

MTA 2012 Final Proposed Budget

November Financial Plan 2012 – 2015



Volume 2

November 2011



Metropolitan Transportation Authority

**ERRATA SHEET
NOVEMBER FINANCIAL PLAN 2012-2015
VOLUME 2**

The following pages have minor changes that reflect corrections made subsequent to the November 16, 2011 presentation of this document to the MTA Board:

I-2
II-23A to II-25
II-41
II-69 to II-70
II-87 to II-88
II-95 to II-97
III-1
III-3

These minor corrections have no bottom-line Financial Plan impact.

OVERVIEW

MTA 2012 FINAL PROPOSED BUDGET NOVEMBER FINANCIAL PLAN 2012-2015 VOLUME 2

The MTA's November 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 Increases, MTA Initiatives, and MTA Re-estimates. Volume 1 also includes descriptions of the below-the-line actions as well as the required Certification by the Chairman and Chief Executive Officer, a description of the MTA Budget Process, and the Proposed 2012-2014 Capital Program Funding Strategy.

Volume 2 includes MTA-Consolidated financial and position schedules as well as narratives that support the baseline projections included in the 2012 Final Proposed Budget and the Financial Plan for 2012 through 2015. Also included are the Agency sections which incorporate descriptions of Agency Programs with supporting baseline tables and required information related to the MTA Capital Program.

Important Note on LI Bus:

Earlier this year, Nassau County announced that it would be proceeding with an award of a contract to privatize bus and paratransit services in the County of Nassau and that the bus and paratransit services currently furnished by LI Bus are to be furnished by a private operator by January 1, 2012. In June, 2011, the County Executive announced its selection of a private operator.

The MTA Board in April 2011 approved a resolution authorizing actions to facilitate Nassau County's transition to provision of bus and paratransit services by a private operator on or before January 1, 2012. Consistent with the Board's authorization, LI Bus has given notice of the termination of the existing Lease & Operating Agreement between Nassau County and LI Bus effective as of December 31, 2011. The MTA has agreed to continue existing levels of service through 2011 due to additional one-time financial assistance that has been provided by the State Senate.

Consistent with these developments, this financial plan assumes the cessation of LI Bus operations on December 31, 2011. For 2012 and beyond, it assumes the exclusion of LI Bus as a separate operating entity from all budget forecasts for revenue, expenses, cash, subsidies, and headcount. Under the Lease & Operating Agreement, expenses that may be incurred post-December 31, 2011, in connection with the wind down of LI Bus will primarily be the financial responsibility of Nassau County.

TABLE OF CONTENTS

VOLUME 2

I. MTA Consolidated 2011-2015 Financial Plan-Baseline

2012: Where the Dollars Come From and Where the Dollars Go.....	I-1
2011-2015 Financial Plan: Statement of Operations by Category.....	I-2
2011-2014 Reconciliation to July Plan.....	I-6
Farebox Recovery and Operating Ratios.....	I-7

II. Major Assumptions 2012-2015 Projections-Baseline

Agency Baseline Assumptions*	II-1
Subsidies.....	II-39
Debt Service.....	II-83
Debt Service Affordability Statement.....	II-87
Positions (Headcount).....	II-91

III. Other MTA Consolidated Materials-Baseline

2011-2015 Consolidated Statements of Operations by Category (Accrued (Non-Reimbursable and Reimbursable), Cash).....	III-1
Cash Conversion Detail.....	III-5
Year-to-Year Changes by Category.....	III-6
Non-Recurring Revenues and Savings, and MTA Reserves.....	III-7

IV. MTA Capital Program Information

2011 Program Funding by Elements, 2011 Project Commitments and Total Costs by Agency.....	IV-1
Forecast of Project Completions 2011-2015.....	IV-15
Project Completions with Net Operating Impacts Exceeding \$1 Million.....	IV-32

*Utilization (Revenue, Ridership, Vehicle Traffic) has been incorporated into this section.

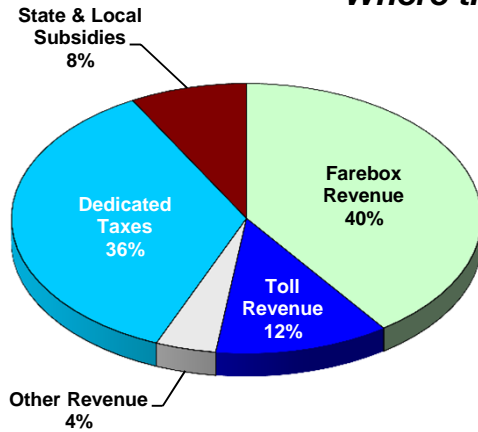
V. Agency Financial Plans

Bridges and Tunnels.....	V-1
Capital Construction Company.....	V-33
Long Island Bus.....	V-49
Long Island Rail Road.....	V-69
Metro-North Railroad.....	V-111
MTA Headquarters and Inspector General.....	V-153
First Mutual Transportation Assurance Co. (FMTAC).....	V-189
New York City Transit.....	V-201
MTA Bus Company.....	V-241
Staten Island Railway.....	V-269

I. MTA Consolidated 2011-2015 Financial Plan-Baseline

MTA 2012 Final Proposed Budget
Baseline Before Below-the-Line Adjustments
Non-Reimbursable

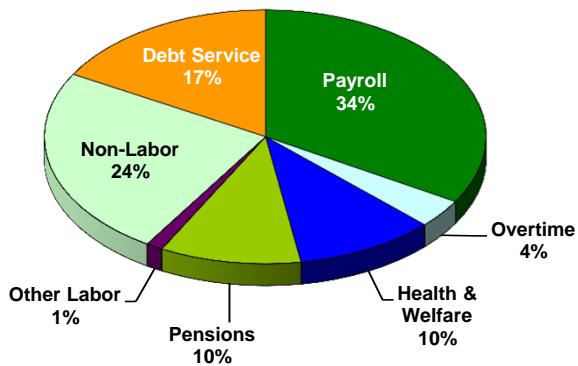
Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$5,050
Toll Revenue	1,510
Other Revenue	524
Dedicated Taxes	4,494
State & Local Subsidies	1,015
Total	\$12,594

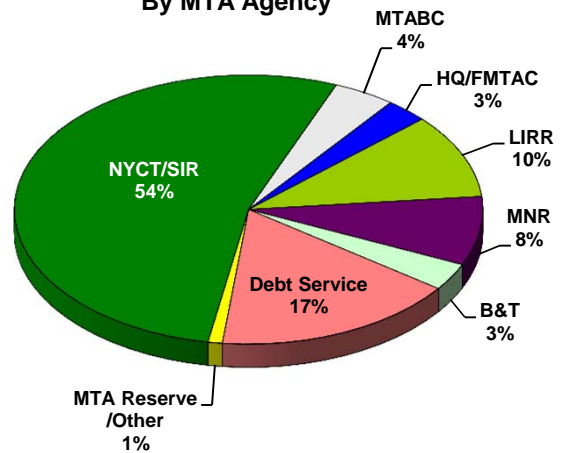
Where the Dollars Go ...

By Expense Category



By Expense Category (\$ in millions)	
Payroll	\$4,248
Overtime	463
Health & Welfare	1,298
Pensions	1,308
Other Labor	156
Non-Labor	3,067
Debt Service	2,129
Total	\$12,669

By MTA Agency



By MTA Agency ^{1,2} (\$ in millions)	
NYCT/SIR	\$6,762
MTABC	539
HQ/FMTAC	362
LIRR	1,288
MNR	1,050
B&T	414
Debt Service	2,129
MTA Reserve	125
Total	\$12,669

Expenses exclude Depreciation, OPEB obligation and Environmental Remediation.

¹ The financial plan assumes the cessation of LI Bus operations on December 31, 2011. For 2012 and beyond, it assumes the full exclusion of LI Bus as a separate operating entity from all budget forecasts for revenue, expenses, cash, subsidies, and headcount.

² MTA Capital Construction is not included in the above charts, as its budget contains reimbursable expenses only.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2012-2015
MTA Consolidated Cash Statement of Operations By Agency
(\$ in millions)

Line Number		2010	2011	2012			
		Actual	November Forecast	Final Proposed Budget	2013	2014	2015
7							
8							
9	<u>Total Receipts</u>						
10	New York City Transit	\$4,541	\$4,779	\$5,068	\$4,964	\$5,042	\$5,146
11	Metro-North Railroad	784	827	908	890	914	937
12	Long Island Rail Road	791	836	903	864	872	874
13	MTA Bus Company	193	207	211	213	216	219
14	MTA Headquarters	112	114	181	142	151	148
15	Long Island Bus	60	54	0	0	0	0
16	Staten Island Railway	7	8	9	10	10	10
17	Capital Construction Company	27	33	31	32	33	32
18	First Mutual Transportation Assurance Company	30	22	22	22	23	23
19	Total	\$6,544	\$6,882	\$7,334	\$7,138	\$7,260	\$7,388
20							
21	<u>Total Expenditures</u>						
22	New York City Transit	\$7,096	\$7,120	\$7,650	\$7,790	\$8,119	\$8,560
23	Metro-North Railroad	1,176	1,232	1,360	1,347	1,403	1,434
24	Long Island Rail Road	1,390	1,405	1,556	1,560	1,644	1,721
25	MTA Bus Company	480	560	556	552	569	607
26	MTA Headquarters	380	391	435	450	469	486
27	Long Island Bus	130	153	0	0	0	0
28	Staten Island Railway	36	35	48	42	44	46
29	Capital Construction Company	27	33	31	32	33	32
30	First Mutual Transportation Assurance Company	30	22	22	22	23	23
31	Other	(7)	(18)	117	122	127	138
32	Total	\$10,738	\$10,932	\$11,775	\$11,916	\$12,431	\$13,048
33							
34	<u>Net Operating Surplus/(Deficit)</u>						
35	New York City Transit	(2,555)	(2,341)	(2,582)	(2,826)	(3,077)	(3,415)
36	Metro-North Railroad	(392)	(405)	(452)	(456)	(489)	(498)
37	Long Island Rail Road	(599)	(569)	(653)	(696)	(772)	(847)
38	MTA Bus Company	(287)	(353)	(345)	(338)	(353)	(388)
39	MTA Headquarters	(268)	(276)	(254)	(307)	(318)	(338)
40	Long Island Bus	(70)	(98)	0	0	0	0
41	Staten Island Railway	(29)	(27)	(38)	(33)	(34)	(36)
42	Capital Construction Company	0	0	0	0	0	0
43	First Mutual Transportation Assurance Company	0	0	0	0	0	0
44	Other	7	18	(117)	(122)	(127)	(138)
45	Total	(\$4,194)	(\$4,051)	(\$4,440)	(\$4,778)	(\$5,171)	(\$5,659)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2012-2015
MTA Consolidated - November Financial Plan Compared with July Financial Plan
Cash Reconciliation
(\$ in millions)

	Favorable/(Unfavorable)				
	2011	2012	2013	2014	2015
JULY FINANCIAL PLAN BASELINE before Prior-Year Carryover	(\$78)	(\$347)	(\$604)	(\$1,029)	(\$1,555)
Adjustments to July Plan ¹	\$28	\$74	\$34	\$35	\$36
MTA Efficiencies/Savings Initiatives	\$34	\$70	\$88	\$113	\$145
<i>Paratransit Savings</i>	19	59	76	111	140
<i>Non-Revenue Fleet Savings</i>	6	9	6	4	4
<i>B&T's E-ZPass Tag Initiative</i>	9	2	6	(2)	(0)
New Needs (primarily maintenance)	\$14	(\$29)	(\$14)	\$13	(\$46)
Agency Baseline Adjustments	(\$19)	(\$30)	(\$12)	\$25	\$80
<i>Farebox/ Toll Revenue</i>	(28)	(16)	(9)	(6)	(2)
<i>Traction and Propulsion Power</i>	9	(11)	(16)	(20)	(8)
<i>Fuel for Buses and Trains</i>	4	19	16	21	28
<i>Health & Welfare (includes OPEB)</i>	3	10	28	44	57
<i>Tropical Storm Irene - Operating</i>	(49)	49	0	0	0
<i>Tropical Storm Irene - Capital</i>	(16)	16	0	0	0
<i>Claims</i>	(28)	(18)	(13)	(15)	(19)
<i>Other Expense Reductions</i>	45	(4)	(4)	(1)	(1)
<i>East Side Access Delay</i>	0	0	4	15	62
<i>2011 Timing Adjustments</i>	41	(33)	1	(1)	(2)
<i>Baseline Re-estimates</i>	2	(42)	(19)	(12)	(36)
B&T Adjustments ²	(\$15)	(\$4)	(\$9)	(\$1)	(\$6)
General Reserve	\$42	(\$25)	(\$30)	(\$35)	(\$45)
Subsidies:	(\$57)	\$103	(\$8)	(\$47)	(\$10)
<i>Reduction in MMTA Revenues</i>	0	(100)	(38)	(50)	(54)
<i>Real Estate Tax Receipts</i>	70	49	42	48	82
<i>Other Subsidies</i>	2	(3)	(23)	(37)	(39)
<i>Payback of Inter-Agency Loan</i>	(135)	135	0	0	0
<i>Other Subsidy Adjustments</i>	(7)	13	(2)	(6)	6
<i>B&T Operating Surplus Transfer</i>	13	11	13	(1)	(4)
Debt Service Adjustments	\$38	\$28	\$27	\$30	\$20
NOVEMBER FINANCIAL PLAN BASELINE before Prior-Year Carryover	(\$13)	(\$160)	(\$527)	(\$896)	(\$1,381)

¹ There were re-estimates that were included below the line in Volume 1 of the July Financial Plan that were calculated too late to be included in the Volume 2 baseline. This adjustment moves them to the baseline and creates a valid basis for comparison.

² B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated with the line "B&T Adjustments."

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2012-2015
Baseline Farebox Recovery and Farebox Operating Ratios

<u>FAREBOX RECOVERY RATIOS</u>					
	2011 November Forecast	2012 Final Proposed Budget	2013 Plan	2014 Plan	2015 Plan
New York City Transit	39.8%	38.0%	37.0%	35.8%	34.5%
Staten Island Railway	11.4%	10.5%	10.6%	10.4%	10.2%
Long Island Rail Road	30.2%	28.4%	28.1%	27.2%	26.1%
Metro-North Railroad	39.4%	38.4%	38.5%	38.6%	38.2%
Long Island Bus	33.3%	N/A	N/A	N/A	N/A
Bus Company	<u>30.3%</u>	<u>29.9%</u>	<u>29.9%</u>	<u>29.5%</u>	<u>28.1%</u>
MTA Total Agency Average	37.8%	36.2%	35.5%	34.5%	33.3%

<u>FAREBOX OPERATING RATIOS</u>					
	2011 November Forecast	2012 Final Proposed Budget	2013 Plan	2014 Plan	2015 Plan
New York City Transit	59.2%	56.4%	54.9%	53.1%	50.9%
Staten Island Railway	20.6%	17.7%	18.2%	17.7%	17.2%
Long Island Rail Road	47.8%	44.2%	43.7%	41.8%	39.8%
Metro-North Railroad	59.2%	58.0%	58.5%	58.7%	57.9%
Long Island Bus	36.2%	N/A	N/A	N/A	N/A
Bus Company	<u>36.5%</u>	<u>35.8%</u>	<u>35.7%</u>	<u>35.2%</u>	<u>33.2%</u>
MTA Total Agency Average	56.0%	53.6%	52.6%	51.1%	49.1%

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

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

II. Major Assumptions 2012-2015 Projections- Baseline

Agency Baseline Assumptions

Agency Baseline Assumptions

The November Financial Plan consists of the 2011 November Forecast, 2012 Final Proposed Budget and 2013 to 2015 projections. Plan-to-plan changes compare the November Plan with the July Financial Plan and the February Plan (which included the 2011 Adopted Budget). This section describes those assumptions associated with the Baseline Plan as presented in Volume II, including net accrual and cash forecasts contributing to MTA consolidated annual closing cash balances. Assumptions on Subsidies, Debt Service and Prior-Year Cash Carryovers are included in later sections. Also note that the impacts of future fare/toll increases, MTA Efficiencies and a cash adjustment concerning the energy hedge are captured below-the-line in Volume I.

Consistent with MTA's commitment to increase efficiency, this Financial Plan contains expense growth while enhancing the customer experience through planned improvements in reliability, cleanliness and customer communications. The Plan includes the continuation of existing savings initiatives introduced in the July Plan (e.g. the 2011 Budget Reduction Program and the 15% reduction in reimbursable administrative costs) and makes investments in areas critical to improving service to customers. Continued focus on cost cutting is expected to achieve more than \$850 million of recurring annual savings by 2015.

The November Plan identifies new opportunities for efficiency savings, including the additional paratransit savings, health care "opt-out" program, and the non-revenue fleet strategic sourcing initiative. The paratransit savings will be derived primarily from efficiencies implemented in 2011, mostly from the diversion of ridership to lower cost vouchers and taxis, tightened application of current eligibility standards, and diversion of ridership to the fixed route system.

In response to the State's \$100 million reduction in net subsidies, the MTA in March developed its 2011 Budget Reduction Program which, when combined with under-spending in 2010, resulted in savings to the 2011 bottom line of \$90 million. These savings and additional BRP savings captured for November are described later in this section.

The baseline continues to assume two years of "net-zero" wage growth for both represented and non-represented employees. A third year of "net-zero" for all employees is captured "below-the-line" in Volume I. The three years for non-represented employees has already occurred; while, the savings for represented employees will need to be accomplished through collective bargaining.

As in July, the November Plan assumes the cessation of Long Island Bus service on December 31, 2011; therefore, the baseline cash deficit, exclusive of subsidy impacts, is reduced by approximately \$90 million per year in 2012 and beyond.

Three significant weather events took place during 2011 that affected MTA operations. On January 26-27, 19 inches of snowfall was recorded at the Central Park weather

station. Over the entire month, 36 inches of snow fell, four and a half times the average snowfall for January in New York City. In early September, Tropical Storm Irene dumped more than three inches of rain in New York City on September 6. The threat of this storm being a hurricane led to the shut-down of the entire system for varying periods of time. The third event was a Nor'easter, combined with dropping temperatures, which resulted in an unusually early snow on October 29. In the November Plan, Agency baselines include approximately \$86 million in 2011 operating financial impacts associated with the January record snowstorm (\$37 million) and Tropical Storm Irene (\$49 million), while the General Reserve (on an MTA consolidated basis) includes a placeholder of approximately \$8 million to cover the Nor'easter and other storms that may occur in the remainder of the year.

Worth noting is that in addition to the operating impacts noted above, Tropical Storm Irene also caused extensive infrastructure damage to MTA properties with the hardest hit being in Metro-North service territory. Extreme impacts from this storm, including the complete wash-out of large portions of the right-of-way on its Port Jervis Line, have projected capital costs of \$27 million. As a result of this damage, Metro-North is providing its customers bussing service. Recoveries from insurance and the Federal Emergency Management Agency (FEMA) are anticipated in 2012. By all accounts, Metro-North and its employees have done an excellent job of mitigating the impact and cost of that storm. Repairs are being done quicker and at a much lower expense than originally estimated.

In developing this Plan, the Agencies were instructed to adhere to the spending envelope contained in the July Financial Plan, so that the budget savings generated over the last two years would be maintained. In addition, Agencies were required to "self-fund" any expense growth (including any "New Need" program) by reducing costs in other areas. These self-funded savings could take the form of expense re-estimates in "controllable" areas or additional BRPs.

Growth in "uncontrollable" areas including health & welfare, pensions, energy and insurance is permissible, as these categories are heavily dependent on rates determined by outside factors. Also impacting 2011 results are higher overtime expenses resulting from both the severe weather in January and February and Tropical Storm Irene in August and an increase in claims expenses resulting from higher public liability payments.

Over the 2010 to 2015 period, accrued baseline expenses, which include the impact of the 2011 Budget Reduction Program (BRP), grow at an average annual rate of 4.9% (see chart below). "Uncontrollable" expenses -- such as pension and fuel -- are projected to grow over the period at a 9.7% rate, while "controllable" expenses will grow by only 2.3%. On a year-to-year basis, total 2012 baseline expenses grew 5.6% from 2011 due to "uncontrollable" growth of 14.7%.

Expense Rate of Growth by Category		
	% Growth	Average Annual % Growth
	2011-2012	2011-2015
Uncontrollable:		
Health & Welfare	11.6	9.9
Pensions	20.8	7.3
Energy	9.1	8.5
Paratransit Service Contracts	13.5	15.7
Total Uncontrollable:	14.7	9.7
Controllable:		
Payroll/Overtime	0.6	1.0
All Other Expenses	2.8	5.1
Total Controllable:	2.9	2.3
Total Expenses	5.6	4.9
Debt Service	9.3	7.0
Total Expenses including Debt Service	6.2	5.2
<i>Note: Figures have been adjusted to exclude Long Island Bus expenses in 2011, since they are not part of the Plan in 2012 and beyond. Expense totals exclude the General Reserve and have been further adjusted to normalize certain timing shifts between 2011 and 2012 and to include below-the-line expense reduction initiatives contained in Volume I.</i>		

Headcount changes between July and November were minor. Compared with July, total positions increase by 7 in 2011, 86 in 2012, 21 in 2013 and decrease by 194 in 2014 and 153 in 2015. Overall, the increases in 2011 - 2013 reflect higher maintenance of equipment and operations requirements at NYCT, LIRR, MTA Bus and MNR. The favorable plan-to-plan position changes in 2014 and 2015 primarily reflect the impact of the change in the East Side Access projected opening to 2018.

New MTA Efficiencies

In 2010, the MTA responded to a loss of \$900 million in dedicated taxes and subsidies by beginning a process that would reduce its cost structure. These efforts resulted in some immediate savings from many sources including administrative reductions, paratransit efficiencies, overtime efficiencies. Unfortunately, given the magnitude of the revenue losses, some service reductions also needed to be taken. These efforts resulted in annualized savings of over \$500 million; however, the MTA recognized that there was an opportunity to further reduce expense to achieve a more stable financial position. In November of 2010, the MTA identified new processes for reducing expenses which were referred to as "New MTA Efficiencies". At that time, targets were developed that would save \$75 million in 2011 growing to \$200 million in 2014 through streamlining, downsizing, and eliminating redundancies. The greatest potential for savings was identified in cyclical projects, rapid procurement, strategic sourcing and inventory management. In 2011, the MTA identified additional saving opportunities. The

November Plan includes savings from a health care contract re-bid, increased employee participation in the retiree health care “opt-out” program, greater anticipated savings from additional paratransit efficiencies, non-revenue vehicle fleet reductions, and further consolidations.

NEW MTA EFFICIENCIES					
	November Financial Plan				
	2011	2012	2013	2014	2015
Above the Line	90.2	110.2	123.0	156.6	187.0
- Health Care Rebid	33.0	33.0	33.0	33.0	33.0
- Inventory Savings	7.0	-	-	-	-
- IT Consolidations & Communications	12.3	1.3	1.2	1.1	1.1
- Media Consolidations	0.7	0.7	0.7	0.7	0.7
- Headquarters Efficiencies/ Consolidations	3.2	5.0	3.7	3.9	5.0
- Project Deferrals	6.7	-	-	-	-
- Strategic Sourcing (Non-Revenue Fleet)	5.7	9.1	6.1	4.4	4.2
- Strategic Initiatives: Add'l Paratransit Savings	19.1	58.6	75.8	111.0	140.5
- Right Sizing Office Space	2.5	2.5	2.5	2.5	2.5
Below the Line	5.9	30.1	93.0	84.4	79.0
- IT Consolidations	3.3	8.6	8.2	8.1	8.4
- Consolidations - Communications	0.7	0.5	0.5	0.5	0.5
- Strategic Sourcing (Other)	0.2	4.3	4.7	4.7	4.6
- Strategic Initiatives	1.8	3.1	3.3	3.5	3.8
- Health Care Opt Out	-	13.6	19.3	22.6	23.1
- Other Initiatives (Unidentified)	-	0.0	56.9	45.0	38.6
TOTAL SAVINGS	96.2	140.3	216.0	241.0	266.0

These new initiatives, together with the existing program, increased the total targeted savings to \$96 million in 2011, \$140 million in 2012, \$216 million in 2013, \$241 million in 2014, and \$266 million in 2015. After accounting for those items that have been incorporated in the baseline, savings of \$6 million in 2011, \$30 million in 2012, \$93 million in 2013, \$84 million in 2014, and \$79 million in 2015 remain below the line. Of the total 2014 savings, the unidentified portion is now only \$45 million; whereas the original 2014 target of \$200 million was mostly unidentified just one year ago.

In March, MTA issued a moratorium on spending on IT (hardware and software only), telecommunications (both wired and wireless) and non-revenue fleet. While the IT and telecommunications savings remain captured on a below-the-line basis, the current November Plan non-revenue fleet savings were moved from below-the-line into Agency baselines. These savings total \$6 million, \$9 million in 2012, \$6 million in 2013 and \$4 million in 2014 and 2015.

Budget Reduction Program (BRP)

In response to the State Budget reduction that resulted in a net \$100 million operating impact to the MTA, Agencies were asked in February to identify additional expense reductions, formally known as the Budget Reduction Program. These savings were captured in both the July and November Financial Plans. Although this exercise focused on reducing the 2011 deficit, Agencies were encouraged to find reductions that would result in recurring savings in order to address deficits anticipated for 2012 and the out-years. Agencies were, however, permitted to use “one-shot” savings and they could also use “real” favorable results in 2010 “controllable” categories to meet their reduction target - since those savings increased the cash carry-over into 2011.

As stated above, Agencies were required to “self-fund” any expense growth (including any “New Need” program) by reducing costs in other areas. Thus, the November Plan includes additional BRPs that total \$28 million in 2011, \$61 million in 2012, \$82 million in 2013, \$109 million in 2014 and \$140 million in 2015 – the majority of which is attributable to Paratransit savings resulting primarily from the out-year impact of efficiencies achieved in 2011, mostly from the diversion of ridership to lower cost vouchers and taxis, tightened application of current eligibility standards, and diversion of ridership to the fixed route system.

BRP details can be found in individual Agency sections and are summarized in the BRP – Programmatic table below and in sections that follow.

2011 Budget Reduction Program (BRP) Summary

November Financial Plan 2012 - 2015

(\$ in millions)

July Plan: 2011-2015 Budget Reductions - Programmatic

	2011		2012		2013		2014		2015	
	Pos	\$	Pos	\$	Pos	\$	Pos	\$	Pos	\$
<u>Agency</u>										
New York City Transit	31	\$33.5	21	\$21.1	21	\$21.0	21	\$23.6	21	\$26.9
Long Island Rail Road	20	12.5	27	11.6	27	13.8	27	13.8	27	13.9
Metro-North Railroad		2.7		0.0		0.0		0.0		0.0
Bridges and Tunnels	(10)	0.1	(10)	0.4	(10)	0.4	(10)	0.4	(10)	0.4
MTA Headquarters		3.1		2.8		0.5		0.5		0.5
MTA Bus		-		-		-		-		-
Long Island Bus		-		-		-		-		-
Staten Island Railway		0.4		-		-		-		-
Subtotal	41	\$52.3	38	\$35.8	38	\$35.6	38	\$38.3	38	\$41.7

November Plan: Additional 2011-2015 Budget Reductions - Programmatic

	2011		2012		2013		2014		2015	
	Pos	\$	Pos	\$	Pos	\$	Pos	\$	Pos	\$
<u>Agency</u>										
New York City Transit		\$19.1		\$58.6		\$75.8		\$111.0		\$140.5
Long Island Rail Road		(0.3)		-		-		-		-
Metro-North Railroad		-		-		-		-		-
Bridges and Tunnels		9.3		1.9		5.8		(2.0)		(0.2)
MTA Headquarters		-		-		-		-		-
MTA Bus		-		-		-		-		-
Long Island Bus		-		-		-		-		-
Staten Island Railway		-		-		-		-		-
Subtotal	-	\$28.1	-	\$60.5	-	\$81.6	-	\$109.0	-	\$140.3
Total BRPs - Programmatic	41	\$80.4	38	\$96.3	38	\$117.2	38	\$147.3	38	\$182.0

NOTE: Numbers exclude \$53 million in 2010 savings.

The BRP's identified in the July Plan combined with additional savings developed for this November Plan result in programmatic savings of \$80 million in 2011, \$96 million in 2012, \$117 million in 2013, \$147 million in 2014 and \$182 million in 2015. These savings generate corresponding reductions in positions of 41 in 2011, and 38 in each year from 2012 through 2015.

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. BRP reductions take place immediately while PEGs traditionally are identified for implementation in the following year.

The major budget reduction initiatives that comprise the total 2011 BRPs – Programmatic are listed below by agency. Specific details can be found in the BRP worksheets in Agency sections:

NYCT:

Major BRP savings first captured in the July Plan include:

- Extension of alternative fuels (CNG) tax credit;
- Dependent Eligibility Verification Audit (DEVA);
- Department of Buses OTPS reductions;
- R-44 car disposal economy;
- Elimination of oil-less compressors in SMS program;
- Reduction in B-division (previously known as the BMT and IND divisions) tower operator work program;
- Other re-estimations including attachment license reductions, lower Department of City-Wide Administration Services (DCAS) fees, and paratransit economies, and
- Additional BRP savings, including Paratransit and additional inventory draw-downs.

Major BRP savings captured in the November Plan includes:

- Greater Paratransit BRP resulting primarily from the annualization of efficiencies achieved in 2011, mostly from the diversion of ridership to lower cost vouchers and taxis, tightened application of current eligibility standards, and diversion of ridership to the fixed route system.

LIRR:

Major BRP savings first captured in the July Plan include:

- Non-payroll administrative-related savings;
- Deferred operating funded capital projects;
- Less traction motor rebuilds resulting from increased M3 reliability;
- M-7 Reliability Centered Maintenance schedule for HVAC;
- Elimination of vacant administrative positions and delays in hiring;
- Reduction in penalty pay and related labor costs associated with servicing locomotive engines.
- Additional non-payroll savings, transportation efficiencies, and
- Automated Verification System (AVS) implementation.

MNR:

Major BRP savings first captured in the July Plan include:

- Delays in hiring; and
- Delayed implementation of service guideline adjustments.

B&T:

Major BRP savings first captured in the July Plan includes:

- Elimination of contracted janitorial services.

Major BRP savings captured in the November Plan includes:

- E-ZPass tag initiative savings resulting from favorable terms negotiated with new contract tag vendor.

MTAHQ:

Major BRP savings first captured in the July Plan include:

- Reduction in facilities management and other operating capital funded projects; and Savings from reduced advertising and professional services requirements.

Major BRP savings captured in the November Plan includes:

- Additional efficiencies and consolidations.

SIR:

Major BRP savings first captured in the July Plan include:

- Delays in hiring; and
- Savings from efficiencies in operations.

Reimbursable Reduction in Administrative Positions

In the on-going effort to increase efficiency, MTA turned its attention to the Capital Program, seeking to complete projects for less cost and reduce the unfunded gap in the last years of the Capital Program. To that end, MTA implemented a 15% reduction (both in dollars and headcount) from the reimbursable administrative capital budget, much like the reduction that was made last year in the administrative operating budget. For this exercise, engineering positions were included as part of MTA's broad effort to reduce the reimbursable budget. By year-end, this initiative will have reduced reimbursable administrative positions by 353 positions – annualized, a total of 427 positions will be eliminated from the budget in 2012. Please see the position and Agency sections for additional details.

New Needs/Investments:

Even while the MTA looks to reduce costs, it is continuously evaluating its operations for ways to deliver better service for its customers which requires a reinvestment of resources. The MTA is continuing to improve the reliability and performance of its fleet and infrastructure through increased maintenance. Improved customer information is also an area of investment. The 2012 Final Proposed Budget includes increases in resources to address these priority areas.

New York City Transit is increasing staff, mostly signal maintainers and helpers, to improve its performance of signal inspections and maintenance. Additional professional staff will form a Quality Assurance and Performance unit responsible for production schedule optimization, performance review and quality control. NYCT is revising its 6-year Scheduled Maintenance System cycle for the R-32 subway car due to the accelerated retirement of the R-44 car class. NYCT is investing in additional Escalator &

Elevator staff to improve the safety and reliability of its elevators and escalators. NYCT reinstated the Work Experience Program in 2011. New needs proposed in the November Plan include Subways Scheduled Maintenance (SMS) revisions for its Car Equipment department, expansion of its Select Bus Service (SBS) to Nostrand Avenue, Hylan Boulevard, and Webster Avenue in 2013, additional maintenance for its SONET/ATM-B (fiber optic data communications system) to extend SONET technology, previously installed at 178 stations on the A Division, to 289 stations on B Division and provide resources to operate two additional refuse collection trains in order to enhance refuse collection capability beginning in 2012.

Metro-North rehabilitated its Harlem River Lift Bridge, which was severely damaged in a September 2010 fire. After the past winter made it apparent that additional equipment was needed to safely maintain its right-of-way, Metro-North will be procuring additional snow fighting equipment and snow melter cabinets for track switches and interlockings. In 2012, Metro-North plans to overhaul two F-40 locomotives that operate West of Hudson in order to retain their reliability through 2020, and also in 2012, MNR will begin its M-3 car door modification program. New needs proposed in the November Plan include an escalator replacement program at Grand Central Terminal beginning in 2012 and customer and employee communication enhancements and preparing operations for staffing and training to ensure a smooth transition in the performance of key operating functions as MNR anticipates significant employee retirements beginning in 2013.

The LIRR will be making customer convenience and amenities investments with the Audio Visual Paging System (AVPS) and Real Time Train Initiative that will create a more robust customer communication strategy. This will enable the LIRR to provide more accurate service and schedule status information during major service disruptions as well as provide real-time train service status information to customers via handheld devices. In 2012, the LIRR is upgrading its C3 bi-level diesel coach cars on-board audio visual announcement system from a wayside infrastructure-based system to a GPS-based system, making it easier and less expensive to maintain over the course of its useful life.

Staten Island Railway will purchase non-revenue vehicles in 2012, including excess vehicles from other Agencies which resulted from the downsizing of their non-revenue fleet. This investment is essential to: establish a fully functional fleet to meet operational requirements, and meet new State emissions requirements. SIR is also establishing a new Electronics Maintenance division in order to establish sufficient expertise to appropriately support planned and on-going implementation of electronics equipment and systems.

Other new needs include MTA Bus adding road dispatchers for service support and trainers for its management mentoring program. In addition, MTA Bus is proposing customer convenience and amenities investments in the November Plan by expanding the existing Guide-A-Ride and Passenger Environment Survey information services.

Baseline November Plan Changes from July Plan

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

<u>AGENCY BASELINE</u> <u>NOVEMBER CHANGES FROM JULY PLAN</u> Favorable/(Unfavorable) (\$ in millions)					
	2011	2012	2013	2014	2015
MTA Savings Initiatives/Efficiencies	\$34	\$70	\$88	\$113	\$145
Paratransit-Additional Savings	19	59	76	111	140
E-ZPass Tags Initiative	9	2	6	(2)	(0)
Non-Revenue Fleet Savings	6	9	6	4	4
New Needs (primarily maintenance)	\$14	(\$29)	(\$14)	\$13	(\$46)
Agency Baseline Adjustments	(\$19)	(\$30)	(\$12)	\$25	\$80
Farebox/Toll Revenue	(28)	(16)	(9)	(6)	(2)
Traction and Propulsion Power	9	(11)	(16)	(20)	(8)
Fuel for Buses and Trains	4	19	16	21	28
Health & Welfare (includes OPEB)	3	10	28	44	57
Tropical Storm Irene - Operating	(49)	49	0	0	0
Tropical Storm Irene - Capital	(16)	16	0	0	0
Claims/Public Liability Payments	(28)	(18)	(13)	(15)	(19)
Other Expense Reductions	45	(4)	(4)	(1)	(1)
East Side Access Delayed Opening	0	0	4	15	62
Timing	41	(33)	1	(1)	(2)
Baseline Re-estimates	2	(41)	(19)	(12)	(36)
B&T Adjustments¹	(\$15)	(\$4)	(\$9)	(\$1)	(\$6)
General Reserve	\$42	(\$25)	(\$30)	(\$35)	(\$45)
Net Cash Baseline Changes	\$56	(\$18)	\$23	\$115	\$128
¹ B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated with the line "B&T Adjustments."					

In addition to the 2011 Budget Reduction Program impacts and higher MTA savings initiatives, which were discussed earlier, the primary changes since the July Plan are re-estimates due to: (1) higher revenue; (2) under-spending in controllable expenses; and (3) New Needs and Investments. The Plan also includes a timing shift of expenses between 2011 and 2012.

Agency Baseline Adjustments

Passenger & Toll Revenue/Utilization:

Farebox and Toll Revenue changes, in general, reflect lower farebox revenue for all Agencies, as well as lower toll revenue at B&T facilities. Ridership and traffic levels anticipated in the Mid-Year Forecast and accompanying farebox revenues have not materialized, primarily due to a less robust economy that has not rebounded as strongly as assumed. New York City employment is projected to increase 0.8% in 2011, adding a total of 31 thousand jobs over 2010. Utilization forecasts for the Mid-Year Forecast, however, had assumed a slightly stronger employment growth of 44 thousand jobs (1.2%).

Compared with the July Plan, combined farebox and toll revenue is projected to be unfavorable by \$28 million (0.4%) in 2011, \$16 million (0.2%) in 2012, \$9 million (0.1%) in 2013, \$6 million (0.1%) in 2014 and \$2 million (0.0%) in 2015. Farebox and Toll Revenue are unfavorable relative to the February Plan: \$20 million (0.3%) in 2011, \$70 million (1%) in 2012, \$78 million (1%) in 2013, \$58 million (1%) in 2014 and \$45 million (1%) in 2015.

Expenses (uncontrollable):

Major drivers of baseline expense growth are higher traction and propulsion, higher overtime in 2011 caused by severe winter weather and Tropical Storm Irene and higher than expected claims payout. Partially offsetting these are lower expenditures for health and welfare resulting from lower premium assumptions in the Empire Plan, lower fuel costs, and a reduction in insurance assumptions. See generic categories below for more details.

Tropical Storm Irene, which occurred in August, severely impacted MTA operations, especially Metro-North's Port Jervis Line. Projected 2011 revenue and expense impacts total \$49 million in operating and \$16 million in capital costs. Recoveries from insurance and Federal Emergency Management Administration are anticipated in 2012.

Claims expenses increased over the July Plan primarily due to a substantial increase in public liability payments at NYCT, as well as higher claims costs experienced at MTAHQ and MNR.

Other expense reductions include favorable departmental re-estimates and OTPS adjustments at NYCT, restitution of property damage and lower material costs at the LIRR and a reduction in non-labor expenditures in 2011 at MTA HQ.

The delay in the opening of East Side Access to 2018 resulted in plan-to-plan savings in each year from 2013 to 2015.

Timing adjustments between 2011 and 2012 were largely due to retroactive salary and wage payments, OTPS and other non-payroll payments, and delays in capital reimbursements at NYCT and the LIRR. In addition there were delays in force account receipts at MNR and shifting of IT expenses at the LIRR. In the category 'Baseline Re-estimates' is a combination of changes, including revised inflation forecasts, reimbursable expense adjustments, other operating revenue, prior period PEG/AABB and BRP re-estimates, operating capital, and cash adjustments.

Traditionally, the November Plan eliminates the remaining 2011 General Reserve, which was budgeted at \$50 million. However, \$8 million remains in the reserve to fund costs associated with the October 29th Nor'easter snowstorm and for other potential unexpected events that could occur by the end of the year. In 2012 and beyond, the General Reserve increases to approximate one-percent of the MTA's operating budget. Energy fluctuations and weather impacts seen in 2011 alone demonstrate the necessity of an adequate general reserve.

Accrued Baseline Assumptions

The following presents Agency baseline assumptions supporting the MTA Consolidated Statement of Operations including analysis of individual revenue and expense categories. Additional detail is available in each Agency section. It should be noted that the Mid-Year Forecast was modified to include three below-the-line MTA Re-estimates including: Additional Real Estate Tax Receipts, Farebox Revenue Revision and Capital Reimbursement Timing. For details, see Volume I of the 2011 July Plan.

2011 Final November Forecast

The 2011 Final November Forecast projects a Net Operating Deficit before Subsidies and Debt Service of \$6,181 million, \$104 million better than the Mid-Year Forecast as favorable non-labor expenses were partially offset by higher labor expenses and lower revenue.

Revenue

Total operating revenue was \$39 million lower than the Mid-Year Forecast due primarily to lower farebox and toll revenue, as well as other revenue, the result of reduced investment income at the First Mutual Transportation Assurance Company (FMTAC). When compared with the Adopted Budget, total revenue is \$47 million lower -- of this amount, \$41 million is attributable to lower farebox and toll revenue primarily reflecting lower ridership and vehicle crossings, respectively.

Expenses

Total operating expenses were \$143 million better than the Mid-Year Forecast. MTA experienced favorable expenses in materials, paratransit, professional service contracts, maintenance and other operating contracts, traction power and other business expenses. Partially offsetting these costs were higher weather-related overtime, claims and reimbursable overhead. When compared with the February Plan,

expenses are \$199 million lower reflecting the impact of system implementation delays, “one-shot” BRP savings in 2011, and reductions in non-labor expenses resulting from MTA budget initiatives to reduce spending.

2012 Final Proposed Budget

The 2012 Preliminary Baseline Budget projects a Net Operating Deficit before Subsidies and Debt Service of \$6,899 million. Total operating revenue of \$7,085 million is expected to be \$99 million higher than the 2011 Final November Forecast, reflecting primarily higher passenger revenue from improved regional employment projections and higher other revenue. When compared with the 2012 forecast in the July Plan, total revenue is \$28 million lower, reflecting a lower 2011 base utilization level, and slower employment growth. Other operating revenue is \$12 million lower when compared with the February Plan due primarily to a decrease in investment income at FMTAC. Total Revenue when compared with the February Plan is \$94 million lower mostly due to loss farebox revenue from the cessation of LIB from MTA.

Total 2012 operating expenses of \$13,984 million are \$817 million higher than the 2011 Final November Forecast due mostly to higher pensions and health & welfare, increases in Non-Cash Liability Adjustments, particularly in depreciation and OPEB obligation, and higher paratransit, traction and propulsion power, maintenance and material costs. When compared with the 2012 forecast in the July Plan, expenses are \$1 million higher, and \$2 million lower when compared with the February Plan.

2013 – 2015 Projections

Compared with the July Plan, the November Forecast (net operating deficit before subsidies and debt service) decreases in the out-years mainly as a result of lower paratransit, health and welfare, materials and supplies, professional service contracts, fuel, lower Non-Cash Liability Adjustments, and increases in costs for maintenance and other operating contracts, claims, traction and propulsion power, and reimbursable overhead.

Compared with the February Plan, the November Forecast (net operating deficit before subsidies and debt service) is lower by \$25 million in 2013, and \$104 million in 2014 as a result of decreases in other business expense (cessation of LIB subsidy), paratransit, health and welfare, materials and supplies, professional service contracts, lower Non-Cash Liability Adjustments, and increases in costs for fuel, maintenance and other operating contracts, claims, traction and propulsion power, and reimbursable overhead.

The following pages provide a more detailed description of the assumptions used in formulating the 2012 Final Proposed Budget and the forecasts for 2013 through 2015. Additional detail can be found in individual Agency sections.

PASSENGER & TOLL REVENUE / UTILIZATION

Utilization 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 through 2009; in 2009, New York City lost 101 thousand jobs (2.7%). In 2010, New York City employment stabilized and increased by 15 thousand jobs (0.4%), and through the first nine months of 2011 the number of jobs in New York City continued to modestly creep upward before slightly retrenching in May, growing again in August before retrenching again in September. Despite these gyrations, year-to-date through September employment in New York City is up 37 thousand jobs (1%) compared with employment levels through the first nine months of 2010. For the full year, it is projected that New York City employment will increase 0.8% in 2011, adding a total of 31 thousand jobs over 2010. Utilization forecasts for the Mid-Year Forecast, however, had assumed a slightly more robust employment growth of 44 thousand jobs (1.2%), and lower employment has had a dampening effect on Plan-to-Plan utilization changes.

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. 2011 July Financial Plan utilization figures reflect additional NYCT farebox revenue and ridership that, due to time constraints, were omitted from the Volume II baseline projections but captured instead under MTA Re-estimates in Volume I in the July Financial Plan.

2011 Ridership, Traffic and Revenue

The 2011 November Forecast for MTA consolidated ridership is projected to total 2,614 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are projected to total 283 million vehicular crossings. The New York City Transit (NYCT) combined subway and bus ridership forecast for the 2011 November Forecast is 2,301 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 2011 ridership projected to be 80 million for both LIRR and MNR's East-of-Hudson operations. The projection for MTA Bus Company (MTABC) ridership is 117 million and accounts for 4% of MTA consolidated ridership, while Staten Island Railway (SIR) ridership is estimated to be 5 million (0.2% of MTA ridership) and Long Island Bus (LIB) fixed route ridership is estimated to be 31 million (1% of MTA ridership).

MTA consolidated farebox revenue for the 2011 November Forecast is estimated to be \$4,919 million, and toll revenue is estimated to be \$1,499 million. NYCT combined subway and bus farebox revenue for the 2011 November Forecast is expected to be \$3,558 million, while LIRR is projecting \$567 million in farebox revenue and MNR is

projecting \$566 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$6 million, LIB fixed route farebox revenue is estimated to be \$45 million, and MTABC farebox revenue is expected to be \$177 million.

The 2011 November Forecast for MTA consolidated ridership is projected to decline by 4 million (0.2%) trips from 2010; LIB, LIRR and MTABC ridership levels are projected to decline while MNR and SIR ridership levels are projected to increase and NYCT is expected to remain unchanged. B&T traffic is forecast to decline by 9 million (0.3%) crossings. Year to year increases in farebox and toll revenue reflect the impact of the fare and toll increases that went into effect for 2011. The 2011 November Forecast for farebox revenue is projected to increase by \$406 million (9%) and is projected to be higher for each MTA Agency; B&T toll revenue is expected to be \$81 million (6%) greater than 2010 toll revenue.

MTA consolidated ridership for the 2011 November Forecast is expected to fall short of the 2011 Mid-Year Forecast projection by 22 million (1%) trips. With the exception of a small increase at SIR, ridership for the other MTA agencies is expected to be lower than the Mid-Year Forecast. At B&T facilities, the November Forecast is projected to be lower than the Mid-Year Forecast by 0.4 million (0.1%) vehicular crossings. NYCT ridership reflects lower ridership for both Subway and Bus: compared with the Mid-Year Forecast, ridership in the November Forecast is 10 million (1%) less for Subway ridership and 8 million (1%) lower for Bus ridership, reflecting year-to-date ridership trends. MTA consolidated farebox revenue in the 2011 November Forecast is also projected to fall short of the 2011 Mid-Year Forecast, down by \$21 million (0.4%), while B&T toll revenue is projected to be \$4 million (0.3%) lower than the Mid-Year Forecast.

MTA consolidated ridership for the 2011 November Forecast is expected to fall short of the 2011 Adopted Budget projection by 21 million (1%) trips. With the exception of small increases at LIB, MNR and SIR, ridership for the other MTA agencies is expected to be lower than Adopted Budget ridership forecasts. At B&T facilities, the November Forecast is projected miss the Adopted Budget forecast by almost 4 million (1%) vehicular crossings. MTA consolidated farebox revenue in the 2011 November Forecast is also projected to fall short of the 2011 Adopted Budget, by \$10 million (0.2%), while B&T toll revenue is projected to be \$31 million (2%) lower than the Adopted Budget.

2012 Ridership, Traffic and Revenue

The 2012 forecast for MTA consolidated ridership is projected to total 2,633 million passengers, while crossings at B&T facilities are projected to total 286 million vehicular crossings. NYCT combined subway and bus ridership is expected to be 2,347 million, while LIRR is projecting 81 million passengers and MNR is projecting 82 million passengers for its East-of-Hudson operations. SIR ridership is estimated to be 5 million and MTABC ridership is expected to be 119 million.

MTA consolidated farebox revenue for 2012 is estimated to be \$4,977 million, and toll revenue is estimated to be \$1,510 million. NYCT combined subway and bus farebox

revenue is expected be \$3,611 million, while LIRR is projecting \$571 million in farebox revenue and MNR is projecting \$589 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$6 million and MTABC farebox revenue is expected to be \$180 million.

MTA ridership and traffic trends from the 2011 November Forecast to 2012, as well as trends for fare and toll revenues, are up due to improvement in the regional economy and the associated increase in jobs in New York City. Year-to-year, MTA consolidated ridership is up 19 million (1%) trips, while B&T traffic is up by 3 million (1%) vehicular crossings. Farebox revenue is projected to increase \$57 million (1%) over 2011, and toll revenue is forecast to increase by \$12 million (1%). Excluding LIB, MTA consolidated ridership is estimated to grow by 50 million (2%) trips and farebox revenue in projected to increase \$103 million (2%) over 2011.

MTA consolidated ridership for 2012 in the November Plan is expected to fall short of the July Plan projection by 21 million (1%) trips. At B&T facilities, the November Plan reflects 0.2 million (0.1%) more vehicular crossings over the July Plan forecast. MTA consolidated farebox revenue for 2012 in the November Plan is also projected to be lower than projections in the July Plan, falling short by \$14 million (0.3%). B&T toll revenue for 2012 is projected to be \$1 million (0.1%) below the July Plan forecast. The utilization changes from the July Plan reflect a lower 2011 base utilization level and slower employment growth compared with the employment forecast used in the July Plan.

MTA consolidated ridership for 2012 in the November Plan is expected to be lower than the February Plan projection by 25 million (1%) trips when excluding LIB. At B&T facilities, the November Plan reflects 3 million (1%) fewer vehicular crossings from the February Plan forecast. MTA consolidated farebox revenue for 2012 in the November Plan is forecast to be greater than projections in the February Plan, when excluding LIB, by \$6 million (0.1%). B&T toll revenue for 2012 is projected to be \$30 million (2%) below the February Plan forecast.

2013 – 2015 Ridership, Traffic and Revenue

MTA consolidated ridership and farebox revenue are both expected to increase each year from 2013 to 2015. Consolidated ridership is projected to reach 2,733 million passengers by 2015, while farebox revenue is estimated to reach \$5,208 million. B&T vehicle crossings are also projected to increase each year, reaching 291 million crossings in 2015; toll revenue is forecast to reach \$1,520 million in 2015, increasing each year except in 2013 when a minor 0.2% dip (\$2 million) – due to a combination of the effects from inflation, job creation and leap year – is projected.

Compared with the July Plan, MTA consolidated ridership is projected to be 1% lower annually for 2013 through 2015; the forecast for traffic at B&T facilities is expected to be lower than the July Plan forecast, almost unchanged in 2013 and down 0.1% in 2014. MTA consolidated farebox revenue is expected to be mostly consistent with the July

Plan projections, down 0.1% in 2013, unchanged in 2014 and up 0.1% in 2015; B&T toll revenue is similar, unchanged in 2013, down 0.2% in 2014 and down 0.1% in 2015.

Compared with the February Plan, MTA consolidated ridership exclusive of LIB is projected to be 1% lower in 2013 and 2014; the forecast for traffic at B&T facilities also falls short of the February Plan forecast by 1% in both 2013 and 2014. MTA consolidated farebox revenue is expected surpass the February Plan projections, excluding LIB, by 0.2% in 2013 and by 0.5% in 2014; B&T toll revenue is projected to be lower than the February Plan forecasts by 2% in both 2013 and 2014.

Utilization Growth Rate for Traffic & Ridership (from prior year level)					
	2011	2012	2013	2014	2015
TRAFFIC: Bridges & Tunnels	(3.0)%	1.2%	0.2%	0.6%	0.7%
Long Island Bus	(0.5)%	N/A	N/A	N/A	N/A
Long Island Rail Road	(1.5)%	0.8%	0.8%	0.8%	0.8%
Metro-North Railroad	1.1%	2.1%	1.7%	1.9%	2.2%
MTA Bus Company	(2.7)%	1.6%	0.8%	0.9%	0.9%
New York City Transit	0.0%	2.0%	1.2%	1.4%	1.3%
Staten Island Railway	4.5%	2.0%	1.2%	1.4%	1.3%
RIDERSHIP (excluding LI Bus)	(0.1)%	1.9%	1.1%	1.3%	1.3%

Utilization Growth Rate for Farebox & Toll Revenue (from prior year level)					
	2011	2012	2013	2014	2015
TOLL REVENUE: Bridges & Tunnels	5.7%	0.8%	(0.2)%	0.4%	0.4%
Long Island Bus	5.8%	N/A	N/A	N/A	N/A
Long Island Rail Road	8.5%	0.6%	0.8%	0.8%	0.8%
Metro-North Railroad	7.4%	4.0%	3.6%	3.8%	2.6%
MTA Bus Company	5.6%	1.6%	0.9%	1.1%	1.1%
New York City Transit	9.9%	2.1%	1.2%	1.5%	1.4%
Staten Island Railway	11.3%	2.5%	1.4%	1.6%	1.5%
FAREBOX REVENUE (excluding LI Bus)	9.2%	1.2%	1.5%	1.7%	1.5%

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

November Financial Plan					
	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Traffic					
Bridges & Tunnels	283.1	286.4	287.0	288.8	290.8
Ridership					
Long Island Bus ¹	30.7	0.0	0.0	0.0	0.0
Long Island Rail Road	80.3	81.0	81.6	82.2	83.4
Metro-North Railroad ²	80.1	81.8	83.2	84.7	86.6
MTA Bus Company	117.0	118.8	119.8	120.9	121.9
New York City Transit ^{1, 3}	2,301.1	2,346.7	2,373.9	2,406.1	2,437.1
Staten Island Railway	4.6	4.7	4.7	4.8	4.8
<i>Ridership</i>	<i>2,613.7</i>				
<i>Ridership Excluding LI Bus</i>	<i>2,583.1</i>	<i>2,633.0</i>	<i>2,663.1</i>	<i>2,698.7</i>	<i>2,733.8</i>
July Financial Plan					
	2011 Mid-Year Forecast	2012 Preliminary Budget	2013	2014	2015
Traffic					
Bridges & Tunnels	283.5	286.2	287.1	289.2	291.2
Ridership					
Long Island Bus ¹	30.8	0.0	0.0	0.0	0.0
Long Island Rail Road	80.6	81.5	82.1	82.8	83.9
Metro-North Railroad ²	80.2	81.9	83.7	85.7	87.5
MTA Bus Company	120.2	121.6	122.5	123.6	124.6
New York City Transit ^{1, 3}	2,319.6	2,364.5	2,391.3	2,425.8	2,456.2
Staten Island Railway	4.4	4.4	4.5	4.6	4.6
<i>Ridership</i>	<i>2,635.9</i>				
<i>Ridership Excluding LI Bus</i>	<i>2,605.1</i>	<i>2,654.0</i>	<i>2,684.1</i>	<i>2,722.4</i>	<i>2,756.8</i>
Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2011	2012	2013	2014	2015
Traffic					
Bridges & Tunnels	(0.4)	0.2	(0.0)	(0.4)	(0.3)
Ridership					
Long Island Bus ¹	(0.1)	0.0	0.0	0.0	0.0
Long Island Rail Road	(0.3)	(0.5)	(0.5)	(0.6)	(0.5)
Metro-North Railroad ²	(0.1)	(0.2)	(0.6)	(0.9)	(0.9)
MTA Bus Company	(3.3)	(2.8)	(2.7)	(2.7)	(2.7)
New York City Transit ^{1, 3}	(18.6)	(17.8)	(17.5)	(19.6)	(19.2)
Staten Island Railway	0.2	0.2	0.2	0.2	0.2
<i>Ridership</i>	<i>(22.2)</i>				
<i>Ridership Excluding LI Bus</i>	<i>(22.1)</i>	<i>(21.1)</i>	<i>(21.1)</i>	<i>(23.7)</i>	<i>(23.0)</i>

¹ Excludes Paratransit Operations.

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

³ Excludes Fare Media Liability.

MTA Consolidated Utilization
Plan-to-Plan Comparison
Baseline Before Gap-Closing Actions (in millions)

November Financial Plan					
	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Toll Revenue					
Bridges & Tunnels	\$1,498.5	\$1,510.5	\$1,508.1	\$1,513.7	\$1,520.5
Fare Revenue					
Long Island Bus ¹	\$45.1	\$0.0	\$0.0	\$0.0	\$0.0
Long Island Rail Road	567.5	570.7	575.2	579.6	584.2
Metro-North Railroad ²	566.1	589.0	610.4	633.4	650.1
MTA Bus Company	177.4	180.2	181.9	184.0	186.0
New York City Transit ^{1, 3}	3,557.8	3,631.2	3,676.5	3,730.3	3,781.9
Staten Island Railway	5.6	5.7	5.8	5.9	6.0
<i>Fare Revenue</i>	<i>\$4,919.4</i>				
<i>Fare Revenue Excluding LIB</i>	<i>\$4,874.2</i>	<i>\$4,976.8</i>	<i>\$5,049.9</i>	<i>\$5,133.2</i>	<i>\$5,208.1</i>
July Financial Plan					
	2011 Mid-Year Forecast	2012 Preliminary Budget	2013	2014	2015
Toll Revenue					
Bridges & Tunnels	\$1,502.6	\$1,509.7	\$1,508.8	\$1,516.3	\$1,522.6
Fare Revenue					
Long Island Bus ¹	\$45.3	\$0.0	\$0.0	\$0.0	\$0.0
Long Island Rail Road	569.0	575.5	580.0	584.7	589.1
Metro-North Railroad ²	567.0	579.8	593.0	607.3	620.9
MTA Bus Company	181.2	183.3	184.6	186.3	187.8
New York City Transit ^{1, 3}	3,572.4	3,646.4	3,690.9	3,748.1	3,798.8
Staten Island Railway	5.3	5.4	5.5	5.6	5.7
<i>Fare Revenue</i>	<i>\$4,940.2</i>				
<i>Fare Revenue Excluding LIB</i>	<i>\$4,894.9</i>	<i>\$4,990.4</i>	<i>\$5,054.0</i>	<i>\$5,132.0</i>	<i>\$5,202.2</i>
Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2011	2012	2013	2014	2015
Toll Revenue					
Bridges & Tunnels	(\$4.1)	\$0.8	(\$0.7)	(\$2.6)	(\$2.1)
Fare Revenue					
Long Island Bus ¹	(\$0.2)	\$0.0	\$0.0	\$0.0	\$0.0
Long Island Rail Road	(1.6)	(4.8)	(4.7)	(5.1)	(4.9)
Metro-North Railroad ²	(0.9)	9.2	17.4	26.1	29.2
MTA Bus Company	(3.9)	(3.2)	(2.7)	(2.4)	(1.8)
New York City Transit ^{1, 3}	(14.6)	(15.1)	(14.4)	(17.8)	(16.9)
Staten Island Railway	0.285	0.320	0.325	0.326	0.332
<i>Fare Revenue</i>	<i>(\$20.9)</i>				
<i>Fare Revenue Excluding LIB</i>	<i>(\$20.7)</i>	<i>(\$13.6)</i>	<i>(\$4.2)</i>	<i>\$1.2</i>	<i>\$5.9</i>

¹ Excludes Paratransit Operations.

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

³ Excludes Fare Media Liability.

OTHER OPERATING REVENUE

The category of Other Revenue captures all revenues generated from sources other than fares or tolls and is comprised of Advertising, Paratransit Reimbursement, Fare Reimbursement, Rents, Concessions, Parking and Investment income.

November Plan Revenue is projected at \$496 million in 2011, \$524 million in 2012, \$551 million in 2013, \$589 million in 2014, and \$630 million in 2015, reflecting a year-to-year increase of \$28 million in 2012 (\$30 million if LIB is excluded), \$27 million in 2013, \$38 million in 2014, and \$41 million in 2015.

NYCT is responsible for the majority of the growth, with increases over the 2012-2015 period of \$23 million, \$27 million, \$32 million, and \$37 million, resulting mainly from NYC reimbursements of paratransit expenses (capped at 120% of prior calendar year billings). MNR's other revenue increases by approximately \$2 million in each year from 2013 - 2015 primarily due to higher parking fees, higher advertising revenue, and higher GCT retail and commissary revenues. The LIRR's other revenue increases by \$7 million in 2012 due to higher exterior car advertising revenue and an anticipated real estate sale, and decreases by \$2 million in 2013, and increases by \$1 million in 2014 and 2015 largely reflecting contractual and inflationary changes.

Compared with the July Plan, other revenues decrease by \$11 million in 2011, \$12 million in 2012, \$15 million in 2013, and \$13 million in 2014 and 2015 and are primarily the result of projected reductions in investment income.

NYCT's plan-to-plan other revenue increases by \$7 million in 2011, \$5 million in 2012 and 2013, and \$7 million in 2014 and 2015 primarily due to favorable re-estimates of paratransit Urban Tax revenue. The LIRR shifts \$3 million from 2011 to 2012 reflecting a 2011 delay in real estate sales that are now projected to occur in 2012. MNR is \$1 million favorable in 2011 largely due to higher GCT retail revenue. B&T's revenues increase by approximately \$1 million in each year from 2011 – 2013 mostly due to higher Battery Parking Garage receipts.

Overall, when compared with the February Plan, Other Operating Revenue decrease by \$27 million in 2011, \$24 million in 2012, \$30 million in 2013, \$28 million in 2014 and \$29 million in 2015. Excluding LIB, revenues decrease \$27 million in 2011, \$23 million in 2012, \$28 million in 2013, \$26 million in 2014 and \$27 million in 2015. The decrease in revenue is mainly attributable to lower investment income from the investment asset portfolio at FMTAC of \$33 million from 2011 through 2013 \$34 million in 2014 and \$35 million in 2015. In addition, unfavorable other income projections at MTA HQ of approximately \$2 million in 2011 and 2012 and \$3 million from 2013 through 2015 are due to lower projected rental revenue from 2 Broadway. Partially offsetting this lower income is higher revenue at NYCT as a result of Paratransit Reimbursement through 2015.

PAYROLL

MTA Consolidated Payroll expenses from 2011 through 2015 are influenced by a number of factors including position levels, inflation assumptions, labor agreements, and capital project activity. NYCT's current TWU contract, awarded in arbitration, includes raises approximating 11 percent over three years: roughly 4% in 2009 and 2010, followed by 3% in 2011. Consistent with the Net Zero Labor Initiative implemented in February, the baseline November Plan assumes, upon the completion of this existing contract, two consecutive years of zero growth, then inflationary increases. For the remaining NYCT unions, and for those of B&T and LIB, the November Plan assumes that the TWU pattern will be followed, after which two years of zero growth and then inflationary growth ensues. Represented employees at HQ have contracts that expire in 2011, and the November Plan assumes a similar growth assumption. The commuter railroads assume two years of net-zero followed by CPI growth, which will begin retroactive to the expiration of its last contracts (summer of 2010). Beginning with 2011, CPI-inflationary growth factors are applied to non-represented employee salaries, following two years without raises.

Please note that Volume I MTA Initiatives includes further reductions in wage growth assumptions for both represented and non-represented employees.

2011 November Forecast

Consolidated Payroll expenses of \$4,206 million are virtually unchanged from the 2011 Mid-Year Forecast.

2012 Final Proposed Budget

On a year-to-year basis, MTA Consolidated Payroll expenses of \$4,248 million are \$42 million more than 2011, (the cessation of LIB operations at the end of 2011 decreases expenses by \$61 million in 2012). Excepting this change, expenses increase by \$103 million (2.4%) -- driven by: \$54 million at NYCT associated with contractual wage increase assumptions and programmatic requirements for Subways Scheduled Maintenance (SMS); \$20 million at MNR for resources needed in anticipation of higher attrition levels in 2013, additional staffing to support Conductor Certification, and service plan improvements; \$10 million at the LIRR mostly reflect the impact of wage assumptions, additional positions needed to support the Reliability Centered Maintenance (RCM) initiatives, and changes in staffing levels in the Transportation Services Department; \$9 million at B&T primarily reflects contractual step-up increases and the filling of vacancies; \$6 million at HQ primarily reflects re-estimated departmental costs including additional BSC costs, some of which result from the scheduled transfer of employees from B&T; and \$3 million at MTA Bus reflects various programmatic maintenance initiative requirements.

When compared with the July Financial Plan, expenses are projected to increase by \$29 million. This increase is largely driven by expenditures of \$12 million at NYCT

associated with wage assumptions and the Subways Scheduled Maintenance (SMS) initiative. At the LIRR, expenses will grow by \$7 million -- mostly reflecting headcount changes associated with Reliability Centered Maintenance (RCM) activities. At MNR, the \$6 million increase represents additional resources for actions that will be taken to minimize the impact on operations of higher 2013 attrition levels. The \$3 million increase at MTA Bus represents changes to scheduled programmatic activities.

2013 – 2015 Forecasts

Overall, consolidated Payroll expenses total \$4,265 million in 2013, \$4,358 million in 2014, and \$4,461 million in 2015. On a year-to-year basis, expenses increase by \$16 million or (0.4%) in 2013, \$93 million or (2.2%) in 2014 and \$104 million or (2.4%) in 2015. Largely contributing to those increases are the out-year impacts of wage assumptions, programmatic requirements for Subways Scheduled Maintenance (SMS) at NYCT, additional staffing related to the new M-8 cars, the New Haven Maintenance Facility Shop Complex and to support service plans at MNR, Reliability Centered Maintenance (RCM) activity at the LIRR and labor expenses associated with the East Side Access ramp-up at the LIRR and MTA HQ, starting in 2015. The year-to-year changes at the other agencies are driven primarily by inflationary increases (1.97% in 2013, 1.91% in 2014 and 1.85%).

When compared with the February Financial Plan, Payroll expenses increase by \$12 million in 2011 and by \$6 million in 2012. In 2013-2015, expenses decrease by \$23 million, \$28 million, and \$35 million, respectively. Excepting LIB, expenses increase by \$12 million in 2011, \$70 million in 2012, \$40 million in 2013, \$36 million in 2014, and by \$31 million in 2015. In addition to what is noted above, changes from the Adopted Budget include the impact of BRP Initiatives, impacts of position transfers to the BSC, addressing employee availability issues and other programmatic and re-estimated staffing level costs.

OVERTIME

MTA Consolidated Overtime expenses from 2011 to 2015 are influenced by a number of factors including position levels, inflation assumptions, labor agreements, deferred salaries & wages and project activity.

In 2010 MTA instituted tighter management controls and established saving goals of more than \$20 million in 2010 – with projected annualized savings of approximately \$60 million starting in 2011.

These 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;
- establishing specialized task forces to monitor overtime usage;
- more intensive reporting in high usage areas;

- engaging with labor to begin the discussion about changing work rules that lead to unnecessary overtime;
- establishing monthly reporting requirements focused on identifying major drivers of trends by type and asking executive/senior-level management to identify opportunities for improvement; and
- researching ways of standardizing consistent methodologies for forecasting weather impacts among the agencies.

Although MTA remains steadfast in reducing overtime expenses, goals in 2011 have not been met mostly due to inclement weather. In 2011, the MTA region experienced major snowstorms in January and February that were well in excess of normal patterns for that time of year. According to the National Weather Service (NWS), total snowfall (as measured in Central Park) was 40.8 inches over the two month period. In August, the metropolitan area succumbed to the effects of Tropical Storm Irene which dumped up to a foot of rain in some areas. The NWS reported that precipitation was 22.2 inches above average NYC levels through September. Preliminary MTA-wide labor and overtime costs resulting from Tropical Storm Irene are running approximately \$16 million.

By far the most extensive storm-related damage was experienced on MNR's Port Jervis Line, prompting extraordinary rebuild efforts to repair damaged track and signal systems and necessitated substitute busing services. Tropical Storm Irene coverage requirements and on-going track repairs are projected to increase MNR's labor/overtime expenditures by approximately \$3 million in 2011.

Overtime expenses are projected at \$523 million in 2011, \$463 million in 2012, \$460 million in 2013, \$467 million in 2014, and \$475 million in 2015, reflecting year-to-year decreases of \$60 million in 2012 (\$50 million if LIB is excluded), \$3 million in 2013, and increases of \$6 million in 2014, and \$8 million in 2015. The favorable year-to-year change in 2012 is due to the unfavorable impact on 2011 of extraordinary weather occurrences. The out-year increases in 2014 and 2015 primarily reflect CPI-based increases and changes in Capital Program activity.

Compared with the July Financial Plan, overtime expenses increase by \$28 million in 2011, \$4 million in 2012, \$2 million in 2013 and \$1 million in 2014 and 2015. In addition to Tropical Storm Irene the primary driver of the 2011 increase is NYCT, (\$17 million) for maintenance/vacancy coverage requirements. The majority of the 2012 – 2015 increases reflect mostly changes to weather-related assumptions at MNR, and changes in program activity at the LIRR.

Compared with the February Plan, overtime expenses increase by \$46 million in 2011 then decrease in the out-years by \$8 million in 2012, \$11 million in 2014, and \$12 million in 2015. Excluding LIB, expenses increase by \$46 million in 2011 and \$1 million in 2012, then fall by \$1 million in both 2013 and 2014, and by \$2 million in 2015.

As mentioned previously, the reason for the increase in 2011 was primarily due to the multiple inclement weather occurrences throughout the year. The bulk of the out-year overtime reductions result from the addition of headcount to reduce overtime at NYCT.

It should be noted that while extraordinary weather occurrences in 2011 have negatively impacted full-year 2011 projections, the variance between actuals and budget is tightening and improvements are being seen, particularly in the areas of unscheduled vacancy/absentee coverage, maintenance, tour length, emergencies (other than weather-related) and in safety/security/law enforcement. Favorable results continue in the area of scheduled direct service, but there remain other areas where improvement is needed, such as scheduled program maintenance and unscheduled service delays. The MTA has been proactive in its efforts to correct these deficiencies, and has made Agency-specific recommendations such as: investigate the causes for higher absenteeism and crack down on persistent offenders; re-focus efforts to achieve overtime control; and continue to address underlying issues responsible for high OT in specific categories such as service delays.

HEALTH & WELFARE

Empire Plan premium rates provided in September 2011 by the New York State Department of Civil Service (DCS) are used as the primary assumption for per-employee health and welfare premium expenses. Compared with the July Plan, premium assumptions are unchanged for 2011 and are more favorable for the remainder of the Plan period.

	2011	2012	2013	2014	2015
Individual Coverage					
November Plan	12.6%	8.4%	5.9%	7.9%	7.9%
July Plan	12.6%	14.6%	8.5%	8.5%	8.5%
February Plan	14.5%	6.7%	6.7%	6.7%	N/A
Family Coverage					
November Plan	12.3%	10.1%	6.4%	8.3%	8.3%
July Plan	12.3%	14.6%	8.8%	8.8%	8.8%
February Plan	13.6%	7.1%	7.1%	7.1%	N/A

The lower premium assumptions beginning with 2012 reflect improved surplus levels in the Empire Plan which are due to lower claims activity and better-than-expected investment returns. Forecasts of premiums for 2013 through 2015 are based on the 10-year average change in premiums, excluding the largest and smallest annual percent changes. For employee health plans other than the Empire Plan, existing contractual rates – and when available projected rate changes – are used in place of the Empire Plan assumptions.

2011 November Forecast

MTA Consolidated Health & Welfare expenses of \$776 million for the 2011 November Forecast are \$38 million (5%) greater than 2010 expenses, reflecting premium increases offset by higher Medical re-bid savings at NYCT. The Medical re-bid savings are offset by lower Medical re-bid savings for OPEB Current Payment at NYCT; this reflects a split of the re-bid savings between current employees and retirees that is more accurate than the estimates used in the July Plan. As a consequence, when compared with the July Plan expenses are \$16 million (2%) favorable, and are \$25 million favorable when compared with the Adopted Budget.

2012 Final Proposed Budget

In 2012, Health & Welfare expenses are projected to be \$863 million, an increase of \$87 million (11%) over the 2011 November Forecast; excluding LI Bus from the 2011 figure, the year-over-year increase is \$103 million (13%). With a lower 2011 base and smaller assumed increases in premiums expenses, the 2012 Final Proposed Budget is \$13 million (2%) favorable compared with the July Plan. Compared with the February Plan, the 2012 Final Proposed Budget is \$4 million (0.5%) favorable due to the cessation of LI Bus operations, which were included in the February Plan. Excluding LI

Bus expenses, the 2012 Final Proposed Budget is \$12 million (1%) unfavorable, due to a larger assumed premium rate increase.

2013 – 2015 Forecasts

MTA Consolidated Health & Welfare expenses are forecast to increase annually by 9% for 2013 through 2015, when expenses are projected to reach \$1,123 million. November Plan forecasts are lower than expense forecasts in the July Plan, favorable by \$30 million (3%) in 2013, \$43 million (4%) in 2014 and \$54 million (5%) in 2015. Health & Welfare expenses for 2013 and 2014 are consistent with expenses projected in the February Plan.

OTHER POST EMPLOYMENT BENEFITS (OPEB) and GASB FUND

OPEB

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.

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

When compared with the July Plan, OPEB current payment expenses increase by \$13 million in 2011, \$3 million in 2012, and \$2 million in 2013, and decrease in 2014 & 2015 by \$1 million and \$3 million, respectively. Most of the variance is attributable to NYCT due to actual Medical re-bid savings that resulted in significant plan-to-plan savings in Health & Welfare and an equally significant plan-to-plan expense net increase in OPEB current payment. Based on year-to-date actuals, the November Plan more accurately splits the re-bid savings for current employees and retirees. The overall expense increases for OPEB current payment are offset by lower-than-planned rate increases in Health & Welfare at the LIRR and B&T.

Compared with the February Plan, OPEB current payment expenses increase by \$8 million in 2011, \$6 million in 2012, \$8 million in 2013, \$10 million in 2014 and \$11 million in 2015. The increase in expenses is attributable to higher rates for Health & Welfare.

GASB FUND

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). NYCT additional contribution offsets Health and Welfare expenses.

The November Financial Plan projects contributions of \$39 million in 2011, \$57 million in 2012, \$61 million in 2013, \$65 million in 2014 and \$67 million in 2015. Included in these contributions are the Health & Welfare contributions made by those represented employees required to do so.

Compared with the July Plan, OPEB current payment expenses for 2011 and 2012 remain on target and increase by \$3 million in 2013, \$6 million in 2014, and \$9 million in 2015, primarily due to lower-than-planned rate increases in Health & Welfare.

PENSIONS

MTA employees are covered by a number of separate and distinct pension plans: the New York City Employee Retirement System (NYCERS); three MTA-sponsored plans – the MTA Defined Benefit Plan, the Long Island Railroad Additional Plan and the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) Plan; and the New York State and Local Retirement System (NYSLRS). All B&T employees and two-thirds of employees at NYCT are participants of NYCERS. The remaining one-third of

NYCT employees are participants in the MaBSTOA Plan. Employees at the following agencies are participants of the three MTA-sponsored plans: the LIRR, MNR, SIR, MTA Bus and MTAHQ (MTA Police). Participants of NYSLRS include employees at LIB and non-police employees at MTAHQ.

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 continue to reflect the adverse impact of investment returns resulting from the 2008 global financial crisis. Accordingly, expenses have been updated to reflect the impact of asset losses at the MTA Defined Benefit Plan estimated at \$9 million in 2012 and \$7 million in 2013 and a favorable decrease in expenses of \$5 million in 2014. Also included in pension expenses is a provision for a lower assumed rate of return on investments from 8.0% to 7.5% for NYSLRS, NYCERS and MTA-sponsored Plans, which was incorporated in the November Financial Plan 2011-2014 and allocated to agency budgets as part of the February Financial Plan 2012-2015. The provision for this lower assumed rate of return on investments totals approximately \$173 million in 2012, \$145 million in 2013 and \$154 million in each of 2014 and 2015.

Pension expenses total \$1,091 million in 2011 and increase by \$217 million in 2012, \$13 million in 2013, \$53 million in 2014 and \$60 million in 2015, when total pension expenses are projected to be \$1,434 million. Year-to-year changes in the MTA Defined Benefit Plan reflect regional CPI-U forecasts plus one percent; the additional one percent is a proxy intended to capture anticipated impacts from demographic changes of employees and retirees.

Compared with the July Plan, expenses are unfavorable by \$3 million in 2011, \$9 million in 2012, \$7 million in 2013, and favorable by \$4 million in 2014 and \$1 million in 2015. The plan-to-plan variances are primarily due to the incorporation of asset losses experienced by the MTA Defined Benefit Plan into expenses, which impact the following agencies: the LIRR, MNR, MTAHQ, SIR and MTA Bus. An additional contributing factor to the unfavorable variance in 2011 is the one-time payment to be made to NYSLRS by the MTA on behalf of LIB employees in connection with the MTA-LIB separation agreement. The MTA will be making this payment for the 9-month term from April 1, 2011 to December 31, 2011. Changes at other agencies are modest.

In comparison with the February Plan, expenses are favorable by \$13 million in 2011, unfavorable by \$37 million in 2012, and favorable by \$3 million in 2013 and \$47 million in 2014. The variances in 2011 and 2012 are primarily due to the timing switch at NYCT in which expenses for 2011 are pushed into 2012 due to a delay in the adoption of the rate of return change at NYCERS. The NYCERS rate of return change is anticipated to occur before the end of 2011, and its impact is expected to be retroactive to NYCERS' FY2011, which will be included as part of the final FY2012 appropriation of employer expense. The primary driver of the favorable plan-to-plan variance in 2013 is the withdrawal of LIB operations, and thus expenses, from MTA's financials, totaling approximately \$10 million in each year of the Plan partially offset by the incorporation of

asset losses experienced by the MTA Defined Benefit Plan. In 2014, the plan-to-plan variance is favorable primarily due to an expense reduction of \$39 million at NYCT resulting from the expected expiration of amortized market losses in NYCT's actuarial valuation.

OTHER FRINGE BENEFITS

Expenses for Other Fringe Benefits total \$485 million in 2011, \$489 in 2012, \$500 million in 2013, \$514 million in 2014 and \$530 million in 2015.

Year-to-Year changes in Other Fringe Benefits expenses are influenced by such factors as staffing levels, programmatic changes, inflationary payroll rate assumptions and Railroad Retirement Tax assumptions at the commuter railroads.

Compared with the July Financial Plan, Other Fringe Benefits are projected to increase by \$6 million in 2011, \$7 million in 2012, \$5 million in 2013, \$3 million in 2014 and by \$2 million in 2015. This is primarily due to a worsening of expenses at NYCT of \$4 million in 2011, \$3 million in 2012, \$4 million in 2013 and \$5 million in both 2014 and 2015, mostly due the reduced overhead credits resulting from reimbursable reductions. Expenses at the LIRR increase by \$1 million in 2012 and 2013 and only modestly increase in 2014 due to programmatic driven staffing changes but decrease in 2015 by \$2 million due to East Side Access. Changes at other agencies reflect various programmatic adjustments.

When compared with the February Financial Plan, Other Fringe Benefits increased by \$8 million in 2011 and by \$4 million in 2012. In 2013-2015, modest fluctuations result in a less than 1% deviation from the Adopted Budget. Excluding LIB, expenses increase by \$8 million in 2011, \$11 million in 2012, \$7 million in 2013, \$8 million in 2014, and by \$7 million in 2015. Overall, in addition to what was noted above, the increases primarily reflect higher FICA rates at NYCT associated with changes in programmatic activity.

TRACTION AND PROPULSION POWER

Traction and Propulsion Power is supplied to the MTA by the New York Power Authority, the Long Island Power Authority and Connecticut Light & 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, such as a share of upstate hydroelectric power and dedicated low-cost transmission line capacity from upstate New York, be allocated to serve its New York City governmental customers. Additionally, along with NYPA and the New York City governmental customers, MTA has a long-term share in the Astoria II power plant, which recently went live and replaces the decommissioned Poletti plant, which was also located in Astoria.

Expenses associated with the NYPA LTA are based on the current 2011 cost of service; the 2012 projection is based on expenses currently estimated in pricing negotiations

with NYPA. Projections beyond 2012 maintain the annual percent change from 2011 to 2012, but also include an additional 2% to reflect the cost to secure additional capacity. Delivery of NYPA-supplied electricity is accomplished by Consolidated Edison (Con Ed), and delivery cost projections are based on rates approved by the State Public Service Commission through 2012, with continued increases based on the change from 2011 to 2012 for subsequent years. Also affecting Con Ed rates, which are paid by NYPA and then billed to MTA, is the impact of a reallocation of Con Ed costs for NYPA's governmental customers. This rate reallocation, which was also included in the July Plan forecasts but not the February Plan forecasts, significantly increases year-over-year increases in Con Ed rates during the plan period as the higher rate is phased in by NYPA. Price projections for LIPA and CL&P are based on projections for the Producer Price Index for Electric Power.

Expenses also reflect an estimated impact from a Federal Energy Regulatory Commission (FERC) ruling that is expected in 2012 regarding the amount of output from the Astoria II power plant that must be sold on the open market. This ruling is projected to increase expenses by \$9 million in 2012 and grow to \$10 million by 2015. The adjustment for this expense will be allocated and incorporated into Agency projections in the February Plan.

2011 November Forecast

The rate for NYPA-supplied electricity for 2011 is projected to increase 4% over 2010 costs; this assumption is favorable compared with the assumed 7.5% increase in both the Mid-Year Forecast and the Adopted Budget. Con Edison delivery rates are projected to be 8.5% greater than charges incurred in 2010; this is unchanged from the Mid-Year Forecast and lower than the Adopted Budget assumption of a 14.1% annual increase. The price for LIPA-supplied electricity is estimated to increase 2.7% in 2011; this is a significant change from the 1.1% decline assumed in the Mid-Year Forecast and is due to an analysis of LIPA rates. The Adopted Budget assumed LIPA rates would increase 6.8% in 2011. The rate for electricity supplied by CL&P is projected to increase by 2.7% in 2011; the Mid-Year Forecast assumed a 2.4% increase while the Adopted Budget assumed an increase of 1.6%.

MTA Consolidated Traction & Propulsion expenses of \$337 million for the 2011 November Forecast are \$12 million (4%) greater than 2010 expenses. Compared with the Mid-Year Forecast, the 2011 November Forecast is \$9 million favorable (3%), a function of lower rates for electricity. Lower assumed electricity rates also drive the favorable \$23 million (6%) variance to the Adopted Budget.

2012 Final Proposed Budget

The rate for NYPA-supplied electricity for 2012 is projected to increase 8.7% over 2011 costs; this assumption higher than the 7.5% increase assumed in both the July Plan and the February Plan. Con Edison delivery rates are projected to be 14.2% greater than charges incurred in 2011; this is unchanged from the July Plan and higher than the

13.9% estimate in the February Plan. The LIPA rate for electricity is estimated to increase 3.6% in 2012, which is higher than the 3% assumed in the July Plan and the 1.4% estimated in the February Plan. The rate for electricity supplied by CL&P is also projected to increase by 3.6% in 2012; the CL&P increase was assumed to be 2.1% in the July Plan and 2.8% in the Adopted Budget.

Expenses are expected to be \$385 million, an increase of \$47 million (14%) over the 2011 November Forecast. In addition to rate changes, Traction & Propulsion expenses also reflect increases from MNR's equipment replacement schedule as well as the anticipated expense from FERC's Astoria II power plant ruling.

Compared with the July Plan, 2012 is unfavorable by \$11 million (3%); higher NYPA and Con Edison delivery rates are almost entirely offset by the lower 2011 base, but the November Plan also includes the \$9 million assumed impact of the FERC ruling. The 2012 Final Proposed Budget is \$10 million (3%) favorable when compared with the February Plan, due to the lower base 2011 forecast which is partially offset by the unfavorable impact of the FERC ruling.

2013 – 2015 Forecasts

NYPA rates are expected to increase 10.7% annually through 2015; NYPA rates were projected to increase 9.5% per year in the July Plan and 7.5% each year in the February Plan. Con Edison delivery rates are projected to increase 21.2% in 2013, 26.1% in 2014 and 28.51% in 2015. These rates are unchanged from the July Plan, but are significantly higher than the approximate 14% per annum rate increase assumed in the February Plan, reflecting the recalibration of delivery costs assigned by NYPA to each governmental customer. LIPA rates are assumed to increase 3.2% in 2013, 3.7% in 2014 and 3.0% in 2015; in the July Plan LIPA rates were projected to increase 0.4% in 2013, 5.2% in 2014 and 9.7% in 2015, while in the February Plan rates were forecast to increase 1.4% in 2013 and 1.5% in 2014. Forecasts of CL&P rates also projected to increase by 3.2% in 2013, 3.7% in 2014 and 3.0% in 2015; in July it was assumed CL&P rates would increase 3.0% in 2013, 4.6% in 2014 and 3.2% for 2015, and in the February Plan it was assumed CL&P rates would increase 2.8% in 2013 and 2.0% in 2014.

MTA Consolidated Traction & Propulsion expenses are forecast to increase by 11% in 2013, 12% in 2014 and 11% in 2015, reaching \$530 million in 2015. November Plan forecasts are higher than expense forecasts in the July Plan, by \$16 million (4%) in 2013, \$20 million (4%) in 2014 and \$8 million (1%) in 2015. Compared with the February Plan, expenses are \$2 million (1%) favorable in 2013 and \$15 million (3%) unfavorable in 2014. November Plan projections include the additional expense from the anticipated FERC ruling, which was not included in either the July Plan or the February Plan estimates.

FUEL FOR BUSES AND TRAINS

Diesel fuel and natural gas prices for the 2011 November Financial Plan include actual prices through October 31, 2011, and price forecasts are based on commodity futures prices and, for the later Plan period years, on national energy commodity price forecasts. Ultra Low Sulfur Diesel (ULSD) prices are projected to increase 35.3% in 2011, decrease 0.9% in 2012, increase 4.2% in 2013, followed by a price decrease of 1.2% in 2014 and no price change for 2015. For Compressed Natural Gas (CNG), prices are forecast to increase 2.2% in 2011, 2.0% in 2012, 3.2% in 2013, 5.4% in 2014 and 3.7% in 2015. While these assumptions are incorporated into MTA totals, Agency submissions reflect actual and future prices settled as of September 7, 2011, which are approximately \$0.12 per gallon (ULSD) and \$0.45 per MMBTU (CNG) higher in 2012 than those updated as of October 31, 2011. The lower 2012 prices reflected in the MTA totals reset the base for 2012 and the impacts carry forward through the remainder of the Plan. The adjustment for these lower prices will be allocated and incorporated into Agency projections in the February Plan.

Since 2008, the MTA has hedged a portion of its projected fuel expense to reduce budgetary risk from price volatility. The MTA intends to continue this strategy by setting aside \$100 million per year to hedge a portion of its expense for diesel fuel and natural gas, which represents approximately one-third of fuel requirements.

2011 November Forecast

MTA Consolidated Fuel for Buses and Trains expense of \$244 million for the 2011 November Forecast is \$54 million more than 2010 expenses. Compared with the 2011 Mid-Year Forecast, the 2011 November Forecast is \$4 million favorable, primarily due slightly lower ULSD and CNG prices than those projected in the July Plan. The 2011 price for ULSD is estimated to be \$0.04 per gallon lower than budgeted in the Mid-Year Forecast, while CNG prices are now estimated to be \$0.13 per MMBTU lower than budgeted in the Mid-Year Forecast.

In comparison with the February Plan, expenses are unfavorable by \$44 million in 2011. The 2011 price for ULSD is estimated to be \$0.98 per gallon more than the Adopted Budget, while CNG prices are now estimated to be \$0.32 per MMBTU more than the Adopted Budget. Price increases since the February Plan have been primarily driven by the unsettled political climate in the Middle East. Further pressuring prices upward has been driven by worldwide demand, primarily in recently industrialized areas outside North America and Europe, while OPEC has kept output relatively steady.

2012 Final Proposed Budget

Expenses in 2012 are expected to be \$240 million, a decrease of \$5 million from 2011. Compared with the July Plan, the 2012 Final Proposed Budget is favorable by \$19 million, primarily due slightly lower ULSD and CNG prices than those projected in the July Plan. The 2012 price for ULSD is estimated to be \$0.12 per gallon lower than

budgeted in the July Plan, while CNG prices are now estimated to be \$0.45 per MMBTU lower than budgeted in the July Plan.

Compared with the February Plan, expenses are unfavorable by \$26 million. The 2012 price for ULSD is estimated to be \$0.80 per gallon more than budgeted in the February Plan. Partially offsetting these higher ULSD prices are lower CNG prices of \$0.24 per MMBTU than those budgeted in the February Plan.

2013 – 2015 Forecasts

MTA Consolidated Fuel for Buses and Trains expenses are forecast to be \$254 million in 2013, an increase of \$14 million over 2012. Expenses are forecast to be \$255 million in 2014 and \$263 million in 2015. Compared with the July Plan, expenses improve by \$16 million in 2013, \$21 million in 2014 and \$28 million in 2015, reflecting lower anticipated ULSD and CNG prices.

Compared with the February Plan, expenses are unfavorable by \$29 million in 2013 and \$19 million in 2014 due to higher forecasted prices for ULSD partially offset by lower forecasted prices for CNG.

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 claims activity. 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.

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 are based on claim losses, expenses, reserve adjustments and exposure such as ridership or vehicle count. Moreover, FMTAC's credits reflect premiums for Owner-Controlled Insurance Programs (OCIP), which cover MTA's mega capital projects such as East Side Access, and are funded out of the MTA Capital Program Budget.

In comparison with the July Financial Plan, Insurance expenses are virtually unchanged. Modest plan-to-plan changes reflect actual billing amounts subsequent to the preparation of the July Plan forecasts.

In comparison with the February Financial Plan, Insurance expenses are favorable by \$18 million in 2011, \$14 million in 2012, \$11 million in 2013 and \$9 million in 2014, primarily the result of lower-than-anticipated premiums for NYCT's Paratransit (Access-A-Ride) policy. Working with its brokers, MTA's Risk Management Department

successfully renewed a number of policies, including the Paratransit policy, at lower rates than those budgeted in the February Plan. These reductions carry over into each year of the Plan.

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.

November Plan expenses are projected at \$232 million in 2011, \$229 million in 2012, \$234 million in 2013, \$245 million in 2014, and \$257 million in 2015, reflecting a year-to-year decrease of \$3 million in 2012 (excluding LIB, expenses would increase by less than \$1 million) and increases of \$5 million in 2013, \$11 million in 2014, and \$12 million in 2015.

In comparison to the July Financial Plan, expenses are higher by \$28 million in 2011, \$18 million in 2012, \$13 million in 2013, \$15 million in 2014, and \$19 million in 2015. These changes are primarily occurring at NYCT due to a substantial increase in public liability payments, as well as MTAHQ and MNR which reflect YTD trends and increases to out-year reserves and projected claim payouts.

In comparison to the February Financial Plan, expenses are higher by \$36 million in 2011, \$23 million in 2012, \$22 million in 2013, \$26 million in 2014 and \$32 million in 2015 as a result of projected increases in the rate of public liability payouts at NYCT, FMTAC, MTAHQ and MNR.

PARATRANSIT SERVICE CONTRACTS

November Plan expenses are projected at \$356 million in 2011, \$404 million in 2012, \$468 million in 2013, \$550 million in 2014 and \$637 million in 2015, reflecting a year-to-year increase of \$48 million in 2012, \$64 million in 2013, \$82 million in 2014, and \$87 million in 2015.

The year-to-year increases are driven by projected annual ridership growth of 15%, and cost-per-trip inflation projections which provide for annual rate increases based on CPI. 2011 also includes a \$1.5 million unfavorable cash timing adjustment from 2010.

In 2010, an ambitious plan to control out-of-control paratransit expenses was implemented. This plan set a savings goal of \$40 million in 2010 and \$80 million in each of the out-years to be achieved by reducing non-service related costs, average costs per trip, total trips provided, and through conversion of contracted trips to fixed route

feeder trips. Results through September 2011 indicate that expenses are on track to exceed the savings goal of the Mid-Year Forecast.

When compared with the July Plan, expenses decrease by \$28 million in 2011, \$58 million in 2012, \$85 million in 2013, \$110 million in 2014 and \$136 million in 2015. These savings, the result of management actions, are primarily due to the annualization of efficiencies achieved in 2011, mostly from the diversion of ridership to lower cost vouchers and taxis, tightened application of current eligibility standards, and diversion of ridership to the fixed route system.

Overall, when compared with the February Plan, Paratransit Service Contracts decrease by \$28 million in 2011, \$58 million in 2012, \$85 million in 2013, \$110 million in 2014 and \$136 million in 2015. As noted above, expenses are decreasing due to management actions to increase efficiencies.

This explanation covers only this generic expense category. For a complete income statement on Paratransit, please refer to Section II, Major Assumptions 2012-2015 Projections-Baseline, Subsidies.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Expense forecasts for Maintenance and Other Operating Contracts are impacted by contractual increases and regional CPI-U forecasts.

November Plan Expenses are projected at \$616 million in 2011, \$670 million in 2012, \$682 million in 2013, \$706 million in 2014 and \$764 million in 2015, reflecting a year-to-year increase of \$54 million in 2012 (an increase of \$63 million if LIB is excluded) and increases of \$12 million in 2013, \$25 million in 2014 and \$58 million in 2015.

The year-to-year increase in 2012 is mostly attributable to NYCT (\$40 million; MTA HQ (\$13 million); B&T (\$5 million); and the LIRR (\$4 million). NYCT's increase is primarily the result of: Shop Plan revisions (\$13 million); station painting costs due to a slow start-up in 2011 (\$8 million); higher facility power costs (\$6 million); and higher disposal costs for R44s resulting from delays in the start-up of land-based disposals (\$3 million). MTA HQ's increase reflects a full year of expenses for the Integrated Electronic Security System (IESS) All Agency facility (\$8 million), a re-estimate of 2011 expenses resulting from intensive efforts to reduce operating expenses (\$3 million), and increased system-wide deployment of New Fare Payment and Customer Information Systems (\$1 million). Out-year increases are primarily driven by inflation, however large spending increases are projected by B&T in 2014 and 2015 for major maintenance and bridge painting which will not be eligible for capital funding (\$13 million 2014 and \$16 million in 2015).

Compared with the July Plan, expenses decrease by \$12 million in 2011, and increase by \$44 million in 2012, \$39 million in 2013, \$32 million in 2014, and \$41 million in 2015. The lion's share of the 2011 decrease (\$7 million) results from MTA HQ's expense reduction efforts. The out-year increases are attributable to: NYCT (approximately \$32

million each year on average) mostly due to reclassification consistency adjustments between Maintenance & Other Operating Contracts and Other Business Expenses, Professional Services Contracts, and Materials and Supplies; and MNR (\$7 million in 2012 & 2013). The 2012 increase is mainly due to West-of-Hudson (W of H) locomotive overhauls (\$2 million), disposal costs related to the equipment replacement plan (\$2 million), W of H subsidy increases related to Tropical Storm Irene (\$1 million), and Harlem River Bridge maintenance that was deferred from 2011 (\$1 million). The 2013 increase is primarily due to Genesis Locomotive Overhauls that were deferred from 2011 (\$3 million), office space renovations related to the GCT Training Center (\$2 million), and Ferry Service (\$2 million).

Overall, when compared with the February Plan, Maintenance and Other Operating Contracts expenses decrease by \$17 million in 2011, and increase by \$26 million in 2012, \$22 million in 2013, \$22 million in 2014, and \$39 million in 2015. Excluding LIB, expenses fall by \$16 million in 2011, and increase by \$37 million in 2012, \$34 million in 2013, \$33 million in 2014, and \$51 million in 2015. In addition to what is noted above, changes in 2011 (February vs. November) include significant reductions to expenses which are primarily due to Information Technology and BRP initiatives.

PROFESSIONAL SERVICE CONTRACTS

On an Agency-wide basis, Professional Service Contracts for 2011 through 2015 are inflated primarily by regional CPI-U forecasts.

November Plan expenses are projected at \$189 million in 2011, \$213 million in 2012 and 2013, \$218 million in 2014 and \$221 million in 2015, reflecting a year-to-year increase of \$24 million in 2012 (excluding LIB, it would be \$25 million), \$1 million in 2013, \$5 million in 2014, and \$3 million in 2015.

The year-to-year increase in 2012 is mostly attributable to MTA HQ (\$10 million); NYCT (\$7 million); the LIRR (\$4 million); and MNR (\$3 million). These increases are attributable to: a re-estimate of 2011 expenses at MTAHQ (approximately \$9 million) resulting from expense reduction efforts; an accrual reversal of \$5 million for 2010 estimated liabilities at NYCT; changes in the timing of various IT initiatives and increases resulting from the application of the NYS law for Prevailing Wages to unarmed security guard work at the LIRR (each \$1 million); and the full-year impact of annual bridge inspection costs that were delayed in 2011 (\$1.4 million) at MNR. From 2013 and beyond, most of the increases are inflation-driven.

Compared with the July Plan, expenses decrease by \$23 million in 2011, \$8 million in 2012, \$12 million in 2013, \$15 million in 2014, and \$16 million in 2015. The 2011 reductions are attributable to: NYCT (\$11 million) primarily due to a reclassification of EDP Maintenance and Repair from "Professional Services" to "Maintenance and Other Operating Contracts"; MTA HQ (\$7 million) mainly due to a non-recurring re-estimate of consultant and other outside professional services generated by expense reduction efforts; and MNR (\$2 million) caused by a delay in annual bridge inspection work.

Expense reductions over the remaining years of the Plan are largely due to the NYCT reclassification adjustment and inflation.

Overall, when compared with the February Plan, Professional Service Contract expenses decrease by \$40 million in 2011, \$17 million in 2012, \$21 million in 2013, \$22 million in 2014, and \$24 million in 2015. Excluding LIB, expenses fall by \$40 million in 2011, \$15 million in 2012, \$19 million in 2013, \$20 million in 2014, and \$22 million in 2015. In addition to what is noted above, changes in 2011 (February vs. November) include an accrual reversal of \$5 million for 2010 estimated liabilities at NYCT. In the out-years, the changes reflect approximately \$3 million in reduced annual fees paid to the NYC Department of Citywide Administrative Services (DCAS) by NYCT (in accordance with a new Memorandum of Understanding), and recurring savings of approximately \$5 million per year at MTA HQ resulting from its intensive efforts to reduce operating expenses.

MATERIALS AND SUPPLIES

All agency increases in Materials and Supplies for 2011 – 2015 are inflated primarily by regional CPI-U forecasts.

On a year-to-year basis, MTA-wide Materials and Supplies increase by \$58 million in 2012 and by \$16 million, \$18 million and \$51 million in 2013, 2014, and 2015, respectively. In addition to inflation, much of the growth between 2011 and 2012 is due to timing such as rescheduling of subway and bus fleet maintenance programs at NYCT, as well as \$15M Car Equipment increase mainly due to SMS requirements. Also NYCT has an \$8M Bus increase mainly due to shop plan revisions and a \$5M Paratransit increase due to vehicle purchases, all taking place in 2012. LIRR's increase in expenses is due to higher requirements for materials supporting the Reliability Centered Maintenance program (RCM), East Side Access start-up costs, and other capital project activity. MNR's unfavorable annual expense growth (starting in 2012) is mostly driven by material requirements for the M7 Seat Change-Out program, the New Haven Line Equipment Replacement Plan, and purchases of equipment needed to improve recovery from inclement weather. B&T's expenses fluctuate year-to-year primarily due to E-ZPass tag purchase and its replacement program. In addition, MTA Bus shows an \$8 million increase in 2014-2015, mostly the result of bus delivery delays and an increase of 212 buses in the overhaul program in 2015.

November Plan expenses, when compared with the July Plan, decrease by \$49 million in 2011, \$7 million in 2012, \$27 million in 2013, \$34 million in 2014, and \$11 million in 2015. These decreases reflect overall inventory management efficiencies and timing. At NYCT, the decrease in expenses is primarily due to re-estimates of bus and subway scheduled maintenance, as well as Buses Support Fleet strategic sourcing savings (\$3M), revised bus and subway shop plans (\$6M), reduced Paratransit vehicle purchases (\$8M), and other Subways re-estimates (\$2M), all occurring in 2011. Instead of overhauling aging M4 and M6 cars, MNR purchased a greater number of M8 cars, which are smaller and more efficient that require lower maintenance material, power

and labor costs. The LIRR's overall savings are primarily driven by the Reliability Centered Maintenance (RCM) activities and East Side Access. MTA Bus' savings are the result of an overall reduction in the Shop Overhaul Program from 2012-2015.

Compared with the February Plan, consolidated Materials & Supplies decrease by \$40 million in 2011, increase by \$3 million in 2012, and decrease by \$16 million, \$21 million and \$3 million in 2013 through 2015, respectively. In addition to what is captured above (November vs. July Plans), savings reflect the impact of timing, Agency-wide BRP actions, program re-estimates and overall Agency-wide initiatives to improve inventory management.

OTHER BUSINESS EXPENSES

Other Business Expenses reflect a variety of different expenses including: credit/debit card fees for fare media purchases; bond service fees; internal and subsidy support requirements. These costs are influenced by forecasted inflationary increases.

November Plan expenses are projected at \$170 million in 2011, \$160 million in 2012, \$164 million in 2013, \$166 million and \$170 million in 2015, reflecting a year-to-year decrease of \$9 million in 2012 (excluding LIB, the decrease would be \$9 million), \$4 million increase in 2013, \$2 million increase in 2014, and \$4 million increase in 2015.

The year-to-year decrease in 2012 is mainly attributable to a \$12 million decrease at MTA HQ, primarily due to the cessation of support for LIB and a re-estimate of New York City subsidies. Excluding MTA HQ subsidies, most of the increases from 2012 and beyond are inflation-driven. Partially offsetting these lower expenses are higher expenses at the LIRR of \$2 million in 2012 and 2013 and \$1 million in 2014 and 2015, due to lower credits for restitution of property damage and inflationary increases. Also, MNR has higher expenses of \$1 million in 2012 and 2014, due to a tri-annual cost requirement of providing winter gear to agreement employees.

Compared with the July Plan, expenses decrease by \$7 million in 2011, \$5 million in 2012, \$9 million in 2013, and \$9 million in 2014 and 2015. This is mainly attributable to expense reductions at NYCT resulting from classification consistency adjustments offset in other non-labor accounts. NYCT expenses decrease by \$8 million in 2011 and \$9 million from 2013 through 2015. Partially offsetting these savings are higher expenses in 2011 at MTA HQ of \$3 million primarily due to increased support for LIB. Excluding LIB support, MTA HQ expenses will decrease by \$7 million in 2011 as a result of ongoing expense savings reviews and reductions in operating capital. In 2012, MTA HQ expenses increase by \$5 million, primarily due to temporary service personnel providing Phrase II support at the Business Service Center. From 2013 and beyond, increases are primarily due to NYCT classification consistency adjustments and inflation.

Overall, when compared with the February Plan, Other Business Expenses decrease by \$50 million in 2011, \$64 million in 2012 and 2013, \$67 million in 2014 and \$73 million in 2015. The favorable changes are primarily attributable to a reduction in Support to

Subsidiaries from the cessation of subsidy support for Long Island Bus effective December 31, 2011, a re-estimate of New York City subsidies and classification changes at NYCT.

Subsidies

SUBSIDIES - OVERVIEW

The following pages provide accrual and cash summary tables for the subsidies and dedicated taxes received by MTA, as well as tables detailing the changes between the November Plan and the July 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 are discussed in the B&T portion of the Agency Financial Plans section of this report. Consolidated income and expense information on NYCT's Paratransit operation and Long Island Bus' Able Ride operation are also included. (Note that additional details can be found in this volume under Agency Financial Plans.)

As shown on the following tables, on an *accrual basis*, the 2011 November Forecast of Total Dedicated Taxes and State & Local Subsidies is \$5,249 million, \$60 million favorable to the July Plan. The favorable variance is primarily the result of higher Urban Taxes of \$73 million due to higher than expected levels of transactions in August and September of 2011, offset primarily by unfavorable City Subsidy to MTA Bus of \$14 million due to timing. Compared with February, this is \$30.2 million favorable. With the exception of MMTOA, which was reduced by \$174 million from the February estimate due to reduction by the State, the other subsidies are favorable; real estate taxes are favorable by \$113 million, MTA Bus subsidy by \$51 million, Local Operating Assistance by \$22 million, PBT by \$9 million and AMTAP by \$6 million.

On a *cash basis*, total 2011 MTA Dedicated Taxes and State & Local Subsidies is \$4,834 million or \$80 million below the July Plan estimate. This unfavorable variance mostly reflects an inter-agency loan repayment of \$135 million, which the July Plan assumed would be paid in 2012, but which the November Plan accelerated into 2011. This is offset by favorable real estate taxes of \$70 million, details of which are described in the related sections of this report. Cash subsidies are \$110 million below the February estimates.

For 2012 through 2015, total Dedicated Taxes and State & Local Subsidies, on an *accrual basis*, are projected to decline from the July Plan levels by \$37 million in 2012, \$25 million in 2013 and \$43 million in 2014, due primarily to unfavorable MMTOA, MRT and CDOT subsidies, offset by favorable Urban Taxes. Based on the latest revenue updates in NYS Mid-Year Financial Plan Update (October), MMTOA taxes are expected to decline due to lower Corporate Surcharge Taxes and Sales Taxes in each year. Note that 2012 is further impacted by a negative year-end balance in the statewide MMTOA account, which has to be replenished, as well as provision for a reserve, before revenues for 2012 can be appropriated to the MTA and other entities. This is explained in more detail in the MMTOA section later in this section. MRT and CDOT revenue estimates have also been revised downward in each year from 2012 through 2015. This is offset by favorable Urban Taxes in each year for the same period. Compared with the February Plan, this is \$3.9 million favorable in 2012 and unfavorable by \$20 million in both 2013 and 2014.

On a *cash basis*, the 2012 estimate is expected to exceed the July Plan estimate by \$93 million and fall short by \$21 million in 2013 and \$46 million in 2014 and \$6 million in

2015. Compared with February, this is \$131 million unfavorable in 2012 and favorable by \$80 million in 2013 and by \$85 million in 2014.

The November Plan assumes the cessation of LI Bus' operations will take effect as of December 31, 2011. For 2012 and beyond, the November Plan assumes the exclusion of LI Bus from all budget forecasts of MTA subsidies. This is consistent with the July Plan. The February Plan included subsidies to Long Island Bus; hence MMTOA, State Operating Assistance, and Nassau County Subsidy are lower in the November Plan.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2012-2015
Consolidated Subsidies
Accrual Basis
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$1,313.1	\$1,306.4	\$1,419.7	\$1,549.5	\$1,623.3	\$1,702.3
Petroleum Business Tax (PBT) Receipts	602.3	621.2	630.8	634.1	635.8	637.5
Mortgage Recording Tax (MRT)	236.1	251.1	277.5	326.3	362.0	359.5
MRT Transfer to Suburban Counties	(2.1)	(2.5)	(3.8)	(5.4)	(7.3)	(6.3)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Interest	2.5	4.2	4.3	4.5	4.7	4.9
Urban Tax	201.4	353.0	395.7	425.3	470.8	498.6
Investment Income	<u>0.8</u>	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.1</u>
	\$2,344.0	\$2,524.4	\$2,715.2	\$2,925.4	\$3,080.3	\$3,187.7
<i>New State Taxes and Fees</i>						
Payroll Mobility Tax	\$1,387.6	\$1,415.3	\$1,484.3	\$1,550.9	\$1,617.6	\$1,686.7
MTA Aid	<u>\$274.7</u>	<u>290.3</u>	<u>294.6</u>	<u>299.1</u>	<u>303.5</u>	<u>308.1</u>
	\$1,662.3	\$1,705.6	\$1,778.9	\$1,849.9	\$1,921.2	\$1,994.8
<i>State and Local Subsidies</i>						
State Operating Assistance	\$190.5	\$190.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	187.9	209.6	222.5	216.4	217.8	219.3
Nassau County Subsidy	9.1	4.6	0.0	0.0	0.0	0.0
CDOT Subsidy	75.6	101.3	101.9	103.2	99.6	101.1
Station Maintenance	152.0	154.8	157.4	160.4	163.6	167.2
AMTAP	<u>5.3</u>	<u>5.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$620.4	\$666.7	\$669.8	\$667.9	\$669.0	\$675.5
Sub-total Dedicated Taxes & State and Local Subsidies	\$4,626.6	\$4,896.8	\$5,163.9	\$5,443.2	\$5,670.5	\$5,858.1
City Subsidy for MTA Bus	287.5	\$352.5	\$344.8	\$338.4	\$352.7	\$388.1
Total Dedicated Taxes & State and Local Subsidies	\$4,914.1	\$5,249.3	\$5,508.6	\$5,781.6	\$6,023.1	\$6,246.2
<i>Inter-agency Subsidy Transactions</i>						
B&T Operating Surplus Transfer	429.1	\$493.3	\$455.8	\$425.6	\$371.7	\$311.4
MTA Subsidy to Subsidiaries	<u>47.0</u>	<u>22.7</u>	<u>(0.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$476.1	\$515.9	\$455.8	\$425.6	\$371.7	\$311.4
GROSS SUBSIDIES	\$5,390.1	\$5,765.2	\$5,964.4	\$6,207.1	\$6,394.9	\$6,557.6

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between the July and November Financial Plans
Consolidated Subsidies

Accrual Basis

(\$ in millions)

	2011	2012	2013	2014	2015
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$0.0	(\$100.0)	(\$37.7)	(\$50.1)	(\$54.3)
Petroleum Business Tax (PBT) Receipts	0.0	0.0	0.0	0.0	0.0
Mortgage Recording Tax (MRT)	0.7	(26.9)	(32.1)	(50.5)	(22.3)
MRT Transfer to Suburban Counties	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0	0.0
Urban Tax	72.9	74.9	74.7	101.0	104.8
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$73.6	(\$52.0)	\$4.9	\$0.4	\$28.2
<i>New State Taxes and Fees</i>					
Payroll Mobility Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
MTA Aid	0.0	0.0	0.0	0.0	0.0
	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>State and Local Subsidies</i>					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance	(5.0)	4.5	(0.6)	(0.8)	(0.5)
Nassau County Subsidy	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy	6.5	(7.0)	(22.2)	(35.4)	(38.0)
Station Maintenance	(0.3)	(0.6)	(0.8)	(0.8)	(0.1)
AMTAP	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$1.2	(\$3.1)	(\$23.6)	(\$36.9)	(\$38.6)
Sub-total Dedicated Taxes & State and Local Subsidies	\$74.8	(\$55.1)	(\$18.7)	(\$36.5)	(\$10.4)
City Subsidy for MTA Bus	(\$14.4)	\$18.3	(\$5.9)	(\$6.0)	\$8.2
Total Dedicated Taxes & State and Local Subsidies	\$60.4	(\$36.8)	(\$24.7)	(\$42.5)	(\$2.2)
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	\$14.9	\$10.3	\$13.6	(\$3.0)	(\$4.3)
MTA Subsidy to Subsidiaries	<u>9.6</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$24.5	\$10.3	\$13.6	(\$3.0)	(\$4.3)
GROSS SUBSIDIES	\$84.8	(\$26.5)	(\$11.1)	(\$45.5)	(\$6.5)

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between the July and November Financial Plans
Consolidated Subsidies
Cash Basis
(\$ in millions)

	2011	2012	2013	2014	2015
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
(MMTOA)	\$0.0	(\$100.0)	(\$37.7)	(\$50.1)	(\$54.3)
Petroleum Business Tax (PBT) Receipts	0.0	0.0	0.0	0.0	0.0
Mortgage Recording Tax (MRT)	6.0	(26.6)	(30.2)	(53.1)	(21.9)
MRT Transfer to Suburban Counties	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0
Urban Tax	63.5	75.1	72.3	100.7	103.9
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$69.6	(\$51.5)	\$4.4	(\$2.5)	\$27.7
<i>New State Taxes and Fees</i>					
Payroll Mobility Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
MTA Aid	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>State and Local Subsidies</i>					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	(5.0)	4.5	(0.6)	(0.8)	(0.5)
Nassau County Subsidy (includes 18-b local match)	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy	6.5	(7.0)	(22.2)	(35.4)	(38.0)
Station Maintenance	0.0	(0.4)	(0.6)	(0.9)	(0.7)
AMTAP	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$1.5	(\$3.0)	(\$23.4)	(\$37.0)	(\$39.2)
<i>Other Subsidy Adjustments</i>					
Inter-Agency Loan	(\$134.5)	\$134.5	\$0.0	\$0.0	\$0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Forward Energy Contracts - 2011 (12 mth Contract)	(4.3)	(0.3)	0.0	0.0	0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0	0.0
Repayment of Loan to Capital Financing Fund	0.0	0.0	0.0	0.0	0.0
Committed to Capital	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$138.8)	\$134.2	\$0.0	\$0.0	\$0.0
Sub-total Dedicated Taxes & State and Local Subsidies	(\$67.7)	\$79.7	(\$19.0)	(\$39.5)	(\$11.5)
City Subsidy for MTA Bus	<u>(\$12.0)</u>	<u>\$12.8</u>	<u>(\$1.9)</u>	<u>(\$6.0)</u>	<u>\$5.9</u>
Total Dedicated Taxes & State and Local Subsidies	(\$79.7)	\$92.6	(\$20.9)	(\$45.5)	(\$5.6)
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	\$13.4	\$10.7	\$13.2	(\$1.3)	(\$4.2)
MTA Subsidy to Subsidiaries	<u>9.6</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$23.0	\$10.8	\$13.2	(\$1.3)	(\$4.2)
GROSS SUBSIDIES	(\$56.7)	\$103.4	(\$7.7)	(\$46.8)	(\$9.8)

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 2011 is \$1,826 million, of which \$1,768 million is allotted for Downstate transit properties. Of the Downstate allotment, \$833 million in non-18b funds is appropriated to MTA NYCT/SIR and \$430 million for the Commuter Railroads. In addition, \$190 million, which includes \$154 million for NYCT/SIR and \$21 million for the Commuter Railroads, is earmarked to fund the State's 18-b obligation. Based on NYS' appropriation, the 2011 percentage allocation of the Downstate share for NYCT/SIR represents 56% and the percentage allocation to the commuter railroads represents 26%. MMTOA and State 18-b funds were also allotted to LIB, MTA Bus and other downstate transportation properties.

The latest revenue projections in the State's 2011-12 Mid-Year (October) update anticipate slightly declining Corporate Surcharge and Sales Tax revenues. On a plan-to-plan basis the November Plan revenues are expected to decrease from the July Plan forecasts by \$100 million (7%) in 2012, \$38 million (2%) in 2013, \$50 million (3%) in 2014, and \$54 million (3%) in 2015. The 2012 impact is greater than the out years due to an additional downward adjustment for NYS' projected unfavorable year-end balance in the statewide MMTOA account. After meeting the 2011 MTA MMTOA appropriation obligations, the State expects to end the year with a negative balance in the statewide MMTOA account. This deficit, as well as the account reserve, has to be replenished before 2012 revenues are allocated.

2011 November Forecast

The 2011 MTA MMTOA November Forecast reflects New York State 2011-12 Enacted Budget appropriation of \$1,277 million, as well as an additional \$30 million MTA MMTOA allotment which the State agreed to pay from its prior fiscal year budget (2010-11) to help mitigate the reduction in MTA MMTOA revenues in its current budget. The

combined MTA MMTOA revenue forecast for 2011 is \$1,306 million, which is unchanged from the July Plan. This is \$174 million below the February Plan forecast, and is due primarily to the reduction in aid to NYCT and CRR (\$170 million), as well as an additional reduction of \$4 million in LIB MMTOA.

The November Plan assumes that in 2011 the State will pay the full MMTOA appropriation for SFY 2011-12 by the end of its third quarter coinciding with the end of calendar year 2011; thus, carryover of 2011-12 MTA MMTOA appropriation into calendar year 2012 is not anticipated.

The November Plan also assumes that in 2011 the State will fund \$190 million in 18-b obligations from MMTOA.

The 2011 percentage allocation of MTA's share of Downstate MMTOA, 56% for NYCT/SIR and 26% for the CRRs, is derived from the actual amounts appropriated by the State.

2012

The 2012 estimate of total MTA MMTOA of \$1,420 million reflects an increase of \$113 million from the prior year. On a plan-to-plan basis, this is \$100 million below the July Plan level. This revised MTA MMTOA forecast is based on the latest reforecast of revenues in New York State's Mid-year (October) Financial Plan update, which anticipates slightly lower revenues from corporate surcharges and sales taxes. In addition, there is a further downward adjustment in 2012 due to NYS' anticipated unfavorable year-end balances in the statewide MMTOA account for the current year. After the 2011 appropriation disbursement are made, there remains a negative account balance and an account reserve that have to be replenished from revenue collections before allotments to the MTA and other downstate entities can be made for 2012.

The November forecast is \$156 million below the February Plan level. Note however, that roughly \$51 million of the variance to the February Plan is attributable to the cessation of LI Bus' operation which was included in the February Plan Baseline, but eliminated from the November Plans. Excluding LIB, the decrease in revenues from February is \$105 million.

Of the total estimated MTA MMTOA revenues, \$943 million is earmarked for NYCT/SIR and \$477 million is earmarked for the Commuter Railroads.

The November Plan assumes that in 2012, the State's funding of its 18-b obligation is \$188 million, which is \$3 million lower than the 2011 level and reflects the elimination of LIB's allotment due to the cessation of LIB's operation. The percentage allocations of MMTOA's downstate shares that come to the MTA represent 60% for NYCT and SIR and 27% for the Commuter Railroads.

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 2011 level by 4%, 6% and 13%, respectively. There is no change expected in the level of Corporate Franchise Tax, which remains flat through the Plan period.

2013 – 2015

For 2013 through 2015, the MTA MMTOA November 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 Mid-year (October) Financial Plan update. In 2013, the forecast of \$1,550 million is \$130 million higher than the 2012 forecast. This is \$38 lower than the July Plan forecast and \$98 million lower than the February Plan forecast. Note that in 2013, \$53 million of the unfavorable variance to the February Plan is primarily due to the cessation of LI Bus' operations. Excluding LIB from the Plan-to-Plan comparison to February, there is an unfavorable variance of \$44 million in 2013.

In 2014 and 2015, the November Plan forecasts for MTA MMTOA are \$74 million and \$79 million higher than the prior year's forecast, respectively. Compared with the July Plan, the November Plan forecasts are lower by \$50 million in 2014 and by \$54 million in 2015. Compared with the February Plan, the November forecasts are lower in 2014 by \$102 million. Note that in 2014, \$55 million of the unfavorable variance to the February Plan is primarily due to the cessation of LI Bus' operations. Excluding LIB from the Plan-to-Plan comparison to February, there is an unfavorable variance of \$47 million in 2014.

For 2012 through 2015, the Plan assumes the following growth rates from the prior year levels for the component taxes of MMTOA:

Growth Rate for the Individual Components of MMTOA (from prior year level)					
		2012	2013	2014	2015
Sales Tax		4%	4%	4%	3%
Petroleum Business Tax		6%	1%	1%	1%
Corporate Franchise Tax		0%	0%	0%	0%
Corporate Tax Surcharge		13%	4%	5%	6%

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 2011 MTA November Plan is unchanged from the July Plan. Based on the actual receipts through October, the PBT estimate is on target with the July estimate. Compared with February, the November Plan PBT revenues are expected to increase from the February Plan forecasts for all the years covered in the Plan, details of which are discussed in the following sections. On a year-to-year basis, the MTA PBT cash revenues are expected to increase by \$16 million in 2011, by \$10 million in 2012, by \$4 million in 2013, by \$2 million in 2014 and by \$2 million in 2015

.

2011 November Forecast

The 2011 MTA November PBT estimate, on a cash basis, is \$620 million, which is unchanged from the July Plan. Based on actual results through October, adjusted for collection trends over the prior two years, the estimate is on target with the July Plan estimate. The estimate is \$8 million above the February Plan forecast reflecting stronger than expected revenues year-to-date. Of the total PBT allocation, 85% or \$527 million is earmarked for New York City Transit and 15% or \$93 million for the commuter railroads.

On an accrual basis, the PBT estimate for 2011 is \$621 million, which is consistent with the July Plan. The accrual estimate is based on a one-month lag in the booking and collection of PBT proceeds.

2012 Forecast

The 2012 MTA PBT cash projection of \$631 million is unchanged from the July Plan. This is \$15 million above the February Plan estimate reflecting stronger than expected revenues in the 2011 base year and assuming the same growth rate as in the earlier Plan. Of the total PBT, \$536 million, or 85% is earmarked for New York City Transit, and \$95 million, or 15% is earmarked for the Commuter Railroads.

On an accrual basis, the 2012 PBT estimate is \$631 million, an increase of \$10 million from the prior year's level.

2013 - 2015

For 2013 through 2015, PBT cash estimates are \$634 million, \$636 million and \$638 million, respectively. The PBT estimates are unchanged from the July Plan. They are above the February Plan levels by \$23 million in 2013 and \$26 million in 2014, reflecting stronger than expected revenues in the 2011 base year and assuming the same growth rate as the earlier Plan. The 2013 through 2015 PBT forecasts are higher than the previous year by 4 % in 2013, 4% in 2014 and 0.1% in 2015.

On an accrual basis, PBT estimates for 2013 through 2015 are \$634 million, \$636 million and \$638 million, respectively. These estimates are consistent with the July Plan.

PETROLEUM BUSINESS TAX PROJECTIONS
November Financial Plan 2012-2015
(\$ in millions)

	ACTUAL	FORECAST				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Net PBT Collections Available for Distribution	\$1,776.9	\$1,824.7	\$1,854.5	\$1,864.7	\$1,869.5	\$1,875.0

Distribution Shares:

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

Amount of Total Net Collections Available for the MTA:

MTA Total	\$604.2	\$620.4	\$630.5	\$634.0	\$635.6	\$637.5
------------------	----------------	----------------	----------------	----------------	----------------	----------------

Accrued

NYCT/SIR Share of MTA Total	\$511.9	\$528.1	\$536.2	\$539.0	\$540.4	\$541.9
Commuter Railroad Share of MTA Total	<u>90.3</u>	<u>93.2</u>	<u>94.6</u>	<u>95.1</u>	<u>95.4</u>	<u>95.6</u>
MTA Total of Net Collections	\$602.3	\$621.2	\$630.8	\$634.1	\$635.8	\$637.5

Cash

NYCT/SIR Share of MTA Total	\$513.5	\$527.3	\$536.0	\$538.9	\$540.3	\$541.9
Commuter Railroad Share of MTA Total	<u>90.6</u>	<u>93.1</u>	<u>94.6</u>	<u>95.1</u>	<u>95.3</u>	<u>95.6</u>
MTA Total of Net Collections	\$604.2	\$620.4	\$630.5	\$634.0	\$635.6	\$637.5

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. 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 for Dutchess, Orange and Rockland Fund (DORF) payments 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 make annual DORF payments, in equal quarterly installments, of \$1.5 million each for Dutchess and Orange, and \$2.0 million for Rockland. Additionally, MTA must transfer to DORF for each of these three counties an amount equal to the product of (i) the percentage by which the 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 base 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 2011 consist of actual receipts through October; the remaining two months of the year are based on collection activity through October, and are projected to be approximately \$0.8 million per month lower than projected in the Mid-Year Forecast. As with the projections presented in the July Financial Plan, MTA consulted with real estate tax analysts at New York City's Office of Management and

Budget prior to the preparation of the Mortgage Recording Tax estimates. Based on those discussions, growth assumptions for MRT collections in New York City reflect those in the City's Fiscal Year 2012 Executive Budget along with analysis of recent conditions. MRT projections for the seven suburban counties in the MTA region – Nassau, Suffolk, Westchester, Putnam, Dutchess, Rockland and Orange – are based on forecasts of new and existing home sales. Forecasts for the plan period have been developed on a 2011 base that is \$6 million higher than the base used for the July Plan, reflecting favorable variances since the July Plan projections were completed.

2011 November Forecast

MRT receipts are forecast to be \$248 million in 2011, \$9 million, or 4%, more than 2010 MRT receipts. This projected increase would be the first since annual receipts began to decline in 2007. MRT-1, which is collected on mortgages for both commercial and residential properties, is projected to increase \$16 million (11%) while MRT-2, which is paid only on residential properties with fewer than seven units in the structure, is forecast to be \$6 million (7%) below 2010 receipts.

In the 2011 November Forecast, MRT is \$6 million (2%) favorable to the Mid-Year Forecast, reflecting a modest recovery in MRT-1 while MRT-2 receipts continue to lag. MRT-1 is estimated to be \$8 million (5%) more than the Mid-Year Forecast, while MRT-2 is projected to be \$2 million (2%) less than the Mid-Year Forecast.

The 2011 November Forecast for MRT is \$9 million more than the Adopted Budget (4%). MRT-1 is favorable by \$13 million (9%) while MRT-2 unfavorable by \$4 million (4%), reflecting some easing in available credit for commercial transactions while indicating residential transactions have lagged.

2012 Final Proposed Budget

2012 MRT receipts, reflecting modest growth in both the commercial and residential real estate markets, are forecast to be \$273 million in 2012, \$25 million, or 10%, greater than the 2011 November Forecast. Seventy-seven percent of the increase is expected to come from MRT-1 receipts, which is projected to increase \$20 million (12%); MRT-2 receipts are forecast to increase \$6 million (7%). While the increase in MRT receipts is significant in light of the declines experienced over the past five years, the 2012 MRT projection is only 36% of 2006 MRT receipts, which were \$763 million.

In the November Plan, the 2012 Final Proposed Budget for MRT is \$27 million (9%) less than the July Plan forecast, reflecting forecasts of a slower recovery primarily in residential mortgage activity. MRT-1 is estimated to be \$12 million (6%) less than the July Plan forecast, while MRT-2 is projected to be \$15 million (14%) less than the July Plan forecast.

The 2012 Final Proposed Budget for MRT is \$4 million (2%) less than the February Plan forecast, reflecting slower growth than initially projected. This unfavorable variance is due to the expectation that the residential real estate market will continue to lag, with MRT-2 receipts \$10 million (10%) less than the February Plan forecast while MRT-1 is projected to outpace the February Plan forecast by \$6 million (3%).

2013 - 2015

MRT receipts are expected to improve annually by 18% in 2013 and by 12% in 2014 – increasing by \$50 million in 2013 and \$39 million in 2014 – before slightly declining by \$3 million (1%) in 2015. Mortgage interest rates are expected to increase throughout the Plan period from their currently low levels, and it is expected that these increases will have a short-term dampening effect by the end of the Plan period. While the increases in MRT receipts are significant – particularly when compared with the massive declines over the past five years – 2014 MRT receipts will still remain below 2003 levels, which was four years before MRT receipts began to decline.

For 2013 through 2015, MRT receipts in the November Plan fall short of the projections in the July Plan, by \$30 million (9%) for 2013, \$53 million (13%) for 2014 and \$22 million (6%) for 2015.

MRT receipts for 2013 and 2014 in the November Plan are expected to fall short of projections included in the February Plan, by \$4 million (1%) in 2013 and by \$23 million (6%) in 2014, due to lower forecasts in the earlier years of the plan period.

The following table summarizes MRT year-to-year changes in the November Plan:

	2011	2012	2013	2014	2015
MRT-1	11%	12%	17%	12%	0%
MRT-2	(7)%	7%	20%	13%	(1)%
TOTAL	4%	10%	18%	12%	(1)%

Additional Assumptions

The MTA General Reserve is funded from subsidies. Typically, the November Plan eliminates the remaining General Reserve in the current year. However, for 2011, instead of reducing the July Plan level to zero, \$8 million has been held in reserve to offset the expenses associated with the 2011 Nor'easter Snow Storm. This was necessary since the November Plan expense estimates did not include any provisions for the storm related costs.

In 2012, the November Plan increases the general reserve levels over the July levels by \$25 million in 2012, \$30 million in 2013, \$35 million in 2014 and \$45 million in 2015. These increases bring the general reserve each year to approximate one-percent of the MTA's operating budget. This was implemented to better protect against future losses and is intended to offset future contingencies or unforeseen occurrences, such as those caused by such uncontrollable variable as pension costs, energy pricing, and weather-related occurrences. For instance, in 2010 and 2011, the MTA experienced close to \$100 million in unanticipated weather-related cost impacts.

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 July Plans, an annual amount of \$10 million has been earmarked in the November Plan to cover these security expenses from 2011 through 2015.

Other MRT-2 Adjustments

In addition to the adjustments above, the November Plan assumes that funds from subsidies will be used to cover debt service cash flow requirements and loan repayment of the MTA Bus Company (MTABC). In negotiations with the City, during the MTA takeover of the private buses, a package that consisted of bond proceeds (\$209 million) and inter-agency loans (\$114 million) was used to finance MTABC's capital investment. Pursuant to the agreement with the City, 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 November Plan estimates of the required amounts are \$25 million annually beginning in 2011 and continuing for the duration of the Plan period, which comprises \$13 million for debt service on bonds and \$13 million loan repayment. This reflects no changes to the July or February Plans.

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) 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. Figures below reflect the 90% of Urban Tax receipts earmarked to NYCT general operations.

Forecast Methodology

Forecasts of Urban Tax receipts for 2011 consist of actual receipts through October; the remaining two months of the year are based on collection activity through October, and are projected to be approximately \$7 million per month higher than projected in the Mid-Year Forecast. As with the projections presented in the July Financial Plan, MTA consulted with real estate tax analysts at New York City's Office of Management and Budget prior to the preparation of the Urban Tax forecasts. Based on those discussions, growth assumptions reflect those in the City's Fiscal Year 2012 Executive Budget along with analysis of recent conditions. That said, forecasts for the plan period were developed on a 2011 base that is \$64 million higher than the base used for the July Plan, reflecting favorable variances since the July Plan projections were completed.

2011 November Forecast

Urban Tax receipts are forecast to be \$358 million in 2011, \$184 million, or 106%, more than 2010 receipts. While this increase in Urban Tax receipts follows a very modest increase of \$24 million (16%) in 2010, it also follows an 83% decline from 2007 to 2009, when annual receipts fell by \$733 million. RPTT receipts are projected to increase \$148 million (119%) and MRT receipts are forecast to be \$37 million (74%) above 2010 receipts. RPTT growth is attributable to the sale of 111 Eighth Avenue in January and strong activity during the third quarter.

In the July Plan, transaction activity through July was incorporated into the forecast. The level of transactions in August and September outpaced the July Plan projection, and as a result the 2011 November Forecast for the Urban Taxes is \$64 million (22%) more than the Mid-Year Forecast. RPTT is estimated to be \$50 million (22%) more than the Mid-Year Forecast, while MRT is projected to be \$14 million (19%) more than the Mid-Year Forecast.

The 2011 November Forecast for the Urban Taxes is \$114 million (47%) more than the Adopted Budget forecast, reflecting stronger-than-projected transaction activity during

the year. RPTT is estimated to be \$92 million (51%) more than the Adopted Budget, while MRT is projected to be \$22 million (34%) more than the Adopted Budget.

2012 Final Proposed Budget

Based on stronger activity in the commercial real estate market, the 2012 Urban Tax forecast reflects modestly stronger growth than was assumed in the July Plan. Urban Tax receipts are forecast to be \$393 million in 2012, \$35 million, or 10%, greater than 2011. This projected increase, while building on the increase that is projected for 2011, will nonetheless still result in receipts that are just 45 percent of the Urban Tax's peak in 2007. About 70 percent of the increase is expected to come from MRT receipts, which are projected to increase \$25 million (29%), while RPTT receipts are forecast to increase \$11 million (4%). The smaller increase is due to 2011 transactions not expected to recur in 2012.

In the November Plan, the 2012 Final Proposed Budget for the Urban Taxes is \$75 million (24%) more than the July Plan forecast, reflecting a stronger year-over-year increase of 10% after factoring out the large one-time transaction recorded in January versus 1% excluding the large transaction assumed in the July Plan. RPTT is estimated to be \$74 million (36%) more than the July Plan forecast, while MRT is projected to be \$1 million (1%) more than the July Plan forecast.

The 2012 Final Proposed Budget for the Urban Taxes is \$87 million (29%) more than the February 2011 Plan forecast, reflecting the higher 2011 base but excluding the \$1.8 billion Eighth Avenue transaction. RPTT is estimated to be \$72 million (35%) more than the February Plan forecast while MRT is also projected to surpass the February Plan forecast, by \$15 million (15%).

2013 - 2015

Urban Tax receipts are expected to improve annually, increasing by \$28 million in 2013, \$47 million in 2014 and \$26 million in 2015. Despite these increases, projected 2015 Urban Tax receipts will still be 44 percent below 2007 receipts, when receipts peaked.

Urban Tax receipts in the November Plan exceed the projections from the July Plan by \$72 million (21%) for 2013, \$101 million (27%) for 2014 and \$104 million (27%) for 2015.

Compared with the Adopted Budget, Urban Tax receipts in the November Plan are \$87 million (26%) greater for 2014 and \$117 million (33%) greater for 2014, primarily reflecting higher receipts from earlier years and an improving commercial real estate climate.

The following table summarizes Urban Tax year-to-year changes in the November Plan:

	2011	2012	2013	2014	2015
Real Property Transfer Tax	119%	4%	6%	11%	5%
Mortgage Recording Tax	74%	29%	9%	11%	6%
TOTAL	106%	10%	7%	11%	6%

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 be reimbursed by the State.
- 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

The MTA November Plan forecasts for Payroll Mobility Tax (PMT) receipts for 2011 through 2015 are unchanged from the July Plan. The November Plan estimates of MTA PMT revenues are \$1,415 million in 2011, \$1,484 million in 2012, \$1,551 million in 2013, \$1,618 million in 2014 and \$1,687 million in 2015. There are no variances to the February Plan estimates, which are consistent with the July and November Plans.

2011 November Forecast

The November Plan forecast for MTA PMT revenues of \$1,415 is unchanged from the July Plan, reflecting actual collections year-to-date through October and the collection patterns since the implementation of the tax in 2009. This forecast is also consistent with the February Plan.

2012 Forecast

The 2012 November Plan PMT forecast of \$1,484 million is unchanged from the July Plan. The forecast for the 2011 base year, as noted above, remains unchanged from the July and February Plans, and the November Plan continues to assume annual growth of 5 percent from the base year.

The 2012 estimate reflects an increase of \$69 million from the prior year.

2013 - 2015

The November Plan PMT forecast is \$1,551 million for 2013, \$1,618 million for 2014 and \$1,687 million for 2015, which is unchanged from the July Plan levels. The estimates assume 5 percent growth per annum from the prior year's level. This is consistent with the February Plan.

MTA AID TRUST REVENUES

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.

The November Plan estimates of MTA AID taxes are unchanged from the estimates in the July Plan. For 2011, the MTA November Plan, consistent with the July Plan, estimates annual receipts of \$24 million in license fees, \$161 million in auto registration fees, \$75 million in taxicab taxes and \$31 million in auto rental taxes. For 2012 through 2015, the Plan assumes overall annual growth of 1.5 percent per annum, which is consistent with the July Plan. These forecasts are also consistent with the February Plan.

2011 November Forecast

Based on year-to-date collection patterns, the 2011 November forecast of MTA Aid is \$290 million, which is unchanged from the July Plan estimate. This forecast is also consistent with the February Plan.

2012 Forecast

The MTA Aid forecast for 2012 in the MTA November Plan is \$295 million, which is consistent with the July Plan forecast. The November Plan continues to assume

moderate growth of 1.5 percent per annum to account for anticipated moderate favorable economic activity over the years covered by the Plan. This forecast also makes no change to the February Plan.

2013 – 2015

The November Plan forecast for MTA Aid revenues is \$299 million in 2013, \$304 million in 2014 and \$308 million in 2015. These estimates are unchanged from the July Plan levels. The 2013 and 2014 forecast are also consistent with the February Plan.

STATE AND LOCAL SUBSIDIES

State and Local Subsidies consist of the following:

- *New York State Operating Assistance* - a statewide mass transportation program (State 18-b Operating Assistance) 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 Operating Assistance* - Each County in the MTA Transportation District is required by the transportation law to match the amounts of 18-b Operating Assistance paid by the State. The matching payments are to be made quarterly to the MTA. This also includes any other assistance from NYC and the localities.
- *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 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. Note that Nassau County has given notice of the termination of the existing Lease & Operation Agreement between Nassau County and LI Bus effective as of December 31, 2011; hence the July Plan includes an estimate for 2011 only. Beginning in 2012, the Plan reflects the cessation of LI Bus' operations. (See the Overview Section of this report for full details).
- *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.

- New York City Subsidy for SI Railway – subsidy payments made by New York City to cover expenses associated with SI Railway operations.
- *Additional Mass Transit Assistance Program (AMTAP)* - For 2011, Long Island Bus' subsidies include additional assistance appropriated by the State as a legislative addition in the 2011-12 Enacted Budget.

2011 November Forecast

In the 2011 November Forecast, the total State and Local cash subsidy estimate is \$700 million, which is slightly above the July Plan estimate by \$2 million, due to higher CDOT subsidies (\$6 million), offset by lower Operating Assistance (\$5 million) due to reduced SIR expenses. On an accrual basis, total State and Local subsidy is \$668 million or \$1.2 million favorable when compared with the July Plan.

The 2011 November Forecast is \$68 million above the February Plan. This change is primarily due to favorable Local Operating Assistance, which includes \$35 million of 18-b Operating Assistance that was expected in 2010, but was carried over to 2011 due to timing delays that was not reflected in the February Plan, as well as favorable re-estimate of NYC subsidies to SIR. Also contributing to the favorable variance is AMTAP revenue for LIB of \$6 million that was not expected at the time the February Plan was finalized.

For 2011, the cash forecast of City Subsidy to MTA Bus decreased by \$12 million from the July Plan level. This was primarily due to unfavorable cash timing adjustments. Compared with February, City Subsidy to MTA Bus increased by \$33 million, also due to cash timing adjustment.

2012 – 2015

When compared with the July Plan, total State and Local subsidies decrease by \$3 million in 2012, \$23 million in 2013, and \$37 million in 2014 and \$39 million in 2015. This was due primarily to unfavorable CDOT subsidies. Compared with February, State and Local subsidies increase by \$22 million in 2012, by \$1 million in 2013, and decrease by \$12 million in 2014.

MTA SUBSIDY TO SUBSIDIARIES

The MTA Subsidy to Subsidiaries reflects the amounts needed to cover the operating deficits of LIB and SIR after all other subsidies and operating revenues are allocated.

In the 2011 November Forecast, on a cash basis, total estimated MTA Subsidy to Subsidiaries is \$23 million, which is \$10 million higher than the July Plan forecast. This is due primarily to higher LIB expenses. The MTA reported in the July Plan that it had an agreement with the State Senate to provide additional one-time financial assistance to continue the LI Bus service at the existing levels through the end of 2011.

The MTA Subsidy to Subsidiaries is \$32 million below the February Plan estimate. This is due primarily to the re-estimates of NYC subsidies to SIR.

For 2012 through 2014, the forecasts of MTA Subsidy to Subsidiaries are unchanged from the July Plan. Compared with the February Plan, the estimates have been revised downward by \$57 million in 2012, \$57 million in 2013 and \$59 million in 2014, due to the cessation of LI Bus' operation effective as of December 31, 2011, and to re-estimates of NYC's subsidies to SIR.

SUBSIDY AND OTHER TECHNICAL ADJUSTMENTS

In addition to the adjustments to MRT-2, which are discussed in the MRT Section, the November Plan includes other subsidy adjustments for 2011 through 2015.

MTA Bus Debt Service – The November 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 annually 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 earmarked for MTA Bus are paid directly to New York City Transit; NYCT applies these funds to cover its own capital projects and in turn reimburses MTA Bus. This is in addition to the MTA’s funding of all capital costs associated with MTABC’s 2005-2009 Capital Program, currently estimated at \$25 million annually that was pursuant to an agreement between the MTA and the City of New York that MTA would pay the debt service cost on bonds and repayment on interagency loans that made up a package of funds for MTABC’s capital investment (\$323 million) at the time of the take-over of the private buses by the MTA. [For details see *Other MRT-2 Adjustments* in the Mortgage Recording Taxes (MRT) Section]. This is consistent with the July and February Plans.

Inter-Agency Loans – The November Plan assumes that the inter-agency loans of \$135 million that were borrowed in 2009 and 2010 will both be paid back in 2011. This is different from the July Plan, which assumed that these loans would be paid in two payments in 2011 and 2012.

Forward Energy Contract – Since 2008, MTA has hedged a portion of its projected fuel expense to reduce budgetary risk from price volatility. The MTA intends to continue this strategy by setting aside \$100 million per year to hedge a portion of its expense for diesel fuel and natural gas.

MNR Repayment for 525 North Broadway

In 2007, an arrangement was made whereby MTA Capital would advance the funds for MNR’s capital project at 525 North Broadway, for which MTA Capital would be reimbursed over time from MNR’s operating budget. The November Plan incorporates the repayment of this loan beginning with \$7.3 million in 2011, and \$2.4 million annually from 2012 through 2015. This is consistent with the July Plan.

Repayment of Loan to Capital Financing Fund

The November Plan, similar to the July Plan, anticipates the repayment of a Board-authorized \$500 million interagency loan, from the “Capital Financing Fund” (non-bond related funds dedicated to capital programs) to the operating

budget, in five equal installments of \$100 million annually beginning in 2012. In the February Plan this was captured below-the-line, but beginning with the July Plan it was incorporated into the baseline.

Committed to Capital – Like the July Plan, the November 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. The 2011 November Forecast of \$21 million is unchanged from the July Plan. This is \$79 million below the February Plan estimate. As discussed in July, this reduction from the February Plan was due to New York State's action to help mitigate the revenue reductions to the MTA MMTOA, which reduce the member projects in the MTA Capital Program by \$70 million and allow the MTA to reduce its funding of capital by the same amount of \$70 million. Similarly, the MTA came to an agreement with the New York State Senate to operate Long Island Bus through the end of 2011 with no service reductions, and in return, member projects will be reduced by \$8.6 million, thereby reducing MTA capital contributions by the stated amount.

For 2012 and the subsequent Plan years, there are no changes to the November Plan forecasts. The 2012 payment is planned at \$150 million, and the payments increase by increments of \$50 million annually beginning in 2013 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. This is consistent with the February Plan.

**MTA New York City Transit
November Financial Plan 2012-2015**

Cash Basis
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$864.4	\$829.7	\$939.7	\$1,028.6	\$1,079.2	\$1,133.4
Petroleum Business Tax (PBT) Receipts	513.5	527.3	536.0	538.9	540.3	541.9
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Urban Tax	<u>173.7</u>	<u>358.0</u>	<u>393.4</u>	<u>421.4</u>	<u>468.7</u>	<u>494.5</u>
	\$1,551.7	\$1,715.0	\$1,869.0	\$1,988.9	\$2,088.2	\$2,169.7
<i>New State Taxes and Fees</i>						
Payroll Mobility Tax	\$1,036.8	\$1,231.3	\$994.5	\$1,070.1	\$1,132.3	\$1,147.0
MTA Aid	<u>172.8</u>	<u>182.7</u>	<u>185.5</u>	<u>188.2</u>	<u>191.1</u>	<u>193.9</u>
	\$1,209.6	\$1,414.1	\$1,179.9	\$1,258.3	\$1,323.4	\$1,340.9
<i>State and Local Subsidies</i>						
State Operating Assistance	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1
Local Operating Assistance	<u>123.3</u>	<u>193.7</u>	<u>158.7</u>	<u>158.7</u>	<u>158.7</u>	<u>158.7</u>
	\$281.4	\$351.8	\$316.8	\$316.8	\$316.8	\$316.8
<i>Other Subsidy Adjustments</i>						
Inter-Agency Loan	\$134.5	(\$269.0)	\$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 - 2011 (12 mth Contract)	0.0	(69.9)	66.8	0.0	0.0	0.0
Repayment of Loan to Capital Financing Fund	0.0	0.0	(69.0)	(69.0)	(69.0)	(69.0)
Committed to Capital	<u>(35.0)</u>	<u>(21.0)</u>	<u>(105.0)</u>	<u>(140.0)</u>	<u>(175.0)</u>	<u>(210.0)</u>
	\$88.4	(\$371.4)	(\$118.7)	(\$220.5)	(\$255.5)	(\$290.5)
Total Dedicated Taxes & State and Local Subsidies	\$3,131.1	\$3,109.5	\$3,247.0	\$3,343.6	\$3,472.8	\$3,536.9
<i>Inter-agency Subsidy Transactions</i>						
Bridges and Tunnels Operating Surplus Transfer	\$140.2	\$179.2	\$168.9	\$153.8	\$128.0	\$98.2
	\$140.2	\$179.2	\$168.9	\$153.8	\$128.0	\$98.2
GROSS SUBSIDIES	\$3,271.3	\$3,288.7	\$3,416.0	\$3,497.4	\$3,600.8	\$3,635.1

MTA Commuter Railroad Subsidy Allocation
November Financial Plan 2012-2015

Cash Basis
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$447.2	\$429.7	\$476.8	\$517.4	\$540.4	\$565.1
Petroleum Business Tax (PBT) Receipts	90.6	93.1	94.6	95.1	95.3	95.6
Investment Income	<u>0.5</u>	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.1</u>
	\$538.3	\$523.7	\$572.4	\$613.5	\$636.8	\$661.8
<i>New State Taxes and Fees</i>						
Payroll Mobility Tax	\$315.0	\$184.0	\$489.8	\$480.8	\$485.3	\$539.8
MTA Aid	<u>101.9</u>	<u>107.6</u>	<u>109.2</u>	<u>110.8</u>	<u>112.5</u>	<u>114.2</u>
	\$416.9	\$291.6	\$599.0	\$591.6	\$597.8	\$653.9
<i>State and Local Subsidies</i>						
State Operating Assistance	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3
Local Operating Assistance	29.2	29.2	29.2	29.2	29.2	29.2
CDOT Subsidy	77.7	101.3	101.9	103.2	99.6	101.1
Station Maintenance	149.1	153.2	155.3	158.2	161.2	164.5
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>
	\$285.2	\$313.0	\$315.7	\$319.8	\$319.2	\$324.1
<i>Other Subsidy Adjustments</i>						
Forward Energy Contracts - 2011 (12 mth Contract)	0.0	(\$34.4)	\$32.9	\$0.0	\$0.0	\$0.0
MNR Repayment for 525 North Broadway	0.0	(7.3)	(2.4)	(2.4)	(2.4)	(2.4)
Repayment of Loan to Capital Financing Fund	0.0	0.0	(31.0)	(31.0)	(31.0)	(31.0)
Committed to Capital	<u>(12.2)</u>	<u>(0.4)</u>	<u>(45.0)</u>	<u>(60.0)</u>	<u>(75.0)</u>	<u>(90.0)</u>
	\$64.1	(\$42.1)	(\$45.5)	(\$93.4)	(\$108.4)	(\$123.4)
Total Dedicated Taxes & State and Local Subsidies	\$1,304.5	\$1,086.1	\$1,441.6	\$1,431.5	\$1,445.3	\$1,516.3
<i>Inter-agency Subsidy Transactions</i>						
Bridges and Tunnels Operating Surplus Transfer	\$265.8	\$318.1	\$290.6	\$274.8	\$249.2	\$219.2
GROSS SUBSIDIES	\$1,570.3	\$1,404.2	\$1,732.2	\$1,706.3	\$1,694.5	\$1,735.6

MTA Long Island Bus Subsidy Allocation
November Financial Plan 2012-2015

Cash Basis
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$44.2	\$44.2	\$0.0	\$0.0	\$0.0	\$0.0
<i>State and Local Subsidies</i>						
State Operating Assistance	\$2.5	\$3.0	\$0.0	\$0.0	\$0.0	\$0.0
Nassau County Subsidy	9.1	4.6	0.0	0.0	0.0	0.0
AMTAP	<u>5.3</u>	<u>5.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$16.9	\$13.2	\$0.0	\$0.0	\$0.0	\$0.0
Total Dedicated Taxes & State and Local Subsidies	\$61.2	\$57.4	\$0.0	\$0.0	\$0.0	\$0.0
<i>Inter-agency Subsidy Transactions</i>						
MTA Subsidy to Subsidiaries	\$21.5	\$22.7	\$0.0	\$0.0	\$0.0	\$0.0
GROSS SUBSIDIES	\$82.7	\$80.1	\$0.0	\$0.0	\$0.0	\$0.0

Note: The financial plan assumes the cessation of LI Bus operations on December 31, 2011. For 2012 and beyond, it assumes the full exclusion of LI Bus as a separate operating entity from all budget forecasts.

MTA Staten Island Railway Subsidy Allocation
November Financial Plan 2012-2015

Cash Basis
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$3.1	\$2.8	\$3.2	\$3.5	\$3.7	\$3.9
Mortgage Recording Tax (MRT)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$3.1	\$2.8	\$3.2	\$3.5	\$3.7	\$3.9
<i>State and Local Subsidies</i>						
State Operating Assistance	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Local Operating Assistance ¹	<u>0.4</u>	<u>\$21.7</u>	<u>\$34.5</u>	<u>\$28.5</u>	<u>\$29.9</u>	<u>\$31.4</u>
	\$0.9	\$22.3	\$35.1	\$29.0	\$30.5	\$31.9
Total Dedicated Taxes & State and Local Subsidies	\$4.0	\$25.1	\$38.3	\$32.5	\$34.1	\$35.8
<i>Inter-agency Subsidy Transactions</i>						
MTA Subsidy to Subsidiaries	\$25.5	(\$0.0)	(\$0.0)	\$0.0	\$0.0	\$0.0
GROSS SUBSIDIES	\$29.4	\$25.1	\$38.3	\$32.5	\$34.1	\$35.8

¹ Local Operating Assistance includes a subsidy from the City of New York to fund the Staten Island Railway deficit.

MTA Headquarters Subsidy Allocation
November Financial Plan 2012-2015

Cash Basis
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Subsidies</u>						
<u>Dedicated Taxes</u>						
Mortgage Recording Tax-1						
Net Receipts After Agency Transfers	\$146.6	\$162.1	\$181.7	\$212.7	\$238.1	\$237.0
<u>Adjustments</u>						
MRT-2 Required to Balance	\$129.9	\$148.3	\$145.2	\$114.6	\$101.7	\$122.5
	\$129.9	\$148.3	\$145.2	\$114.6	\$101.7	\$122.5
Net Funding of MTA Headquarters	\$276.4	\$310.4	\$326.9	\$327.3	\$339.8	\$359.5
<u>Mortgage Recording Tax - 2</u>						
Net Receipts	\$92.5	\$85.9	\$91.6	\$110.3	\$124.2	\$122.4
<u>Adjustments</u>						
Funding of General Reserve	\$0.0	(\$8.0)	(\$125.0)	(\$130.0)	(\$135.0)	(\$145.0)
Diversion of MRT to Suburban Counties	(2.9)	(2.7)	(2.5)	(3.8)	(5.4)	(7.3)
Carryover/Opening Balances/Interest	2.3	4.2	4.3	4.5	4.7	4.9
Agency Security Costs from MRT	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(24.9)	(24.9)	(24.9)	(24.9)	(24.9)	(24.9)
Transfer to MRT-1	<u>(129.9)</u>	<u>(148.3)</u>	<u>(145.2)</u>	<u>(114.6)</u>	<u>(101.7)</u>	<u>(122.5)</u>
	(\$168.5)	(\$189.6)	(\$303.3)	(\$278.9)	(\$272.3)	(\$304.8)
Unallocated MRT-2 Receipts	(\$76.0)	(\$103.8)	(\$211.6)	(\$168.6)	(\$148.2)	(\$182.4)

MTA Bus Company Subsidy Allocation
November Financial Plan 2012-2015

Cash Basis
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Subsidies</u>						
City Subsidy to MTA Bus Company	\$241.7	\$341.7	\$346.1	\$339.4	\$350.3	\$382.2

MTA BRIDGES & TUNNELS
SURPLUS TRANSFER
November Financial Plan 2012- 2015
(\$ in millions)

	ACTUAL 2010	FORECAST 2011	FORECAST 2012	FORECAST 2013	FORECAST 2014	FORECAST 2015
<u>Deductions from Net Operating Income:</u>						
Investment Income	\$0.147	\$0.126	\$0.108	\$0.162	\$1.037	\$2.534
Total Debt Service ¹	592.893	611.821	619.352	638.397	667.572	703.482
Capitalized Assets	10.656	11.543	19.370	17.781	17.843	17.849
Reserves	14.340	14.353	14.548	14.762	15.003	15.258
GASB Reserves	2.322	1.787	1.927	1.932	1.966	2.017
Total Deductions from Net Operating Income	\$620.358	\$639.631	\$655.305	\$673.034	\$703.421	\$741.139
Net Income Available for Transfer to MTA and NYCT	\$429.109	\$493.285	\$455.790	\$425.588	\$371.742	\$311.389
<u>Distribution of Funds to MTA:</u>						
Investment Income in Current Year	\$0.147	\$0.126	\$0.108	\$0.162	\$1.037	\$2.534
Accrued Current Year Allocation	277.084	311.896	288.232	273.346	246.480	216.190
Total Accrued Amount Distributed to MTA¹	\$277.231	\$312.022	\$288.340	\$273.508	\$247.517	\$218.724
<u>Distribution of Funds to NYCT:</u>						
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	128.026	157.389	143.558	128.242	101.262	71.199
Total Accrued Amount Distributed to NYCT¹	\$152.026	\$181.389	\$167.558	\$152.242	\$125.262	\$95.199
<u>Actual Cash Transfer to MTA and NYCT:</u>						
From Current Year Surplus	\$265.776	\$318.108	\$290.599	\$274.835	\$249.167	\$219.219
Investment Income in Prior Year	0.256	0.126	0.108	0.162	1.037	2.534
Total Cash Amount Distributed to MTA¹	\$266.032	\$318.234	\$290.707	\$274.997	\$250.204	\$221.753
Total Cash Amount Distributed to NYCT	\$140.167	\$179.233	\$168.941	\$153.773	\$127.960	\$98.206

<p style="text-align: center;">SUMMARY MTA LONG ISLAND BUS MULTI-YEAR FINANCIAL PLAN 2012-2015 (\$ in millions)</p>

	ACTUAL	FORECAST				
	2010	2011	2012	2013	2014	2015
<u>Revenue Summary:</u>						
Farebox Revenue	\$43.8	\$46.3	\$0.0	\$0.0	\$0.0	\$0.0
Other Revenue	1.6	1.7	0.0	0.0	0.0	0.0
State/Local Subsidies	60.1	57.4	0.0	0.0	0.0	0.0
Total Revenue Before MTA Subsidy	\$105.5	\$105.4	\$0.0	\$0.0	\$0.0	\$0.0
<u>Non-Reimbursable Expense Summary:</u>						
Labor Expenses	\$102.5	\$102.4	\$0.0	\$0.0	\$0.0	\$0.0
Non-Labor Expenses	29.3	25.5	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
OPEB Obligation	9.0	9.0	0.0	0.0	0.0	0.0
Environmental Remediation	0.0	0.0	0.0	0.0	0.0	0.0
Total Non-Reimbursable Expenses	\$140.8	\$136.9	\$0.0	\$0.0	\$0.0	\$0.0
Total Net Revenue	(\$35.3)	(\$31.5)	\$0.0	\$0.0	\$0.0	\$0.0
<u>Cash Adjustment Summary:</u>						
Operating Cash Adjustments	\$25.6	(\$9.3)	\$0.0	\$0.0	\$0.0	\$0.0
Subsidy Cash Adjustments	1.1	0.0	0.0	0.0	0.0	0.0
Total Cash Adjustment	\$26.7	(\$9.3)	\$0.0	\$0.0	\$0.0	\$0.0
Gross Cash Balance	(\$8.6)	(\$40.8)	\$0.0	\$0.0	\$0.0	\$0.0
MTA Internal Subsidy	21.5	22.7	0.0	0.0	0.0	0.0
Net Cash Balance from Previous Year	\$5.3	\$18.2	\$0.0	\$0.0	\$0.0	\$0.0
Baseline Net Cash Surplus/(Deficit)	\$18.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

SUMMARY
MTA STATEN ISLAND RAILWAY
MULTI-YEAR FINANCIAL PLAN
2012-2015
(\$ in millions)

	ACTUAL	FORECAST				
	2010	2011	2012	2013	2014	2015
<u>Revenue Summary:</u>						
Farebox Revenue	\$5.0	\$5.6	\$5.7	\$5.8	\$5.9	\$6.0
Other Revenue	\$2.2	2.1	2.1	2.1	2.1	2.1
State/City Subsidies	\$4.1	25.0	38.3	32.5	34.1	35.8
Total Revenue Before MTA Subsidy	\$11.3	\$32.7	\$46.1	\$40.4	\$42.1	\$43.9
<u>Non-Reimbursable Expense Summary:</u>						
Labor Expenses	\$28.7	\$26.3	\$29.5	\$30.0	\$30.6	\$31.6
Non-Labor Expenses	\$9.5	8.1	11.4	10.0	11.1	11.9
Depreciation	\$9.1	9.0	9.0	9.0	9.0	9.0
OPEB Obligation	\$1.9	2.8	3.0	3.0	3.0	3.0
Environmental Remediation	\$0.2	0.0	0.0	0.0	0.0	0.0
Total Non-Reimbursable Expenses	\$49.4	\$46.2	\$52.8	\$52.0	\$53.7	\$55.5
Total Net Revenue	(\$38.1)	(\$13.6)	(\$6.7)	(\$11.6)	(\$11.6)	(\$11.6)
<u>Cash Adjustment Summary:</u>						
Operating Cash Adjustments	\$13.0	\$11.4	\$6.8	\$11.6	\$11.6	\$11.6
Subsidy Cash Adjustments	(0.1)	0.1	0.0	0.0	0.0	0.0
Total Cash Adjustment	\$12.9	\$11.6	\$6.8	\$11.6	\$11.6	\$11.6
Gross Cash Balance	(\$25.2)	(\$2.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)
MTA Internal Subsidy	25.5	(0.0)	(0.0)	0.0	0.0	0.0
Net Cash Balance from Previous Year	\$1.8	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0
Baseline Net Cash Surplus/(Deficit)	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

MTA LONG ISLAND BUS
November Financial Plan 2011 - 2014
Able-Ride Paratransit Operations
(\$ in millions)

	2011	2012	2013	2014	2015
<u>Paratransit Costs:</u>					
Operating Expenses					
Salaries	\$8.937	\$0.000	\$0.000	\$0.000	\$0.000
Benefits	3.463	0.000	0.000	0.000	0.000
Other than Personal Services	3.664	0.000	0.000	0.000	0.000
Total Paratransit Costs	\$16.064	\$0.000	\$0.000	\$0.000	\$0.000
<u>Revenue:</u>					
Fares	\$1.166	\$0.000	\$0.000	\$0.000	\$0.000
Reimbursements	-	-	-	-	-
Total Revenue	\$1.166	\$0.000	\$0.000	\$0.000	\$0.000
Net LIB Expense	\$14.898	\$0.000	\$0.000	\$0.000	\$0.000
<u>Funding as a Percent of Cost:</u>					
Farebox	7.3%	0.0%	0.0%	0.0%	0.0%
LIB Share	92.7%	0.0%	0.0%	0.0%	0.0%
ADA Trips	279,615	-	-	-	-

[THIS PAGE INTENTIONALLY LEFT BLANK]

Debt Service

Debt Service in the Financial Plan

The following table reflects debt service projections for 2011 through 2015 associated with *approved* Capital Programs, including the first two years of the 2010-2014 Capital Program. As approved by the Capital Program Review Board on June 2, 2010, the 2010-2014 Capital Program finances capital expenditures associated with the first two years of commitments for transit, commuter railroads and bus projects. The TBTA 2010-2014 Capital Program finances capital expenditures associated with the full five years of commitments. The Summary of Total Debt Service table shows all MTA and TBTA debt service for this November 2011 Financial Plan (excluding State Service Contract and Convention Center debt service which is fully paid by New York State).

Debt Service Forecast (in millions) ⁽¹⁾			
Year	July Plan Debt Service	November Plan Debt Service	Difference Favorable/(Unfavorable)
2011	\$1,987	\$1,949	\$38
2012	2,168	2,129	38
2013	2,305	2,271	34
2014	2,448	2,418	29
2015	<u>2,570</u>	<u>2,555</u>	<u>14</u>
Total:	\$11,478	\$11,323	\$154

(1) Totals may not add due to rounding.

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	2011	2012	2013	2014	2015
New Money Bonds ¹ (\$ in millions)	332	2,179	1,974	1,994	1,789
Assumed Fixed-Rates					
Transportation Revenue Bonds	5.27%	5.59%	5.90%	6.17%	6.35%
Dedicated Tax Fund Bonds	4.80%	5.09%	5.37%	5.62%	5.79%
Triborough Bridge & Tunnel Authority	4.80%	5.09%	5.37%	5.62%	5.79%
Assumed Variable Rates	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates ²					
Transportation Revenue Bonds	5.15%	5.43%	5.71%	5.95%	6.12%
Dedicated Tax Fund Bonds	4.72%	4.98%	5.23%	5.46%	5.61%
Triborough Bridge & Tunnel Authority	4.72%	4.98%	5.23%	5.46%	5.61%

- Years 2011 to 2015 include assumed borrowing for existing approved Capital Programs. FY 2011 new money bonds are net of 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 2012–2015 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of October 4, 2011).
- 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 two-year approved portion of 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.
- Assumes \$21.4 million of Pay-Go funding in FY 2011 and \$165 million in FY 2012 and \$100 million annually during FYs 2013-2015.
- No reserve funds.

Debt Service Affordability Statement

Notes

- 1 Unhedged tax-exempt variable rate debt reflects actual rates through September 2011, 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 2011 issuance is included with the forecast and is reflective of new money bonds and notes.
- 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 DTFF pledged revenue figures above, the petroleum business tax, franchise 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 SIRTDA.
- 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) This is a revision to the Debt Affordability Schedule printed in the November Financial Plan 2012-2015. The previous schedule did not reflect the updated November Financial Plan Forecasted New Money Bonds Issued and the 2011 Debt Service. Those numbers have been revised above.
- (2) Debt service associated with the approved portion of the 2010-2014 Capital Programs is included in the table above.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Positions (Headcount)

POSITIONS (Headcount)

This section presents MTA headcount by Agency, by function, and by occupational group. The changes in headcount described below are reflective of the MTA-wide commitment to reduce costs without compromising the quality of transportation services – an exigency that is especially pressing in the wake of the economy’s downturn, and one made all the more difficult by the rather slow recovery. Towards this end, this Plan preserves the dramatic reduction of more than 3,000 positions that occurred in 2010, which included the Administrative Reduction Program (ARP) that resulted in 15% fewer administrative positions MTA-wide, with 20% fewer at MTA-HQ. This Plan includes additional measures to streamline administrative functions by expanding the 15% reduction to include positions within the Capital Program (Reduction in Reimbursable Administrative Positions), an exercise first identified in the 2011 July Plan that has helped to further reduce costs.

2011 November Forecast

The 2011 November Forecast for MTA consolidated baseline positions is 66,804. This is an increase of 7 positions relative to the Mid-Year Forecast, with changes primarily in the Maintenance, Operations and Administration functions. The greatest changes to baseline positions, by function, occur within Maintenance and within Operations. Compared with July, 132 maintenance positions will be added—101 at NYCT alone, and another 30 at LIRR. In addition, 34 positions will be added to Administration and 7 in Public Safety. Offsetting these, 166 Operations positions will be eliminated in 2011, more than 90% of these at NYCT.

The increase compared to the Mid-Year Forecast addresses identified “New Needs” and an increase in reimbursable headcount that are not fully offset by favorable re-estimates. NYCT will add 32 programmatic positions, mostly to maintain its SONET communications equipment, but also to meet maintenance requirements for Select Bus Service. MTA Bus Company will devote 12 non-reimbursable and 3 reimbursable positions to preventive maintenance and to road maintenance supervision. MTA-wide, favorable re-estimates of existing needs result in 60 fewer positions; projected decreases are at NYCT (39 positions) and MNR (63 positions), while re-estimates at LIRR result in 39 additional positions.

The 2011 November Forecast includes a decline of 45 positions, compared with the Adopted Budget. MNR will reduce headcount by 157 positions, and LIB will reduce headcount by 57 positions, with further reductions at LIRR (8 positions) and at MTA-CC (7 positions). As a partial offset, headcount will increase at NYCT by 138 positions, at MTA Bus Company (27), at B&T (10), at SIR (5) and at MTA-HQ (4). Most of the variance between the 2011 November Forecast and the Adopted Budget reflects the Reduction in Reimbursable Administrative Positions initiative, which was detailed in the Mid-Year Forecasts and resulted in 406 fewer positions than in the Adopted Budget.

2012 Final Proposed Budget

Compared with the 2011 November Forecast, consolidated 2012 baseline positions decline by 1,041 positions to 65,763; this reduction is driven primarily by the planned separation of LI Bus operations at the end of 2011. Excluding the LI Bus separation, there is a modest increase of 7 positions, with the largest increase occurring at MNR and directed primarily towards maintenance and operations. The increase in positions will support car fleet maintenance, its conductor certification program and the new Danbury Branch signal system. As MNR's 30th anniversary approaches, it is expected that workforce turnover will increase significantly due to retirements. To meet this challenge, the pool of operating craft trainees is being expanded, and staff is also being added to support new employee training.

MTA-HQ will add 33 administrative positions, half of them temporary, as a short-term measure to support the consolidation of administration and back-office transactions within BSC. LIRR's headcount will increase by 28 positions in 2012, most directed to maintenance activity in the Equipment Department, with others to meet required staffing levels in the Transportation Department. NYCT expects a decline of 116 positions in 2012, reflecting 181 fewer administrative positions and 3 fewer Public Safety positions, partly offset by increases in Operations (54 positions) and Maintenance (14 positions); NYCT's reduction corresponds to a decline in requirements for capital projects along with increased subway maintenance needs.

Compared with the 2012 Preliminary Budget, MTA consolidated headcount is expected to increase by 86 positions. This will include 75 additional positions to meet new programmatic needs identified by MTA Bus Company, NYCT, and MNR. The 29 non-reimbursable positions added to meet New Needs at MTA Bus Company will support its shop overhaul program, will conduct environmental surveys, and will provide service for Guide-A Ride. NYCT will add 26 positions to meet programmatic needs for refuse collection and 14 for Subways Scheduled Maintenance. MNR will add 20 positions to meet new needs, most of these to train Operations staff for impending attrition in 2013.

The major offset to these increases is a reduction of 185 reimbursable positions, which occur mostly at NYCT. Among these 130 eliminations, NYCT expects to make reductions for flagging, work trains and service diversion as a result of lower contractor support requirements in the capital program. The uses of improved technology in the Capital Track Program and increased component replacement have reduced the need for positions to support concrete pours. Further reductions at NYCT will be made in Maintenance of Way for access and protection of various subway assets and General Order support, resulting in 40 fewer positions than anticipated in July. LIRR is also reducing reimbursable headcount in 2012 by 49 positions due to lower project activity than expected in July.

MTA consolidated baseline positions will be 884 fewer than in the February Plan. Headcount will decrease by 1,105 positions as a result of the termination of LI Bus

operations. Other major changes include a reduction of 42 positions at LIRR and an increase of 247 positions at NYCT.

2013 – 2015

Total forecasted positions in the November Plan are 65,671 for 2013, 65,949 for 2014 and 66,192 for 2015. These figures show headcount decreasing in 2013 by 92 positions, and increasing in 2014 and 2015 by 278 and 243 positions, respectively.

The 2013 change is attributable mostly to NYCT's reduction of 131 positions, and most of these correspond to decreasing requirements for reimbursable positions in the Capital Program. The major offset to NYCT's elimination of positions comes from MNR, which adds 47 positions compared to 2012. These will be directed primarily towards support of the M-8 cars and the New Haven Maintenance Facility Shop Complex and to GCT operations. LIRR will also add 17 positions in 2013.

The 2014 increase reflects 187 additional positions at LIRR, along with 68 additional positions at NYCT and 34 positions at MNR. LIRR's growth in headcount reflects the preparation of operations for East Side Access; the 2015 year-to-year increase of 243 positions also results primarily from LIRR's addition of positions to meet East Side Access needs. MTA Bus Company, in 2015, is adding 84 positions, mostly to support its Shop Overhaul Program.

The November Plan projects an increase of 21 additional positions for 2013, compared with the July Plan. By function, most of this change is due to the addition of Maintenance and Administration positions, but significant reductions in Operations and smaller reductions in other functions act as a partial offset. The expected increase in consolidated headcount includes new programmatic needs at NYCT, where an additional 65 positions will be required for its Subways Scheduled Maintenance program. Against these increase, NYCT has lowered its expectation of needs for maintenance positions in its Buses Shop Plan by 85 positions.

In 2014 and 2015, MTA consolidated headcount is expected to decline by 194 and 153 positions, respectively, compared with the July Plan. Among the major changes from the July Plan, NYCT will reduce headcount by 101 positions in 2014 as it further curtails its needs within the Buses Shop Plan and as reimbursable positions decline in response to diminished capital program requirements; and 2014 headcount will be lower by 68 positions at MTA-HQ and by 9 positions at LIRR due to the delayed opening of East Side Access. The ESA delay also impacts the 2015 decrease, driving the reduction of over 200 positions at LIRR and MTA-HQ.

Compared with the February Plan, MTA consolidated headcount is projected to decline by 1,230 positions for 2013. Positions decrease in 2013 at LIB (which carries over 1,105 fewer positions from 2012 because of its separation from MTA), at LIRR (184 fewer), at MNR (65 fewer) at MTA-CC (7 fewer), and at MTA-HQ (6 fewer). NYCT adds 95 positions, while MTA Bus, B&T and SIR, combined, add 42 positions. Aside from the

LIB separation, much of the remaining variance is explained by carry-over from the Reimbursable Reduction in Force initiative and also from the ESA delay.

The November Plan shows a decrease – when compared to February – of 1,326 positions for 2014, with most of this explained by the LIB separation. LIRR will also reduce headcount by 146 positions, and MTA-HQ by 59 positions, with much of the reduction at both agencies explained by the ESA delay; and MNR will reduce headcount by 64 positions while MTA-CC will reduce headcount by 7 positions. The major offset comes from NYCT, which adds 28 positions. Aside from the LI Bus separation, most of the variance from the February Plan results from initiatives described in July.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2012-2015
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 2011-2012	Change 2012-2013	Change 2013-2014	Change 2014-2015
Baseline Total Positions	1,041	92	(278)	(243)
NYC Transit	116	131	(68)	30
Long Island Rail Road	(28)	(17)	(187)	(145)
Metro-North Railroad	(84)	(47)	(34)	(14)
Bridges & Tunnels	24	-	-	-
Headquarters	(33)	17	-	(30)
Long Island Bus	1,048	-	-	-
Staten Island Railway	(1)	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(1)	8	11	(84)
Non-Reimbursable	560	(68)	(336)	(263)
NYC Transit	(252)	(82)	(125)	16
Long Island Rail Road	(91)	36	(188)	(151)
Metro-North Railroad	(120)	(47)	(34)	(14)
Bridges & Tunnels	24	-	-	-
Headquarters	(33)	17	-	(30)
Long Island Bus	1,033	-	-	-
Staten Island Railway	(1)	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	8	11	(84)
Reimbursable	481	160	57	21
NYC Transit	368	213	57	14
Long Island Rail Road	63	(53)	-	7
Metro-North Railroad	36	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Long Island Bus	15	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(1)	-	-	-
Total Full-Time	943	92	(278)	(243)
NYC Transit	117	131	(68)	30
Long Island Rail Road	(28)	(17)	(187)	(145)
Metro-North Railroad	(84)	(47)	(34)	(14)
Bridges & Tunnels	24	-	-	-
Headquarters	(33)	17	-	(30)
Long Island Bus	949	-	-	-
Staten Island Railway	(1)	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(1)	8	11	(84)
Total Full-Time-Equivalents	98	-	-	-
NYC Transit	(1)	-	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Long Island Bus	99	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2012-2015
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/DEPARTMENT	Change 2011-2012	Change 2012-2013	Change 2013-2014	Change 2014-2015
Administration	235	28	(6)	(10)
NYC Transit	181	11	7	1
Long Island Rail Road	(2)	-	(6)	(10)
Metro-North Railroad	(14)	1	-	3
Bridges & Tunnels	23	-	-	-
Headquarters	(33)	17	-	-
Long Island Bus	71	-	-	-
Staten Island Railway	1	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	8	(1)	(7)	(4)
Operations	613	69	(170)	(107)
NYC Transit	(54)	83	1	3
Long Island Rail Road	(13)	3	(157)	(93)
Metro-North Railroad	(41)	(17)	(14)	(17)
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Long Island Bus	722	-	-	-
Staten Island Railway	4	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(5)	-	-	-
Maintenance	187	(4)	(102)	(96)
NYC Transit	(14)	37	(76)	26
Long Island Rail Road	(17)	(19)	(24)	(42)
Metro-North Railroad	(29)	(31)	(20)	-
Bridges & Tunnels	4	-	-	-
Headquarters	-	-	-	-
Long Island Bus	249	-	-	-
Staten Island Railway	(6)	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	9	18	(80)
Engineering/Capital	3	-	-	-
NYC Transit	-	-	-	-
Long Island Rail Road	4	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Long Island Bus	3	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(4)	-	-	-
Public Safety	3	-	-	(30)
NYC Transit	3	-	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	(3)	-	-	-
Headquarters	-	-	-	(30)
Long Island Bus	3	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-

Metropolitan Transportation Authority
November Financial Plan 2012-2015
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)

FUNCTION/OCCUPATIONAL GROUP	Change 2011-2012	Change 2012-2013	Change 2013-2014	Change 2014-2015
Administration				
Managers/Supervisors	55	9	-	(9)
Professional, Technical, Clerical	185	19	1	3
Operational Hourlies	(5)	-	(7)	(4)
Total Administration	235	28	(6)	(10)
Operations				
Managers/Supervisors	27	24	2	2
Professional, Technical, Clerical	35	1	-	-
Operational Hourlies	551	44	(172)	(109)
Total Operations	613	69	(170)	(107)
Maintenance				
Managers/Supervisors	30	22	(8)	(34)
Professional, Technical, Clerical	14	23	9	4
Operational Hourlies	143	(50)	(103)	(66)
Total Maintenance	187	(5)	(102)	(96)
Engineering/Capital				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	3	-	-	-
Operational Hourlies	-	-	-	-
Total Engineering/Capital	3	-	-	-
Public Safety				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	3	-	-	(30)
Total Public Safety	3	-	-	(30)
Baseline Total Positions				
Managers/Supervisors	112	55	(6)	(41)
Professional, Technical, Clerical	237	43	10	7
Operational Hourlies	692	(6)	(282)	(209)
Baseline Total Positions	1,041	92	(278)	(243)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2012-2015
Baseline Change Between 2011 November Financial Plan vs. 2011 July Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency
Favorable/(Unfavorable)

Category	2011	2012	2013	2014	2015
Baseline Total Positions	(7)	(86)	(21)	194	153
NYC Transit	4	(26)	(35)	101	33
Long Island Rail Road	(37)	14	(12)	9	174
Metro-North Railroad	44	(36)	18	17	(23)
Bridges & Tunnels	-	(3)	(3)	(3)	(3)
Headquarters	2	(6)	24	68	54
Long Island Bus	-	-	-	-	-
Staten Island Railway	(5)	4	4	4	4
Capital Construction Company	-	-	-	-	-
Bus Company	(15)	(33)	(17)	(2)	(86)
Non-Reimbursable	14	(271)	(169)	16	(28)
NYC Transit	7	(156)	(181)	(75)	(146)
Long Island Rail Road	(39)	(35)	(8)	13	178
Metro-North Railroad	61	(46)	8	7	(33)
Bridges & Tunnels	-	(3)	(3)	(3)	(3)
Headquarters	2	(6)	24	68	54
Long Island Bus	-	-	-	-	-
Staten Island Railway	(5)	4	4	4	4
Capital Construction Company	-	-	-	-	-
Bus Company	(12)	(29)	(13)	2	(82)
Reimbursable	(21)	185	148	178	181
NYC Transit	(3)	130	146	176	179
Long Island Rail Road	2	49	(4)	(4)	(4)
Metro-North Railroad	(17)	10	10	10	10
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(3)	(4)	(4)	(4)	(4)
Total Full-Time	(6)	(83)	(18)	197	156
NYC Transit	5	(23)	(32)	104	36
Long Island Rail Road	(37)	14	(12)	9	174
Metro-North Railroad	44	(36)	18	17	(23)
Bridges & Tunnels	-	(3)	(3)	(3)	(3)
Headquarters	2	(6)	24	68	54
Long Island Bus	-	-	-	-	-
Staten Island Railway	(5)	4	4	4	4
Capital Construction Company	-	-	-	-	-
Bus Company	(15)	(33)	(17)	(2)	(86)
Total Full-Time-Equivalents	(1)	(3)	(3)	(3)	(3)
NYC Transit	(1)	(3)	(3)	(3)	(3)
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2012-2015
Baseline Change Between 2011 November Financial Plan vs. 2011 July Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency
Favorable/(Unfavorable)

Function	2011	2012	2013	2014	2015
Administration	(34)	(79)	(72)	(69)	(72)
NYC Transit	(41)	(44)	(44)	(38)	(38)
Long Island Rail Road	-	(7)	(1)	3	4
Metro-North Railroad	6	(11)	(10)	(10)	(10)
Bridges & Tunnels	-	-	-	-	-
Headquarters	2	(6)	(6)	(6)	(6)
Long Island Bus	-	-	-	-	-
Staten Island Railway	(1)	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	(11)	(11)	(18)	(22)
Operations	166	87	122	120	125
NYC Transit	153	96	95	95	98
Long Island Rail Road	(7)	-	-	-	5
Metro-North Railroad	24	(4)	32	30	27
Bridges & Tunnels	6	6	6	6	6
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	(4)	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(6)	(11)	(11)	(11)	(11)
Maintenance	(132)	(82)	(89)	81	52
NYC Transit	(101)	(74)	(82)	48	(23)
Long Island Rail Road	(30)	21	(11)	6	165
Metro-North Railroad	13	(21)	(4)	(3)	(40)
Bridges & Tunnels	(5)	(5)	(5)	(5)	(5)
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	-	4	4	4	4
Capital Construction Company	-	-	-	-	-
Bus Company	(9)	(7)	9	31	(49)
Engineering/Capital	-	(5)	(5)	(5)	(5)
NYC Transit	-	-	-	-	-
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	1	-	-	-	-
Bridges & Tunnels	(1)	(1)	(1)	(1)	(1)
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	(4)	(4)	(4)	(4)
Public Safety	(7)	(7)	23	67	53
NYC Transit	(7)	(4)	(4)	(4)	(4)
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	-	(3)	(3)	(3)	(3)
Headquarters	-	-	30	74	60
Long Island Bus	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-
Baseline Total Positions	(7)	(86)	(21)	194	153

Metropolitan Transportation Authority
November Financial Plan 2012-2015
Baseline Change Between 2011 November Financial Plan vs. 2011 July Financial Plan
Non-Reimbursable and Reimbursable
Full-time Positions and Full-time Equivalents by Occupational Group and Agency
Favorable/(Unfavorable)

		Change				
FUNCTION/OCCUPATIONAL GROUP		2011	2012	2013	2014	2015
Administration						
	Managers/Supervisors	(31)	(40)	(37)	(33)	(40)
	Professional, Technical, Clerical	-	(25)	(21)	(15)	(7)
	Operational Hourlies	(3)	(14)	(14)	(21)	(25)
	Total Administration	(34)	(79)	(72)	(69)	(72)
Operations						
	Managers/Supervisors	35	32	32	32	39
	Professional, Technical, Clerical	61	43	44	44	44
	Operational Hourlies	70	12	46	44	42
	Total Operations	166	87	122	120	125
Maintenance						
	Managers/Supervisors	(39)	(39)	(49)	(32)	(65)
	Professional, Technical, Clerical	(32)	(71)	(77)	(77)	(79)
	Operational Hourlies	(61)	28	37	190	196
	Total Maintenance	(132)	(82)	(89)	81	52
Engineering/Capital						
	Managers/Supervisors	1	(3)	(3)	(3)	(3)
	Professional, Technical, Clerical	(1)	(2)	(2)	(2)	(2)
	Operational Hourlies	-	-	-	-	-
	Total Engineering/Capital	-	(5)	(5)	(5)	(5)
Public Safety						
	Managers/Supervisors	(6)	(6)	(6)	(5)	(5)
	Professional, Technical, Clerical	1	1	1	1	2
	Operational Hourlies	(2)	(2)	28	71	56
	Total Public Safety	(7)	(7)	23	67	53
Baseline Total Positions						
	Managers/Supervisors	(40)	(56)	(63)	(41)	(74)
	Professional, Technical, Clerical	29	(54)	(55)	(49)	(42)
	Operational Hourlies	4	24	97	284	269
	Baseline Total Positions	(7)	(86)	(21)	194	153

[THIS PAGE INTENTIONALLY LEFT BLANK]

III. Other MTA Consolidated Materials-Baseline

Metropolitan Transportation Authority
November Financial Plan 2012-2015
Non-Recurring Revenue and Savings
(\$ in millions)

		2011 November Forecast	2012 Final Proposed Budget	2013 Plan	2014 Plan	2015 Plan
		Explanation	Explanation	Explanation	Explanation	Explanation
Long Island Rail Road	Air Rights	\$ -	\$ 3.0 Through a formal RFP process, the MTA and LIRR have identified a property owner interested in purchasing real estate along the right of way	\$ -	\$ -	\$ -
Long Island Rail Road	2011 Budget Reduction Program	\$ 2.9 Non-recurring Budget Reduction Program Savings in 2011.	\$ -	\$ -	\$ -	\$ -
MTA Headquarters	2011 BRP - Operating/ Capital Project Reduction	\$ 1.1 The Portable Radio Replacement project for all MTA Police was able to secure funding of \$0.4 million from the Near Term Security Fund. The MTAPD C3 project utilized existing funding under the IESS Project umbrella of \$0.7 million for computer equipment and configuration of the new equipment at the new C-3 location.	\$ -	\$ -	\$ -	\$ -
New York City Transit	2011 Budget Reduction Program	\$ 11.3 Non-recurring Budget Reduction Program Savings in 2011.	\$ -	\$ -	\$ -	\$ -
Metro-North Railroad	2011 Budget Reduction Program	\$ 2.7 East of Hudson service, West of Hudson service, and payroll savings from hiring delays.	\$ -	\$ -	\$ -	\$ -
MTA Bus	None	\$ -	\$ -	\$ -	\$ -	\$ -
Long Island Bus	None	\$ -	\$ -	\$ -	\$ -	\$ -
Staten Island Railway	None	\$ -	\$ -	\$ -	\$ -	\$ -
MTA Capital Construction	None	\$ -	\$ -	\$ -	\$ -	\$ -

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2012-2015

Operating Budget Reserves - Baseline

(\$ in millions)

	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
MTA General Reserve	\$8.0	\$125.0	\$130.0	\$135.0	\$145.0
GASB Fund Reserve	\$443.6	\$502.5	\$565.5	\$632.1	\$701.3

IV. MTA Capital Program Information

MTA New York City Transit
2011 Commitment Summary
All \$ in Millions

ACEP	Project Description	2011 Commitments	MTA Funding	Federal Funding	Local Funding
T61302/01	Purchase 110 Non-revenue Vehicles	\$ 13.20	\$ 13.20	\$ -	\$ -
T61302/03	Purchase 8 Auger-type Snow throwers	\$ 8.78	\$ 8.78	\$ -	\$ -
	Element Total	\$ 21.98	\$ 21.98	\$ -	\$ -
T61602/02	Capital Revolving Fund - 2011	\$ 5.00	\$ -	\$ -	\$ 5.00
	Element Total	\$ 5.00	\$ -	\$ -	\$ 5.00
T61604/03	Enterprise Security Network Infrastructure	\$ 10.39	\$ 10.39	\$ -	\$ -
	Element Total	\$ 10.39	\$ 10.39	\$ -	\$ -
T61605/01	Boring Services: Bklyn, Qns, SI	\$ 2.28	\$ 2.28	\$ -	\$ -
T61605/02	Boring Services: Manhattan & Bronx	\$ 1.92	\$ 1.92	\$ -	\$ -
T61605/03	Test Pits Contract	\$ 4.95	\$ 4.95	\$ -	\$ -
T61605/07	Capital Program Management: Engineering Services: 2011	\$ 3.60	\$ 3.60	\$ -	\$ -
T61605/09	2011 Scope Development	\$ 8.00	\$ 8.00	\$ -	\$ -
	Element Total	\$ 20.75	\$ 20.75	\$ -	\$ -
T61606/01	Asbestos Abatement: Priority 7	\$ 3.03	\$ 3.03	\$ -	\$ -
T61606/04	Asbestos Abatement Disposal	\$ 2.52	\$ 2.52	\$ -	\$ -
T61606/05	Sprinkler & Alarm Systems: Phase 1	\$ 1.08	\$ 1.08	\$ -	\$ -
T61606/07	Groundwater And Soil Remediation (2011)	\$ 6.50	\$ 6.50	\$ -	\$ -
T61606/08	Groundwater And Soil Remediation Consultant (2011)	\$ 6.00	\$ 6.00	\$ -	\$ -
	Element Total	\$ 19.13	\$ 19.13	\$ -	\$ -
T61607/03	RTO Master Tower Hardening	\$ 4.60	\$ 4.60	\$ -	\$ -
T61607/07	Perimeter Hardening: Rcc & 130 Livingston Plz	\$ 12.00	\$ -	\$ 12.00	\$ -
T61607/13	Consolidated Employee Facilities:207 Street / 8th Avenue	\$ 8.66	\$ 8.66	\$ -	\$ -
	Element Total	\$ 25.26	\$ 13.26	\$ 12.00	\$ -
New York City Transit 2011 Commitment Total		\$ 3,643.35	\$ 2,901.78	\$ 547.60	\$ 193.97

MTA Bus Company
2011 Commitment Summary
All \$ in Millions

ACEP	Project Description	2011 Commitments	MTA Funding	Federal Funding	Local Funding
2005-2009					
U50302/02	College Point Building Annex	\$ 3.00	\$ -	\$ 2.40	\$ 0.60
U50302/04	Elec. Upgrd/Emer Gens 6 Depots	\$ 9.62	\$ -	\$ 7.70	\$ 1.92
U50302/05	Relocate Tanks/Washer- Eastchester	\$ 10.00	\$ -	\$ 8.00	\$ 2.00
U50302/10	Security Upgrade- CP ECH YONKERS	\$ 2.83	\$ -	\$ 2.26	\$ 0.57
U50302/14	Roof and Ventilation JFK	\$ 9.54	\$ -	\$ 7.63	\$ 1.91
U50302/15	Fueling Lane and Bus Washer LG	\$ 6.73	\$ -	\$ 5.38	\$ 1.35
U50302/16	Additional Fuel Capacity BP JFK, LG	\$ 8.69	\$ -	\$ 6.96	\$ 1.74
U50302/17	Fire Protection JFK LG BP ECH	\$ 11.83	\$ -	\$ 9.46	\$ 2.37
U50302/18	Security Upgrade 5 locs.	\$ 7.50	\$ -	\$ 6.00	\$ 1.50
U50302/19	Service Vehicles	\$ 4.00	\$ -	\$ 3.20	\$ 0.80
U50302/20	Depot Equipment	\$ 7.16	\$ -	\$ 5.73	\$ 1.43
	Element Total	\$ 80.91	\$ -	\$ 64.73	\$ 16.18
2010-2014					
U60302/15	Purchase 83 Standard Buses	\$ 50.90	\$ 50.90	\$ -	\$ -
U60302/16	Purchase 64 Standard Buses	\$ 46.30	\$ 3.97	\$ 33.86	\$ 8.47
	Element Total	\$ 97.20	\$ 54.87	\$ 33.86	\$ 8.47
MTA Bus Company 2011 Commitment Total		\$ 178.11	\$ 54.87	\$ 98.59	\$ 24.65

MTA Long Island Rail Road
2011 Commitment Summary
All \$ in Millions

ACEP	Project Description	2011 Commitments	MTA Funding	Federal Funding	Local Funding
L60701AA	Substation Replacements	\$0.95	\$0.00	\$0.95	
	Element Total	\$0.95	\$0.00	\$0.95	\$0.00
L60904N3	Chlordane Remediation - 20 Substations	\$0.56	\$0.56	\$0.00	\$0.00
L60904NA	Program Administration	\$24.12	\$24.12	\$0.00	\$0.00
L60904NC	Insurance	\$0.17	\$0.17	\$0.00	\$0.00
	Element Total	\$24.85	\$24.85	\$0.00	\$0.00
Long Island Rail Road 2011 Commitment Total		\$178.74	\$77.02	\$101.72	\$0.00

MTA Metro-North Railroad
2011 Commitment Summary
All \$ in Millions

ACEP	Project Description	2011 Commitments	MTA Funding	Federal Funding	Local Funding
M6080101	Systemwide Lead/Asbestos Abatement	\$ 1.00	\$ 1.00	\$ -	\$ -
M6080102	Environmental Remediation	\$ 0.40	\$ 0.40	\$ -	\$ -
M6080103	Railroad Protective Liability	\$ 1.64	\$ 1.64	\$ -	\$ -
M6080106	Program Administration	\$ 8.50	\$ 8.50	\$ -	\$ -
M6080107	Program Scope Development	\$ 2.32	\$ 2.32	\$ -	\$ -
	Element Total	\$ 13.86	\$ 13.86	\$ -	\$ -
Metro-North Railroad 2011 Commitment Total		\$ 657.62	\$ 508.39	\$ 149.23	\$ -

Bridges & Tunnels
2011 Commitment Summary
\$ in Millions

ACEP	Project Description	2011 Commitments	MTA Funding	Federal Funding	Local Funding
D603AW35	Weather Information Systems	\$ 0.05	\$ 0.05	\$ -	\$ -
D603AW36	Installation of CCTV / Fiber Optic Cable	\$ 0.05	\$ 0.05	\$ -	\$ -
D603AW48	2nd Generation E-Zpass In-Lane	\$ 0.88	\$ 0.88	\$ -	\$ -
D603AW50	Wireless Communications	\$ 0.05	\$ 0.05	\$ -	\$ -
D603AW52	Advanced Traffic Detection / Management System	\$ 0.05	\$ 0.05	\$ -	\$ -
D603AW54	Regional Integration	\$ 0.05	\$ 0.05	\$ -	\$ -
D603AW57	Advanced Traffic Management Systems	\$ 0.05	\$ 0.05	\$ -	\$ -
	Element Total	\$ 1.18	\$ 1.18	\$ -	\$ -
D604AW80	Advanced Traveler Information Systems	\$ 0.12	\$ 0.12	\$ -	\$ -
	Element Total	\$ 0.12	\$ 0.12	\$ -	\$ -
D604BB45	Replace Electrical Switchgear & Equipment	\$ 0.50	\$ 0.50	\$ -	\$ -
	Element Total	\$ 0.50	\$ 0.50	\$ -	\$ -
D604BW15	Necklace Lighting	\$ 0.39	\$ 0.39	\$ -	\$ -
	Element Total	\$ 0.39	\$ 0.39	\$ -	\$ -
D604MP03	Programmable Logic Controller & Mechanical Rehab.	\$ 3.78	\$ 3.78	\$ -	\$ -
	Element Total	\$ 3.78	\$ 3.78	\$ -	\$ -
D604QM30	Tunnel Ventilation Building Electrical Upgrade	\$ 0.05	\$ 0.05	\$ -	\$ -
	Element Total	\$ 0.05	\$ 0.05	\$ -	\$ -
D605BB21	Service Building Rehabilitation	\$ 0.40	\$ 0.40	\$ -	\$ -
	Element Total	\$ 0.40	\$ 0.40	\$ -	\$ -
D606AW18	Protective Liability Insurance	\$ 0.78	\$ 0.78	\$ -	\$ -
D606AW21	Program Administration	\$ 3.20	\$ 3.20	\$ -	\$ -
D606AW22	Miscellaneous	\$ 0.06	\$ 0.06	\$ -	\$ -
D606AW28	Scope Development	\$ 0.49	\$ 0.49	\$ -	\$ -
	Element Total	\$ 4.53	\$ 4.53	\$ -	\$ -
D607MP21	Paint - Rockaway Point Overpass	\$ 0.03	\$ 0.03	\$ -	\$ -
	Element Total	\$ 0.03	\$ 0.03	\$ -	\$ -
D607TN82	Paint - Bronx and Queens Approach Spans	\$ 56.15	\$ 56.15	\$ -	\$ -
D607TN85	Steel Repairs - Suspended Span	\$ 4.51	\$ 4.51	\$ -	\$ -
	Element Total	\$ 60.66	\$ 60.66	\$ -	\$ -
MTA Bridges and Tunnels 2011 Commitment Total		\$ 621.34	\$ 621.34	\$ -	\$ -

MTA Police Department
2011 Commitment Summary
\$ in Millions

ACEP	Project Description	2011 Commiments	MTA Funding	Federal Funding	Local Funding
2005-2009					
N5100104	K9 Facility Design	\$ 0.75	\$ 0.75	\$ -	\$ -
N5100109	Public Safety Radio - 30% Design	\$ 0.55	\$ 0.55	\$ -	\$ -
	Element Total	\$ 1.30	\$ 1.30	\$ -	\$ -

MTA Police Department 2011 Commitment Total		\$ 1.30	\$ 1.30	\$ -	\$ -
--	--	----------------	----------------	-------------	-------------

MTA Police Department Projects
2011 to 2015 Completions
\$ in millions

Agency ID.	Project Description	Completion	Project Allocation
E6100102	Staten Island District Office	12/14/2013	\$ 12.00
E6100103	Nassau County District Office	12/14/2013	\$ 13.00
E6100104	Public Safety Radio - Phase 2	12/14/2013	\$ 60.00
N5100101	Suffolk County District Office	2/15/2011	\$ 11.47
N5100104	K9 Facility	12/15/2012	\$ 7.46
N5100109	Public Safety Radio	2/15/2011	\$ 43.31
N5100115	Merrick Facility	2/15/2011	\$ 1.49

OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2011-2015

NEW YORK CITY TRANSIT CAPITAL PROJECTS

Project: Mother Clara Hale Depot Reconstruction

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

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), PA/CIS (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

This project will extend the Flushing Line (7) southwest from 42 St & 8th Ave to a new station at 34 St & 11th 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 4Q 2013. Full impacts will start in 2014 (\$12 million).

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 2014 (\$6.4 million).

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.

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 24 x 7 coverage. Initial operating impacts begin in 2008 (\$1.2 million), but full impacts have begun in 2011, totaling about \$6.4 million annually.

Project: Paratransit AVL

Maintain assets associated with Paratransit AVL, includes contract maintenance as well as in-house support. Impacts begin in 2008, with costs reaching \$1.2 million in 2011 .

Project: R188 Subway Car Purchase

This is the base portion of the purchase of R188 subway cars. This purchase of 23 cars, in conjunction with the later option for 123 cars, is to grow the A-Division fleet in anticipation of beginning CBTC on the Flushing Line. Additional new cars to the fleet have additional maintenance, energy, and personnel costs. Total impacts are expected to begin in 2013, with an annual cost estimated to be \$1.2 million.

Project: Public Address/ Customer Information – 87 Stations

This project will install public address speakers and visual information delivered by Customer Information Screens at 87 stations and 2 pilot stations. Impacts will begin in 2014, when the majority of the equipment would be installed or shortly thereafter. An annual total impact of \$5.5 million is expected.

LONG ISLAND RAIL ROAD CAPITAL PROJECTS

Project: East Side Access

This project will expand LIRR service into Grand Central Terminal. The construction includes new tunnel and track along with related right-of-way equipment, vent plants, substations, and a new terminal station with elevators, escalators, and HVAC. The project also includes 236 new rail cars and will introduce an expanded train service plan to support January 2018 Opening Day, impacts will begin before 2018.

Project: Positive Train Control

This project is for the installation of a Positive Train Control (PTC) system for the LIRR. PTC is mandated by the Federal Rail Safety Improvement Act of 2008 for commuter railroads such as the LIRR with an implementation deadline of December 15, 2015. It is an integrated command, control, communication, and geographic information system designed to prevent train-to-train collisions, over-speed derailments, incursions into established work zone limits, and the movement of a train through a switch left in the wrong position. PTC is comprised of five core elements: On-Board Equipment, a Wireless Communication Network, Central Servers, a Dispatching System, and Wayside Equipment. The full operating budget impact has not been identified. However, because of the assets and equipment that will need to be operated and maintained, it is expected that PTC will have an OBI of at least \$1 million a year. Partial impacts will begin in 2015 with full impacts realized starting in 2016.

**OPERATING IMPACTS EXCEEDING \$1 MILLION
FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2011-2015**

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, Building 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. Listed below are six projects and their estimated completion dates, in the next capital campaign (M600 series) that have the potential of achieving cost impacts of over \$1M:

1. M-8 New Haven Line Purchase [December 2014]
2. Customer Communication/Connectivity Improvements [December 2014]
3. Positive Train Control [December 2015]
4. West of Hudson Signal Improvements [January 2013]
5. Harlem & Hudson Signal Improvements [January 2014]
6. Harmon Shop Improvements [December 2016]

MTA CAPITAL CONSTRUCTION COMPANY CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2011-2015 that have an impact on the MTACC's operating budget over \$1 million.

MTA BUS COMPANY CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2011-2015 that have an impact on the MTA BUS's operating budget over \$1 million.

OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2011-2015

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.

MTA POLICE DEPARTMENT CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2011-2015 that have an impact on the MTAPD's operating budget over \$1 million.

[THIS PAGE INTENTIONALLY LEFT BLANK]

V. Agency Financial Plans

Bridges and Tunnels

MTA BRIDGES AND TUNNELS
2012 Final Proposed Budget
November Financial Plan 2012–2015

FINANCIAL OVERVIEW

While the lingering impact of the 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 2011 and 2012, B&T will contribute \$900 million and \$848 million, respectively in Support to Mass Transit.

The November Plan maintains initiatives presented in the July Plan, savings from the MTA Non-Revenue Fleet Initiative, as well as greater savings in the Budget Reduction Program (BRP). Particularly of note is a new contract for E-ZPass tags secured by B&T, in partnership with the E-ZPass Inter-Agency Group (an association of 24 toll agencies in 14 states and one border crossing), that will produce savings totaling \$14.8 million through 2015..

Key changes between the November and July plans are outlined below.

2011 November Forecast

In the 2011 November Forecast, a total of \$1,132.9 million is projected in Baseline Operating Income compared to \$1,119.3 million in the 2011 Mid-Year Forecast, an increase of over \$13.6 million from the 2011 Mid-Year Forecast.

Total revenues are \$1,527.4 million, which is \$3.1 million less than the Mid-Year Forecast. Toll revenue accounts for 99% of all revenues and is projected at \$1,498.5 million, which is \$4.1 million less than the Mid-Year Forecast. The decrease is due to the negative impacts of Tropical Storm Irene. The total revenue loss from the storm is currently estimated at \$8.4 million. B&T assisted with the evacuation of the Rockaways by not collecting tolls on the Cross Bay and Marine Parkway Bridges from 4:00 p.m. on Friday, August 26 to 5:00 a.m. on Monday, August 29. On Sunday, August 28, these bridges were shut down altogether because of high winds from 1:30 a.m. until approximately 10:30 a.m. at the Marine Parkway Bridge and 12:30 p.m. at the Cross Bay Bridge. MTA Bridges and Tunnels assisted other evacuations by not collecting tolls on the Verrazano-Narrows, Throgs Neck and Bronx-Whitestone Bridges from 8:00 pm on Friday, August 26 to 5:00 a.m. on Monday, August 29. The total revenue loss due to evacuation assistance is currently estimated at \$2.5 million. An additional revenue loss of \$5.9 million is currently estimated for the overall weather-related drop in traffic volume across other facilities. Partially offsetting these revenue losses were favorable results against the Mid-Year Forecast in June, July and September totaling \$4.3 million.

Also partially offsetting the toll revenue declines is a \$1.0 million gain in Other Operating Revenue due to greater than originally estimated parking receipts from the Battery

Parking Garage (\$0.5 million) and additional revenue from the auctioning of non-revenue fleet vehicles (\$0.5 million). Investment Income has been reduced, by \$0.1 million, to incorporate lower projections for short-term investment yields.

2011 November Forecast expenses are \$394.5 million, which consists of \$227.5 million in labor costs and \$167.0 million in non-labor expenses. Total expenses are \$16.8 million lower than the Mid-Year Forecast.

Labor expenses are lower by \$4.2 million. Payroll costs are \$1.4 million less than planned due to vacancies for managerial employees and Bridges & Tunnel Officers (BTOs). Overtime costs are reduced by \$1.2 million to reflect favorable results through August. Pension contributions have been revised downward by \$1.5 million to reflect current payments to NYCERS.

Non-labor expenses are lower by \$12.6 million, \$9.3 million of which is due to lower contractual E-ZPass tag prices. While B&T was in contract negotiations, the E-ZPass tag purchasing schedule was also changed to leverage anticipated unit price reductions, which resulted in sizeable savings for the current year while causing no customer service disruptions. Materials and Supplies are reduced by another \$0.6 million as planned vehicle purchases were suspended through the Non-Revenue Fleet Reduction Initiative. Other favorable non-labor adjustments include re-estimates for Maintenance and Other Operating Contracts (\$1.2 million), primarily due to lower costs for various equipment maintenance contracts (\$0.8 million) and lower than anticipated bridge painting expenses (\$0.3 million); and Professional Services (\$1.0 million), due to re-estimates for outside training and other services (\$0.6 million) and planning studies (\$0.4 million).

Total Deductions from Income will decrease by \$1.0 million due to lower capitalized asset expenditures resulting from planned vehicle purchases that were suspended through the Non-Revenue Fleet Reduction Initiative.

Total Support to Mass Transit is \$899.7 million compared to \$882.7 million in the 2011 Mid-Year Forecast, an increase of nearly \$17.0 million resulting from a \$13.6 million rise in Baseline Operating Income (over \$3.1 million in revenue losses offset by nearly \$16.8 million in lower expenses), nearly \$1.0 million fewer Deductions from Operating Income and a drop of over \$2.3 million in B&T Debt Service.

In 2011, total planned headcount is 1,663, unchanged from the Mid-Year Forecast. Details regarding the reconciliation of the 2011 November Forecast to the Mid-Year Forecast and the assumptions for traffic and headcount are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions sections.

2012 Preliminary Budget – Baseline

In the 2012 Preliminary Budget, a total of \$1,111.1 million is projected in Baseline Operating Income compared to \$1,108.1 million in the July Financial Plan, an increase of \$3.0 million.

Total revenues are \$1,539.3 million, which is \$0.4 million higher than the July Financial Plan. Toll revenue has been revised upward by \$0.8 million to reflect the favorable baseline traffic trends from 2011 (\$4.6 million) partially offset by traffic losses from weaker employment growth and other economic changes included in the revised forecast (\$3.8 million). Other Operating Revenue has been increased by \$0.7 million to include expected higher revenues from parking receipts at the Battery Parking Garage (\$0.5 million) and the auctioned sale of vehicles through the Non-Revenue Fleet Reduction Initiative (\$0.2 million). Investment Income has been taken down by \$1.0 million to reflect lower projections for short-term investment yields.

Expenses are \$428.2 million, which are composed of \$248.0 million in labor costs and \$180.2 million in non-labor expenses. Overall expenses are \$2.6 million lower than the July Financial Plan.

Labor costs are projected to be higher by \$0.8 million. Payroll costs are higher by \$1.3 million to cover extra personnel costs associated with a system implementation delay (\$1.1 million) and to fund three additional represented positions assigned to the Inter-Agency Counterterrorism Task Force (\$0.2 million). Pension expenses are \$0.7 million higher, which is the net of a \$1.5 million increase for an anticipated unfavorable rate-of-investment adjustment and a \$0.8 million reduction in the baseline forecast to reflect the most recent projection provided by the New York City Office of the Actuary. These increases are partially offset by a total drop of \$1.4 million in Health and Welfare/OPEB costs due to revised medical plan inflation rates.

Non-labor expenses are lower by \$3.4 million. Further savings from lower negotiated E-ZPass tag prices amount to \$1.9 million and additional non-revenue vehicle reductions generate \$0.5 million. The first year of recurring savings from the Non-Revenue Fleet Reduction Initiative include lower maintenance (\$0.6 million), fuel (\$0.1 million) and insurance costs (\$0.1 million). A lower inflation forecast accounts for an additional \$0.2 million in lower costs.

Total Deductions from Income has been reduced by \$0.8 million due to lower capitalized assets from vehicle eliminations through the Non-Revenue Fleet Reduction Initiative.

Total Support to Mass Transit is \$848.0 million compared to \$842.3 million in the July Financial Plan, an increase of \$5.7 million resulting from a \$3.0 million rise in Baseline Operating Income (\$0.4 million in revenue gains and \$2.6 million in expense savings), lower capitalized assets expenses (\$0.9 million), and lower B&T Debt Service (\$1.8 million).

In 2012, total headcount is budgeted at 1,639, which is 3 positions greater than the July Financial Plan due to incorporation of the represented positions assigned to the Inter-Agency Counterterrorism Task Force (ICTF).

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

2013-2015 Projections

The 2013 projection for Baseline Operating Income is \$1,098.6 million compared to \$1,089.8 million in the July Financial Plan. This consists of \$1,536.9 million in revenues, less nearly \$438.3 million in expenses. The expenses are comprised of \$250.8 million in labor costs and \$187.4 million in non-labor expenses.

The 2014 projection for Baseline Operating Income is \$1,075.2 million compared to \$1,075.0 million in the July Financial Plan. This consists of \$1,543.1 million in revenues, partially offset by over \$467.9 million in expenses. The expenses are comprised of nearly \$261.2 million in labor costs and nearly \$206.8 million in non-labor expenses.

In 2015, the projection for Baseline Operating Income is \$1,052.5 million compared to \$1,047.5 million in the July Financial Plan. This consists of \$1,551.4 million in revenues, offset by nearly \$498.9 million in expenses. The expenses are comprised of \$272.2 million in labor costs and \$226.7 million in non-labor expenses.

In 2013 to 2015, the total baseline planned headcount will be 1,639, which includes 44 capitalily-reimbursable positions.

Details for the reconciliations of the November Financial Plan to the July 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
2012 Final Proposed Budget
November Financial Plan 2012–2015
Year-to-Year Changes by Category - Baseline

Toll Revenue

- Revenues are estimated at \$1,498.5 million in 2011 and \$1,510.5 million in 2012, an increase of \$12.0 million based on adjustments for the severe weather in 2011, an additional day due to the leap-year, and 1.3% growth in projected regional (New York City, Long Island and Westchester) employment. The revenue forecast incorporates a projected 1.5% growth in regional employment for 2013, but the resulting year-to-year gains in traffic volume are more than offset by the return to a normal 365-day year, and also by a lower average toll per vehicle stemming from an expected higher proportion of discounted traffic volume achieved through continuing programmatic efforts to increase E-ZPass market shares. The net year-to-year decline is \$2.4 million, which brings toll revenue down to \$1,508.1 in 2013. Revenues then grow to \$1,513.7 million in 2014 and to \$1,520.5 million in 2015, primarily resulting from projected regional employment growth of 1.6% each year.
- Traffic is expected to reach 283.1 million vehicles in 2011. The forecast for 2012 through 2015, which incorporates the projections for regional employment cited above, is 286.4 million vehicles in 2012, 287.0 million in 2013, 289.0 million in 2014 and 291.0 million in 2015.

Other Operating Revenue

- Other Operating Revenue is projected at \$14.7 million in 2011 and \$14.7 million in 2012, primarily reflecting anticipated improvements in receipts from the Battery Parking garage.
- Other Operating Revenue decreases by \$0.2 million in 2013, \$0.4 million in 2014 and \$0.1 million in 2015, primarily due to anticipated reductions in revenue from E-ZPass administrative fees, and also in 2014, lower auction revenue from the sale of vehicles identified through the Non-Revenue Fleet Reduction Initiative.

Capital and Other Reimbursements

- Capital and Other Reimbursements increase by \$0.1 million annually in 2012, 2013, and 2014, and by \$0.2 million in 2015. These adjustments are tied to the expected work to be performed for the 2010-2014 Capital Program.

Investment Income

- The Investment Income plan for 2012 through 2015 reflects earnings on estimated fund balances based on forecasts for short-term investment yields. Projected Investment Income is estimated at \$0.1 million in 2012.
- Investment income is projected to grow to \$0.2 million in 2013, \$1.0 million in 2014 and \$1.5 million in 2015.

Payroll

- In 2012, expenses increase by \$8.5 million, primarily reflecting contractual step-up increases, the filling of authorized positions and inflationary adjustments (\$8.6 million), the funding of three additional represented positions assigned to the Inter-Agency Counterterrorism Task Force (\$0.2 million), a full year's impact of the 10 additional custodial assistants hired in the fourth quarter of 2011 as part of a cost saving initiative to reduce cleaning contracts (\$0.2 million), offset by \$0.5 million in savings from the transfer of 27 positions to the Business Service Center (BSC) effective October 2012.
- Expenses are essentially the same in 2013 as in 2012 because a year-to-year reduction of \$1.4 million in 2013 for a full year's impact of the transfers to the BSC is entirely offset by contractual step-up increases and inflationary adjustments. In 2014 and 2015, expenses increase by contractual step-up increases and inflationary adjustments totaling \$2.4 million and \$3.3 million respectively.
- Wage inflation for non-represented employees is 2.20% in 2012, 1.97% in 2013, 1.91% in 2014 and 1.85% in 2015, and for represented employees, wage inflation averages 2.05% in 2012, 0.81% in 2013, 0.78% in 2014 and 2.11% in 2015.

Overtime

- In 2012, there is an increase of \$1.6 million primarily due to wage inflation.
- Thereafter, the change is insignificant in 2013, and 2014 and 2015 increase by \$0.2 million and \$0.4 million, respectively, due to inflationary adjustments.
- Wage inflation rates for overtime are the same as for payroll.

Health and Welfare/OPEB Current Payments

- In 2012, there is an increase of \$4.0 million from 2011 primarily due to forecast inflation for defined medical programs.
- The year-over-year net increases from 2013 to 2015 are \$2.7 million, \$3.8 million, and \$4.1 million, respectively, and are the result of forecast inflation for defined medical programs.
- Inflation rates for defined medical programs are 14.6% for 2012 and 8.8% for each year thereafter.

Pension

- In 2012, there is a \$6.0 million increase from 2011, based on the latest NYCERS actuarial valuations and the current forecast provided by the New York City Office of the Actuary.
- The decrease of \$0.1 million in 2013, and increases of \$3.4 million in 2014 and \$2.6 million in 2015 reflect the current forecast provided by the New York City Office of the Actuary.

Other Fringe Benefits

- The year-over-year increase from 2011 to 2012 of \$0.4 million is primarily due to higher FICA and other expenses associated the payroll changes discussed above.
- Thereafter, expenses increase by \$0.2 million in 2013, \$0.5 million in 2014 and \$0.7 million in 2015 primarily due to inflationary adjustments.

Insurance

- Insurance expenses increase between \$0.6 million and \$0.9 million annually from 2012 through 2015 based on MTA Risk Management's most recent estimates.

Maintenance and Other Operating Contracts

- In 2012, expenses are \$4.9 million higher than 2011 primarily due to higher anticipated costs for the E-ZPass Customer Service Center and credit card fees stemming from increased E-ZPass usage (\$1.8 million), increased costs for various equipment maintenance contracts (\$1.3 million), projected rate increases from the New York Power Authority (\$1.2 million), higher heating fuel costs (\$0.3 million), and CPI-U adjustments.
- For 2013, expenses are \$7.2 million greater than 2012 primarily due to expected increases in major maintenance, including bridge painting needs that will not be eligible for capital funding (\$3.5 million), higher costs for the E-ZPass Customer Service Center and credit card fees (\$1.8 million), higher rates from the New York Power Authority (\$1.2 million), and CPI-U adjustments.
- In 2014, expenses are \$17.4 million higher than 2013 primarily due to anticipated increases in major maintenance, including bridge painting needs that will not be eligible for capital funding (\$12.6 million), higher costs for the E-ZPass Customer Service Center and credit card fees (\$1.9 million), higher rates from the New York Power Authority (\$1.6 million), and CPI-U adjustments.
- For 2015, expenses are \$20.1 million higher than 2014 primarily due to anticipated increases in major maintenance, including bridge painting needs that will not be

eligible for capital funding (\$15.5 million), higher costs for the E-ZPass Customer Service Center and credit card fees (\$2.0 million), higher rates from the New York Power Authority (\$2.0 million), and CPI-U adjustments.

- CPI-U increases are 1.55% in 2012, 1.91% in 2013, 2.06% in 2014 and 2.10% in 2015 based on forecasts for national inflation.

Professional Service Contracts

- In 2012, expenses are higher by \$2.0 million due primarily to higher anticipated needs for planning studies (\$1.2 million), bond insurance fees (\$0.3 million), outside training (\$0.3 million) and CPI-U adjustments.
- For 2013-2014 expenses are higher by approximately \$0.3 million in each year and higher by \$0.4 million in 2015 due to CPI-U adjustments.
- CPI-U increases are 1.55% in 2012, 1.91% in 2013, 2.06% in 2014 and 2.10% in 2015 based on forecasts for national inflation.

Materials and Supplies

- 2012 expenses are \$5.1 million higher primarily due to the increase in E-ZPass tag purchases.
- For 2013, expenses are \$1.0 million lower primarily due to a decrease in E-Z Pass tag purchases, partially offset by CPI-U increases.
- In 2014, expenses are \$0.8 million higher primarily due to an increase in E-ZPass tag purchases and CPI-U increases.
- For 2015, expenses are \$1.4 million lower primarily due to a reduction in EZ-Pass tag purchases, partially offset by CPI-U increases.
- CPI-U increases are 1.55% in 2012, 1.91% in 2013, 2.06% in 2014 and 2.10% in 2015 based on forecasts for national inflation.

Other Business Expenses

- In 2012, there is an increase of \$0.7 million in Other Business Expenses for membership dues and CPI-U increases. For 2013 through 2015, the slightly higher costs are the result of CPI-U increases.
- CPI-U increases are 1.55% in 2012, 1.91% in 2013, 2.06% in 2014 and 2.10% in 2015 based on forecasts for national inflation.

MTA BRIDGES AND TUNNELS
2012 Final Proposed Budget
November Financial Plan 2012–2015
Summary of Major Plan-to-Plan Changes

Non-Reimbursable

2011: November Forecast vs. Mid-Year Forecast

Revenues

Revenue adjustments from the Mid-Year Forecast result in a decrease of \$3.1 million. The major changes include:

- Lower toll revenues (\$4.1 million) due to negative impacts from Tropical Storm Irene (\$8.4 million) partially offset by higher collections in months with favorable traffic trends experienced through September (\$4.3 million).
- Increase in Other Operating Revenues (\$1.0 million) due to higher Battery Parking Garage receipts (\$0.5 million) and the auctioning of non-revenue fleet vehicles (\$0.5 million).
- Decrease in Investment Income (\$0.1 million) based on actual results through August and a lower projection for short-term investment yields.

Expenses

Non-reimbursable expenses are projected to be \$16.8 million lower than the Mid-Year Forecast due to decreases of \$4.2 million in labor \$12.6 million in non-labor expenses. The major variances include:

Labor

- Lower Payroll costs (\$1.4 million) due mainly to vacancies.
- Lower Overtime costs (\$1.2 million) due to favorable results through September.
- Higher Health and Welfare expenses (\$0.6 million) based on actual results through August.
- Lower OPEB Current Payment (\$0.4 million) based on actual results through August.
- Decrease in Pension costs (\$1.5 million) to reflect current payments to NYCERS.

Non-Labor

- Reduction in Maintenance and Other Operating Contracts expenses (\$1.2 million) resulting primarily from lower-than-projected expenses for various equipment maintenance contracts (\$0.8 million) and re-estimates for bridge painting projects (\$0.3 million).
- Lower Professional Service Contracts (\$1.0 million) resulting primarily from lower-than-planned outside training and other services (\$0.6 million), and lower planning studies expenses (\$0.4 million).

- Decrease in Material and Supplies (\$10.0 million) due mainly to lower E-ZPass tag expenses resulting from lower negotiated tag prices (\$9.3 million) and the cancellation of planned vehicle purchases through the Non-Revenue Fleet Reduction Initiative (\$0.6 million).
- Lower Other Business Expenses (\$0.7 million) due primarily to the re-estimate of membership dues.

Total Deductions from Income

- Lower Capitalized Assets expenses (\$1.0 million) from planned vehicle purchases that were cancelled through the Non-Revenue Fleet Reduction Initiative.

2012-2015: November Financial Plan vs. July Financial Plan

Revenues

Revenues are increased by \$0.4 million in 2012 and decreased by \$2.5 million in 2013, \$3.9 million in 2014 and \$2.7 million in 2015, consisting of:

- Toll Revenue has been revised upward by \$0.8 million to reflect the favorable baseline traffic trends from 2011 (\$4.6 million) partially offset by traffic losses from weaker employment growth and other economic changes included in Global Insight's revised forecast (\$3.8 million). These unfavorable economic changes continue throughout the plan period, resulting in toll revenue losses of \$0.7 million in 2013, \$2.6 million in 2014 and \$2.1 million in 2015.
- Other Operating Revenues increase \$0.7 million in both 2012 and 2013 due to higher estimated receipts from the Battery Parking Garage (\$0.5 million) and the auctioned sale of vehicles through the Non-Revenue Fleet Reduction Initiative (\$0.2 million). Thereafter, the garage is expected to generate an additional \$0.5 million annually.
- Downward revisions to Investment Income of \$1.0 million in 2012, \$2.5 million in 2013, \$1.8 million in 2014 and \$1.1 million in 2015 are based on lower short-term interest rate forecast.

Expenses

Non-reimbursable expenses are being decreased by \$2.6 million in 2012, \$11.3 million in 2013, \$4.1 million in 2014 and \$7.8 million in 2015.

Labor

Labor expenses will be increased by \$0.8 million in 2012, and decreased by \$4.5 million in 2013, \$4.8 million in 2014 and \$6.4 million in 2015 based on the following changes:

- Higher Payroll expenses in 2012 to cover extra personnel costs associated with an office system implementation delay (\$1.1 million), and from 2012 on, to fund three additional represented positions assigned to the Inter-Agency Counterterrorism Task Force.

- Lower expenses for Health & Welfare/OPEB Current Payment based on decreased medical plan inflation rates.
- Pension costs are higher in 2012 due to an anticipated unfavorable rate-of-investment adjustment, and are lower thereafter to reflect the most recent projection provided by the New York City Office of the Actuary.

Non-Labor

Non-Labor expenses will be decreased by \$3.4 million in 2012 and \$6.8 million in 2013, increased by \$0.7 million in 2014 and decreased by \$1.4 million in 2015, based on the following changes:

- Lower Insurance expenses from 2012 to 2015 due to lower auto insurance costs identified through the Non-Revenue Fleet Reduction Initiative.
- Changes in Maintenance and Other Operating Contracts include lower vehicle equipment maintenance stemming from the Non-Revenue Fleet Reduction Initiative and favorable CPI-U adjustments, partially offset by higher projected rates from the New York Power Authority.
- Changes in Professional Services Contracts mainly reflect favorable CPI-U adjustments.
- Changes in Materials and Supplies are favorable in 2012 and 2013 due to lower negotiated prices for E-ZPass tags and lower forecast inflation. Re-estimates for E-ZPass tag needs in 2014 result in an unfavorable variance for that year, but savings due to favorable CPI-U adjustments more than offset a higher tag re-estimate in 2015.
- Lower Other Business Expenses include favorable CPI-U adjustments.

Total Deductions from Income

- Lower Capitalized Assets expenses are the result of a decrease in fleet size due to the Non-Revenue Fleet Reduction Initiative.

Reimbursable Major Changes

2011: November Forecast vs. Mid-Year Forecast

Revenue

No change in 2011 for capital reimbursements.

Expense

No change in 2011 for capital reimbursements.

2012-2015: November Financial Plan vs. July Financial Plan

Revenue

No changes for capital reimbursements in 2012-2015.

Expense

No changes for capital reimbursements in 2012-2015.

MTA BRIDGES AND TUNNELS
2012 Final Proposed Budget
November Financial Plan 2012–2015
Traffic

Year-to-Year

The forecast developed for the November Financial Plan 2012-2015 incorporates the most recent economic forecast, which includes regional (New York City, Long Island and Westchester) employment growth of 1.3% in 2012, 1.5% in 2013, 1.6% in both 2014 and 2015. This growth in regional employment is expected to have positive year-to-year impacts on traffic volumes and, for 2012, adjustments have also been made to incorporate the 366-day leap year and to adjust for the severe weather in 2011. Traffic volume is forecast at 286.4 million vehicles in 2012, 287.0 million in 2013, 288.8 million in 2014 and 290.8 million in 2015.

Plan-to-Plan

Paid traffic volume is projected to reach 283.1 million vehicles in 2011, which is 0.4 million vehicles, or 0.1% below the Mid-Year Forecast level of 283.5 million vehicles. The decrease is due to the negative impacts of Tropical Storm Irene (1.1 million vehicles) offset by favorable trends in June, July and September (0.7 million vehicles in total). The forecast for the 2012 Final Proposed Budget is 0.2 million vehicles, or 0.1% higher than the July Financial Plan, and includes an increase in traffic from the favorable months in 2011, partially offset by relatively lower projected regional employment growth. Employment growth is weaker in 2013 and 2014 as well, but there is a relative plan-to-plan improvement in 2014. For 2013, the unfavorable economic changes completely offset the base-lined improvements from 2011, which results in no change from the July Financial Plan. Traffic declines plan-to-plan by 0.1% each year in 2014 and 2015, or 0.4 million vehicles and 0.3 million vehicles respectively.

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Traffic Volume (Utilization)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<hr/>						
<u>Traffic Volume</u>						
Baseline						
Total	291.714	283.095	286.442	287.026	288.815	290.840
<u>Toll Revenue</u>						
Baseline						
Total	\$1,417.046	\$1,498.521	\$1,510.495	\$1,508.101	\$1,513.687	\$1,520.452

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: E-ZPass Initiatives - Tag Price Reductions

Background Details:	B&T is a member of the E-ZPass Interagency Group (IAG). The IAG consists of 24 toll agencies in 14 states and one border crossing, servicing more than 12 million accounts and collecting over \$5 billion in electronic toll revenues. In the anticipation of the expiration of the current technology contract for E-ZPass tags, the IAG undertook a competitive RFP process for a new 10 year contract. That process resulted in significantly lower tag unit prices.
----------------------------	--

Program Description/ Implementation Plan:	The new contract took effect in October of 2011.		
Program Implementation Date:	Oct 2011	When will savings begin?:	Oct 2011
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$9.326	\$1.875	\$5.838	(\$2.040)	(\$0.187)
<i>Total Positions Required:</i>					

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function: Maintenance

Program: Elimination of Contracted Janitorial Services

Background Details:	B&T currently contracts out janitorial services for the Verrazano-Narrows, Marine Parkway, Cross Bay, and Robert F. Kennedy Bridges. The current contract expires on September 30, 2011. A cost analysis was conducted to determine whether it would be more cost effective to continue contracting out these services or to cover these needs with Agency resources. It was determined that an additional 10 custodial assistants would be needed to provide the same level of service. Additional costs for cleaning supplies would also be incurred. The estimated additional labor and non-labor expenses are less the current contract terms, netting annual savings of approximately \$0.4 million.
----------------------------	---

Program Description/Implementation Plan:	10 custodial assistants would be hired on or around October 1st, 2011.		
Program Implementation Date:	Oct 2011	When will savings begin?:	Oct 2011
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.093	\$0.379	\$0.376	\$0.375	\$0.374
<i>Total Positions Required:</i>	(10)	(10)	(10)	(10)	(10)

MTA BRIDGES AND TUNNELS
2012 Final Proposed Budget
November Financial Plan 2012–2015
Positions

Position Assumptions

Year-to-Year

In 2011, total headcount is budgeted at 1,663, which includes 44 reimbursable positions. Total headcount will decrease by 24 in 2012 to account for the 27 positions being transferred to the Business Service Center, partially offset by the incorporation of 3 represented positions assigned to the Inter-Agency Counterterrorism Task Force. From 2013 through 2015, headcount will remain unchanged at 1,639.

Plan-to-Plan

In 2011, headcount remains unchanged from the July Financial Plan. From 2012 on, headcount is increased by 3 positions to incorporate the represented positions assigned to the Inter-Agency Counterterrorism Task Force.

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Executive	2	2	2	2	2	2
Law	7	7	7	7	7	7
CFO ⁽¹⁾	31	27	18	18	18	18
Labor Relations	4	5	5	5	5	5
Procurement & Materials	26	0	0	0	0	0
Staff Services ⁽²⁾	28	31	17	17	17	17
EEO	1	1	1	1	1	1
Total Administration	99	73	50	50	50	50
Operations						
Revenue Management	41	41	41	41	41	41
Operations (Non-Security)	724	728	728	728	728	728
Total Operations	765	769	769	769	769	769
Maintenance						
Maintenance	169	168	168	168	168	168
Operations - Maintainers	159	170	170	170	170	170
Technology	55	56	52	52	52	52
Internal Security - Tech Svcs	9	8	8	8	8	8
Total Maintenance	392	402	398	398	398	398
Engineering/Capital						
Engineering & Construction	128	128	128	128	128	128
Health & Safety	8	8	8	8	8	8
Planning & Budget Capital	12	12	12	12	12	12
Total Engineering/Capital	148	148	148	148	148	148
Public Safety						
Operations (Security)	232	233	236	236	236	236
Internal Security - Operations	34	38	38	38	38	38
Total Public Safety	266	271	274	274	274	274
Total Baseline Positions	1,670	1,663	1,639	1,639	1,639	1,639
<i>Non-Reimbursable</i>	1,625	1,619	1,595	1,595	1,595	1,595
<i>Reimbursable</i>	45	44	44	44	44	44
<i>Total Full-Time</i>	1,670	1,663	1,639	1,639	1,639	1,639
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0

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

(2) Includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Total Positions by Function and Occupation

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	37	26	20	20	20	20
Professional, Technical, Clerical	62	47	30	30	30	30
Operational Hourlies	-	-	-	-	-	-
Total Administration	99	73	50	50	50	50
Operations						
Managers/Supervisors	48	50	49	49	49	49
Professional, Technical, Clerical	50	41	42	42	42	42
Operational Hourlies ⁽¹⁾	667	678	678	678	678	678
Total Operations	765	769	769	769	769	769
Maintenance						
Managers/Supervisors	34	33	31	31	31	31
Professional, Technical, Clerical	49	56	54	54	54	54
Operational Hourlies ⁽²⁾	309	313	313	313	313	313
Total Maintenance	392	402	398	398	398	398
Engineering/Capital						
Managers/Supervisors	30	30	30	30	30	30
Professional, Technical, Clerical	118	118	118	118	118	118
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	148	148	148	148	148	148
Public Safety						
Managers/Supervisors	10	9	9	9	9	9
Professional, Technical, Clerical	24	28	28	28	28	28
Operational Hourlies ⁽³⁾	232	234	237	237	237	237
Total Public Safety	266	271	274	274	274	274
Total Positions						
Managers/Supervisors	159	148	139	139	139	139
Professional, Technical, Clerical	303	290	272	272	272	272
Operational Hourlies	1,208	1,225	1,228	1,228	1,228	1,228
Total Positions	1,670	1,663	1,639	1,639	1,639	1,639

(1) Represents Bridge and Tunnel Officers, Sergeants and Lieutenants. These positions are paid annually, not hourly.

(2) Represents maintenance personnel. These positions are paid annually, not hourly.

(3) Represents Bridge and Tunnel Officers, Sergeants and Lieutenants performing public safety. These positions are paid annually, not hourly.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Capital Construction Company

MTA CAPITAL CONSTRUCTION COMPANY
2012 Final Proposed Budget
November Financial Plan 2012-2015

Financial Overview

In order to respond to the large volume of construction being managed by MTACC, as well as the strict 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 its construction sites.

MTACC participated in the MTA-wide initiative to reduce reimbursable positions and will continue to maintain a cost efficient program management structure. MTACC's core staff directly manages the design and construction of over \$16 billion in capital projects. 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.

2011 November Forecast

MTACC's 2011 November Forecast is \$32.8 million reflecting an approximate \$0.1 million increase from the 2011 July Financial Plan. Labor Costs are projected at \$25.6 million, with a staffing level of 140 by year end.

MTACC Administration will provide funding for 52% of the \$32.8 November Forecast, which is approximately \$17 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 55 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 23 for the East Side Access project, 18 for the Second Avenue Subway project, 18 for the Lower Manhattan projects, 12 for 7 Line Extension, and 14 for Security projects. Since the creation of the agency, MTACC has developed strategies, and implemented them, to recruit staff with the experience and technical skills required for our complex construction projects on an as needed basis only. The current number of actual incumbents remains below quota. 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. These expenses will be funded directly from the specific project capital programs.

Non-Labor costs are projected at \$7.3 million, an increase of 1.8% from 2011 July Financial Plan. 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. This year, MTACC allocated the support of independent engineer and legal litigation expenditures within a sub-category of the overall MTACC Capital Plan. These expenses 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 to efficiently and candidly report these annual costs. Non-Labor costs are projected to increase primarily due to Capital Construction employee expenses for the needs of workforce development, staff training and professional license renewals based on project needs. 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 office costs including computer equipment and mobile communications device upgrades and supplies.

2012 Proposed Budget - Baseline

In 2012, MTACC's main objective will be to continue major construction of the MTA's system expansion projects. By 2012 all system expansion projects will have over \$12.5 billion in commitments underway or completed. MTACC projects 2012 expenditures of \$31.0 million, a decrease of 0.4% (\$0.1 million) from the 2011 July Financial Plan, and a year end headcount of 140. Overall reductions continue in 2012 and administrative spending is strictly monitored to ensure a balanced budget in accordance with MTA policies and guidelines.

MTACC Administration will provide funding for 48% of the \$31.0 million, which is approximately \$15 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 \$25.8 million, a decrease of 0.5% (\$0.1 million) from the 2011 July Financial Plan. Labor costs decrease due to a revised headcount of 140 (7 fewer quota positions from the Adopted Budget) and reallocation of labor force. Staff includes 55 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 23 for the East Side Access project, 18 for the Second Avenue Subway project, 18 for the Lower Manhattan projects, 12 for 7 Line Extension, and 14 for Security projects.

Non-Labor costs are projected at \$5.2 million, a 0.1% decrease from the 2011 July Financial Plan. In 2012, MTACC will continue to allocate the support of independent engineering and legal expenses within a sub-category of the overall MTACC Capital Plan. These expenses of approximately \$10 million will be funded through the Administrative 2010-2014 Capital Program. MTA Audit quarterly chargebacks, AAPL insurance and payroll mobility tax will continue to fall within the MTACC Administrative November Plan and the forecasts are on par with the Mid Year Forecast. 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. All reductions in quota and budgeted contingent/matrixed employees within the July Financial Plan still remain intact and are reflected in the November Forecast. Projected savings presented in the July Plan will be realized in professional service contracts and other business expenses categories in order to meet a significant reduction in reimbursable capital expenses. Archaeological and engineering services as well as program management consultant expenses drop in 2012 and remain constant through 2015.

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

2013 - 2015 Projections

During this time period MTACC will continue to manage multiple construction sites and billions of dollars in construction contracts.

MTACC expenses for 2013 are projected to slightly decrease by 0.3% and by 0.1% per year for 2014 and 2015. Maintaining a tight control of administrative spending and continuing to charge the mega projects for direct costs has allowed MTACC to decrease expenditures from the previous financial plans. Labor expenses slightly decrease in 2013 by 0.3% and in 2014 and 2015 by 0.1%, due to inflation. Year-end staffing levels of 140 employees remain constant through 2015.

Non-labor expenses remain predominantly constant from 2013 through 2015 with minimal decreases of 0.2%, 0.3% and 0.2%, respectively, due to inflation.

MTACC Administration will continue to provide the majority of funding of the overall projections from 2013-2015. The administrative contribution is expected to be 48% for 2013 and 2014 (\$15.2 and \$15.6 million) with a slight decrease to 46% in 2015 (\$14.9 million). The remainder of the expenses will be reimbursed by each of the mega projects.

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

[illegible]

CASH RECEIPTS AND EXPENDITURES

[illegible]

[illegible]

MTA CAPITAL CONSTRUCTION COMPANY
2012 Final Proposed Budget
November Financial Plan 2012-2015
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 in accordance with how the resources are utilized.

Expenses

Payroll:

- 2012 payroll costs decrease by 2.60% based on a slight decrease in annual escalation rates. Year end staffing levels are expected to reach our quota of 140 employees.
- 2013 through 2015 staffing levels remain at 140. Payroll expenditures slightly increase in 2013, 2014 and 2015 due to CPI-based increases of 1.97%, 1.91% and 1.85%, respectively.

Other Fringe Benefits:

- In 2012, Health and Welfare, Pension and Other Fringe Benefits costs will continue to increase by 3.93%, 19.47% and 1.70%, respectively, due to the estimated expenditure of full staffing levels and increased estimates.
- Overall, benefits expenditures will continue to slightly increase in 2013 by 6.00% and 4.00% in 2014 and 2015, due to an escalation in inflation rates and the projections of the 5 various MTA agencies' labor and fringe expenses where MTACC employees reside.

Insurance:

- August YTD actuals are running higher than anticipated for MTACC's portion of the All Agency Liability Insurance expense by 38.04% (\$.114 million). Costs are escalating by approximately 10% each year from 2013 through 2015.

Professional Service Contracts:

- Professional Service costs will drop significantly in 2012 in accordance with the MTA-wide initiative to reduce administrative reimbursable positions. Expenses decrease by \$.794 million due to the reduction of IQ consultants, technical experts and archaeological costs. MTAHQ Audit expenses are expected to decrease and charges will be allocated to projects when applicable.
- Costs remain relatively constant between 2013 and 2014 with a sharp decline in 2015 by almost \$1 million due to the reduction of projected audit and miscellaneous consulting fees.

Materials and Supplies:

- 2012 through 2015 costs are based on 2011 projections and are escalated by inflation rates.

Other Business Expenses:

- 2012 costs will decrease by \$1.142 million based on RRIF adjustments within the following areas: employee expenses, office furniture and equipment, rent and communications.
- 2013 through 2015 costs remain constant and are escalated by inflation rates.

MTA CAPITAL CONSTRUCTION COMPANY
November Financial Plan 2012-2015
Summary of Major Plan-to-Plan Changes

2011: November Financial Plan vs. July Financial Plan

The November Financial Plan is \$0.1 million (0.4%) higher than the July Financial Plan. This increase is due to a re-estimate of insurance expenses offset by a slight drop in inflation rates. The 2011 November Plan continues to project a staffing level of 140 by year end. Under the direction of MTAHQ, 7 positions were eliminated through the 15% Reimbursable Administrative Position Reductions. Labor costs have decreased by \$.002 million due to a change in escalation rates. Non-Labor costs are expected to increase by \$0.130 million for MTACC's portion of All Agency Protective Liability insurance 2011 actuals. Administrative costs captured within this plan are specialized consultant services, environmental and archeological resources, MTA Audit chargebacks, payroll mobility tax, telecommunications and increased occupancy expenditures. In 2011, the Security Program and Second Avenue Subway staff relocated from field offices to 2 Broadway. In order to accommodate these organizational changes, various expenditures such as furniture, supplies, communication devices and equipment purchases remain in this plan.

2012 - 2015: November Financial Plan vs. July Financial Plan

Projections for 2012 have decreased by \$0.1 million, 0.4%, from the July Financial Plan due to a decrease in inflation rates. Major construction of capital projects continue to progress while the administrative budget will drop significantly. In 2012, staffing levels remain constant at 140 through 2015. Labor expenses are \$.125 million (.48%) lower than the July Plan. Overall Non-labor expenditures are \$.003 million lower, .05%, for company-wide construction support. Expenditures are consistent with 2011 forecasts. The Professional Services budget includes miscellaneous engineering and legal services, environmental services and consultant fees. To continue support of the progression of our mega projects and comply with the oversight measures directed by the MTA and FTA, the independent engineer expenses remains in a separate category within MTACC's 2010-2014 Capital Plan, along with legal 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 February Plan as are AAPL insurance expenses and payroll mobility taxes. Labor and non-labor costs are slightly lower than the July Financial Plan and overall budgeted expenses are expected to decrease in 2013 by 0.3% and 2014 and 2015 by 0.1%.

MTA CAPITAL CONSTRUCTION
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Baseline Changes</i>					
Revenue					
Farebox Revenue					
Additional Actions for Budget Balance: Revenue Impact					
Vehicle Toll Revenue					
Capital and Other Reimbursement	\$.127	(\$.128)	(\$.080)	(\$.043)	(\$.041)
<i>Total Revenue Changes</i>	\$.127	(\$.128)	(\$.080)	(\$.043)	(\$.041)
Expenses					
<i>Labor:</i>					
Payroll	\$.000	\$.000	\$.000	\$.000	\$.000
Health and Welfare	0.000	0.113	0.065	0.015	0.016
OPEB Current Payment					
Pensions	0.002	0.013	0.007	0.004	0.005
Other Fringe Benefits	0.000	(0.001)	0.000	0.009	0.009
Reimbursable Overhead					
<i>Total Labor Expense Changes</i>	\$.002	\$.125	\$.073	\$.028	\$.030
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$.000	\$.000	\$.000	\$.000	\$.000
Fuel for Buses and Trains					
Insurance	(0.131)	0.000	0.000	0.000	0.000
Claims					
Paratransit Service Contracts					
Professional Service Contracts	0.000	0.000	0.005	0.011	0.007
Maintenance and Other Operating Contracts					
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.001	0.002	0.003	0.004	0.003
<i>Total Non-Labor Expense Changes</i>	(\$.130)	\$.003	\$.008	\$.015	\$.010
<i>Total Expense Changes</i>	(\$.127)	\$.128	\$.080	\$.043	\$.041
<i>Other Expense Adjustments/Gap Closing Actions</i>					
Other - Restricted Cash Adjustment					
Additional Actions for Budget Balance: Expense Impact					
<i>Total Other Expenditure AdjustmentsChanges</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)

MTA CAPITAL CONSTRUCTION
November Financial Plan 2012-2015
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Non-Reimbursable Major Changes

Revenue

Sub-Total Non-Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
---	----------------	----------------	----------------	----------------	----------------

Expenses

Sub-Total Non-Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
---	----------------	----------------	----------------	----------------	----------------

<i>Total Non-Reimbursable Major Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
--	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Reimbursable Major Changes

Revenue	\$0.127	(\$0.128)	(\$0.080)	(\$0.043)	(\$0.041)
---------	---------	-----------	-----------	-----------	-----------

Sub-Total Reimbursable Revenue Changes	\$0.127	(\$0.128)	(\$0.080)	(\$0.043)	(\$0.041)
--	---------	-----------	-----------	-----------	-----------

Expenses	(\$0.127)	\$0.128	\$0.080	\$0.043	\$0.041
----------	-----------	---------	---------	---------	---------

Sub-Total Reimbursable Expense Changes	(\$0.127)	\$0.128	\$0.080	\$0.043	\$0.041
--	-----------	---------	---------	---------	---------

<i>Total Reimbursable Major Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>(\$0.000)</i>
--	-----------------------	-----------------------	-----------------------	-----------------------	-------------------------

Total Accrual Changes	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)
------------------------------	----------------	----------------	----------------	----------------	------------------

Cash Adjustment Changes

Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
--------------------------------------	----------------	----------------	----------------	----------------	----------------

<i>Total Baseline Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>(\$0.000)</i>
--------------------------------------	-----------------------	-----------------------	-----------------------	-----------------------	-------------------------

Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)
--	----------------	----------------	----------------	----------------	------------------

MTA CAPITAL CONSTRUCTION COMPANY
2012 Final Proposed Budget
November Financial Plan 2012-2015
Positions

Position Assumptions

All MTACC costs are reimbursable from the MTA Capital Program. The November Financial Plan projects 2011 year end staffing of 140. Staffing levels reach 140 in the fourth quarter 2011 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 are dependent upon the particular needs of each project and the availability of the proper resources.

MTACC has carefully timed the hiring of employees to correspond with the needs of the projects and the mix of construction and design activities underway. MTACC's goal is to continue to keep project management costs below the industry standard.

The 2011 year-end staffing level remains constant at 140 employees. The breakdown is as follows: 55 MTACC administrative positions and 85 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
November Financial Plan 2012-2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
MTACC	27	41	41	41	41	41
Engineering/Capital						
MTACC	25	14	14	14	14	14
East Side Access	21	23	23	23	23	23
Second Avenue Subway	16	18	18	18	18	18
Security Program	13	14	14	14	14	14
Lower Manhattan Projects	16	18	18	18	18	18
7 Line Extension	10	12	12	12	12	12
Total Engineering/Capital	101	99	99	99	99	99
Total Baseline Positions	128	140	140	140	140	140
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	128	140	140	140	140	140
<i>Total Full-Time</i>	128	140	140	140	140	140
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

[THIS PAGE INTENTIONALLY LEFT BLANK]

MTA CAPITAL CONSTRUCTION
November Financial Plan 2012-2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	27	41	41	41	41	41
Operational Hourlies	-	-	-	-	-	-
Total Administration	27	41	41	41	41	41
Operations						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Operations	-	-	-	-	-	-
Maintenance						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Maintenance	-	-	-	-	-	-
Engineering/Capital						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	101	99	99	99	99	99
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	101	99	99	99	99	99
Public Safety						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	128	140	140	140	140	140
Operational Hourlies	-	-	-	-	-	-
Total Baseline Positions	128	140	140	140	140	140

[THIS PAGE INTENTIONALLY LEFT BLANK]

Long Island Bus

MTA LONG ISLAND BUS

2012 Final Proposed Budget

November Financial Plan 2012 - 2015

FINANCIAL OVERVIEW

MTA Long Island Bus (LI Bus) is managed by the MTA through a lease and operating agreement with Nassau County. This agreement will end on December 31, 2011; Nassau County will transfer the operation to a private entity. The MTA has agreed to operate the system through the end of 2011 without reductions in scheduled service.

The 2011 November Forecast retains all July Financial Plan assumptions and has been adjusted to reflect inflation and NYSLERS pension rate increases, higher energy costs, and the impact of Tropical Storm Irene.

The 2011 November Plan baseline cash deficit is \$98.2 million which is as follows:

- \$54.4 million Total Receipts
- \$113.6 million Labor Expenditures
- \$39.0 million Non-Labor Expenditures

The baseline cash deficit is \$9.6 million higher than the July Plan. This is primarily due to advancing the current year's Pension payment, Pension rate increases, higher energy costs, Tropical Storm Irene impacts and changes in inflation. The 2011 November Plan assumes no financial contribution to LI Bus' deficit beyond 2011. While the MTA operates the Nassau County bus system, the County owns all assets and is responsible for funding operations. Effective December 31, 2011, the MTA will no longer fund LI Bus' operations, eliminating all MTA subsidies to LI Bus. Any costs incurred beyond this date, as well as any other liabilities, are assumed to be the responsibility of Nassau County, which would be consistent with the original lease and operating agreement signed by both parties in 1973.

Two major union (TWU 252, SSSA) agreements expired within the past two years. The retroactive pay requirements have been previously incorporated into the baseline.

2011 November Forecast

Total revenue in the 2011 November Plan is projected at \$57.0 million, of which \$46.3 million is expected from Farebox receipts. Other Operating Revenue is projected at \$1.7 million and Capital and Other Reimbursements at \$9.0 million. Total Revenue decreased by \$0.2 million from the 2011 July Plan and is mostly attributable to the impact of Tropical Storm Irene.

LI Bus 2011 November Forecast reflects total non-reimbursable baseline expenses of \$127.9 million before Depreciation and OPEB Obligation. The baseline cash deficit increased by \$9.6 million from the July Plan, due to the following:

- \$6.5 Million in advance payment of 2011 pension expenses and pension rate increases
- \$2.7 million in fuel rates and delivery costs
- \$0.2 Million increase in inflation rate adjustments
- \$0.1 million in Overtime and Other Fringe Benefits as a result of Tropical Storm Irene
- \$0.2 Million decrease in revenue as a result of Tropical Storm Irene

2012 Final Proposed Budget – Baseline

As of December 31, 2011 Nassau County will transfer LI Bus operations to a private entity. **The November Plan therefore reflects financial information only through the end of the current year.**

[illegible]

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010	2011	2012			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Receipts						
Farebox Revenue	\$44.023	\$46.160	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	3.601	1.666	-	-	-	-
Capital and Other Reimbursements	12.217	6.621	-	-	-	-
Total Receipts	\$59.841	\$54.447	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$59.872	64.809	-	-	-	-
Overtime	11.016	9.795	-	-	-	-
Health and Welfare	12.727	15.931	-	-	-	-
OPEB Current Payment	1.838	2.137	-	-	-	-
Pensions	4.378	13.598	-	-	-	-
Other Fringe Benefits	8.056	7.021	-	-	-	-
GASB Account	0.327	0.338	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$98.214	\$113.629	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$9.379	\$8.802	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	0.091	1.208	-	-	-	-
Claims	2.534	9.344	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.038	12.975	-	-	-	-
Professional Service Contracts	1.935	1.507	-	-	-	-
Materials & Supplies	7.276	5.034	-	-	-	-
Other Business Expenses	1.173	0.161	-	-	-	-
Total Non-Labor Expenditures	\$31.426	\$39.030	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditure Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$129.640	\$152.660	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Cash Deficit	(\$69.799)	(\$98.213)	\$0.000	\$0.000	\$0.000	\$0.000

**MTA LONG ISLAND BUS
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Year-to-Year Summary of Changes**

As of December 31, 2011 Nassau County will transfer LI Bus operations to a private entity. **The November Plan therefore reflects financial information only through the end of the current year.**

MTA LONG ISLAND BUS
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Summary of Major Plan-to-Plan Changes

2011: November Financial Plan vs. July Financial Plan

Revenue and Expense Changes

The total revenue projected for 2011 is \$57.0 million while expenses before Depreciation and OPEB Obligation is \$136.9 million. This resulted in an unfavorable change of \$4.3 million from the 2011 July Plan and is comprised of the following:

- Revenue - \$0.2 million decrease due to the impact of Tropical Storm Irene
- Labor – \$1.2 million unfavorable as a results of increases in Pension rates, as well as higher Overtime and Fringe Benefits due to Tropical Storm Irene
- Non-Labor – \$2.9 million unfavorable results due to higher CNG fuel rates and delivery charges

Cash Adjustments

Cash for all line items mirrors the Non-reimbursable/Reimbursable accrual tables except for an additional \$5.4 million in Pension costs that will be paid at the end of 2011.

Reimbursable Changes

There were no changes in the reimbursable budget.

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$88.573)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	(\$.189)	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue					
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$.189)	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Labor:					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	(0.086)	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	(0.003)	0.000	0.000	0.000	0.000
Pensions	(1.109)	0.000	0.000	0.000	0.000
Other Fringe Benefits	(0.008)	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$1.206)	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	(\$2.700)	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.114)	0.000	0.000	0.000	0.000
Professional Service Contracts	(0.020)	0.000	0.000	0.000	0.000
Materials & Supplies	(0.030)	0.000	0.000	0.000	0.000
Other Business Expenses	(0.002)	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	(\$2.866)	\$0.000	\$0.000	\$0.000	\$0.000
Tototal Expenses Before Depreciation and GASB Adj.					
Depreciation	0	0	0	0	0
OPEB Obligation					
Environmental Remediation	0	0	0	0	0
Total Expense Changes	(\$4.261)	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes	(\$5.379)				
Restricted Cash Adjustment	\$0.000				
Total Cash Adjustment Changes	(\$5.379)	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$9.640)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$98.213)	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue		0.000	0.000	0.000	0.000
Capital and Other Reimbursements					
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Labor:					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000
Materials & Supplies		0.000	0.000	0.000	0.000
Other Business Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes					
Cash Adjustment Changes					
Total Cash Adjustment Changes	0.000	0.000	0.000	0.000	0.000
Total Baseline Changes	0.000	0.000	\$0.000	0.000	0.000
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$88.573)	\$0.000	\$0.000	\$0.000	\$0.000
Non-Reimbursable Major Changes					
Revenue					
Farebox Revenue (Hurricane Irene)	(0.189)	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Sub-Total Non-Reimbursable Revenue Changes	(\$.189)	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Cost Reduction Programs:					
2011 Budget Reduction Shortfall	0.000	0.000	0.000	0.000	0.000
Administration	0.000	0.000	0.000	0.000	0.000
Additional Reductions in Overtime	0.000	0.000	0.000	0.000	0.000
Sub-Total Cost Reduction Programs	0.000	0.000	0.000	0.000	0.000
Major Re-estimates/Technical Adjustments/Other:					
- Tropical Storm Irene Cost	(0.122)	0.000	0.000	0.000	0.000
- Pension - Rate Change	(1.100)	0.000	0.000	0.000	0.000
- Fuel Rate change	0.000	0.000	0.000	0.000	0.000
- November 2011 CPI	(0.150)				
All Other	0.000	0.000	0.000	0.000	0.000
Sub-Total Non-Reimbursable Expense Changes	(\$1.372)	\$0.000	\$0.000	\$0.000	\$0.000
Total Non-Reimbursable Major Changes	(\$1.561)	\$0.000	\$0.000	\$0.000	\$0.000
Reimbursable Major Changes					
Revenue					
Reimbursement of Increased Expense Requirements	0.000	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
Capital Project Material/Maintenance Contract Requirements	0.000	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$1.561)	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes	(\$5.379)				
Timing of 2010 Results Impacting 2011		0.000	0.000	0.000	0.000
Total Cash Adjustment Changes	(\$5.379)	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$6.940)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$95.513)	\$0.000	\$0.000	\$0.000	\$0.000

**MTA LONG ISLAND BUS
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Ridership / (Utilization)**

Ridership:

Fixed-route ridership in 2011 is now projected to be 30.7 million, which is 0.1 million lower than the 2011 July Plan due to Tropical Storm Irene.

Paratransit ridership is projected to be 0.3 million for 2011, which is on target with the 2011 July Plan.

.

Revenue:

Fixed-route revenue in 2011 is now projected to be \$45.1 million, which is \$0.2 million lower than the 2011 July Plan due to the impact of Tropical Storm Irene.

Paratransit revenue is projected to be \$1.2 million for 2011, which is on target with the 2011 July Plan.

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Ridership/Traffic Volume (Utilization)
(in millions)

		2012			
	2010	2011	Final		
	Actual	November	Proposed	2013	2014
		Forecast	Budget		2015

RIDERSHIP

Fixed Route	30.817	30.654				
Paratransit	0.357	0.315				
Total Ridership	31.174	30.969	0.000	0.000	0.000	0.000

FAREBOX REVENUE

Fixed Route	\$42.613	\$45.105				
Paratransit	1.205	1.166				
Total Revenue	\$43.818	\$46.271	\$0.000	\$0.000	\$0.000	\$0.000

**MTA Long Island Bus
2012 Final Proposed Budget
November Financial Plan 2012 – 2015
POSITIONS**

Plan-to-Plan Changes

Total Non-Reimbursable and Reimbursable Baseline Positions

2011: November Financial Plan vs. July Financial Plan

The starting baseline positions for the 2011 July Plan are 1,048. There have been no changes since the July Plan.

Years Beyond 2011 and Year-to-Year Changes

Total Non-Reimbursable and Reimbursable Baseline Positions

As of December 31, 2011 Nassau County will transfer Long Island Bus operations to a private entity. The November Plan only reflects information on positions through the end of the current year.

MTA Long Island Bus
November Financial Plan 2012-2015
Total Positions by Function and Department
Non- Reimbursable/ Reimbursable and Full-Time Positions/ Full- Time Equivalents

FUNCTION/DEPARTMENT	2010 Actuals	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Office of the EVP	0	0	0	0	0	0
Human Resources	5	3	0	0	0	0
Office of Management and Budget	5	6	0	0	0	0
Technology & Information Services	16	17	0	0	0	0
Materiel	12	12	0	0	0	0
Controller	10	10	0	0	0	0
Office of the President	2	2	0	0	0	0
System Safety Administration	3	3	0	0	0	0
Law	10	9	0	0	0	0
Corporate Communications	2	3	0	0	0	0
Labor Relations	0	1	0	0	0	0
Non-Departmental	0	5	0	0	0	0
Total Administration	65	71	0	0	0	0
Operations						
Buses (Fixed Route)	540	531	0	0	0	0
Buses (Paratransit)	146	142	0	0	0	0
Office of the Executive Vice President, Regional	0	0	0	0	0	0
Safety & Training	6	5	0	0	0	0
Road Operations	19	19	0	0	0	0
Transportation Support	16	14	0	0	0	0
Operations Planning	4	5	0	0	0	0
Revenue Control	5	6	0	0	0	0
Total Operations	736	722	0	0	0	0
Maintenance						
Buses (Fixed Route)	179	183	0	0	0	0
Buses (Paratransit)	8	12	0	0	0	0
Maintenance Support/CMF	22	21	0	0	0	0
Facilities	13	15	0	0	0	0
Supply Logistics	16	18	0	0	0	0
Total Maintenance	238	249	0	0	0	0
Engineering/Capital						
Capital Program Management	2	3	0	0	0	0
Public Safety						
Security	3	3	0	0	0	0
Total Positions	1,044	1,048	0	0	0	0
Non-Reimbursable	1,029	1,033	-	-	-	-
Reimbursable	15	15	-	-	-	-
Total Full-Time	945	949	-	-	-	-
Total Full-Time Equivalents	99	99	-	-	-	-

MTA Long Island Bus
November Financial Plan 2012-2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2010 Actuals	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration							
	Managers/Supervisors	31	29	-	-	-	-
	Professional, Technical, Clerical	34	37	-	-	-	-
	Operational Hourlies	-	5	-	-	-	-
	Total Administration	65	71	-	-	-	-
Operations							
	Managers/Supervisors	67	61	-	-	-	-
	Professional, Technical, Clerical	43	38	-	-	-	-
	Operational Hourlies	626	623	-	-	-	-
	Total Operations	736	722	0	0	0	0
Maintenance							
	Managers/Supervisors	40	38	-	-	-	-
	Professional, Technical, Clerical	2	2	-	-	-	-
	Operational Hourlies	196	209	-	-	-	-
	Total Maintenance	238	249	0	0	0	0
Engineering/Capital							
	Managers/Supervisors	1	2	-	-	-	-
	Professional, Technical, Clerical	1	1	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	2	3	0	0	0	0
Public Safety							
	Managers/Supervisors	1	1	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	2	2	-	-	-	-
	Total Public Safety	3	3	0	0	0	0
Total Baseline Positions							
	Managers/Supervisors	140	131	-	-	-	-
	Professional, Technical, Clerical	80	78	-	-	-	-
	Operational Hourlies	824	839	-	-	-	-
	Total Baseline Positions	1,044	1,048	-	-	-	-

Long Island Rail Road

MTA LONG ISLAND RAIL ROAD

2012 Final Proposed Budget

November Financial Plan 2012 - 2015

FINANCIAL OVERVIEW

The 2011 November Financial Plan sustains LIRR's commitment to delivering safe, secure and reliable transportation while continually improving customer service. This proposed November Forecast and Financial Plan contain funding for a series of strategic initiatives focused on bettering fleet performance and strengthening customer communications – two areas of particular concern for riders.

The November Plan holds controllable expense growth to an average of less than 2.0% per year, excluding the ramp-up costs for East Side Access. This achievement is made possible through the LIRR's continued efforts to control key cost drivers, with a particular focus on overtime expenses, and inventory and materials purchasing. In addition to the extensive administrative reductions enacted in 2010 and the \$42.8 million budget reduction program savings included as part of the Adopted Budget, this proposed Financial Plan reflects achieving \$12.2 million in additional cost saving actions in 2011. These 2011 savings grow to \$13.9 million in 2015.

Uncontrollable expenses such as health benefits, insurance and fuel continue to rise more rapidly than the rate of inflation. Of particular note is the burden the LIRR bears for its "closed pension plan," which has not accepted new members since the 1980's. Covering this unfunded liability will cost the LIRR \$118.5 million in 2011 alone. It is striking to note that as of October 1, 2011, the LIRR's total number of retirees/beneficiaries in the closed plan of 6,260, is approximately the same as the total number of the current LIRR workforce.

Ridership

The sluggish economic recovery in the Long Island region is evident in 2011 ridership trends. Ridership through September is below the Mid-Year Forecast by 0.5% and remains below 2010 levels by 1.8% when adjusted for calendar differences, reflecting the overall impact of the recession in the New York City area and Tropical Storm Irene. Year-end 2011 ridership is now projected to be 80.4 million, which is 1.5% below 2010 levels. However, the projected ridership for the 2012 Final Proposed Budget reflects a 0.8% increase over 2011 levels based on projected improvements in the 2012 employment forecast. September 2011 was the strongest month so far with a 0.8% increase over 2010. Year-end 2012 ridership is projected to be 81.0 million.

Budget Reduction Initiatives

The LIRR's commitment to efficiency is evidenced by this proposed Forecast and Financial Plan, which reflects achieving \$12.2 million in budget reduction programs in 2011 and \$11.6 million in 2012. While the entire budget was subject to intensive review, three critical areas yielded the most savings, specifically administrative functions, maintenance, and non-operational critical projects. Each area is more fully described below.

I. *Administrative Functions*: One of the primary objectives of the budget development process was to reduce administrative expenditures. The Mid-Year Forecast reduced administrative costs by \$7.4 million. While these savings dip slightly to \$6.2 million in the 2012 Preliminary Budget associated with one-time savings in 2011, these savings grow to \$7.8 million in 2015. These savings include further administrative and management staff reductions, delayed hires and a continued comprehensive review of non-payroll savings. Eleven management and administrative positions will not be filled in 2011. Six of these positions will be permanently removed in 2012. Non-payroll savings include lower utility consumption, improved efficiencies in train car toilet servicing, reducing various maintenance and professional contracts to historical spending levels, more aggressively pursuing restitution from third parties when LIRR property is damaged, a continued reduction in office supplies, professional memberships, printing and outside travel, reduced use of pagers and cell phones, and lower software and hardware maintenance costs.

II. *Fleet Maintenance*: The Maintenance of Equipment Department continues to aggressively manage and adjust its maintenance activity based on a Reliability Centered Maintenance program with savings of \$1.8 million in 2011 and \$3.5 million in 2012. Based on a careful analysis of mechanical failures, the department was able to lengthen the interval between several part replacement programs. This includes reducing the number of traction motor rebuilds for M3 cars, extending the M7 HVAC interval from eight years to ten years, extending the M7 Air Supply Unit replacement interval from six years to nine years, reducing M7 wheels pressed from 40 pairs to 30 pairs, however increasing inspections from 60 pairs to 70 pairs based on wheel wear analysis.

III. *Non-Operational Critical Projects*

- *Project Eliminations/ Deferrals*: Additional efforts to make every dollar count included a top-to-bottom review of all Operating Budget Funded Projects. In 2011, this analysis identified \$2.4 million of lower priority projects to be deferred with no impact to service or customers.
- *Transportation Efficiencies*: Following an independent study conducted in 2007 that estimated the cost to collect revenue, LIRR took measures, including streamlining operations, to reduce this cost by 9%, and the Transportation Services Department continues to identify opportunities to become even more efficient. Specific initiatives included using a fare

collection test team to ensure collectors are utilized on the most crowded trains. The department has already identified a more efficient and cost effective method of moving train equipment in and out of the Sheridan Shop repair facility to reduce the cost impact of an expensive work rule.

Management Initiatives

Overtime: The Long Island Rail Road considers overtime management to be one of its highest priorities. The 2011 Adopted Budget targeted another 13.3% reduction in overtime spending. Through the first nine months of 2011, the LIRR has reduced non-weather related overtime spending by 1.1% compared to 2010. Major initiatives launched in 2011 include a revised Maintenance of Equipment hiring plan to enable the department to achieve a more effective balance between straight-time and overtime, a revised Crew Management training program to achieve full headcount by year-end 2011, an across the board company initiative to improve upon employee availability, and improved train crew efficiencies. Earlier in 2011, the LIRR reached an agreement with the Transportation Communications Union that resulted in deferring closing ticket windows and reducing staff through attrition rather than layoffs. This agreement, which provides greater flexibility in assignments, will result in additional overtime savings.

While the November Forecast reflects an additional \$3.7 million in overtime spending against the Mid-Year Forecast, 2011 spending is still projected to be slightly below 2010 actuals. The additional spending is due to higher than anticipated weather-related overtime including Tropical Storm Irene and unanticipated level of employee retirements in the Maintenance of Equipment Department at year-end 2010 and through the beginning of 2011. The 2012 budget reflects an \$8.6 million or 9.4% reduction over the November Forecast.

Inventory Management: In 2009, the LIRR established an Inventory and Materials Task Force to improve the planning and oversight of material purchases and usage. This led to reducing the re-order point for selected “min-max” material, creating an interdepartmental review of all Maintenance of Equipment requisitions over \$25,000, and increased scrutiny of maintenance activities at the key material order points to increase the accuracy of the work plan projections. As a result of these efforts the LIRR saved approximately \$14.0 million in 2010 and \$10.0 million in 2011. At this time, these savings are projected to reach \$8.0 million in 2012.

New Needs

The 2012 Final Proposed Budget reflects additional funding associated with three customer communication initiatives. These initiatives include enhancing the current Audio Visual Paging System (AVPS) in order to improve customer communication on station platforms during major service disruptions, introducing real-time train status information to customers via handheld devices, and upgrading the C3 Coach Audio Visual Announcement system.

AVPS is the system that communicates train service status via electronic messages at many LIRR stations. During major service disruptions, it is difficult for the LIRR to update the system for the many service and schedule changes that occur. As a result, during times when customers most need information, the LIRR must "shut down" the system and a generic "for information go to mta.info" message is displayed. The LIRR's strategy to address this issue will be to add the infrastructure, technology, communications workstations and staff at Jamaica and Penn Station dedicated to updating AVPS at all times, including major disruptions. As part of the Public Information Office (PIO), this team will cover an array of real-time customer communications including all phone communications to on-board crew, email alerts, twitter, message board, AVPS and public address announcements, ensuring a uniformity of message to customers and train crews based upon coordination with the Movement Bureau. The Customer Advocate position within the Movement Bureau will now be staffed 24/7 to provide the PIO with train-specific information and coordinate on customer information consistent with existing schedules for service diversions, cancel/combination plans and snow emergencies. One-time costs are \$0.4 million and recurring costs are approximately \$1.7 million, which includes 13 positions. It is expected that the new expanded Public Information Office will be operational in November 2011.

A second related issue is that the LIRR currently does not have the engineering/communications infrastructure to produce reliable real-time train service status information to customers via handheld devices. This is an inconvenience for customers, who more than ever rely on handheld devices for real time information. In order to address this issue, the LIRR will test and deploy GPS technology on its entire fleet so that it can provide more accurate and reliable real-time train information to customers via all modes of communication, including handheld devices. This will also improve information displayed on AVPS signage. Initial startup costs are approximately \$0.4 million. Ongoing costs are anticipated to be less than \$0.1 million and are primarily for maintenance agreements. The LIRR expects to complete this project by the end of 2012.

Currently, the LIRR's bi-level diesel coach cars do not have the fully functional audio visual announcement system indicating final destination, current station and next station information that is operational on the M7 electric fleet. This is because the transponder-based system originally installed on the coaches is based on outdated technology and infrastructure and it is no longer supported by cell carriers. The on board system is also difficult to repair because of parts obsolescence. The LIRR's plan is to explore the feasibility of either restoring the existing system or purchasing and installing an updated system that relies less on wayside infrastructure (transponders) and more on current technology. The new system would be GPS-based and linked to the train information system through a cellular interface, similar to the M7 system. It would be easier and less expensive to maintain since GPS systems have become common in the last 15 years and thus any issues that arise would be more easily resolved. Given that additional analysis is necessary and a preferred solution has not been identified, it is difficult to

estimate costs for equipping the entire diesel coach fleet. As a result the November Financial Plan contains a one-time appropriation of \$1.0 million in 2012 to embark on this project.

2011 November Forecast

The LIRR's 2011 November Forecast is comprised of non-reimbursable revenue totaling \$601.5 million and non-reimbursable expenses including depreciation, other post-employment benefits and environmental remediation of \$1,581.1 million that generate an operating deficit of (\$979.6) million. The 2011 November Forecast reimbursable revenue and expenses each total \$205.3 million.

The Baseline Accrued Deficit is (\$0.6) million worse than the 2011 Mid-Year Forecast. The Baseline Cash Deficit is (\$2.9) million worse than the 2011 Mid-Year Forecast. The Baseline Cash Deficit is worse primarily due to the timing of capital reimbursements that were originally projected to be received in 2011 and will now be received in 2012, partially offset by the timing of non-labor expenses that were originally projected to be paid in 2011 but will now be paid in 2012.

Total Non-Reimbursable revenue is (\$4.3) million unfavorable to the 2011 Mid-Year Forecast. Farebox Revenue is (\$1.6) million unfavorable due to Tropical Storm Irene. Other Operating Revenue is unfavorable by (\$2.7) million primarily due to a delay in the sale of real estate, now expected to be completed in 2012.

Total Non-Reimbursable expenses (excluding depreciation and OPEB) are favorable by \$0.7 million. The favorable variance is primarily due to the shifting of various expenses to 2012, lower traction power and diesel rates, restitution of property damage and lower Reliability Centered Maintenance and running repair expenses, partially offset by lower project activity resulting from a lower allocation of company-wide overhead allocated to reimbursable activity as well as more positions working on maintenance tasks than reflected in the Mid-Year Forecast and expenses incurred as a result of Tropical Storm Irene.

The major cash adjustments from the Mid-Year Forecast are timing of capital, other reimbursements and non-labor expenditures, between 2011 and 2012.

Full-time positions total 6,480 in the 2011 November Forecast, with 5,849 non-reimbursable positions and 631 reimbursable positions. This reflects an increase of 27 positions from 2010 Year-end Actual and 37 positions from the 2011 Mid-Year Forecast. Most of the year-on-year increase is associated with Maintenance of Equipment trainees required to fill vacant operational positions, partially offset by reductions with the Business Service Center and 2011 Budget Reduction Program. The changes from the Mid-Year Forecast include Maintenance of Equipment trainee positions and accelerated hiring of the Hours of Service administrative support unit.

2012 Final Proposed Budget - Baseline

Among the key goals for 2012 are maintaining on-time performance at 95.0% and a fleet-wide mean distance between failures (MDBF) of 150,000 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 July Financial Plan.

The 2012 Revenue totals \$826.4 million, of which \$611.4 million is Non-reimbursable revenue and \$215.0 million is Reimbursable revenue. The total expense budget is \$1,899.3 million, of which \$1,503.0 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 \$1,288.0 million in 2012, while Reimbursable expenses are \$215.0 million in the accrued statements.

The cash budget for 2012 incorporates \$903.5 million in cash receipts and \$1,556.1 million in cash disbursements. The baseline cash requirement is (\$652.6) million, as driven by operating expenses paid for in 2012, revenues received in 2012 and other adjustments to cash flow.

On an accrued basis, revenues and expenses in the 2012 Final Proposed Budget are higher than in the 2011 November Forecast. Total revenues for 2012 are \$826.4 million, \$19.6 million higher than in the 2011 November Forecast, with non-reimbursable revenues rising by \$9.9 million and Reimbursable revenues rising by \$9.6 million. Baseline Ridership in 2012 increases over the 2011 November Forecast by 0.6 million rides, or 0.8%. Total operating expenses before depreciation of \$1,503.0 million reflect growth of \$108.7 million over the 2011 November Forecast. Non-reimbursable expenses increase by (\$98.8) million and reimbursable expenses increase by (\$9.9) million. While the resulting total operating baseline deficit increases by (\$93.3) million to (\$1,072.9) million in 2012, the projected baseline cash deficit (or subsidy requirement) of (\$652.6) million in 2012 is higher by \$83.4 million.

Full-time positions total 6,508 in the 2012 Final Proposed Budget, with 5,940 non-reimbursable positions and 568 reimbursable positions. Compared to the 2011 November Forecast, this reflects a total increase of 28 positions, 91 non-reimbursable positions and a decrease of (63) reimbursable positions. The major drivers of the non-reimbursable headcount change are reliability centered maintenance activity in the Equipment Department and staffing levels in the Transportation Services Department. The driver of the reimbursable headcount decline is a result of project activity, as well as a reduction of 38 positions resulting from the administrative reduction in force initiative.

2013-2015 Projections

The baseline projections for 2013 through 2015 reflect minor changes that impact customers. 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. In addition, the LIRR will begin ramping up costs for service to Grand Central Terminal (East Side Access).

The baseline projections for 2013-2015 reflect these various impacts. Non-reimbursable revenues grow by less than 1% in each year, while Reimbursable revenues increase by 3.4% in 2013, increase by 1.6% in 2014 and decreases by 1.4% in 2015.

The pace of expense growth is higher, driven by rates that exceed inflation in Health and Welfare (active and retirees), Traction and Propulsion Power, Fuel for Trains and Pension costs throughout the plan. Non-reimbursable expenses (before depreciation) grow by 2.0% from \$1,288.0 million in 2012 to \$1,314.4 million in 2013. They continue to rise by 5.3% in 2014 and 5.9% in 2015, reaching \$1,464.9 million. The higher rate of growth in the out years is due to an adjustment in the reimbursable overhead rate as well as East Side Access ramp-up costs. Reimbursable expenses increase by 3.4% in 2013, increase by 1.6% in 2014 and decreases by 1.4% in 2015.

On a year-to-year basis, the Baseline positions increase in 2013 by 17 positions over 2012, increase by 187 positions in 2014 and 145 positions in 2015. The increases in 2014 and 2015 are primarily related to the East Side Access ramp-up. For the period 2012 to 2014, reimbursable positions increase by 53 in 2013, remain flat in 2014 and declines by 7 in 2015.

Appearing in a separate section is a discussion of the major assumptions in the 2013-2015 forecasts and reconciliations to the July Financial Plan for the years through 2015.

GAP CLOSING MEASURES – Budget Reduction Program (BRP)

BRP Actions

The November Forecast includes a Budget Reduction Program resulting in 2011 cash reductions of \$12.2 million. This includes \$9.8 million administrative, \$1.8 million maintenance, \$0.3 million revenue enhancements (fraud avoidance) and \$0.3 million service support.

The 2012 BRP results in \$11.6 million in savings and includes \$6.2 million administrative, \$3.5 million maintenance, \$1.3 million revenue enhancements and \$0.6 million service support.

For more information, please see BRP tables.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
Farebox Revenue	\$523.206	\$567.454	\$570.727	\$575.234	\$579.630	\$584.163
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	34.404	34.030	40.695	38.367	39.613	40.349
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$557.610	\$601.484	\$611.422	\$613.601	\$619.243	\$624.512
Operating Expenses						
<u>Labor:</u>						
Payroll	\$419.860	\$414.104	\$424.369	\$427.975	\$449.093	\$470.430
Overtime	79.507	81.830	73.961	73.195	74.570	75.690
Health and Welfare	75.366	83.372	93.058	98.148	109.733	121.836
OPEB Current Payment	48.116	55.394	60.940	65.312	71.212	77.623
Pensions	139.513	157.826	198.078	198.393	199.442	207.011
Other Fringe Benefits	90.190	89.345	92.726	94.509	99.834	105.023
Reimbursable Overhead	(26.597)	(26.026)	(29.961)	(21.648)	(20.614)	(14.805)
Total Labor Expenses	\$825.956	\$855.845	\$913.171	\$935.884	\$983.270	\$1,042.808
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$79.999	\$83.815	\$90.811	\$98.285	\$108.199	\$120.174
Fuel for Buses and Trains	17.219	23.986	25.416	26.450	26.155	26.155
Insurance	14.745	15.034	16.204	17.472	18.879	20.431
Claims	10.290	15.810	16.110	16.110	16.457	16.813
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	64.263	72.661	76.709	74.033	77.659	81.804
Professional Service Contracts	17.086	17.922	21.891	20.014	20.644	21.297
Materials & Supplies	91.974	94.541	116.010	113.679	119.765	122.435
Other Business Expenses	9.348	9.573	11.693	12.478	12.735	13.003
Total Non-Labor Expenses	\$304.924	\$333.342	\$374.844	\$378.521	\$400.493	\$422.112
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,130.880	\$1,189.187	\$1,288.015	\$1,314.405	\$1,383.763	\$1,464.920
Depreciation	319.485	314.997	317.060	309.279	298.284	307.186
OPEB Obligation	64.984	74.940	77.250	79.568	81.955	84.413
Environmental Remediation	(0.356)	2.000	2.000	2.000	2.000	2.000
Total Expenses	\$1,514.993	\$1,581.124	\$1,684.325	\$1,705.252	\$1,766.002	\$1,858.519
Baseline Surplus/(Deficit)	(\$957.382)	(\$979.640)	(\$1,072.903)	(\$1,091.651)	(\$1,146.759)	(\$1,234.007)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$319.485	\$314.997	\$317.060	\$309.279	\$298.284	\$307.186
Operating/Capital	(8.090)	(3.428)	(8.489)	(8.590)	(9.774)	(10.042)
Other Cash Adjustment	48.052	98.905	111.722	95.183	86.659	89.470
Total Cash Conversion Adjustments	\$359.447	\$410.474	\$420.293	\$395.872	\$375.169	\$386.614
Net Cash Surplus/(Deficit)	(\$597.935)	(\$569.166)	(\$652.610)	(\$695.779)	(\$771.590)	(\$847.393)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$550.275	\$598.173	\$599.727	\$605.234	\$609.630	\$614.163
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	38.852	77.372	52.110	50.019	51.309	52.196
Capital and Other Reimbursements	201.892	160.890	251.616	208.768	211.010	207.447
Total Receipts	\$791.019	\$836.435	\$903.453	\$864.021	\$871.949	\$873.806
Expenditures						
<u>Labor:</u>						
Payroll	\$492.961	\$477.059	\$494.774	\$506.262	\$528.846	\$551.124
Overtime	90.892	94.064	83.624	84.507	85.965	87.303
Health and Welfare	87.877	95.130	105.575	112.266	124.107	136.394
OPEB Current Payment	48.040	55.394	60.940	65.312	71.212	77.623
Pensions	178.975	178.636	216.088	217.982	219.385	227.209
Other Fringe Benefits	106.109	103.448	107.801	111.512	117.145	122.556
GASB Account	7.358	7.233	8.087	8.992	9.818	11.038
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$1,012.212	\$1,010.964	\$1,076.889	\$1,106.833	\$1,156.478	\$1,213.247
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$79.062	\$107.051	\$100.419	\$101.068	\$111.168	\$123.342
Fuel for Buses and Trains	17.914	21.986	27.416	26.450	26.155	26.155
Insurance	17.996	21.372	20.986	24.090	26.681	27.185
Claims	5.664	13.233	18.259	14.259	14.586	14.922
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	77.794	75.589	96.360	83.817	87.615	91.893
Professional Service Contracts	19.241	17.944	20.464	17.787	18.226	18.728
Materials & Supplies	121.157	98.697	154.915	143.346	160.235	163.078
Other Business Expenses	9.227	9.104	11.355	12.150	12.395	12.649
Total Non-Labor Expenditures	\$348.055	\$364.976	\$450.174	\$422.967	\$457.061	\$477.952
<u>Other Expenditure Adjustments:</u>						
Other	29.348	29.000	29.000	30.000	30.000	30.000
Total Other Expenditure Adjustments	\$29.348	\$29.000	\$29.000	\$30.000	\$30.000	\$30.000
Total Expenditures	\$1,389.615	\$1,404.940	\$1,556.063	\$1,559.800	\$1,643.539	\$1,721.199
Cash Timing and Availability Adjustment	0.661	(0.661)	0.000	0.000	0.000	0.000
Baseline Cash Surplus/(Deficit)	(\$597.935)	(\$569.166)	(\$652.610)	(\$695.779)	(\$771.590)	(\$847.393)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$27.069	\$30.719	\$29.000	\$30.000	\$30.000	\$30.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	4.448	43.342	11.415	11.652	11.696	11.847
Capital and Other Reimbursements	23.438	(44.426)	36.656	(13.579)	(14.911)	(15.330)
Total Receipts	\$54.955	\$29.635	\$77.071	\$28.073	\$26.785	\$26.517
Expenditures						
<u>Labor:</u>						
Payroll	(\$2.994)	\$4.882	\$2.261	\$2.284	\$2.353	\$2.423
Overtime	2.022	(1.808)	-	-	-	-
Health and Welfare	(0.304)	-	-	-	-	-
OPEB Current Payment	0.076	-	-	-	-	-
Pensions	(17.884)	-	-	-	-	-
Other Fringe Benefits	(1.070)	(0.138)	-	-	-	-
GASB Account	(7.358)	(7.233)	(8.087)	(8.992)	(9.818)	(11.038)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$27.512)	(\$4.297)	(\$5.826)	(\$6.708)	(\$7.465)	(\$8.615)
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$1.084	(\$23.077)	(\$9.608)	(\$2.783)	(\$2.969)	(\$3.168)
Fuel for Buses and Trains	(0.695)	2.000	(2.000)	-	-	-
Insurance	(2.281)	(1.212)	1.443	0.474	(0.574)	0.536
Claims	4.626	2.577	(2.149)	1.851	1.871	1.891
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(5.317)	7.868	(10.300)	(0.300)	(0.300)	(0.300)
Professional Service Contracts	(0.600)	1.843	3.000	3.000	3.150	3.307
Materials & Supplies	(20.496)	32.032	0.934	11.000	2.000	2.400
Other Business Expenditures	0.258	0.575	0.418	0.418	0.432	0.447
Total Non-Labor Expenditures	(\$23.421)	\$22.606	(\$18.262)	\$13.660	\$3.610	\$5.113
<u>Other Expenditures Adjustments:</u>						
Other	(29.348)	(29.000)	(29.000)	(30.000)	(30.000)	(30.000)
Total Other Expenditures Adjustments	(\$29.348)	(\$29.000)	(\$29.000)	(\$30.000)	(\$30.000)	(\$30.000)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$25.327)	\$18.944	\$23.983	\$5.025	(\$7.070)	(\$6.985)
Depreciation Adjustment	\$319.485	\$314.997	\$317.060	\$309.279	\$298.284	\$307.186
OPEB Obligation	64.984	74.940	77.250	79.568	81.955	84.413
Environmental Remediation	(0.356)	2.254	2.000	2.000	2.000	2.000
Cash Timing and Availability Adjustment	0.661	(0.661)	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$359.447	\$410.474	\$420.293	\$395.872	\$375.169	\$386.614

MTA LONG ISLAND RAIL ROAD
2012 Final Proposed Budget
November Financial Plan 2012 – 2015
Year-To-Year Summary of Changes

Revenue

Farebox Revenue

- The regional economy and employment trends are the primary drivers.
- Farebox revenue is increasing by 0.6% in 2012 over 2011 primarily due to anticipated ridership growth.
- Passenger revenue forecasts in the outer years 2013 - 2015 reveal modest annual growth due to increases in ridership.

Other Operating Revenue

- Other revenues are higher in 2012 from the 2011 Mid-Year Forecast due to a full year of exterior train car advertising revenue, an anticipated real estate sale and other inflationary increases.
- Excluding the one-time real estate sale in 2012, 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

- 2011 - 2015 includes increases for management employees of 2.23%, 2.20%, 1.97%, 1.91% and 1.85% respectively.
- 2011 - 2015 includes increases for represented employees of 0.0%, 2.20%, 1.97%, 1.91% and 1.85% respectively (all increases effective July 1 of each year).
- Headcount changes each year are associated with the Budget Reduction Program (BRP), the reduction in reimbursable administrative positions, Reliability Centered Maintenance needs and changes in programs and Capital Program activity.
- 2014 – 2015 include East Side Access ramp-up costs.

Overtime

- 2011 - 2012 decrease of \$8.6 million or 9.4% is primarily associated with lower weather-related overtime (back to original budget levels in 2012) and the assumption of all craft positions being at full headcount at the start of 2012.
- 2013 - 2015 increases reflect CPI increases and changes in Capital Program activity.

Health & Welfare

- 2011 – 2015 reflects an annual NYSHIP rate increase of approximately 12.6% (2011), 8.4%, 5.9%, 7.9% and 7.9% (2015) for individual coverage and 12.3% (2011), 10.1%, 6.4%, 8.3% and 8.3% (2015) for family coverage.
- Reflects impact of headcount changes each year, including ramp-up costs for East Side Access beginning in 2014.

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

- 2011 is based on actuals through July and reflects the latest LIRR consumption estimates and inflationary increases.
- 2012 - 2015 reflects the latest LIRR consumption estimates and inflationary increases.
- 2015 includes East Side Access start-up costs.

Fuel

- 2011 is based on actuals through July and reflects the latest inflationary increases.
- 2012 - 2015 reflects the latest inflationary increases.

Insurance

- 2011 - 2015 reflects the latest inflationary increases and Force Account Insurance estimates based on project activity.

Claims

- 2011 reflects actual experience through July and the anticipated settlement and payout of claims for the balance of the year.
- 2012 - 2015 reflects inflationary increases.

Maintenance and Other Operating Contracts

- 2011 – 2012 increases due to timing of expenses and initiatives between years.
- 2012 – 2013 decreases due to 2011/2012 timing of expenses and initiatives, partially offset by normal inflationary increases.
- 2014 – 2015 include East Side Access start-up costs and normal inflationary and contractual increases.

Professional Service Contracts

- 2011 – 2012 reflects changes in timing of System Initiative projects and full year impact of the BRPs.
- 2012 – 2013 decreases due to prior year timing changes and normal inflationary increases.

Material and Supplies

- The increase in materials from 2011 – 2012 is primarily due to Reliability Centered Maintenance (RCM) material and capital program activity.
- 2012 – 2014 reflects timing in Reliability Centered Maintenance (RCM) material and normal inflationary increases
- 2014 – 2015 include East Side Access start-up costs.

Other Business Expenses

- 2011 – 2012 reflects lower credits for restitution of property damage.
- 2012 – 2015 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.
- 2011 includes operating funded capital project deferrals and eliminations as part of the BRP.
- Insurance and Claims & Suits – payments versus accrued expenses.
- 2011 - 2015 - 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.
- 2011 -2012 reflects timing of capital and other reimbursements.

MTA LONG ISLAND RAIL ROAD
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Summary of Major Plan-To-Plan Changes

2011: November Financial Plan vs. July Financial Plan

2011 November Financial Plan is based on actual performance through July with projections for August through December based on current trends and known activities.

Revenue

- Passenger Revenue is unfavorable to plan primarily due to Tropical Storm Irene.
- Other Operating Revenue is lower due to timing of real estate sales.
- Capital and Other Reimbursements are lower primarily resulting from changes in capital project activity and lower East Side Access material requirements.

Expense

- Payroll and Benefits – increased from the July Plan due to higher weather-related overtime (including Tropical Storm Irene), Management Vacation Buyback payments, higher pension costs based on the latest actuarial evaluation, partially offset by lower number of retirees/beneficiaries.
- Lower Traction and Propulsion Power is due to lower consumption and lower inflationary growth assumptions.
- Higher Fuel for Train costs reflects price increases.
- Lower Insurance reflects revised insurance premium estimates.
- Lower Maintenance and other Operating Contracts are due to timing of expenses.
- Lower Professional Services are due to timing of expenses.
- Lower Materials and Supplies due to Reliability Centered Maintenance (RCM) activities and East Side Access and other capital material costs.

2012 - 2015: November Financial Plan vs. July Financial Plan

Revenue

- Passenger Revenue is unfavorable to plan due to projected lower ridership.
- Other Operating Revenue is slightly unfavorable to plan due to freight revenue.
- Capital and Other Reimbursements are lower primarily resulting from establishing a separate overhead rate for Project management charging the capital program.

Expense

- All expense categories reflect revised assumptions for East Side Access start-up costs.

- Payroll and Benefits – Health & Welfare and OPEB Current payments are favorable throughout the period due to lower rate assumptions. Payroll and Fringe costs are higher 2012 – 2015 based on a reconciliation of actual to budgeted hourly rates.
- Traction Power is associated with lower rates and a revised assumption for East Side Access.
- Diesel Fuel is higher resulting from higher rates.
- Lower Insurance is based on latest inflationary changes and lower Force Account Insurance.
- Material & Supplies change each year due to a re-estimate of material needs associated with RCM and inventory adjustments and East Side Access Material.
- 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
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$566.312)	(\$642.881)	(\$686.790)	(\$773.712)	(\$898.774)
Baseline Changes					
Revenue					
Farebox Revenue	(\$1.585)	(\$4.767)	(\$4.723)	(\$5.069)	(\$4.902)
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	(\$2.723)	\$2.800	(\$0.170)	(\$0.125)	(\$0.190)
Capital and Other Reimbursement	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Revenue Changes	(\$4.308)	(\$1.967)	(\$4.893)	(\$5.194)	(\$5.092)
Expenses					
Labor:					
Payroll and Overtime	(\$9.572)	(\$10.163)	(\$5.856)	(\$2.626)	\$7.604
Health and Welfare	0.026	3.824	6.995	8.805	13.080
OPEB Current Payment	0.897	3.477	5.160	5.910	6.758
Pensions	(0.003)	(6.307)	(4.075)	0.294	(1.425)
Other Fringe Benefits	(0.228)	(1.343)	(0.920)	(0.226)	2.229
Reimbursable Overhead	(2.808)	(2.404)	(7.445)	(7.637)	(7.792)
Total Labor Expense Changes	(\$11.688)	(\$12.916)	(\$6.141)	\$4.520	\$20.454
Non-Labor:					
Traction and Propulsion Power	\$2.543	\$2.380	\$0.476	\$0.276	\$17.932
Fuel for Buses and Trains	(0.389)	(0.222)	(0.665)	(0.517)	(0.296)
Insurance	0.302	0.404	0.464	0.514	0.571
Claims	0.000	0.000	0.006	0.015	0.028
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.205	(4.464)	(1.688)	(3.166)	(1.066)
Professional Service Contracts	1.463	(1.682)	0.068	(0.067)	0.335
Materials & Supplies	4.366	(2.627)	3.077	2.416	15.563
Other Business Expenses	1.870	0.014	(0.622)	(0.672)	(0.675)
Total Non-Labor Expense Changes	\$12.360	(\$6.197)	\$1.116	(\$1.201)	\$32.392
Total Expense Changes before Depreciation and GASB Adjs.	\$0.672	(\$19.113)	(\$5.025)	\$3.319	\$52.846
Depreciation	\$2.994	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000
Total Expense Changes	\$3.666	(\$19.113)	(\$5.025)	\$3.319	\$52.846
Cash Adjustment Changes					
NYAR Settlement	(\$0.400)	\$0.000	\$0.000	\$0.000	\$0.000
Wage Claim adjustment	0.915	0.000	0.000	0.000	0.000
GASB	(0.124)	(0.192)	0.094	0.066	(0.295)
Timing from 2010 - unread meters accrual change	0.182	0.000	0.000	0.000	0.000
Insurance	(0.005)	(0.006)	(0.006)	(0.006)	(0.007)
Claims reserve adjustment	(1.578)	0.000	0.000	0.000	0.000
Material	4.000	0.000	0.000	4.000	4.000
Non-Labor Payment shifts from 2011 to 2012	41.000	(41.000)	0.000	0.000	0.000
Depreciation, Environmental Remediation	(2.994)	0.000	0.000	0.000	0.000
Cash Timing and Availability Adjustment	3.430	0.000	0.000	0.000	0.000
Other Misc	0.165	0.002	0.000	0.001	0.001
Total Cash Adjustment Changes	\$44.591	(\$41.196)	\$0.088	\$4.061	\$3.699
Total Baseline Changes	\$43.949	(\$62.276)	(\$9.830)	\$2.186	\$51.453
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$522.363)	(\$705.157)	(\$696.620)	(\$771.526)	(\$847.321)

MTA LONG ISLAND RAILROAD
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	(9.324)	(20.354)	(12.085)	(11.618)	(11.779)
Total Revenue Changes	(\$9.324)	(\$20.354)	(\$12.085)	(\$11.618)	(\$11.779)
Expenses					
Labor:					
Payroll and Overtime	\$0.873	\$6.281	(\$1.113)	(\$0.984)	(\$0.998)
Health and Welfare	(0.196)	0.943	(0.172)	(0.158)	(0.160)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	(1.450)	1.445	(0.245)	(0.225)	(0.228)
Other Fringe Benefits	(0.098)	1.135	(0.207)	(0.191)	(0.193)
Reimbursable Overhead	2.808	2.404	7.445	7.637	7.792
Total Labor Expense Changes	\$1.937	\$12.208	\$5.708	\$6.079	\$6.213
Non-Labor:					
Traction and Propulsion Power	(\$0.112)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.571	0.657	(0.068)	(0.068)	(0.068)
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.104	1.339	1.290	1.292	1.292
Professional Service Contracts	0.570	(0.439)	0.208	0.258	0.258
Materials & Supplies	6.533	6.583	4.948	4.058	4.085
Other Business Expenses	(0.025)	0.006	(0.001)	(0.001)	(0.001)
Total Non-Labor Expense Changes	\$7.641	\$8.146	\$6.377	\$5.539	\$5.566
Environmental Remediation	(\$0.254)	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$9.324	\$20.354	\$12.085	\$11.618	\$11.779
Gap Closing Expenses :					
Total Gap Closing Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
2011 Reimbursement lag	(50.000)	50.000	0.000	0.000	0.000
Operating Funded Capital	3.515	(1.768)	(0.107)	(0.063)	(0.071)
Non-Revenue Fleet Savings	0.000	3.743	0.948	0.000	0.000
Capital Receipts - Force Account adjustment	(0.572)	0.572	0.000	0.000	0.000
Environmental Remediation	0.254	0.000	0.000	0.000	0.000
Total Cash Adjustment Changes	(\$46.803)	\$52.547	\$0.841	(\$0.063)	(\$0.071)
Total Baseline Changes	(\$46.803)	\$52.547	\$0.841	(\$0.063)	(\$0.071)
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$46.803)	\$52.547	\$0.841	(\$0.063)	(\$0.071)

MTA LONG ISLAND RAILROAD
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$566.312)	(\$642.881)	(\$686.790)	(\$773.712)	(\$898.774)
Baseline Changes					
Revenue					
Farebox Revenue	(\$1.585)	(\$4.767)	(\$4.723)	(\$5.069)	(\$4.902)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(2.723)	2.800	(0.170)	(0.125)	(0.190)
Capital and Other Reimbursement	(9.324)	(20.354)	(12.085)	(11.618)	(11.779)
Total Revenue Changes	(\$13.632)	(\$22.321)	(\$16.978)	(\$16.812)	(\$16.871)
Expenses					
<i>Labor:</i>					
Payroll and Overtime	(\$8.699)	(\$3.882)	(\$6.969)	(\$3.610)	\$6.606
Health and Welfare	(0.170)	4.767	6.823	8.647	12.920
OPEB Current Payment	0.897	3.477	5.160	5.910	6.758
Pensions	(1.453)	(4.862)	(4.320)	0.069	(1.653)
Other Fringe Benefits	(0.326)	(0.208)	(1.127)	(0.417)	2.036
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$9.751)	(\$0.708)	(\$0.433)	\$10.599	\$26.667
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$2.431	\$2.380	\$0.476	\$0.276	\$17.932
Fuel for Buses and Trains	(0.389)	(0.222)	(0.665)	(0.517)	(0.296)
Insurance	0.873	1.061	0.396	0.446	0.503
Claims	0.000	0.000	0.006	0.015	0.028
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.309	(3.125)	(0.398)	(1.874)	0.226
Professional Service Contracts	2.033	(2.121)	0.276	0.191	0.593
Materials & Supplies	10.899	3.956	8.025	6.474	19.648
Other Business Expenses	1.845	0.020	(0.623)	(0.673)	(0.676)
Total Non-Labor Expense Changes	\$20.001	\$1.949	\$7.493	\$4.338	\$37.958
Total Expense Changes before Depreciation and GASB Adjs.	\$10.250	\$1.241	\$7.060	\$14.937	\$64.625
Depreciation	\$2.994	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	(0.254)	0.000	0.000	0.000	0.000
Total Expense Changes	\$12.990	\$1.241	\$7.060	\$14.936	\$64.624
Cash Adjustment Changes					
2011 Reimbursement lag	(\$50.000)	\$50.000	\$0.000	\$0.000	\$0.000
Operating Funded Capital	3.515	(1.768)	(0.107)	(0.063)	(0.071)
Non-Revenue Fleet Savings	0.000	3.743	0.948	0.000	0.000
Capital Receipts - Force Account adjustment	(0.572)	0.572	0.000	0.000	0.000
NYAR Settlement	(0.400)	0.000	0.000	0.000	0.000
Wage Claim adjustment	0.915	0.000	0.000	0.000	0.000
GASB	(0.124)	(0.192)	0.094	0.066	(0.295)
Timing from 2010 - unread meters accrual change	0.182	0.000	0.000	0.000	0.000
Insurance	(0.005)	(0.006)	(0.006)	(0.006)	(0.007)
Claims reserve adjustment	(1.578)	0.000	0.000	0.000	0.000
Material	4.000	0.000	0.000	4.000	4.000
Non-Labor Payment shifts from 2011 to 2012	41.000	(41.000)	0.000	0.000	0.000
Depreciation, Environmental Remediation	(2.740)	0.000	0.000	0.000	0.000
Cash Timing and Availability Adjustment	3.430	0.000	0.000	0.000	0.000
Other Misc	0.165	0.002	0.000	0.001	0.001
Total Cash Adjustment Changes	(\$2.212)	\$11.351	\$0.929	\$3.998	\$3.628
Total Baseline Changes	(\$2.854)	(\$9.729)	(\$8.989)	\$2.122	\$51.381
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$569.166)	(\$652.610)	(\$695.779)	(\$771.590)	(\$847.393)

MTA LONG ISLAND RAIL ROAD
2012 Final Proposed Budget
November Financial Plan 2012 – 2015
Ridership/(Utilization)

RIDERSHIP/UTILIZATION PROJECTIONS

The regional economy and employment are the primary drivers of passenger ridership and revenue.

Ridership through September fell short of the Mid-Year Forecast by 0.5% and has remained under 2010 levels by 1.8%. This is due to the impact of Tropical Storm Irene as well as the sluggish recovery of the overall economy. The November Forecast projects 2011 total ridership to be 80.4 million, which is a decrease of 0.4% over the 2011 Mid-Year Forecast. Based on employment forecasts, the 2012 Preliminary Budget projects a 0.8% growth in ridership.

Ridership projections for the outer years 2013-2015 reveal modest annual growth of 0.8% in 2013, 0.8% in 2014 and 0.8% in 2015.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Ridership/(Utilization)
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>RIDERSHIP</u>						
Monthly	45.700	45.092	45.642	45.968	46.342	46.712
Weekly	1.755	1.605	1.611	1.624	1.637	1.649
Total Commutation	47.455	46.698	47.252	47.592	47.979	48.362
One-Way Full Fare	7.370	7.493	7.518	7.576	7.637	7.697
One-Way Off Peak	17.208	17.109	17.166	17.299	17.438	17.575
All Other	9.522	9.050	9.041	9.123	9.162	9.227
Total Commutation	34.100	33.652	33.724	33.998	34.236	34.499
Total Ridership	81.556	80.350	80.977	81.589	82.215	82.861
<u>FAREBOX REVENUE</u>						
Passenger Revenue	\$523.206	\$567.454	\$570.727	\$575.234	\$579.630	\$584.163
Total Revenue	\$523.206	\$567.454	\$570.727	\$575.234	\$579.630	\$584.163

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Administrative and Management Staff Reductions

Background Details:	Administrative and Management position reductions in Maintenance and Operations Departments.
----------------------------	--

Program Description/ Implementation Plan:	Eliminate vacant positions within Transportation, Engineering and Procurement.
--	--

Program Implementation Date:	1/1/2011	When will savings begin?:	1/1/2011
-------------------------------------	----------	----------------------------------	----------

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.522	\$0.629	\$0.685	\$0.705	\$0.724
<i>Total Reduction in Positions Required:</i>	5	6	6	6	6

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Administrative Non-Payroll Savings

Background Details:	Administrative reductions were implemented in the following areas: utilities, recruitment, materials and supplies, IT software and hardware costs
----------------------------	---

Program Description/ Implementation Plan:	The LIRR will reduce employee recruitment costs (background investigations, advertising and job fairs) to match lower than projected hiring. Lower utilities costs are projected based on reduced electricity consumption. Environmental cleanup costs are being re-estimated downward based on the recent four-year average. The LIRR expects to generate savings due to implementing toilet servicing efficiencies, contracting-in printing costs currently performed by a third party, containing telecommunications expenditures and scaling back materials and supplies purchases.		
Program Implementation Date:	1/1/2011	When will savings begin?:	1/1/2011

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$4.978	\$2.654	\$3.690	\$3.690	\$3.692
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Delay Hiring Positions in the Transportation Services Department

Background Details:	Delay hiring/filling vacant positions in the Transportation Services Department.
----------------------------	--

Program Description/ Implementation Plan:	Delay hiring/filling vacant administrative positions in the Transportation Services Department until 2012. Vacancies created by retirees.
--	---

Program Implementation Date:	4/1/2011	When will savings begin?:	4/1/2011
-------------------------------------	----------	----------------------------------	----------

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.493	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	6	0	0	0	0

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration
Program: Reduce Misc. Labor Expenses

Background Details:	Reduce projected costs for miscellaneous labor-related expenses.
----------------------------	--

Program Description/ Implementation Plan:	Based on recent trends, the LIRR anticipates lower sick and vacation leave and comp time payouts.		
Program Implementation Date:	1/1/2011	When will savings begin?:	1/1/2011

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.408	\$0.392	\$0.392	\$0.392	\$0.392
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Additional Non-Payroll Reductions

Background Details:	The LIRR will identify areas of current non-payroll underspending and remove surplus funds from the budget. It will explore additional initiatives to generate non-payroll savings
----------------------------	--

Program Description/ Implementation Plan:	Initiatives will include savings anticipated after the implementation of pending technology projects including the introduction of paperless timeslips and biometric timekeeping clocks, and the expansion of Smartstart systems for diesel locomotives, inventory drawdown, as well as new revenue from the development/implementation of a new parking revenue strategy.
--	--

Program Implementation Date: 4/1/2011

When will savings begin?: 4/1/2011

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.000	\$2.500	\$3.000	\$3.000	\$3.000

Total Reduction in Positions Required:

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Project Elimination and Deferral

Background Details:	The LIRR will delay various operating funded capital projects including highway vehicle replacement and other miscellaneous projects.
----------------------------	---

Program Description/ Implementation Plan:	Various operating budget funded initiatives have been eliminated or deferred.		
Program Implementation Date:	1/1/11	When will savings begin?:	1/1/2011

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$2.365	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Lower M3 Running Repair Maintenance

Background Details:	The LIRR has implemented a series of initiatives to reduce costs associated with M3 rolling stock maintenance. These initiatives were possible as a result of the Maintenance of Equipment Department's review of parts/components reliability.
----------------------------	---

Program Description/ Implementation Plan:	The LIRR expects to generate material savings due to reduced repair effort and M3 Fleet in service. In addition, based on reliability, the number of traction motor rebuilds will be reduced.			
Program Implementation Date:	01/01/11	When will savings begin?:	01/01/11	

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.862	\$1.902	\$1.382	\$1.382	\$1.382
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Extend M7 RCM Schedule for HVAC

Background Details:	The LIRR has implemented a series of initiatives to reduce costs associated with M7 rolling stock maintenance. These initiatives were possible as a result of the Maintenance of Equipment Department's review of parts/components reliability.
----------------------------	---

Program Description/ Implementation Plan:	The LIRR will extend the M7 HVAC RCM interval from 8 years to 10 years based on fleet analysis and anticipated failure rates. It will extend the M7 Air Supply Unit RCM interval from 6 years to 9 years based on fleet analysis and anticipated failures.		
Program Implementation Date:	1/1/2011	When will savings begin?:	1/1/2011

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.923	\$1.637	\$1.724	\$1.724	\$1.724
<i>Total Reduction in Positions Required</i>	5	5	5	5	5

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Revenue Enhancement

Program: AVS Implementation

Background Details:	Implementing AVS (Automated Verification System) at the LIRR's ticket vending machines will significantly reduce credit card chargebacks.
----------------------------	---

Program Description/ Implementation Plan:	AVS requires a customer to enter the zip code of the credit card holder prior to completing a credit transaction. This is similar to many gas stations. It is anticipated that this will result in a 50% reduction of chargebacks based on 2010 levels.
Program Implementation Date:	7/1/11
When will savings begin?:	7/1/11

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.312	\$1.250	\$1.250	\$1.250	\$1.250
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function:

Service Support

Program:

Transportation Operations Efficiencies

Background Details:

Implement crew utilization efficiencies in the Transportation Department.

**Program Description/
Implementation Plan:**

The LIRR has been working to reduce the cost to sell, collect and validate fares. Efforts implemented to date have lowered the cost to sell and validate fares from 22% of farebox revenue to 17%. The LIRR is committed to achieving further reductions in this area. This includes evaluating crew staffing levels, assignments, and release points. The objective is to identify efficiencies while protecting safety and fare collection.

Program Implementation Date:

11/1/2012

When will savings begin?:

11/1/2012

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.188	\$1.187	\$1.220	\$1.252
<i>Total Reduction in Positions Required:</i>	0	12	12	12	12

**MTA Long Island Rail Road
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Service Support

Program: Eliminate Crews that Support Sheridan Shop Diesel Locomotive Moves

Background Details:	There is currently insufficient room in the existing Richmond Hill Locomotive shop to service engines so there is a need to use the adjacent Sheridan Shop for engine work. Contractually, engines are moved into the Sheridan Shop by a yard passenger crew resulting in penalty payments.
----------------------------	---

Program Description/ Implementation Plan:	By reconfiguring workload, the LIRR will use the Roundhouse to service the engines. Since the Sheridan Shop will no longer be used for repairs, the penalty payments and crews used to move the engines into the sheridan shop will be eliminated.		
Program Implementation Date:	4/1/11	When will savings begin?:	4/1/2011

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.335	\$0.452	\$0.460	\$0.473	\$0.486
<i>Total Reduction in Positions Required:</i>	4	4	4	4	4

MTA LONG ISLAND RAIL ROAD
2012 Final Proposed Budget
November Financial Plan 2012 – 2015
Positions

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. Position totals incorporate the seasonal, as well as other fluctuations in staffing requirements for capital projects.

2011 Changes

Total Positions of 6,480 in 2011 represents an increase of 37 positions from the Mid-Year Forecast. The increase of 37 positions is comprised of 39 non-reimbursable positions and a decrease of 2 reimbursable positions. The non-reimbursable increase in positions is primarily due to RCM initiatives and the accelerated hire of the Hours of Service administrative support unit. The reduction of 2 reimbursable positions is associated with changes in capital project activity.

2012 Changes

The 2012 Final Proposed Budget totals 6,508 positions, a reduction of 14 positions from the July Financial Plan and an increase of 28 positions above year-end 2011 projected headcount.

The net reduction of 14 positions from the July Financial Plan is comprised of an increase of 35 non-reimbursable positions resulting from RCM initiatives (M7 and Diesel) with an offsetting reduction of 49 reimbursable positions

associated with project activity, partially offset by LIRR Pension staff not transferring to BSC and additional reimbursable positions for the M9 project.

2013 – 2015 Changes

Annual staffing levels primarily include the impact of the Reliability Centered Maintenance Program, East Side Access (reductions of 6, 28 and 196 positions respectively) and other programmatic changes and re-estimates.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Total Positions by Function and Occupation

FUNCTION/DEPARTMENT		2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration							
	Managers/Supervisors	295	326	332	332	338	348
	Professional, Technical, Clerical	346	308	304	304	304	304
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	641	634	636	636	642	652
Operations							
	Managers/Supervisors	270	299	304	304	303	304
	Professional, Technical, Clerical	176	159	151	151	151	151
	Operational Hourlies	1,665	1,628	1,644	1,641	1,799	1,891
	Total Operations	2,111	2,086	2,099	2,096	2,253	2,346
Maintenance							
	Managers/Supervisors	661	682	688	689	693	729
	Professional, Technical, Clerical	241	256	260	262	262	264
	Operational Hourlies	2,690	2,705	2,712	2,729	2,749	2,753
	Total Maintenance	3,592	3,643	3,660	3,680	3,704	3,746
Engineering/Capital							
	Managers/Supervisors	91	97	95	95	95	95
	Professional, Technical, Clerical	18	20	18	18	18	18
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	109	117	113	113	113	113
Public Safety							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors	1,317	1,404	1,419	1,420	1,429	1,476
	Professional, Technical, Clerical	781	743	733	735	735	737
	Operational Hourlies	4,355	4,333	4,356	4,370	4,548	4,644
	Total Baseline Positions	6,453	6,480	6,508	6,525	6,712	6,857

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Executive VP	2	2	2	2	2	2
Labor Relations	9	10	10	10	10	10
Procurement & Logistics (excl. Stores)	84	84	82	82	82	82
Human Resources	85	76	32	32	38	48
Sr VP Administration	2	2	2	2	2	2
Strategic Investments	33	39	43	43	43	43
President	4	4	4	4	4	4
VP & CFO/Pensions	9	9	9	9	9	9
Information Technology	155	160	160	160	160	160
Controller	64	41	41	41	41	41
Management and Budget	16	18	18	18	18	18
Process Re-Engineering	6	6	6	6	6	6
VP - East Side Access & Special Projects	21	26	26	26	26	26
Market Dev. & Public Affairs	56	61	61	61	61	61
Gen. Counsel & Secretary	31	30	30	30	30	30
Diversity Management	2	2	2	2	2	2
System Safety	19	20	64	64	64	64
Security	5	5	5	5	5	5
Sr VP Operations/Oper. S/A & Serv. Planning	38	39	39	39	39	39
Total Administration	641	634	636	636	642	652
Operations						
Transportation Services - Train Operations	1,805	1,792	1,814	1,811	1,968	2,060
Transportation Services - Station Operations	306	294	285	285	285	286
Total Operations	2,111	2,086	2,099	2,096	2,253	2,346
Maintenance						
Engineering	1,604	1,591	1,555	1,594	1,613	1,631
Equipment	1,897	1,958	2,012	1,993	1,998	2,022
Procurement (Stores)	91	94	93	93	93	93
Total Maintenance	3,592	3,643	3,660	3,680	3,704	3,746
Engineering/Capital						
Department of Project Management	109	117	113	113	113	113
Total Engineering/Capital	109	117	113	113	113	113
Total Baseline Positions	6,453	6,480	6,508	6,525	6,712	6,857
<i>Non-Reimbursable</i>	5,805	5,849	5,940	5,904	6,092	6,243
<i>Reimbursable</i>	648	631	568	621	621	614
<i>Total Full-Time</i>	6,453	6,480	6,508	6,525	6,712	6,857
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

Metro-North Railroad

MTA METRO-NORTH RAILROAD
2012 Final Proposed Budget
November Financial Plan 2012-2015

FINANCIAL OVERVIEW

The 2011 November Financial Plan sustains the savings previously achieved from MTA-wide budget balancing actions, continues current operating, safety, and customer service standards, and incorporates several new initiatives to improve the railroad's performance.

2011 has been a very challenging year. Severe weather conditions that have plagued the Northeast throughout 2011 have presented Metro-North with formidable operating and financial challenges. Frequent and severe snow and ice storms during the winter, and higher-than-average rainfalls in the spring and summer have increased repairs to rolling stock and the right-of-way leading to service disruptions, track and power outages, and car fleet shortages. In addition to these events, Tropical Storm Irene paralyzed the region's transportation system in late August and inflicted significant damage to Metro-North's infrastructure, causing service outages and the suspension of regular Port Jervis Line service due to extensive damage to track and signal systems requiring major reconstruction.

The cost to address these weather emergencies is significant. Port Jervis Line reconstruction costs and the provision of alternate service are estimated to cost \$30 million to \$40 million. In addition, snow-damaged repairs to a large portion of the New Haven Line electric car fleet, the washout of Danbury Branch track, and weather emergency preparation and recovery tasks through the year, have required an increase in overtime expenditures to return service back to normal levels as quickly and efficiently as possible.

Despite these setbacks, Metro-North on-time performance remains above 96% (through October 2011) and 2011 ridership continues to show positive gains with a projected 0.8% increase system-wide. This higher ridership will improve 2011 operating revenues to levels that are 1.1% higher than 2010. In 2012, further passenger revenue growth of \$23 million (4%) will be derived from East of Hudson projected ridership growth of 2.1% as well as a 5.3% State of Connecticut fare increase on the New Haven Line.

Operating expense requirements are developed from Metro-North's annual planning process where issues impacting the performance of the railroad are reviewed and initiatives are 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 revenue generation, service quantity, quality or efficiency, and the impacts of capital improvements on operating expenditures. New

programs included in the November Financial Plan and the proposed 2012 Operating Budget are highlighted below:

Customer Service

- GCT escalator replacements are scheduled to begin in 2012 to provide for a state-of-good-repair initiative that will improve the reliability of this equipment and maintain essential customer conveniences.
- Communication to customers will be improved at outlying stations through the development of a cyclical replacement program to maintain signage and information displays in a state-of-good-repair. Upgraded electronic station signs will also be installed at 50 outlying stations that will display the next three trains.
- Installation of NYCT monitors (SAIDs-Station Advisory Information Displays) in GCT and at select subway transfer stations will provide customers with real-time subway service information to help make transit connections easier.
- Enhancements to Metro-North Railroad Train Time will improve the timeliness of communicating track assignment changes to customers.
- Repairs to station platforms and stairs at Cortlandt Station will improve customer safety and enhance the station environment.
- Train service adjustments are included beginning October 2011 and continue in the 2012-2015 period. These adjustments are designed to address growing ridership levels, alleviate capacity constraints and overcrowding, meet seasonal ridership demands, maintain or improve the Fare Operating Ratio, and support capital program projects such as parking expansion.

Service Reliability

- Genesis locomotive overhauls continue to be funded and are scheduled for completion in 2013.
- Two additional West of Hudson locomotives have been scheduled for overhaul in 2012 to maintain the reliability of these units, improve their mean distance between failure, and reduce out-of-service rates.
- Six GP35 switching locomotives will be overhauled in 2012-2014 to replace critical components and extend the life of this equipment.
- Additional snow removal equipment will be procured in 2011 and 2012 to ensure Metro-North is adequately prepared to combat inclement weather and snow storm conditions to minimize weather-related service disruptions and equipment damage.
- Continuation of the cyclical replacement of Hudson Rail Link shuttle buses ensures the reliability and adequate capacity of this successful connecting service.

- Repair costs have been included for the fender system that protects the Harlem River Lift Bridge. The structural integrity to this only artery into and out of GCT could be compromised by a collision from a ship or barge if the bridge is unprotected, which could cause service disruptions or the suspension of service.
- As Metro-North approaches its 30th year of operation in 2013 it will experience a significant turnover in its workforce. In order to prepare for this transition, Metro-North has accelerated the development and training of critical operating positions that require long term technical training to meet job qualifications. This effort involves increasing the pool of critical operating craft employees-in-training programs and adding training and human resource staff to support additional demands for recruiting and training of these new employees.

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.
- Security systems will be upgraded to provide real-time video feeds to Metro-North operation control centers.
- M-3 Door Modification program will begin in 2012. This program will create redundancy in door operating systems, improving the safety and reliability of this equipment.

Sustainability

- In conjunction with NYPA, Metro-North will take steps to conserve and lower the cost of energy consumed in GCT through energy improvements and conservation efficiencies:
 - the installation of new transformer and switch gear equipment,
 - replacement of steam absorption chillers with centrifugal, electric chillers,
 - installation of high efficiency electric motors,
 - lighting improvements,
 - We also continue other efficiency efforts with NYPA at select offices and shop locations to install occupancy detectors, energy efficient lighting, low flow water appliances and HVAC system upgrades.

Financial Stability

- *M8 Cars*

With the recent approval to procure an additional 25 M8 single cars, the new M8 car fleet will total 405 cars. This change will allow Metro-North to retire its aging M4 and M6 cars resulting in lower operating costs for a smaller and more efficient NHL car fleet that will require fewer maintenance positions, lower maintenance material, and the elimination of the M4/M6 overhaul program.

- *Overtime*

Over the past several years, Metro-North has managed its overtime spending annually to achieve a balanced approach to spending in two key areas: reducing unscheduled overtime and balancing overtime spending with service reliability. These reductions were achieved by conducting functional programmatic reviews that identified several key overtime initiatives and changes in business practices to reduce unscheduled overtime spending.

However, in 2011 severe weather conditions throughout the year have made it virtually impossible to stay within planned overtime levels. Frequent and severe snow and ice storms during the winter, higher than average rain falls in the spring and summer, and the late August occurrence of Tropical Storm Irene have required additional overtime expenditures. In addition, changes in the delivery schedule of new M-8 cars has resulted in greater use of the older NHL car fleet that incurs higher failure rates and increased maintenance requirements to meet daily consists. Despite these setbacks, Metro-North will continue efforts to monitor, and control overtime through the following actions:

- Reducing overtime from full-shifts to half-shifts when applicable;
- Scheduling vacation time more evenly throughout the year;
- Reallocating resources to night work;
- Reviewing coverage to meet service requirements, consist compliance; and preserve peak period service; and
- Incorporating future overtime savings associated with new M-8 cars.

- *Inventory Procurement*

Efforts to reduce stock inventory purchases and improve control of material usage will continue through the implementation of strategic procurement and inventory planning initiatives that partner maintenance needs with material management efforts. Continuation of on-going efforts includes:

- Refinement in the scheduling of maintenance programs.
- Managing safety stock levels.
- Reviewing open purchase orders.
- Monitoring inventory replenishments.
- Implementation of a new forecasting model for inventory procurements.
- Increase controls over Maintenance of Way material.
- Increase the focus on material under warranty as new M-8 cars are placed into service.

- 2011 includes a 15% reduction to the reimbursable administrative workforce (savings of 23 positions, \$2.5 million net of overhead recoveries).

- Incorporate new sources of non-passenger revenue as a result of focused efforts to leverage Metro-North assets for GCT retail revenue and parking,
- Preserve the retail revenue stream in GCT and maintain its landmark status by funding GCT renovation projects in each year of the plan. 2012 renovation projects include the restoration of the 43rd Street entrance, the rehabilitation of the GCT exterior canopies on 42nd Street and the interior trainshed.
- Complete the installation and implementation of Kronos timekeeping at all facilities to improve the tracking and reporting of personnel costs.

The financial plan also includes inflation-driven changes for labor, energy, material and supplies, employee health benefit costs and insurance coverage. Defined Benefit Pension contributions were adjusted in accordance with actuarial estimates.

2011 NOVEMBER FORECAST

The 2011 November Forecast subsidy requirement of \$388.5 million for non-reimbursable operations is \$27.6 million lower than the 2011 July Mid-Year Forecast. This reflects \$0.4 million in higher total revenue and \$27.2 million in reduced cash expenditures. Total operating revenues of \$611.2 million reflect passenger revenues of \$566.1 million that are \$0.9 million lower than the July 2011 Mid-Year Forecast due to revenue losses attributable to Tropical Storm Irene (\$2.4 million). Ridership, projected at 80.1 million customers, is virtually on-target to the July Mid-Year Forecast and 1.1% higher than 2010. Other Operating Revenues of \$45.2 million are \$1.3 million favorable to the July Mid-Year Forecast due to higher GCT retail proceeds and outlying station revenue. Non-reimbursable operating expenses of \$1,273.8 million are \$11.2 million lower than the July Mid-Year Forecast. These favorable results are attributed to lower non-cash accrual adjustments for depreciation (\$4.0 million), reduced material usage, lower energy prices, vacancies, timing differences in expenditures for locomotive overhauls and lower bridge inspection services. These decreases are partially offset by higher overtime expenditures due to: Tropical Storm Irene coverage requirements, ongoing track repairs, New Haven Line car fleet maintenance, and train service coverage for Yankee Stadium and New Haven Yard operations. Higher expenditures are also required to fund alternate busing costs for the Port Jervis Line while the rebuilding of storm-damaged track and structures is completed (\$6.0 million).

The 2011 Year-End Reimbursable revenue and expense projections total \$206.4 million which is \$17.9 million higher than the 2011 July Mid-Year Forecast. This increase primarily reflects \$16.3 million for the Port Jervis Line Reconstruction. It also includes the impact of prior year payments made in 2011 on several projects (GCT Leaks Remediation, Rehabilitation of Overhead Bridges and Coach Remanufacture) as well as the acceleration of the Danbury Branch Signal System project on overtime; these increases were offset by scheduling delays on the West Haven Station project.

2012 FINAL PROPOSED BUDGET - BASELINE

The 2012 Final Proposed Budget reflects Non-Reimbursable revenue projections totaling \$632.9 million, and expenses, including depreciation, of \$1,353.0 million that generate an operating deficit of \$720.2 million. Cash adjustments of \$252.2 million reduce that amount to a cash deficit of \$468.0 million, of which \$366.0 million represents the MTA share and \$102.0 million the ConnDOT share. The 2012 Final Proposed Budget for reimbursable revenues and expenses total \$211.0 million which is \$26.1 million higher than the July Mid-Year Forecast. This increase is primarily due to \$10.2 million for Port Jervis Line Reconstruction plus the re-scheduling and carryover of numerous projects from 2011.

Non-reimbursable Farebox Revenue of \$589.0 million is \$22.9 million or 4.0% higher than 2011 reflecting projected East of Hudson ridership growth of 2.1% and a 5.3% State of Connecticut fare increase on the New Haven Line starting January 1, 2012. System-wide ridership, projected at 83.6 million customers, is 2.3% higher than 2011.

Other Operating Revenue of \$43.9 million is \$1.8 million lower than 2011 due to an increase in GCT revenue-funded improvements which include: the restoration of the 43rd Street entrance, the rehabilitation of the GCT exterior canopies and the interior trainshed.

Operating expenses of \$1,353.0 million reflect current cost trends for energy, employee benefit costs and insurance, as well as inflation-based increases for material. Labor costs reflect CPI-based wage increase assumptions and the removal of extraordinary 2011 overtime costs for weather emergencies. As Metro-North approaches its 30th year of operation in 2013 it will experience a significant turnover in its workforce. In order to prepare for this transition, Metro-North has accelerated the development and training of critical operating positions that require long term technical training to meet the job qualifications. This effort involves increasing the pool of critical operating craft employees-in-training programs and adding training and human resources staff to support additional demands for the training of new employees.

Other program changes include installation of M-3 door modifications that will improve the safety and reliability of this equipment, continuation of locomotive overhauls, implementation of service adjustments, and cost adjustments associated with the phase-in of new M-8 cars and the retirement of the M-2 fleet. To improve Customer Service, a signage replacement program at outlying stations and the replacement of GCT escalators will also begin in 2012.

2013-2015 PROJECTIONS

2013-2015 revenue projections reflect favorable growth from ridership increases of 1.8%, 1.9% and 2.2% respectively, as well as State of Connecticut New Haven Line fare increases of 5.0% in 2013 and 2014, and 1.0% in 2015. Expenditure projections enable Metro-North to continue initiatives that adjust service levels, continue service reliability programs that maintain rolling stock and the right-of-way, and phase-in resources to support maintenance requirements on the new M-8 car fleet. Included in the 2013-2015 projections are measures that include the removal of completed programs such as locomotive overhauls, and the incorporation of projected cost changes in labor, employee benefit costs, insurance, material and overhead cost recoveries from capital projects.

Reimbursable project costs (and receipts) for 2013-2015 compared to the July Financial Plan are lower by \$11.0 million in 2013, \$9.4 million in 2014 and \$7.3 million in 2015 reflecting a continuation of new baseline project levels from 2012, with select minor project cost and scheduling refinements including the winding down and completion of the Danbury Branch Signal System, GCT Leaks Remediation and M-8 Car Specification Development projects.

Major assumptions reflected in the 2013-2015 projections and the reconciliation to the July Financial Plan are furnished in subsequent sections.

MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Operating Revenue						
Farebox Revenue	\$526.691	\$566.059	\$588.964	\$610.419	\$633.428	\$650.090
Port Jervis Line Reconstruction	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	46.823	45.157	43.902	45.600	47.978	49.733
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
Total Revenue	\$573.514	\$611.217	\$632.866	\$656.019	\$681.406	\$699.823
Operating Expenses						
Labor:						
Payroll	\$386.240	\$390.992	\$411.421	\$420.025	\$429.808	\$439.018
Overtime	54.682	58.159	54.394	55.222	56.295	57.354
Health and Welfare	71.226	79.226	91.818	104.988	114.202	124.926
OPEB Current Payment	13.002	15.250	16.000	17.000	18.000	18.500
Pensions	47.669	53.537	67.247	68.453	66.753	70.583
Other Fringe Benefits	79.345	80.389	83.628	85.685	87.929	90.352
Reimbursable Overhead	(35.009)	(37.065)	(42.939)	(43.481)	(44.323)	(45.157)
Total Labor	\$617.155	\$640.487	\$681.569	\$707.892	\$728.664	\$755.576
Non-Labor:						
Traction and Propulsion Power	\$61.853	\$62.725	\$71.518	\$81.956	\$92.364	\$104.321
Fuel for Buses and Trains	15.891	23.796	25.908	27.429	27.166	27.418
Insurance	10.575	10.248	10.893	11.979	13.189	14.522
Claims	7.235	11.001	12.000	12.000	11.975	11.975
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	88.006	109.160	109.042	102.008	99.570	100.244
Professional Service Contracts	27.931	34.705	37.828	38.037	38.463	38.880
Materials & Supplies	78.201	87.950	86.277	87.444	93.422	96.991
Other Business Expenses	13.594	16.256	15.260	15.535	16.357	16.150
Total Non-Labor	\$303.286	\$355.841	\$368.726	\$376.388	\$392.506	\$410.501
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$920.441	\$996.328	\$1,050.295	\$1,084.280	\$1,121.170	\$1,166.077
Depreciation	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
OPEB Obligation	45.698	56.275	59.997	61.143	62.402	63.713
Environmental Remediation	3.753	6.527	6.723	6.925	7.132	7.346
Total Expenses	\$1,188.944	\$1,273.807	\$1,353.030	\$1,392.871	\$1,436.182	\$1,487.769
Surplus/(Deficit)	(\$615.430)	(\$662.591)	(\$720.164)	(\$736.852)	(\$754.776)	(\$787.946)
Cash Conversion Adjustments:						
Depreciation	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
Operating/Capital	(12.415)	(10.469)	(19.977)	(17.000)	(17.000)	(17.000)
Other Cash Adjustments	16.622	69.856	36.169	57.008	37.585	56.649
Total Cash Conversion Adjustments	\$223.259	\$274.064	\$252.207	\$280.531	\$266.063	\$290.282
Cash Surplus/(Deficit)	(\$392.171)	(\$388.527)	(\$467.957)	(\$456.321)	(\$488.713)	(\$497.664)

[illegible]

MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Revenue						
Farebox Revenue	\$526.691	\$566.059	\$588.964	\$610.419	\$633.428	\$650.090
Port Jervis Line Reconstruction	0.000	16.304	10.211	0.000	0.000	0.000
Other Operating Revenue	46.823	45.157	43.902	45.600	47.978	49.733
MNR - MTA	87.611	88.668	119.766	124.652	128.094	132.242
MNR - CDOT	70.617	84.609	66.846	60.850	60.204	59.777
MNR - Other	22.293	16.783	14.135	13.478	13.774	14.132
Capital and Other Reimbursements	180.521	190.060	200.747	198.980	202.072	206.151
Total Revenue	\$754.035	\$817.581	\$843.824	\$854.999	\$883.478	\$905.974
Expenses						
Labor:						
Payroll	\$427.342	\$433.708	\$457.597	\$466.816	\$477.502	\$487.603
Overtime	70.538	73.984	72.144	73.131	74.552	75.954
Health and Welfare	81.077	89.953	105.469	120.342	130.863	143.017
OPEB Current Payment	13.002	15.250	16.000	17.000	18.000	18.500
Pensions	52.860	59.030	76.398	77.702	75.756	80.096
Other Fringe Benefits	88.814	90.605	94.370	96.601	99.094	101.796
Reimbursable Overhead	(0.131)	(0.426)	(0.293)	(0.289)	(0.295)	(0.300)
Total Labor	\$733.502	\$762.103	\$821.685	\$851.303	\$875.472	\$906.666
Non-Labor:						
Traction and Propulsion Power	\$61.853	\$62.725	\$71.518	\$81.956	\$92.364	\$104.321
Fuel for Buses and Trains	15.891	23.796	25.908	27.429	27.166	27.418
Insurance	14.249	14.161	16.134	17.318	18.631	20.066
Claims	7.235	11.001	12.000	12.000	11.975	11.975
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	130.249	146.367	122.014	112.956	110.744	111.652
Professional Service Contracts	33.703	38.248	43.023	44.860	43.104	41.296
Materials & Supplies	90.389	112.110	122.957	119.350	126.865	132.107
Other Business Expenses	13.891	15.877	15.803	16.088	16.921	16.727
Total Non-Labor	\$367.460	\$424.285	\$429.357	\$431.957	\$447.770	\$465.562
Other Adjustments:						
Port Jervis Line Reconstruction	0.000	16.304	10.211	0.000	0.000	0.000
Total Other Adjustments	\$0.000	\$16.304	\$10.211	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,100.962	\$1,186.388	\$1,251.042	\$1,283.260	\$1,323.242	\$1,372.228
Depreciation	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
OPEB Obligation	45.698	56.275	59.997	61.143	62.402	63.713
Environmental Remediation	3.753	6.527	6.723	6.925	7.132	7.346
Total Expenses	\$1,369.465	\$1,480.171	\$1,563.988	\$1,591.851	\$1,638.254	\$1,693.920
Surplus/(Deficit)	(\$615.430)	(\$662.591)	(\$720.164)	(\$736.852)	(\$754.776)	(\$787.946)
Cash Conversion Adjustments:						
Depreciation	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
Operating/Capital	(12.415)	(10.469)	(19.977)	(17.000)	(17.000)	(17.000)
Other Cash Adjustments	16.622	69.856	36.169	57.008	37.585	56.649
Total Cash Conversion Adjustments	\$223.259	\$274.064	\$252.207	\$280.531	\$266.063	\$290.282
Cash Surplus/(Deficit)	(\$392.171)	(\$388.527)	(\$467.957)	(\$456.321)	(\$488.713)	(\$497.664)

MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$535.551	\$573.494	\$613.063	\$618.369	\$641.528	\$658.590
Port Jervis Line Reconstruction	0.000	16.304	10.211	0.000	0.000	0.000
Other Operating Revenue	65.258	68.040	68.421	70.370	72.559	74.379
MNR - MTA	99.641	78.113	120.134	126.981	126.380	129.889
MNR - CDOT	68.593	85.208	67.121	61.094	60.289	59.873
MNR - Other	14.895	22.203	12.737	13.642	13.685	14.027
Capital and Other Reimbursements	183.129	185.524	199.992	201.717	200.354	203.789
Total Receipts	\$783.938	\$843.362	\$891.687	\$890.456	\$914.441	\$936.758
Expenditures						
Labor:						
Payroll	\$427.365	\$432.003	\$460.571	\$465.900	\$484.434	\$485.720
Overtime	71.438	73.926	72.861	72.850	76.330	75.655
Health and Welfare	85.380	93.241	108.257	124.093	134.943	147.175
PEPB Current Payment	13.204	15.250	16.000	17.000	18.000	18.500
Pensions	58.470	59.146	76.508	77.807	75.860	80.205
Other Fringe Benefits	87.324	90.473	95.514	96.923	100.862	101.398
GASB Account	14.432	0.000	8.746	9.607	10.512	11.229
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor	\$757.613	\$764.039	\$838.457	\$864.180	\$900.941	\$919.882
Non-Labor:						
Traction and Propulsion Power	\$65.971	\$62.725	\$71.518	\$81.956	\$92.364	\$104.321
Fuel for Buses and Trains	15.891	23.796	25.908	27.429	27.166	27.418
Insurance	17.658	14.330	15.935	17.103	19.598	19.840
Claims	8.717	11.147	12.146	12.146	12.121	12.121
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	156.544	159.703	163.242	140.406	143.508	143.867
Professional Service Contracts	37.696	39.537	44.058	45.624	43.854	42.032
Materials & Supplies	83.889	115.311	137.281	132.565	137.300	138.484
Other Business Expenses	32.130	24.997	40.888	25.368	26.302	26.457
Total Non-Labor	\$418.496	\$451.546	\$510.976	\$482.597	\$502.213	\$514.540
Other Adjustments:						
Port Jervis Line Reconstruction	\$0.000	\$16.304	\$10.211	\$0.000	\$0.000	\$0.000
Cash Timing and Availability Adjustment	(12.335)	0.000	0.000	0.000	0.000	0.000
Total Other Adjustments	(\$12.335)	\$16.304	\$10.211	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,163.774	\$1,231.889	\$1,359.644	\$1,346.777	\$1,403.154	\$1,434.422
Cash Deficit	(\$379.836)	(\$388.527)	(\$467.957)	(\$456.321)	(\$488.713)	(\$497.664)
Subsidies						
MTA	(\$302.177)	(\$287.188)	(\$366.018)	(\$353.126)	(\$389.155)	(\$396.570)
CDOT	(77.659)	(101.339)	(101.939)	(103.195)	(99.558)	(101.094)
Total Subsidies	(\$379.836)	(\$388.527)	(\$467.957)	(\$456.321)	(\$488.713)	(\$497.664)

MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$8.860	\$7.435	\$24.099	\$7.950	\$8.100	\$8.500
Port Jervis Line Reconstruction	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	18.435	22.883	24.519	24.770	24.581	24.646
MNR - MTA	12.030	(10.555)	0.368	2.329	(1.714)	(2.353)
MNR - CDOT	(2.024)	0.599	0.275	0.244	0.085	0.096
MNR - Other	(7.398)	5.420	(1.398)	0.164	(0.089)	(0.105)
Capital and Other Reimbursements	2.608	(4.536)	(0.755)	2.737	(1.718)	(2.362)
Total Receipts	\$29.903	\$25.781	\$47.863	\$35.457	\$30.963	\$30.784
Expenditures						
Labor:						
Payroll	(\$0.023)	\$1.705	(\$2.974)	\$0.916	(\$6.932)	\$1.883
Overtime	(0.900)	0.058	(0.717)	0.281	(1.778)	0.299
Health and Welfare	(4.303)	(3.288)	(2.788)	(3.751)	(4.080)	(4.158)
OPEB Current Payment	(0.202)	0.000	0.000	0.000	0.000	0.000
Pensions	(5.610)	(0.116)	(0.110)	(0.105)	(0.104)	(0.109)
Other Fringe Benefits	1.490	0.132	(1.144)	(0.322)	(1.768)	0.398
GASB Account	(14.432)	0.000	(8.746)	(9.607)	(10.512)	(11.229)
Reimbursable Overhead	(0.131)	(0.426)	(0.293)	(0.289)	(0.295)	(0.300)
Total Labor	(\$24.111)	(\$1.936)	(\$16.772)	(\$12.877)	(\$25.469)	(\$13.216)
Non-Labor:						
Traction and Propulsion Power	(\$4.118)	\$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	(3.409)	(0.169)	0.199	0.215	(0.967)	0.226
Claims	(1.482)	(0.146)	(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	(26.295)	(13.336)	(41.228)	(27.449)	(32.764)	(32.215)
Professional Service Contracts	(3.993)	(1.289)	(1.035)	(0.764)	(0.750)	(0.736)
Materials & Supplies	6.500	(3.201)	(14.324)	(13.215)	(10.435)	(6.377)
Other Business Expenditures	(18.239)	(9.120)	(25.085)	(9.279)	(9.381)	(9.730)
Total Non-Labor	(\$51.036)	(\$27.261)	(\$81.619)	(\$50.638)	(\$54.443)	(\$48.978)
Other Adjustments:						
Port Jervis Line Reconstruction	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$45.244)	(\$3.415)	(\$50.528)	(\$28.058)	(\$48.949)	(\$31.410)
Depreciation Adjustment	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
OPEB Obligation	45.698	56.275	59.997	61.143	62.402	63.713
Environmental Remediation	3.753	6.527	6.723	6.925	7.132	7.346
Total Cash Conversion Adjustments	\$223.259	\$274.064	\$252.207	\$280.533	\$266.063	\$290.282

MTA METRO-NORTH RAILROAD
2012 Final Proposed Budget
November Financial Plan 2012-2015
Year-to-Year Changes by Category- Baseline

FAREBOX REVENUE

Non-Reimbursable

- East of Hudson ridership growth is projected at 2.1% in 2012, 1.7% in 2013, 1.9% in 2014, and 2.2% in 2015.
- 2012-2015 reflects the impact of State of Connecticut fare increases on the New Haven Line commencing January 1 of each year: 5.3% in 2012, 5.0% in 2013 and 2014 and 1.0% in 2015.
- 2013-2015 ridership growth reflects an improving economy, the impact of capital program improvements, parking expansion, as well as adjustments in programmed service.

Reimbursable

- Not applicable

Cash

- 2011-2015 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

- 2012 revenue reflects the average net proceeds from GCT retail operations (which includes an increase in income from the new Apple Inc. store on the East Balcony), augmented by increased parking, and advertising revenues. GCT retail revenues are used to fund major renovation programs for the historically landmarked Grand Central Terminal. Renovation projects scheduled in 2012 are the restoration of the 43rd Street entrance and the rehabilitation of the GCT exterior canopies and the interior train shed.
- 2013-2015 increase reflects growing net GCT retail tenant revenues, additional parking at Cortlandt and North White Plains, and higher advertising revenues.

Cash

- 2011-2015 adjustments include receipts for claim and insurance refunds and other miscellaneous receipts, as well as the reclassification of expense recoveries to cash reimbursements (includes Amtrak and other railroad reimbursements, GCT revenue funded projects, reimbursements from CDOT, and scrap material sales).

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 and 2012 include \$16.3 million and \$10.2 million respectively for Port Jervis Line Reconstruction as a result of track and structure damage caused by Tropical Storm Irene.
- Excluding Port Jervis Line Reconstruction costs, 2012 accrued reimbursable expenditures (and receipts) total \$200.7 million, \$10.7 million higher than 2011. These increases are attributed to increased activity on the following projects: West Haven Station, NH Component Change-out Shop, Track and Turnout Replacements, and Station Improvements. Partially offsetting these project increases are the full year impact of eliminating 23 reimbursable administrative positions (initiated in September of 2011); completion of the 525 North Broadway, Coach Remanufacture and NHL Concrete Tie projects in 2011; and the winding down of the Danbury Branch Signal System and GCT Leaks remediation projects.
- 2013 accrued expenditures (and receipts) total \$199.0 million and are based upon the latest projections of capital project activity. Lower reimbursements in 2013 are primarily attributable to the completion of the Port Jervis Line Reconstruction as well as the continued winding down of the Danbury Branch Signal System project.
- 2014-2015 accrued expenditures (and receipts) are based on a continuation of 2013 project cost levels adjusted for the impact of inflation and minor project cost refinements.

Cash

- 2011 includes adjustments for receipt timing differences. In addition, 2011-2015 includes cash adjustments to MTA and CDOT receipts for reimbursable portion of GASB contribution.

PAYROLL

Non-Reimbursable

Management Labor

- 2011 includes a provision for management increases of 2.23%. 2012-2015 include cost of living increases of 2.20%, 1.97%, 1.91%, and 1.85% respectively.
- As part of the initiative to minimize the impact on critical operations positions with the expected increase in 2013 attrition, seven Operations Managers were added to replace Train & Engine (T&E) Special Duty positions to increase the availability of T&E positions for train service coverage and reduce overtime, and nine training and two human resource positions were added to support additional demands for recruiting and training new employees (2012 \$1.6 million).
- 2012 includes the cost to transfer six reimbursable business development positions to the operating budget (\$0.8 million), four additional positions to staff the New Haven Maintenance Facility Shop Complex (\$0.2 million), five Conductor Certification program positions (\$0.5 million), and additional resources to support information systems and material management, corporate communications, safety & security, and vehicle management (\$0.7 million).
- 2013 includes the cost to fully staff the GCT Fire Brigade (six positions, \$0.5 million).

Agreement Labor

- Agreement wages include salary increases of 3.0% spanning January 2009 through July 15, 2010. For July 16, 2010 through July 15, 2012 no increases in wages are assumed. Starting July 16 2012 annual wage increases are projected at CPI-based rates of 2.20% in 2012, 1.97% in 2013, 1.91% in 2014, and 1.85% in 2015.
- As part of the initiative to minimize the impact on operations of higher 2013 attrition levels, the number of critical operating craft employees-in-training will be accelerated in 2012 (\$2.7 million from lower vacancy/turnover savings). This cost will be eliminated in mid-2013 as trained employees move into vacated/retiree positions.
- 2012 includes the full year cost increment for the Conductor Certification Program (\$1.5 million) and service plan adjustments (\$2.3 million).
- 2013-2015 includes Agreement staffing costs for servicing of the new M-8 cars (\$1.4 million in 2013, \$1.0 million in 2014 and \$0.4 million in 2015).

- 2013-2015 includes additional T&E staffing for train service adjustments (\$1.2 million in 2013, \$1.3 million in 2014 and \$1.5 million in 2015).

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.
- 2012 includes the full year impact of the 15% reduction in reimbursable administrative positions (23 positions starting September 2011, full year savings of \$3.4 million in 2012).

Cash

- 2011-2015 cash adjustments include timing differences, retirement payments, an Agreement employee allowance, and employee contribution to health care coverage.

OVERTIME

Non-Reimbursable

- Overtime follows the same inflation rate assumptions as the Agreement Payroll increases noted above.
- The 2011 November Forecast is \$3.0 million higher than the July Mid-Year Forecast primarily due to the impact of adverse weather conditions on equipment and the right-of-way, primarily attributed to the impact of Tropical Storm Irene.
- 2012 eliminates storm-related increases in overtime and incorporates T&E overtime savings associated with the Hours of Service Compliance program and staffing initiatives that increase the availability of T&E employees (\$1.4 million).

Reimbursable

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

HEALTH AND WELFARE

Non-Reimbursable and Reimbursable

- 2012-2015 include estimated annual premium increases for NYS Empire Plan health care and insurance premiums of 9.7% in 2012 (10.1% family coverage and 8.4% individual coverage), 6.2% in 2013, 8.2% in 2014 and 2015.

Cash

- 2011-2015 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 2012-2015 are \$16.0 million in 2012, \$17.0 million in 2013, and \$18.0 million in 2014, and \$18.5 million in 2015.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2011-2015 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 Defined Benefit Plan is based on projections prepared by actuarial consultants.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2012-2015 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$109,880 in 2012, \$112,800 in 2013, \$116,100 in 2014, and \$121,200 in 2015.
- Maximum earnings level for Tier II is estimated at \$81,600 in 2012, \$83,700 in 2013, \$86,400 in 2014 and \$90,000 in 2015.
- Other cost adjustments reflect inflationary salary increases and changes in staffing levels.

Reimbursable

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

Cash

- 2011-2015 adjustments include differences between expense accruals and cash disbursements.

GASB ACCOUNT

Cash

- 2011-2015 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 Employee Benefits" (healthcare costs). 2011 forecast reflects prepayment of the 2011 liability in 2010 (\$7.2 million).

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead Cost Recoveries are derived from Reimbursable Project Estimates.

Reimbursable

- Overhead costs for 2011 and 2012 are based on a percentage share of direct labor costs charged to reimbursable projects. 2013-2015 overhead costs are based on the continuation of 2012 budget 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

- 2011-2015 incorporates the net effect of train service adjustments and the cost changes associated with the integration of new M-8 cars into New Haven Line service, offset by the gradual retirement of the M-2, M-4 and M-6 car fleets.
- 2012-2015 costs reflect annual increases in energy prices and delivery rates projected at 8.0% in 2012, 10.1% in 2013, 11.2% in 2014, and 11.4 % in 2015.

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2012-2015 prices are projected to increase by 1.6% in 2012, 4.2% in 2013, decline by 1.2% in 2014, and remain constant in 2015.
- 2012 and 2013 include the impact of Service Plan adjustments.

INSURANCE

Non-Reimbursable and Reimbursable

- Increases in 2012-2015 reflect revised insurance premium estimates.

Cash

- 2011-2015 reflects increase in force account payments as well as All-Agency insurance costs. 2011-2015 also includes the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2011 - 2015 reflect current claims trends.

The Remaining Non-Reimbursable Cost Categories were selectively inflated by using CPI Increases in 2012-2015 of 1.55%, 1.91%, 2.06%, and 2.10% respectively.

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- 2012 reflects the net effect of eliminating 2011 Port Jervis Line alternate bus service costs (\$6.0 million) and the completion of 2011 programs (\$4.0 million), offset by the increase in locomotive overhaul activity (\$5.2 million), M-2 car disposal costs (\$1.6 million), New Haven Shop Improvements (\$1.0 million) and an increase in West of Hudson subsidy requirements (\$2.9 million),
- 2013 cost decrease reflects the winding down of the Genesis locomotive overhaul (\$8.1 million), and completion of New Haven Shop improvements (\$1.0 million), offset by GCT training center build-out costs (\$1.7 million), an increasing level of M-2 car disposals (\$0.7 million) and NH Shop Complex utility costs (\$0.5 million),
- 2014 decrease reflects completion of the locomotive overhaul program and the GCT training center renovation (\$5.2 million) offset by an increase in West of Hudson subsidy payments (\$2.6 million).
- 2015 includes the completion of the New Haven Line car disposal program.

Reimbursable

- In 2012, decreased expenditures reflect: the winding down of the Danbury Branch Signal System; scope reduction/completion of the M-4 Mid-Life Overhaul in 2011; and completion of NHL Concrete Tie project in 2011.
- 2013-2015 estimates mostly reflect the continuation of 2012 project activity levels adjusted for inflation and the winding down of the Danbury Branch Signal System and GCT Leaks Remediation projects.

Cash

- 2011-2015 cash adjustments include payment timing differences, the elimination of non-cash GASB 49 environmental accruals, payments on behalf of CDOT and the MTA for station facilities and utilities, and reclassifications of expense recoveries to cash reimbursements (includes Amtrak and other railroad cost recoveries, and GCT revenue funded projects).

PROFESSIONAL SERVICES CONTRACTS

Non-Reimbursable

- 2012 includes higher NHL share of the BSC costs (\$0.5 million) and a full year impact of annual bridge inspection costs that were delayed in 2011 (\$1.4 million).

Reimbursable

- 2012 and 2013 expenditure levels are consistent with 2011 projections adjusted for the impact of inflation and increased needs of the M-8 Car

Specification Development project. Conversely, decreasing levels in 2014 and 2015 reflect the winding down of this project.

MATERIAL AND SUPPLIES

Non-Reimbursable

- 2012 Inflation changes were based on the Chained Price Index for Industrial Materials. Costs were inflated by 4.42% in 2013, 4.82% in 2014, and 5.00% in 2015.
- 2011 includes the cost to purchase new Snow Melter Cabinets (\$1.7 million) and snow fighting equipment (\$1.4 million). These costs are offset by lower NHL Equipment Plan costs due to scheduling changes in new M-8 car deliveries (\$1.5 million).
- 2012 includes lower cost for the NHL Equipment Replacement Plan (\$4.0 million), winding down of the M-3 CSR program (\$1.3 million), and the elimination of one-time 2011 procurements (\$3.1 million for the purchase of Snow Melter Cabinets and snow fighting equipment). These decreases are partially offset by additional material costs for the M-7 Seat Change-Out program (\$1.6 million), M-3 Door Modifications (\$0.7 million), Station Signage replacements (\$0.6 million), and material management equipment (\$0.5 million).
- 2013 includes additional material costs for the M-7 Seat Change-Out program (\$3.2 million), partially offset by lower costs for the NHL Equipment Replacement Plan (\$2.8 million) and the completion of the M-3 Door Modification Program (\$0.7 million).
- 2014 and 2015 include higher NHL Equipment Replacement Plan costs (\$1.8 million) and (\$0.8 million) respectively.

Reimbursable

- CPI increases in 2012-2015 follow the same assumptions as non-reimbursable costs noted above.
- In 2012, the increase is primarily attributable to cost refinements on multiple projects. In 2013, the reduction reflects the completion of the Danbury Branch Signal System project.
- 2014-2015, levels are consistent with 2013 projections adjusted for the impact of inflation.

Cash

- Cash adjustments reflect differences between expense accruals and cash requirements:
- 2011-2014 includes increases in inventory levels for M-8 spare parts (\$0.3 million in 2011; \$6.2 million in 2012; \$7.0 million in 2013; \$4.2 million in 2014).
- 2011-2015 includes decreases to cash requirements due to on-going inventory reduction efforts (\$3.0 million in 2011; \$2.4 million 2012-2015).
- 2011-2015 includes adjustment for obsolete material reserve (\$0.6 million per year).

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2011-2015 includes the tri-annual cost requirement of providing winter gear to agreement employees.

Reimbursable

- CPI increases in 2011-2014 follow the same assumptions as non-reimbursable costs noted above.

Cash

- 2011-2015 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, and safety shoe and tool allowance to the Payroll category.

DEPRECIATION

Non-Reimbursable

- 2011-2015 includes provisions for changes in Metro-North's capital assets.

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2011-2015 costs reflect the recognition of the liability for Post Retirement Benefits (healthcare costs) for future retirees.

ENVIRONMENTAL REMEDIATION (GASB 49)

Non-Reimbursable

- 2011-2015 costs reflect the estimated liability for pollution remediation costs associated with capital projects.

MTA METRO-NORTH RAILROAD
November Financial Plan 2012 - 2015
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2011	2012	Change 2012 - 2011	2013	Change 2013 - 2012	2014	Change 2014 - 2013	2015	Change 2015 - 2014
Revenue									
Farebox Revenue	\$566.059	\$588.964	\$22.905	\$610.419	\$21.455	\$633.428	\$23.009	\$650.090	\$16.662
Vehicle Toll Revenue									
Other Operating Revenue	45.157	43.902	(\$1.255)	45.600	\$1.698	47.978	\$2.378	49.733	\$1.755
Capital and Other Reimbursements									
Total Revenue	\$611.217	\$632.866	\$21.650	\$656.019	\$23.153	\$681.406	\$25.387	\$699.823	\$18.417
Expenses									
Labor:									
Payroll	\$390.992	\$411.421	(\$20.429)	\$420.025	(\$8.604)	\$429.808	(\$9.783)	\$439.018	(\$9.210)
Overtime	58.159	54.394	3.765	55.222	(0.828)	56.295	(1.073)	57.354	(1.059)
Health and Welfare	79.226	91.818	(12.592)	104.988	(13.170)	114.202	(9.214)	124.926	(10.724)
OPEB Current Payment	15.250	16.000	(0.750)	17.000	(1.000)	18.000	(1.000)	18.500	(0.500)
Pensions	53.537	67.247	(13.711)	68.453	(1.206)	66.753	1.700	70.583	(3.830)
Other Fringe Benefits	80.389	83.628	(3.239)	85.685	(2.057)	87.929	(2.244)	90.352	(2.423)
Reimbursable Overhead	(37.065)	(42.939)	5.874	(43.481)	0.542	(44.323)	0.842	(45.157)	0.834
Total Labor Expenses	\$640.487	\$681.569	(\$41.082)	\$707.892	(\$26.323)	\$728.664	(\$20.772)	\$755.576	(\$26.912)
Non-Labor:									
Traction and Propulsion Power	62.725	71.518	(\$8.793)	81.956	(\$10.438)	92.364	(\$10.408)	104.321	(\$11.957)
Fuel for Buses and Trains	23.796	25.908	(2.112)	27.429	(1.521)	27.166	0.263	27.418	(0.252)
Insurance	10.248	10.893	(0.645)	11.979	(1.086)	13.189	(1.210)	14.522	(1.333)
Claims	11.001	12.000	(0.999)	12.000	0.000	11.975	0.025	11.975	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	109.160	109.042	0.118	102.008	7.034	99.570	2.438	100.244	(0.674)
Professional Service Contracts	34.705	37.828	(3.123)	38.037	(0.209)	38.463	(0.426)	38.880	(0.417)
Materials & Supplies	87.950	86.277	1.673	87.444	(1.167)	93.422	(5.978)	96.991	(3.569)
Other Business Expenses	16.256	15.260	0.996	15.535	(0.275)	16.357	(0.822)	16.150	0.207
Total Non-Labor Expenses	\$355.841	\$368.726	(\$12.885)	\$376.388	(\$7.662)	\$392.506	(\$16.118)	\$410.501	(\$17.995)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$996.328	\$1,050.295	(\$53.967)	\$1,084.280	(\$33.985)	\$1,121.170	(\$36.890)	\$1,166.077	(\$44.907)
Depreciation	214.677	236.015	(21.338)	240.523	(4.508)	245.478	(4.955)	250.633	(5.155)
OPEB Obligation	56.275	59.997	(3.722)	61.143	(1.146)	62.402	(1.259)	63.713	(1.311)
Environmental Remediation	6.527	6.723	(0.196)	6.925	(0.202)	7.132	(0.207)	7.346	(0.214)
Total Expenses	\$1,273.807	\$1,353.030	(\$79.223)	\$1,392.871	(\$39.841)	\$1,436.182	(\$43.311)	\$1,487.769	(\$51.587)
Baseline Net Surplus/(Deficit)	(\$662.591)	(\$720.164)	(\$57.573)	(\$736.852)	(\$16.688)	(\$754.776)	(\$17.924)	(\$787.946)	(\$33.170)

MTA METRO-NORTH RAILROAD
2012 Final Proposed Budget
November Financial Plan 2012-2015
Summary of Major Plan-to-Plan Changes

Revisions to Metro-North's financial plan for the 2011-2015 periods reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of recently implemented cost reduction plans.

2011: NOVEMBER FINANCIAL PLAN vs. JULY FINANCIAL PLAN

The 2011 November Financial Plan subsidy requirement of \$388.5 million for non-reimbursable operations is \$27.6 million lower than the 2011 July Mid-Year Forecast. This reflects \$0.4 million in higher total revenue and \$27.2 million in reduced cash expenditures. Total operating revenues of \$611.2 million reflect passenger revenues of \$566.1 million that are \$0.9 million lower than the July Financial Plan due to \$2.4 million in revenue losses attributable to Tropical Storm Irene. Ridership, projected at 80.1 million customers, is virtually on-target to the July Mid-Year Forecast and 1.1% higher than 2010, despite the loss of 0.5 million riders due to Tropical Storm Irene. Other Operating Revenues of \$45.2 million are \$1.3 million favorable to the July Mid-Year Forecast due to higher GCT retail proceeds and outlying station revenue. Non-reimbursable operating expenses of \$1,273.8 million are \$11.2 million lower than the July Mid-Year Forecast. These favorable results are attributed to lower non-cash accrual adjustments for depreciation (\$4.0 million), reduced material usage, lower energy prices, vacancies, timing differences in expenditures for locomotive overhaul costs and lower bridge inspection services. These decreases are partially offset by higher overtime expenditures due to: Tropical Storm Irene coverage requirements, on-going track repairs, New Haven Line car fleet maintenance, and train service coverage for Yankee Stadium and New Haven Yard operations. Higher expenditures are also required to fund alternate busing costs for the Port Jervis Line while the rebuilding of Tropical Storm Irene-damaged track and structures is completed (\$6 million).

The 2011 November Financial Plan Reimbursable revenue and expense projections total \$206.4 million which is \$17.9 million higher than the 2011 Mid-Year Forecast. This increase primarily reflects \$16.3 million for the Port Jervis Reconstruction. It also includes the impact of prior year payments made in 2011 on several projects (GCT Leaks Remediation, Rehabilitation of Overhead Bridges and Coach Remanufacture) as well as the acceleration of the Danbury Branch Signal System project on overtime; these increases were offset by scheduling delays on the West Haven Station project.

2012: NOVEMBER FINANCIAL PLAN vs. JULY FINANCIAL PLAN

The 2012 Final Proposed Budget subsidy requirement of \$468.0 million is \$17.9 million higher than the July Financial Plan. This reflects a \$7.4 million increase in revenues primarily driven by a 5.3% fare increase in the State of Connecticut and cash expenditures that are \$25.3 million higher than the July Financial Plan. Expense increases are primarily due to higher pension contribution estimates, the timing of certain 2011 programs into 2012, and contract and professional service fees. In addition, resources have been added to prepare for higher 2013 attrition levels, a signage replacement program at outlying stations and the replacement of escalators in Grand Central Terminal. These increases are offset by lower health and welfare costs, increased overhead cost recoveries from capital projects, and the reclassification of M-8 spare parts material from operating expenses to inventory procurement.

The 2012 Final Proposed Reimbursable revenues and expenses total \$211.0 million which is \$26.1 million higher than the July Mid-Year Forecast. This increase is primarily due to \$10.2 million for the Port Jervis Line Reconstruction plus re-scheduling and carry-over of numerous projects from 2011.

2013 - 2015: NOVEMBER FINANCIAL PLAN vs. JULY FINANCIAL PLAN

The 2013-2015 November Financial Plan requirements are lower than the July Financial Plan by \$37.9 million in 2013, \$54.1 million in 2014 and \$53.4 million in 2015. This improvement reflects higher farebox revenues in 2013-2015 due to State of Connecticut fare increases on the New Haven Line of 5.0% in 2013 and 2014, and 1% in 2015. Lower expense projections reflect reduced healthcare premiums, higher overhead cost recoveries from capital projects, and the increase in M-8 car procurements to 405 cars which will allow for the retirement of all M4 and M6 cars, resulting in lower operating costs from a more efficient and smaller NHL car fleet.

Reimbursable project costs (and receipts) for 2013-2015 compared to the July Financial Plan are lower by \$11.0 million in 2013, \$9.4 million in 2014 and \$7.3 million in 2015 reflecting a continuation of new baseline project levels from 2012, with select minor project cost and scheduling refinements including the winding down and completion of the Danbury Branch Signal System, GCT Leaks Remediation and NHL EMU M8 Spec Development projects.

MTA METRO-NORTH RAILROAD
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2011	2012	2013	2014	2015
2011 July Financial Plan Baseline - Operating Cash Income/(Deficit)	(\$416.174)	(\$450.018)	(\$494.259)	(\$542.805)	(\$551.078)
Baseline Changes					
Revenue					
Farebox Revenue	(\$0.910)	\$9.172	\$17.377	\$26.084	\$29.182
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.284	(1.792)	(0.940)	(0.084)	(0.081)
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	\$0.373	\$7.380	\$16.437	\$26.000	\$29.101
Expenses					
Labor:					
Payroll	\$1.251	(\$5.914)	(\$0.647)	\$0.175	(\$0.257)
Overtime	(2.991)	(1.696)	(1.731)	(1.765)	(1.796)
Health and Welfare	2.106	3.996	10.940	14.365	17.898
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.301	(3.613)	(2.386)	0.927	(0.370)
Other Fringe Benefits	0.142	(0.735)	0.759	1.253	1.339
Reimbursable Overhead	(0.147)	5.563	5.338	5.438	5.540
Total Labor Expense Changes	\$0.662	(\$2.399)	\$12.273	\$20.393	\$22.354
Non-Labor:					
Traction and Propulsion Power	\$2.272	\$0.456	(\$0.007)	(\$0.235)	(\$0.755)
Fuel for Buses and Trains	1.185	0.166	(0.317)	(0.092)	\$0.133
Insurance	0.000	1.229	1.229	1.229	\$1.229
Claims	(1.001)	(1.000)	(1.000)	(0.975)	(\$0.975)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	\$0.000
Maintenance and Other Operating Contracts	(2.290)	(6.826)	(6.699)	(1.852)	(\$1.037)
Professional Service Contracts	2.018	(2.257)	(1.540)	(1.557)	(\$1.604)
Materials & Supplies	4.617	8.734	17.968	15.578	\$7.857
Other Business Expenses	(0.312)	0.935	0.976	1.023	\$1.027
Total Non-Labor Expense Changes	\$6.489	\$1.437	\$10.610	\$13.119	\$5.875
Total Expenses before Depreciation and GASB Adjustments	\$7.151	(\$0.962)	\$22.883	\$33.512	\$28.229
Depreciation	\$4.009	(\$12.639)	(\$8.407)	(\$1.742)	\$5.503
OPEB Obligation	0.000	0.000	2.820	5.787	8.624
Environmental Remediation	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Total Expense Changes	\$11.160	(\$13.602)	\$17.296	\$37.556	\$42.356
Cash Conversion Adjustment Changes					
Depreciation	(\$4.009)	\$12.639	\$8.407	\$1.742	(\$5.503)
Operating/Capital	3.658	(3.977)	0.000	0.000	0.000
Other Cash Adjustments	16.465	(20.379)	(4.201)	(11.207)	(12.540)
Total Cash Conversion Adjustments	\$16.114	(\$11.717)	\$4.206	(\$9.465)	(\$18.043)
Total Baseline Changes	\$27.647	(\$17.939)	\$37.939	\$54.091	\$53.415
2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$388.527)	(\$467.957)	(\$456.320)	(\$488.714)	(\$497.663)

MTA METRO-NORTH RAILROAD
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2011	2012	2013	2014	2015
2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Port Jervis Line Reconstruction	16.304	10.211	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	1.565	15.918	11.027	9.391	7.291
Total Revenue Changes	\$17.868	\$26.129	\$11.027	\$9.391	\$7.291
Expenses					
Labor:					
Payroll	\$1.311	(\$2.673)	(\$2.401)	(\$2.449)	(\$2.495)
Overtime	(0.709)	(2.482)	(2.321)	(2.367)	(2.411)
Health and Welfare	0.362	(0.482)	0.184	0.502	0.817
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.476	(0.817)	0.678	(0.197)	(0.381)
Other Fringe Benefits	(0.002)	(0.782)	(0.653)	(0.627)	(0.623)
Reimbursable Overhead	0.091	(5.849)	(5.642)	(5.748)	(5.856)
Total Labor Expense Changes	\$1.529	(\$13.085)	(\$10.155)	(\$10.886)	(\$10.949)
Non-Labor:					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.094	(1.181)	(1.196)	(1.219)	(1.242)
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(12.229)	6.449	8.869	9.083	9.280
Professional Service Contracts	0.788	(0.698)	(3.255)	(0.994)	1.309
Materials & Supplies	8.300	(6.427)	(4.295)	(4.359)	(4.651)
Other Business Expenses	(0.046)	(0.976)	(0.995)	(1.016)	(1.038)
Total Non-Labor Expense Changes	(\$3.093)	(\$2.833)	(\$8.72)	\$1.495	\$3.658
Other Adjustments:					
Port Jervis Line Reconstruction	(16.304)	(10.211)	0.000	0.000	0.000
Total Other Adjustments	(\$16.304)	(\$10.211)	\$0.000	\$0.000	\$0.000
Total Expenses before Non-Cash Liability Adjs.	(\$17.868)	(\$26.129)	(\$11.027)	(\$9.391)	(\$7.291)
Depreciation	0.000	0.000	0.000	0.000	0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000
Total Expense Changes	(\$17.868)	(\$26.129)	(\$11.027)	(\$9.391)	(\$7.291)
Net Surplus/(Deficit) Changes	\$0.000	(\$0.000)	\$0.000	\$0.000	(\$0.000)
Cash Conversion Adjustment Changes					
Depreciation	0.000	0.000	0.000	0.000	0.000
Operating/Capital	0.000	0.000	0.000	0.000	0.000
Other Cash Adjustments	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Total Baseline Changes	\$0.000	(\$0.000)	\$0.000	\$0.000	(\$0.000)
2011 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	(\$0.000)	\$0.000	\$0.000	(\$0.000)

MTA METRO-NORTH RAILROAD
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2011	2012	2013	2014	2015
2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$416.174)	(\$450.018)	(\$494.259)	(\$542.805)	(\$551.078)
Baseline Changes					
Revenue					
Farebox Revenue	(\$0.910)	\$9.172	\$17.377	\$26.084	\$29.182
Port Jervis Line Reconstruction	16.304	10.211	0.000	0.000	0.000
Other Operating Revenue	1.284	(1.792)	(0.940)	(0.084)	(0.081)
Capital and Other Reimbursement	1.565	15.918	11.027	9.391	7.291
Total Revenue Changes	\$18.242	\$33.509	\$27.464	\$35.391	\$36.392
Expenses					
Labor:					
Payroll	\$2.562	(\$8.587)	(\$3.048)	(\$2.274)	(\$2.752)
Overtime	(3.700)	(4.178)	(4.052)	(4.132)	(4.207)
Health and Welfare	2.468	3.514	11.124	14.867	18.715
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.777	(4.430)	(1.708)	0.730	(0.751)
Other Fringe Benefits	0.140	(1.517)	0.106	0.626	0.716
Reimbursable Overhead	(0.056)	(0.286)	(0.304)	(0.310)	(0.316)
Total Labor Expense Changes	\$2.191	(\$15.484)	\$2.118	\$9.507	\$11.405
Non-Labor:					
Traction and Propulsion Power	\$2.272	\$0.456	(\$0.007)	(\$0.235)	(\$0.755)
Fuel for Buses and Trains	1.185	0.166	(0.317)	(0.092)	0.133
Insurance	0.094	0.048	0.033	0.010	(0.013)
Claims	(1.001)	(1.000)	(1.000)	(0.975)	(0.975)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(14.519)	(0.377)	2.170	7.231	8.243
Professional Service Contracts	2.806	(2.955)	(4.795)	(2.551)	(0.295)
Materials & Supplies	12.917	2.307	13.673	11.219	3.206
Other Business Expenses	(0.358)	(0.041)	(0.019)	0.007	(0.011)
Total Non-Labor Expense Changes	\$3.396	(\$1.396)	\$9.738	\$14.614	\$9.533
Other Adjustments:					
Port Jervis Line Reconstruction	(16.304)	(10.211)	0.000	0.000	0.000
Total Other Adjustments	(\$16.304)	(\$10.211)	\$0.000	\$0.000	\$0.000
Total Expenses before Non-Cash Liability Adjs.	(\$10.717)	(\$27.091)	\$11.856	\$24.121	\$20.938
Depreciation	\$4.009	(\$12.639)	(\$8.407)	(\$1.742)	\$5.503
OPEB Obligation	0.000	0.000	2.820	5.787	8.624
Environmental Remediation	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Total Expense Changes	(\$6.708)	(\$39.731)	\$6.269	\$28.165	\$35.065
Net Surplus/(Deficit) Changes	\$11.534	(\$6.222)	\$33.732	\$63.556	\$71.457
Cash Conversion Adjustment Changes					
Depreciation	(\$4.009)	\$12.639	\$8.407	\$1.742	(\$5.503)
Operating/Capital	3.658	(3.977)	0.000	0.000	0.000
Other Cash Adjustments	16.465	(20.379)	(4.201)	(11.207)	(12.540)
Total Cash Conversion Adjustments	\$16.114	(\$11.717)	\$4.206	(\$9.465)	(\$18.043)
Total Baseline Changes	\$27.648	(\$17.939)	\$37.939	\$54.091	\$53.415
2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$388.526)	(\$467.957)	(\$456.320)	(\$488.714)	(\$497.663)

MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Summary of Major Programmatic Changes Between Financial Plans
(\$ In millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2011	2012	2013	2014	2015
2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$416.174)	(\$450.018)	(\$494.259)	(\$542.805)	(\$551.078)
NON-REIMBURSABLE MAJOR CHANGES					
Revenue					
Fare Box Revenue (excludes Tropical Storm Irene Revenue Losses)	1.489	9.172	17.377	26.084	\$29.182
Tropical Storm Irene Revenue Loss	(2.399)	0.000	0.000	0.000	\$0.000
Net Fare Box Revenue Change	(0.910)	9.172	17.377	26.084	29.182
Non Passenger Revenue	1.284	(1.792)	(0.940)	(0.084)	(0.081)
Sub-Total Non-Reimbursable Revenue Changes	\$0.373	\$7.380	\$16.437	\$26.000	\$29.101
EXPENSES:					
Health & Welfare (Excludes Tropical Storm Irene Impact)	2.518	3.996	10.940	14.365	17.898
Bridge Inspection Services	1.476	0.000	0.000	0.000	0.000
Customer and Employee Communication Enhancements	0.000	(1.249)	(0.889)	(0.889)	(0.889)
New Haven - Maintenance Facility Shop Complex/M8 Cars	0.000	0.580	1.358	0.724	2.436
Preparing Operations For Staffing And Training Related To 2013 Attrition	(0.096)	(5.930)	(0.606)	1.444	1.444
BSC Costs	0.000	(0.813)	(0.813)	(0.813)	(0.813)
M4/M6 CSR Program (elimination)	0.000	1.262	11.374	10.216	5.655
Overhead Recovery	(0.147)	5.563	5.338	5.438	5.540
C&S Maintenance Contracts	0.538	0.000	0.000	0.000	3.000
Lower Outside Training Costs	0.400	0.000	0.000	0.000	0.000
Pensions & Excludes Tropical Storm Irene Impact	0.559	(3.613)	(2.386)	0.927	(0.370)
Tropical Storm Irene Expense Coverage (East and West of Hudson excluding Revenue Loss)	(12.486)	(0.127)	0.000	0.000	0.000
Non Revenue Fleet Initiative Recurring Savings	0.900	0.900	0.900	0.900	0.900
Harlem River Lift Bridge	1.000	(1.000)	0.000	0.000	0.000
Genesis Overhaul	3.046	0.002	(2.965)	0.000	0.000
Agreement Vacancies	2.887	0.000	0.000	0.000	0.000
Material & Supplies	3.617	0.000	0.000	0.000	0.000
Traction & Propulsion	2.272	0.456	(0.007)	(0.235)	(0.755)
Fuel for Buses and Trains	1.185	0.166	(0.317)	(0.092)	0.133
Depreciation	4.009	(12.639)	(8.407)	(1.742)	5.503
All Other	(0.519)	(1.156)	0.955	1.527	2.674
Sub-Total Non-Reimbursable Expense Changes	11.160	(13.602)	17.296	37.556	42.356
TOTAL NON REIMBURSABLE MAJOR CHANGES	\$11.533	(\$6.222)	\$33.732	\$63.556	\$71.457
REIMBURSABLE MAJOR CHANGES:					
REVENUE					
Projections for 2013-2015 assume capital project activity levels similar to 2012 Budget adjusted for the completion of one-time projects.	\$1.565	\$15.918	\$11.027	\$9.391	\$7.291
Port Jervis Line Reconstruction	16.304	10.211	0.000	0.000	0.000
SUB TOTAL REIMBURSABLE REVENUE CHANGES	\$17.869	\$26.129	\$11.027	\$9.391	\$7.291
EXPENSES:					
Projections for 2013-2015 assume capital project activity levels similar to 2012 Budget adjusted for the completion of one-time projects.	(\$1.565)	(\$15.918)	(\$11.027)	(\$9.391)	(\$7.291)
Port Jervis Line Reconstruction	(16.304)	(10.211)	0.000	0.000	0.000
SUB TOTAL REIMBURSABLE EXPENSES CHANGES	(\$17.869)	(\$26.129)	(\$11.027)	(\$9.391)	(\$7.291)
TOTAL REIMBURSABLE MAJOR CHANGES	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
TOTAL ACCRUAL CHANGES	\$11.533	(\$6.222)	\$33.732	\$63.556	\$71.457
Cash Adjustment Changes					
Lower Car Component Repair Expenditures vs Accrual	1.500	0.000	0.000	0.000	0.000
Timing of Locomotive Overhaul Repairs	0.000	(1.500)	1.500	0.000	0.000
Force account Receipt Timing	5.026	(4.774)	3.066	(0.551)	(2.184)
M-8 spare Parts Inventory	(0.250)	(6.160)	(7.040)	(4.150)	0.000
Depreciation	(4.009)	12.639	8.407	1.742	(5.503)
Operating Capital	3.658	(3.977)	0.000	0.000	0.000
Other Post Employment Benefits	0.000	0.000	(2.820)	(5.787)	(8.624)
Timing of Accrual Payments	9.050	(8.000)	0.000	0.000	0.000
Other	1.139	0.055	1.093	(0.719)	(1.732)
TOTAL CASH ADJUSTMENT CHANGES	\$16.114	(\$11.717)	\$4.206	(\$9.465)	(\$18.043)
TOTAL CHANGES	\$27.647	(\$17.939)	\$37.939	\$54.091	\$53.415
2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$388.527)	(\$467.957)	(\$456.320)	(\$488.714)	(\$497.663)

MTA METRO-NORTH RAILROAD
2012 Final Proposed Budget
November Financial Plan 2012-2015
Ridership / (Utilization)

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

Despite the severe weather conditions (including Tropical Storm Irene), that caused service outages and suspensions during the year, 2011 East of Hudson ridership is projected to reach 80.1 million customers, which is in line with the July Mid-Year Forecast and 1.1% higher than 2010. The 2012 proposed budget incorporates East of Hudson ridership projections that reflect an improving economy, the impact of capital program improvements such as parking expansion, as well as adjustments to train service. Projected 2012 East of Hudson ridership of 81.8 million customers is 2.1% higher than the 2011 reflecting a 2.5% increase on the Harlem Line, a 3.3% increase on the Hudson Line, and a 1.3% increase on the New Haven Line. 2013-2015 ridership is projected to grow by 1.7%, 1.9% and 2.2% respectively. Projections incorporate State of Connecticut annual fare increases on the New Haven Line of 5.3% in 2012, 5.0% in 2013 and 2014, and 1.0% in 2015.

The West of Hudson ridership decline in 2011 reflects the suspension of Port Jervis Line service beginning August 27, 2011 due to track and signal system outages caused by Tropical Storm Irene. Rebuilding efforts will limit Port Jervis Line service and keep ridership at reduced levels in 2011 until reconstruction is completed by year-end. A return to pre-storm ridership levels on the Port Jervis Line is anticipated by the latter part of 2012 with a full recovery in 2013. The Pascack Valley Line incorporates positive ridership growth rates of 1.7% in 2011 and 2.1% in 2012. Overall, 2012 ridership for West of Hudson service is projected at 1.9 million customers. 2013-2015 ridership is projected to grow by 5.0%, 2.5% and 2.1% respectively.

**MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Ridership (Utilization)
(in millions)**

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Ridership</u>						
Harlem Line	26.231	26.252	26.898	27.442	28.066	28.789
Hudson Line	15.656	15.755	16.274	16.683	17.136	17.565
New Haven Line	37.324	38.091	38.588	39.043	39.534	40.208
Total East of Hudson Ridership	79.211	80.098	81.760	83.168	84.736	86.562
West of Hudson	1.889	1.655	1.859	1.952	2.001	2.043
Total Ridership	81.100	81.753	83.619	85.120	86.737	88.605
<u>Farebox Revenue</u>						
Harlem Line	\$156.235	\$171.877	\$176.067	\$179.948	\$184.327	\$189.406
Hudson Line	114.087	125.935	130.264	133.746	137.658	141.337
New Haven Line	255.608	267.469	281.778	295.825	310.519	318.404
West of Hudson Mail & Ride	0.892	0.778	0.855	0.900	0.924	0.943
Total Farebox Revenue	\$526.823	\$566.059	\$588.964	\$610.419	\$633.428	\$650.090

MTA Metro-North Railroad
November Financial Plan 2012-2015
2011 Budget Reduction Proposals (BRPs)
(\$ in millions)

		2011		2012		2013		2014		2015	
		<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>
Administration		-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
		-	-	-	-	-	-	-	-	-	-
Sub-Total	Administration	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Customer Convenience/Amenities											
	East of Hudson Service	-	\$0.670	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
	West of Hudson Service	-	\$0.675	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Sub-Total	Customer Convenience/Amenities	-	\$1.345	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Maintenance		-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
		-	-	-	-	-	-	-	-	-	-
Sub-Total	Maintenance	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Other											
	Payroll Savings from Hiring Delays (1st Quarter 2011)		\$1.350		\$0.000		\$0.000		\$0.000		\$0.000
Sub-Total	Other	-	\$1.350	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Revenue		-	-	-	-	-	-	-	-	-	-
Sub-Total	Revenue Enhancement	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Safety											
Sub-Total	Safety	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Security											
Sub-Total	Security	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Service		-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Sub-Total	Service	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Service Support											
Sub-Total	Service Support	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Total Programs		<u>0</u>	<u>\$2.695</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>	<u>0</u>	<u>\$0.000</u>

**MTA Metro-North Railroad
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Customer Convenience & Amenities

Program: East of Hudson Service

Background Details:	Metro-North's 2011 Budget incorporated East of Hudson service additions starting in April 2011 to cover growing ridership. Service improvements included Upper Hudson and Harlem Line train service increases, lengthening trains to reduce crowded conditions
----------------------------	--

Program Description/ Implementation Plan:	To reduce costs, these service improvements will be deferred to July 1st and mid-October, generating 2011 cost savings of \$0.7 million.
--	--

Program Implementation Date:	April 2011	When will savings begin?:	April 2011
		Are these savings recurring?:	No

	Favorable/(Unfavorable)				
	2011	2012	2013	2014	2015
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.670	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Metro-North Railroad
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Customer Convenience & Amenities

Program: West of Hudson Service

Background Details:	The 2011 Budget included a provision to add Port Jervis Line late evening weekday outbound trains and weekday off-peak round trip service starting in April 2011.
----------------------------	---

Program Description/ Implementation Plan:	This will be deferred until spring 2012 resulting in cost savings of \$0.7 million.
--	---

Program Implementation Date:	April 2011	When will savings begin?:	April 2011
		Are these savings recurring?:	No

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.675	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Metro-North Railroad
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Other
Program: Payroll Savings

Background Details:	Metro-North is experiencing a slower rate of hiring for open jobs and therefore expects vacancy saving beyond budgeted expectations.
----------------------------	--

Program Description/ Implementation Plan:	As hiring begins to get underway at the end of the first quarter it is expected that the vacancy savings will amount to \$1.4 million for the quarter.
--	--

Program Implementation Date:	April 2011	When will savings begin?:	April 2011
		Are these savings recurring?:	No

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.350	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

MTA METRO-NORTH RAILROAD
2012 Final Proposed Budget
November Financial Plan 2012-2015
Positions

POSITION ASSUMPTIONS

Positions are stated as of December 31 of each year. Annual staffing levels reflect programmatic changes incorporated into the financial plan and the fluctuating needs of the capital program based on scheduled project activity.

Year-to-Year Changes

2011 – 2012

2012 staffing reflects the addition of 28 reimbursable capital project or operating capital construction positions to support flagging protection for right-of-way projects, improvements to the GCT trainshed, and infrastructure improvements for the West Haven Station, Positive Train Control and third rail power projects. Reimbursable positions are evaluated each year to address the fluctuating needs of the capital program. The increase of 56 non reimbursable positions reflect 13 positions for car fleet maintenance (24 to support the new M-8 car fleet and the New Haven Maintenance Facility Shop Complex offset by the elimination of 11 positions due to the completion of the M-3 car Performance Improvement Program). In addition, FRA regulatory requirements result in seven positions to support the Certification program and the new signal system on the Danbury Branch. As Metro-North approaches its 30th year of operation in 2013 it will experience a significant turnover in its workforce. In order to prepare for the transition, Metro-North has accelerated the development and training of critical operating positions that require long term technical training to meet job qualifications. This effort involves increasing the pool of critical operating craft employees-in-training programs and adding training and human resources staff to support additional demands for the recruiting and training of new employees. 2012 also includes T&E positions to support train service adjustments, as well as resources to support safety and security needs, customer and employee communications, information systems and material management. Changes between 2011 and 2012 reflect the reallocation of staff between non-reimbursable and reimbursable program requirements at year-end (a transfer of 64 positions from the capital to the operating budget that have a net zero impact on total positions).

2012 - 2013

The increase of 47 non-reimbursable paid positions reflects the addition of 22 maintenance positions to support the new M-8 cars and the New Haven Maintenance Facility Shop Complex, 12 GCT operations positions (six for the GCT Fire Brigade and six for the maintenance and operation of new GCT electric chillers), and T&E

positions for service plan adjustments, offset by the reduction of one temporary position in the Controller's Department.

2013 - 2014

The increase of 34 non-reimbursable paid positions reflects 14 maintenance positions to support the New Haven Maintenance Facility Shop Complex, T&E positions in support of the service plan adjustments and six GCT Escalator maintenance positions

2014 - 2015

The increase of 14 non-reimbursable paid positions reflects T&E positions to support train service adjustments, offset by the elimination of three Trainer positions.

MTA METRO-NORTH RAILROAD
November Financial Plan 2012 - 2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
President	3	3	3	3	3	3
Labor Relations	9	9	9	9	9	9
Safety	16	16	19	19	19	19
COS/ Corporate & Public Affairs	15	15	17	17	17	17
Customer Service	38	45	45	45	45	45
Legal	16	17	17	17	17	17
Claims	14	14	14	14	14	14
Environmental Compliance & Svce	7	7	7	7	7	7
VP Administration	3	3	3	3	3	3
VP Human Resources	3	3	3	3	3	3
Human Resources & Diversity	36	25	24	24	24	24
Training	27	37	47	47	47	44
Employee Relations & Diversity	4	4	4	4	4	4
VP Planning	2	2	2	2	2	2
Operations Planning & Analysis	16	17	17	17	17	17
Capital Planning & Programming	14	13	13	13	13	13
Business Development Facilities & Mktg	23	21	21	21	21	21
Long Range Planning	10	8	8	8	8	8
VP Finance & Info Systems	2	2	2	2	2	2
Controller	105	78	78	77	77	77
Information Technology & Project Mgmt	94	96	97	97	97	97
Budget	14	18	18	18	18	18
Procurement & Material Management	43	42	41	41	41	41
Corporate	0	0	0	0	0	0
Total Administration	514	495	509	508	508	505
Operations						
Operations Administration	52	55	55	55	55	55
Operations Services	1,653	1,729	1,771	1,788	1,802	1,819
Customer Service	234	236	236	236	236	236
Business Development Facilities & Mktg	38	38	38	38	38	38
Metro-North West	27	29	28	28	28	28
Total Operations	2,004	2,087	2,128	2,145	2,159	2,176
Maintenance						
GCT	352	368	375	387	393	393
Maintenance of Equipment	1,255	1,334	1,338	1,351	1,365	1,365
Maintenance of Way	1,559	1,734	1,752	1,758	1,758	1,758
Procurement & Material Management	120	120	120	120	120	120
Total Maintenance	3,286	3,556	3,585	3,616	3,636	3,636
Engineering/Capital						
Construction Management	38	37	37	37	37	37
Engineering & Design	64	60	60	60	60	60
Total Engineering/Capital	102	97	97	97	97	97
Baseline Total Positions	5,906	6,235	6,319	6,366	6,400	6,414
<i>Non-Reimbursable</i>	5,376	5,589	5,709	5,756	5,790	5,804
<i>Reimbursable</i>	530	646	610	610	610	610
<i>Total Full-Time</i>	5,905	6,234	6,318	6,365	6,399	6,413
<i>Total Full-Time-Equivalents</i>	1	1	1	1	1	1

* Reflects Authorized positions

MTA METRO-NORTH RAILROAD
November Financial Plan 2012 - 2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	49	57	57	56	56	56
Professional, Technical, Clerical	465	438	452	452	452	449
Operational Hourlies	-	-	-	-	-	-
Total Administration	514	495	509	508	508	505
Operations						
Managers/Supervisors	26	27	27	27	27	27
Professional, Technical, Clerical	509	499	505	505	505	505
Operational Hourlies	1,469	1,561	1,596	1,613	1,627	1,644
Total Operations	2,004	2,087	2,128	2,145	2,159	2,176
Maintenance						
Managers/Supervisors	39	57	57	57	57	57
Professional, Technical, Clerical	998	1,019	1,032	1,038	1,038	1,038
Operational Hourlies	2,249	2,480	2,496	2,521	2,541	2,541
Total Maintenance	3,286	3,556	3,585	3,616	3,636	3,636
Engineering/Capital						
Managers/Supervisors	30	27	27	27	27	27
Professional, Technical, Clerical	72	70	70	70	70	70
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	102	97	97	97	97	97
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	144	168	168	167	167	167
Professional, Technical, Clerical	2,044	2,026	2,059	2,065	2,065	2,062
Operational Hourlies	3,718	4,041	4,092	4,134	4,168	4,185
Total Baseline Positions	5,906	6,235	6,319	6,366	6,400	6,414

* Reflects Authorized Positions

[THIS PAGE INTENTIONALLY LEFT BLANK]

MTA Headquarters

MTA HEADQUARTERS
2012 Final Proposed Budget
November Financial Plan 2012 – 2015

FINANCIAL OVERVIEW

MTA Headquarters' operations include four distinct components: Policy and Oversight; Consolidated Functions, those departments that perform services on behalf of MTA agencies; the Business Service Center (BSC); and MTA Security, which include the MTA PD. While MTA Headquarters is committed to streamlining operations and seeking efficiencies within the organization and across the MTA, it also remains resolute in maintaining an organization dedicated to promoting customer satisfaction as well as safety and security throughout the system.

MTA Headquarters' November Financial Plan contains self-funded programs and funding for MTA-wide initiatives considered to be the highest priority by executive management. It also incorporates the 2011 Budget Reduction Program (BRP) that was implemented in response to lower funding from New York State. In response, MTA Headquarters reduced operating capital requirements and took measures to identify additional savings based on 2011 spending trends primarily for maintenance and professional service contracts. Efficiency savings were also captured by the reorganization of the MTA Budget Department and by the realignment of MTA Audit, while not reducing headcount, will result in significant savings in payroll costs.

Building on these reductions MTA Headquarters is supporting a number of strategic cost reduction initiatives, including undertaking a strategic sourcing approach that evaluates the total cost of ownership in procuring goods and services. Part of this approach involves conducting a MTA-wide review of Information Technology resources such as desktop configurations, telecom expenses and non-revenue fleet acquisition, distribution and maintenance. Other key initiatives include the rationalization and consolidation of IT services and equipment and the restructuring of agency-wide Marketing and Corporate Communications functions. Successful implementation of these initiatives is contributing to achieving the efficiency savings targets within the Financial Plan.

MTA Headquarters continues to assume a leadership role in issues critical to the MTA commuting region. In order to allow for improved services and a high level of convenience to the riding community, funding is included in the Plan for two major system-related initiatives -- the New Fare Payments Systems and Bus Customer Information Systems.

MTA Headquarters establishes strategic direction for the security of all MTA facilities, customers, and employees. The November Financial Plan includes an investment in the Integrated Electronic Security System (IESS) facility, which opened in the spring of 2011. 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. The November Financial Plan reflects savings that were

realized in 2011 for IESS maintenance costs, with the full year impact reflected in 2012 and beyond.

As our transportation system expands, MTA is taking steps to ensure additional protection is provided for our customers, employees and facilities. The November Plan includes funding starting in 2015 for MTAPD to begin the process of adding 90 positions to establish a security presence for the mega-project.

Funding is also included for projects and planning related expenses, specifically for oversight of the West Side Yards Development project. This is a zero impact project, since all funding is reimbursable by the project developer.

The November Plan also reflects costs associated with the MTA Defined Benefit Pension Plan, a complex multi-article pension plan for represented and non-represented employees who work for MNR, LIRR, MTA Bus, MTA PD and SIRTOA.

Business Service Center (BSC)

In order to transform the way MTA conducts business, MTA established the BSC, which began operations on January 1, 2011. Under BSC, select administrative functions for all the MTA agencies are combined and a single Enterprise Resource Planning (ERP), Financial and Human Resources/Payroll system along with other technologies is utilized to process administrative and back-office transactions as part of continued efforts to increase efficiencies and generate cost savings. Currently underway is the consolidation of the MTA-wide Accounts Receivable functions, which are expected to be implemented by year-end. Preparation, planning and training has begun for the second phase of implementation which will incorporate NYCT, MTA Bus and B&T Human Resources and Payroll functions into the BSC on April 1, 2012.

In order to support and stabilize the project in 2012, the second year of operations, the BSC anticipates utilizing temporary employees as it progresses in the short term. Total additional temporary services support will total \$4.7 million in 2012. As the BSC achieves steady state operations, continuous improvement efficiencies will result in BSC headcount reductions in 2013.

2011 November Forecast

MTA Headquarters Baseline Deficit increases to \$377.5 million in the November Plan from the July Plan of \$375.0 million. The \$2.5 million unfavorable variance primarily reflects the impact of \$9.6 million in higher support to LI Bus resulting from rising fuel and pension costs. Offsetting the higher Internal Support, Headquarters made reductions in other than personnel services expenses resulting from ongoing reviews of operating needs, which continue to yield savings above the required March BRPs.

2012 Final Proposed Budget - Baseline

MTA Headquarters projects a Baseline Deficit of \$397.9 million for 2012. This is a \$1.8 million increase from the July Plan. The unfavorable variance primarily reflects higher

utilization of temporary service personnel at the BSC for support and stabilization of the project. Savings identified as a result of ongoing assessments of spending trends, particularly in maintenance and professional services contracts, provide a partial offset.

The baseline budget assumes headcount levels of 1,765 employees, a six position increase mostly needed to support BSC Phase II system implementation.

2013-2015 Projections

The Baseline Deficit for 2013 decreases to \$402.3 million from the July Plan of \$407.6 million. The Baseline Deficit for 2014 decreases to \$419 million from the July Plan of \$432.4 million. The 2015 Baseline Deficit in 2015 decreases from \$456.0 million to \$443.1 million. A revised MTAPD hiring plan pending the East Side Access rebaselining, additional savings identified from the continued review of Headquarters operating expenses, and reduced Business Service Center compensation costs resulting from continuous improvements are the primary reasons for the favorable variances. Increased depreciation costs resulting from the amortization of the BSC project development costs are a partial offset.

The baseline headcount decreases to 1,748 in 2013 and 2014 from the July Plan of 1,772 and 1,816, respectively. The baseline headcount decreases to 1,778 positions in 2015 from the July Plan of 1,832. The variance in each year primarily reflects a revised hiring Plan for additional MTAPD positions needed in anticipation of East Side Access.

MTA HEADQUARTERS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.641	51.587	52.628	52.471	53.468	54.569
Other	4.032	4.435	4.085	4.160	4.239	4.326
Total Other Operating Revenue	56.673	56.023	56.713	56.631	57.707	58.896
Capital and Other Reimbursements						
Total Revenue	\$56.673	\$56.023	\$56.713	\$56.631	\$57.707	\$58.896
Operating Expenses						
<u>Labor:</u>						
Payroll	\$124.305	\$155.883	\$161.792	\$163.142	\$167.571	\$170.885
Overtime	7.093	8.863	8.775	8.932	9.098	9.103
Health and Welfare	16.894	19.692	25.661	26.608	29.074	31.803
OPEB Current Payment	3.091	6.957	8.400	9.600	10.900	12.200
Pensions	25.278	29.929	35.703	39.436	39.918	42.238
Other Fringe Benefits	11.980	15.616	14.332	14.332	14.901	15.489
Reimbursable Overhead	(46.238)	(47.992)	(57.097)	(58.829)	(60.753)	(56.422)
Total Labor Expenses	\$142.403	\$188.948	\$197.566	\$203.220	\$210.708	\$225.297
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	5.878	2.729	3.391	3.730	4.104	4.514
Claims	-	2.435	0.999	1.099	1.209	1.330
Paratransit Service Contracts	-					
Maintenance and Other Operating Contracts	26.245	31.826	44.737	48.822	53.772	56.828
Professional Service Contracts	33.769	25.393	34.929	35.630	34.958	36.013
Materials & Supplies	7.024	6.511	6.652	5.783	5.881	5.995
<u>Other Business Expenses</u>						
MTA Internal Subsidy	49.600	\$23.262	0.600	0.600	0.600	0.600
Other	43.035	44.698	55.017	55.438	56.112	58.147
Total Other Business Expenses	92.635	67.960	55.617	56.038	56.712	58.747
Total Non-Labor Expenses	\$165.551	\$136.853	\$146.325	\$151.102	\$156.635	\$163.427
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$307.954	\$325.801	\$343.891	\$354.323	\$367.343	\$388.724
Depreciation	25.167	40.646	39.713	29.624	30.147	29.683
OPEB Obligation	57.848	67.100	71.000	75.000	79.300	83.600
Total Expenses	\$390.969	\$433.547	\$454.604	\$458.947	\$476.790	\$502.008
Baseline Surplus/(Deficit)	(\$334.296)	(\$377.525)	(\$397.891)	(\$402.316)	(\$419.084)	(\$443.112)

[illegible]

MTA HEADQUARTERS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.641	51.587	52.628	52.471	53.468	54.569
Other	4.032	4.435	4.085	4.160	4.239	4.326
Total Other Operating Revenue	56.673	56.023	56.713	56.631	57.707	58.896
Capital and Other Reimbursements	55.555	58.348	74.635	85.379	92.660	88.644
Total Revenue	\$112.228	\$114.371	\$131.348	\$142.010	\$150.367	\$147.540
Expenses						
<u>Labor:</u>						
Payroll	\$126.305	\$158.723	\$165.495	\$166.918	\$171.419	\$174.804
Overtime	7.093	8.863	8.775	8.932	9.098	9.103
Health and Welfare	17.218	20.151	26.194	27.229	29.754	32.547
OPEB Current Payment	3.091	6.957	8.400	9.600	10.900	12.200
Pensions	25.533	30.263	36.135	39.989	40.499	42.848
Other Fringe Benefits	12.170	15.893	14.605	14.645	15.226	15.827
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$191.410	\$240.850	\$259.605	\$267.313	\$276.896	\$287.329
<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	5.891	2.839	3.503	3.854	4.239	4.663
Claims	-	2.435	0.999	1.099	1.209	1.330
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	26.245	31.904	44.852	48.939	53.891	56.950
Professional Service Contracts	40.283	31.513	47.051	56.425	60.921	62.094
Materials & Supplies	7.024	6.545	6.708	5.841	5.940	6.055
<u>Other Business Expenses</u>						
MTA Internal Subsidy	49.600	23.262	0.600	0.600	0.600	0.600
Other Business Expenses	43.056	44.802	55.207	55.631	56.308	58.348
Total Other Business Expenses	92.656	68.064	55.807	56.231	56.908	58.948
Total Non-Labor Expenses	\$172.099	\$143.299	\$158.921	\$172.389	\$183.108	\$190.039
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$363.509	\$384.149	\$418.526	\$439.702	\$460.003	\$477.369
Depreciation	25.167	40.646	39.713	29.624	30.147	29.683
OPEB Obligation	57.848	67.100	71.000	75.000	79.300	83.600
Total Expenses	\$446.524	\$491.895	\$529.239	\$544.326	\$569.451	\$590.652
Baseline Surplus/(Deficit)	(\$334.296)	(\$377.524)	(\$397.891)	(\$402.316)	(\$419.084)	(\$443.112)

MTA HEADQUARTERS
November Financial Plan 2012-2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.532	51.347	52.628	52.471	53.468	54.569
Other	4.065	4.664	4.335	4.415	4.498	4.591
Total Other Operating Revenue	56.597	56.012	56.963	56.885	57.966	59.160
Capital and Other Reimbursements	55.555	58.348	74.635	85.379	92.660	88.644
Total Receipts	\$112.152	\$114.360	\$131.598	\$142.265	\$150.627	\$147.804
Expenditures						
<u>Labor:</u>						
Payroll	\$138.118	\$154.558	\$163.005	\$164.389	\$168.773	\$172.099
Overtime	7.091	8.863	8.775	8.932	9.098	9.103
Health and Welfare	16.810	19.151	25.166	26.157	28.636	31.407
OPEB Current Payment	5.652	6.957	8.400	9.600	10.900	12.200
Pensions	36.241	30.552	39.355	40.859	41.285	43.388
Other Fringe Benefits	12.610	15.832	14.548	14.585	15.164	15.762
GASB Account	0.991	1.000	1.029	1.073	1.118	1.140
Reimbursable Overhead	0.000					
Total Labor Expenditures	\$217.513	\$236.913	\$260.278	\$265.594	\$274.974	\$285.100
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	3.217	2.555	3.260	3.586	3.945	4.339
Claims	-	2.435	0.999	1.099	1.209	1.330
Paratransit Service Contracts	-					
Maintenance and Other Operating Contracts	23.972	29.535	43.618	47.593	52.409	55.384
Professional Service Contracts	29.426	28.825	44.228	53.040	57.265	58.368
Materials & Supplies	8.167	6.618	6.541	5.695	5.791	5.903
<u>Other Business Expenses</u>						
MTA Internal Subsidy	49.600	23.262	0.600	0.600	0.600	0.600
Other Business Expenses	43.650	46.339	51.342	51.737	52.367	54.264
Total Other Business Expenses	93.250	69.601	51.942	52.337	52.967	54.864
Total Non-Labor Expenditures	\$158.032	\$139.568	\$150.589	\$163.350	\$173.586	\$180.188
<u>Other Expenditure Adjustments:</u>						
Operating Capital	\$4.591	14.157	24.502	20.566	20.566	20.566
Total Other Expenditure Adjustments	\$4.591	\$14.157	\$24.502	\$20.566	\$20.566	\$20.566
Total Expenditures	\$380.136	\$390.638	\$435.369	\$449.510	\$469.126	\$485.854
Baseline Cash Deficit	(\$267.984)	(\$276.278)	(\$303.771)	(\$307.246)	(\$318.499)	(\$338.049)

MTA HEADQUARTERS
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	(0.109)	(0.240)	-	-	-	-
Other Operating Revenue	0.033	0.229	0.250	0.255	0.259	0.265
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	(\$0.076)	(\$0.011)	\$0.250	\$0.255	\$0.259	\$0.265
Expenditures						
<u>Labor:</u>						
Payroll	(\$11.813)	\$4.165	\$2.490	\$2.529	\$2.646	\$2.705
Overtime	0.002	\$0.000				
Health and Welfare	0.408	\$1.000	1.029	1.073	1.118	1.140
OPEB Current Payment	(2.561)	\$0.000	0.000	0.000	0.000	0.000
Pensions	(10.708)	(\$0.289)	(3.219)	(0.870)	(0.786)	(0.540)
Other Fringe Benefits	(0.440)	\$0.061	0.057	0.059	0.062	0.065
GASB Account	(0.991)	(\$1.000)	(1.029)	(1.073)	(1.118)	(1.140)
Reimbursable Overhead	0.000	\$0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$26.103)	\$3.937	(\$0.673)	\$1.718	\$1.922	\$2.230
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	2.674	0.284	0.243	0.268	0.294	0.324
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.273	2.369	1.233	1.346	1.482	1.566
Professional Service Contracts	10.857	2.688	2.823	3.386	3.655	3.726
Materials & Supplies	(1.143)	(0.073)	0.168	0.146	0.148	0.151
<u>Other Business Expenses</u>						
MTA Internal Subsidy		0.000	-	-	-	-
Other Business Expenses	(0.594)	(1.537)	3.864	3.894	3.942	4.084
Total Other Business Expenses	(0.594)	(1.537)	3.864	3.894	3.942	4.084
Total Non-Labor Expenditures	\$14.067	\$3.731	\$8.332	\$9.039	\$9.522	\$9.851
<u>Other Expenditure Adjustments:</u>						
Operating Capital	(\$4.591)	(\$14.157)	(\$24.502)	(\$20.566)	(\$20.566)	(\$20.566)
Total Other Expenditure Adjustments	(\$4.591)	(\$14.157)	(\$24.502)	(\$20.566)	(\$20.566)	(\$20.566)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$16.703)	(\$6.500)	(\$16.593)	(\$9.554)	(\$8.863)	(\$8.221)
Depreciation Adjustment	25.167	40.646	39.713	29.624	30.147	29.683
OPEB Obligation	57.848	67.100	71.000	75.000	79.300	83.600
Baseline Total Cash Conversion Adjustments	\$66.312	\$101.246	\$94.120	\$95.070	\$100.584	\$105.063

MTA HEADQUARTERS
November Financial Plan 2012 – 2015
Year-to-Year Changes by Category - Baseline

Baseline Assumptions:

The following explanations refer to the year-to-year variances in MTA Baseline assumptions for each year of the November Financial Plan:

Receipts:

Rental and Other Income and Reimbursements

- The 2011 November Financial Plan reflects a re-estimate of charge-backs to Agencies for work performed by MTA Headquarters on their behalf, and revised rental revenue.
- Thereafter, 2012, 2013, 2014, 2015 are inflated by the CPI-Urban 1.41%, 1.83%, 1.90%, and 2.06%, respectively, with adjustments made for reimbursements mainly related to annual West Side Yard expenses.

Expenditures:

Payroll

- Payroll changes in the November Financial Plan in 2011 primarily reflect re-estimated departmental costs.
- Thereafter, 2012, 2013, 2014, and 2015 reflect MTA Headquarters and MTA Police civilian salaries inflated by wage growth assumptions consistent with the July Financial Plan of 2.20%, 1.97%, 1.91% and 1.85% respectively. 2012 also shows growth over 2011-- reflecting higher staffing levels at BSC mainly due to Phase II implementation.
- MTA Police represented salaries are inflated according to prevailing inflator assumptions and reflect the increase in the patrol force necessary to secure the East Side Access Project.
- MTA Police salaries now reflect certain Police Command staff being represented by a collective bargaining unit.

Overtime

- Overtime expenses throughout the November Financial Plan are primarily related to MTA Police operations. In 2011, overtime expenses increase due to costs resulting from Tropical Storm Irene.
- Expense in 2012, 2013, 2014, and 2015 are inflated by prevailing inflator assumptions.

Health and Welfare

- Health and Welfare premium rates in 2012 are projected to increase at a rate of 9.3% in 2012, 6.2% in 2013, and 8.1% in each year thereafter.

Pensions

- The November Financial Plan primarily reflects adjusted estimated contributions to the employee retirement systems in 2011, 2012 and 2013 due to the impact of recent market losses on pension assets as well as a revision to the rate of return assumptions.
- Thereafter, rates are inflated by the Forward 3-Year Average CPI Plus 1 rates of 3.05% in 2014, and 3.02% in 2015.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.

Insurance and Claims

- Insurance premiums and claims expenses are inflated at approximately 10% annually with some off-setting adjustments.

Maintenance and Other Operating Contracts

- The November Plan includes reductions to projected 2011 expense levels as a result of a review of YTD expense levels.
- Maintenance expenses for 2011 reflect the impact of opening the Integrated Electronic Security System All Agency facility in spring of this year.
- The November Plan reflects utilization of full-year IESS maintenance expenses of approximately \$11 million in 2012 and CPI-Urban growth of 1.41% on all other existing maintenance and operating contracts. In addition, maintenance and operating contract expenses for New Fare Payment Systems and Bus Customer Information Services equipment are higher in 2012 due to increased system-wide deployment.
- Thereafter, increased maintenance expenses primarily reflect further system-wide deployment of New Fare Payment Systems and Bus Customer Information Systems. In addition, maintenance expenses in 2013, 2014 and 2015 are inflated by the CPI-Urban rates of 1.83%, 1.90%, and 2.06%, respectively.

Professional Service Contracts

- The November Plan reflects lower 2011 expense re-estimates of consultant and other outside professional services needs for the full year as a result of ongoing Headquarters operating expense review.
- Thereafter, 2012, 2013, 2014, and 2015 the majority of expenses are inflated by the CPI-Urban rates of 1.41%, 1.83%, 1.90%, and 2.06%, respectively, with increases of approximately \$6 million reflecting the development requirements of the West Side Yard Project.

Materials & Supplies

- Expenses in 2012 through 2015 are inflated by the CPI-Urban rates of 1.41%, 1.83%, 1.90%, and 2.06%, respectively.

MTA Internal Subsidy

- The November Plan reflects the cessation of support for LI Bus after December 31, 2011.

- A re-estimate of New York City subsidies.

Other Business Expenses

- Increases in 2012, 2013, 2014 and 2015 are inflated by the CPI-Urban rates of 1.41%, 1.83%, 1.90%, and 2.06%, respectively, with some annual adjustments for temporary employees at the BSC

Other Expenditure Adjustments:

Operating Capital Expenditures

- 2011 expenditures of \$14.2 million is a reduction from the July 2011 Plan reflecting projects under spending.
- Capital expenditures in 2012 are \$24.5 million and reflect two New Needs from the Business Service Center for operating capital projects. The PeopleSoft Disaster Recovery Relocation project, at a cost of \$2.1 million, will migrate the disaster recovery equipment from the Staten Island Data Center to a primary MTA Data Center. The Data Center Hosting project will migrate the current hosted infrastructure from the Staten Island Data Center to an MTA managed data center site, which is projected to significantly reduce hosting-related operating costs in the out years of the Plan.
- Thereafter, capital expenditures in 2013-2015 remain constant at \$20.6 million.

MTA HEADQUARTERS
November Financial Plan 2012-2015
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2011	2012	Change 2012 - 2011	2013	Change 2013 - 2012	2014	Change 2014 - 2013	2015	Change 2015 - 2014
Revenue									
Farebox Revenue	-	-	-	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue									
Rental Income	51.587	52.628	1.041	52.471	(0.157)	53.468	0.997	54.569	1.101
Data Center Billings									
Other	4.435	4.085	(0.350)	4.160	0.075	4.239	0.079	4.326	0.087
Capital and Other Reimbursements									
Total Revenue	\$56.023	\$56.713	\$0.690	\$56.631	(\$0.082)	\$57.707	\$1.076	\$58.896	\$1.189
Expenses									
Labor:									
Payroll	155.883	161.792	(5.909)	163.142	(1.350)	167.571	(4.429)	170.885	(3.314)
Overtime	8.863	8.775	0.087	8.932	(0.156)	9.098	(0.166)	9.103	(0.006)
Health and Welfare	19.692	25.661	(5.969)	26.608	(0.947)	29.074	(2.466)	31.803	(2.729)
OPEB Current Payment	6.957	8.400	(1.443)	9.600	(1.200)	10.900	(1.300)	12.200	(1.300)
Pensions	29.929	35.703	(5.774)	39.436	(3.733)	39.918	(0.482)	42.238	(2.320)
Other Fringe Benefits	15.616	14.332	1.285	14.332	0.000	14.901	(0.570)	15.489	(0.588)
Reimbursable Overhead	(47.992)	(57.097)	9.105	(58.829)	1.732	(60.753)	1.925	(56.422)	(4.332)
Total Labor Expenses	\$188.948	\$197.566	(\$8.618)	\$203.220	(\$5.654)	\$210.708	(\$7.488)	\$225.297	(\$14.589)
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains									
Insurance	2.729	3.391	(0.663)	3.730	(0.339)	4.104	(0.373)	4.514	(0.410)
Claims	2.435	0.999	1.435	1.099	(0.100)	1.209	(0.110)	1.330	(0.121)
Paratransit Service Contracts	-	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance and Other Operating									
Contracts	31.826	44.737	(12.911)	48.822	(4.085)	53.772	(4.950)	56.828	(3.056)
Professional Service Contracts	25.393	34.929	(9.536)	35.630	(0.701)	34.958	0.671	36.013	(1.055)
Materials & Supplies	6.511	6.652	(0.141)	5.783	0.869	5.881	(0.098)	5.995	(0.114)
MTA Internal Subsidy	23.262	0.600	22.662	0.600	0.000	0.600	0.000	0.600	0.000
Other Business Expenses	44.698	55.017	(10.320)	55.438	(0.421)	56.112	(0.673)	58.147	(2.036)
Total Non-Labor Expenses	\$136.853	\$146.325	(\$9.472)	\$151.102	(\$4.777)	\$156.635	(\$5.533)	\$163.427	(\$6.792)
Other Expenses Adjustments:									
Other									
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$325.801	\$343.891	(\$18.090)	\$354.323	(\$10.432)	\$367.343	(\$13.020)	\$388.724	(\$21.381)
Depreciation	40.646	39.713	0.933	29.624	10.089	30.147	(0.523)	29.683	0.464
OPEB Obligation	67.100	71.000	(3.900)	75.000	(4.000)	79.300	(4.300)	83.600	(4.300)
Total Expenses	\$433.547	\$454.604	(\$21.057)	\$458.947	(\$4.343)	\$476.790	(\$17.844)	\$502.008	(\$25.217)
Baseline Surplus/(Deficit)	(\$377.525)	(\$397.891)	(\$20.366)	(\$402.316)	(\$4.425)	(\$419.084)	(\$16.768)	(\$443.112)	(\$24.029)

REIMBURSABLE

[illegible]

MTA HEADQUARTERS
November Financial Plan 2012-2015
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

	Favorable/(Unfavorable)								
	2011	2012	Change 2012 - 2011	2013	Change 2013 - 2012	2014	Change 2014 - 2013	2015	Change 2015 - 2014
Revenue									
Farebox Revenue	-	-	-	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	51.347	52.628	1.281	52.471	(0.157)	53.468	0.997	54.569	1.101
Data Center Billings	-	-	0.000	-	0.000	-	0.000	-	0.000
Other	4.664	4.335	(0.329)	4.415	0.079	4.498	0.084	4.591	0.093
Capital and Other Reimbursements	58.348	74.635	16.287	85.379	10.744	92.660	7.281	88.644	(4.016)
Total Revenue	\$114.360	\$131.598	\$17.238	\$142.265	\$10.667	\$150.627	\$8.362	\$147.804	(\$2.822)
Expenses									
Labor:									
Payroll	154.558	163.005	(\$8.447)	164.389	(\$1.384)	168.773	(\$4.385)	172.099	(\$3.326)
Overtime	8.863	8.775	0.087	8.932	(0.156)	9.098	(0.166)	9.103	(0.006)
Health and Welfare	19.151	25.166	(6.015)	26.157	(0.991)	28.636	(2.479)	31.407	(2.771)
OPEB Current Payment	6.957	8.400	(1.443)	9.600	(1.200)	10.900	(1.300)	12.200	(1.300)
Pensions	30.552	39.355	(8.803)	40.859	(1.505)	41.285	(0.425)	43.388	(2.103)
Other Fringe Benefits	15.832	14.548	1.284	14.585	(0.037)	15.164	(0.579)	15.762	(0.598)
GASB Account	1.000	1.029	(0.029)	1.073	(0.044)	1.118	(0.045)	1.140	(0.023)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$236.913	\$260.278	(\$23.365)	\$265.594	(\$5.317)	\$274.974	(\$9.379)	\$285.100	(\$10.126)
Non-Labor:									
Traction and Propulsion Power	-	-	0.000	-	0.000	-	0.000	-	0.000
Fuel for Buses and Trains	-	-	0.000	-	0.000	-	0.000	-	0.000
Insurance	2.555	3.260	(0.705)	3.586	(0.326)	3.945	(0.359)	4.339	(0.394)
Claims	2.435	0.999	1.435	1.099	(0.100)	1.209	(0.110)	1.330	(0.121)
Paratransit Service Contracts	-	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance and Other Operating Contracts	29.535	43.618	(14.084)	47.593	(3.975)	52.409	(4.816)	55.384	(2.975)
Professional Service Contracts	28.825	44.228	(15.403)	53.040	(8.812)	57.265	(4.226)	58.368	(1.103)
Materials & Supplies	6.618	6.541	0.077	5.695	0.846	5.791	(0.096)	5.903	(0.112)
MTA Internal Subsidy	23.262	0.600	22.662	0.600	0.000	0.600	0.000	0.600	0.000
Other Business Expenses	46.339	51.342	(5.004)	51.737	(0.395)	52.367	(0.630)	54.264	(1.897)
Total Non-Labor Expenditures	\$139.568	\$150.589	(\$11.021)	\$163.350	(\$12.761)	\$173.586	(\$10.236)	\$180.188	(\$6.602)
Other Expenditure Adjustments:									
Capital	14.157	24.502	(10.345)	20.566	3.936	20.566	-	20.566	-
Total Other Expenditure Adjustments	\$14.157	\$24.502	(\$10.345)	\$20.566	\$3.936	\$20.566	\$0.000	\$20.566	\$0.000
Total Expenditures	\$390.638	\$435.369	(\$44.731)	\$449.510	(\$14.142)	\$469.126	(\$19.615)	\$485.854	(\$16.728)
Baseline Cash Deficit	(\$276.278)	(\$303.771)	(\$27.492)	(\$307.246)	(\$3.475)	(\$318.499)	(\$11.253)	(\$338.049)	(\$19.550)

MTA HEADQUARTERS
November Financial Plan 2012 – 2015
Summary of Plan-to-Plan Changes – Baseline

The following explanations summarize the total differences between the November Financial Plan and the July Financial Plan:

2011: November Financial Plan vs. July Financial Plan

The Baseline Cash Deficit in the November Financial Plan of \$276.3 million is \$10.7 million favorable to the July Plan Cash Deficit of \$287.0 million. Significant reductions in overall spending for professional services contracts; maintenance and other operating contracts mainly as a result of partial year expenses at the Integrated Electronics Security System (IESS) facility; and other business expenses, resulted from ongoing expense reviews. These savings combined with the timing of spending for operating capital projects are the primary reasons for the favorable variance. These reductions and savings are partially offset by higher support for LI Bus.

2012: November Financial Plan vs. July Financial Plan

The Baseline Cash Deficit in the November Financial Plan of \$303.8 million is \$9.4 million unfavorable to the July Plan Cash Deficit of \$294.4 million. Additional operating capital for the Disaster Recovery Relocation project and the Data Center Hosting projects totaling \$6.3 million are an unfavorable variance. Operating expense growth reflects the impact of temporary personnel that will provide Phase II project support at the Business Service Center. As in the July Plan, higher maintenance contracts expenses based on full year activity at the IESS facility and for the Bus Customer Information Service initiative, as well as higher professional services mainly related to the West Side Yard Development project are the major reasons for the growth in non-payroll expenses. Those additional costs are partially offset by savings identified by Headquarters on-going efforts to reduce operating expenses.

2013, 2014, 2015: November Financial Plan vs. July Financial Plan

The Baseline Cash Deficit for 2013 in the November Financial Plan of \$307.2 million is \$7.2 million favorable to the July Plan Cash Deficit of \$314.4 million. The Baseline Cash Deficit for 2014 in the November Financial Plan of \$318.5 million is \$15.1 million favorable to the July Plan Cash Deficit of \$333.6 million. The Baseline Cash Deficit for 2015 in the November Financial Plan of \$338.0 million is \$14.0 million favorable to the July Plan Cash Deficit of \$352.0 million. The favorable variances are mainly due to savings resulting from a revised MTAPD hiring plan based on the schedule changes associated with East Side Access, reduced operating expenditures resulting from Headquarters review of operations, and lower hosting costs associated with the Data Center Hosting project. As in the July Plan, higher maintenance costs at the IESS

facility, New Fare Payment Systems, Bus Customer Information Service initiatives, as well as higher professional services are mainly related to the West Side Yard Development project are the major reasons for the growth in other than personnel expenses.

MTA HEADQUARTERS
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$286.968)	(\$294.428)	(\$314.386)	(\$333.633)	(\$351.965)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	\$1.188	(\$.810)	(\$.882)	(\$.979)	(\$.945)
Other	(\$1.066)	(\$.012)	(\$.017)	(\$.023)	(\$.019)
Capital and Other Reimbursement	\$.000	\$.000	\$.000	\$.000	\$.000
Total Revenue Changes	\$.122	(\$.822)	(\$.899)	(\$1.002)	(\$.964)
Expenses					
Labor:					
Payroll	(\$.031)	\$.709	\$3.241	\$5.993	\$5.721
Overtime	(0.119)	-	0.006	0.006	0.006
Health and Welfare	0.089	(0.076)	1.624	2.602	2.893
OPEB Current Payment	0.243	-	-	-	-
Pensions	(2.795)	3.140	1.486	3.462	2.522
Other Fringe Benefits	(1.929)	(1.144)	0.064	0.400	0.371
<u>Reimbursable Overhead</u>	<u>(8.029)</u>	<u>1.176</u>	<u>0.907</u>	<u>0.840</u>	<u>0.918</u>
Total Labor Expense Changes	(\$12.571)	\$3.805	\$7.328	\$13.303	\$12.432
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	\$.001	(\$.005)	(\$.006)	(\$.006)	(\$.007)
Claims	(1.452)	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	7.128	2.625	1.678	2.001	1.991
Professional Service Contracts	7.034	0.408	0.747	2.207	1.732
Materials & Supplies	0.188	(2.284)	(1.347)	(1.350)	(1.380)
MTA Internal Subsidy	(9.562)	-	-	-	-
<u>Other Business Expenses</u>	<u>6.621</u>	<u>(4.506)</u>	<u>(0.081)</u>	<u>0.286</u>	<u>0.189</u>
Total Non-Labor Expense Changes	\$9.959	(\$3.762)	\$.990	\$3.137	\$2.525
Gap Closing Expenses :					
Total Gap Closing Expenses	\$.000	\$.000	\$.000	\$.000	\$.000
Total Expenses before Depreciation and GASB Adjs.					
Depreciation	(\$.049)	(\$1.042)	(\$2.136)	(\$2.096)	(\$1.082)
OPEB Obligation	\$.000	\$.000	\$.000	\$.000	\$.000
Total Expense Changes	(\$2.661)	(\$.999)	\$6.182	\$14.344	\$13.875
Cash Adjustment Changes					
Revenue Adjustments	(.374)	(.120)	(.123)	(.125)	(.128)
Expense Adjustments	11.077	(1.154)	1.979	1.917	1.132
Operating Capital	2.526	(6.249)	.000	.000	.000
Total Cash Adjustment Changes	\$13.229	(\$7.523)	\$1.856	\$1.791	\$1.005
Total Baseline Changes	\$10.690	(\$9.343)	\$7.140	\$15.134	\$13.916
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$276.279)	(\$303.771)	(\$307.246)	(\$318.499)	(\$338.049)

MTA HEADQUARTERS
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Data Center Billings					
Other					
<u>Capital and Other Reimbursement</u>	<u>(\$8.825)</u>	<u>\$2.415</u>	<u>\$2.252</u>	<u>\$2.202</u>	<u>\$2.312</u>
Total Revenue Changes	(\$8.825)	\$2.415	\$2.252	\$2.202	\$2.312
Expenses					
Labor:					
Payroll	\$.599	(\$.031)	(\$.031)	(\$.032)	(\$.033)
Overtime	-	-	-	-	-
Health and Welfare	0.021	0.031	0.034	0.040	0.048
OPEB Current Payment	-	-	-	-	-
Pensions	0.029	0.074	0.038	0.034	0.029
Other Fringe Benefits	0.001	0.047	(0.005)	(0.005)	(0.006)
<u>Reimbursable Overhead</u>	<u>8.029</u>	<u>(1.176)</u>	<u>(0.907)</u>	<u>(0.840)</u>	<u>(0.918)</u>
Total Labor Expense Changes	\$8.680	(\$1.055)	(\$.872)	(\$.804)	(\$.879)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	\$.038	\$.000	\$.000	\$.001	\$.001
Professional Services	0.002	(1.360)	(1.379)	(1.399)	(1.432)
Materials & Supplies	0.027	0.023	0.023	0.024	0.024
MTA Internal Subsidy	-	-	-	-	-
<u>Other Business Expenses</u>	<u>0.079</u>	<u>(0.024)</u>	<u>(0.025)</u>	<u>(0.025)</u>	<u>(0.025)</u>
Total Non-Labor Expense Changes	\$.146	(\$1.361)	(\$1.380)	(\$1.399)	(\$1.433)
Gap Closing Expenses :					
Total Expenses before Depreciation	\$8.826	(\$2.415)	(\$2.252)	(\$2.203)	(\$2.312)
Depreciation					
Total Expense Changes	\$8.826	(\$2.415)	(\$2.252)	(\$2.203)	(\$2.312)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)
Baseline 2011 November Financial Plan - Operating Cash	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)

MTA HEADQUARTERS
November Financial Plan 2012-2015
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$286.968)	(\$294.428)	(\$314.386)	(\$333.633)	(\$351.965)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Transit Museum Revenue	(1.066)	(0.012)	(0.017)	(0.023)	(0.019)
Rental Revenue	1.188	(0.810)	(0.882)	(0.979)	(0.945)
Inflation					
Sub-Total Non-Reimbursable Revenue Changes	\$.122	(\$.822)	(\$.899)	(\$1.002)	(\$.964)
Expenses					
Inflation	-	0.376	0.147	0.206	(0.143)
Change in Pension	(2.795)	3.140	1.098	2.372	1.481
Change in All Other Employee Benefits	(1.840)	(1.221)	1.314	1.890	2.141
Headquarters Operating Budget Review Savings	1.328	1.506	1.534	1.563	1.595
Budget Department Consolidation	0.373	0.458	0.475	0.483	0.491
2011 Reduced Spending	19.644	-	-	-	-
Tropical Storm Irene Expenses	(0.185)	-	-	-	-
Reduced Payroll requirements primarily at BSC	-	0.656	1.664	1.691	1.718
Higher BSC Temporary Services	(0.500)	(4.679)	(0.480)	(0.280)	(0.280)
BSC Data Center & Disaster Recovery Expenses	-	-	(2.278)	(0.495)	(0.480)
HQ Data Center Savings	-	-	0.776	1.898	1.937
Higher Claims Experience	(1.452)	-	-	-	-
Depreciation	(0.049)	(1.042)	(2.136)	(2.096)	(1.082)
MTAPD Command Officers Association	(0.457)	(0.254)	(0.268)	(0.282)	(0.286)
Revised MTAPD East Side Access Patrol Hiring Plan	-	-	2.673	7.167	6.249
MTA Internal Subsidy	(9.562)	-	-	-	-
Change in Reimbursable Overhead	(8.029)	1.176	0.907	0.840	0.918
All other	0.862	(1.115)	0.758	(0.612)	(0.383)
Sub-Total Non-Reimbursable Expense Changes	(\$2.661)	(\$.998)	\$6.183	\$14.345	\$13.876
Total Non-Reimbursable Major Changes	(\$2.539)	(\$1.820)	\$5.284	\$13.343	\$12.912
<i>Reimbursable Major Changes</i>					
Revenue					
Change in Capital & Other Reimbursements	(\$8.825)	\$2.415	\$2.252	\$2.202	\$2.312
Sub-Total Reimbursable Revenue Changes	(\$8.825)	\$2.415	\$2.252	\$2.202	\$2.312
Expenses					
Revised Overhead Expenses	8.029	(1.176)	(0.907)	(0.840)	(0.918)
All Other	0.796	(1.239)	(1.345)	(1.362)	(1.394)
Sub-Total Reimbursable Expense Changes	\$8.826	(\$2.415)	(\$2.252)	(\$2.203)	(\$2.312)
Total Reimbursable Major Changes	\$.000	(\$.000)	(\$.000)	(\$.000)	(\$.000)
Total Accrual Changes	(\$2.539)	(\$1.820)	\$5.284	\$13.342	\$12.911
<i>Cash Adjustment Changes</i>					
BSC Operating Capital	-	(6.249)	-	-	-
Other Operating Capital Changes	2.526	-	-	-	-
All Other Cash Adjustments	10.703	(1.274)	1.856	1.791	1.005
Total Cash Adjustment Changes	\$13.229	(\$7.523)	\$1.856	\$1.791	\$1.005
Total Baseline Changes	\$10.690	(\$9.343)	\$7.140	\$15.134	\$13.916
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$276.278)	(\$303.771)	(\$307.246)	(\$318.499)	(\$338.049)

MTA HEADQUARTERS
November Financial Plan 2012-2015
2011 Budget Reduction Plan Summary
(\$ in millions)

	2011		2012		2013		2014		2015	
	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>
LIST of PROGRAMS										
Administration:										
Administration and Professional Services		0.490		0.450		0.459		0.468		0.477
Operating Capital/Projects		1.538		2.313		0.000		0.000		0.000
Sub-Total Administration	0	\$2.028	0	\$2.763	0	\$.459	0	\$.468	0	\$.477
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:										
Sub-Total Maintenance	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Safety/Security:										
Operating/Capital Project Reduction		1.100								
Sub-Total Other	0	\$1.100	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total BRPs	0	\$3.128	0	\$2.763	0	\$.459	0	\$.468	0	\$.477

¹ Reflects the impact of amendments on year-end positions.

**MTA Headquarters
November Financial Plan 2012-2015
BRP Worksheet - Cash Basis
(\$ in millions)**

Category by Function:

Administration

Program:

Advertising and Professional Services

Background Details:

Advertising reduction and professional service reductions to MTA Budget and Human Resources due re-evaluation of departmental needs.

**Program Description/
Implementation Plan:**

Program Implementation Date:

When will savings begin?:

3/1/2011

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.490	\$0.450	\$0.459	\$0.468	\$0.477
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

MTA Headquarters
November Financial Plan 2012-2015
BRP Worksheet - Cash Basis
(\$ in millions)

Category by Function: Administration

Program: Operating/Capital Projects

Background Details:	Reduce five Facilities Management Operating/Capital Projects. The following Projects are being reduced: <u>Strategic Plan</u> - Restacking of existing departments, renovation of offices and upgrades to infrastructure; <u>Facade Inspection</u> - Local Law 11 mandated inspections & repairs at HQ buildings; <u>Local Law 26</u> - Design and construction services for Local Law 26 compliance at MTA HQ; <u>HVAC Upgrades</u> - Heating, ventilation and air conditioning upgrades at MTAHQ facilities. <u>Safety MTAHQ</u> - Safety & Security Enhancements.
----------------------------	--

**Program Description/
Implementation Plan:**

Program Implementation Date:	When will savings begin?:	3/1/2011
-------------------------------------	----------------------------------	----------

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.538	\$2.313	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Headquarters
November Financial Plan 2012-2015
BRP Worksheet - Cash Basis
(\$ in millions)**

Category by Function:

Security

Program:

Operating/Capital Project Reduction

Background Details:

Reduced reliance on the operating budget for two MTAPD Operating/Capital Projects resulting from using existing funds from other sources. The Portable Radio Replacement project for all MTA Police was able to secure funding of \$0.4 million from the Near Term Security Fund. The MTAPD C3 project utilized existing funding under the IESS Project umbrella of \$0.7 million for computer equipment and configuration of the new equipment at the new C-3 location. Security for customers or employees is not jeopardized by this shift in funding.

**Program Description/
Implementation Plan:**

Program Implementation Date:

When will savings begin?:

3/1/2011

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.100	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

[THIS PAGE INTENTIONALLY LEFT BLANK]

MTA HEADQUARTERS
2012 Final Proposed Budget
November Financial Plan 2012-2015
Positions

Position Assumptions

On a year-to-year basis, headcount increases to 1,765 positions in 2012, an increase of 33 positions from the 2011 level. The BSC increases by 28 positions mainly due to originally scheduled increases related to the beginning of Phase 2 which will commence in April 2012. In 2013, headcount decreases to 1,748 positions reflecting efficiency savings from continuous improvements at BSC, then remains steady at that level through 2014. In 2015, headcount increases to 1,778 positions primarily due to security coverage required by MTA Police to staff and patrol East Side Access.

Compared with the July Plan, headcount decreases to 1,732 positions in 2011, a reduction of 2 positions due to a reorganization of MTA Budgets. In addition, MTA Audit will realign a number of positions which, while not reducing headcount, will result in significant payroll savings. In 2012, headcount increases to 1,765 positions -- the net six position increase is due to an evaluation of Administration and BSC headcount requirements, and a reorganization of General Counsel and Labor Relations Departments. BSC forecast calls for the hiring of positions of limited duration during the year which, at times, may push the BSC headcount over the projected year end budget. Those temporary BSC positions are mainly to provide Phase II support which is projected to commence in 2012. The BSC headcount also includes the addition of two positions for procurement review and one position for Labor Relations.

In 2013, headcount decreases to 1,748 positions, a reduction of 24 positions when compared with the July Plan. This is primarily due to a change in East Side Access project assumptions partially offset by increases in Administration and BSC for the additional procurement and Labor Relations headcount requirements. In 2014, headcount remains at 1,748 positions, a reduction of 68 positions from 1,816 positions in the July Plan. In 2015, headcount decreases to 1,778 positions -- a reduction of 54 positions from the July Plan. Reductions in 2014 and 2015 primarily reflect the impact of changes to East Side Access project assumptions partly offset by increases in Administration and BSC procurement and Labor Relations requirements.

MTA HEADQUARTERS
November Financial Plan 2012 - 2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Office of Chairman	4	4	4	4	4	4
Office of Chief of Staff	3	3	3	3	3	3
General Counsel	54	56	57	57	57	57
Office of Diversity	27	28	28	28	28	28
Labor Relations	5	5	6	6	6	6
Media Relations	11	11	11	11	11	11
PCAC	4	4	4	4	4	4
Audit	79	85	85	85	85	85
Chief Financial Officer	75	58	60	60	60	60
Real Estate	57	60	60	60	60	60
Chief Operating Officer	1	1	1	1	1	1
Bus Customer Info	1	8	8	8	8	8
New Fare Systems	5	25	25	25	25	25
Strategic Initiatives Group	15	3	3	3	3	3
Spec. Project Develop/Planning	8	8	8	8	8	8
Environmental, Sustainability and Compliance	0	6	6	6	6	6
Managing Director	1	1	2	2	2	2
Intergovernmental Relations	5	5	5	5	5	5
Information Technology	66	67	67	67	67	67
Corporate and Internal Communications	34	35	35	35	35	35
Human Resources and Pensions	10	13	13	13	13	13
Capital Programs	30	30	30	30	30	30
Corporate Account	0	1	1	1	1	1
Total Administration	495	517	522	522	522	522
Business Service Center	215	434	462	445	445	445
Public Safety	758	781	781	781	781	811
 Baseline Total Positions	 1,468	 1,732	 1,765	 1,748	 1,748	 1,778
 <i>Non-Reimbursable</i>	 1,420	 1,684	 1,717	 1,700	 1,700	 1,730
<i>Reimbursable</i>	48	48	48	48	48	48
 <i>Full-Time</i>	 1,468	 1,732	 1,765	 1,748	 1,748	 1,778
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

MTA HEADQUARTERS
November Financial Plan 2012 - 2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration	Managers/Supervisors	399	441	446	446	446	446
	Professional, Technical, Clerical	311	510	538	521	521	521
	Operational Hourlies						
	Total Administration	710	951	984	967	967	967
Operations	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Operations	-	-	-	-	-	-
Maintenance	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Maintenance	-	-	-	-	-	-
Engineering/Capital	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Engineering/Capital	-	-	-	-	-	-
Public Safety	Managers/Supervisors	34	38	38	38	38	38
	Professional, Technical, Clerical	69	75	75	75	75	75
	Operational Hourlies (Uniformed)	655	668	668	668	668	698
	Total Public Safety	758	781	781	781	781	811
Total Positions	Managers/Supervisors	433	479	484	484	484	484
	Professional, Technical, Clerical	380	585	613	596	596	596
	Operational Hourlies	655	668	668	668	668	698
	Total Baseline Positions	1,468	1,732	1,765	1,748	1,748	1,778

MTA Headquarters

MTA Headquarters includes four distinct components: Policy & Oversight, MTA Consolidated Functions, the Business Service Center, and MTA Security:

- MTA HQ, Policy & Oversight includes MTA Executive Leadership and policy/oversight functions. All aspects of Administration strive to identify opportunities to streamline expenses and increase efficiencies.
- MTA Consolidated Functions includes areas where savings have been achieved through function consolidations or areas where the work can be more efficiently performed at Headquarters. As MTA consolidates functions across the Agencies, it is likely that the net budget change associated with those functions will increase Headquarters' costs, while staffing and expense levels decrease at a higher level at the Agencies.
- The Business Service Center provides shared back-office financial (including Account Receivable beginning in 2011), payroll, procurement, and human resource services to all agencies. While a number of services began operating in January 2011, the full complement of services is expected to become available to all the agencies by spring 2012.
- Public Safety includes the MTA Police which patrols the MTA's commuter railroads, and provides MTA-wide oversight of security and safety services. Public Safety also leads emergency preparedness, and interfaces with multiple city, state and federal law enforcement agencies.

The following table breaks out the MTA HQ personnel Budgets by these categories.

MTA HEADQUARTERS
November Financial Plan 2012-2015
Total Positions by Function
Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents

FUNCTION	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
MTA Consolidated Functions	257	258	259	259	259	259
MTA HQ, Policy & Oversight	238	259	263	263	263	263
Business Service Center	215	434	462	445	445	445
Public Safety	758	781	781	781	781	811
Baseline Total Positions	1,468	1,732	1,765	1,748	1,748	1,778
Non-Reimbursable	1,420	1,684	1,717	1,700	1,700	1,730
MTA Consolidated Functions	234	235	236	236	236	236
MTA HQ, Policy & Oversight	238	259	263	263	263	263
Business Service Center	190	409	437	420	420	420
Public Safety	758	781	781	781	781	811
	-	-	-	-	-	-
Reimbursable	48	48	48	48	48	48
MTA Consolidated Functions	23	23	23	23	23	23
MTA HQ, Policy & Oversight	-	-	-	-	-	-
Business Service Center	25	25	25	25	25	25
Public Safety	-	-	-	-	-	-
<i>Full-Time</i>	<i>1,468</i>	<i>1,732</i>	<i>1,765</i>	<i>1,748</i>	<i>1,748</i>	<i>1,778</i>
<i>Full-Time Equivalents</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

Note: Actuals reflect headcount vacancies.

[THIS PAGE INTENTIONALLY LEFT BLANK]

MTA INSPECTOR GENERAL
2012 Final Proposed Budget
November Financial Plan 2012-2015

Financial Overview

The budget for the Office of Inspector General for the years 2012- 2015 reflect the guidelines and assumptions used by MTA Headquarters.

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.

2011 November Forecast

In the 2011 November Forecast, a total of \$12.8 million is projected in baseline expenses, which remains unchanged from the July Mid-Year Forecast. The variance of approximately \$0.3 million in actual spending on professional service contracts in 2010 and the November Forecast is due to the rollover of funds from 2010 for anticipated spending on legal matters and joint investigations including a confidential investigation whose expenses are shared by the New York County District Attorney and the Port Authority Inspector General's office. The funding is for on-going investigations and legal fees and outside engineering and construction consultants retained for joint investigations.

The variance of approximately \$0.177 million in actual spending on other business expenses in 2011 and the November Forecast is primarily due to savings in employee expenses as a result of vacancies and lower-than-anticipated real estate taxes in 2010.

2012 Final Proposed Budget – Baseline

In the 2012 Final Proposed Budget, a total of \$13.1 million is projected in baseline expenses, which is \$0.39 million lower than the 2012 Preliminary Budget primarily due to lower fringe benefit expenses.

2013-2015 Projections

The budget for the Office of Inspector General for the years 2013-2015 maintains the base funding from the previous year and provides inflationary growth according to the guidelines and assumptions used by MTA Headquarters. Capital project funding of \$0.6 million for the OIG's information technology network equipment including Storage Area Network and computer servers, which have reached the end of their lifecycle have been included in the 2013 budget.

[illegible]

[illegible]

INSPECTOR GENERAL
November Financial Plan 2012 - 2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	0.174	(0.098)	(0.092)	0.446	(0.210)	(0.050)
Total Receipts	\$0.174	(\$0.098)	(\$0.092)	\$0.446	(\$0.210)	(\$0.050)
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other - Operating Capital	(\$0.315)	\$0.000	\$0.000	(\$0.600)	\$0.000	(\$0.150)
Total Other Expenditures Adjustments	(\$0.315)	\$0.000	\$0.000	(\$0.600)	\$0.000	(\$0.150)
Total Cash Conversion Adjustments before Depreciation	(\$0.141)	(\$0.098)	(\$0.092)	(\$0.154)	(\$0.210)	(\$0.200)
Depreciation	0.141	0.098	0.092	0.154	0.210	0.200
Total Cash Conversion Adjustments	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000

**MTA INSPECTOR GENERAL
2012 Final Proposed Budget
Year-to-Year Changes by Category – Baseline**

The following explanations refer to the year-to-year variances in MTA Inspector General Baseline assumptions for the November Financial Plan 2012-2015:

Capital and Other Reimbursements

- Capital and other reimbursements are projected at \$13.2 million in 2012 and \$13.9 million in 2013. The increase is primarily due to higher fringe benefit rates according to the guidelines and assumptions used by MTA Headquarters, and depreciation expenses related to the replacement of the OIG's information technology network equipment. These include Storage Area Network and computer servers which have reached the end of their lifecycle.

Other Business Expenses

- Other business expenses are projected at \$2.4 million in 2011 and \$2.6 million in 2012 is due to increased rental expenses related to electricity and real estate taxes.

Other Expenditure Adjustments

- Other expenditure adjustments of \$0.6 million in 2013 is due to capital project funding for the OIG's information technology network equipment including Storage Area Network and computer servers, which have reached the end of their lifecycle.

INSPECTOR GENERAL
November Financial Plan 2012 - 2015
Summary of Changes Between Financial Plans by Category
(\$ in millions)

REIMBURSABLE

	2011	2012	2013	2014	2015
2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline:					
Changes					
Revenue:					
Capital and Other Reimbursements	\$ -	\$ (0.388)	\$ (0.171)	\$ (0.180)	\$ (0.186)
Sub-Total Revenue Changes	\$ -	\$ (0.388)	\$ (0.171)	\$ (0.180)	\$ (0.186)
Expenses:					
Payroll	-	-	-	-	-
Overtime	-	-	-	-	-
Health and Welfare	-	0.047	0.078	0.092	0.109
OPEB Current Payment	-	-	-	-	-
Pensions	-	0.337	0.086	0.078	0.068
Other Fringe Benefits	-	(0.006)	(0.005)	(0.005)	(0.006)
Reimbursable Overhead	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other	-	-	-	-	-
Operating Contracts	-	-	0.001	-	0.002
Professional Service Contracts	-	0.001	0.001	0.001	0.001
Materials & Supplies	-	-	-	-	-
Other Business Expenses	-	0.009	0.010	0.014	0.012
Depreciation	-	-	-	-	-
Sub-Total Expense Changes	\$ -	\$ 0.388	\$ 0.171	\$ 0.180	\$ 0.186
Cash Adjustments:					
Revenue					
Expense					
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000
Programmatic New Needs					
Total Changes	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000
2011 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000

INSPECTOR GENERAL
November Financial Plan 2012 - 2015
Total Positions by Function
Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Office of the Inspector General	77	86	86	86	86	86
Total Administration	77	86	86	86	86	86
 Baseline Total Positions	 77	 86	 86	 86	 86	 86
 Non-Reimbursable	 0	 0	 0	 0	 0	 0
Reimbursable	77	86	86	86	86	86
Total	77	86	86	86	86	86
 Total Full-Time	 77	 86	 86	 86	 86	 86
Total Full-Time Equivalents	0	0	0	0	0	0

[THIS PAGE INTENTIONALLY LEFT BLANK]

**First Mutual Transportation Assurance Co.
(FMTAC)**

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2012 Final Proposed Budget
November Financial Plan for 2012 - 2015

The mission of the First Mutual Transportation Assurance Company (FMTAC) is to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 subdivision 5 of the Public Authorities Law of the State of New York. FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. FMTAC was established to maximize the flexibility and effectiveness of the MTA's insurance program.

FINANCIAL OVERVIEW

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. It is the goal of FMTAC to maximize the efficiency and flexibility of the insurance programs while minimizing costs to the MTA and its subsidiaries. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Additional expenses consist primarily of Claims and Other Business Expenses.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2012 Final Proposed Budget
November Financial Plan for 2012 – 2015

2011 November Forecast

In the 2011 November Forecast, a total of \$33.4 million is projected in Baseline Surplus compared to the \$51.3 million Baseline Deficit in the 2011 Mid-Year Budget. This consists of a decrease of \$17.4 millions in revenues as well an increase in expenses of \$0.47 million. The unfavorable outcome is primarily due to lower Investment Income than projected in the 2011 Mid-Year 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 August 2011.

2012 Final Proposed Budget

In the 2012 Final Proposed Budget, a total of \$32.0 million is projected in Baseline Surplus compared to the \$50.3 million Baseline Deficit in the July Plan. This consists of a decrease of \$17.8 million in revenues as well as an increase in expenses of \$0.5 million. The unfavorable outcome is primarily due to lower Investment Income then projected in the 2011 Mid-Year Budget. Claims are based on actuarial analysis of claim activity on an estimated basis.

2013 – 2015 Projections

2013 – 2015 Projections are representative of 2011 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2011 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 2011 at a rate of 2% each year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	18.324	20.885	21.179	21.567	21.977	22.430
Investment Income	11.526	0.828	0.840	0.855	0.871	0.889
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$29.850	\$21.713	\$22.019	\$22.422	\$22.848	\$23.319
Operating Expenses						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(98.584)	(91.211)	(98.115)	(108.056)	(121.111)	(137.491)
Claims	90.159	71.038	79.407	88.367	96.282	102.812
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	9.361	8.532	8.703	8.877	9.054	9.235
Total Non-Labor Expenses	\$0.936	(\$11.641)	(\$10.005)	(\$10.812)	(\$15.775)	(\$25.444)
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$0.936	(\$11.641)	(\$10.005)	(\$10.812)	(\$15.775)	(\$25.444)
Depreciation	-	-	-	-	-	-
Total Expenses	\$0.936	(\$11.641)	(\$10.005)	(\$10.812)	(\$15.775)	(\$25.444)
Baseline Surplus/(Deficit)	\$28.914	\$33.354	\$32.025	\$33.234	\$38.623	\$48.762

CASH RECEIPTS AND EXPENDITURES

[illegible]

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	9.799	10.952	12.188	13.280	14.181
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$9.799	\$10.952	\$12.188	\$13.280	\$14.181
<u>Other Expenditures Adjustments:</u>						
Other	(\$28.914)	(\$43.153)	(\$42.977)	(\$45.422)	(\$51.903)	(\$62.943)
Total Other Expenditures Adjustments	(\$28.914)	(\$43.153)	(\$42.977)	(\$45.422)	(\$51.903)	(\$62.943)
Total Cash Conversion Adjustments before Depreciation	(\$28.914)	(\$33.354)	(\$32.025)	(\$33.234)	(\$38.623)	(\$48.762)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$28.914)	(\$33.354)	(\$32.025)	(\$33.234)	(\$38.623)	(\$48.762)

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2012 Final Proposed Budget
November Financial Plan 2012-2015
Year-to-Year Changes by Category Baseline Narrative

Revenue

Investment Income

- A majority of Investment income is derived through FMTAC based on the investments managed by Dwight Asset Management and held by Bank of New York.
- Investment income is projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts September 6, 2011.

Expenses

Insurance

- Insurance (premiums paid to FMTAC) is from the 2011 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 2012 – 2015, except the Paratransit policy which is increasing 20% annually due to anticipated increases in exposure.

Claims

- Claims expenses are determined by actuarial projection for 2012 – 2015 actual claim expense paid and any adjustment either favorable or unfavorable to reserves.

Other Business Expenses

- Other Business Expenses increase 2% for 2012 – 2015 and are representative of general increases for professional services provided and expenses not directly related to claims.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2012-2015
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2011	2012	Change 2012 - 2011	2013	Change 2013 - 2012	2014	Change 2014 - 2013	2015	Change 2015 - 2014
<u>Revenue</u>									
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	20.885	21.179	0.294	21.567	0.388	21.977	0.410	22.430	0.453
Investment Income	0.828	0.840	0.012	0.855	0.015	0.871	0.016	0.889	0.018
Capital and Other Reimbursement									
Total Revenue	\$21.713	\$22.019	\$0.306	\$22.422	\$0.403	\$22.848	\$0.426	\$23.319	\$0.471
<u>Expenses</u>									
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
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	0.000	-	0.000	-	0.000	-	0.000
Insurance	(91.211)	(98.115)	6.904	(108.056)	9.941	(121.111)	13.055	(137.491)	16.380
Claims	71.038	79.407	(8.369)	88.367	(8.960)	96.282	(7.915)	102.812	(6.530)
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	8.532	8.703	(0.171)	8.877	(0.174)	9.054	(0.178)	9.235	(0.181)
Total Non-Labor Expenses	(\$11.641)	(\$10.005)	(\$1.636)	(\$10.812)	\$0.807	(\$15.775)	\$4.962	(\$25.444)	\$9.669
Other Expenses Adjustments:									
Other	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	(\$11.641)	(\$10.005)	(\$1.636)	(\$10.812)	\$0.807	(\$15.775)	\$4.962	(\$25.444)	\$9.669
Depreciation	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Expenses	(\$11.641)	(\$10.005)	(\$1.636)	(\$10.812)	\$0.807	(\$15.775)	\$4.962	(\$25.444)	\$9.669
Baseline Surplus/(Deficit)	\$33.354	\$32.025	(\$1.329)	\$33.234	\$1.210	\$38.623	\$5.388	\$48.762	\$10.140

CASH RECEIPTS & EXPENDITURES

[illegible]

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2012 Final Proposed Budget
November Financial Plan 2012-2015
Summary of Changes Between Financial Plans by Category

2011 – 2015 November Financial Plan vs July Financial Plan

Revenue

Revenue changes from the July Plan over the 2011 – 2015 periods include:

- A decrease baseline estimate for 2011 and 2012 due to decrease in investment income for the first eight months of 2011.

Expenses

Expense changes from the July Plan over the 2011 – 2015 periods include:

- An increase in Insurance (premium revenue) as projected in the 2011 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 August 2011. The inflation rate for Other Business Expense is expected to increase 2% per year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2012-2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Other Operating Revenue	(12.853)	(13.132)	(13.410)	(13.717)	(13.964)
Investment Income	(4.572)	(4.652)	(4.743)	(4.842)	(4.936)
Capital and Other Reimbursement					
Total Revenue Changes	(\$17.425)	(\$17.784)	(\$18.153)	(\$18.559)	(\$18.900)
Expenses					
<i>Labor:</i>					
Payroll					
Health and Welfare					
OPEB Current Payment					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Claims	\$0.000	\$0.000	\$0.270	\$0.000	\$0.000
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses	(.471)	(.480)	(.490)	(.500)	(.510)
Total Non-Labor Expense Changes	(\$0.471)	(\$0.480)	(\$0.220)	(\$0.500)	(\$0.510)
<i>Total Expenses before Depreciation and GASB Adjs.</i>					
Depreciation					
OPEB Obligation					
Environmental Remediation					
Total Expense Changes	(\$0.471)	(\$0.480)	(\$0.220)	(\$0.500)	(\$0.510)
Cash Adjustment Changes					
<i>Revenue:</i>					
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
<i>Expenses:</i>					
Claims	0.000	0.000	-0.270	0.000	0.000
Other Business Expenses					
Total Expense Changes	\$0.000	\$0.000	(\$0.270)	\$0.000	\$0.000
Restricted Cash Adjustment	17.896	18.265	18.643	19.059	19.410
Total Cash Adjustment Changes	\$17.896	\$18.265	\$18.373	\$19.059	\$19.410
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2012-2015
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>					
Revenue	(\$17.425)	(\$17.784)	(\$18.153)	(\$18.559)	(\$18.900)
Sub-Total Non-Reimbursable Revenue Changes	(\$17.425)	(\$17.784)	(\$18.153)	(\$18.559)	(\$18.900)
Expenses	(\$0.471)	(\$0.480)	(\$0.220)	(\$0.500)	(\$0.510)
Sub-Total Non-Reimbursable Expense Changes	(\$0.471)	(\$0.480)	(\$0.220)	(\$0.500)	(\$0.510)
<i>Total Non-Reimbursable Major Changes</i>	<i>(\$17.896)</i>	<i>(\$18.265)</i>	<i>(\$18.373)</i>	<i>(\$19.059)</i>	<i>(\$19.410)</i>
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Sub-Total Reimbursable Expense Changes					
<i>Total Reimbursable Major Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
Total Accrual Changes	(\$17.896)	(\$18.265)	(\$18.373)	(\$19.059)	(\$19.410)
Cash Adjustment Changes	\$17.896	\$18.265	\$18.373	\$19.059	\$19.410
Total Cash Adjustment Changes	\$17.896	\$18.265	\$18.373	\$19.059	\$19.410
<i>Total Baseline Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

[THIS PAGE INTENTIONALLY LEFT BLANK]

,

New York City Transit

MTA NEW YORK CITY TRANSIT
2012 Final Proposed Budget
November Financial Plan 2012 – 2015

FINANCIAL OVERVIEW

MTA New York City Transit remains committed to providing safe, secure and reliable services despite the lingering impact of the economy on the region's transportation network. The November Financial Plan includes significant paratransit savings and funding for four important programmatic initiatives critical to meeting NYCT's operational and maintenance needs.

Paratransit expenses are projected to be reduced by \$37.3 million in 2011, \$63.7 million in 2012, \$81.5 million in 2013, \$117.7 million in 2014 and \$149.2 million in 2015. These savings result primarily from the annualization of efficiencies achieved in 2011, mostly from the diversion of ridership to lower cost vouchers and taxis, reduced growth in ridership, increased use of the fixed route accessible system where possible, and tightened application of current eligibility standards.

Important programmatic initiatives, included in this financial plan, are summarized as follows:

- Due to several changes in workscope, **SMS (Subways Scheduled Maintenance)** requires an additional 14 positions (\$7.4 million) in 2012, 79 positions (\$15.1 million) in 2013 and 125 positions (\$25.0 million) in 2015.
- **Expansion of SBS (Select Bus Service)** in 2013 to Nostrand Avenue, Hylan Boulevard, and Webster Avenue. To accomplish this, it is estimated that \$5.1 million of expenses in 2013 and \$6.2 million of expenses in subsequent years will be required.
- **Additional SONET/ATM-B** (fiber optic data communications system) **maintenance requirements** to extend SONET technology, previously installed at 178 stations on Subdivision A, to 289 stations on Subdivision B. NYCT has assumed responsibility for a significant array of equipment, requiring execution of several maintenance contracts. To meet these additional requirements, 16 positions are required beginning 2011 with costs of \$0.4 million in 2011 and \$2.6 million in subsequent years.
- In order to enhance **refuse collection capability**, beginning 2012, 19 positions and \$1.6 million of costs will be required, to operate two additional refuse collection trains.

2011 November Forecast

MTA NYC Transit's 2011 November Forecast includes total expenses before depreciation and other post-employment benefits of \$7,188.1 million, consisting of \$6,268.5 million of non-reimbursable expenses and \$919.6 million of reimbursable expenses. Total revenues are projected to be \$4,850.0 million, of which \$3,930.4 million are operating revenues and \$919.6 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 45,715, comprised of 40,819 non-reimbursable positions and 4,896 reimbursable positions, including a reduction in force of 370 reimbursable positions implemented in 2011).

The 2011 net operating cash deficit is projected to increase by \$34.0 million from the 2011 Mid-Year Forecast.

Major operating cash changes include:

- Net unfavorable cash timing adjustments of \$31.8 million, offset in 2012, including capital reimbursement delays of \$102.5 million, partially offset by a favorable \$70.7 million, mostly due to the timing of wage settlements/payments.
- An unfavorable health and welfare payment lag of \$27.4 million, resulting from implementation of some new vendor contracts and re-estimates of savings from the July Plan.
- A projected increase in the rate of public liability (claims) payouts of \$25.4 million.
- Paratransit savings of \$37.3 million, resulting from lower-than-expected utilization and management actions that have significantly improved efficiencies and reduced completed trips.
- Programmatic initiative savings of \$11.6 million, largely due to re-estimates of bus shop plan requirements.

Reimbursable expenses are projected to decrease in 2011 by \$31.5 million, due primarily to reductions in programmatic capital construction requirements and departmental re-estimates.

Total baseline positions are projected to decrease by 4, including a non-reimbursable decrease of 7 and a reimbursable increase of 3.

2012 Final Proposed Budget

MTA New York City Transit's 2012 Final Proposed Budget includes total expenses before depreciation and other post-employment benefits of \$7,604.2 million, consisting of \$6,720.7 million of non-reimbursable expenses and \$883.5 million of reimbursable expenses. Total revenues are projected to be \$4,913.2 million, of which \$4,029.7 million are operating revenues and \$883.5 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 45,599, comprised of 41,071 non-reimbursable positions and 4,528 reimbursable positions, including a reduction in force of 369 reimbursable positions implemented in 2011).

The 2012 net operating cash deficit is projected to increase by \$7.1 million from the July Preliminary Budget. Major operating cash variances include:

- Paratransit savings of \$63.7 million, resulting from management actions that have significantly improved efficiencies.
- Net favorable cash timing adjustments of \$31.8 million, including capital reimbursement delays from 2011 of \$102.5 million, partially offset by an unfavorable \$70.7 million, due mostly to the timing of wage settlements/payments.
- A projected unfavorable non-labor payment lag of \$20.0 million from 2011.
- An unfavorable re-estimate of farebox revenues, resulting in a reduction of \$18.5 million.
- A projected increase in the rate of public liability (claims) payouts of \$17.0 million.
- Increased investments of \$16.3 million for programmatic initiatives, including Subways scheduled maintenance requirements based on workscope revisions and the timing of bus shop plan requirements.
- Reimbursable overhead adjustments of a negative \$11.6 million, resulting from reductions in reimbursable expenses.
- Unfavorable inflation adjustments of \$8.2 million, mostly related to health & welfare rates and electric power price assumptions.

Reimbursable expenses are projected to decrease in 2012 by \$24.0 million, due primarily to reductions in programmatic capital construction requirements.

Total baseline positions are projected to increase by 26, including a non-reimbursable increase of 156 and a reimbursable decrease of 130. The non-reimbursable increase is mostly due to employee availability adjustments and programmatic initiative requirements. The reimbursable decrease is due to reduced programmatic capital construction requirements.

2013-2015 Projections

Net operating cash deficits are projected to decrease by \$2.1 million in 2013, \$64.3 million in 2014 and \$54.4 million in 2015, relative to the July Financial Plan. Major operating cash changes include:

- Paratransit savings of \$81.5 million in 2013, \$117.7 million in 2014 and \$149.2 million in 2015, resulting from management actions that have significantly improved efficiencies.
- Unfavorable re-estimates of farebox revenues, resulting in reductions of \$18.5 million in 2013, \$22.6 million in 2014 and \$22.6 million in 2015.
- Increased investments of \$16.3 million in 2013 and \$32.3 million in 2015 for programmatic initiatives, including Subways scheduled maintenance requirements based on workscope revisions and the expansion of Select Bus Service (SBS).
- Projected increases in the rate of public liability (claims) payouts of \$12.1 million in 2013, \$14.2 million in 2014 and \$18.2 million in 2015.
- Reimbursable overhead adjustments of a negative \$10.5 million in 2013, \$11.4 million in 2014 and \$12.6 million in 2015, resulting from reductions in reimbursable expenses.
- Unfavorable inflation adjustments of \$12.8 million in 2013, \$12.2 million in 2014 and \$10.8 million in 2015, mostly related to electric power price assumptions.

Reimbursable expenses are projected to decrease by \$26.1 million in 2013, \$32.3 million in 2014 and \$33.1 million in 2015, due primarily to reductions in programmatic capital construction requirements.

Total baseline positions are projected to increase by 35 in 2013, and decrease by 101 in 2014 and 33 in 2015, including non-reimbursable increases of 181 in 2013, 75 in 2014 and 146 in 2015, and reimbursable decreases of 146 in 2013, 176 in 2014 and 179 in 2015. The non-reimbursable increases were mostly due to employee availability adjustments. The reimbursable decreases were due to reduced programmatic capital construction requirements.

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Operating Revenue						
<u>Farebox Revenue:</u>						
Subway	2,398.466	2,689.411	2,746.177	2,784.519	2,829.559	2,873.194
Bus	838.969	868.384	885.066	891.990	900.720	908.673
Paratransit	15.356	14.647	17.003	19.573	22.529	25.928
Fare Media Liability	66.897	56.092	56.221	52.221	52.221	52.221
Farebox Revenue	\$3,319.688	\$3,628.534	\$3,704.467	\$3,748.303	\$3,805.029	\$3,860.016
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue:						
Fare Reimbursement	84.017	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	87.200	112.063	132.619	155.844	184.374	216.825
Other	111.284	105.809	108.592	112.381	116.343	120.450
Other Operating Revenue	\$282.501	\$301.888	\$325.227	\$352.241	\$384.733	\$421.291
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$3,602.189	\$3,930.422	\$4,029.694	\$4,100.544	\$4,189.762	\$4,281.307
Expenses						
Labor:						
Payroll	2,827.360	2,823.141	2,877.006	2,879.935	2,934.779	2,987.970
Overtime	224.273	299.977	262.400	260.166	264.085	268.241
Total Salaries & Wages	3,051.633	3,123.118	3,139.406	3,140.101	3,198.864	3,256.211
Health and Welfare	500.749	515.497	580.019	629.257	686.472	747.736
OPEB Current Payment	265.361	283.009	318.496	359.147	395.418	435.482
Pensions	749.179	776.780	925.072	930.624	980.711	1,023.589
Other Fringe Benefits	304.010	253.677	258.475	264.166	271.254	276.753
Total Fringe Benefits	1,819.299	1,828.963	2,082.062	2,183.194	2,333.855	2,483.560
Reimbursable Overhead	(231.009)	(212.025)	(198.738)	(186.938)	(186.466)	(189.509)
Total Labor Expenses	\$4,639.923	\$4,740.056	\$5,022.730	\$5,136.357	\$5,346.253	\$5,550.262
Non-Labor:						
Traction and Propulsion Power	180.342	186.891	209.018	233.538	262.082	290.071
Fuel for Buses and Trains	121.202	155.312	167.183	177.316	178.989	186.814
Insurance	56.362	57.429	68.387	83.227	101.596	124.440
Claims	125.632	103.505	95.039	90.116	92.245	96.244
Paratransit Service Contracts	379.761	356.043	404.193	468.083	550.025	636.950
Maintenance and Other Operating Contracts	208.183	247.015	286.720	302.533	298.866	322.617
Professional Service Contracts	106.924	83.759	90.273	91.146	93.026	92.989
Materials & Supplies	276.434	279.329	315.952	336.367	340.708	379.479
Other Business Expenses	59.162	59.163	61.242	63.471	64.909	66.316
Total Non-Labor Expenses	\$1,514.002	\$1,528.446	\$1,698.007	\$1,845.797	\$1,982.446	\$2,195.920
Other Expense Adjustments:						
Other	1.340	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.340	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before						
Depreciation and GASB Adjustments	\$6,155.265	\$6,268.502	\$6,720.737	\$6,982.154	\$7,328.699	\$7,746.182
Depreciation	1,289.637	1,370.000	1,445.000	1,520.000	1,595.000	1,670.000
OPEB Obligation	881.439	918.747	929.883	943.779	962.640	979.780
Environmental Remediation	10.667	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$8,337.008	\$8,557.249	\$9,095.620	\$9,445.933	\$9,886.339	\$10,395.962
Net Surplus/(Deficit)	(\$4,734.819)	(\$4,626.827)	(\$5,065.926)	(\$5,345.389)	(\$5,696.577)	(\$6,114.655)

[illegible]

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Revenue						
<u>Farebox Revenue:</u>						
Subway	\$2,398.466	\$2,689.411	\$2,746.177	\$2,784.519	\$2,829.559	\$2,873.194
Bus	838.969	868.384	885.066	891.990	900.720	908.673
Paratransit	15.356	14.647	17.003	19.573	22.529	25.928
Fare Media Liability	66.897	56.092	56.221	52.221	52.221	52.221
Farebox Revenue	\$3,319.688	\$3,628.534	\$3,704.467	\$3,748.303	\$3,805.029	\$3,860.016
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.017	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	87.200	112.063	132.619	155.844	184.374	216.825
Other	111.284	105.809	108.592	112.381	116.343	120.450
Other Operating Revenue	282.501	301.888	325.227	352.241	384.733	421.291
Capital and Other Reimbursements	981.908	919.585	883.499	845.180	848.167	863.240
Total Revenue	\$4,584.097	\$4,850.007	\$4,913.193	\$4,945.724	\$5,037.929	\$5,144.547
Expenses						
<u>Labor:</u>						
Payroll	3,220.922	3,200.744	3,244.716	3,231.674	3,285.609	3,344.225
Overtime	317.014	378.513	328.315	324.917	329.464	334.797
Total Salaries & Wages	3,537.936	3,579.257	3,573.031	3,556.591	3,615.073	3,679.022
Health and Welfare	521.378	538.093	603.633	654.827	714.320	778.046
OPEB Current Payment	265.361	283.009	318.496	359.147	395.418	435.482
Pensions	767.386	795.841	943.574	949.230	1,000.793	1,045.047
Other Fringe Benefits	420.590	364.166	366.616	366.549	373.218	380.311
Total Fringe Benefits	1,974.715	1,981.109	2,232.319	2,329.753	2,483.749	2,638.886
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$5,512.651	\$5,560.366	\$5,805.350	\$5,886.344	\$6,098.822	\$6,317.908
<u>Non-Labor:</u>						
Traction and Propulsion Power	180.436	186.891	209.018	233.538	262.082	290.071
Fuel for Buses and Trains	121.448	155.338	167.204	177.337	179.010	186.835
Insurance	56.362	57.429	68.387	83.227	101.596	124.440
Claims	125.821	103.505	95.039	90.116	92.245	96.242
Paratransit Service Contracts	380.863	356.043	404.193	468.083	550.025	636.950
Maintenance and Other Operating Contracts	243.124	278.426	319.422	335.235	332.471	356.222
Professional Service Contracts	123.275	98.858	104.849	105.798	107.678	107.641
Materials & Supplies	331.838	329.803	368.202	382.855	386.698	425.467
Other Business Expenses	60.015	61.428	62.572	64.801	66.239	67.646
Total Non-Labor Expenses	\$1,623.182	\$1,627.721	\$1,798.886	\$1,940.990	\$2,078.044	\$2,291.514
<u>Other Expense Adjustments:</u>						
Other	1.340	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.340	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments						
Depreciation and GASB Adjustments	\$7,137.173	\$7,188.087	\$7,604.236	\$7,827.334	\$8,176.866	\$8,609.422
Depreciation	1,289.637	1,370.000	1,445.000	1,520.000	1,595.000	1,670.000
OPEB Obligation	881.439	918.747	929.883	943.779	962.640	979.780
Environmental Remediation	10.667	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$9,318.916	\$9,476.834	\$9,979.119	\$10,291.113	\$10,734.506	\$11,259.202
Net Surplus/(Deficit)	(\$4,734.819)	(\$4,626.827)	(\$5,065.926)	(\$5,345.389)	(\$5,696.577)	(\$6,114.655)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012 - 2015
Cash Receipts & Expenditures

CASH RECEIPTS AND EXPENDITURES						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	3,311.641	3,640.264	3,702.998	3,758.234	3,809.260	3,864.247
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.000	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	85.400	112.398	132.464	155.582	184.230	216.550
Other	115.800	106.309	109.592	113.381	117.343	121.450
Other Operating Revenue	\$285.200	\$302.723	\$326.072	\$352.979	\$385.589	\$422.016
Capital and Other Reimbursements	943.666	836.258	1,039.377	852.659	847.041	859.593
Total Receipts	\$4,540.507	\$4,779.245	\$5,068.447	\$4,963.872	\$5,041.890	\$5,145.856
Expenditures						
<u>Labor:</u>						
Payroll	3,209.400	3,152.733	3,275.240	3,208.818	3,260.287	3,317.694
Overtime	312.300	372.835	331.404	322.619	326.925	332.141
Total Salaries & Wages	3,521.700	3,525.568	3,606.644	3,531.437	3,587.212	3,649.835
Health and Welfare	500.600	580.056	600.873	650.491	709.616	772.942
OPEB Current Payment	265.400	283.009	318.496	359.147	395.418	435.482
Pensions	848.667	773.403	930.883	936.885	970.397	1,021.557
Other Fringe Benefits	337.825	334.883	339.764	336.635	344.199	352.492
Total Fringe Benefits	1,952.492	1,971.351	2,190.016	2,283.158	2,419.630	2,582.473
GASB Account	40.400	26.523	34.370	35.762	36.421	37.101
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$5,514.592	\$5,523.442	\$5,831.030	\$5,850.357	\$6,043.263	\$6,269.409
<u>Non-Labor:</u>						
Traction and Propulsion Power	179.200	189.691	209.018	233.538	262.082	290.071
Fuel for Buses and Trains	123.100	152.638	167.204	177.337	179.010	186.835
Insurance	64.500	55.101	71.936	85.031	103.494	129.938
Claims	84.153	100.800	87.065	81.869	83.717	85.612
Paratransit Service Contracts	386.300	367.943	402.193	466.083	548.025	634.950
Maintenance and Other Operating Contracts	257.143	285.326	330.122	345.935	343.171	366.922
Professional Service Contracts	105.100	95.382	98.849	99.798	101.678	101.641
Materials & Supplies	320.100	288.318	390.202	384.855	388.698	427.467
Other Business Expenditures	61.800	61.428	62.572	64.801	66.239	67.646
Total Non-Labor Expenditures	\$1,581.396	\$1,596.627	\$1,819.161	\$1,939.247	\$2,076.114	\$2,291.082
<u>Other Expenditure Adjustments:</u>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$7,095.988	\$7,120.069	\$7,650.191	\$7,789.604	\$8,119.377	\$8,560.491
Net Cash Deficit	(\$2,555.481)	(\$2,340.824)	(\$2,581.744)	(\$2,825.732)	(\$3,077.487)	(\$3,414.635)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012 - 2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Fare Revenue	(8.047)	11.730	(1.469)	9.931	4.231	4.231
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	(0.017)	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	(1.800)	0.335	(0.155)	(0.262)	(0.144)	(0.275)
Other	4.516	0.500	1.000	1.000	1.000	1.000
Other Operating Revenue	\$2.699	\$0.835	\$0.845	\$0.738	\$0.856	\$0.725
Capital and Other Reimbursements	(38.242)	(83.327)	155.878	7.479	(1.126)	(3.647)
Total Receipt Adjustments	(\$43.590)	(\$70.762)	\$155.254	\$18.148	\$3.961	\$1.309
Expenditures						
Labor:						
Payroll	11.522	48.011	(30.524)	22.856	25.322	26.531
Overtime	4.714	5.678	(3.089)	2.298	2.539	2.656
Total Salaries & Wages	16.236	53.689	(33.613)	25.154	27.861	29.187
Health and Welfare	20.778	(41.963)	2.760	4.336	4.704	5.104
OPEB Current Payment	(0.039)	0.000	0.000	0.000	0.000	0.000
Pensions	(81.281)	22.438	12.691	12.345	30.396	23.490
Other Fringe Benefits	82.765	29.283	26.852	29.914	29.019	27.819
Total Fringe Benefits	22.223	9.758	42.303	46.595	64.119	56.413
GASB Account	(40.400)	(26.523)	(34.370)	(35.762)	(36.421)	(37.101)
Reimbursable Overhead						
Total Labor Expenditures	(\$1.941)	\$36.924	(\$25.680)	\$35.987	\$55.559	\$48.499
Non-Labor:						
Traction and Propulsion Power	1.236	(2.800)	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	(1.652)	2.700	0.000	0.000	0.000	0.000
Insurance	(8.138)	2.328	(3.549)	(1.804)	(1.898)	(5.498)
Claims	41.668	2.705	7.974	8.247	8.528	10.630
Paratransit Service Contracts	(5.437)	(11.900)	2.000	2.000	2.000	2.000
Maintenance and Other Operating Contracts	(14.019)	(6.900)	(10.700)	(10.700)	(10.700)	(10.700)
Professional Service Contracts	18.175	3.476	6.000	6.000	6.000	6.000
Materials & Supplies	11.738	41.485	(22.000)	(2.000)	(2.000)	(2.000)
Other Business Expenditures	(1.785)	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$41.786	\$31.094	(\$20.275)	\$1.743	\$1.930	\$0.432
Other Expenditure Adjustments:						
Other	1.340	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$1.340	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$41.185	\$68.018	(\$45.955)	\$37.730	\$57.489	\$48.931
Total Cash Conversion Adjustments before Depreciation and GASB Adjustments	(\$2.405)	(\$2.744)	\$109.299	\$55.878	\$61.450	\$50.240
Depreciation Adjustment	1,289.637	1,370.000	1,445.000	1,520.000	1,595.000	1,670.000
OPEB Obligation	881.439	918.747	929.883	943.779	962.640	979.780
Environmental Remediation	10.667	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$2,179.338	\$2,286.003	\$2,484.182	\$2,519.657	\$2,619.090	\$2,700.020

MTA NEW YORK CITY TRANSIT
2012 Final Proposed Budget
November Financial Plan 2012 – 2015
Year-to-Year Changes by Category-Baseline

TOTAL REVENUE/RECEIPTS

Farebox Revenue

- Subway/bus farebox revenue annual growth based largely on 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 (based on 120 percent of prior calendar year total amounts billed) 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.

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.
- 2011 includes \$13.6 million of unfavorable timing of receipts as these receipts were actually received in 2010.

TOTAL EXPENSES/EXPENDITURES

Payroll

- 2012-2015 projections include a zero wage increase assumption for represented employees for 2012-2013 (nonrepresented employees received zero wage increases for 2009-2010). Aside from years with zero increase, projections include primarily CPI-based rate increases as follows: 2014=1.91% and 2015=1.85%.
- 2011 includes \$17.4 million of unfavorable cash timing adjustments from 2010.

Overtime

- 2012-2015 payroll wage rate increase assumptions apply.

Health & Welfare

- Inflation assumptions for 2012-2015: Annual employees = 8.3% per year; hourly employees = 9.0% per year
- 2011 includes \$6.1 million of unfavorable cash timing adjustments from 2010.

Pension

- Projections are consistent with current actuarial information

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.
- 2011 includes \$1.3 million of unfavorable cash timing adjustments from 2010.

Traction and Propulsion Power

- The financial plan reflects projected weighted average New York Power Authority/Con Edison energy rate increases as follows: 2012=9.3%, 2013=11.8%, 2014=12.2% and 2015=12.5%.
- 2011 includes \$2.8 million of unfavorable cash timing adjustments from 2010.

Fuel for Buses and Trains

- Diesel fuel inflation assumptions are as follows: 2012=1.56%, 2013=4.17%, 2014=(1.21)% and 2015=0.00%.
- 2011 includes \$0.6 million of favorable cash timing adjustments from 2011.

Insurance

- Premium rates are assumed to increase by 10% per year during 2012-2015.

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.
- 2011 includes a \$1.5 million unfavorable cash timing adjustment from 2010.

Maintenance and Other Operating Contracts

- 2012-2015 inflator assumptions are as follows: 2012=1.55%, 2013=1.91%, 2014=2.06% and 2015=2.10%.
- Facility power inflation assumptions are based on projected weighted average New York Power Authority/Con Edison energy rate increases as follows: 2012=9.3%, 2013=11.8%, 2014=12.2% and 2015=12.5%.
- 2011 includes a \$0.2 million favorable cash timing adjustment from 2010.

Professional Service Contracts

- 2012-2015 inflator assumptions are as follows: 2012=1.55%, 2013=1.91%, 2014=2.06% and 2015=2.10%.
- 2011 includes a \$3.2 million unfavorable cash timing adjustment from 2010.

Materials and Supplies

- 2012-2015 inflator assumptions are as follows: 2012=3.14%, 2013=2.09%, 2014=1.91% and 2015=2.09%.
- 2011 includes a \$7.2 million favorable cash timing adjustment from 2010.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance program requirements.

Other Business Expenses

- 2012-2015 inflator assumptions are as follows: 2012=1.55%, 2013=1.91%, 2014=2.06% and 2015=2.10%.

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
November Financial Plan 2012 - 2015
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE	Favorable/(Unfavorable)								
	2011	2012	Change 2012-2011	2013	Change 2013-2012	2014	Change 2014-2013	2015	Change 2015-2014
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital and Other Reimbursements	\$919.585	\$883.499	(\$36.086)	\$845.180	(\$38.319)	\$848.167	\$2.987	\$863.240	\$15.073
Total Revenue	\$919.585	\$883.499	(\$36.086)	\$845.180	(\$38.319)	\$848.167	\$2.987	\$863.240	\$15.073
Expenses									
Labor:									
Payroll	377.603	367.710	9.893	351.739	15.971	350.830	0.909	356.255	(5.425)
Overtime	78.536	65.915	12.621	64.751	1.164	65.379	(0.628)	66.556	(1.177)
Total Salaries & Wages	456.139	433.625	22.514	416.490	17.135	416.209	0.281	422.811	(6.602)
Health and Welfare	22.596	23.614	(1.018)	25.570	(1.956)	27.848	(2.278)	30.310	(2.462)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	19.061	18.502	0.559	18.606	(0.104)	20.082	(1.476)	21.458	(1.376)
Other Fringe Benefits	110.489	108.141	2.348	102.383	5.758	101.964	0.419	103.558	(1.594)
Total Fringe Benefits	152.146	150.257	1.889	146.559	3.698	149.894	(3.335)	155.326	(5.432)
Reimbursable Overhead	212.025	198.738	13.287	186.938	11.800	186.466	0.472	189.509	(3.043)
Total Labor Expenses	\$820.310	\$782.620	\$37.690	\$749.987	\$32.633	\$752.569	(\$2.582)	\$767.646	(\$15.077)
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	0.026	0.021	0.005	0.021	0.000	0.021	0.000	0.021	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	(0.002)	0.002
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	31.411	32.702	(1.291)	32.702	0.000	33.605	(0.903)	33.605	0.000
Professional Service Contracts	15.099	14.576	0.523	14.652	(0.076)	14.652	0.000	14.652	0.000
Materials & Supplies	50.474	52.250	(1.776)	46.488	5.762	45.990	0.498	45.988	0.002
Other Business Expenses	2.265	1.330	0.935	1.330	0.000	1.330	0.000	1.330	0.000
Total Non-Labor Expenses	\$99.275	\$100.879	(\$1.604)	\$95.193	\$5.686	\$95.598	(\$0.405)	\$95.594	\$0.004
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$919.585	\$883.499	\$36.086	\$845.180	\$38.319	\$848.167	(\$2.987)	\$863.240	(\$15.073)
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$919.585	\$883.499	\$36.086	\$845.180	\$38.319	\$848.167	(\$2.987)	\$863.240	(\$15.073)
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

MTA NEW YORK CITY TRANSIT
2012 Final Proposed Budget
November Financial Plan 2012 – 2015
Summary of Major Plan-to-Plan Changes

2011: November Financial Plan vs. July Financial Plan

Revenue Changes

Revenue changes from the July Financial Plan result in a decrease of \$42.1 million. Major changes include:

- A decrease in capital reimbursements of \$31.5 million, which was consistent with decreased reimbursable expense levels.
- A reduction in fare revenue of \$17.5 million, primarily due to a revised \$9.6 million of lost revenue due to Hurricane Irene.
- A re-estimate of paratransit Urban Tax revenue, which resulted in an increase of \$6.9 million.

Expense Changes

Total expenses decrease from the July Financial Plan by \$88.8 million. Major changes include:

- Paratransit savings of \$37.3 million, resulting from management actions that have significantly improved efficiencies and reduced completed trips.
- Reimbursable expenses are projected to decrease by \$31.5 million, due primarily to reductions in programmatic capital construction requirements and departmental re-estimates.
- A re-estimate of depreciation expenses has resulted in a reduction of \$30.0 million.
- Programmatic initiative savings of \$11.6 million, largely due to re-estimates of bus shop plan requirements.
- A projected increase in the rate of public liability (claims) payouts of \$25.4 million.

Cash Adjustments

Cash adjustments are projected to be unfavorable by \$80.6 million. Major changes include:

- Net unfavorable cash timing adjustments of \$31.8 million, offset in 2012, including capital reimbursement delays of \$102.5 million, partially offset by a favorable \$70.7 million, mostly due to the timing of wage settlements/payments.
- An unfavorable depreciation non-cash offset to expense re-estimates of \$30.0 million.
- An unfavorable health and welfare payment lag of \$27.4 million, resulting from implementation of some new vendor contracts.

2012-2015: November Financial Plan vs. July Financial Plan

Revenue Changes

Revenue changes from the July Financial Plan result in decreases of \$37.5 million in 2012, \$39.6 million in 2013, \$48.2 million in 2014 and \$48.7 million in 2015.

Major changes include:

- Decreases in capital reimbursements of \$24.0 million in 2012, \$26.1 million in 2013, \$32.3 million in 2014 and \$33.1 million in 2015, which are consistent with decreased reimbursable expense levels.
- Re-estimates of farebox revenues, resulting in reductions of \$18.5 million in 2012, \$18.5 million in 2013, \$22.6 million in 2014 and \$22.6 million in 2015.
- Re-estimates of paratransit Urban Tax revenue, resulting in increases of \$5.0 million in 2012, \$5.0 million in 2013, \$6.7 million in 2014 and \$7.0 million in 2015.

Expense Changes

Total expenses decrease by \$48.4 million in 2012, \$69.9 million in 2013, \$137.8 million in 2014 and \$127.6 million in 2015 from the July Financial Plan.

Major changes include:

- Paratransit savings of \$63.7 million in 2012, \$81.5 million in 2013, \$117.7 million in 2014 and \$149.2 million in 2015, resulting from management actions that have significantly improved efficiencies.

- Re-estimates of depreciation expenses, resulting in a reduction of \$30.0 million for each year.
- Reimbursable expenses are projected to decrease by \$24.0 million in 2012, \$26.1 million in 2013, \$32.3 million in 2014 and \$33.1 million in 2015, due primarily to reductions in programmatic capital construction requirements.
- Projected increases in the rate of public liability (claims) payouts of \$17.0 million in 2012, \$12.1 million in 2013, \$14.2 million in 2014 and \$18.2 million in 2015.
- Increased investments of \$16.3 million in both 2012 and 2013, and \$32.3 million in 2015 for programmatic initiatives, including Subways scheduled maintenance requirements based on workscope revisions and the expansion of Select Bus Service (SBS).
- Reimbursable overhead adjustments of a negative \$11.6 million in 2012, \$10.5 million in 2013, \$11.4 million in 2014 and \$12.6 million in 2015, resulting from reductions in reimbursable expenses.
- Unfavorable inflation adjustments of \$8.2 million in 2012, \$12.8 million in 2013, \$12.2 million in 2014 and \$10.8 million in 2015, mostly related to electric power price assumptions.

Cash Adjustments

Cash adjustments are projected to be unfavorable by \$18.1 million in 2012, \$28.3 million in 2013, \$25.3 million in 2014 and \$24.4 million in 2015.

Major changes include:

- Unfavorable depreciation non-cash offset to expense re-estimates of \$30.0 million each year.
- Net favorable cash timing adjustments of \$11.8 million in 2012, including capital reimbursement delays of \$102.5 million from 2011, partially offset by an unfavorable \$70.7 million due to the timing of wage settlements/payments and a \$20.0 million unfavorable non-labor payment lag.
- Favorable public liability (claims) non-cash expense offsets of \$2.0 million in 2012, \$4.0 million in 2013, \$6.0 million in 2014 and \$8.1 million in 2015.

MTA New York City Transit
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2011	2012	2013	2014	2015
2011 July Financial Plan - Cash Deficit	(\$2,361.547)	(\$2,654.871)	(\$2,865.597)	(\$3,177.281)	(\$3,504.670)
Adjustments Included at MTA level below the line:					
Farebox Revenue Re-estimate	33.337	34.033	34.497	35.088	35.618
Capital Reimbursement Timing	(40.000)	40.000	0.000	0.000	0.000
2011 July Financial Plan - Cash Deficit - Revised	(\$2,368.210)	(\$2,580.838)	(\$2,831.100)	(\$3,142.193)	(\$3,469.052)
Baseline Changes					
Revenue					
Farebox Revenue	(17.544)	(18.526)	(18.484)	(22.638)	(22.617)
Other Operating Revenue	6.934	4.993	4.977	6.733	6.983
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$10.610)	(\$13.533)	(\$13.507)	(\$15.905)	(\$15.634)
Expenses					
Labor:					
Payroll	8.151	(12.292)	(19.017)	(12.691)	(18.392)
Overtime	(21.909)	0.079	1.490	1.940	2.542
Health and Welfare	12.091	2.771	6.228	12.659	15.827
OPEB Current Payment	(14.515)	(7.614)	(8.228)	(7.057)	(5.673)
Pensions	(0.106)	(0.049)	(0.786)	(0.076)	(0.468)
Other Fringe Benefits	(4.417)	(3.282)	(4.472)	(4.620)	(4.979)
Reimbursable Overhead	(9.537)	(6.327)	(7.126)	(9.114)	(9.316)
Total Labor Expense Changes	(\$30.242)	(\$26.714)	(\$31.911)	(\$18.959)	(\$20.459)
Non-Labor:					
Traction and Propulsion Power	3.896	(4.153)	(6.844)	(10.119)	(14.104)
Fuel for Buses and Trains	(0.930)	(0.487)	(2.069)	1.081	3.927
Insurance	0.007	0.000	0.000	0.000	0.000
Claims	(25.422)	(16.956)	(12.033)	(14.162)	(18.161)
Paratransit Service Contracts	28.393	58.145	85.163	109.811	136.076
Maintenance and Other Operating Contracts	2.383	(33.575)	(37.473)	(25.314)	(32.955)
Professional Service Contracts	11.187	11.370	12.788	14.427	15.828
Materials & Supplies	29.657	(1.870)	(2.555)	9.892	(14.489)
Other Business Expenses	8.332	8.737	8.772	8.787	8.792
Total Non-Labor Expense Changes	\$57.503	\$21.211	\$45.749	\$94.403	\$84.914
Depreciation	\$30.000	\$30.000	\$30.000	\$30.000	\$30.000
Total Expense Changes	\$57.261	\$24.497	\$43.838	\$105.444	\$94.455
Cash Adjustment Changes					
Revenue	0.000	0.000	0.000	0.000	0.000
Expense	52.322	(95.639)	1.432	3.452	5.502
Depreciation	(30.000)	(30.000)	(30.000)	(30.000)	(30.000)
Total Cash Adjustment Changes	\$22.322	(\$125.639)	(\$28.568)	(\$26.548)	(\$24.498)
Total Baseline Changes	\$68.973	(\$114.675)	\$1.763	\$62.991	\$54.323
2011 November Financial Plan - Cash Deficit	(\$2,299.237)	(\$2,695.513)	(\$2,829.337)	(\$3,079.202)	(\$3,414.729)

MTA New York City Transit
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE	2011	2012	2013	2014	2015
2011 July Financial Plan - Cash Deficit	\$61.363	\$6.234	\$3.313	\$0.439	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	(31.463)	(23.952)	(26.114)	(32.322)	(33.105)
Total Revenue Changes	(\$31.463)	(\$23.952)	(\$26.114)	(\$32.322)	(\$33.105)
Expenses					
Labor:					
Payroll	16.124	9.902	10.821	13.128	13.346
Overtime	(3.437)	4.109	4.066	4.450	4.531
Health and Welfare	(0.454)	0.401	0.541	0.710	0.904
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.037	0.038	0.038	0.038
Other Fringe Benefits	5.539	3.506	3.604	4.466	4.552
Reimbursable Overhead	9.537	6.327	7.126	9.114	9.316
Total Labor Expense Changes	\$27.309	\$24.282	\$26.196	\$31.906	\$32.687
Non-Labor:					
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.154	0.619	0.619	0.619	0.619
Professional Service Contracts	(0.539)	(0.405)	(0.405)	(0.405)	(0.405)
Materials & Supplies	4.242	0.226	0.473	0.972	0.974
Other Business Expenses	(1.703)	(0.770)	(0.769)	(0.770)	(0.770)
Total Non-Labor Expense Changes	\$4.154	(\$0.330)	(\$0.082)	\$0.416	\$0.418
Total Expense Changes	\$31.463	\$23.952	\$26.114	\$32.322	\$33.105
Cash Adjustment Changes					
Capital Reimbursement Timing	(102.532)	107.518	0.449	1.293	0.163
Total Cash Adjustment Changes	(\$102.532)	\$107.518	\$0.449	\$1.293	\$0.163
Total Baseline Changes	(\$102.532)	\$107.518	\$0.449	\$1.293	\$0.163
2011 November Financial Plan - Cash Deficit	(\$41.169)	\$113.752	\$3.762	\$1.732	\$0.163

MTA New York City Transit
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

	2011	2012	2013	2014	2015
NON-REIMBURSABLE and REIMBURSABLE					
2011 July Financial Plan - Cash Deficit	(\$2,300.184)	(\$2,648.637)	(\$2,862.284)	(\$3,176.842)	(\$3,504.670)
Adjustments Included at MTA level below the line:					
Farebox Revenue Re-estimate	33.337	34.033	34.497	35.088	35.618
Capital Reimbursement Timing	(40.000)	40.000	0.000	0.000	0.000
2011 July Financial Plan - Cash Deficit - Revised	(\$2,306.847)	(\$2,574.604)	(\$2,827.787)	(\$3,141.754)	(\$3,469.052)
Baseline Changes					
Revenue					
Farebox Revenue	(17.544)	(18.526)	(18.484)	(22.638)	(22.617)
Other Operating Revenue	6.934	4.993	4.977	6.733	6.983
Capital and Other Reimbursement	(31.463)	(23.952)	(26.114)	(32.322)	(33.105)
Total Revenue Changes	(\$42.073)	(\$37.485)	(\$39.621)	(\$48.227)	(\$48.739)
Expenses					
Labor:					
Payroll	24.275	(2.390)	(8.196)	0.437	(5.046)
Overtime	(25.346)	4.188	5.556	6.390	7.073
Health and Welfare	11.637	3.172	6.769	13.369	16.731
OPEB Current Payment	(14.515)	(7.614)	(8.228)	(7.057)	(5.673)
Pensions	(0.106)	(0.012)	(0.748)	(0.038)	(0.430)
Other Fringe Benefits	1.122	0.224	(0.868)	(0.154)	(0.427)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$2.933)	(\$2.432)	(\$5.715)	\$12.947	\$12.228
Non-Labor:					
Traction and Propulsion Power	3.896	(4.153)	(6.844)	(10.119)	(14.104)
Fuel for Buses and Trains	(0.930)	(0.487)	(2.069)	1.081	3.927
Insurance	0.007	0.000	0.000	0.000	0.000
Claims	(25.422)	(16.956)	(12.033)	(14.162)	(18.161)
Paratransit Service Contracts	28.393	58.145	85.163	109.811	136.076
Maintenance and Other Operating Contracts	4.537	(32.956)	(36.854)	(24.695)	(32.336)
Professional Service Contracts	10.648	10.965	12.383	14.022	15.423
Materials & Supplies	33.899	(1.644)	(2.082)	10.864	(13.515)
Other Business Expenses	6.629	7.967	8.003	8.017	8.022
Total Non-Labor Expense Changes	\$61.657	\$20.881	\$45.667	\$94.819	\$85.332
Depreciation	\$30.000	\$30.000	\$30.000	\$30.000	\$30.000
Total Expense Changes	\$88.724	\$48.449	\$69.952	\$137.766	\$127.560
Cash Adjustment Changes					
Revenue	(0.418)	0.017	(0.157)	(0.017)	(0.069)
Expense	52.322	(95.639)	1.432	3.452	5.502
Capital Reimbursement Timing	(102.532)	107.518	0.449	1.293	0.163
Depreciation	(30.000)	(30.000)	(30.000)	(30.000)	(30.000)
Total Cash Adjustment Changes	(\$80.628)	(\$18.104)	(\$28.276)	(\$25.272)	(\$24.404)
Total Baseline Changes	(\$33.977)	(\$7.140)	\$2.055	\$64.267	\$54.417
2011 November Financial Plan - Cash Deficit	(\$2,340.824)	(\$2,581.744)	(\$2,825.732)	(\$3,077.487)	(\$3,414.635)

MTA NEW YORK CITY TRANSIT
2012 Final Proposed Budget
November Financial Plan 2012 – 2015

RIDERSHIP/ (UTILIZATION)

The November 2011 Financial Plan baseline ridership forecast assumes that the weather adjusted March-August 2011 trend, which was 1.6% above budget for subway and 4.3% below budget for bus, will continue for the rest of the year. The 1.6% positive subway trend is slightly lower than the 1.8% trend used in the July 2011 Plan, and the 4.3% negative bus trend is worse than the 3.4% decrease used in the July Plan. As a result of lower than expected 2011 subway and bus ridership, and the impact from Tropical Storm Irene which lowered ridership by approximately 8.9 million, projected 2011 ridership is 18.6 million lower than the July 2011 Plan.

In 2012, subway ridership is projected to increase by approximately 1.3% based on revised 2012 employment forecast, which was approximately 0.5% lower than the February 2011 forecast used in the July Plan. 2012 bus ridership is projected to increase by approximately 0.8%, based on a 60% factor applied to the employment forecast, compared with 1.1% used in the July Plan. As a result of the lower than expected 2011 baseline forecast and lower 2012 employment forecast, projected 2012 ridership is 17.8 million lower than the July 2011 Plan.

Working off the revised 2012 projection, 2013-2014 subway ridership growth forecasts are based on recent employment forecasts, which projects virtually the same 2013 employment increase as the forecast used in the July 2011 Plan, and a lower increase in 2014. The resulting ridership is expected to be 17.5 million lower than the July 2011 Plan in 2013, and 19.6 million lower in 2014.

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
Ridership/Traffic Volume (Utilization)
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
RIDERSHIP						
Subway	1,604.198	1,635.471	1,669.289	1,691.613	1,717.838	1,743.245
Bus	696.923	665.617	677.433	682.237	688.293	693.811
Paratransit	9.017	9.041	10.501	12.077	13.888	15.971
Total Ridership	2,310.138	2,310.129	2,357.223	2,385.927	2,420.019	2,453.027
FAREBOX REVENUE (Excluding fare media liability)						
Subway	2,398.466	2,689.411	2,746.177	2,784.519	2,829.559	2,873.194
Bus	838.969	868.384	885.066	891.990	900.720	908.673
Paratransit	15.356	14.647	17.003	19.573	22.529	25.928
Total Farebox Revenue	3,252.791	3,572.442	3,648.246	3,696.082	3,752.808	3,807.795

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Summary
(\$ in millions)

	2011		2012		2013		2014		2015	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS										
Administration:										
2011 BRP - Additional DEVA Savings	-	\$5.864	-	\$5.864	-	\$5.864	-	\$5.864	-	\$5.864
2011 BRP - Other Reestimates	-	\$2.857	-	\$1.857	-	\$1.857	-	\$1.857	-	\$1.857
Sub-Total Administration	-	\$8.721	-	\$7.721	-	\$7.721	-	\$7.721	-	\$7.721
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
Service:										
2011 BRP - CNG Tax Credit	-	\$6.800	-	\$1.000	-		-		-	
2011 BRP - B Division Work Program Efficiency	18	\$1.684	18	\$1.965	18	\$1.965	18	\$1.965	18	\$1.965
Paratransit - Additional Savings	-	\$25.433	-	\$66.200	-	\$85.479	-	\$123.565	-	\$157.426
Fuel Economies-Sprague Differential Reduction				\$1.300		\$1.300		\$1.100		\$0.00
Sub-Total Service	18	\$33.917	18	\$70.465	18	\$88.744	18	\$126.630	18	\$159.391
Maintenance:										
2011 BRP - SMS Oil-less Compressor Efficiency	13	\$1.736	3	\$0.279	3	\$0.279	3	\$0.279	3	\$0.279
2011 BRP - DOB OTPS Reductions	-	\$3.000	-		-		-			
2011 BRP - R44 Disposal Economy	-	\$2.154	-	\$1.168	-		-			
Sub-Total Maintenance	13	\$6.890	3	\$1.447	3	\$0.279	3	\$0.279	3	\$0.279
Safety/Security:										
Sub-Total Safety/Security	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
Other:										
Addit'l. Inventory Draw-down (NYCT 10-31 BRP)		\$3.000								
Sub-Total Other	-	\$3.000	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
Total BRP	31	\$52.528	21	\$79.633	21	\$96.744	21	\$134.630	21	\$167.391
	-	-	-	-	-	-	-	-	-	-

¹ Reflects the impact of amendments on year-end positions.

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function:

Administration

Program:

Additional DEVA Savings

Background Details:	Reforecast fringe benefits to include Dependent Eligibility Verification Audit (DEVA) results. The savings is based on cutting-off benefit coverage of 4,300 undocumented spouses, effective January 2011, discounted at 50%.
----------------------------	---

Program Description/Implementation Plan:		NYCT contracted with a consulting firm to audit the dependent rolls of the hourly population. The services included: questionnaire mailing, establishing a call center, mailing of two non-respondent requests, an appeals review and audit of results.	
Program Implementation Date:		1/1/2011	When will savings begin?: 1/1/2011
			Are these savings recurring?: Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$5.864	\$5.864	\$5.864	\$5.864	\$5.864
Total Reduction in Positions Required:	0	0	0	0	0
<i>(List Title of Positions)</i>					

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: Other Re-estimates

Background Details: This initiative includes reduced expenditures for DCAS services, IT Project Baseline and Paratransit costs. NYCT will no longer pay service fees to NYC's Department of Citywide Administrative Services (DCAS) based on a new service agreement. The IT project baseline budget (materials and consulting) will be reduced by \$2M in 2011, from the current budget of \$4.9M to \$2.9M. These savings are partially offset by the Attachmate settlement of \$0.9M. The settlement resolves the use of undocumented software on NYCT computers. Paratransit costs (non-transportation related) have been reduced by \$0.9M based on favorable 2010 operating results.

Program Description/Implementation Plan: A new MOU between NYCT and DCAS was implemented in which NYCT will administer its own exams and DCAS will provide list management. NYCT was able to reduce IT materials and consulting costs due to IT consolidation initiatives. This savings is partially offset by reimbursements to Attachmate for excessive software use as well as some maintenance costs. Paratransit's non-transportation related costs were reduced based on historical results.

Program Implementation Date: 1/1/2011 **When will savings begin?:** 1/1/2011
Are these savings recurring?: Yes, excluding IT Project Baseline

Other Issues:

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$2.857	\$1.857	\$1.857	\$1.857	\$1.857
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0
<i>(List Title of Positions)</i>					

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function: Service

Program: CNG Tax Credit

Background Details: These savings reflect reinstatement of the CNG Tax Credit for 2010 and 2011. Credits for 2010 and 3 quarters of 2011 are expected to be paid in 2011. Payment for the 4th quarter of 2011 is anticipated in 2012 for \$1M. The program currently is expected to expire at YE 2011.

Program Description/Implementation Plan: Federal Tax credit of \$.50 per gasoline-gallon-equivalent on alternative fuel (CNG).

Program Implementation Date: 1/1/2010 **When will savings begin?:** 1/1/2011

Are these savings recurring?: No

Other Issues:

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$6.800	\$1.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0
<i>(List Title of Positions)</i>					

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function:

Service

Program:

Tower Operator Work Program Recut

Background Details:	Rapid Transit Operations (RTO) and Operations Planning initiated a recut of the Tower Operator Work Program which resulted in a more efficient coverage of tower operations for the B-Division.
----------------------------	---

Program Description/Implementation Plan:	The savings reflects more efficient coverage of tower operator jobs resulting in an 18 position reduction plus associated scheduled overtime savings. The recut was implemented in the Fall Pick which went into effect on December 19, 2010.
---	---

Program Implementation Date:	12/19/2010	When will savings begin?:	1/1/2011
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.684	\$1.965	\$1.965	\$1.965	\$1.965
<i>Total Reduction in Positions Required:</i>	18	18	18	18	18
<i>(List Title of Positions)</i>					
Tower Operator	18	18	18	18	18

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function:

Operations

Program:

Paratransit - Additional Savings

Background Details:

Additional cost savings are primarily due to favorable reductions in trips during 2011. The trip reductions result from a number of management actions including the diversion of trips to lower cost voucher and taxis in lieu of more costly carriers and to NYCT fixed route (feeder service). Lower trip levels are also reflected in reduced fuel and fleet replacement costs. These savings are partially offset by the impact of trip reductions on fare revenue as well as a change in payment lag (cash flow adjustment).

**Program Description/
Implementation Plan:**

This net savings initiatives noted above are in addition to insurance premium and fuel savings of \$6.4M to \$16.9M which was included in the July Financial Plan.

Program Implementation Date:

1/1/2010

When will savings begin?: 1/1/2011

Are these savings recurring?: Yes

Other Issues:

Favorable/(Unfavorable)

Financial Impact (Operating):

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net Cash Savings (in millions)	\$25.433	\$66.200	\$85.479	\$123.565	\$157.426

Total Reduction in Positions Required:

0 0 0 0 0

(List Title of Positions)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function:

Service

Program:

Strategic Initiative - Sprague Contract Savings

Background Details:	These savings are the result of Sprague contract modification to sampling procedures, termination of Convenience section of the contract and allowing Sprague to deliver dyed ultra low sulfur diesel (ULSD).
----------------------------	---

Program Description/Implementation Plan:	Sprague contract modification.		
Program Implementation Date:	1/1/2011	When will savings begin?:	1/1/2011
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$1.300	\$1.300	\$1.100	\$0.000
Total Reduction in Positions Required:	0	0	0	0	0
<i>(List Title of Positions)</i>					

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function: Maintenance

Program: SMS Oil-less Compressor

Background Details: The air compressors on existing R68 and R68A fleets are to be replaced with energy efficient oil-less air compressors that will yield reduced energy consumption, increase performance and reliability while lowering maintenance and hazardous material disposal costs.

Program Description/Implementation Plan: The air compressors on the R68 and R68A cars are scheduled for SMS in 2011 through 2013. These compressors will be replaced with new oil-less air compressors during SMS thus resulting in budget savings of not overhauling the existing compressors. The recurring savings is based on projected reduction in unscheduled repairs.

Program Implementation Date: 1/1/2011 **When will savings begin?:** 1/1/2011

Are these savings recurring?: Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.736	\$0.279	\$0.279	\$0.279	\$0.279
<i>Total Reduction in Positions Required:</i>	13	3	3	3	3
<i>(List Title of Positions)</i>					
Car Inspector B	12	3	3	3	3
Mtc Supervisor Level I (Car Equip)	1				

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function: Maintenance

Program: DOB OTPS Reductions

Background Details:	These 2011 savings have been based on 2010 underruns in facilities maintenance and repair contract costs, water and sewer charges, other outside service contracts, training materials, printing & stationary, and the value of re-usable materials removed during the planned scrapping of over 460 buses in 2011.
----------------------------	---

Program Description/ Implementation Plan:	Reduced 2011 Budget based on 2010 operating underruns.		
Program Implementation Date:	1/1/2011	When will savings begin?: 1/1/2011	
		Are these savings recurring?: No	
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$3.000	\$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>					

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function:

Maintenance

Program:

R44 Car Disposal Reserve

Background Details:	A land based disposal of the R44 cars is proposed because of the significant estimated cost of reefing the R44 fleet. The plan is for NYCT and MetroNorth to jointly award a contract to dispose of 357 subway cars via flatbed trailer with abatement/landfill disposal offsite.
----------------------------	---

Program Description/Implementation Plan:	The savings reflect a change in assumption from reefing to less costly land based disposal and more favorable vendor pricing.		
Program Implementation Date:	1/1/2011	When will savings begin?:	1/1/2011
		Are these savings recurring?:	No
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$2.154	\$1.168	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0
<i>(List Title of Positions)</i>					

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet

Category by Function: Maintenance

Program: Additional Inventory Drawdown

Background Details:	This program estimates that \$3M in cash will be saved in 2011 through anticipated drawdown of inventory materials.
----------------------------	---

Program Description/Implementation Plan:	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 2011 maintenance budget and materials requirements indicate that a drawdown of \$3M can be achieved.
---	--

Program Implementation Date:	1/1/2011	When will savings begin?: 1/1/2011
		Are these savings recurring?: No

Other Issues:

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$3.000	\$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>					

MTA NEW YORK CITY TRANSIT
2012 Final Proposed Budget
November Financial Plan 2012 – 2015
Positions

POSITION ASSUMPTIONS

2011: November Financial Plan vs. July Financial Plan

Total baseline positions are projected to decrease by 4, including a non-reimbursable decrease of 7 and a reimbursable increase of 3.

2012-2015: November Financial Plan vs. July Financial Plan

Total baseline positions are projected to increase by 26 in 2012, 35 in 2013, and decrease by 101 in 2014 and 33 in 2015, including non-reimbursable increases of 156 in 2012, 181 in 2013, 75 in 2014 and 146 in 2015, and reimbursable decreases of 130 in 2012, 146 in 2013, 176 in 2014 and 179 in 2015. The non-reimbursable increases were mostly due to employee availability adjustments. The reimbursable decreases were largely due to reduced programmatic capital construction requirements.

Most of the decreases in programmatic capital construction requirements are represented by the following:

- 84 position reductions per year in RTO (Rapid Transit Operations) labor. Based on 2011 results and projections by CPM (Capital Program Management) for the 2012 Capital Program contractor support requirements, reductions are being taken in flagging, work trains and service diversion support.
- 36 position reductions per year in Capital Track. The Capital Track Program's use of Green Rock technology and increased component replacement has reduced the need for concrete pours, resulting in a reduction in Infrastructure maintainers that support this function.
- 40 position reductions per year-CPM support reduction. Based on 2011 results and projections by CPM for 2012 Capital Program contractor support requirements, reductions are being taken in MOW (Maintenance of Way) for access & protection of various subway assets and General Order support, including work trains, power on – power off, etc.

Included in total reimbursable positions is the impact of a significant reimbursable reduction in force implemented in 2011, resulting in position reductions of 370 in 2011, 369 in 2012 and 368 in subsequent years.

MTA New York City Transit
November Financial Plan 2012-2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Office of the President	18	20	20	20	20	20
Law	263	266	266	266	266	266
Office of the EVP	33	41	41	38	38	38
Human Resources	293	303	181	181	181	181
Office of Management and Budget	39	39	39	39	39	39
Capital Planning & Budget	31	31	31	31	31	31
Corporate Communications	226	245	243	243	243	243
AFC Program Management & Sales	56	54	54	54	54	54
Technology & Information Services	436	426	395	391	390	389
Non-Departmental	29	84	85	85	85	85
Labor Relations	69	96	96	96	96	96
Materiel	241	237	234	230	224	224
Controller	182	145	121	121	121	121
Total Administration	1,916	1,987	1,806	1,795	1,788	1,787
Operations						
Subways Service Delivery	10,121	7,391	7,390	7,315	7,314	7,311
Subways Operation Support /Admin	398	311	311	311	311	311
Subways Stations	-	2,677	2,693	2,693	2,693	2,693
Subtotal - Subways	10,519	10,379	10,394	10,319	10,318	10,315
Buses	10,093	10,255	10,294	10,291	10,291	10,291
Paratransit	141	150	148	148	148	148
Operations Planning	374	374	376	371	371	371
Revenue Control	426	423	423	423	423	423
Total Operations	21,553	21,581	21,635	21,552	21,551	21,548
Maintenance						
Subways Service Delivery	557	-	-	-	-	-
Subways Operation Support /Admin	219	169	166	166	166	163
Subways Engineering	317	313	300	284	258	258
Subways Car Equipment	3,964	3,935	4,110	4,173	4,089	4,098
Subways Infrastructure	2,507	1,696	1,641	1,633	1,634	1,634
Subways Stations	1,978	3,522	3,540	3,533	3,736	3,736
Subways Track	2,705	2,747	2,692	2,692	2,692	2,692
Subways Power	666	659	622	595	596	596
Subways Signals	1,294	1,413	1,451	1,407	1,383	1,383
Subways Electronics Maintenance	1,351	1,430	1,404	1,399	1,399	1,392
Subtotal - Subways	15,558	15,884	15,926	15,882	15,953	15,952
Buses	3,761	3,766	3,725	3,733	3,738	3,713
Revenue Control	137	137	150	150	150	150
Supply Logistics	548	547	547	546	546	546
System Safety	87	88	88	88	88	88
Total Maintenance	20,091	20,422	20,436	20,399	20,475	20,449
Engineering/Capital						
Capital Program Management	1,349	1,218	1,218	1,218	1,218	1,218
Total Engineering/Capital	1,349	1,218	1,218	1,218	1,218	1,218
Public Safety						
Security	505	507	504	504	504	504
Total Public Safety	505	507	504	504	504	504
Total Baseline Positions	45,414	45,715	45,599	45,468	45,536	45,506
Non-Reimbursable	40,679	40,819	41,071	41,153	41,278	41,262
Reimbursable	4,735	4,896	4,528	4,315	4,258	4,244
Total Full-Time	45,215	45,561	45,444	45,313	45,381	45,351
Total Full-Time Equivalents	199	154	155	155	155	155

MTA New York City Transit
November Financial Plan 2012-2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	571	651	618	610	604	603
Professional, Technical, Clerical	1,293	1,219	1,072	1,069	1,068	1,068
Operational Hourlies	52	117	116	116	116	116
Total Administration	1,916	1,987	1,806	1,795	1,788	1,787
Operations						
Managers/Supervisors	2,501	2,486	2,516	2,492	2,491	2,488
Professional, Technical, Clerical	461	365	364	363	363	363
Operational Hourlies	18,591	18,730	18,755	18,697	18,697	18,697
Total Operations	21,553	21,581	21,635	21,552	21,551	21,548
Maintenance						
Managers/Supervisors	3,642	3,858	3,861	3,838	3,842	3,840
Professional, Technical, Clerical	1,007	1,053	1,026	995	986	980
Operational Hourlies	15,442	15,511	15,549	15,566	15,647	15,629
Total Maintenance	20,091	20,422	20,436	20,399	20,475	20,449
Engineering/Capital						
Managers/Supervisors	293	272	272	272	272	272
Professional, Technical, Clerical	1,054	944	944	944	944	944
Operational Hourlies	2	2	2	2	2	2
Total Engineering/Capital	1,349	1,218	1,218	1,218	1,218	1,218
Public Safety						
Managers/Supervisors	116	128	129	129	129	129
Professional, Technical, Clerical	33	32	32	32	32	32
Operational Hourlies	356	347	343	343	343	343
Total Public Safety	505	507	504	504	504	504
Total Baseline Positions						
Managers/Supervisors	7,123	7,395	7,396	7,341	7,338	7,332
Professional, Technical, Clerical	3,848	3,613	3,438	3,403	3,393	3,387
Operational Hourlies	34,443	34,707	34,765	34,724	34,805	34,787
Total Baseline Positions	45,414	45,715	45,599	45,468	45,536	45,506
Non-Reimbursable	40,679	40,819	41,071	41,153	41,278	41,262
Reimbursable	4,735	4,896	4,528	4,315	4,258	4,244
Total Full-Time	45,215	45,561	45,444	45,313	45,381	45,351
Total Full-Time Equivalents	199	154	155	155	155	155

MTA Bus Company

MTA Bus Company
2012 Final Proposed Budget
November Financial Plan 2012 – 2015

FINANCIAL OVERVIEW

The 2011 November Forecast, 2012 Final Proposed Budget and projections for 2013-2015 retains all July Plan assumptions, including an MTA-wide initiative to reduce reimbursable positions, as well as additional initiatives critical to meeting MTABC's operational and maintenance needs. The plan also includes technical re-estimates, inflation assumptions as well as the impact of decreased ridership and Tropical Storm Irene.

Major Initiatives included in this financial plan, are summarized as follows:

- **Shop Overhaul Plan / Life Extension Overhauls** – Revised the Bus Overhaul program to reflect new information on bus deliveries while taking into consideration previous overhaul work.
- **Guide-A-Ride / Passenger Environment Survey** – Expand the existing NYCT Guide-A-Ride and Passenger Environment Survey information services to include MTA Bus.
- **Road Maintenance Supervision** - Improve operations by increasing Road Maintenance Supervision by providing round the clock oversight throughout the MTA Bus service region.

2011 November Plan baseline cash deficit is \$352.5 million which improved by \$14.4 million compared to the July Plan; a summary of the receipts and costs are:

- Total Receipts are \$207.4 million
- Labor Costs are \$399.2 million
- Non-Labor Costs are \$160.6 million

In 2012, the baseline cash deficit is \$344.8 million, increasing to \$388.1 million by 2015. Summarized as follows:

- Total Receipts are \$211.0 million in 2012, increasing to \$218.6 million in 2015.
- Labor Costs of \$419.0 million in 2012, increasing to \$441.0 million in 2015.
- Non-Labor Costs of \$136.9 million in 2012, increasing to \$165.8 million in 2015.

The 2011 November Forecast and projections for the years 2011-2015 cash deficit includes \$15.1 million cash timing adjustment related to delayed contract settlements. Major changes to the cash deficit are highlighted in the below table.

<u>Favorable /(Unfavorable)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>July Plan Cash Deficit</i>	<i>(\$366.9)</i>	<i>(\$326.5)</i>	<i>(\$344.3)</i>	<i>(\$358.7)</i>	<i>(\$379.9)</i>
New Initiatives	\$2.1	(\$3.4)	\$7.8	\$5.8	(\$13.6)
Re-estimates/Inflation Assumptions	(\$1.2)	\$0.2	(\$1.8)	\$0.3	\$5.3
Tropical Storm Irene	(\$1.6)				
Cash RWA Timing Adjustment	\$15.1	(\$15.1)			
<i>Total Baseline Changes</i>	<i>\$14.4</i>	<i>(\$18.3)</i>	<i>\$5.9</i>	<i>\$6.0</i>	<i>(\$8.2)</i>
<i>November Plan Cash Deficit</i>	<i>(\$352.5)</i>	<i>(\$344.8)</i>	<i>(\$338.4)</i>	<i>(\$352.7)</i>	<i>(\$388.1)</i>

There are 3,525 positions budgeted in 2011. Total positions increase to 3,526 in 2012 and will increase to 3,591 by 2015, primarily due to the balancing of the Shop Overhaul Plan.

2011 November Forecast

Total Revenue is projected at \$203.4 million, of which \$177.4 million is expected from Farebox Receipts, Other Operating Revenue is projected at \$18.8 million, and Capital and Other Reimbursements at \$7.2 million. Farebox Revenue has decreased by \$3.9 million compared to the July Plan. This is primarily due to a decrease of \$3.2 million in the Farebox Revenue re-estimate as a result of lower ridership and \$0.7 million in revenue loss due to Tropical Storm Irene.

MTA Bus' projections reflect total non-reimbursable baseline expenses of \$522.0 million before Depreciation and OPEB obligations. The baseline cash deficit decreased by \$14.4 million compared to the July Plan, due to the following:

New Initiatives \$2.1 million favorable:

- \$2.7 million for Shop Overhaul Plan / (\$0.4) million for Life Extension Overhauls
- (\$0.1) million for Road Maintenance Supervision

Re-estimates/Inflation \$1.2 million unfavorable:

- (\$3.2) million decrease in non-reimbursable Farebox Revenue
- (\$0.8) million increase due to inflation assumptions
- (\$0.5) million increase in Pension costs
- \$2.3 million decrease in Health & Welfare costs
- \$1.0 million decrease in Fuel costs

Tropical Storm Irene \$1.6 million unfavorable:

- (\$0.7) million in Revenue Loss
- (\$0.9) million in Expenditures

Cash Timing Adjustment \$15.1 million favorable:

- Retroactive Wage Adjustment moved from 2011 to 2012

2012 Final Proposed Budget-Baseline

Total Revenue is projected at \$206.9 million, of which \$180.2 million is expected from Farebox Receipts, \$19.0 million in Other Operating Revenue, and \$7.7 million in Capital and Other Reimbursements. Farebox Revenue is projected to decrease by \$3.2 million compared to the July Plan based on economic inflator assumptions.

MTA Bus' projections reflect total non-reimbursable baseline expenses of \$539.3 million before Depreciation and OPEB obligations. The baseline cash deficit increased by \$18.3 million compared to the July Plan, due to the following:

New Initiatives of (\$3.4) million unfavorable:

- (\$1.7) million for Guide-A Ride / (\$0.6) million for Passenger Environment Survey
- (\$1.2) million for Life Extension Overhauls / \$0.6 million for the Shop Overhaul Plan
- (\$0.4) million for Road Maintenance Supervision
- (\$0.2) million for Time and Attendance Oversight
- (\$0.1) million for Title Re-alignment
- \$0.2 million for Maintenance Employee Availability

Re-estimates/Inflation of \$0.2 million favorable:

- (\$3.2) million decrease in non-reimbursable Farebox Revenue
- (\$1.6) million increase in Pension costs
- \$2.9 million decrease in Health & Welfare costs
- \$1.9 million decrease in Fuel costs
- \$0.2 million decrease in Inflation assumptions

Cash Timing Adjustment of (\$15.1) million unfavorable

- Retroactive Wage Adjustment moved from 2011 to 2012

2013 – 2015 Accrual Projections

The 2013 through 2015 total Revenue and total Expenses before Depreciation and OPEB obligation are as follows:

- Revenue:
 - 2013 - \$208.7 million of which Farebox is \$181.9 million
 - 2014 - \$211.2 million of which Farebox is \$184.0 million
 - 2015 - \$213.8 million of which Farebox is \$186.0 million
- Expenses:
 - 2013 - \$553.0 million
 - 2014 - \$568.0 million
 - 2015 - \$607.2 million

Farebox Revenue projections are based on a model that uses current economic data to project ridership levels. Farebox Revenue projections are projected to decrease compared to the July Plan. In the November Plan the year-to-year comparison shows a slight increase in ridership and revenue projected through 2015.

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
Farebox Revenue	\$167.954	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964
Other Operating Revenue	21.625	18.841	19.019	19.391	19.771	20.169
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$189.579	\$196.192	\$199.187	\$201.270	\$203.727	\$206.133
Operating Expenses						
Labor:						
Payroll	\$212.615	\$224.137	\$227.302	227.000	\$226.713	\$239.811
Overtime	48.069	44.044	41.568	40.643	39.985	41.334
Health and Welfare	40.639	37.129	44.118	48.765	53.888	60.829
OPEB Current Payment	12.576	13.892	14.586	15.315	16.081	16.885
Pensions	32.835	34.049	43.722	46.003	46.275	46.991
Other Fringe Benefits	20.452	22.707	23.242	23.682	22.801	23.929
Reimbursable Overhead	(0.237)	-	-	-	-	-
Total Labor Expenses	\$366.949	\$375.956	\$394.538	\$401.408	\$405.742	\$429.779
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$27.106	\$37.801	\$38.582	\$40.086	\$39.869	\$40.017
Insurance	13.552	13.291	14.668	16.135	19.791	19.523
Claims	45.335	24.000	25.000	26.000	27.000	28.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	18.923	26.864	28.440	22.779	27.416	33.727
Professional Service Contracts	3.221	6.850	6.907	7.122	9.623	9.776
Materials & Supplies	23.727	32.248	26.904	27.928	28.611	36.186
Other Business Expenses	2.678	4.993	4.251	4.172	2.474	2.532
Total Non-Labor Expenses	\$134.541	\$146.046	\$144.753	\$144.221	\$154.784	\$169.761
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$501.490	\$522.002	\$539.291	\$545.630	\$560.526	\$599.540
Depreciation	\$40.388	\$42.235	\$42.235	\$42.235	\$42.235	\$42.235
OPEB Obligation	51.600	54.630	55.415	56.296	56.919	57.663
Environmental Remediation	4.109	-	-	-	-	-
Total Expenses	\$597.587	\$618.867	\$636.941	\$644.160	\$659.680	\$699.437
Baseline Surplus/(Deficit)	(\$408.008)	(\$422.674)	(\$437.754)	(\$442.890)	(\$455.953)	(\$493.304)

[illegible]

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Revenue						
Farebox Revenue	\$167.954	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964
Other Operating Revenue	21.625	18.841	19.019	19.391	19.771	20.169
Capital and Other Reimbursements	2.014	7.191	7.727	7.406	7.516	7.625
Total Revenue	\$191.593	\$203.384	\$206.914	\$208.676	\$211.243	\$213.758
Expenses						
<u>Labor:</u>						
Payroll	\$213.800	\$229.474	\$233.021	\$232.489	\$232.284	\$245.465
Overtime	48.069	44.044	41.568	40.643	39.985	41.334
Health and Welfare	40.975	38.102	45.170	49.773	54.911	61.867
OPEB Current Payment	12.576	13.892	14.586	15.315	16.081	16.885
Pensions	33.000	34.498	44.214	46.464	46.740	47.460
Other Fringe Benefits	20.543	23.139	23.707	24.130	23.257	24.392
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$368.963	\$383.148	\$402.265	\$408.814	\$413.258	\$437.403
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	\$27.106	\$37.801	\$38.582	\$40.086	\$39.869	\$40.017
Insurance	13.552	13.291	14.668	16.135	19.791	19.523
Claims	45.335	24.000	25.000	26.000	27.000	28.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	18.923	26.864	28.440	22.779	27.416	33.727
Professional Service Contracts	3.221	6.850	6.907	7.122	9.623	9.776
Materials & Supplies	23.727	32.248	26.904	27.928	28.611	36.186
Other Business Expenses	2.678	4.993	4.251	4.172	2.474	2.532
Total Non-Labor Expenses	\$134.541	\$146.046	\$144.753	\$144.221	\$154.784	\$169.761
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Gap Closing Actions:</u>						
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$503.504	\$529.193	\$547.018	\$553.036	\$568.042	\$607.164
Depreciation	\$40.388	\$42.235	\$42.235	\$42.235	\$42.235	\$42.235
OPEB Obligation	51.600	54.630	55.415	56.296	56.919	57.663
Environmental Remediation	4.109	-	-	-	-	-
Total Expenses	\$599.601	\$626.058	\$644.668	\$651.566	\$667.196	\$707.062
Baseline Surplus/(Deficit)	(\$408.008)	(\$422.674)	(\$437.754)	(\$442.890)	(\$455.953)	(\$493.304)

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$166.068	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964
Other Operating Revenue	23.806	18.841	19.019	19.391	19.771	20.169
Capital and Other Reimbursements	2.737	11.163	11.838	11.997	12.236	12.477
Total Receipts	\$192.611	\$207.356	\$211.025	\$213.267	\$215.963	\$218.610
Expenditures						
<u>Labor:</u>						
Payroll	\$210.046	\$231.295	\$246.136	\$230.508	\$230.292	\$243.455
Overtime	49.269	44.044	41.568	40.643	39.985	41.334
Health and Welfare	43.683	45.280	44.766	49.365	54.501	61.453
OPEB Current Payment	12.576	13.892	14.586	15.315	16.081	16.885
Pensions	37.850	36.199	44.040	46.289	46.567	47.288
Other Fringe Benefits	20.300	24.581	23.542	23.962	23.088	24.220
GASB Account	3.579	3.948	4.317	5.317	6.317	6.317
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$377.302	\$399.239	\$418.955	\$411.400	\$416.830	\$440.952
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$28.941	\$36.425	\$38.582	\$40.086	\$39.869	\$40.017
Insurance	4.506	28.955	14.668	16.135	19.791	19.523
Claims	18.709	18.000	17.100	22.000	24.000	24.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	19.935	28.676	28.440	22.779	27.416	33.727
Professional Service Contracts	5.034	9.008	6.907	7.122	9.623	9.776
Materials & Supplies	24.933	34.514	26.904	27.928	28.611	36.186
Other Business Expenses	0.711	5.057	4.251	4.172	2.474	2.532
Total Non-Labor Expenditures	\$102.769	\$160.635	\$136.853	\$140.221	\$151.784	\$165.760
<u>Other Expenditure Adjustments:</u>						
Other	0.010	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.010	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Gap Closing Actions:</u>						
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$480.081	\$559.874	\$555.808	\$551.622	\$568.614	\$606.712
Baseline Cash Deficit	(\$287.469)	(\$352.518)	(\$344.783)	(\$338.355)	(\$352.651)	(\$388.102)

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	(\$1.886)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	2.181	-	-	-	-	-
Capital and Other Reimbursements	0.723	3.972	4.111	4.591	4.720	4.853
Total Receipts	\$1.019	\$3.972	\$4.111	\$4.591	\$4.720	\$4.853
Expenditures						
<u>Labor:</u>						
Payroll	\$3.754	(\$1.821)	(\$13.116)	1.982	1.992	2.011
Overtime	(1.200)	-	-	-	-	-
Health and Welfare	(2.707)	(7.178)	0.403	0.407	0.410	0.414
OPEB Current Payment	-	-	-	-	-	-
Pensions	(4.850)	(1.702)	0.174	0.175	0.173	0.173
Other Fringe Benefits	0.243	(1.442)	0.165	0.167	0.169	0.171
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	(3.579)	(3.948)	(4.317)	(5.317)	(6.317)	(6.317)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$8.339)	(\$16.091)	(\$16.690)	(\$2.586)	(\$3.572)	(\$3.548)
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	(\$1.835)	\$1.376	-	-	-	-
Insurance	9.045	(15.664)	-	-	-	-
Claims	26.627	6.000	7.900	4.000	3.000	4.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(1.012)	(1.812)	-	-	-	-
Professional Service Contracts	(1.814)	(2.158)	-	-	-	-
Materials & Supplies	(1.205)	(2.267)	-	-	-	-
Other Business Expenditures	1.967	(0.065)	-	-	-	-
Total Non-Labor Expenditures	\$31.773	(\$14.589)	\$7.900	\$4.000	\$3.000	\$4.000
<u>Other Expenditures Adjustments:</u>						
Other	(0.010)	-	-	-	-	-
Total Other Expenditures Adjustments	(\$0.010)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$24.442	(\$26.708)	(\$4.678)	\$6.005	\$4.148	\$5.305
Depreciation Adjustment	\$40.388	\$42.235	\$42.235	\$42.235	\$42.235	\$42.235
OPEB Obligation	51.600	54.630	55.415	56.296	56.919	57.663
Environmental Remediation	4.109	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$120.539	\$70.156	\$92.972	\$104.535	\$103.302	\$105.203

**MTA Bus Company
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Year-to-Year Summary of Changes**

TOTAL REVENUE / RECEIPTS

Farebox Revenue

- Annual changes in Farebox Revenue are based on year-to-date actual results, as well as local employment indicators. The November Plan projects Farebox Revenue to increase approximately 1.0% per year through 2015.

Other Operating Revenue

- Other Operating Revenue is conservatively projected to increase by 1.0% from 2011 - 2012 and 2.0% annually over the 2013 - 2015 period.

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 new headcount initiatives. In 2011, 15 new positions have been budgeted due to New Initiatives for the Road Maintenance Supervision, Metro North Reimbursable Shuttle and Preventative Maintenance.
- In 2012, a total of 33 new positions have been budgeted, consisting of 7 positions for Guide-A Ride / Passenger Environment Survey programs, 4 positions for reimbursable Facility Capital Projects and 22 positions in Maintenance initiatives primarily for programs in Road, Preventative Maintenance and Employee Availability.

Overtime

- Overtime is projected to decrease from \$44.0 million in 2011 to \$41.3 million in 2015, primarily due to continued active management focus on monitoring and controlling overtime.

Health & Welfare

- Projections are impacted by the New Initiatives and the revised guidance assumptions that have been applied.

Pension

- Annual pension changes are primarily due to the impact of asset losses and inflation assumptions.

Other Fringe Benefits

- Projections are impacted by the inflation assumptions and the additional Headcount Initiatives as described in Payroll.

Fuel for Buses and Trains

- The 2011 Diesel fuel average price per gallon is \$3.23. Below are the projections:
 - 2012 = \$3.28 representing 1.5% increase compared to 2011
 - 2013 = \$3.42 representing 4.3% increase compared to 2012
 - 2014 = \$3.38 representing -1.2% decrease compared to 2013
 - 2015 = \$3.38 representing 0.0% change compared to 2014
- The 2011 CNG fuel average price per therm is \$0.94. Below are the projections:
 - 2012 = \$1.01 representing 7.4% increase compared to 2011
 - 2013 = \$1.05 representing 4.0% increase compared to 2012
 - 2014 = \$1.10 representing 4.8% increase compared to 2013
 - 2015 = \$1.14 representing 3.6% increase compared to 2014

Insurance

- Annual changes are based on policy renewal premium schedules.

Claims

- Projections are consistent with the current third-party actuarial valuation.

Maintenance and Other Operating Contracts

- 2012 – 2015 Inflation assumptions are as follows:
 - 2012: 1.41%.
 - 2013: 1.83%.
 - 2014: 1.90%.
 - 2015: 2.06%

Professional Service Contracts

- 2012 – 2015 Inflation assumptions are listed under Maintenance and Other Operating Contracts.

Materials and Supplies

- 2012 – 2015 Inflation assumptions are listed under Maintenance and Other Operating Contracts.

Other Business Expenses

- 2012 – 2015 Inflation assumptions are listed under Maintenance and Other Operating Contracts.

Depreciation (non-cash)

- Annual expense changes are due to projections of additional capital assets (e.g., buses) reaching beneficial use.

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE	Favorable/(Unfavorable)								
	2011	2012	Change 2012 - 2011	2013	Change 2013 - 2012	2014	Change 2014 - 2013	2015	Change 2015 - 2014
Revenue									
Farebox Revenue	\$177.351	\$180.168	\$2.817	\$181.879	\$1.711	\$183.956	\$2.077	\$185.964	\$2.008
Other Operating Revenue	18.841	19.019	0.178	19.391	0.372	19.771	0.380	20.169	0.398
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$196.192	\$199.187	\$2.995	\$201.270	\$2.083	\$203.727	\$2.457	\$206.133	\$2.406
Expenses									
Labor:									
Payroll	\$224.137	\$227.302	(\$3.165)	\$227.000	\$0.303	\$226.713	\$0.287	\$239.811	(\$13.098)
Overtime	44.044	41.568	2.476	40.643	0.924	39.985	0.659	41.334	(1.349)
Health and Welfare	37.129	44.118	(6.989)	48.765	(4.647)	53.888	(5.123)	60.829	(6.941)
OPEB Current Payment	13.892	14.586	(0.695)	15.315	(0.729)	16.081	(0.766)	16.885	(0.804)
Pensions	34.049	43.722	(9.674)	46.003	(2.281)	46.275	(0.272)	46.991	(0.716)
Other Fringe Benefits	22.707	23.242	(0.535)	23.682	(0.440)	22.801	0.881	23.929	(1.128)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$375.956	\$394.538	(\$18.582)	\$401.408	(\$6.870)	\$405.742	(\$4.334)	\$429.779	(\$24.036)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	\$37.801	\$38.582	(\$0.781)	\$40.086	(\$1.503)	\$39.869	\$0.216	\$40.017	(\$0.148)
Insurance	13.291	14.668	(1.377)	16.135	(1.467)	19.791	(3.656)	19.523	0.267
Claims	24.000	25.000	(1.000)	26.000	(1.000)	27.000	(1.000)	28.000	(1.000)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	26.864	28.440	(1.577)	22.779	5.661	27.416	(4.637)	33.727	(6.311)
Professional Service Contracts	6.850	6.907	(0.057)	7.122	(0.214)	9.623	(2.501)	9.776	(0.153)
Materials & Supplies	32.248	26.904	5.343	27.928	(1.024)	28.611	(0.682)	36.186	(7.575)
Other Business Expenses	4.993	4.251	0.742	4.172	0.079	2.474	1.697	2.532	(0.058)
Total Non-Labor Expenses	\$146.046	\$144.753	\$1.293	\$144.221	\$0.532	\$154.784	(\$10.562)	\$169.761	(\$14.977)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$522.002	\$539.291	(\$17.289)	\$545.630	(\$6.338)	\$560.526	(\$14.896)	\$599.540	(\$39.014)
Depreciation	\$42.235	\$42.235	-	\$42.235	-	\$42.235	-	\$42.235	-
OPEB Obligation	54.630	55.415	(0.785)	56.296	(0.881)	56.919	(0.624)	57.663	(0.744)
Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses	\$618.867	\$636.941	(\$18.074)	\$644.160	(\$7.219)	\$659.680	(\$15.520)	\$699.437	(\$39.757)
Baseline Net Surplus/(Deficit)	(\$422.674)	(\$437.754)	(\$15.080)	(\$442.890)	(\$5.136)	(\$455.953)	(\$13.063)	(\$493.304)	(\$37.351)

REIMBURSABLE

[illegible]

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES	Favorable/(Unfavorable)								
	2011	2012	Change 2012 - 2011	2013	Change 2013 - 2012	2014	Change 2014 - 2013	2015	Change 2015 - 2014
<u>Receipts</u>									
Farebox Revenue	\$177.351	\$180.168	\$2.817	\$181.879	\$1.711	\$183.956	\$2.077	\$185.964	\$2.008
Other Operating Revenue	18.841	19.019	0.178	19.391	0.372	19.771	0.380	20.169	0.398
Capital and Other Reimbursements	11.163	11.838	0.675	11.997	0.158	12.236	0.239	12.477	0.242
Total Receipts	\$207.356	\$211.025	\$3.670	\$213.267	\$2.241	\$215.963	\$2.696	\$218.610	\$2.647
<u>Expenditures</u>									
Labor:									
Payroll	\$231.295	\$246.136	(\$14.842)	\$230.508	\$15.628	\$230.292	\$0.215	\$243.455	(\$13.162)
Overtime	44.044	41.568	2.476	40.643	0.924	39.985	0.659	41.334	(1.349)
Health and Welfare	45.280	44.766	0.514	49.365	(4.599)	54.501	(5.135)	61.453	(6.952)
OPEB Current Payment	13.892	14.586	(0.695)	15.315	(0.729)	16.081	(0.766)	16.885	(0.804)
Pensions	36.199	44.040	(7.840)	46.289	(2.249)	46.567	(0.278)	47.288	(0.721)
Other Fringe Benefits	24.581	23.542	1.039	23.962	(0.421)	23.088	0.875	24.220	(1.133)
GASB Account	3.948	4.317	(0.369)	5.317	(1.000)	6.317	(1.000)	6.317	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$399.239	\$418.955	(\$19.716)	\$411.400	\$7.554	\$416.830	(\$5.430)	\$440.952	(\$24.121)
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	\$36.425	\$38.582	(\$2.157)	\$40.086	(\$1.503)	\$39.869	\$0.216	\$40.017	(\$0.148)
Insurance	28.955	14.668	14.287	16.135	(1.467)	19.791	(3.656)	19.523	0.267
Claims	18.000	17.100	0.900	22.000	(4.900)	24.000	(2.000)	24.000	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	28.676	28.440	0.235	22.779	5.661	27.416	(4.637)	33.727	(6.311)
Professional Service Contracts	9.008	6.907	2.101	7.122	(0.214)	9.623	(2.501)	9.776	(0.153)
Materials & Supplies	34.514	26.904	7.610	27.928	(1.024)	28.611	(0.682)	36.186	(7.575)
Other Business Expenses	5.057	4.251	0.807	4.172	0.079	2.474	1.697	2.532	(0.058)
Total Non-Labor Expenditures	\$160.635	\$136.853	\$23.782	\$140.221	(\$3.368)	\$151.784	(\$11.562)	\$165.760	(\$13.977)
Other Expenditure Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$559.874	\$555.808	\$4.066	\$551.622	\$4.186	\$568.614	(\$16.992)	\$606.712	(\$38.098)
Baseline Net Cash Deficit	(\$352.518)	(\$344.783)	\$7.735	(\$338.355)	\$6.428	(\$352.651)	(\$14.296)	(\$388.102)	(\$35.451)

**MTA Bus Company
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Summary of Major Plan-to-Plan Changes**

2011: November Plan vs. July Plan

Revenue and Expense Changes

Total Revenue projected for 2011 is \$203.4 million while Expenses before Depreciation and OPEB obligation is \$529.2 million, consisting of \$522.0 million of non-reimbursable expenses and \$7.2 million of reimbursable expenses. This resulted in a baseline cash deficit decrease of \$14.4 million compared to the July Plan. This is comprised of the following:

- Revenue - \$3.9 million unfavorable decrease primarily due to the Farebox Revenue re-estimate of \$3.2 million and the revenue loss of \$0.7 million due to Tropical Storm Irene.
- Labor - \$1.2 million favorable decrease primarily due to savings of \$2.3 million in Health & Welfare resulting from lower premium rates per employee and \$0.4 million in Shop Overhaul Plan savings, partially offset by costs of \$0.9 million due to Tropical Storm Irene, \$0.5 million in a Pension re-estimate costs and \$0.1 million in a Road Maintenance Supervision costs.
- Non-Labor - \$2.0 million favorable decrease primarily due to savings of \$2.7 million in the Shop Overhaul Plan and a \$1.0 million Fuel re-estimate savings partially offset by costs of \$0.9 million in inflation and \$0.4 million in Life Extension Overhauls

The Shop Overhaul Plan calls for 1,247 buses to be overhauled compared to 1,599 buses to be done in the July Plan. This is a net reduction of 352 buses. The net reduction was needed to reflect new information on bus deliveries/delays as well as keeping the overhaul cycle on a 4 year schedule.

- Cash Adjustment - A favorable cash timing adjustment of \$15.1 million due to the delayed labor contract settlements for retroactive pay increases moved to 2012.

Reimbursable Changes

The reimbursable expense budget was increased by \$0.1 million for the November Plan. The reimbursable budget for MTA Bus includes in-house labor needed to manage, inspect and support facility projects from initial concept through final completion. It also includes the purchase of capital vehicles and equipment, which will be paid initially by the Operating Budget, and subsequently reimbursed from the Capital Program.

2012-2015: November Plan vs. July Plan

Revenue and Expense Changes

2012

The November Plan total baseline cash deficit increased by \$18.3 million compared to the July Plan. This is primarily due to an unfavorable \$15.1 million in Cash Timing Adjustment, \$3.4 million for New Initiatives and a net favorable \$0.2 million in other revenue and expense categories.

New Initiatives include costs of \$2.3 million for Guide-A-Ride/Passenger Environment Survey, \$0.6 million for Life Extension Overhauls/Shop Overhaul Programs, \$0.4 million for Road Maintenance Supervision and \$0.1 million in other costs.

Reimbursable Changes

In the November Plan, the reimbursable expense budget was increased from \$6.7 million to \$7.7 million. Labor expenses increased by \$1.0 million due to Metro North Shuttles of \$0.4 million and Facility Capital Projects \$0.6 million.

2013

The November Plan total baseline cash deficit decreased by \$5.9 million compared to the July plan. This resulted primarily from a favorable \$7.8 million for New Initiatives, \$1.7 million in lower fuel costs and \$3.0 million in lower Health & Welfare costs offset by \$4.0 million in higher Pension costs and \$2.7 million in lower Farebox Revenue.

New Initiatives include \$10.4 million in the Shop Overhaul savings offset by costs of \$2.1 million in Guide-A-Ride/Passenger Environment Survey, \$0.5 million for Road Maintenance Supervision and \$0.1 million in other costs.

Reimbursable Changes

In the November Plan, the reimbursable expense budget was increased from \$6.8 million to \$7.4 million. Labor expenses increased by \$0.6 million.

2014

The November Plan total baseline cash deficit decreased by \$6.0 million compared to the July plan. This resulted primarily from favorable \$5.8 million for New Initiatives, \$0.2 million from a net favorable changes in other revenue and expense categories.

New Initiatives include \$8.1 for Shop Overhaul savings offset by costs of \$1.9 million for Guide-A-Ride/Passenger Environment Survey and \$0.5 million for Road Maintenance Supervision.

Reimbursable Changes

In the November Plan, the reimbursable expense budget was increased from \$6.9 million to \$7.5 million. Labor expenses increased by \$0.6 million.

2015

The November Plan total baseline cash deficit increased by \$8.2 million compared to the July Plan. This resulted primarily from an unfavorable \$13.6 million for New Initiatives, \$3.1 million in increased Pension costs and lower Farebox Revenue of \$1.8 million. This is offset by a favorable \$6.7 million decrease in Fuel costs and \$3.6 million in lower Health & Welfare costs.

New Initiatives include costs of \$11.2 million for Shop Overhaul Program, \$1.9 million for Guide-A-Ride/Passenger Environment Survey, \$0.5 million for Road Maintenance Supervision and \$0.1 million in other costs.

Reimbursable Changes

In the November Plan, the reimbursable expense budget was increased from \$7.0 million to \$7.6 million. Labor expenses increased by \$0.6 million.

.

MTA Bus Company
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$366.932)	(\$326.504)	(\$344.297)	(\$358.690)	(\$379.863)
Baseline Changes					
Revenue					
Farebox Revenue	(\$3.881)	(\$3.164)	(\$2.708)	(\$2.352)	(\$1.840)
Other Operating Revenue	-	-	-	-	-
Capital and Other Reimbursements	-	-	-	-	-
Total Revenue Changes	(\$3.881)	(\$3.164)	(\$2.708)	(\$2.352)	(\$1.840)
Expenses					
Labor:					
Payroll	(\$0.086)	(\$3.019)	(\$1.426)	(\$0.318)	(\$5.750)
Overtime	(0.487)	0.565	0.921	0.719	0.444
Health and Welfare	2.324	2.249	2.758	3.241	2.441
OPEB Current Payment	-	-	-	-	-
Pensions	(0.543)	(1.859)	(4.029)	(3.608)	(3.764)
Other Fringe Benefits	(0.049)	(0.208)	(0.043)	0.034	(0.450)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$1.159	(\$2.272)	(\$1.818)	\$0.068	(\$7.079)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	\$0.976	\$1.909	\$1.720	\$2.882	\$6.764
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	1.072	(1.883)	4.998	(3.718)	(8.454)
Professional Service Contracts	(0.054)	0.012	0.005	0.010	(0.008)
Materials & Supplies	0.124	2.200	3.740	9.141	2.383
Other Business Expenses	(0.080)	0.017	0.007	0.007	(0.005)
Total Non-Labor Expense Changes	\$2.038	\$2.255	\$10.469	\$8.323	\$6.680
Other Expenditure Adjustments:					
Other	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adj.	\$3.197	(\$0.017)	\$8.651	\$8.391	(\$6.399)
Depreciation	-	-	-	-	-
OPEB Obligation	-	-	-	-	-
Environmental Remediation	-	-	-	-	-
Total Expense Changes	\$3.197	(\$0.017)	\$8.651	\$8.391	(\$6.399)
Cash Adjustment Changes					
Expenses					
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Delayed contract settlements moved from 2011 to 2012	15.098	(15.098)			
Total Cash Adjustment Changes	\$15.098	(\$15.098)	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$14.414	(\$18.279)	\$5.943	\$6.039	(\$8.239)
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$352.518)	(\$344.783)	(\$338.355)	(\$352.651)	(\$388.102)

MTA Bus Company
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Capital and Other Reimbursements	0.144	0.977	0.598	0.610	0.622
Total Revenue Changes	\$0.144	\$0.977	\$0.598	\$0.610	\$0.622
Expenses					
Labor:					
Payroll	(0.102)	(0.692)	(0.424)	(0.433)	(0.441)
Overtime	-	-	-	-	-
Health and Welfare	(0.020)	(0.138)	(0.085)	(0.086)	(0.088)
OPEB Current Payment	-	-	-	-	-
Pensions	(0.013)	(0.087)	(0.053)	(0.054)	(0.055)
Other Fringe Benefits	(0.009)	(0.059)	(0.036)	(0.037)	(0.037)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	(\$0.144)	(\$0.977)	(\$0.598)	(\$0.610)	(\$0.622)
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Other Business Expenses	-	-	-	-	-
Total Non-Labor Expense Changes	-	-	-	-	-
Total Expenses before Depreciation	(0.144)	(0.977)	(0.598)	(0.610)	(0.622)
Depreciation	-	-	-	-	-
Total Expense Changes	(\$0.144)	(\$0.977)	(\$0.598)	(\$0.610)	(\$0.622)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2011	2012	2013	2014	2015
Baseline 2011 July Financial Plan - Operating Cash Income/(Deficit)	(\$366.932)	(\$326.504)	(\$344.297)	(\$358.690)	(\$379.863)
Non-Reimbursable Major Changes					
Revenue					
Farebox Revenue	(3.171)	(3.164)	(2.708)	(2.352)	(1.840)
Tropical Storm Irene - Revenue Loss	(0.710)				
Other Operating Revenue	-	-	-	-	-
Sub-Total Non-Reimbursable Revenue Changes	(\$3.881)	(\$3.164)	(\$2.708)	(\$2.352)	(\$1.840)
Expenses					
Programs:					
Road Maintenance Supervision	(0.144)	(0.441)	(0.450)	(0.459)	(0.468)
Preventative Maintenance	0.000	0.000	0.000	0.000	0.000
Passenger Environment Survey	-	(0.588)	(0.588)	(0.588)	(0.588)
Title Re-alignment	-	(0.070)	(0.072)	(0.073)	(0.075)
Time and Attendance Oversight	-	(0.146)	(0.149)	(0.152)	(0.155)
Life Extension Overhauls	(0.389)	(1.180)	-	-	-
Shop Overhaul Programs	2.652	0.552	10.391	8.147	(11.166)
Maintenance Employee Availability	-	0.157	0.157	0.157	0.157
Guide-A Ride	-	(1.708)	(1.510)	(1.279)	(1.279)
Tropical Storm Irene - Expenditures	(0.915)				
Sub-Total Programs	1.204	(3.424)	7.780	5.753	(13.573)
Major Re-estimates/Technical Adjustments/Other:					
CPI - Maintenance and Other Operating Contracts	(0.324)	0.075	0.030	0.034	(0.027)
CPI - Materials & Supplies	(0.395)	0.092	0.031	0.056	(0.042)
CPI - Other Business Expense	(0.080)	0.017	0.007	0.007	(0.005)
CPI - Professional Service Contracts	(0.054)	0.012	0.005	0.010	(0.008)
Revised Forecast - Fuel	0.976	1.909	1.720	2.882	6.764
Revised Forecast - Pension	(0.471)	(1.551)	(3.965)	(3.658)	(3.097)
Revised Forecast - Health & Welfare	2.341	2.852	3.043	3.305	3.590
Sub-Total Non-Reimbursable Expense Changes	\$1.993	\$3.407	\$0.871	\$2.637	\$7.174
Total Non-Reimbursable Major Changes	(\$.684)	(\$3.181)	\$5.943	\$6.039	(\$8.239)
Reimbursable Major Changes					
Revenue					
Reimbursement of Increased Expense Requirements					
Sub-Total Reimbursable Revenue Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Expenses					
Metro North Shuttle (Reimb)	0.000	0.000	0.000	0.000	0.000
Facility Capital Projects (Reimb)	0.000	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Reimbursable Major Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Accrual Changes	(\$0.684)	(\$3.181)	\$5.943	\$6.039	(\$8.239)
Cash Adjustment Changes					
Delayed contract settlements moved from 2011 to 2012	15.098	(15.098)			
Total Cash Adjustment Changes	\$15.098	(\$15.098)	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$14.414	(\$18.279)	\$5.943	\$6.039	(\$8.239)
Baseline 2011 November Financial Plan - Operating Cash Income/(Deficit)	(\$352.518)	(\$344.783)	(\$338.355)	(\$352.651)	(\$388.102)

**MTA Bus Company
2012 Final Proposed Budget
November Financial Plan 2012 – 2015
Ridership / (Utilization)**

Fixed Route Ridership:

Fixed route ridership as of August 2011 year-to-date has declined. The cause of the year-to-date decline in ridership is partly due to slower ridership growth, inclement winter weather as well as the negative impact of Tropical Storm Irene. The year-to-year ridership projections reflect an average of 1.0% annual increase from 2012 through 2015.

Revenue:

Recent changes in the economic and employment outlook in the New York region have projected Farebox Revenue to decrease by an average of 1.0% from 2012 through 2015, compared to the July Plan.

The 2011 decrease is due to the unfavorable re-estimate of Farebox Revenue as well as the negative impact of Tropical Storm Irene. The year-to-year Farebox Revenue projections reflect an average of 1.0% in annual increases from 2012 through 2015.

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Ridership/(Utilization)
(in millions)

2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
------------------------------	----------------------------------	------	------	------

RIDERSHIP

Fixed Route	116.963	118.840	119.757	120.879	121.937
Baseline Total Ridership	116.963	118.840	119.757	120.879	121.937

FAREBOX REVENUE

Fixed Route	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964
Baseline Total Revenue	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964

**MTA Bus Company
2012 Preliminary Budget
November Plan 2012 – 2015
Positions**

Plan-to-Plan Changes

Total Non-Reimbursable and Reimbursable Baseline Positions

2011: November Financial Plan vs. July Financial Plan

The total positions for 2011 in the July Plan was 3,510. There was an additional 15 positions added in the November Plan resulting in a total of 3,525 positions for 2011. The Changes are as follows:

- +3 Road Maintenance Supervision
- +3 Metro North Shuttle Service (Reimbursable)
- +9 Preventative Maintenance (offset by Overtime reduction)

2012: November Financial Plan vs. July Financial Plan

The total positions for 2012 in the July Plan was 3,493. There is a net total of +33 positions added which will result in the sum of 3,526 positions for 2012 in the November Plan. The changes are as follows:

- +3 Road Maintenance Supervision
- - 3 Metro North Shuttle Service (Reimbursable)
- +9 Preventative Maintenance
- +1 Time and Attendance
- +8 Employee Availability
- +7 Guide-A-Ride and PES
- +1 Shop Overhaul Program
- +4 Facility Capital Programs (Reimbursable)

2013: November Financial Plan vs. July Financial Plan

The total positions for 2013 in the July Plan was 3,501. There is a net total of +17 positions added which will result in the sum of 3,518 positions for 2013 in the November Plan. The changes are as follows:

- +3 Road Maintenance Supervision
- -15 Shop Overhaul Program
- +9 Preventative Maintenance
- +1 Time and Attendance
- +8 Employee Availability
- +7 Guide-A-Ride and PES
- +4 Facility Capital Programs (Reimbursable)

2014: November Financial Plan vs. July Financial Plan

The total positions for 2014 in the July Plan was 3,505. There is a net total of +2 positions added which will result in the sum of 3,507 positions for 2014 in the November 2014 Plan. The changes are as follows:

- +3 Road Maintenance Supervision
- +9 Preventative Maintenance
- +1 Time and Attendance
- +8 Employee Availability
- +7 Guide-A-Ride and PES
- -30 Shop Overhaul Program
- +4 Facility Capital Programs (Reimbursable)

2015: November Financial Plan vs. July Financial Plan

The total positions for 2015 in the July Plan was 3,505. There is a net total of +86 positions added which will result in the sum of 3,591 positions for 2015 in the November Plan. The changes are as follows:

- +54 Shop Overhaul Program
- +3 Road Maintenance Supervision
- +9 Preventative Maintenance
- +1 Time and Attendance
- +8 Employee Availability
- +7 Guide-A-Ride and PES
- +4 Facility Capital Programs (Reimbursable)

Year-to- Year Changes

2012 Changes Over 2011:

The year-to-year changes total +1 position, which will result in the sum of 3,526 for the year 2012. The +1 position is a net sum of the following changes:

2012 – Net change of +1 position

- - 3 Metro North Shuttle Service
- -19 System Implementation Delay
- +1 Time and Attendance
- +8 Employee Availability
- +7 Guide-A-Ride and PES
- +3 Shop Overhaul Program
- +4 Facility Capital Programs (Reimbursable)

2013 Changes Over 2012:

The total number of positions in 2013 decreases by -8, leaving the total number of overall positions 3,518. The Changes are as follows:

2013 - Net Change of -8 Positions

- - 9 Shop Overhaul Program
- +1 Maintenance System

2014 Changes Over 2013:

The total number of positions in 2014 decreases by -11, leaving the number of overall positions at 3,507. The changes are as follows:

2014 - Net Change of -11 Positions

- -11 Shop Overhaul Program

2015 Changes Over 2014:

The total number of positions in 2015 increases by 84, leaving the number of overall positions at 3,591. The changes are as follows:

2015 - Net Change of +84 Positions

- +84 Shop Overhaul Program

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Total Positions by Function & Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Office of the EVP	4	4	4	4	4	4
Human Resources	9	8	6	6	6	6
Office of Management and Budget	13	17	17	17	17	17
Technology & Information Services	27	17	17	18	18	18
Materiel	15	18	18	18	18	18
Controller	32	29	13	13	13	13
Office of the President	4	7	6	6	6	6
System Safety Administration	1	5	5	5	5	5
Law	19	21	21	21	21	21
Corporate Communications	2	2	2	2	2	2
Labor Relations	-	4	4	4	4	4
Non Departmental	-	46	57	57	64	68
Total Administration	126	178	170	171	178	182
Operations						
Buses	2,035	2,048	2,049	2,049	2,049	2,049
Office of the Executive Vice President, Regional	1	1	1	1	1	1
Safety & Training	47	23	23	23	23	23
Road Operations	106	119	116	116	116	116
Transportation Support	21	20	20	20	20	20
Operations Planning	23	23	30	30	30	30
Revenue Control	25	21	21	21	21	21
Total Operations	2,258	2,255	2,260	2,260	2,260	2,260
Maintenance						
Buses	719	739	739	731	731	731
Maintenance Support/CMF	91	153	152	151	133	213
Facilities	29	72	72	72	72	72
Supply Logistics	80	82	83	83	83	83
Total Maintenance	919	1,046	1,046	1,037	1,019	1,099
Engineering/Capital						
Capital Program Management	26	34	38	38	38	38
Public Safety						
Office of the Senior Vice President	10	12	12	12	12	12
Total Positions	3,339	3,525	3,526	3,518	3,507	3,591
Non-Reimbursable	3,300	3,462	3,462	3,454	3,443	3,527
Reimbursable	39	63	64	64	64	64
Total Full-Time	3,339	3,510	3,511	3,503	3,492	3,576
Total Full-Time Equivalents	-	15	15	15	15	15

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	43	41	43	43	43	43
Professional, Technical, Clerical	83	91	70	71	71	71
Operational Hourlies	-	46	57	57	64	68
Total Administration	126	178	170	171	178	182
Operations						
Managers/Supervisors	288	292	292	292	292	292
Professional, Technical, Clerical	51	45	50	50	50	50
Operational Hourlies	1,919	1,918	1,918	1,918	1,918	1,918
Total Operations	2,258	2,255	2,260	2,260	2,260	2,260
Maintenance						
Managers/Supervisors	177	203	204	204	204	204
Professional, Technical, Clerical	10	12	12	12	12	12
Operational Hourlies	732	831	830	821	803	883
Total Maintenance	919	1,046	1,046	1,037	1,019	1,099
Engineering/Capital						
Managers/Supervisors	14	18	22	22	22	22
Professional, Technical, Clerical	12	16	16	16	16	16
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	26	34	38	38	38	38
Public Safety						
Managers/Supervisors	5	9	9	9	9	9
Professional, Technical, Clerical	5	3	3	3	3	3
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	10	12	12	12	12	12
Total Positions						
Managers/Supervisors	527	563	570	570	570	570
Professional, Technical, Clerical	161	167	151	152	152	152
Operational Hourlies	2,651	2,795	2,805	2,796	2,785	2,869
Total Baseline Positions	3,339	3,525	3,526	3,518	3,507	3,591

Staten Island Railway

MTA STATEN ISLAND RAILWAY
2012 Final Proposed Budget
November Financial Plan 2012 - 2015

FINANCIAL OVERVIEW

The 2012 Final Proposed Budget and projections for the years 2013-2015 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. Performance indicators including mean distance between failures and on-time performance remain within targeted levels.

2011 November Forecast

MTA Staten Island Railway's 2011 November Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$35.022 million, including \$34.422 million of non-reimbursable expenses and \$0.600 million of reimbursable expenses. Total revenues are projected to be \$8.258 million, of which \$7.658 million are operating revenues and \$0.600 million represent capital reimbursements. Total full-time positions are 266, including 263 non-reimbursable positions and 3 reimbursable positions.

The 2011 November Forecast operating cash deficit is projected to decrease by \$4.968 million, including the following favorable changes:

- An estimated change in the timing of retro-active wage increase payouts of \$4.903 million from 2011 to 2012.
- Estimated maintenance contract and net vacancy savings of \$0.383 million.
- A re-estimate of farebox revenue, resulting in an increase of \$0.285 million, including a revenue loss of \$0.019 million, due to Hurricane Irene.

Partly offsetting the above favorable changes are the following unfavorable changes:

- The timing of elimination of 2010 Budget Reduction Plan positions with an expense increase of \$0.313 million, due mostly to the rescheduling of Closed Circuit Television (CCTV) installation at St. George Terminal to the end of April 2012, which is then planned to result in the elimination of four positions.
- Preliminary estimated costs of \$0.131 million resulting from Tropical Storm Irene.
- Inflation/fringe benefit re-estimates, resulting in an expense increase of \$0.089 million.
- \$0.070 million of expenses required to maintain one administrative position to support delayed implementation of Business Service Center requirements.

2012 Final Proposed Budget

MTA Staten Island Railway's 2012 Final Proposed Budget reflects total expenses before depreciation and OPEB of \$42.492 million, including \$40.820 million of non-reimbursable expenses and \$1.672 million of reimbursable expenses. Total revenues are projected to be \$9.469 million, of which \$7.797 million are operating revenues and \$1.672 million represent capital reimbursements. Total full-time positions are 267, including 264 non-reimbursable positions and 3 reimbursable positions.

The 2012 Final Proposed Budget operating cash deficit is projected to increase by \$4.225 million, due to the following changes:

- An estimated change in the timing of retro-active wage payouts of \$4.903 million from 2011 to 2012.
- The timing of elimination of 2010 Budget Reduction Plan positions with an expense increase of \$0.086 million, due to the rescheduling of CCTV installation at St. George Terminal to the end of April 2012, which is then planned to result in the elimination of four positions.
- \$0.070 million of expenses required to maintain one administrative position to support delayed implementation of Business Service Center requirements.
- Inflation/fringe benefit re-estimates resulting in an expense increase of \$0.223 million.
- A re-estimate of the costs to replace non-revenue fleet vehicles, resulting in a reduction in expenses of \$0.369 million.
- A re-estimate of electronics maintenance requirements, resulting in a reduction in expenses of \$0.368 million.
- A re-estimate of farebox revenue, resulting in an increase of \$0.320 million.

Financial Plan 2013-2015 Projections

Operating cash deficits are projected to decrease by \$0.720 million in 2013, \$0.881 million in 2014 and \$0.612 million in 2015. Major changes include:

- Re-estimates of electronics maintenance requirements, resulting in reductions in expenses of \$0.368 million in 2013 and 2014 and \$0.366 million in 2015.
- Re-estimates of farebox revenue, resulting in increases of \$0.325 million in 2013, \$0.326 million in 2014 and \$0.332 million in 2015.

- Re-estimates of the costs to replace non-revenue fleet vehicles, resulting in reductions in expenses of \$0.120 million in 2013 and \$0.099 million in both 2014 and 2015.
- Inflation/fringe benefit re-estimates resulting in an expense increase of \$0.093 million in 2013, an expense decrease of \$0.088 million in 2014, and an expense increase of \$0.185 million in 2015.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2010	2011	2012			
	<u>Actual</u>	<u>November</u>	<u>Final Proposed</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Operating Revenue						
Farebox Revenue	\$5.020	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.167	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
Total Revenue	\$7.187	\$7.658	\$7.797	\$7.880	\$7.975	\$8.066
Operating Expenses						
<u>Labor:</u>						
Payroll	\$18.934	\$16.281	\$17.116	\$17.319	\$17.641	\$17.957
Overtime	1.092	0.792	0.681	0.696	0.712	0.727
Health and Welfare	2.697	3.390	3.781	3.982	4.299	4.641
OPEB Current Payment	0.545	0.585	0.639	0.678	0.733	0.793
Pensions	3.850	4.000	5.941	5.970	5.849	6.094
Other Fringe Benefits	1.588	1.238	1.302	1.316	1.340	1.369
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$28.706	\$26.286	\$29.460	\$29.961	\$30.574	\$31.581
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$2.943	\$3.659	\$3.997	\$4.467	\$5.014	\$5.640
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.258	0.349	0.267	0.293	0.440	0.355
Claims	0.021	0.272	0.277	0.282	0.288	0.294
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	4.842	2.321	2.779	2.855	2.959	3.117
Professional Service Contracts	0.396	0.415	0.421	0.429	0.439	0.447
Materials & Supplies	0.997	1.115	3.614	1.714	1.978	2.023
Other Business Expenses	0.000	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$9.457	\$8.136	\$11.360	\$10.045	\$11.123	\$11.881
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$38.163	\$34.422	\$40.820	\$40.006	\$41.697	\$43.462
Depreciation	\$9.106	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
OPEB Obligation	1.900	2.800	3.000	3.000	3.000	3.000
Environmental Remediation	0.208	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$49.377	\$46.222	\$52.820	\$52.006	\$53.697	\$55.462
Baseline Surplus/(Deficit)	(\$42.190)	(\$38.564)	(\$45.023)	(\$44.126)	(\$45.722)	(\$47.396)

REIMBURSABLE

[illegible]

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
--

	2010	2011	2012			
	<u>Actual</u>	<u>November</u>	<u>Final Proposed</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenue						
Farebox Revenue	\$5.020	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.167	2.071	2.071	2.071	2.071	2.071
Capital and Other Reimbursements	0.193	0.600	1.672	1.674	1.680	1.680
Total Revenue	\$7.380	\$8.258	\$9.469	\$9.554	\$9.655	\$9.746
Expenses						
<u>Labor:</u>						
Payroll	\$18.989	\$16.381	\$17.404	\$17.606	\$17.929	\$18.245
Overtime	1.155	1.092	1.385	1.400	1.416	1.431
Health and Welfare	2.719	3.490	4.290	4.495	4.816	5.158
OPEB Current Payment	0.545	0.585	0.639	0.678	0.733	0.793
Pensions	3.894	4.050	6.035	6.064	5.943	6.188
Other Fringe Benefits	1.597	1.288	1.379	1.392	1.417	1.446
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$28.899	\$26.886	\$31.132	\$31.635	\$32.254	\$33.261
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$2.943	\$3.659	\$3.997	\$4.467	\$5.014	\$5.640
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.258	0.349	0.267	0.293	0.440	0.355
Claims	0.021	0.272	0.277	0.282	0.288	0.294
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	4.842	2.321	2.779	2.855	2.959	3.117
Professional Service Contracts	0.396	0.415	0.421	0.429	0.439	0.447
Materials & Supplies	0.997	1.115	3.614	1.714	1.978	2.023
Other Business Expenses	0.000	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$9.457	\$8.136	\$11.360	\$10.045	\$11.123	\$11.881
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$38.356	\$35.022	\$42.492	\$41.680	\$43.377	\$45.142
Depreciation	\$9.106	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
OPEB Obligation	1.900	2.800	3.000	3.000	3.000	3.000
Environmental Remediation	0.208	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$49.570	\$46.822	\$54.492	\$53.680	\$55.377	\$57.142
Baseline Surplus/(Deficit)	(\$42.190)	(\$38.564)	(\$45.023)	(\$44.126)	(\$45.722)	(\$47.396)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>November</u> <u>Forecast</u>	<u>2012</u> <u>Final Proposed</u> <u>Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Receipts						
Farebox Revenue	\$5.000	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.140	2.071	2.071	2.071	2.071	2.071
Capital and Other Reimbursements	0.081	0.600	1.672	1.674	1.680	1.680
Total Receipts	\$7.221	\$8.258	\$9.469	\$9.554	\$9.655	\$9.746
Expenditures						
<u>Labor:</u>						
Payroll	\$15.578	\$16.381	\$21.959	\$17.606	\$17.929	\$18.245
Overtime	1.072	1.092	1.385	1.400	1.416	1.431
Health and Welfare	2.826	3.490	4.290	4.495	4.816	5.158
OPEB Current Payment	0.545	0.585	0.639	0.678	0.733	0.793
Pensions	3.431	4.050	6.035	6.064	5.943	6.188
Other Fringe Benefits	1.606	1.288	1.727	1.392	1.417	1.446
GASB Account	0.290	0.317	0.347	0.379	0.415	0.415
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$25.348	\$27.203	\$36.382	\$32.014	\$32.669	\$33.676
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$2.968	\$3.659	\$3.997	\$4.467	\$5.014	\$5.640
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.159	0.383	0.267	0.293	0.440	0.355
Claims	0.250	0.272	0.277	0.282	0.288	0.294
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	6.466	2.321	2.779	2.855	2.959	3.117
Professional Service Contracts	0.441	0.415	0.421	0.429	0.439	0.447
Materials & Supplies	0.782	1.130	3.614	1.714	1.978	2.023
Other Business Expenses	0.000	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenditures	\$11.066	\$8.185	\$11.360	\$10.045	\$11.123	\$11.881
<u>Other Expenditure Adjustments:</u>						
Other						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$36.414	\$35.388	\$47.742	\$42.059	\$43.792	\$45.557
Baseline Cash Deficit	(\$29.193)	(\$27.130)	(\$38.273)	(\$32.505)	(\$34.137)	(\$35.811)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>November</u> <u>Forecast</u>	<u>2012</u> <u>Final Proposed</u> <u>Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Receipts						
Farebox Revenue	(\$0.020)	\$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	(0.027)	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	(0.112)	0.000	0.000	0.000	0.000	0.000
Total Receipts	(\$0.159)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$3.411	\$0.000	(\$4.555)	\$0.000	\$0.000	\$0.000
Overtime	0.083	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(0.107)	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.463	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	(0.009)	0.000	(0.348)	0.000	0.000	0.000
GASB Account	(0.290)	(0.317)	(0.347)	(0.379)	(0.415)	(0.415)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$3.551	(\$0.317)	(\$5.250)	(\$0.379)	(\$0.415)	(\$0.415)
<u>Non-Labor:</u>						
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	0.099	(0.034)	0.000	0.000	0.000	0.000
Claims	(0.229)	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	(1.624)	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	(0.045)	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.215	(0.015)	0.000	0.000	0.000	0.000
Other Business Expenditures	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	(\$1.609)	(\$0.049)	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$1.783	(\$0.366)	(\$5.250)	(\$0.379)	(\$0.415)	(\$0.415)
Depreciation Adjustment	\$9.106	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
OPEB Obligation	1.900	2.800	3.000	3.000	3.000	3.000
Environmental Remediation	0.208	0.000	0.000	0.000	0.000	0.000
Baseline Total Cash Conversion Adjustments	\$12.997	\$11.434	\$6.750	\$11.621	\$11.585	\$11.585
Total Cash Conversion Adjustments	\$12.997	\$11.434	\$6.750	\$11.621	\$11.585	\$11.585

MTA STATEN ISLAND RAILWAY
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Year-to-Year Changes by Category-Baseline

TOTAL REVENUES/RECEIPTS

Farebox Revenue

- Farebox revenue annual improvements are based mainly on employment projections that reveal modest annual growth in ridership of: 2.5% or \$0.139 million in 2012, 1.4% or \$0.083 million in 2013, 1.6% or \$0.095 million in 2014 and 1.5% or \$0.091 million in 2015.

Other Operating Revenue

- No annual changes in projections.

Capital and Other Reimbursements

- Annual increases are projected from 2013 through 2015 to provide for reimbursement consistent with projected inflationary increases.

TOTAL EXPENSES/EXPENDITURES

Payroll

- 2012-2015 includes provisions for cost of living increases for non-represented employees, following two-years of wage freezes in 2009-2010, of 2.20%, 1.97%, 1.91% and 1.85%, respectively;
- 2012-2015 includes projected wage inflation increases for represented employees of 2.20%, 1.97%, 1.91% and 1.85%, respectively.

Overtime

- Includes projected wage inflation increases as noted above for represented employees.

Health & Welfare

- 2012-2015 includes projected rate increases of 9.3%, 6.2%, 8.1% and 8.1%, respectively.

OPEB

- Projections are based on current actuarial valuations along with 2012-2015 projected rate increases of 9.3%, 6.2%, 8.1% and 8.1%, respectively.

Pension

- Projections are based on current actuarial information.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- 2012-2015 reflects projected New York Power Authority (NYPA) increases provided by MTA.

Insurance

- 2012-2015 assumptions provided by MTA.

Claims

- 2012-2015 assumptions reflect inflationary increases of 1.55%, 1.91%, 2.06% and 2.10%, respectively.

Maintenance and Other Operating Contracts

- 2012-2015 assumptions reflect inflationary increases of 1.55%, 1.91%, 2.06% and 2.10%, respectively.
- 2012-2015 lighting expenses reflect projected New York Power Authority (NYPA) increases.
- 2012-2015 fuel expenses reflect inflationary increases.

Professional Service Contracts

- 2012-2015 assumptions reflect inflationary increases of 1.55%, 1.91%, 2.06% and 2.10%, respectively.

Materials and Supplies

- 2012-2015 assumptions reflect inflationary increases of 3.14%, 2.09%, 1.91% and 2.09%, respectively.

Other Business Expenses

- 2012-2015 assumptions reflect inflationary increases of 1.55%, 1.91%, 2.06% and 2.10%, respectively.

Depreciation

- Annual expenses of \$9.0 million do not increase during the Financial Plan period, as no additional capital assets are projected to reach beneficial use.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2011	2012	Change 2012 - 2011	2013	Change 2013 - 2012	2014	Change 2014 - 2013	2015	Change 2015 - 2014
Revenue									
Farebox Revenue	\$5.587	\$5.726	\$0.139	\$5.809	\$0.083	\$5.904	\$0.095	\$5.995	\$0.091
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.071	2.071	0.000	2.071	0.000	2.071	0.000	2.071	0.000
Capital and Other Reimbursements	0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000
Total Revenue	\$7.658	\$7.797	\$0.139	\$7.880	\$0.083	\$7.975	\$0.095	\$8.066	\$0.091
Expenses									
Labor:									
Payroll	\$16.281	\$17.116	(0.835)	\$17.319	(0.203)	\$17.641	(0.322)	\$17.957	(0.316)
Overtime	0.792	0.681	0.111	0.696	(0.015)	0.712	(0.016)	0.727	(0.015)
Health and Welfare	3.390	3.781	(0.391)	3.982	(0.201)	4.299	(0.317)	4.641	(0.342)
OPEB Current Payment	0.585	0.639	(0.054)	0.678	(0.039)	0.733	(0.055)	0.793	(0.060)
Pensions	4.000	5.941	(1.941)	5.970	(0.029)	5.849	0.121	6.094	(0.245)
Other Fringe Benefits	1.238	1.302	(0.064)	1.316	(0.014)	1.340	(0.024)	1.369	(0.029)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$26.286	\$29.460	(\$3.174)	\$29.961	(\$0.501)	\$30.574	(\$0.613)	\$31.581	(\$1.007)
Non-Labor:									
Traction and Propulsion Power	3.659	3.997	(0.338)	4.467	(0.470)	5.014	(0.547)	5.640	(0.626)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.349	0.267	0.082	0.293	(0.026)	0.440	(0.147)	0.355	0.085
Claims	0.272	0.277	(0.005)	0.282	(0.005)	0.288	(0.006)	0.294	(0.006)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	2.321	2.779	(0.458)	2.855	(0.076)	2.959	(0.104)	3.117	(0.158)
Professional Service Contracts	0.415	0.421	(0.006)	0.429	(0.008)	0.439	(0.010)	0.447	(0.008)
Materials & Supplies	1.115	3.614	(2.499)	1.714	1.900	1.978	(0.264)	2.023	(0.045)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenses	\$8.136	\$11.360	(\$3.224)	\$10.045	\$1.315	\$11.123	(\$1.078)	\$11.881	(\$0.758)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$34.422	\$40.820	(\$6.398)	\$40.006	\$0.814	\$41.697	(\$1.691)	\$43.462	(\$1.765)
Depreciation	9.000	9.000	0.000	9.000	0.000	9.000	0.000	9.000	0.000
OPEB Obligation	2.800	3.000	(0.200)	3.000	0.000	3.000	0.000	3.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$46.222	\$52.820	(\$6.598)	\$52.006	\$0.814	\$53.697	(\$1.691)	\$55.462	(\$1.765)
Net Surplus/(Deficit)	(\$38.564)	(\$45.023)	(\$6.459)	(\$44.126)	\$0.897	(\$45.722)	(\$1.596)	(\$47.396)	(\$1.674)

REIMBURSABLE

Net Surplus/(Deficit)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Year-to-Year Changes by Category - Cash Receipts and Expenditures
(\$ in millions)

	Favorable/(Unfavorable)								
	2011	2012	Change 2012 - 2011	2013	Change 2013 - 2012	2014	Change 2014 - 2013	2015	Change 2015 - 2014
<u>Receipts</u>									
Farebox Revenue	\$5.587	\$5.726	\$0.139	\$5.809	\$0.083	\$5.904	\$0.095	\$5.995	\$0.091
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	0.600	1.672	1.072	1.674	0.002	1.680	0.006	1.680	0.000
Total Receipts	\$8.258	\$9.469	\$1.211	\$9.554	\$0.085	\$9.655	\$0.101	\$9.746	\$0.091
<u>Expenditures</u>									
Labor:									
Payroll	16.381	21.959	(5.578)	17.606	4.353	17.929	(0.323)	18.245	(0.316)
Overtime	1.092	1.385	(0.293)	1.400	(0.015)	1.416	(0.016)	1.431	(0.015)
Health and Welfare	3.490	4.290	(0.800)	4.495	(0.205)	4.816	(0.321)	5.158	(0.342)
OPEB Current Payment	0.585	0.639	(0.054)	0.678	(0.039)	0.733	(0.055)	0.793	(0.060)
Pensions	4.050	6.035	(1.985)	6.064	(0.029)	5.943	0.121	6.188	(0.245)
Other Fringe Benefits	1.288	1.727	(0.439)	1.392	0.335	1.417	(0.025)	1.446	(0.029)
GASB Account	0.317	0.347	(0.030)	0.379	(0.032)	0.415	(0.036)	0.415	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$27.203	\$36.382	(\$9.179)	\$32.014	\$4.368	\$32.669	(\$0.655)	\$33.676	(\$1.007)
Non-Labor:									
Traction and Propulsion Power	3.659	3.997	(0.338)	4.467	(0.470)	5.014	(0.547)	5.640	(0.626)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.383	0.267	0.116	0.293	(0.026)	0.440	(0.147)	0.355	0.085
Claims	0.272	0.277	(0.005)	0.282	(0.005)	0.288	(0.006)	0.294	(0.006)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.321	2.779	(0.458)	2.855	(0.076)	2.959	(0.104)	3.117	(0.158)
Professional Service Contracts	0.415	0.421	(0.006)	0.429	(0.008)	0.439	(0.010)	0.447	(0.008)
Materials & Supplies	1.130	3.614	(2.484)	1.714	1.900	1.978	(0.264)	2.023	(0.045)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenditures	\$8.185	\$11.360	(\$3.175)	\$10.045	\$1.315	\$11.123	(\$1.078)	\$11.881	(\$0.758)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$35.388	\$47.742	(\$12.354)	\$42.059	\$5.683	\$43.792	(\$1.733)	\$45.557	(\$1.765)
Net Cash Deficit	(\$27.130)	(\$38.273)	(\$11.143)	(\$32.505)	\$5.768	(\$34.137)	(\$1.632)	(\$35.811)	(\$1.674)

MTA STATEN ISLAND RAILWAY
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Summary of Major Plan-to-Plan Changes

2011: November Financial Plan vs. July Financial Plan

Operating Revenue Re-estimates

The change in operating revenue was due to a re-estimate of farebox revenue, resulting in an increase of \$0.285 million, including a revenue loss of \$0.019 million due to Tropical Storm Irene.

Operating Expense Re-estimates

Operating expenses increased by \$0.220 million due to:

- The timing of elimination of 2010 Budget Reduction Plan positions with an expense increase of \$0.313 million, due mostly to the rescheduling of CCTV installation at St. George Terminal to the end of April 2012, which is then planned to result in the elimination of four positions.
- Preliminary estimated costs of \$0.131 million resulting from Tropical Storm Irene.
- Inflation/fringe benefit re-estimates resulting in an expense increase of \$0.089 million.
- \$0.070 million of expenses required to maintain one administrative position to support delayed implementation of Business Service Center requirements.
- Estimated maintenance contract and net vacancy savings of \$0.383 million.

Cash Adjustments

An estimated change in the timing of retro-active wage payouts of \$4.903 million from 2011 to 2012.

2012-2015: November Financial Plan vs. July Financial Plan

Operating Revenue Re-estimates

Operating revenue changes were due to re-estimates of farebox revenue, resulting in increases of \$0.320 million in 2012, \$0.325 million in 2013, \$0.326 million in 2014 and \$0.332 million in 2015.

Operating Expense Re-estimates

Total operating expenses decrease by \$0.358 million in 2012, \$0.395 million in 2013, \$0.555 million in 2014 and by \$0.280 million in 2015, due to:

- Re-estimates of electronics maintenance requirements, resulting in reductions in expenses of \$0.368 million in 2012, 2013 and 2014 and \$0.366 million in 2015.
- Re-estimates of the costs to replace non-revenue fleet vehicles, resulting in reductions in expenses of \$0.369 million in 2012, \$0.120 million in 2013 and \$0.099 million in both 2014 and 2015.
- The timing of elimination of 2010 Budget Reduction Plan positions with an expense increase of \$0.086 million in 2012, due to the rescheduling of CCTV installation at St. George Terminal to the end of April 2012, which is then planned to result in the elimination of four positions.
- Inflation/fringe benefit re-estimates resulting in expense increases of \$0.223 million in 2012 and \$0.93 million in 2013, an expense decrease of \$0.088 million in 2014 and an expense increase of \$0.185 million in 2015.
- \$0.070 million of expenses required to maintain one administrative position to support delayed implementation of Business Service Center requirements in 2012.

Cash Adjustments

Cash adjustments were unfavorable by \$4.903 million in 2012, due to an estimated change in the timing of retro-active wage increase payouts from 2011.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2011	2012	2013	2014	2015
July Financial Plan Net Cash Deficit	(\$32.098)	(\$34.048)	(\$33.225)	(\$35.018)	(\$36.423)
Baseline Changes					
Revenue					
Farebox Revenue	0.285	0.320	0.325	0.326	0.332
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	\$0.285	\$0.320	\$0.325	\$0.326	\$0.332
Expenses					
<i>Labor:</i>					
Payroll	(0.205)	0.176	0.296	0.296	0.296
Overtime	(0.045)	0.000	0.000	0.000	0.000
Health and Welfare	(0.067)	0.100	0.453	0.519	0.594
OPEB Current Payment	0.000	(0.011)	(0.005)	(0.011)	(0.018)
Pensions	0.000	(0.093)	0.047	0.418	0.435
Other Fringe Benefits	(0.047)	(0.018)	(0.050)	(0.046)	(0.055)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$0.364)	\$0.154	\$0.741	\$1.176	\$1.252
<i>Non-Labor:</i>					
Traction and Propulsion Power	0.000	(0.064)	(0.265)	(0.498)	(0.785)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	(0.004)	(0.004)	(0.009)	(0.008)	(0.010)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.199	(0.158)	(0.187)	(0.210)	(0.271)
Professional Service Contracts	(0.007)	(0.006)	(0.013)	(0.012)	(0.013)
Materials & Supplies	(0.044)	0.436	0.128	0.107	0.107
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.144	\$0.204	(\$0.346)	(\$0.621)	(\$0.972)
Total Expense Changes before Depreciation & GASB Adjs.	(\$0.220)	\$0.358	\$0.395	\$0.555	\$0.280
Depreciation	0.000	0.000	0.000	0.000	0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000
Total Depreciation and GASB Adjs. Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Revised Timing Estimates-Labor Wage Contract Resolution	\$4.903	(\$4.903)	\$0.000	\$0.000	\$0.000
Total Cash Adjustment Changes	\$4.903	(\$4.903)	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$4.968	(\$4.225)	\$0.720	\$0.881	\$0.612
November Financial Plan Net Cash Deficit	(\$27.130)	(\$38.273)	(\$32.505)	(\$34.137)	(\$35.811)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2011	2012	2013	2014	2015
July Financial Plan Net Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	(1.005)	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$1.005)	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
<i>Labor:</i>					
Payroll	0.182	0.000	0.000	0.000	0.000
Overtime	0.390	0.000	0.000	0.000	0.000
Health and Welfare	0.366	0.000	0.000	0.000	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.042	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.025	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$1.005	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$1.005	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes	0.000	0.000	0.000	0.000	0.000
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
November Financial Plan Net Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Staten Island Railway
November Financial Plan 2012-2015
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2011	2012	2013	2014	2015
July Financial Plan Net Cash Deficit	(\$32.098)	(\$34.048)	(\$33.225)	(\$35.018)	(\$36.423)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Farebox Revenue Re-estimates	0.304	0.320	0.325	0.326	0.332
Farebox Revenue-Impact of Lost Ridership due to Hurricane Irene	(0.019)	-	-	-	-
Sub-Total Non-Reimbursable Revenue Changes	0.285	0.320	0.325	0.326	0.332
Expenses					
Timing of Elimination of 2010 Budget Reduction Program Positions	(0.313)	(0.086)	0.000	0.000	0.000
Re-estimate of Non-Revenue Vehicle Fleet Replacement	0.000	0.369	0.120	0.099	0.099
Re-estimate of Electronics Maintenance Requirements	0.000	0.368	0.368	0.368	0.366
Inflation/Fringe Benefit Reestimates	(0.089)	(0.223)	(0.093)	0.088	(0.185)
Preliminary Estimated Costs Resulting from Tropical Storm Irene	(0.131)	0.000	0.000	0.000	0.000
BSC Administrative Support	(0.070)	(0.070)	0.000	0.000	0.000
Estimated Maintenance Contract Savings	0.300	0.000	0.000	0.000	0.000
Estimated Vacancy/Overtime Coverage Net Savings	0.083	0.000	0.000	0.000	0.000
Sub-Total Non-Reimbursable Expense Changes	(\$.220)	\$.358	\$.395	\$.555	\$.280
Total Non-Reimbursable Major Changes	\$.065	\$.678	\$.720	\$.881	\$.612
<i>Reimbursable Major Changes</i>					
Sub-Total Reimbursable Revenue Changes	(1.005)	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	1.005	0.000	0.000	0.000	0.000
Total Reimbursable Major Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Accrual Changes	\$0.065	\$0.678	\$0.720	\$0.881	\$0.612
<i>Cash Adjustment Changes</i>					
Revised Timing Estimates-Labor Wage Contract Resolution	\$4.903	(\$4.903)	\$.000	\$.000	\$.000
Total Cash Adjustment Changes	\$4.903	(\$4.903)	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$4.968	(\$4.225)	\$0.720	\$0.881	\$0.612
November Financial Plan Net Cash Deficit	(\$27.130)	(\$38.273)	(\$32.505)	(\$34.137)	(\$35.811)

MTA STATEN ISLAND RAILWAY
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Ridership/(Utilization)

- A re-estimate of non-student ridership is projected to increase ridership above the July Financial Plan by 0.203 million in 2011. This net increase includes a 0.013 million ridership loss due to a Tropical Storm Irene shut-down.
- 2012-2015 ridership growth is based on the employment forecast, which projects lower annual employment growth than the April 2011 forecast used for the July Financial Plan in 2012, and virtually the same employment growth in 2013, 2014 and 2015.
- Annual ridership is projected to be above the July Financial Plan by 0.214 million in 2012, 0.218 million in 2013, 0.218 million in 2014 and 0.221 million in 2015.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Ridership/(Utilization)
(in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
--	----------------	------------------------------	----------------------------------	------	------	------

RIDERSHIP

Fixed Route	4.370	4.566	4.658	4.716	4.781	4.843
	-	-	-	-	-	-

Baseline Total Ridership	4.370	4.566	4.658	4.716	4.781	4.843
---------------------------------	--------------	--------------	--------------	--------------	--------------	--------------

FAREBOX REVENUE

Fixed Route	\$5.020	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
-------------	---------	---------	---------	---------	---------	---------

Baseline Total Revenue	\$5.020	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
-------------------------------	----------------	----------------	----------------	----------------	----------------	----------------

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
2011 Budget Reduction Plan Summary
(\$ in millions)

	2011		2012		2013		2014		2015	
	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>
LIST of PROGRAMS										
Administration:										
	0	0.400	0	0.000	0	0.000	0	0.000	0	0.000
	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Administration	0	\$.400	0	\$.000	0	\$.000	0	\$.000	0	\$.000
	0	0	0	0	0	0	0	0	0	0
Sub-Total Customer Convenience & Amen	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:										
	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Sub-Total Maintenance	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Safety/Security:										
Sub-Total Other	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total BRP	0	\$.400	0	\$.000	0	\$.000	0	\$.000	0	\$.000

¹ Reflects the impact of amendments on year-end positions.

**MTA Staten Island Railway
November 2011 Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Hiring Freeze

Background Details:	The Authority currently has two (2) positions which have been vacant since 1/1/11. An evaluation of these titles indicates that a hiring delay for the General Mechanic for the remainder of 2011 and the elimination of the Janitor position will not significantly impact short term maintenance and operational goals. Furthermore, based on retirement application, one (1) additional vacancy is expected on 4/1/11 and two (2) vacancies are expected by 7/1/11.
----------------------------	--

Program Description/ Implementation Plan:	The Authority will institute a hiring freeze through 12/31/11 enabling a full year labor savings on two (2) positions, a prorated savings for one (1) beginning 4/1/11 and two (2) in mid-year. All vacancies will be re-examined for the 2012 budget cycle.		
Program Implementation Date:	1/1/11	When will savings begin?:	

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.320	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Staten Island Railway
November 2011 Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: OTPS Efficiencies

Background Details:	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.
----------------------------	---

Program Description/ Implementation Plan:	In an effort to improve the efficient use of SIR resources, SIR identified and revised material forecasts realizing a 5% savings in departmental requirements ensuring that proposed savings targets are realized.		
Program Implementation Date:	1/1/11	When will savings begin?:	

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.050	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

**MTA Staten Island Railway
November 2011 Financial Plan 2012-2015
2011 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: PS Efficiencies

Background Details:	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.
----------------------------	--

Program Description/ Implementation Plan:	In reviewing this expense, SIR has identified and revised procedures to more efficiently cover vacation relief, thereby yielding a 5% reduction in unscheduled overtime expense.		
Program Implementation Date:	1/1/11	When will savings begin?:	

	Favorable/(Unfavorable)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.030	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required:</i>	0	0	0	0	0

MTA STATEN ISLAND RAILWAY
2012 Final Proposed Budget
November Financial Plan 2012 - 2015
Positions

- 2011 positions are planned to temporarily increase by 5 positions, including a delay in the elimination of four 2010 Budget Reduction Plan positions to the end of April, 2012, when CCTV installation at St. George Terminal is now scheduled to be completed, and 1 position, which is required to support Business Service Center implementation requirements until the end of 2012.

- 2012-2015 positions have decreased by 4 positions, due to a reassessment of electronics maintenance requirements.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Total Positions by Function
Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Executive	10	9	9	9	9	9
General Office	10	8	7	7	7	7
Purchasing/Stores	6	5	5	5	5	5
Total Administration	26	22	21	21	21	21
Operations						
Transportation	93	95	91	91	91	91
Maintenance						
Mechanical	35	35	35	35	35	35
Car and Station Cleaning	18	18	18	18	18	18
Power/Signals	25	25	25	25	25	25
Maintenance of Way	47	48	48	48	48	48
Bridge and Buildings	20	21	27	27	27	27
Material Handling	2	2	2	2	2	2
Total Maintenance	147	149	155	155	155	155
Engineering/Capital						
None	-	-	-	-	-	-
Public Safety						
Police	-	-	-	-	-	-
Baseline Total Positions	266	266	267	267	267	267
Non-Reimbursable	263	263	264	264	264	264
Reimbursable	3	3	3	3	3	3
Total Full-Time	266	266	267	267	267	267
Total Full-Time Equivalents	-	-	-	-	-	-

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	12	12	12	12	12	12
Professional, Technical, Clerical	14	10	9	9	9	9
Operational Hourlies	-	-	-	-	-	-
Total Administration	26	22	21	21	21	21
Operations						
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
Total Operations	93	95	91	91	91	91
Maintenance						
Managers/Supervisors	7	6	6	6	6	6
Professional, Technical, Clerical	3	3	3	3	3	3
Operational Hourlies	137	140	146	146	146	146
Total Maintenance	147	149	155	155	155	155
Engineering/Capital						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Engineering/Capital	-	-	-	-	-	-
Public Safety						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Public Safety	-	-	-	-	-	-
Total Positions						
Managers/Supervisors	27	26	26	26	26	26
Professional, Technical, Clerical	21	17	16	16	16	16
Operational Hourlies	218	223	225	225	225	225
Baseline Total Positions	266	266	267	267	267	267

[THIS PAGE INTENTIONALLY LEFT BLANK]