$0.410     | \$0.410     | \$0.410     |
| <i>Total Reduction in Positions Required:</i> | 5                       | 5           | 5           | 5           | 5           |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Service Support

**Program:** Traffic Checking & Passenger Environment Surveys

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | The MTA Bus Company has a Memorandum of Understanding (MOU) with NYC Transit to provide Traffic Checking Services to support schedule development and guideline revisions. |
|----------------------------|--|

|  |   |                                  |          |
|--|---|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | The use/need for these services has declined as MTA Bus Operations have matured. This will provide a permanent reduction to funding needs. Starting in 2011 a portion of these savings will be reinvested to produce Passenger Environment Surveys, as well as On-Time Performance and Wait Assessment reviews and statistics - just as is done in NYC Transit. |                                  |          |
| <b>Program Implementation Date:</b>                  | 1/1/2010  | <b>When will savings begin?:</b> | 1/1/2010 |

|   | Favorable/(Unfavorable) |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | <u>2010</u>             | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    |
| <i>Financial Impact (Operating):</i>          |                         |                |                |                |                |
| Net Cash Savings (in millions)                | <b>\$1.900</b>          | <b>\$1.000</b> | <b>\$1.000</b> | <b>\$1.000</b> | <b>\$1.000</b> |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0              | 0              | 0              | 0              |



**MTA Bus Company**  
**July Financial Plan 2011-2014**  
**2010 Reduction Plan Worksheet**

**Category by Function:** Service Support

**Program:** Hastus Implementation

**Background Details:** Currently MTA Bus uses legacy and proprietary systems and consultants to develop schedules.

**Program Description/Implementation Plan:** This initiative will implement the Hastus system (currently in place in NYC Transit) in MTA Bus. While this initiative will require an additional seven positions, the estimated costs for implementation are far below those included in the adopted budget. Further, beginning in 2013 a 2% reduction in bus operator pay hours and mileage will provide an attract return on investment.

**Program Implementation Date:** 7/1/2010      **When will savings begin?:** 1/1/2010

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$2.561                 | (\$0.788)   | (\$0.788)   | \$3.095     | \$3.095     |
| <i>Total Reduction in Positions Required:</i> | (7)                     | (7)         | (7)         | (7)         | (7)         |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Service Support

**Program:** Shifting Efficiencies

**Background Details:** Non-revenue bus operators are required to move buses through the fueling, vault, cleaning processes and parking them.

**Program Description/  
Implementation Plan:** A study of best practices has indicated economies can be achieved.

**Program Implementation Date:** 7/1/2010      **When will savings begin?:** 7/1/2010

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$0.079                 | \$0.158     | \$0.158     | \$0.158     | \$0.158     |
| <i>Total Reduction in Positions Required:</i> | 2                       | 2           | 2           | 2           | 2           |

**MTA Bus Company  
July Financial Plan 2011-2014  
2010 Reduction Plan Worksheet**

**Category by Function:** Other

**Program:** Material and Contracts

|                            |  |
|----------------------------|--|
| <b>Background Details:</b> | The MTA Bus budget includes materials and supplies, maintenance and other operating contracts, professional service contracts, and other business expenses, as well as fuel. |
|----------------------------|--|

|  |   |                                  |          |
|--|---|----------------------------------|----------|
| <b>Program Description/<br/>Implementation Plan:</b> | A review was conducted in an effort to identify items that could be avoided either on a one-time basis in 2010, or on a more permanent basis. These include, eliminating the use of bio-diesel fuel given the executive order has been rescinded, reduced DPF contractual cleaning costs, deferred claims expenses, office supplies, and consulting services. |                                  |          |
| <b>Program Implementation Date:</b>                  | 1/1/2010  | <b>When will savings begin?:</b> | 1/1/2010 |

|   | Favorable/(Unfavorable) |             |             |             |             |
|---|-------------------------|-------------|-------------|-------------|-------------|
|   | <u>2010</u>             | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <i>Financial Impact (Operating):</i>          |                         |             |             |             |             |
| Net Cash Savings (in millions)                | \$3.293                 | \$0.587     | \$0.587     | \$0.587     | \$0.587     |
| <i>Total Reduction in Positions Required:</i> | 0                       | 0           | 0           | 0           | 0           |

**MTA BUS COMPANY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 – 2014  
POSITIONS**

**Position Assumptions**

**Plan-to-Plan Changes**

**Total Non-Reimbursable and Reimbursable Baseline Positions**

**2010: July Financial Plan vs. February Financial Plan**

The starting baseline positions for the February 2010 Plan are 3,527. There is a total reduction of -92 positions which will result in the sum of 3,435 positions for the July 2010 Plan. The changes are as follows:

- -77 Budget Reduction Program
- -26 15% Administration Reduction
- +11 Reimbursable

2010 – Net change of -92 positions from February Financial Plan

- 1) -77 Budget Reduction Program
  - -32 Facilities Deferral
  - -30 Shop overhaul scope changes
  - -15 Additional Admin/Staff reduction
  - -5 Wheelchair maintenance reduction
  - -2 Shifting efficiencies
  - +7 Hastus implementation
- 2) -26 15% Administration Reduction
- 3) +11 Reimbursable

**2011, 2012 & 2013: July Financial Plan vs. February Financial Plan**

Through the remainder of the plan, total baseline positions are projected to change as follows:

Net change of -19 positions from February Financial Plan

- 1) -4 Net Changes
  - -7 Project Deferrals
  - -5 Wheelchair maintenance reduction
  - -2 Shifting efficiencies
  - +11 BSC amount already reduced in 2010, 15% Admin Reduction & BRP
  - +7 Shop overtime reduction
  - +7 Hastus
  - -15 Staff Reductions
- 2) -26 15% Administrative reduction

3)+11 Reimbursable maintainers

### **Year-to- Year Changes**

#### **2011 Changes Over 2010:**

The year-to-year change totals +32 positions resulting in a sum of 3,467 positions for the year 2011.

Net Change of +32 positions

- +37 Shop Overhaul Scope Changes
- +32 Facilities Deferral
- -22 BSC Reduction ( -33 plus +11 BSC already reduced in 2010)
- -15 Project Deferral ( -8 Spear, -7 UTS, -1 Kronos, +1 IVN)

#### **2012 Changes Over 2011:**

The year-to-year change totals +2 positions resulting in a sum of 3,469 positions for the year 2012.

Net Change of +2 Positions

- +2 Shop Overhaul Program

#### **2013 Changes Over 2012:**

The year-to-year change totals +8 positions resulting in a sum of 3,477 positions for the year 2013.

Net Change of +8 Positions

- +7 Shop Overhaul Project
- +1 Maintenance System

#### **2014 Changes Over 2013:**

The year-to-year change totals +4 positions resulting in a sum of 3,481 positions for the year 2014.

Net Change of +4 Positions

- +4 Shop Overhaul Program

**MTA BUS COMPANY**  
**July Financial Plan 2011-2014**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

| <b>FUNCTION/DEPARTMENT</b>                       | <b>2009<br/>Actual</b> | <b>2010<br/>Mid-Year<br/>Forecast</b> | <b>2011<br/>Preliminary<br/>Budget</b> | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  |
|--|------------------------|---------------------------------------|--|--------------|--------------|--------------|
| <b>Administration</b>                            |                        |                                       |  |              |              |              |
| Office of the EVP                                | 5                      | 4                                     | 4                                      | 4            | 4            | 4            |
| Human Resources                                  | 8                      | 6                                     | 5                                      | 5            | 5            | 5            |
| Office of Management and Budget                  | 12                     | 12                                    | 12                                     | 12           | 12           | 12           |
| Technology & Information Services                | 26                     | 30                                    | 30                                     | 30           | 31           | 31           |
| Material   | 20                     | 17                                    | 17                                     | 17           | 17           | 17           |
| Controller                                       | 41                     | 38                                    | 3                                      | 3            | 3            | 3            |
| Office of the President                          | 4                      | 7                                     | 7                                      | 7            | 7            | 7            |
| System Safety Administration                     | 6                      | 5                                     | 5                                      | 5            | 5            | 5            |
| Law  | 22                     | 21                                    | 21                                     | 21           | 21           | 21           |
| Corporate Communications                         | 3                      | 2                                     | 2                                      | 2            | 2            | 2            |
| Labor Relations                                  | 4                      | 4                                     | 3                                      | 3            | 3            | 3            |
| Non Departmental                                 | -                      | 26                                    | 26                                     | 26           | 26           | 26           |
| <b>Total Administration</b>                      | <b>151</b>             | <b>172</b>                            | <b>135</b>                             | <b>135</b>   | <b>136</b>   | <b>136</b>   |
| <b>Operations</b>                                |                        |                                       |  |              |              |              |
| Buses  | 2,105                  | 2,066                                 | 2,066                                  | 2,066        | 2,066        | 2,066        |
| Office of Senior Vice President                  | -                      | -                                     | -                                      | -            | -            | -            |
| Office of the Executive Vice President, Regional | 3                      | 1                                     | 1                                      | 1            | 1            | 1            |
| Safety & Training                                | 19                     | 18                                    | 18                                     | 18           | 18           | 18           |
| Road Operations                                  | 104                    | 114                                   | 114                                    | 114          | 114          | 114          |
| Transportation Support                           | 19                     | 17                                    | 17                                     | 17           | 17           | 17           |
| Operations Planning                              | 18                     | 23                                    | 23                                     | 23           | 23           | 23           |
| Revenue Control                                  | 32                     | 21                                    | 21                                     | 21           | 21           | 21           |
| <b>Total Operations</b>                          | <b>2,300</b>           | <b>2,260</b>                          | <b>2,260</b>                           | <b>2,260</b> | <b>2,260</b> | <b>2,260</b> |
| <b>Maintenance</b>                               |                        |                                       |  |              |              |              |
| Buses  | 762                    | 728                                   | 728                                    | 728          | 728          | 728          |
| Maintenance Support/CMF                          | 75                     | 115                                   | 152                                    | 154          | 161          | 165          |
| Facilities                                       | 30                     | 40                                    | 72                                     | 72           | 72           | 72           |
| Supply Logistics                                 | 64                     | 82                                    | 82                                     | 82           | 82           | 82           |
| <b>Total Maintenance</b>                         | <b>931</b>             | <b>965</b>                            | <b>1,034</b>                           | <b>1,036</b> | <b>1,043</b> | <b>1,047</b> |
| <b>Engineering/Capital</b>                       |                        |                                       |  |              |              |              |
| Capital Program Management                       | 19                     | 26                                    | 26                                     | 26           | 26           | 26           |
| <b>Public Safety</b>                             |                        |                                       |  |              |              |              |
| Office of the Senior Vice President              | 15                     | 12                                    | 12                                     | 12           | 12           | 12           |
| <b>Total Positions</b>                           | <b>3,416</b>           | <b>3,435</b>                          | <b>3,467</b>                           | <b>3,469</b> | <b>3,477</b> | <b>3,481</b> |
| Non-Reimbursable                                 | <b>3,377</b>           | <b>3,385</b>                          | <b>3,417</b>                           | <b>3,419</b> | <b>3,427</b> | <b>3,431</b> |
| Reimbursable                                     | <b>39</b>              | <b>50</b>                             | <b>50</b>                              | <b>50</b>    | <b>50</b>    | <b>50</b>    |
| Total Full-Time                                  | <b>3,416</b>           | <b>3,435</b>                          | <b>3,467</b>                           | <b>3,469</b> | <b>3,477</b> | <b>3,481</b> |
| Total Full-Time Equivalents                      |                        |                                       |  |              |              |              |
| <b>Total Positions</b>                           | <b>3,416</b>           | <b>3,435</b>                          | <b>3,467</b>                           | <b>3,469</b> | <b>3,477</b> | <b>3,481</b> |
| Non-Reimbursable                                 | <b>3,377</b>           | <b>3,385</b>                          | <b>3,417</b>                           | <b>3,419</b> | <b>3,427</b> | <b>3,431</b> |
| Reimbursable                                     | <b>39</b>              | <b>50</b>                             | <b>50</b>                              | <b>50</b>    | <b>50</b>    | <b>50</b>    |
| Total Full-Time                                  | <b>3,416</b>           | <b>3,435</b>                          | <b>3,467</b>                           | <b>3,469</b> | <b>3,477</b> | <b>3,481</b> |
| Total Full-Time Equivalents                      | -                      | -                                     | -                                      | -            | -            | -            |

**MTA BUS COMPANY**  
**July Financial Plan 2011-2014**  
**Total Positions by Function and Occupation**

| FUNCTION/OCCUPATIONAL GROUP       | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012         | 2013         | 2014         |
|-----------------------------------|----------------|------------------------------|-------------------------------|--------------|--------------|--------------|
| <b>Administration</b>             |                |                              |                               |              |              |              |
| Managers/Supervisors              | 49             | 53                           | 40                            | 40           | 40           | 40           |
| Professional, Technical, Clerical | 102            | 93                           | 69                            | 69           | 70           | 70           |
| Operational Hourlies              | -              | 26                           | 26                            | 26           | 26           | 26           |
| <b>Total Administration</b>       | <b>151</b>     | <b>172</b>                   | <b>135</b>                    | <b>135</b>   | <b>136</b>   | <b>136</b>   |
| <b>Operations</b>                 |                |                              |                               |              |              |              |
| Managers/Supervisors              | 285            | 277                          | 277                           | 277          | 277          | 277          |
| Professional, Technical, Clerical | 52             | 46                           | 46                            | 46           | 46           | 46           |
| Operational Hourlies              | 1,963          | 1,937                        | 1,937                         | 1,937        | 1,937        | 1,937        |
| <b>Total Operations</b>           | <b>2,300</b>   | <b>2,260</b>                 | <b>2,260</b>                  | <b>2,260</b> | <b>2,260</b> | <b>2,260</b> |
| <b>Maintenance</b>                |                |                              |                               |              |              |              |
| Managers/Supervisors              | 172            | 195                          | 200                           | 200          | 200          | 200          |
| Professional, Technical, Clerical | 6              | 12                           | 12                            | 12           | 12           | 12           |
| Operational Hourlies              | 753            | 758                          | 822                           | 824          | 831          | 835          |
| <b>Total Maintenance</b>          | <b>931</b>     | <b>965</b>                   | <b>1,034</b>                  | <b>1,036</b> | <b>1,043</b> | <b>1,047</b> |
| <b>Engineering/Capital</b>        |                |                              |                               |              |              |              |
| Managers/Supervisors              | 7              | 15                           | 15                            | 15           | 15           | 15           |
| Professional, Technical, Clerical | 12             | 11                           | 11                            | 11           | 11           | 11           |
| Operational Hourlies              | -              | -                            | -                             | -            | -            | -            |
| <b>Total Engineering/Capital</b>  | <b>19</b>      | <b>26</b>                    | <b>26</b>                     | <b>26</b>    | <b>26</b>    | <b>26</b>    |
| <b>Public Safety</b>              |                |                              |                               |              |              |              |
| Managers/Supervisors              | 8              | 9                            | 9                             | 9            | 9            | 9            |
| Professional, Technical, Clerical | 2              | 3                            | 3                             | 3            | 3            | 3            |
| Operational Hourlies              | 5              | -                            | -                             | -            | -            | -            |
| <b>Total Public Safety</b>        | <b>15</b>      | <b>12</b>                    | <b>12</b>                     | <b>12</b>    | <b>12</b>    | <b>12</b>    |
| <b>Total Positions</b>            |                |                              |                               |              |              |              |
| Managers/Supervisors              | 521            | 549                          | 541                           | 541          | 541          | 541          |
| Professional, Technical, Clerical | 174            | 165                          | 141                           | 141          | 142          | 142          |
| Operational Hourlies              | 2,721          | 2,721                        | 2,785                         | 2,787        | 2,794        | 2,798        |
| <b>Total Baseline Positions</b>   | <b>3,416</b>   | <b>3,435</b>                 | <b>3,467</b>                  | <b>3,469</b> | <b>3,477</b> | <b>3,481</b> |

# **Staten Island Railway**



**MTA STATEN ISLAND RAILWAY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014**

**FINANCIAL OVERVIEW**

MTA Staten Island Railway carries out its mission by providing effective and cost-efficient transportation services through a heavy rail system operating 64 subway cars over 14.3 route miles and 28.6 miles of mainline track, serving 22 stations located primarily on the south shore of Staten Island.

The 2011 Preliminary Budget and projections for the years 2012-2014 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. This is accomplished primarily through implementation of operational efficiencies that optimize the utilization of resources to achieve agency goals. Performance indicators including mean distance between failures and on-time performance remain within targeted levels.

**2010 Budget Reduction Program/Administration Savings**

- The SIR 2010 Budget Reduction Program includes savings of \$0.641 million in 2010 and \$0.541 million in each subsequent year with 7 position reductions (5 maintenance and 2 operations) each year
- Administrative reductions include savings of \$0.063 million in 2010 and \$0.160 million in each subsequent year with 2 position reductions each year

**2010 Mid-Year Forecast**

MTA Staten Island Railway's 2010 Mid-Year Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$39.811 million, including \$38.266 million of non-reimbursable expenses and \$1.545 million of reimbursable expenses. Total revenues are projected to be \$8.741 million, of which \$7.196 million are operating revenues and \$1.545 million represent capital reimbursements. Total full-time positions are 265, including 262 non-reimbursable positions and 3 reimbursable positions.

The July Mid-Year Forecast operating cash deficit is projected to worsen by \$0.848 million. Unfavorable changes include:

- Timing adjustments of \$2.784 million from 2009 (mostly fleet maintenance costs)

- Lower farebox revenues of \$0.133 million due mostly to a one month delay in the implementation of fare collection at the Tompkinsville Station and a lower projected average fare
- February Financial Plan assumed furlough/vacancy savings which were not implemented resulting in higher expenses of \$0.120 million

Favorable changes include:

- Favorable 2010 Pension savings of \$1.302 million due to current actuarial information
- Budget Reduction Program/Administrative Savings of \$0.704 million and 9 position reductions
- Updated inflation assumptions resulting in a reduction of \$0.183 million of expenses

### **2011 Preliminary Budget - Baseline**

MTA Staten Island Railway's 2011 Preliminary Budget reflects total expenses before depreciation and OPEB of \$38.029 million, including \$36.424 million of non-reimbursable expenses and \$1.605 million of reimbursable expenses. Total revenues are projected to be \$8.907 million, of which \$7.302 million are operating revenues and \$1.605 million represent capital reimbursements. Total full-time positions are 261, including 258 non-reimbursable positions and 3 reimbursable positions.

The 2011 Preliminary Budget operating cash deficit is projected to be lower by \$0.851 million. Major changes include:

- Updated inflation assumptions resulting in expense savings of \$0.509 million
- Budget Reduction Program savings of \$0.541 million and 7 position reductions
- Administrative savings of \$0.160 million and 2 position reductions
- Projected reduction in overtime expenses of \$0.105 million
- Lower farebox revenues of \$0.114 million due to lower projected baseline ridership/average fare
- Elimination of 2011 February Financial Plan unspecified peg savings of \$0.350 million replaced by savings identified above

## **Financial Plan 2012-2013 Projections**

Operating cash deficits are projected to decrease by \$0.728 million in 2012 and \$0.894 million in 2013. Major changes include:

- Updated inflation assumptions resulting in expense savings of \$0.687 million in 2012 and \$1.170 million in 2013
- Budget Reduction Program savings of \$0.541 million and 7 position reductions each year
- Administrative savings of \$0.160 million and 2 position reductions each year
- Projected reduction in overtime expenses of \$0.105 million each year
- Lower farebox revenues of \$0.065 million in 2012 and \$0.032 million in 2013
- Elimination of Post-2011 February Financial Plan unspecified peg savings of 0.700 million for 2012 million and \$1.050 million for 2013.

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011-2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>Non-Reimbursable</b>                                  |                   |                          |                           |                   |                   |                   |
|--|-------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
|  | <b>2009</b>       | <b>2010</b>              | <b>2011</b>               |                   |                   |                   |
|  | <b>Actual</b>     | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       |
| <b>Operating Revenue</b>                                 |                   |                          |                           |                   |                   |                   |
| Farebox Revenue  | \$4.377           | \$5.125                  | \$5.231                   | \$5.352           | \$5.431           | \$5.503           |
| Toll Revenue   | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Other Operating Revenue                                  | 2.054             | 2.071                    | 2.071                     | 2.071             | 2.071             | 2.071             |
| Capital and Other Reimbursements                         | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| <b>Total Revenue</b>                                     | <b>\$6.431</b>    | <b>\$7.196</b>           | <b>\$7.302</b>            | <b>\$7.423</b>    | <b>\$7.502</b>    | <b>\$7.574</b>    |
| <b>Operating Expenses</b>                                |                   |                          |                           |                   |                   |                   |
| <b><u>Labor:</u></b>                                     |                   |                          |                           |                   |                   |                   |
| Payroll  | \$14.587          | \$15.288                 | \$15.410                  | \$15.770          | \$16.101          | \$16.429          |
| Overtime   | 1.076             | 0.737                    | 0.650                     | 0.668             | 0.684             | 0.700             |
| Health and Welfare                                       | 2.958             | 2.962                    | 3.324                     | 3.550             | 3.792             | 4.049             |
| OPEB Current Payment                                     | 0.508             | 0.545                    | 0.585                     | 0.628             | 0.673             | 0.722             |
| Pensions   | 3.677             | 5.065                    | 7.165                     | 8.214             | 7.984             | 8.107             |
| Other Fringe Benefits                                    | 1.321             | 1.204                    | 1.212                     | 1.238             | 1.263             | 1.286             |
| Reimbursable Overhead                                    | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| <b>Total Labor Expenses</b>                              | <b>\$24.127</b>   | <b>\$25.801</b>          | <b>\$28.346</b>           | <b>\$30.068</b>   | <b>\$30.497</b>   | <b>\$31.293</b>   |
| <b><u>Non-Labor:</u></b>                                 |                   |                          |                           |                   |                   |                   |
| Traction and Propulsion Power                            | \$2.679           | \$3.320                  | \$3.569                   | \$3.837           | \$4.124           | \$4.434           |
| Fuel for Buses and Trains                                | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Insurance  | 0.269             | 0.258                    | 0.303                     | 0.436             | 0.361             | 0.393             |
| Claims   | 4.740             | 0.260                    | 0.263                     | 0.268             | 0.274             | 0.279             |
| Paratransit Service Contracts                            | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Maintenance and Other Operating Contracts                | 12.126            | 7.166                    | 2.457                     | 2.549             | 2.643             | 2.734             |
| Professional Service Contracts                           | 0.394             | 0.396                    | 0.401                     | 0.410             | 0.418             | 0.425             |
| Materials & Supplies                                     | 1.063             | 1.060                    | 1.080                     | 1.100             | 1.121             | 1.143             |
| Other Business Expenses                                  | 0.000             | 0.005                    | 0.005                     | 0.005             | 0.005             | 0.005             |
| <b>Total Non-Labor Expenses</b>                          | <b>\$21.271</b>   | <b>\$12.465</b>          | <b>\$8.078</b>            | <b>\$8.605</b>    | <b>\$8.946</b>    | <b>\$9.413</b>    |
| <b><u>Other Expenses Adjustments:</u></b>                |                   |                          |                           |                   |                   |                   |
| Other  |                   |                          |                           |                   |                   |                   |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>    | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$45.398</b>   | <b>\$38.266</b>          | <b>\$36.424</b>           | <b>\$38.673</b>   | <b>\$39.443</b>   | <b>\$40.706</b>   |
| Depreciation   | \$8.025           | \$7.700                  | \$7.700                   | \$7.700           | \$7.700           | \$7.700           |
| OPEB Obligation  | 2.048             | 2.800                    | 2.800                     | 3.000             | 3.000             | 3.000             |
| Environmental Remediation                                | 0.287             | 0.286                    | 0.286                     | 0.286             | 0.286             | 0.286             |
| <b>Total Expenses</b>                                    | <b>\$55.758</b>   | <b>\$49.052</b>          | <b>\$47.210</b>           | <b>\$49.659</b>   | <b>\$50.429</b>   | <b>\$51.692</b>   |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$49.327)</b> | <b>(\$41.856)</b>        | <b>(\$39.908)</b>         | <b>(\$42.236)</b> | <b>(\$42.927)</b> | <b>(\$44.118)</b> |

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**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011-2014**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| <b>NON-REIMBURSABLE / REIMBURSABLE</b>    |                   |                          |                           |                   |                   |                   |
|---|-------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
|   | <b>2009</b>       | <b>2010</b>              | <b>2011</b>               |                   |                   |                   |
|   | <b>Actual</b>     | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       |
| <b>Revenue</b>                            |                   |                          |                           |                   |                   |                   |
| Farebox Revenue                           | \$4.377           | \$5.125                  | \$5.231                   | \$5.352           | \$5.431           | \$5.503           |
| Toll Revenue                              | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Other Operating Revenue                   | 2.054             | 2.071                    | 2.071                     | 2.071             | 2.071             | 2.071             |
| Capital and Other Reimbursements          | 0.576             | 1.545                    | 1.605                     | 1.672             | 1.674             | 1.680             |
| <b>Total Revenue</b>                      | <b>\$7.007</b>    | <b>\$8.741</b>           | <b>\$8.907</b>            | <b>\$9.095</b>    | <b>\$9.176</b>    | <b>\$9.254</b>    |
| <b>Expenses</b>                           |                   |                          |                           |                   |                   |                   |
| <b><u>Labor:</u></b>                      |                   |                          |                           |                   |                   |                   |
| Payroll                                   | \$14.765          | \$15.565                 | \$15.692                  | \$16.058          | \$16.388          | \$16.717          |
| Overtime                                  | 1.257             | 1.414                    | 1.340                     | 1.372             | 1.388             | 1.404             |
| Health and Welfare                        | 3.067             | 3.389                    | 3.790                     | 4.059             | 4.305             | 4.566             |
| OPEB Current Payment                      | 0.508             | 0.545                    | 0.585                     | 0.628             | 0.673             | 0.722             |
| Pensions                                  | 3.757             | 5.155                    | 7.257                     | 8.308             | 8.078             | 8.201             |
| Other Fringe Benefits                     | 1.349             | 1.278                    | 1.287                     | 1.315             | 1.339             | 1.363             |
| Reimbursable Overhead                     | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| <b>Total Labor Expenses</b>               | <b>\$24.703</b>   | <b>\$27.346</b>          | <b>\$29.951</b>           | <b>\$31.740</b>   | <b>\$32.171</b>   | <b>\$32.973</b>   |
| <b><u>Non-Labor:</u></b>                  |                   |                          |                           |                   |                   |                   |
| Traction and Propulsion Power             | \$2.679           | \$3.320                  | \$3.569                   | \$3.837           | \$4.124           | \$4.434           |
| Fuel for Buses and Trains                 | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Insurance                                 | 0.269             | 0.258                    | 0.303                     | 0.436             | 0.361             | 0.393             |
| Claims                                    | 4.740             | 0.260                    | 0.263                     | 0.268             | 0.274             | 0.279             |
| Paratransit Service Contracts             | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Maintenance and Other Operating Contracts | 12.126            | 7.166                    | 2.457                     | 2.549             | 2.643             | 2.734             |
| Professional Service Contracts            | 0.394             | 0.396                    | 0.401                     | 0.410             | 0.418             | 0.425             |
| Materials & Supplies                      | 1.063             | 1.060                    | 1.080                     | 1.100             | 1.121             | 1.143             |
| Other Business Expenses                   | 0.000             | 0.005                    | 0.005                     | 0.005             | 0.005             | 0.005             |
| <b>Total Non-Labor Expenses</b>           | <b>\$21.271</b>   | <b>\$12.465</b>          | <b>\$8.078</b>            | <b>\$8.605</b>    | <b>\$8.946</b>    | <b>\$9.413</b>    |
| <b><u>Other Expenses Adjustments:</u></b> |                   |                          |                           |                   |                   |                   |
| Other                                     | \$0.000           | \$0.000                  | \$0.000                   | \$0.000           | \$0.000           | \$0.000           |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>    | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Expenses before Depreciation</b> | <b>\$45.974</b>   | <b>\$39.811</b>          | <b>\$38.029</b>           | <b>\$40.345</b>   | <b>\$41.117</b>   | <b>\$42.386</b>   |
| Depreciation                              | \$8.025           | \$7.700                  | \$7.700                   | \$7.700           | \$7.700           | \$7.700           |
| OPEB Obligation                           | 2.048             | 2.800                    | 2.800                     | 3.000             | 3.000             | 3.000             |
| Environmental Remediation                 | 0.287             | 0.286                    | 0.286                     | 0.286             | 0.286             | 0.286             |
| <b>Total Expenses</b>                     | <b>\$56.334</b>   | <b>\$50.597</b>          | <b>\$48.815</b>           | <b>\$51.331</b>   | <b>\$52.103</b>   | <b>\$53.372</b>   |
| <b>Baseline Surplus/(Deficit)</b>         | <b>(\$49.327)</b> | <b>(\$41.856)</b>        | <b>(\$39.908)</b>         | <b>(\$42.236)</b> | <b>(\$42.927)</b> | <b>(\$44.118)</b> |

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011-2014**  
**Cash Receipts & Expenditures**  
(\$ in millions)

| <b>CASH RECEIPTS AND EXPENDITURES</b>        |                   |                          |                           |                   |                   |                   |
|--|-------------------|--------------------------|---------------------------|-------------------|-------------------|-------------------|
|  | <b>2009</b>       | <b>2010</b>              | <b>2011</b>               |                   |                   |                   |
|  | <b>Actual</b>     | <b>Mid-Year Forecast</b> | <b>Preliminary Budget</b> | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       |
| <b>Receipts</b>                              |                   |                          |                           |                   |                   |                   |
| Farebox Revenue                              | \$4.325           | \$5.125                  | \$5.231                   | \$5.352           | \$5.431           | \$5.503           |
| Vehicle Toll Revenue                         | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Other Operating Revenue                      | 2.044             | 2.071                    | 2.071                     | 2.071             | 2.071             | 2.071             |
| Capital and Other Reimbursements             | 0.705             | 1.545                    | 1.605                     | 1.672             | 1.674             | 1.680             |
| <b>Total Receipts</b>                        | <b>\$7.074</b>    | <b>\$8.741</b>           | <b>\$8.907</b>            | <b>\$9.095</b>    | <b>\$9.176</b>    | <b>\$9.254</b>    |
| <b>Expenditures</b>                          |                   |                          |                           |                   |                   |                   |
| <b><u>Labor:</u></b>                         |                   |                          |                           |                   |                   |                   |
| Payroll                                      | \$14.707          | \$15.565                 | \$15.692                  | \$16.058          | \$16.388          | \$16.717          |
| Overtime                                     | 1.285             | 1.414                    | 1.340                     | 1.372             | 1.388             | 1.404             |
| Health and Welfare                           | 3.135             | 3.389                    | 3.790                     | 4.059             | 4.305             | 4.566             |
| OPEB Current Payment                         | 0.508             | 0.545                    | 0.585                     | 0.628             | 0.673             | 0.722             |
| Pensions                                     | 5.059             | 5.605                    | 7.257                     | 8.308             | 8.078             | 8.201             |
| Other Fringe Benefits                        | 1.522             | 1.278                    | 1.287                     | 1.315             | 1.339             | 1.363             |
| GASB Account                                 | 0.265             | 0.290                    | 0.317                     | 0.347             | 0.379             | 0.415             |
| Reimbursable Overhead                        | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| <b>Total Labor Expenditures</b>              | <b>\$26.481</b>   | <b>\$28.086</b>          | <b>\$30.268</b>           | <b>\$32.087</b>   | <b>\$32.550</b>   | <b>\$33.388</b>   |
| <b><u>Non-Labor:</u></b>                     |                   |                          |                           |                   |                   |                   |
| Traction and Propulsion Power                | \$2.654           | \$3.320                  | \$3.569                   | \$3.837           | \$4.124           | \$4.434           |
| Fuel for Buses and Trains                    | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Insurance                                    | 0.231             | 0.258                    | 0.303                     | 0.436             | 0.361             | 0.393             |
| Claims                                       | 0.303             | 0.260                    | 0.263                     | 0.268             | 0.274             | 0.279             |
| Paratransit Service Contracts                | 0.000             | 0.000                    | 0.000                     | 0.000             | 0.000             | 0.000             |
| Maintenance and Other Operating Contracts    | 10.648            | 9.500                    | 2.457                     | 2.549             | 2.643             | 2.734             |
| Professional Service Contracts               | 0.413             | 0.396                    | 0.401                     | 0.410             | 0.418             | 0.425             |
| Materials & Supplies                         | 1.107             | 1.060                    | 1.080                     | 1.100             | 1.121             | 1.143             |
| Other Business Expenses                      | 0.000             | 0.005                    | 0.005                     | 0.005             | 0.005             | 0.005             |
| <b>Total Non-Labor Expenditures</b>          | <b>\$15.356</b>   | <b>\$14.799</b>          | <b>\$8.078</b>            | <b>\$8.605</b>    | <b>\$8.946</b>    | <b>\$9.413</b>    |
| <b><u>Other Expenditure Adjustments:</u></b> |                   |                          |                           |                   |                   |                   |
| <b>Other</b>                                 |                   |                          |                           |                   |                   |                   |
| <b>Total Other Expenditure Adjustments</b>   | <b>\$0.000</b>    | <b>\$0.000</b>           | <b>\$0.000</b>            | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Expenditures</b>                    | <b>\$41.837</b>   | <b>\$42.885</b>          | <b>\$38.346</b>           | <b>\$40.692</b>   | <b>\$41.496</b>   | <b>\$42.801</b>   |
| <b>Baseline Cash Deficit</b>                 | <b>(\$34.763)</b> | <b>(\$34.144)</b>        | <b>(\$29.439)</b>         | <b>(\$31.597)</b> | <b>(\$32.320)</b> | <b>(\$33.547)</b> |

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011-2014**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

**CASH FLOW ADJUSTMENTS**

|   | <b>2009</b>          | <b>2010</b>                     | <b>2011</b>                      |                    |                    |                    |
|---|----------------------|---------------------------------|----------------------------------|--------------------|--------------------|--------------------|
|   | <b><u>Actual</u></b> | <b><u>Mid-Year Forecast</u></b> | <b><u>Preliminary Budget</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> |
| <b>Receipts</b>   |                      |                                 |                                  |                    |                    |                    |
| Farebox Revenue   | (\$0.052)            | \$0.000                         | \$0.000                          | \$0.000            | \$0.000            | \$0.000            |
| Vehicle Toll Revenue  | 0.000                | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Other Operating Revenue   | (0.010)              | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Capital and Other Reimbursements  | 0.129                | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| <b>Total Receipts</b>   | <b>\$0.067</b>       | <b>\$0.000</b>                  | <b>\$0.000</b>                   | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Expenditures</b>   |                      |                                 |                                  |                    |                    |                    |
| <b><u>Labor:</u></b>  |                      |                                 |                                  |                    |                    |                    |
| Payroll   | \$0.058              | \$0.000                         | \$0.000                          | \$0.000            | \$0.000            | \$0.000            |
| Overtime  | (0.028)              | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Health and Welfare  | (0.068)              | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| OPEB Current Payment  |                      |                                 |                                  |                    |                    |                    |
| Pensions  | (1.302)              | (0.450)                         | 0.000                            | 0.000              | 0.000              | 0.000              |
| Other Fringe Benefits   | (0.173)              | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| GASB Account  | (0.265)              | (0.290)                         | (0.317)                          | (0.347)            | (0.379)            | (0.415)            |
| Reimbursable Overhead   | 0.000                | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| <b>Total Labor Expenditures</b>   | <b>(\$1.778)</b>     | <b>(\$0.740)</b>                | <b>(\$0.317)</b>                 | <b>(\$0.347)</b>   | <b>(\$0.379)</b>   | <b>(\$0.415)</b>   |
| <b><u>Non-Labor:</u></b>  |                      |                                 |                                  |                    |                    |                    |
| Traction and Propulsion Power   | \$0.025              | \$0.000                         | \$0.000                          | \$0.000            | \$0.000            | \$0.000            |
| Fuel for Buses and Trains   | 0.000                | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Insurance   | 0.038                | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Claims  | 4.437                | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Paratransit Service Contracts   | 0.000                | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Maintenance and Other Operating Contracts                                   | 1.478                | (2.334)                         | 0.000                            | 0.000              | 0.000              | 0.000              |
| Professional Service Contracts  | (0.019)              | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Materials & Supplies  | (0.044)              | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| Other Business Expenditures   | 0.000                | 0.000                           | 0.000                            | 0.000              | 0.000              | 0.000              |
| <b>Total Non-Labor Expenditures</b>   | <b>\$5.915</b>       | <b>(\$2.334)</b>                | <b>\$0.000</b>                   | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b><u>Other Expenditures Adjustments:</u></b>                               |                      |                                 |                                  |                    |                    |                    |
| Other   | \$0.000              | \$0.000                         | \$0.000                          | \$0.000            | \$0.000            | \$0.000            |
| <b>Total Other Expenditures Adjustments</b>                                 | <b>\$0.000</b>       | <b>\$0.000</b>                  | <b>\$0.000</b>                   | <b>\$0.000</b>     | <b>\$0.000</b>     | <b>\$0.000</b>     |
| <b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b> | <b>\$4.204</b>       | <b>(\$3.074)</b>                | <b>(\$0.317)</b>                 | <b>(\$0.347)</b>   | <b>(\$0.379)</b>   | <b>(\$0.415)</b>   |
| Depreciation Adjustment   | \$8.025              | \$7.700                         | \$7.700                          | \$7.700            | \$7.700            | \$7.700            |
| OPEB Obligation   | 2.048                | 2.800                           | 2.800                            | 3.000              | 3.000              | 3.000              |
| Environmental Remediation   | 0.287                | 0.286                           | 0.286                            | 0.286              | 0.286              | 0.286              |
| <b>Baseline Total Cash Conversion Adjustments</b>                           | <b>\$14.564</b>      | <b>\$7.712</b>                  | <b>\$10.469</b>                  | <b>\$10.639</b>    | <b>\$10.607</b>    | <b>\$10.571</b>    |
| <b>Total Cash Conversion Adjustments</b>                                    | <b>\$14.564</b>      | <b>\$7.712</b>                  | <b>\$10.469</b>                  | <b>\$10.639</b>    | <b>\$10.607</b>    | <b>\$10.571</b>    |



**MTA STATEN ISLAND RAILWAY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
YEAR-TO-YEAR CHANGES BY CATEGORY-BASELINE**

**TOTAL REVENUES/RECEIPTS**

**Farebox Revenue**

- Farebox revenue improvements of: 2011=\$0.106 million (2.1%), 2012=\$0.121 million (2.3%), 2013=\$0.079 million (1.5%), and 2014=\$0.072 million (1.3%) are based on global insight employment projections.

**Other Operating Revenue**

- No changes.

**Capital and Other Reimbursements**

- Annual increases are projected from 2011 through 2014 to provide for reimbursement consistent with projected inflationary increases.

**TOTAL EXPENSES/EXPENDITURES**

**Payroll**

- Includes projected wage inflation as follows: 2011=2.23%, 2012=2.20%, 2013=1.97% and 2014=1.91%.

**Overtime**

- Includes projected wage inflation as follows: 2011=2.23%, 2012=2.20%, 2013=1.97% and 2014=1.91%

**Health & Welfare**

- Includes projected rate increases-as follows: 2011=13.30%, 2012=6.80%, 2013=6.80%.and 2014=6.80%.

**OPEB**

- Increases represent projected rate increases for 2011-2014.

**Pension**

- Increases are based on current actuarial information.
- 2010 includes \$1.302 million of reduced expense adjustments based on current actuarial information
- 2010 also includes \$0.450 million of cash timing adjustments delayed from 2009.

**Other Fringe Benefits**

- Inflation assumptions are consistent with payroll rate increase assumptions.

**Traction and Propulsion Power**

- 2011-2014 reflects projected New York Power Authority (NYPA) decreases provided by MTA.

**Insurance**

- 2011-2014 assumptions provided by MTA.

**Claims**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011=1.20%, 2012=2.13%, 2013=2.09% and 2014=1.74%.

**Maintenance and Other Operating Contracts**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011=1.20%, 2012=2.13%, 2013=2.09% and 2014=1.74%.
- 2011-2014 lighting expense reflects projected New York Power Authority (NYPA) increases.
- 2011-2014 fuel expense reflects projected increases based on assumptions provided by MTA.
- 2010 cash results include \$2.334 million of fleet maintenance cash timing adjustments delayed from 2009.

**Professional Service Contracts**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011=1.20%, 2012=2.13%, 2013=2.09% and 2014=1.74%.

**Materials and Supplies**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011= 1.89%, 2012=1.83%, 2013=1.95% and 2014=1.98%.

**Other Business Expenses**

- 2011-2014 inflation assumptions are based upon Global Insight's estimates as follows: 2011=1.20%, 2012=2.13%, 2013=2.09% and 2014=1.74%.

**Depreciation**

- Annual expenses do not increase during the Financial Plan period, as no additional capital assets are projected to reach beneficial use.

**Environmental Remediation**

- 2011-2014 reflects projected increases of \$0.286 million yearly.

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

|  | Favorable/(Unfavorable) |                   |                       |                   |                       |                   |                       |                   |                       |
|--|-------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
|  | 2010                    | 2011              | Change<br>2011 - 2010 | 2012              | Change<br>2012 - 2011 | 2013              | Change<br>2013 - 2012 | 2014              | Change<br>2014 - 2013 |
| <b>Revenue</b>   |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Farebox Revenue  | \$5.125                 | \$5.231           | \$0.106               | \$5.352           | \$0.121               | \$5.431           | \$0.079               | \$5.503           | \$0.072               |
| Vehicle Toll Revenue                                     | 0.000                   | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 |
| Other Operating Revenue                                  | 2.071                   | 2.071             | 0.000                 | 2.071             | 0.000                 | 2.071             | 0.000                 | 2.071             | 0.000                 |
| Capital and Other Reimbursements                         | 0.000                   | 0.000             | \$0.000               | 0.000             | \$0.000               | 0.000             | \$0.000               | 0.000             | \$0.000               |
| <b>Total Revenue</b>                                     | <b>\$7.196</b>          | <b>\$7.302</b>    | <b>\$0.106</b>        | <b>\$7.423</b>    | <b>\$0.121</b>        | <b>\$7.502</b>    | <b>\$0.079</b>        | <b>\$7.574</b>    | <b>\$0.072</b>        |
| <b>Expenses</b>  |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Labor:   |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Payroll  | 15.288                  | 15.410            | (0.122)               | 15.770            | (0.360)               | 16.101            | (0.331)               | 16.429            | (0.328)               |
| Overtime   | 0.737                   | 0.650             | 0.087                 | 0.668             | (0.018)               | 0.684             | (0.016)               | 0.700             | (0.016)               |
| Health and Welfare                                       | 2.962                   | 3.324             | (0.362)               | 3.550             | (0.226)               | 3.792             | (0.242)               | 4.049             | (0.257)               |
| OPEB Current Payment                                     | 0.545                   | 0.585             | (0.040)               | 0.628             | (0.043)               | 0.673             | (0.045)               | 0.722             | (0.049)               |
| Pensions   | 5.065                   | 7.165             | (2.100)               | 8.214             | (1.049)               | 7.984             | 0.230                 | 8.107             | (0.123)               |
| Other Fringe Benefits                                    | 1.204                   | 1.212             | (0.008)               | 1.238             | (0.026)               | 1.263             | (0.025)               | 1.286             | (0.023)               |
| Reimbursable Overhead                                    | 0.000                   | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 |
| <b>Total Labor Expenses</b>                              | <b>\$25.801</b>         | <b>\$28.346</b>   | <b>(\$2.545)</b>      | <b>\$30.068</b>   | <b>(\$1.722)</b>      | <b>\$30.497</b>   | <b>(\$0.429)</b>      | <b>\$31.293</b>   | <b>(\$0.796)</b>      |
| Non-Labor:   |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Traction and Propulsion Power                            | 3.320                   | 3.569             | (0.249)               | 3.837             | (0.268)               | 4.124             | (0.287)               | 4.434             | (0.310)               |
| Fuel for Buses and Trains                                | 0.000                   | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 |
| Insurance  | 0.258                   | 0.303             | (0.045)               | 0.436             | (0.133)               | 0.361             | 0.075                 | 0.393             | (0.032)               |
| Claims   | 0.260                   | 0.263             | (0.003)               | 0.268             | (0.005)               | 0.274             | (0.006)               | 0.279             | (0.005)               |
| Paratransit Service Contracts                            | 0.000                   | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 |
| Maintenance and Other                                    |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Operating Contracts                                      | 7.166                   | 2.457             | 4.709                 | 2.549             | (0.092)               | 2.643             | (0.094)               | 2.734             | (0.091)               |
| Professional Service Contracts                           | 0.396                   | 0.401             | (0.005)               | 0.410             | (0.009)               | 0.418             | (0.008)               | 0.425             | (0.007)               |
| Materials & Supplies                                     | 1.060                   | 1.080             | (0.020)               | 1.100             | (0.020)               | 1.121             | (0.021)               | 1.143             | (0.022)               |
| Other Business Expenses                                  | 0.005                   | 0.005             | 0.000                 | 0.005             | 0.000                 | 0.005             | 0.000                 | 0.005             | 0.000                 |
| <b>Total Non-Labor Expenses</b>                          | <b>\$12.465</b>         | <b>\$8.078</b>    | <b>\$4.387</b>        | <b>\$8.605</b>    | <b>(\$0.527)</b>      | <b>\$8.946</b>    | <b>(\$0.341)</b>      | <b>\$9.413</b>    | <b>(\$0.467)</b>      |
| Other Expenses Adjustments:                              |                         |                   |                       |                   |                       |                   |                       |                   |                       |
| Other  | 0.000                   | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 | 0.000             | 0.000                 |
| <b>Total Other Expense Adjustments</b>                   | <b>\$0.000</b>          | <b>0.000</b>      | <b>\$0.000</b>        | <b>0.000</b>      | <b>\$0.000</b>        | <b>0.000</b>      | <b>\$0.000</b>        | <b>0.000</b>      | <b>\$0.000</b>        |
| <b>Total Expenses before Depreciation and GASB Adjs.</b> | <b>\$38.266</b>         | <b>\$36.424</b>   | <b>\$1.842</b>        | <b>\$38.673</b>   | <b>(\$2.249)</b>      | <b>\$39.443</b>   | <b>(\$0.770)</b>      | <b>\$40.706</b>   | <b>(\$1.263)</b>      |
| Depreciation   | 7.700                   | 7.700             | 0.000                 | 7.700             | 0.000                 | 7.700             | 0.000                 | 7.700             | 0.000                 |
| OPEB Obligation  | 2.800                   | 2.800             | 0.000                 | 3.000             | (0.200)               | 3.000             | 0.000                 | 3.000             | 0.000                 |
| Environmental Remediation                                | 0.286                   | 0.286             | 0.000                 | 0.286             | 0.000                 | 0.286             | 0.000                 | 0.286             | 0.000                 |
| <b>Total Expenses</b>                                    | <b>\$49.052</b>         | <b>\$47.210</b>   | <b>\$1.842</b>        | <b>\$49.659</b>   | <b>(\$2.449)</b>      | <b>\$50.429</b>   | <b>(\$0.770)</b>      | <b>\$51.692</b>   | <b>(\$1.263)</b>      |
| <b>Baseline Surplus/(Deficit)</b>                        | <b>(\$41.856)</b>       | <b>(\$39.908)</b> | <b>\$1.948</b>        | <b>(\$42.236)</b> | <b>(\$2.328)</b>      | <b>(\$42.927)</b> | <b>(\$0.691)</b>      | <b>(\$44.118)</b> | <b>(\$1.191)</b>      |

**REIMBURSABLE**

**Baseline Surplus/(Deficit)**

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011 - 2014**  
**Year-to-Year Changes by Category - Cash Receipts and Expenditures**  
**(\$ in millions)**

**CASH RECEIPTS & EXPENDITURES**

|  | Favorable/(Unfavorable) |                 |                       |                 |                       |                 |                       |                 |                       |
|--|-------------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
|  | 2010                    | 2011            | Change<br>2011 - 2010 | 2012            | Change<br>2012 - 2011 | 2013            | Change<br>2013 - 2012 | 2014            | Change<br>2014 - 2013 |
| <b><u>Receipts</u></b>                     |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Farebox Revenue                            | \$5.125                 | \$5.231         | \$0.106               | \$5.352         | \$0.121               | \$5.431         | \$0.079               | \$5.503         | \$0.072               |
| Other Operating Revenue                    | 2.071                   | 2.071           | 0.000                 | 2.071           | 0.000                 | 2.071           | 0.000                 | 2.071           | 0.000                 |
| Capital and Other Reimbursements           | 1.545                   | 1.605           | 0.060                 | 1.672           | 0.067                 | 1.674           | 0.002                 | 1.680           | 0.006                 |
| <b>Total Receipts</b>                      | <b>\$8.741</b>          | <b>\$8.907</b>  | <b>\$0.166</b>        | <b>\$9.095</b>  | <b>\$0.188</b>        | <b>\$9.176</b>  | <b>\$0.081</b>        | <b>\$9.254</b>  | <b>\$0.078</b>        |
| <b><u>Expenditures</u></b>                 |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Labor:                                     |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Payroll                                    | 15.565                  | 15.692          | (0.127)               | 16.058          | (0.366)               | 16.388          | (0.330)               | 16.717          | (0.329)               |
| Overtime                                   | 1.414                   | 1.340           | 0.074                 | 1.372           | (0.032)               | 1.388           | (0.016)               | 1.404           | (0.016)               |
| Health and Welfare                         | 3.389                   | 3.790           | (0.401)               | 4.059           | (0.269)               | 4.305           | (0.246)               | 4.566           | (0.261)               |
| OPEB Current Payment                       | 0.545                   | 0.585           | (0.040)               | 0.628           | (0.043)               | 0.673           | (0.045)               | 0.722           | (0.049)               |
| Pensions                                   | 5.605                   | 7.257           | (1.652)               | 8.308           | (1.051)               | 8.078           | 0.230                 | 8.201           | (0.123)               |
| Other Fringe Benefits                      | 1.278                   | 1.287           | (0.009)               | 1.315           | (0.028)               | 1.339           | (0.024)               | 1.363           | (0.024)               |
| Reimbursable Overhead                      | 0.290                   | 0.317           | (0.027)               | 0.347           | (0.030)               | 0.379           | (0.032)               | 0.415           | (0.036)               |
| <b>Total Labor Expenditures</b>            | <b>\$28.086</b>         | <b>\$30.268</b> | <b>(\$2.182)</b>      | <b>\$32.087</b> | <b>(\$1.819)</b>      | <b>\$32.550</b> | <b>(\$0.463)</b>      | <b>\$33.388</b> | <b>(\$0.838)</b>      |
| Non-Labor:                                 |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Traction and Propulsion Power              | 3.320                   | 3.569           | (0.249)               | 3.837           | (0.268)               | 4.124           | (0.287)               | 4.434           | (0.310)               |
| Fuel for Buses and Trains                  | 0.000                   | 0.000           | 0.000                 | 0.000           | 0.000                 | 0.000           | 0.000                 | 0.000           | 0.000                 |
| Insurance                                  | 0.258                   | 0.303           | (0.045)               | 0.436           | (0.133)               | 0.361           | 0.075                 | 0.393           | (0.032)               |
| Claims                                     | 0.260                   | 0.263           | (0.003)               | 0.268           | (0.005)               | 0.274           | (0.006)               | 0.279           | (0.005)               |
| Paratransit Service Contracts              | 0.000                   | 0.000           | 0.000                 | 0.000           | 0.000                 | 0.000           | 0.000                 | 0.000           | 0.000                 |
| Maintenance and Other                      |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Operating Contracts                        | 9.500                   | 2.457           | 7.043                 | 2.549           | (0.092)               | 2.643           | (0.094)               | 2.734           | (0.091)               |
| Professional Service Contracts             | 0.396                   | 0.401           | (0.005)               | 0.410           | (0.009)               | 0.418           | (0.008)               | 0.425           | (0.007)               |
| Materials & Supplies                       | 1.060                   | 1.080           | (0.020)               | 1.100           | (0.020)               | 1.121           | (0.021)               | 1.143           | (0.022)               |
| Other Business Expenses                    | 0.005                   | 0.005           | 0.000                 | 0.005           | 0.000                 | 0.005           | 0.000                 | 0.005           | 0.000                 |
| <b>Total Non-Labor Expenditures</b>        | <b>\$14.799</b>         | <b>\$8.078</b>  | <b>\$6.721</b>        | <b>\$8.605</b>  | <b>(\$0.527)</b>      | <b>\$8.946</b>  | <b>(\$0.341)</b>      | <b>\$9.413</b>  | <b>(\$0.467)</b>      |
| Other Expenditure Adjustments:             |                         |                 |                       |                 |                       |                 |                       |                 |                       |
| Other                                      | 0.000                   | 0.000           | 0.000                 | 0.000           | 0.000                 | 0.000           | 0.000                 | 0.000           | 0.000                 |
| <b>Total Other Expenditure Adjustments</b> | <b>\$0.000</b>          | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        | <b>\$0.000</b>  | <b>\$0.000</b>        |
| <b>Total Expenditures</b>                  | <b>\$42.885</b>         | <b>\$38.346</b> | <b>\$4.539</b>        | <b>\$40.692</b> | <b>(\$2.346)</b>      | <b>\$41.496</b> | <b>(\$0.804)</b>      | <b>\$42.801</b> | <b>(\$1.305)</b>      |
| <b>Baseline Cash Deficit</b>               | <b>(34.144)</b>         | <b>(29.439)</b> | <b>4.705</b>          | <b>(31.597)</b> | <b>(2.158)</b>        | <b>(32.320)</b> | <b>(0.723)</b>        | <b>(33.547)</b> | <b>(1.227)</b>        |

**MTA STATEN ISLAND RAILWAY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
SUMMARY OF PLAN-TO-PLAN CHANGES-BASELINE**

**2010: July Financial Plan vs. February Financial Plan**

**Revenue Re-estimates**

- Lower farebox revenues of \$0.133 million due mostly to a one month delay in the implementation of fare collection at the Tompkinsville Station and a lower projected average fare

**Expense Re-estimates**

- Favorable 2010 Pension savings of \$1.302 million due to current actuarial information
- Budget Reduction Program/Administrative Savings of \$0.704 million and 9 position reductions
- Updated inflation assumptions resulting in a reduction of \$0.183 million of expenses
- February Financial Plan assumed furlough/vacancy savings which were not implemented resulting in higher expenses of \$0.120 million

**Cash Adjustments**

- Unfavorable timing adjustments of \$2.784 million from 2009 (mostly fleet maintenance costs)

**2011-2013: July Financial Plan vs. February Financial Plan**

**Revenue Re-estimates**

- Lower farebox revenues of \$0.114 million in 2011, \$0.065 million in 2012 and \$0.032 million in 2013 due in part to a lower average fare

**Expense Re-estimates**

- Updated inflation assumptions resulting in expense savings of \$0.509 million in 2011, \$0.687 million in 2012 and \$1.170 million in 2013

- Budget Reduction Program savings of \$0.541 million and 7 position reductions each year
- Administrative savings of \$0.160 million and 2 position reductions each year
- Projected reduction in overtime expenses of \$0.105 million each year
- Elimination of Post-2011 February Financial Plan unspecified peg savings of \$0.350 million in 2011, \$0.700 million in 2012 and \$1.050 million in 2013

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

|   | 2010              | 2011              | 2012              | 2013              |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>February Financial Plan Net Cash Deficit</b>                   | <b>(\$33.296)</b> | <b>(\$30.290)</b> | <b>(\$32.325)</b> | <b>(\$33.214)</b> |
| <b>Baseline Changes</b>   |                   |                   |                   |                   |
| <b>Revenue</b>  |                   |                   |                   |                   |
| Farebox Revenue   | (0.133)           | (0.114)           | (0.065)           | (0.032)           |
| Other Operating Revenue   |                   |                   |                   |                   |
| Capital and Other Reimbursement                                   |                   |                   |                   |                   |
| <b>Total Revenue Changes</b>                                      | <b>(\$0.133)</b>  | <b>(\$0.114)</b>  | <b>(\$0.065)</b>  | <b>(\$0.032)</b>  |
| <b>Expenses</b>   |                   |                   |                   |                   |
| <b>Labor:</b>   |                   |                   |                   |                   |
| Payroll   | 0.454             | 0.663             | 0.663             | 0.663             |
| Health and Welfare  | 0.011             | (0.137)           | (0.136)           | (0.134)           |
| OPEB Current Payment  |                   |                   |                   |                   |
| Pensions  | 1.273             | 0.000             | 0.000             | 0.000             |
| Other Fringe Benefits   | 0.038             | 0.037             | 0.063             | 0.067             |
| Reimbursable Overhead   |                   |                   |                   |                   |
| <b>Total Labor Expense Changes</b>                                | <b>\$1.776</b>    | <b>\$0.563</b>    | <b>\$0.590</b>    | <b>\$0.596</b>    |
| <b>Non-Labor:</b>   |                   |                   |                   |                   |
| Traction and Propulsion Power                                     | 0.193             | 0.400             | 0.648             | 0.944             |
| Fuel for Buses and Trains   |                   |                   |                   |                   |
| Insurance   | 0.045             | 0.133             | (0.075)           | 0.032             |
| Claims  | 0.002             | 0.000             | 0.006             | 0.006             |
| Paratransit Service Contracts                                     |                   |                   |                   |                   |
| Maintenance and Other Operating Contracts                         | 0.039             | 0.255             | 0.350             | 0.425             |
| Professional Service Contracts                                    | 0.004             | (0.056)           | (0.051)           | (0.051)           |
| Materials & Supplies  | 0.010             | 0.020             | 0.025             | 0.023             |
| Other Business Expenses   |                   | 0.000             | 0.000             | 0.001             |
| <i>Additional Actions for Budget Balance: Expense Impact</i>      |                   |                   |                   |                   |
| <b>Total Non-Labor Expense Changes</b>                            | <b>\$0.293</b>    | <b>\$0.752</b>    | <b>\$0.903</b>    | <b>\$1.380</b>    |
| <b>Total Expense Changes before Depreciation &amp; GASB Adjs.</b> | <b>\$2.069</b>    | <b>\$1.315</b>    | <b>\$1.493</b>    | <b>\$1.976</b>    |
| Depreciation  | 0.000             | 0.000             | 0.000             | 0.000             |
| OPEB Obligation   | 0.000             | 0.000             | 0.000             | 0.000             |
| Environmental Remediation   | 0.000             | 0.000             | 0.000             | 0.000             |
| <b>Total Depreciation and GASB Adjs. Changes</b>                  | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Cash Adjustment Changes</b>                                    | <b>(\$2.784)</b>  | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Cash Adjustment Changes</b>                              | <b>(\$2.784)</b>  | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Baseline Changes</b>                                     | <b>(\$0.848)</b>  | <b>\$1.201</b>    | <b>\$1.428</b>    | <b>\$1.944</b>    |
| Elimination of Post 2011 PEGs                                     | \$0.000           | (\$0.350)         | (\$0.700)         | (\$1.050)         |
| <b>Total Changes</b>  | <b>(\$0.848)</b>  | <b>\$0.851</b>    | <b>\$0.728</b>    | <b>\$0.894</b>    |
| <b>July Financial Plan Net Cash Deficit</b>                       | <b>(\$34.144)</b> | <b>(\$29.439)</b> | <b>(\$31.597)</b> | <b>(\$32.320)</b> |



**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011 - 2014**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

|   | 2010           | 2011           | 2012           | 2013           |
|---|----------------|----------------|----------------|----------------|
| <b>February Financial Plan Net Cash Deficit</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Baseline Changes</b>                         |                |                |                |                |
| <b>Revenue</b>                                  |                |                |                |                |
| Farebox Revenue                                 |                |                |                |                |
| Other Operating Revenue                         |                |                |                |                |
| Capital and Other Reimbursement                 |                |                |                |                |
| <b>Total Revenue Changes</b>                    | <b>\$ .000</b> | <b>\$ .000</b> | <b>\$ .000</b> | <b>\$ .000</b> |
| <b>Expenses</b>                                 |                |                |                |                |
| <i>Labor:</i>                                   |                |                |                |                |
| Payroll   |                |                |                |                |
| Health and Welfare                              |                |                |                |                |
| OPEB Current Payment                            |                |                |                |                |
| Pensions  |                |                |                |                |
| Other Fringe Benefits                           |                |                |                |                |
| Reimbursable Overhead                           |                |                |                |                |
| <b>Total Labor Expense Changes</b>              | <b>\$ .000</b> | <b>\$ .000</b> | <b>\$ .000</b> | <b>\$ .000</b> |
| <i>Non-Labor:</i>                               |                |                |                |                |
| Traction and Propulsion Power                   |                |                |                |                |
| Fuel for Buses and Trains                       |                |                |                |                |
| Insurance                                       |                |                |                |                |
| Claims  |                |                |                |                |
| Paratransit Service Contracts                   |                |                |                |                |
| Maintenance and Other Operating Contracts       |                |                |                |                |
| Materials & Supplies                            |                |                |                |                |
| Other Business Expenses                         |                |                |                |                |
| <b>Total Non-Labor Expense Changes</b>          | <b>\$ .000</b> | <b>\$ .000</b> | <b>\$ .000</b> | <b>\$ .000</b> |
| <b>Total Expense Changes</b>                    | <b>\$ .000</b> | <b>\$ .000</b> | <b>\$ .000</b> | <b>\$ .000</b> |
| <b>Cash Adjustment Changes</b>                  |                |                |                |                |
| <b>Total Cash Adjustment Changes</b>            | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Total Baseline Changes</b>                   | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>July Financial Plan Net Cash Deficit</b>     | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |

**MTA Staten Island Railway**  
**July Financial Plan 2011-2014**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

|   | 2010              | 2011              | 2012              | 2013              |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>February Financial Plan Net Cash Deficit</b>             | <b>(\$33.296)</b> | <b>(\$30.290)</b> | <b>(\$32.325)</b> | <b>(\$33.214)</b> |
| <b><i>Non-Reimbursable Major Changes</i></b>                |                   |                   |                   |                   |
| <b>Revenue</b>  |                   |                   |                   |                   |
| Farebox Revenue   | (0.133)           | (0.114)           | (0.065)           | (0.032)           |
| Sub-Total Non-Reimbursable Revenue Changes                  | (0.133)           | (0.114)           | (0.065)           | (0.032)           |
| <b>Expenses</b>   |                   |                   |                   |                   |
| Revised Inflatons   | 0.183             | 0.509             | 0.687             | 1.170             |
| 2010 Pension Prepayment                                     | 1.302             | 0.000             | 0.000             | 0.000             |
| Net 2010 Administrative Reduction Change from February Plan | (0.120)           | 0.000             | 0.000             | 0.000             |
| 2010 Budget Reduction Program                               | 0.641             | 0.541             | 0.541             | 0.541             |
| 2011 Administrative Reductions                              | 0.063             | 0.160             | 0.160             | 0.160             |
| Additional Reductions in Overtime/Inventory/Other           | 0.000             | 0.105             | 0.105             | 0.105             |
| Elimination of Post 2011 PEGs                               | 0.000             | (0.350)           | (0.700)           | (1.050)           |
| Sub-Total Non-Reimbursable Expense Changes                  | \$2.069           | \$ .965           | \$ .793           | \$ .926           |
| <b>Total Non-Reimbursable Major Changes</b>                 | <b>\$2.069</b>    | <b>\$ .965</b>    | <b>\$ .793</b>    | <b>\$ .926</b>    |
| <b><i>Reimbursable Major Changes</i></b>                    |                   |                   |                   |                   |
| Sub-Total Reimbursable Revenue Changes                      | 0                 | 0                 | 0                 | 0                 |
| Expenses  |                   |                   |                   |                   |
| Sub-Total Reimbursable Expense Changes                      | 0                 | 0                 | 0                 | 0                 |
| <b>Total Reimbursable Major Changes</b>                     | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    | <b>\$ .000</b>    |
| <b>Total Accrual Changes</b>                                | <b>\$2.069</b>    | <b>\$0.965</b>    | <b>\$0.793</b>    | <b>\$0.926</b>    |
| <b>Cash Adjustment Changes</b>                              |                   |                   |                   |                   |
| Impact of 2009 Timing (All Categories)                      | (2.784)           | 0                 | 0                 | 0                 |
| <b>Total Cash Adjustment Changes</b>                        | <b>(\$2.784)</b>  | <b>\$0.000</b>    | <b>\$0.000</b>    | <b>\$0.000</b>    |
| <b>Total Changes</b>  | <b>(\$0.848)</b>  | <b>\$0.851</b>    | <b>\$0.728</b>    | <b>\$0.894</b>    |
| <b>July Financial Plan Net Cash Deficit</b>                 | <b>(\$34.144)</b> | <b>(\$29.439)</b> | <b>(\$31.597)</b> | <b>(\$32.320)</b> |

**MTA STATEN ISLAND RAILWAY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014**

**RIDERSHIP (UTILIZATION)**

- Re-estimates of non-student/student ridership is projected to decrease ridership below the February Financial Plan by 0.061 million in 2010.
- 2011-2013 ridership growth is based on the May 2010 Global Insight NYC employment forecast, which projects higher annual employment growth than the September 2009 forecast used for the February Financial Plan. As a result of the improved employment forecast, ridership decreases from the February Plan get smaller in 2011 and 2012, followed by a smaller increase in 2013.
- Annual ridership is projected to below the February Financial Plan by 0.046 million in 2011 and 0.010 million in 2012, then higher by 0.015 million in 2013.

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011-2014**  
**Ridership/(Utilization)**  
(in millions)

|  | 2009   | 2010                 | 2011                  |      |      |      |
|--|--------|----------------------|-----------------------|------|------|------|
|  | Actual | Mid-Year<br>Forecast | Preliminary<br>Budget | 2012 | 2013 | 2014 |

**RIDERSHIP**

|             |       |       |       |       |       |       |
|-------------|-------|-------|-------|-------|-------|-------|
| Fixed Route | 4.127 | 4.488 | 4.567 | 4.656 | 4.715 | 4.768 |
| Paratransit | -     | -     | -     | -     | -     | -     |

|                                 |              |              |              |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Baseline Total Ridership</b> | <b>4.127</b> | <b>4.488</b> | <b>4.567</b> | <b>4.656</b> | <b>4.715</b> | <b>4.768</b> |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|

**FAREBOX REVENUE**

|             |         |         |         |         |         |         |
|-------------|---------|---------|---------|---------|---------|---------|
| Fixed Route | \$4.377 | \$5.125 | \$5.231 | \$5.352 | \$5.431 | \$5.503 |
| Paratransit | 0.000   | 0.000   | 0.000   | 0.000   | 0.000   | 0.000   |

|                               |                |                |                |                |                |                |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Baseline Total Revenue</b> | <b>\$4.377</b> | <b>\$5.125</b> | <b>\$5.231</b> | <b>\$5.352</b> | <b>\$5.431</b> | <b>\$5.503</b> |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011-2014**  
**2010 Budget Reduction Plan (BRP) Summary**  
**(\$ in millions)**

|  | 2010                   |                | 2011                   |                | 2012                   |                | 2013                   |                | 2014                   |                |
|--|------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
|  | Positions <sup>1</sup> | Dollars        | Positions <sup>1</sup> | Dollars        | Positions <sup>1</sup> | Dollars        | Positions <sup>1</sup> | Dollars        | Positions <sup>1</sup> | Dollars        |
| <b>LIST of PROGRAMS</b>                    |                        |                |                        |                |                        |                |                        |                |                        |                |
| Administration:                            |                        |                |                        |                |                        |                |                        |                |                        |                |
| Hiring Delay                               | 6                      | 0.432          |                        |                |                        |                |                        |                |                        |                |
| OTPS Efficiencies                          | 0                      | 0.054          |                        |                |                        |                |                        |                |                        |                |
| PS Efficiencies                            | 0                      | 0.039          | 0                      | 0.039          | 0                      | 0.039          | 0                      | 0.039          | 0                      | 0.039          |
| Administrative Reductions                  | 2                      | 0.063          | 2                      | 0.160          | 2                      | 0.160          | 2                      | 0.160          | 2                      | 0.160          |
| Sub-Total Administration                   | 8                      | \$ .588        | 2                      | \$ .199        | 2                      | \$ .199        | 2                      | \$ .199        | 2                      | \$ .199        |
| Customer Convenience & Amenities:          |                        |                |                        |                |                        |                |                        |                |                        |                |
| St. George - Unstaffed Fare Collection     | 0                      | 0              | 6                      | 0.386          | 6                      | 0.386          | 6                      | 0.386          | 6                      | 0.386          |
| Sub-Total Customer Convenience & Amenities | 0                      | \$ .000        | 6                      | \$ .386        | 6                      | \$ .386        | 6                      | \$ .386        | 6                      | \$ .386        |
| Service:                                   |                        |                |                        |                |                        |                |                        |                |                        |                |
| Sub-Total Service                          | 0                      | \$ .000        | 0                      | \$ .000        | 0                      | \$ .000        | 0                      | \$ .000        | 0                      | \$ .000        |
| Maintenance:                               |                        |                |                        |                |                        |                |                        |                |                        |                |
| Position Elimination                       | 1                      | 0.116          | 1                      | 0.116          | 1                      | 0.116          | 1                      | 0.116          | 1                      | 0.116          |
| Sub-Total Maintenance                      | 1                      | \$ .116        | 1                      | \$ .116        | 1                      | \$ .116        | 1                      | \$ .116        | 1                      | \$ .116        |
| Safety/Security:                           |                        |                |                        |                |                        |                |                        |                |                        |                |
| Sub-Total Other                            | 0                      | \$ .000        | 0                      | \$ .000        | 0                      | \$ .000        | 0                      | \$ .000        | 0                      | \$ .000        |
| <b>Total BRP</b>                           | <b>9</b>               | <b>\$ .704</b> | <b>9</b>               | <b>\$ .701</b> | <b>9</b>               | <b>\$ .701</b> | <b>9</b>               | <b>\$ .701</b> | <b>9</b>               | <b>\$ .701</b> |

<sup>1</sup> Reflects the impact of amendments on year-end positions.

**MTA Staten Island Railway**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                    |                     |                |                            |        |
|--------------------------|--------------------|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | SIR                | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> |                    |                     |                | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - Hiring Delay |                     |                |                            |        |

**Description and Implementation Plan**

The Authority currently has three (3) positions which have been vacant since 1/1/10. An evaluation of these titles indicates that a hiring delay for the remainder of 2010 will not significantly impact short term maintenance and operational goals. Furthermore, one (1) additional vacancy through retirement is expected on 6/1/10 and two (2) vacancies are expected through attrition by 7/1/10.

**Background Details**

The Authority will institute a hiring freeze through 12/31/10 enabling a full year labor savings savings on three (3) positions and a prorata savings for three (3) beginning in mid-year. All vacancies are expected to be filled in 2011.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | 6                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$0.432            | \$0.000            | \$0.000            | \$0.000            | \$0.000            |

**MTA Staten Island Railway**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |                         |                     |                |                            |        |
|--------------------------|-------------------------|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | SIR                     | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> |                         |                     |                | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - OTPS Efficiencies |                     |                |                            |        |

**Description and Implementation Plan**

Material and Supplies expenditures required to support operations, maintenance and administrative business areas are periodically evaluated to review requirements of these business areas. Over time, changes in procedures and practices can possibly result in savings in this expense category.

**Background Details**

In an effort to improve the efficient use of SIR resources, SIR identified and revised material forecasts realizing short saving of departmental requirements ensuring that proposed savings targets are realized.

|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Headcount</b>  | -                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$0.054            | \$0.000            | \$0.000            | \$0.000            | \$0.000            |

**MTA Staten Island Railway**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                       |                     |                |                            |        |
|--------------------------|-----------------------|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | SIR                   | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> |                       |                     |                | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - PS Efficiencies |                     |                |                            |        |

**Description and Implementation Plan**

Overtime expenditures required to support operations, maintenance and administrative business areas are periodically evaluated to review requirements of these business areas. Over time, changes in procedures and practices can possibly result in savings in this expense category.

**Background Details**

In reviewing this expense, SIR has identified and revised procedures to more efficiently cover vacation relief, thereby yielding reductions in unscheduled overtime expense.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | -                  | -                  | -                  | -                  | -                  |
| <b>Financial Impact</b> | \$0.039            | \$0.039            | \$0.039            | \$0.039            | \$0.039            |



**MTA Staten Island Railway**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                                 |                     |                |                            |        |
|--------------------------|---------------------------------|---------------------|----------------|----------------------------|--------|
| <b>Business Unit</b>     | SIR                             | <b>PEG Category</b> | Administration | <b>Implementation Date</b> | 7/1/10 |
| <b>PEG / New Need ID</b> |                                 |                     |                | <b>Savings Date</b>        | 7/1/10 |
| <b>Program:</b>          | BRP - Administrative Reductions |                     |                |                            |        |

**Description and Implementation Plan**

Keeping with MTA initiative to reduce administrative expenses and balance budgets one component in this effort is administrative layoffs.

**Background Details**

Within the SIR administrative departments two (2) PAAI positions have been identified for abolishment.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 2                  | 2                  | 2                  | 2                  | 2                  |
| <b>Financial Impact</b> | \$0.063            | \$0.160            | \$0.160            | \$0.160            | \$0.160            |

**MTA Staten Island Railway**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
(\$ in millions)

|                          |  |                     |                                     |                            |        |
|--------------------------|--|---------------------|-------------------------------------|----------------------------|--------|
| <b>Business Unit</b>     | SIR  | <b>PEG Category</b> | Customer Convenience<br>& Amenities | <b>Implementation Date</b> | 1/1/11 |
| <b>PEG / New Need ID</b> |  |                     |                                     | <b>Savings Date</b>        | 1/1/11 |
| <b>Program:</b>          | BRP - St. George-Unstaffed Fare Collection |                     |                                     |                            |        |

**Description and Implementation Plan**

Based on a fare alternative analysis the Authority implemented a pilot program to restore fare collection at Tompkinsville station using an unstaffed/low turnstile/CCTV monitored control area. The success of this pilot will drive future fare policy.

**Background Details**

Extending the Tompkinsville pilot to St. George Terminal will allow for the elimination of the staffed agents booth and all cash collection a processing, thereby saving six (6) positions. This implementation assumes the completion of the Station Security capital program under which CCTV cameras and Customer Assistance Intercoms will be installed.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | -                  | 6                  | 6                  | 6                  | 6                  |
| <b>Financial Impact</b> | \$0.000            | \$0.386            | \$0.386            | \$0.386            | \$0.386            |

**MTA Staten Island Railway**  
**July Financial Plan 2011-2014**  
**2010 Program to Eliminate the Gap (PEGs) Worksheet**  
**(\$ in millions)**

|                          |                            |                     |             |                            |        |
|--------------------------|----------------------------|---------------------|-------------|----------------------------|--------|
| <b>Business Unit</b>     | SIR                        | <b>PEG Category</b> | Maintenance | <b>Implementation Date</b> | 1/1/10 |
| <b>PEG / New Need ID</b> |                            |                     |             | <b>Savings Date</b>        | 1/1/10 |
| <b>Program:</b>          | BRP - Position Elimination |                     |             |                            |        |

**Description and Implementation Plan**

The Authority currently has one (1) Deputy Superintendent position in our maintenance shop which will be eliminated as a results of a 2010 retirement. An evaluation of this positions indicates that its elimination will not significantly impact maintenance and goals or activities

**Background Details**

The Authority will eliminate one (1) Deputy Superintendent title generating permanent savings of one position.

|                         |                    |                    |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                         | <u><b>2010</b></u> | <u><b>2011</b></u> | <u><b>2012</b></u> | <u><b>2013</b></u> | <u><b>2014</b></u> |
| <b>Total Headcount</b>  | 1                  | 1                  | 1                  | 1                  | 1                  |
| <b>Financial Impact</b> | \$0.116            | \$0.116            | \$0.116            | \$0.116            | \$0.116            |

**MTA STATEN ISLAND RAILWAY  
2011 PRELIMINARY BUDGET  
JULY FINANCIAL PLAN 2011 - 2014  
POSITIONS**

**POSITION ASSUMPTIONS**

**2010-2013: July Financial Plan vs. February Financial Plan**

- Two (2) positions are eliminated through administrative reductions each year
- Seven (7) positions are eliminated through the Budget Reduction Program each year

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011-2014**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents**

| FUNCTION/DEPARTMENT             | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012       | 2013       | 2014       |
|---------------------------------|----------------|------------------------------|-------------------------------|------------|------------|------------|
| <b>Administration</b>           |                |                              |                               |            |            |            |
| Executive                       | 11             | 9                            | 9                             | 9          | 9          | 9          |
| General Office                  | 10             | 10                           | 7                             | 7          | 7          | 7          |
| Purchasing/Stores               | 6              | 5                            | 5                             | 5          | 5          | 5          |
| <b>Total Administration</b>     | <b>27</b>      | <b>24</b>                    | <b>21</b>                     | <b>21</b>  | <b>21</b>  | <b>21</b>  |
| <b>Operations</b>               |                |                              |                               |            |            |            |
| Transportation                  | 93             | 95                           | 91                            | 91         | 91         | 91         |
| <b>Maintenance</b>              |                |                              |                               |            |            |            |
| Mechanical                      | 35             | 35                           | 35                            | 35         | 35         | 35         |
| Car and Station Cleaning        | 18             | 17                           | 18                            | 18         | 18         | 18         |
| Power/Signals                   | 25             | 26                           | 25                            | 25         | 25         | 25         |
| Maintenance of Way              | 49             | 45                           | 48                            | 48         | 48         | 48         |
| Bridge and Buildings            | 20             | 21                           | 21                            | 21         | 21         | 21         |
| Material Handling               | 2              | 2                            | 2                             | 2          | 2          | 2          |
| <b>Total Maintenance</b>        | <b>149</b>     | <b>146</b>                   | <b>149</b>                    | <b>149</b> | <b>149</b> | <b>149</b> |
| <b>Engineering/Capital</b>      |                |                              |                               |            |            |            |
| None                            | -              | -                            | -                             | -          | -          | -          |
| <b>Public Safety</b>            |                |                              |                               |            |            |            |
| Police                          | -              | -                            | -                             | -          | -          | -          |
| <b>Total Baseline Positions</b> | <b>269</b>     | <b>265</b>                   | <b>261</b>                    | <b>261</b> | <b>261</b> | <b>261</b> |
| Non-Reimbursable                | 266            | 262                          | 258                           | 258        | 258        | 258        |
| Reimbursable                    | 3              | 3                            | 3                             | 3          | 3          | 3          |
| Total Full-Time                 | 269            | 265                          | 261                           | 261        | 261        | 261        |
| Total Full-Time Equivalents     | -              | -                            | -                             | -          | -          | -          |

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2011-2014**  
**Total Positions by Function and Occupation**

| FUNCTION/OCCUPATIONAL GROUP        | 2009<br>Actual | 2010<br>Mid-Year<br>Forecast | 2011<br>Preliminary<br>Budget | 2012 | 2013 | 2014 |
|------------------------------------|----------------|------------------------------|-------------------------------|------|------|------|
| <b>Administration</b>              |                |                              |                               |      |      |      |
| Managers/Supervisors               | 13             | 12                           | 12                            | 12   | 12   | 12   |
| Professional, Technical, Clerical  | 14             | 12                           | 9                             | 9    | 9    | 9    |
| Operational Hourlies               | -              | -                            | -                             | -    | -    | -    |
| <b>Total Administration</b>        | 27             | 24                           | 21                            | 21   | 21   | 21   |
| <b>Operations</b>                  |                |                              |                               |      |      |      |
| Managers/Supervisors               | 8              | 8                            | 8                             | 8    | 8    | 8    |
| Professional, Technical, Clerical  | 4              | 4                            | 4                             | 4    | 4    | 4    |
| Operational Hourlies               | 81             | 83                           | 79                            | 79   | 79   | 79   |
| <b>Total Operations</b>            | 93             | 95                           | 91                            | 91   | 91   | 91   |
| <b>Maintenance</b>                 |                |                              |                               |      |      |      |
| Managers/Supervisors               | 8              | 6                            | 6                             | 6    | 6    | 6    |
| Professional, Technical, Clerical  | 3              | 3                            | 3                             | 3    | 3    | 3    |
| Operational Hourlies               | 138            | 137                          | 140                           | 140  | 140  | 140  |
| <b>Total Maintenance</b>           | 149            | 146                          | 149                           | 149  | 149  | 149  |
| <b>Engineering/Capital</b>         |                |                              |                               |      |      |      |
| Managers/Supervisors               |                |                              |                               |      |      |      |
| Professional, Technical, Clerical  |                |                              |                               |      |      |      |
| Operational Hourlies               |                |                              |                               |      |      |      |
| <b>Total Engineering/Capital</b>   | -              | -                            | -                             | -    | -    | -    |
| <b>Public Safety</b>               |                |                              |                               |      |      |      |
| Managers/Supervisors               |                |                              |                               |      |      |      |
| Professional, Technical, Clerical  |                |                              |                               |      |      |      |
| Operational Hourlies               |                |                              |                               |      |      |      |
| <b>Total Public Safety</b>         | -              | -                            | -                             | -    | -    | -    |
| <b>Total Baseline Positions</b>    |                |                              |                               |      |      |      |
| Managers/Supervisors               | 29             | 26                           | 26                            | 26   | 26   | 26   |
| Professional, Technical, Clerical  | 21             | 19                           | 16                            | 16   | 16   | 16   |
| Operational Hourlies               | 219            | 220                          | 219                           | 219  | 219  | 219  |
| <b>Total Baseline Positions</b>    | 269            | 265                          | 261                           | 261  | 261  | 261  |
| <i>Non-Reimbursable</i>            | 266            | 262                          | 258                           | 258  | 258  | 258  |
| <i>Reimbursable</i>                | 3              | 3                            | 3                             | 3    | 3    | 3    |
| <i>Total Full-Time</i>             | 269            | 265                          | 261                           | 261  | 261  | 261  |
| <i>Total Full-Time Equivalents</i> | 0              | 0                            | 0                             | 0    | 0    | 0    |

