

# **MTA 2014**

# **Final Proposed Budget**

## **November Financial Plan 2014 – 2017**



**Volume 2**  
**November 2013**



**Metropolitan Transportation Authority**

## **OVERVIEW**

### **MTA 2014 FINAL PROPOSED BUDGET NOVEMBER FINANCIAL PLAN 2014-2017 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, the baseline forecast (as detailed in Volume 2 and described below) and certain adjustments captured below the baseline. These "below-the-line" adjustments include: Fare/Toll Increases, MTA Initiatives, MTA Re-estimates, and Policy Actions. Volume 1 also includes descriptions of the "below-the-line" actions as well as the required Certification by the Chairman and Chief Executive Officer, and a description of the MTA Budget Process.

Volume 2 includes MTA-Consolidated detailed financial and position schedules as well as the narratives that support the baseline projections included in the 2014 Final Proposed Budget and the Financial Plan for 2014 through 2017. 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.

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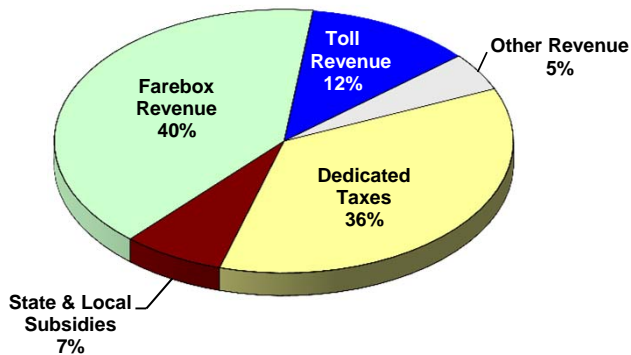
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# **I. MTA Consolidated 2014-2017 Financial Plan-Baseline**

**MTA 2014 Final Proposed Budget**  
**Baseline Before Below-the-Line Adjustments**  
**Non-Reimbursable**

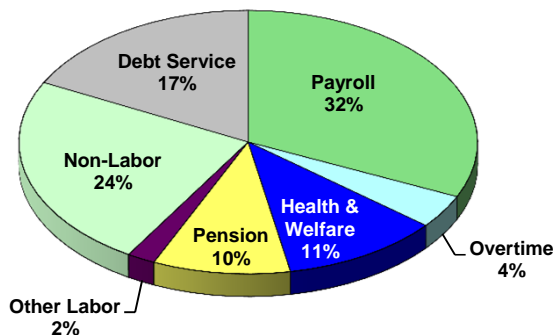
***Where the Dollars Come From ...***



By Revenue Source (\$ in millions)	
Farebox Revenue	\$5,646
Toll Revenue	1,649
Other Revenue	656
Dedicated Taxes	5,039
State & Local Subsidies	1,000
<b>Total</b>	<b>\$13,990</b>

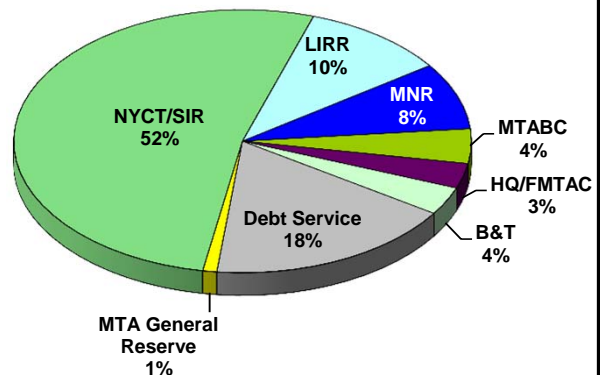
***Where the Dollars Go ...***

**By Expense Category**



By Expense Category (\$ in millions)	
Payroll	\$4,342
Overtime	560
Health & Welfare	1,519
Pension	1,324
Other Labor	271
Non-Labor	3,240
Debt Service	2,393
<b>Total</b>	<b>\$13,649</b>

**By MTA Agency**



By MTA Agency <sup>1</sup> (\$ in millions)	
NYCT/SIR	\$7,132
LIRR	1,395
MNR	1,125
MTABC	580
HQ/FMTAC	419
B&T	470
Debt Service	2,393
MTA General Reserve	135
<b>Total</b>	<b>\$13,649</b>

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

<sup>1</sup> MTA Capital Construction is not included in the above charts, as its budget contains reimbursable expenses only.

**Note:** The revenues and expenses reflected in these charts are on an accrued basis and exclude cash adjustments, carryover balances and those "below-the-line" adjustments that are captured in Volume I. Any comparison of revenues versus expenses will not directly correspond to the cash balances reflected in the Statement of Operations.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated Statement Of Operations By Category**  
(\$ in millions)

Line

No.

<b>Non-Reimbursable</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b><u>Operating Revenue</u></b>						
Farebox Revenue	\$5,079	\$5,483	\$5,646	\$5,718	\$5,790	\$5,824
Toll Revenue	1,491	1,629	1,649	1,653	1,662	1,666
Other Revenue	564	779	656	610	638	673
Capital and Other Reimbursements	0	0	0	0	0	0
<b>Total Operating Revenue</b>	<b>\$7,134</b>	<b>\$7,892</b>	<b>\$7,951</b>	<b>\$7,981</b>	<b>\$8,090</b>	<b>\$8,163</b>
<b><u>Operating Expense</u></b>						
<b>Labor Expenses:</b>						
Payroll	\$4,194	\$4,259	\$4,342	\$4,453	\$4,563	\$4,689
Overtime	574	594	560	554	557	566
Health & Welfare	813	920	1,023	1,095	1,177	1,268
OPEB Current Payment	413	453	496	537	585	633
Pensions	1,328	1,296	1,324	1,335	1,357	1,360
Other-Fringe Benefits	650	591	586	614	638	662
Reimbursable Overhead	(309)	(309)	(315)	(305)	(301)	(297)
<b>Sub-total Labor Expenses</b>	<b>\$7,663</b>	<b>\$7,804</b>	<b>\$8,015</b>	<b>\$8,283</b>	<b>\$8,576</b>	<b>\$8,881</b>
<b>Non-Labor Expenses:</b>						
Electric Power	\$472	\$509	\$537	\$567	\$602	\$639
Fuel	252	275	268	267	267	274
Insurance	8	33	52	68	87	110
Claims	136	204	201	210	215	219
Paratransit Service Contracts	361	368	394	412	457	526
Maintenance and Other Operating Contracts	452	546	581	622	640	639
Professional Service Contracts	277	314	337	319	316	321
Materials & Supplies	431	498	527	548	555	564
Other Business Expenses	144	165	161	166	172	175
<b>Sub-total Non-Labor Expenses</b>	<b>\$2,530</b>	<b>\$2,913</b>	<b>\$3,058</b>	<b>\$3,179</b>	<b>\$3,311</b>	<b>\$3,467</b>
<b>Other Expense Adjustments:</b>						
Other	\$63	\$46	\$47	\$48	\$51	\$52
General Reserve	0	0	135	140	145	150
<b>Sub-total Other Expense Adjustments</b>	<b>\$63</b>	<b>\$46</b>	<b>\$182</b>	<b>\$188</b>	<b>\$196</b>	<b>\$202</b>
<b>Total Operating Expense before Non-Cash Liability Adj.</b>	<b>\$10,256</b>	<b>\$10,763</b>	<b>\$11,256</b>	<b>\$11,650</b>	<b>\$12,083</b>	<b>\$12,550</b>
Depreciation	\$2,149	\$2,176	\$2,265	\$2,384	\$2,453	\$2,637
OPEB Obligation	1,786	1,819	1,900	1,982	2,069	2,156
Environmental Remediation	25	5	6	6	6	6
<b>Total Operating Expense after Non-Cash Liability Adj.</b>	<b>\$14,216</b>	<b>\$14,762</b>	<b>\$15,426</b>	<b>\$16,022</b>	<b>\$16,610</b>	<b>\$17,349</b>
<b>Net Deficit Before Subsidies and Debt Service</b>	<b>(\$7,082)</b>	<b>(\$6,871)</b>	<b>(\$7,475)</b>	<b>(\$8,042)</b>	<b>(\$8,520)</b>	<b>(\$9,186)</b>
Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,959	\$4,000	\$4,171	\$4,372	\$4,527	\$4,799
Debt Service (excludes Service Contract Bonds)	(2,058)	(2,191)	(2,393)	(2,481)	(2,642)	(2,818)
<b>Total Operating Expense with Debt Service</b>	<b>\$12,315</b>	<b>\$12,953</b>	<b>\$13,649</b>	<b>\$14,131</b>	<b>\$14,725</b>	<b>\$15,369</b>
Dedicated Taxes and State/Local Subsidies	\$5,492	\$5,890	\$6,039	\$6,373	\$6,609	\$6,813
<b>Net Deficit After Subsidies and Debt Service</b>	<b>\$311</b>	<b>\$828</b>	<b>\$342</b>	<b>\$222</b>	<b>(\$26)</b>	<b>(\$393)</b>
Conversion to Cash Basis: GASB Account	(90)	(84)	(98)	(106)	(114)	(123)
Conversion to Cash Basis: All Other	(290)	(235)	(398)	(335)	(268)	(304)
<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>(\$68)</b>	<b>\$509</b>	<b>(\$154)</b>	<b>(\$218)</b>	<b>(\$409)</b>	<b>(\$820)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated Accrued Statement of Operations By Agency**  
(\$ in millions)

Line No	Non-Reimbursable	2012	2013	2014			
		Actual	November Forecast	Final Proposed Budget	2015	2016	2017
9	<b><u>Total Operating Revenue</u></b>						
10	New York City Transit	\$4,055	\$4,548	\$4,576	\$4,609	\$4,688	\$4,739
11	Bridges and Tunnels	1,509	1,652	1,666	1,669	1,678	1,682
12	Long Island Rail Road	645	700	699	695	700	703
13	Metro-North Railroad	639	694	717	728	740	753
14	MTA Bus Company	201	225	228	223	225	226
15	MTA Headquarters	58	62	57	48	50	52
16	Staten Island Railway	8	10	10	8	8	8
17	First Mutual Transportation Assurance Company	20	0	0	0	0	0
18	<b>Total</b>	<b>\$7,134</b>	<b>\$7,892</b>	<b>\$7,951</b>	<b>\$7,981</b>	<b>\$8,090</b>	<b>\$8,163</b>
20	<b><u>Total Operating Expenses before Non-Cash Liability Adjs. <sup>1</sup></u></b>						
21	New York City Transit	\$6,747	\$6,917	\$7,089	\$7,330	\$7,617	\$7,921
22	Bridges and Tunnels	378	432	470	489	505	522
23	Long Island Rail Road	1,223	1,312	1,395	1,427	1,511	1,613
24	Metro-North Railroad	981	1,084	1,125	1,156	1,177	1,211
25	MTA Bus Company	542	572	580	647	665	661
26	MTA Headquarters	300	349	369	367	374	388
27	Staten Island Railway	40	46	42	50	52	55
28	First Mutual Transportation Assurance Company	(16)	5	3	(4)	(13)	(22)
29	Other	63	46	182	188	196	202
30	<b>Total</b>	<b>\$10,256</b>	<b>\$10,763</b>	<b>\$11,256</b>	<b>\$11,650</b>	<b>\$12,083</b>	<b>\$12,550</b>
32	<b><u>Depreciation</u></b>						
33	New York City Transit	\$1,416	\$1,433	\$1,544	\$1,638	\$1,688	\$1,863
34	Bridges and Tunnels	88	94	104	112	120	128
35	Long Island Rail Road	317	323	312	321	324	327
36	Metro-North Railroad	223	225	227	225	227	229
37	MTA Bus Company	46	42	42	42	42	43
38	MTA Headquarters	50	50	27	38	43	38
39	Staten Island Railway	9	9	8	8	8	8
40	First Mutual Transportation Assurance Company	0	0	0	0	0	0
41	<b>Total</b>	<b>\$2,149</b>	<b>\$2,176</b>	<b>\$2,265</b>	<b>\$2,384</b>	<b>\$2,453</b>	<b>\$2,637</b>
43	<b><u>Other Post Employment Benefits</u></b>						
44	New York City Transit	\$1,391	\$1,447	\$1,504	\$1,565	\$1,627	\$1,692
45	Bridges and Tunnels	73	77	80	85	89	93
46	Long Island Rail Road	80	82	85	87	90	90
47	Metro-North Railroad	56	62	65	68	71	75
48	MTA Bus Company	100	56	57	58	58	59
49	MTA Headquarters	84	93	106	119	131	144
50	Staten Island Railway	2	2	2	2	2	2
51	<b>Total</b>	<b>\$1,786</b>	<b>\$1,819</b>	<b>\$1,900</b>	<b>\$1,982</b>	<b>\$2,069</b>	<b>\$2,156</b>
53	<b><u>Environmental Remediation</u></b>						
54	New York City Transit	\$16	\$0	\$0	\$0	\$0	\$0
55	Bridges and Tunnels	0	0	0	0	0	0
56	Long Island Rail Road	6	2	2	2	2	2
57	Metro-North Railroad	0	3	4	4	4	4
57	MTA Bus Company	2	0	0	0	0	0
58	Staten Island Railway	(0)	0	0	0	0	0
59	<b>Total</b>	<b>\$25</b>	<b>\$5</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>
61	<b><u>Net Operating Income/(Deficit) <sup>1</sup></u></b>						
62	New York City Transit	(\$5,515)	(\$5,248)	(\$5,563)	(\$5,924)	(\$6,244)	(\$6,737)
63	Bridges and Tunnels	970	1,050	1,010	984	965	939
64	Long Island Rail Road	(982)	(1,018)	(1,094)	(1,141)	(1,226)	(1,329)
65	Metro-North Railroad	(621)	(680)	(705)	(725)	(739)	(767)
66	MTA Bus Company	(489)	(446)	(451)	(524)	(540)	(538)
67	MTA Headquarters	(375)	(430)	(445)	(475)	(498)	(518)
68	Staten Island Railway	(43)	(48)	(43)	(52)	(54)	(57)
69	First Mutual Transportation Assurance Company	36	(5)	(3)	4	13	22
70	Other	(63)	(46)	(182)	(188)	(196)	(202)
	<b>Total</b>	<b>(\$7,082)</b>	<b>(\$6,871)</b>	<b>(\$7,475)</b>	<b>(\$8,042)</b>	<b>(\$8,520)</b>	<b>(\$9,186)</b>

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

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated Cash Receipts and Expenditures**  
(\$ in millions)

Line

No	Cash Receipts and Expenditures	2012	2013	2014			
		Actual	November Forecast	Final Proposed Budget	2015	2016	2017
10	<b>Receipts</b>						
11	Farebox Revenue	\$5,077	\$5,530	\$5,685	\$5,759	\$5,832	\$5,867
12	Other Operating Revenue	536	859	672	641	730	691
13	Capital and Other Reimbursements	1,434	1,438	1,592	1,511	1,493	1,484
14	<b>Total Receipts</b>	<b>\$7,047</b>	<b>\$7,827</b>	<b>\$7,950</b>	<b>\$7,911</b>	<b>\$8,055</b>	<b>\$8,042</b>
15							
16	<b>Expenditures</b>						
17	<u><b>Labor:</b></u>						
18	Payroll	\$4,499	\$4,604	\$4,940	\$4,831	\$4,915	\$5,039
19	Overtime	646	700	671	632	635	644
20	Health and Welfare	872	968	1,056	1,130	1,212	1,302
21	OPEB Current Payment	399	437	479	521	567	615
22	Pensions	1,480	1,152	1,343	1,361	1,378	1,379
23	Other Fringe Benefits	608	679	705	719	735	756
24	Contribution to GASB Fund	90	84	98	106	114	123
25	Reimbursable Overhead	0	0	0	0	0	0
26	<b>Total Labor Expenditures</b>	<b>\$8,594</b>	<b>\$8,626</b>	<b>\$9,293</b>	<b>\$9,299</b>	<b>\$9,556</b>	<b>\$9,858</b>
27							
28	<u><b>Non-Labor:</b></u>						
29	Electric Power	\$466	\$537	\$532	\$561	\$596	\$633
30	Fuel	252	274	262	260	261	268
31	Insurance	33	42	47	65	78	98
32	Claims	173	193	182	188	189	193
33	Paratransit Service Contracts	354	366	392	410	455	524
34	Maintenance and Other Operating Contracts	458	541	516	553	583	584
35	Professional Service Contracts	254	335	359	342	341	346
36	Materials & Supplies	537	604	665	657	663	672
37	Other Business Expenditures	150	151	241	167	172	176
38	<b>Total Non-Labor Expenditures</b>	<b>\$2,677</b>	<b>\$3,043</b>	<b>\$3,197</b>	<b>\$3,203</b>	<b>\$3,337</b>	<b>\$3,493</b>
39							
40	<u><b>Other Expenditure Adjustments:</b></u>						
41	Other	\$92	\$74	\$134	\$93	\$110	\$111
42	General Reserve	0	0	135	140	145	150
43	<b>Total Other Expenditure Adjustments</b>	<b>\$92</b>	<b>\$74</b>	<b>\$269</b>	<b>\$233</b>	<b>\$255</b>	<b>\$261</b>
44							
45	<b>Total Expenditures</b>	<b>\$11,364</b>	<b>\$11,742</b>	<b>\$12,758</b>	<b>\$12,735</b>	<b>\$13,148</b>	<b>\$13,612</b>
46							
47	<b>Net Cash Deficit Before Subsidies and Debt Service</b>	<b>(\$4,317)</b>	<b>(\$3,915)</b>	<b>(\$4,809)</b>	<b>(\$4,824)</b>	<b>(5,093)</b>	<b>(5,570)</b>
48							
49	Dedicated Taxes and State/Local Subsidies	\$5,691	\$6,009	\$6,409	\$6,435	\$6,655	\$6,870
50	Debt Service (excludes Service Contract Bonds)	(1,442)	(1,584)	(1,754)	(1,829)	(1,971)	(2,120)
51							
52	<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>(\$68)</b>	<b>\$509</b>	<b>(\$154)</b>	<b>(\$218)</b>	<b>(\$409)</b>	<b>(\$820)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated Cash Statement of Operations By Agency**  
(\$ in millions)

Line Number		2012	2013	2014			
			November	Final Proposed			
		<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
7							
8							
9	<b><u>Total Receipts</u></b>						
10	New York City Transit	\$4,890	\$5,435	\$5,514	\$5,447	\$5,495	\$5,528
11	Long Island Rail Road	852	975	955	942	942	942
12	Metro-North Railroad	924	882	932	967	989	1011
13	MTA Bus Company	202	241	241	237	239	240
14	MTA Headquarters	124	248	257	268	341	273
15	Staten Island Railway	8	12	16	14	12	10
16	Capital Construction Company	26	34	35	36	36	37
17	First Mutual Transportation Assurance Company	20	0	0	0	0	0
18	<b>Total</b>	<b>\$7,047</b>	<b>\$7,827</b>	<b>\$7,950</b>	<b>\$7,911</b>	<b>\$8,055</b>	<b>\$8,042</b>
19							
20	<b><u>Total Expenditures</u></b>						
21	New York City Transit	\$7,605	\$7,670	\$8,250	\$8,227	\$8,486	\$8,791
22	Long Island Rail Road	1,442	1,607	1,692	1,702	1,785	1,889
23	Metro-North Railroad	1,233	1,285	1,401	1,426	1,453	1,499
24	MTA Bus Company	563	634	577	654	672	669
25	MTA Headquarters	408	431	583	466	477	481
26	Staten Island Railway	43	49	49	56	56	57
27	Capital Construction Company	26	34	35	36	36	37
28	First Mutual Transportation Assurance Company	20	0	0	0	0	0
29	Other	23	32	170	168	182	189
30	<b>Total</b>	<b>\$11,364</b>	<b>\$11,742</b>	<b>\$12,758</b>	<b>\$12,735</b>	<b>\$13,148</b>	<b>\$13,612</b>
31							
32	<b><u>Net Operating Surplus/(Deficit)</u></b>						
33	New York City Transit	(2,714)	(2,235)	(2,737)	(2,780)	(2,991)	(3,263)
34	Long Island Rail Road	(590)	(632)	(737)	(759)	(843)	(947)
35	Metro-North Railroad	(309)	(403)	(469)	(459)	(464)	(489)
36	MTA Bus Company	(361)	(393)	(336)	(418)	(433)	(429)
37	MTA Headquarters	(285)	(184)	(327)	(198)	(137)	(207)
38	Staten Island Railway	(35)	(37)	(33)	(42)	(44)	(47)
39	Capital Construction Company	0	0	0	0	0	0
40	First Mutual Transportation Assurance Company	0	0	0	0	(0)	(0)
41	Other	(23)	(32)	(170)	(168)	(182)	(189)
42	<b>Total</b>	<b>(\$4,317)</b>	<b>(\$3,915)</b>	<b>(\$4,809)</b>	<b>(\$4,824)</b>	<b>(\$5,093)</b>	<b>(\$5,570)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated November Financial Plan Compared with July Financial Plan**  
**Cash Reconciliation**  
(\$ in millions)

	Favorable/(Unfavorable)				
	2013	2014	2015	2016	2017
<b>JULY FINANCIAL PLAN 2014-2017</b>					
<b>NET CASH BALANCE BEFORE BTL ADJUSTMENTS</b>	<b>\$182</b>	<b>(\$130)</b>	<b>(\$419)</b>	<b>(\$565)</b>	<b>(\$1,019)</b>
<b>Savings Programs</b>	<b>\$31</b>	<b>\$24</b>	<b>\$19</b>	<b>\$21</b>	<b>\$28</b>
2013 BRPs (New & Re-estimates, including Paratransit)	31	24	19	21	28
<b>New Needs/Investments</b>	<b>(\$36)</b>	<b>(\$91)</b>	<b>(\$82)</b>	<b>(\$60)</b>	<b>(\$42)</b>
Operations/Maintenance	(21)	(71)	(61)	(41)	(23)
Service - Platform Budget Improvements/Support	0	(5)	(10)	(10)	(10)
All Other New Needs	(15)	(15)	(11)	(9)	(9)
<b>Agency Baseline Adjustments</b>	<b>\$222</b>	<b>\$12</b>	<b>\$161</b>	<b>\$111</b>	<b>\$92</b>
Farebox/Toll Revenue	43	56	62	67	67
Other Revenue	1	(5)	(17)	(70)	(14)
Overtime <sup>1</sup>	(29)	(34)	(35)	(35)	(35)
Health & Welfare (including OPEB)	16	41	43	55	68
Pension	21	27	17	17	16
Superstorm Sandy Agency Impacts	15	4	22	0	0
Timing	107	(119)	10	1	2
Baseline Re-estimates <sup>2</sup>	49	41	59	76	(12)
<b>MTA Adjustments</b>					
General Reserve	<b>\$130</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5</b>
<b>Changes in Subsidies</b>	<b>(\$48)</b>	<b>\$32</b>	<b>\$80</b>	<b>\$31</b>	<b>\$58</b>
Real Estate Taxes	45	53	57	59	75
Petroleum Business Tax	(26)	(26)	(26)	(27)	(27)
CDOT Subsidy	9	(4)	3	(4)	(6)
B&T Surplus Transfer	32	0	10	13	14
Other Subsidies	(31)	1	31	(15)	(5)
Resource to Reduce Pension Liability (moved to baseline)	(80)	6	6	6	6
Forward Energy Contracts Program - Gain/(Loss)	1	3	(0)	0	0
<b>Debt Service Adjustments</b>	<b>\$28</b>	<b>(\$2)</b>	<b>\$24</b>	<b>\$53</b>	<b>\$58</b>
Debt Service Savings from Refundings/Lower Interest Rates	28	(2)	24	53	58
<b>NOVEMBER FINANCIAL PLAN 2014-2017</b>					
<b>NET CASH BALANCE BEFORE BTL ADJUSTMENTS</b>	<b>\$509</b>	<b>(\$154)</b>	<b>(\$218)</b>	<b>(\$409)</b>	<b>(\$820)</b>

<sup>1</sup> Primarily reflects refinement and "rebasings" of overtime. Excludes overtime captured within programmatic new needs and changes in existing programs that are captured within baseline re-estimates.

<sup>2</sup> 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 within the line "Baseline Re-estimates."

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Baseline Farebox Recovery and Farebox Operating Ratios**

<b><u>FAREBOX RECOVERY RATIOS</u></b>					
	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015 Plan</b>	<b>2016 Plan</b>	<b>2017 Plan</b>
New York City Transit	38.2%	37.8%	36.6%	35.7%	34.1%
Staten Island Railway	10.9%	12.2%	11.0%	10.6%	10.2%
Long Island Rail Road	31.7%	31.0%	30.3%	29.0%	27.6%
Metro-North Railroad	41.1%	41.9%	41.6%	41.4%	40.7%
Bus Company	<u>30.6%</u>	<u>30.7%</u>	<u>28.1%</u>	<u>27.7%</u>	<u>27.8%</u>
<b>MTA Total Agency Average</b>	<b>37.2%</b>	<b>36.9%</b>	<b>35.8%</b>	<b>34.9%</b>	<b>33.5%</b>

<b><u>FAREBOX OPERATING RATIOS</u></b>					
	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015 Plan</b>	<b>2016 Plan</b>	<b>2017 Plan</b>
New York City Transit	59.4%	59.5%	58.3%	56.8%	54.9%
Staten Island Railway	15.7%	17.8%	15.4%	14.7%	14.0%
Long Island Rail Road	47.6%	45.3%	45.3%	43.0%	40.5%
Metro-North Railroad	58.7%	59.4%	59.7%	60.3%	59.6%
Bus Company	<u>37.0%</u>	<u>37.1%</u>	<u>33.5%</u>	<u>32.9%</u>	<u>33.1%</u>
<b>MTA Total Agency Average</b>	<b>56.3%</b>	<b>56.1%</b>	<b>54.9%</b>	<b>53.6%</b>	<b>51.9%</b>

*Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 20% (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, Legal and Shared Services.*

*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.*

*In the agenda materials for the Meeting of the Metro-North and Long Island Committees, the calculations of the farebox operating and recovery ratios for the LIRR and MNR use a revised methodology to put the railroads on a more comparable basis. Those statistics, which are included in the respective financial and ridership reports of both Agencies, differ from the statistics presented in this table.*

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## **II. Major Assumptions**

## **Agency Baseline Assumptions**

## **Agency Baseline Assumptions**

The November Plan (the “Plan”) consists of the 2013 November Forecast, 2014 Final Proposed Budget, and annual projections for 2015-2017. It updates the Agency baseline forecasts that were included in the 2013 July Plan, capturing programmatic changes, and re-estimates of revenues and expenses. Plan-to-plan comparisons are made against both the July and February Plans.

Volume II of the November Plan is a comprehensive look at MTA Agency and other baseline data, capturing forecasts for Agency operations, subsidies and debt service. Volume II excludes certain policy and other “below-the-line” adjustments that are highlighted and captured in Volume I of the Plan, including fare and toll increases projected for 2015 and 2017, investments to fund additional service (proposed in July), and future-year unidentified efficiencies, as well as a new proposal to increase expense reduction targets in order to help fund a reduction in the projected fare and toll increases for 2015 and 2017.

The November Plan Agency Baseline captures investments in critical maintenance and operational work including fleet overhauls, necessary improvements to the right-of-way, and the upgrade of critical systems. It also incorporates the operating budget impacts of “Mega” capital program projects. This Plan captures customer concerns and interests, including the service investments that were approved in 2012, as well as additional funding for “platform” service adjustments needed to maintain loading and headway guidelines, while handling increased demand requirements. These investments are being “self-funded” with favorable operating results/projections, including savings resulting from operating efficiencies. These improvements are captured in the reconciliation below, with details captured in individual Agency sections of the book.

The November Plan baseline continues to assume that labor settlements will include three years of “net zero” wage growth, effective upon the completion of existing contracts, followed by inflationary growth. Salaries for non-represented employees, having gone four years without raises, are assumed to follow CPI-based increases that are projected to start in 2013; no across-the-board raises have been granted as of the date of this Plan release. The savings anticipated from the “net zero” wage assumption for represented employees is expected to be accomplished through the collective bargaining process.

### ***Metro-North – New Haven Line ConEd Power Failure***

On September 25<sup>th</sup> the failure of a Con Edison feeder cable knocked out electric power on an eight-mile section of the New Haven Line (NHL), requiring the establishment of alternative service options, including limited diesel train service between Stamford and Grand Central Terminal, shuttle bus service to Harlem Line stations, and support from New York City Transit and MTA Bus. The financial impact from this occurrence – train service was fully restored on October 7<sup>th</sup> – including significant farebox revenue loss and a refund to NHL monthly and weekly ticket holders (approved in a special board meeting) could reach as high as \$10 million. Per the service agreement with the

Connecticut Department of Transportation (CDOT), approximately 65% of those operating losses will be the responsibility of CDOT. Metro-North reserves all rights to pursue reimbursement from Con Edison and all other parties involved.

### ***Baseline November Plan Changes from July Plan***

The following table and accompanying narrative capture the major baseline changes between the July and November Plans by major functional category:

<b><u>AGENCY BASELINE</u></b> <b><u>NOVEMBER CHANGES FROM JULY PLAN</u></b> Favorable/(Unfavorable) (\$ in millions)					
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Savings Programs</b>	<b>\$31</b>	<b>\$24</b>	<b>\$19</b>	<b>\$21</b>	<b>\$28</b>
2013 BRPs (New & Re-estimates, incl Paratransit)	31	24	19	21	28
<b>New Needs/Investments</b>	<b>(\$36)</b>	<b>(\$91)</b>	<b>(\$82)</b>	<b>(\$61)</b>	<b>(\$42)</b>
Operations/Maintenance	(21)	(71)	(61)	(41)	(23)
Service - Platform Budget Improvements/Support	(0)	(5)	(10)	(10)	(10)
All Other New Needs	(15)	(15)	(11)	(9)	(9)
<b>Agency Baseline Adjustments</b>	<b>\$224</b>	<b>\$16</b>	<b>\$161</b>	<b>\$111</b>	<b>\$96</b>
Farebox/Toll Revenue	43	56	62	67	67
Health & Welfare (includes OPEB)	16	41	43	55	68
Pensions	21	27	17	17	16
Superstorm Sandy Agency Impacts	15	4	22	(0)	(0)
Overtime <sup>1</sup>	(29)	(34)	(35)	(35)	(35)
Timing	107	(119)	10	1	2
Baseline Re-estimates <sup>2</sup>	50	40	43	7	(21)
<b>MTA Adjustments</b>					
General Reserve	<b>\$130</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Cash Baseline Changes</b>	<b>\$348</b>	<b>(\$52)</b>	<b>\$98</b>	<b>\$72</b>	<b>\$83</b>
<sup>1</sup> Primarily reflects refinement/"rebaselining" of overtime. Excludes overtime captured within programmatic new needs and changes in existing programs that are captured within baseline re-estimates. <sup>2</sup> 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 within the line "Baseline Re-estimates."					

### ***Rebaselining Overtime***

In 2010, the MTA responded to a fiscal crisis by implementing a number of cost savings initiatives. Included within that strategy was an aggressive program to rein in overtime through a series of management controls, which resulted in efficiency savings targets approximating \$20 million in 2010, growing to over \$60 million annually. In its first year

of implementation, MTA realized \$56 million in actual savings, exceeding the goal by \$36 million. In the years that followed, the year-over-year changes revealed slippage from those goals, mainly from uncontrollable factors, specifically extraordinary weather, including Superstorm Sandy (Sandy) and Tropical Storm Irene. Other contributing factors included emergency conditions and major maintenance programs such as *FasTrack*, backlog reduction initiatives for signals, track and structures, as well as on-going employee availability and vacancy issues, which prevented the targeted savings from being achieved.

The 2013 July Plan forecast for 2014 and beyond were not only well below expense levels experienced in the years 2011 through 2013, but approximated the targeted levels that were initially established in 2010. However, a closer look at overtime levels, particularly July year-to-date results compared against the Mid-Year Forecast, revealed other underlying issues since the variance significantly exceeded the recently updated projection for 2013. Highlighted within a special report presented to the Finance Committee in September, and aside from weather, the primary causes of overages both against the budget and the Mid-Year Forecast were controllable in nature, which reaffirmed the need for better management control of overtime usage and improved overtime forecasting.

To that end, this Plan includes a further rebaselining of overtime based on additional analysis conducted subsequent to the report, and now reflects levels that are more in line with documented/historical usage and overall coverage requirements. Additional information is contained within the consolidated narratives section and detailed further within Agency sections of this volume. Further analysis on overtime will be conducted and addressed in the coming months. It is expected that efficiencies can be identified that will result in realistic savings within this category.

### ***Savings Programs/Cost Control***

The MTA continues to focus on cost control. In addition to the net favorable changes described above, the MTA has identified greater savings from new Budget Reduction Programs (BRPs), which are detailed later in this section. These savings, when combined with additional MTA Efficiency savings detailed in Volume I, will increase total annual savings to \$1.0 billion in 2014, growing to \$1.5 billion by 2017. The Plan includes strategies to reduce costs in all areas.

These savings, coupled with additional actions that are captured as “below-the-line” Plan Adjustments and listed separately in Volume I of the November Plan, lower the growth rate for total expenses in 2014 to under 2.0%. This modest growth is being achieved in spite of the higher rates of growth that are expected in “uncontrollable” categories which continue to outpace inflation. These costs which include employee and retiree health care, paratransit, pensions, debt service, energy, and insurance are driven by factors that are largely outside the control of the MTA. The growth in these areas, while higher than inflation has been reduced because of actions taken by the MTA.

Paratransit costs have been reduced significantly in recent years due to proactive management initiatives that have lowered unit costs and diverted customers to more efficient ADA compliant modes of transportation, generating annual savings of over \$280 million. It is important to note that containing rapidly-growing paratransit costs is essential. Before these savings initiatives were begun, the subsidy for paratransit services was approaching that received by MNR and expenses were growing at 18% percent. Through these management actions, paratransit's expense budget is expected to grow by only 7%, a significant reduction but still much greater than the expense growth of other MTA services.

The Plan includes investments that will reduce the liabilities (and future expenses) for pensions and OPEB. The MTA continues to hedge its fuel purchases which will add an element of certainty to those forecasts. Insurance costs would be even higher were it not for the issuance of "catastrophe" bonds in place of high-cost insurance for a portion of the MTA's risk coverage. The aggressive management of its debt portfolio has enabled the MTA to capture savings from lower interest rates.

### ***New Needs/Investments***

In addition to the resources allocated to repair, replace or reinforce property that was damaged by Sandy, while still maintaining its commitment to reduce costs, MTA continues to improve the reliability and performance of its fleet and infrastructure through increased maintenance. The Plan also includes platform service adjustments, system upgrades and safety-related investments. Accordingly, the 2014 Final Proposed Budget includes increased resources to address these priority areas.

### **NYCT:**

Major new needs and investments captured within the July Plan:

- Fund normal "platform" service adjustments, reflecting seasonal schedule changes, and loading and headway guidelines;
- Support the Enterprise Asset Management system, which will promote best standards and procedures, proactive maintenance, cost efficiencies, and tools for managing the life-cycle process of NYCT's assets. This MTA-wide program will help align corporate objectives with practices, enhancing the quality of information recorded and disseminated throughout the Agencies;
- Include a program that dedicates engineering and operating staff to help support existing forces responsible for inspecting critical structures on a regular and timely basis;
- Procure services of a management consultant to augment the inspection of critical structures, such as truss bridges, marine structures, and elevated structures higher than 35 feet, supplementing in-house employee expertise;

- Increase the scope of the Scheduled Maintenance System (SMS) for its 752 R-46 cars, enabling the cars to remain in good condition for an additional four years due to delays in the delivery of the new R-211 cars;
- Invest in additional track staff responsible for water intrusion remediation, preventing future damage, and protecting and preserving recent capital investments in track, signals and tunnel lighting;
- Increase positions specializing in critical infrastructure work to improve vent bay maintenance, tasked with preventing flooding and insulator fires that can result in significant service disruptions;
- Improve bus reliability through increased preventive maintenance; and
- Provide additional funding to the NYC Dept. of Homeless Services (DHS), in order to better manage homeless persons in the subway system.

Additional new needs and investments captured in the November Plan include:

- Building upon its success, expanding the “FasTrack” maintenance program, which is a limited-duration line segment closure program that allows for efficient completion of maintenance tasks, performed simultaneously by various divisions, including often-delayed non-critical repairs; and
- Further increases normal “platform” services, adjusting for seasonal schedules, and loading and headway guidelines.

#### **LIRR:**

Major new needs and investments captured within the July Plan:

- Increase normal “platform” services, adjusting for Montauk Summer Service, and sports and entertainment events scheduled to be held at the Barclays Center;
- Develop a new fare payment system that will include the deployment of on-board Ticket Issuing Machines (OBTIM) to train crews and the roll-out of a mobile ticketing option to customers;
- Utilize Enterprise Asset Management, an MTA-wide initiative that will initially focus on two main asset categories: track and signals. This new initiative will enable the Agency to prioritize the use of scarce resources, maintain assets in a state of good repair and develop an appropriate maintenance plan that balances capital and operating budget spending;
- Ensure railroad equipment operates properly – based on lessons learned following damages sustained from Superstorm Sandy. This investment will increase testing and monitoring of power and electrical systems until more

permanent repairs and reconstruction work is completed. This will also include funding for a new federally required “Third Rail Mat and Blanket Testing Procedure” and increased testing, storage and distribution of those mats, blankets, and gloves;

- Improve functionality and safety of elevator and escalators;
- Implement new Enhanced Third Rail Safety Procedures governing work in the proximity of the third rail;
- Build a customer-only waiting area in Jamaica Station, modeled after Penn Station;
- Increase service and customer support for the following events: 2013 MLB All-Star Game at City Field, 2013 Video Music Awards at Barclays Arena, 2013 United States Women's Open Golf Championship in Southampton, 2014 NFL Super Bowl at Meadowlands complex and 2015 NBA All Star Game in New York (TBD); and
- Revise the reliability centered maintenance program, reflecting changes in workscope, and performing modifications on traction motor components on the M-7 fleet.

Additional new needs and investments captured in the November Plan include:

- Investing additional resources in 2014 for non-revenue fleet needed to support Sandy reconstruction projects, increased capital project activity, and vehicles well past their useful life; and
- Hiring 14 track workers to conduct additional track maintenance and inspections in response to several recent derailments. In addition, the Agency is procuring services to aid with reviewing track maintenance practices which coincides with the MTA Chairman's Blue Ribbon Commission tasked with investigating track infrastructure conditions and maintenance practices.

**MNR:**

Major new needs and investments captured within the July Plan:

- Establish a \$10 million provision for costs associated with clearing derailed equipment and debris, rebuilding track, power and signal systems, and repairing fleet that suffered damages during the May 17 derailment on the New Haven Line. This excludes the cost of three rail cars that were completely destroyed and estimated at an additional \$10 million;
- Initiate a Right-of-Way Clean-up Program – a two-point strategy, including a short-term strategy to clean up the railroad's entire right-of-way (ROW), and a

long term strategy to maintain the ROW at an appropriate level of cleanliness, including the removal of debris, brush and graffiti on all Metro-North-owned structures, and property;

- Assess conditions of track and roadway infrastructure, and related maintenance practices, to determine opportunities for improvement and to minimize operating risks;
- Implement a mobile ticketing system that enables customers to purchase tickets on trains through a dedicated app on their smart phones, purchase tickets on the Internet with an option to print; host back-end servers for managing the app, payment processing, customer service, as well as all system/processing interfaces; and allow ticket validation and cancellation functionality;
- Purchase heavy-duty snow fighting equipment to handle large clean-up and service restoration efforts required at yard locations and along the ROW following major snowstorms; and
- Invest in customer-related amenities and conveniences, including adding positions for Public Announcement (PA) system improvements, mobile ticket application development and integrated voice response upgrades.

Additional new needs and investments captured in the November Plan include:

- Establishing a comprehensive Infrastructure Improvement Program, a four-prong initiative covering right-of-way maintenance improvements, safety, track maintenance management and oversight, and training.
  - *Right-of-way maintenance improvements* encompasses track and drainage improvements, tie replacement, fencing repairs, rail joint welding and general cleaning;
  - *Improving operational and employee safety*, hiring staff tasked with overseeing district safety requirements, strengthening fire prevention in Grand Central Terminal and enhancing internal accident investigation capabilities;
  - *track maintenance management and oversight* -- increased positions overseeing requirements for engineering, design, performance analysis, production maintenance and equipment; and
  - training staff in infrastructure and equipment to ensure the Agency's workforce is in par with the industry and in compliance with regulatory requirements.

- Implementing GCT maintenance initiatives intended to keep the terminal infrastructure in a state of good repair and protect previous investments in facilities, employee work places and building systems; and
- Undertook emergency repairs, rescheduled train service, provided busing for displaced commuters and offered refunds for holders of commutation tickets in response to the September 25<sup>th</sup> power failure that occurred on the New Haven line,

#### **B&T:**

Major new needs and investments captured within the July Plan:

- Increase resources for capital and major maintenance programs, and administrative and procurement support associated with the long-term restoration and mitigation work resulting from Sandy;
- Increase resources to meet requirements of the Enterprise Asset Management initiative (an MTA driven initiative), the Small Business Mentoring Program, and work associated with the Capital Program; and
- Establish a team of designated employees and consultants dedicated to monitoring and mitigating cyber security risks.

#### **MTA Bus:**

Major new needs and investments captured within the July Plan:

- Revise the Shop Overhaul Plan to accommodate the conversion of the 389 hybrid electric bus fleet into cleaner and more cost efficient diesel energy. This conversion is expected to extend the life of these buses by at least three years, enabling the Agency to defer purchasing new buses until the 2020–24 Capital Program, saving almost \$200 million in the 2015-2019 Program;
- Increase the availability of bus operators based on trends and operational requirements;
- Upgrade dispensing meters on depot diesel and gasoline fuel tanks from mechanical to electronic, improving monitoring capabilities and reliability of fuel that is delivered, dispensed and stored; and
- Increase resources beginning in 2016 in anticipation of maintenance requirements needed for a variety of customer-related technology projects including BusTime, bus security cameras, service management, traffic signal priorities, and On Board Audio Visual systems.

Additional new needs and investments captured in the November Plan include:

- Further increasing the availability of bus operators based on trends, and supported by the Unified Timekeeping System;
- Increases to the normal “platform” service provision, adjusting for schedule revisions, running time increases, route refinement, maintenance, and capital project impacts; and
- Revisions to the Shop Overhaul Plan beginning in 2015, performing engine and structure upgrades and overhauls on 247 MCI series buses for purposes of extending the useful life of these buses given funding constraints on the capital program.

#### **SIR:**

Major new needs and investments captured within the July Plan:

- Increase resources needed to meet current electrical maintenance requirements of the Agency’s CCTV network, which is reaching beneficial use in the fall of 2013.

Additional new needs and investments captured in the November Plan include:

- Performing major maintenance on its R-44 fleet at MTA New York City Transit’s subway’s facilities between 2015 through 2017 in order to keep the cars in a state of good repair, since the replacement of this fleet will not occur until approximately 2020. In the interim, SIR is proposing additional funds in 2014 to repair more immediate component problems that can be addressed at the Staten Island Maintenance Facilities.

#### **MTA HQ:**

Major new needs and investments captured within the July Plan:

- Provide ongoing funding for consulting engineering and other professional services necessary to preserve its 2 Broadway property in a state of good repair;
- Develop a new All-Agency Ethernet Virtual Private Line network to replace an older network as well as the IBM Transport Layer Security network used by Agencies, which will result in efficiency savings;
- Utilize a “cloud” infrastructure to augment the current local web infrastructure and to ensure access during unforeseen situations; and
- Invest in two new firearms trailers to keep up with the growth and training needs of MTA Police personnel.

Additional new needs and investments captured in the November Plan include:

- Investing operating funded capital to upgrade Business Service Center hardware equipment and software applications;
- Providing funding for hosting and license fees for the data center at Livingston Plaza, an additional recovery location at Sterling Forest, PeopleSoft environment upgrades and for the MTA-Wide Enterprise Budgeting System;
- Implementing a single, integrated All-Agency cloud-based email solution, providing continuous e-mail service in the event of a major disaster;
- Increasing resources within its Capital Program Management division to coordinate, establish, and manage all agency-wide programs related to Sandy disaster recovery and mitigation; and
- Procuring services to assist in increasing efficiencies and effectiveness expected from instituting the *Procure-To-Pay* process, and complement and enhance MTA's ongoing efforts to improve business processes, identify opportunities for operating and capital cost savings, and increase revenue generation.

### ***Agency Baseline Adjustments***

Explanations of individual adjustments are included in the detailed explanation of individual revenue and expense categories. The unfavorable Agency impacts of Sandy are based upon the assumption that insurance recoveries will be used to reimburse certain Federal recoveries and help fund the portion of the Capital Program needed to cover long-term Sandy repairs and the local share of related resiliency projects.

### **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.

### **2013 November Forecast**

The 2013 November Forecast projects a Net Operating Deficit before Subsidies and Debt Service of \$6,871 million, \$341 million better than the Mid-Year Forecast. Total Operating Revenue and Total Operating Expenses were \$29 million and \$312 million better, respectively. Excluding Non-Cash Liability Adjustments and the General Reserve, the 2013 November Forecast would be \$122 million better than the Mid-Year Forecast.

#### **Revenue**

Total operating revenues are projected to be \$29 million better than the Mid-Year Forecast, primarily due to higher farebox and toll revenue, reflecting higher ridership for

NYCT and MNR and higher traffic growth for B&T, partially offset by lower other operating revenue mainly driven by reduced investment income at FMTAC.

### Expenses

Operating expenses, excluding non-cash adjustments and the General Reserve, are projected to be \$122 million better than the budget due to lower costs for other business expenses, maintenance and other operating contracts, paratransit service contracts, materials & supplies, pensions and health & welfare. Partially offsetting these improvements are higher costs for overtime, professional service contracts, other fringe benefits, payroll and claims.

### **2014 Final Proposed Budget**

The 2014 Final Proposed Budget projects a Net Operating Deficit before Subsidies and Debt Service of \$7,475 million. Total 2014 operating expenses of \$15,426 million are \$664 million higher than the 2013 November Forecast, due mostly to inflation, higher health & welfare, pensions, paratransit costs, the inclusion of the general reserve and Non-Cash Liabilities.

When compared with the 2014 Preliminary Budget in the July Plan, the 2014 Net Operating Deficit before Subsidies and Debt Service is \$96 million favorable, due mostly to lower projected costs for employee and retiree health & welfare, pensions, paratransit service contracts, other business expenses, and depreciation. These favorable variances are partially offset by higher projected costs for overtime, professional service contracts, maintenance and other operating contracts and long-term OPEB obligation accruals.

Total operating revenue of \$7,951 million is expected to be \$31 million better than July, largely reflecting higher ridership levels at NYCT, MTA Bus and MNR, and higher than forecast traffic levels at B&T. These favorable results are partially offset by lower other-operating revenue due primarily to lower paratransit reimbursement, a reduction in the estimate of Sandy storm-related operating recoveries, and lower investment income at FMTAC. When compared with the February Plan, farebox and toll revenue is \$52 million higher largely reflecting higher ridership levels at NYCT and MTA Bus, and higher than forecast traffic levels at B&T. Partially offsetting these favorable results is \$41 million in lower other operating revenue primarily due to reduced investment income from FMTAC's investment asset portfolio, a decrease in paratransit reimbursement (consistent with Plan expense levels) and reduced Sandy storm-related recoveries.

Excluding Non-Cash Liability Adjustments, operating expenses for the 2014 Final Proposed Budget is \$26 million lower than the 2014 Preliminary Budget in the July Plan, due to favorable re-estimates for health and welfare, pensions, paratransit service contracts, other business expenses, payroll, other fringe benefits insurance and claims, partially offset by unfavorable re-estimates for overtime, professional service contracts, and maintenance and other operating contracts.

When compared with the February Plan, expenses are \$22 million lower, reflecting favorable re-estimates for pensions, electric power, health & welfare, paratransit service contracts, other business expenses and claims. These were partially offset by higher overtime, professional service contracts, payroll, maintenance and other operating contracts, other fringe costs, materials and supplies.

## **2015 – 2017 Forecast**

Compared with the July Plan, the November Forecast includes decreases to the baseline deficit in 2015 mainly as a result of higher farebox and toll revenue, lower health & welfare, paratransit service contracts, and pensions. These were partially offset by lower other operating revenue, and higher overtime, professional service contracts and maintenance costs. The baseline deficits increase in 2016 and 2017, reflecting lower other-operating revenue, and higher overtime, professional service contracts and maintenance costs.

Compared with the February Plan, the November Forecast baseline deficit is unfavorable by \$23 million in 2015, and favorable by \$105 million in 2016, reflecting mostly revised assumptions associated with major operational and maintenance investments, rebaselining overtime, and re-estimates in other-operating revenue.

It should be noted that the Plan contains increasing operating budget impacts (OBIs), including ramp-up costs, associated with capital funded projects, including “Mega” projects, such as the Fulton Street Transit Center, Phase 1 of the Second Avenue Subway, the 7 West Extension and the ramp-up for East Side Access.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Operating Budget Impacts of Capital "Mega" Projects**  
(\$ in millions)

	<b>2013 November Forecast</b>		<b>2014 Final Proposed Budget</b>		<b>2015</b>		<b>2016</b>		<b>2017</b>	
	Pos.	(\$000)	Pos.	(\$000)	Pos.	(\$000)	Pos.	(\$000)	Pos.	(\$000)
<b>Fulton Street Transit Center</b>										
<i>Revenue Service Date: June 2014</i>										
NYCT	4	\$ 0.292	51	\$ 3.577	51	\$ 5.726	51	\$ 5.726	51	\$ 5.726
subtotal	4	\$ 0.292	51	\$ 3.577	51	\$ 5.726	51	\$ 5.726	51	\$ 5.726
<b>2nd Avenue Subway</b>										
<i>Revenue Service Date: Phase I - Dec. 2016</i>										
NYCT	-	\$ -	-	\$ -	-	\$ -	-	\$ -	301	\$ 31.493
subtotal	0	\$ -	0	\$ -	0	\$ -	0	\$ -	301	\$ 31.493
<b>7 West Extension</b>										
<i>Revenue Service Date: June 2014</i>										
NYCT	-	\$ -	182	\$ 10.675	175	\$ 16.932	182	\$ 17.357	184	\$ 17.726
subtotal	0	\$ -	182	\$ 10.675	175	\$ 16.932	182	\$ 17.357	184	\$ 17.726
<b>East Side Access</b>										
<i>Revenue Service Date: August 2019</i>										
LIRR	-	\$ -	19	\$ 2.173	229	\$ 28.568	551	\$ 72.627	784	\$131.291
MTAHQ	-	\$ -	-	\$ -	-	\$ -	30	\$ 3.064	74	\$ 7.975
subtotal	0	\$ -	19	\$ 2.173	229	\$ 28.568	581	\$ 75.691	858	\$139.266
<b>TOTAL</b>	<b>4</b>	<b>\$ 0.292</b>	<b>252</b>	<b>\$ 16.425</b>	<b>455</b>	<b>\$ 51.226</b>	<b>814</b>	<b>\$ 98.774</b>	<b>1,394</b>	<b>\$194.211</b>

## PASSENGER & TOLL REVENUE / UTILIZATION<sup>1</sup>

On an average weekday, MTA carries 8.5 million passengers on its subways, buses and commuter railroads, while there are 800 thousand crossings at MTA Bridges & Tunnels facilities.

MTA-wide utilization levels continue to improve as the regional economy rebounds from the precipitous loss of New York City jobs that accompanied the recession in 2008. Between the third quarter of 2008 and the fourth quarter of 2009, New York City lost more than 135,000 jobs (a drop of 3.6% on a seasonally adjusted basis), but after employment growth in thirteen of the past fourteen quarters, seasonally adjusted employment stands at the highest level on record. New York City expects to see continued moderate rises in non-farm employment in each year from 2014 to 2017—a factor that will positively impact ridership and vehicular crossings—and at a slightly higher rate (5.1% over the Plan period) than projected in the July Plan (4.8%) and in the February Plan (4.7%).

<sup>1</sup> Utilization figures presented in this section do not reflect fare media liability or paratransit operations at NYCT; these items are included in the Agency and MTA consolidated tables in the Financial Plan. Additionally, utilization for MNR'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.

The 2013 November Forecast for MTA consolidated ridership is projected to total 2,679 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are expected to reach 281 million. NYCT combined subway and bus ridership forecast is 2,385 million trips and accounts for 89% of MTA consolidated ridership. LIRR and MNR's East-of-Hudson operations each account for 3% of MTA consolidated ridership, with 2013 ridership projected to be 83 million and 82 million for LIRR and MNR's East-of-Hudson operations, respectively. Ridership for MTA Bus (also referred to as MTABC) is projected to be 124 million, and accounts for 5% of MTA consolidated ridership, while Staten Island Railway (SIR) ridership is projected to be 4 million (0.2% of MTA ridership).

MTA consolidated farebox revenue for the 2013 November Forecast is expected to be \$5,415 million, and toll revenue is expected to be \$1,629 million. NYCT combined subway and bus farebox revenue is forecast at \$3,959 million, while LIRR is projecting \$631 million in farebox revenue and MNR \$621 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is expected to be \$6 million, and MTABC farebox revenue is expected to be \$198 million.

The 2013 November Forecast for MTA consolidated ridership is expected to increase by 69 million trips (3%) compared with 2012, reflecting continued improvement in the regional economy. Ridership at NYCT is expected to increase by 62 million (3%); ridership at MTA Bus is expected to increase by 4 million (3%), while LIRR, and MNR are projecting increases of 1 million (2%) and 1 million (1%), respectively. SIR ridership, however, is forecast to decline 5 percent (207 thousand trips) primarily because of continued impacts from Superstorm Sandy; and traffic at B&T facilities is expected to decrease by 1 million crossings (0.5%) compared with 2012. The 2013 November Forecast projects a consolidated farebox revenue increase of \$446 million (9%) in 2013, the result of improved utilization levels and the March fare increases. In spite of fewer bridge and tunnel crossings, B&T toll revenue is expected to exceed 2012 toll revenue by \$138 million (9%), reflecting the impact of the March toll increase. The farebox and toll revenue increases reflect fare and toll increases effective in March 2013 that were designed to generate an annualized 7.5% yield increase.

The 2013 November Forecast expects MTA consolidated ridership to exceed the 2013 Mid-Year Forecast by 14 million trips (1%). This improvement is concentrated at NYCT and MTA Bus, with ridership at the other agencies very close to Mid-Year Forecast levels. NYCT ridership is projected to be higher by 14 million trips (1%), reflecting 14 million (1%) additional subway trips and 700 thousand (0.1%) fewer bus trips. Ridership at MTA Bus is expected to be higher than anticipated in the Mid-Year Forecast by 1 million trips, while SIR anticipates a half million (10%) fewer riders compared with the Adopted Budget. The Mid-Year forecast expects that vehicle crossings at B&T facilities will improve compared with the Mid-Year Forecast by 2 million trips (1%), the result primarily of favorable summer and early fall weather. MTA consolidated farebox revenue in the 2013 Mid-Year Forecast is expected to be higher than the Adopted Budget Forecast by \$27 million (0.5%), reflecting favorable fare receipts at NYCT and MTA Bus of \$32 million (1%) and \$2 million (1%), respectively; these are partially offset

by unfavorable farebox receipts at MNR: because of service disruptions caused by a CSX train derailment in July and a Con Edison power failure in September, MNR farebox revenues are expected to come in \$7 million (-1%) lower than anticipated in the Mid-Year Forecast. Meanwhile, fare collections at SIR and LIRR are very close to the level forecast in July. B&T toll revenue is projected to be \$2 million (1%) better than the Mid-Year forecast, as both ridership trends and average tolls have improved relative to the Mid-Year Forecast.

MTA consolidated ridership for the 2013 November Forecast is expected to improve over the 2012 Adopted Budget projection by 13 million trips (0.5%). Ridership is projected to be higher at NYCT by 10 million trips (0.4%), and at MTA Bus by 6 million trips (5%); because of the service disruptions mentioned above, MNR is projecting 2 million fewer trips (3%) than expected in February, and LIRR and SIR together anticipate less than 1 million fewer trips. At B&T facilities, the November Forecast is projected to exceed the Adopted Budget Forecast by four million trips (2%). MTA consolidated farebox revenue in the 2012 November Forecast is very close to target, compared with the 2012 Adopted Budget, exceeding it by \$5 million (or one tenth of one percent), while B&T toll revenue is projected to be \$34 million (2%) better than the Adopted Budget.

The 2014 forecast for MTA consolidated ridership is projected to total 2,721 million passengers, while crossings at B&T facilities are projected to total 282 million vehicular crossings. NYCT combined subway and bus ridership is expected to reach 2,424 million, while LIRR and MNR (East of Hudson operations) are each projecting 84 million passengers. SIR ridership is estimated to be 4 million and MTA Bus ridership is expected to be 125 million. MTA consolidated farebox revenue for 2014 is forecast to be \$5,586 million, and toll revenue is projected to be \$1,649 million. NYCT combined subway and bus farebox revenue is expected to be \$4,075 million, while LIRR is projecting \$644 million in farebox revenue and MNR is projecting \$660 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$6 million and MTA Bus farebox revenue is expected to be \$201 million.

The 2014 Final Proposed Budget expects year-to-year improvements in ridership and fares, due mostly to the improvement in the regional economy and the associated increase in jobs in New York City. Year-to-year, MTA consolidated ridership is expected to increase by 42 million trips (2%) compared to 2013, and farebox revenue is projected to increase \$171 million (3%) over 2013. While B&T traffic is expected to be virtually the same as in 2013, a favorable mix of traffic, indicated by recent trends, is expected to improve toll receipts by 1%.

Both ridership and farebox revenue are expected to improve over the 2014 Preliminary Budget Forecast, primarily because of an improved employment outlook since July. MTA consolidated ridership is forecast to exceed the Preliminary Budget Forecast by 19 million trips (1%), and projected farebox revenue is \$41 million (1%) favorable. B&T traffic levels are expected to improve relative to the 2014 Preliminary Budget Forecast by 2 million crossings (1%), while toll collections improve by \$16 million (1%).

The Final Proposed Budget projects that MTA consolidated ridership for 2014 will be higher than the February Plan projection by 23 million (1%). Compared to the February Plan, the Final Proposed Budget shows an increase of 5 million vehicle crossings at B&T facilities. The Final Proposed Budget projects an increase in farebox revenues, relative to the February Plan, of \$31 million (1%). B&T toll revenue for 2013 is expected to be \$34 million (2%) better than anticipated in February.

MTA consolidated ridership and farebox revenue are both expected to increase each year from 2015 to 2017. Consolidated ridership is projected to reach 2,797 million passengers by 2017, yielding \$5,761 million in fares. B&T vehicle crossings are also projected to increase each year, reaching 286 million crossings in 2017, with toll revenues totaling \$1,666 million. Compared with the July Plan, MTA consolidated ridership is projected to be 0.8% favorable in each year from 2015 to 2017, while traffic at B&T facilities is expected to be higher by 0.6% in each year. MTA consolidated farebox revenue is expected to be 0.8% higher in 2015, and 0.9% higher in both 2015 and 2016 than was expected in the July Plan, while B&T toll revenue is projected to be 1% higher in each year.

<b>Annual Utilization Growth Rates – Traffic &amp; Ridership</b>					
	2013	2014	2015	2016	2017
<b>Traffic: Bridges &amp; Tunnels</b>	<b>(0.5)%</b>	<b>0.0%</b>	<b>0.5%</b>	<b>0.7%</b>	<b>0.4%</b>
Long Island Rail Road	1.7%	0.8%	0.7%	0.6%	0.2%
Metro-North Railroad	1.3%	2.2%	1.6%	1.3%	1.2%
MTA Bus Company	3.4%	0.2%	0.5%	0.6%	0.0%
New York City Transit	2.7%	1.6%	1.2%	1.2%	0.4%
Staten Island Railway	(4.7%)	1.9%	1.2%	1.0%	0.5%
<b>Ridership</b>	<b>2.6%</b>	<b>1.6%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>0.4%</b>

<b>Annual Utilization Growth Rates – Toll &amp; Farebox Revenue</b>					
	2013	2014	2015	2016	2017
<b>Toll Revenue: Bridges &amp; Tunnels</b>	<b>9.2%</b>	<b>1.3%</b>	<b>0.2%</b>	<b>0.5%</b>	<b>0.2%</b>
Long Island Rail Road	8.6%	2.1%	0.7%	0.6%	0.4%
Metro-North Railroad	5.8%	6.2%	2.1%	1.7%	1.6%
MTA Bus Company	8.9%	1.7%	0.7%	0.8%	0.1%
New York City Transit	9.6%	2.9%	1.3%	1.3%	0.4%
Staten Island Railway	2.4%	3.8%	1.4%	1.2%	0.6%
<b>Farebox Revenue</b>	<b>9.0%</b>	<b>3.2%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>0.6%</b>

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

<b>November Financial Plan</b>					
	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Traffic</b>					
Bridges & Tunnels	281.5	281.6	282.9	284.8	285.8
<b>Ridership</b>					
Long Island Rail Road	83.2	83.9	85.0	85.2	85.5
Metro-North Railroad <sup>1</sup>	82.4	84.2	85.6	86.8	87.8
MTA Bus Company	124.4	124.7	125.3	126.1	126.2
New York City Transit <sup>2, 3</sup>	2,384.8	2,423.8	2,452.7	2,483.2	2,492.9
Staten Island Railway	4.2	4.3	4.4	4.4	4.4
<i>Total Ridership</i>	<i>2,679.1</i>	<i>2,720.9</i>	<i>2,753.0</i>	<i>2,785.7</i>	<i>2,796.9</i>

<b>July Financial Plan</b>					
	<b>2013 Mid-Year Forecast</b>	<b>2014 Preliminary Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Traffic</b>					
Bridges & Tunnels	279.7	280.0	281.2	282.9	284.1
<b>Ridership</b>					
Long Island Rail Road	83.5	84.1	85.1	85.3	85.7
Metro-North Railroad <sup>1</sup>	82.5	84.2	85.6	86.8	87.6
MTA Bus Company	123.1	122.9	123.4	124.2	124.3
New York City Transit <sup>2, 3</sup>	2,371.2	2,406.9	2,433.3	2,462.0	2,472.2
Staten Island Railway	4.2	4.2	4.3	4.3	4.3
<i>Total Ridership</i>	<i>2,664.3</i>	<i>2,702.3</i>	<i>2,731.8</i>	<i>2,762.7</i>	<i>2,774.2</i>

<b>Plan-to-Plan Changes: Favorable / (Unfavorable)</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Traffic</b>					
Bridges & Tunnels	1.8	1.5	1.6	1.8	1.7
<b>Ridership</b>					
Long Island Rail Road	(0.3)	(0.2)	(0.1)	(0.1)	(0.2)
Metro-North Railroad <sup>1</sup>	(0.1)	0.0	0.0	(0.0)	0.2
MTA Bus Company	1.3	1.8	1.9	1.9	1.9
New York City Transit <sup>2, 3</sup>	13.7	16.9	19.3	21.2	20.7
Staten Island Railway	0.1	0.1	0.1	0.1	0.1
<i>Total Ridership</i>	<i>14.7</i>	<i>18.6</i>	<i>21.3</i>	<i>23.0</i>	<i>22.7</i>

<sup>1</sup> Metro-North Railroad utilization figures are for East-of-Hudson service (Hudson, Harlem and New Haven Lines) only.

<sup>2</sup> Excludes Paratransit Operations.

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

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

<b>November Financial Plan</b>					
	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Toll Revenue</b>					
Bridges & Tunnels	\$1,628.8	\$1,649.5	\$1,652.9	\$1,661.9	\$1,665.9
<b>Fare Revenue</b>					
Long Island Rail Road	631.2	644.3	649.0	652.9	655.8
Metro-North Railroad <sup>1</sup>	621.3	660.1	674.0	685.5	696.3
MTA Bus Company	198.0	201.5	202.9	204.6	204.8
New York City Transit <sup>2, 3</sup>	3,958.9	4,074.7	4,125.9	4,179.8	4,197.9
Staten Island Railway	5.5	5.7	5.8	5.9	5.9
<i>Total Farebox Revenue</i>	<i>\$5,415.0</i>	<i>\$5,586.4</i>	<i>\$5,657.5</i>	<i>\$5,728.6</i>	<i>\$5,760.7</i>
<b>July Financial Plan</b>					
	<b>2013 Mid-Year Forecast</b>	<b>2014 Preliminary Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Toll Revenue</b>					
Bridges & Tunnels	\$1,611.8	\$1,633.9	\$1,636.7	\$1,644.6	\$1,649.4
<b>Fare Revenue</b>					
Long Island Rail Road	631.3	644.7	648.7	652.3	655.3
Metro-North Railroad <sup>1</sup>	628.1	659.0	672.3	684.1	693.3
MTA Bus Company	196.1	198.6	199.9	201.4	201.7
New York City Transit <sup>2, 3</sup>	3,927.0	4,037.3	4,084.0	4,134.4	4,153.4
Staten Island Railway	5.4	5.6	5.6	5.7	5.7
<i>Total Farebox Revenue</i>	<i>\$5,387.9</i>	<i>\$5,545.2</i>	<i>\$5,610.5</i>	<i>\$5,678.0</i>	<i>\$5,709.4</i>
<b>Plan-to-Plan Changes: Favorable / (Unfavorable)</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Toll Revenue</b>					
Bridges & Tunnels	\$17.0	\$15.6	\$16.2	\$17.2	\$16.5
<b>Fare Revenue</b>					
Long Island Rail Road	(0.1)	(0.3)	0.3	0.6	0.5
Metro-North Railroad <sup>1</sup>	(6.8)	1.1	1.6	1.3	3.0
MTA Bus Company	1.9	2.9	3.0	3.1	3.1
New York City Transit <sup>2, 3</sup>	31.9	37.4	41.9	45.4	44.5
Staten Island Railway	0.1	0.2	0.2	0.2	0.2
<i>Total Farebox Revenue</i>	<i>\$27.1</i>	<i>\$41.2</i>	<i>\$47.0</i>	<i>\$50.6</i>	<i>\$51.3</i>

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

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

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

## OTHER OPERATING REVENUE

The Other Operating Revenue category captures all operating revenues generated from sources other than fares and tolls, and includes advertising, paratransit reimbursement, fare reimbursement, rents, concessions, parking and investment income. It also includes reimbursement from insurance and the federal government for operating losses and infrastructure damages sustained by MTA Agencies.

Approximately 30% of Other Operating Revenue per annum is generated from MTA real estate properties, which are critical to funding MTA operations. The bulk of those monies are realized through the efforts of the MTA Real Estate Department, which provides comprehensive corporate real estate services to MTA Agencies, by acquiring property (purchased or leased) when required to support MTA operations and projects. This centralized function also helps to generate recurring revenues through leasing and licensing of space for retail, advertising, parking, telecom and other purposes and, where feasible, generating funds to support the MTA's capital budgets through the disposition of surplus property.

MTA Real Estate Department functions that support Other Operating Revenue fall into two general categories:

*Recurring Revenue from Leases and Licenses:* Retail leasing serves a dual purpose, enhancing the commuting experience of MTA customers while generating operating revenue. **Advertising revenue**, which averages 51% of total real estate revenue, is generated from, but is not limited to, billboards, walls, car cards, brand trains and interior wraps, and digital advertising placed on NYCT, the Commuter Railroads, SIR and MTA Bus Company property. Sources producing **rental income** include leased retail space, "pole, pipe, and wire agreements", and freight, which are generated on NYCT, the Commuter Railroads, SIR and MTA HQ properties. Worth noting is the bump-up in 2013 and 2014 compared with the out-years, which reflects the anticipated sale of select LIRR air rights and properties along the Bayridge Branch, as well as the Finance and Administration building that is located at the Jamaica Station. **Parking revenue** is generated by commuter parking lots along the right-of-way of the LIRR and MNR, together with operations at the B&T Battery Parking Garage.

*Disposition of Surplus Property:* MTA Real Estate has systematically surveyed the nearly 13,000 parcels that make up the right-of-ways and other properties controlled by the MTA and its constituent agencies, and has identified a variety of opportunities to generate revenues from overbuilds and/or outright dispositions of such properties. Most notably, MTA Real Estate is in the process of implementing an office space right-sizing plan that will reduce the square footage of the MTA's administrative office space by nearly 20%, culminating in the vacating of the 341-345-

347 Madison Avenue properties in Manhattan, as well as NYC Transit's former headquarters at 370 Jay Street in Brooklyn. This initiative will result in nearly all administrative positions being relocated to Two Broadway. The overall impact of this initiative is projected to generate net capital proceeds from the leasing of the Madison Avenue properties, thereby avoiding previously anticipated capital costs of approximately \$600 million. MTA recently agreed to surrender properties on Houston Street in Manhattan and Gun Hill Road in the Bronx that it currently leases from the City of New York, the sale of which is expected to generate approximately \$50 million for the MTA's capital budget. Also, the MTA entered into a joint venture with The Related Companies and Oxford Properties company, having recently "closed" on the MTA's signature transit-oriented development transaction, which entails a massive, multi-phased mixed-use development atop the LIRR's "West Side Yards", which is slated to generate funds for the MTA's capital program having a present value (as of December 3, 2012) in excess of \$1 billion.

The following table captures November Plan projections of Other Operating Revenue:

Other Operating Revenue November Financial Plan 2014-2017 (\$ in millions)						
	2012 <u>Actual</u>	2013 November <u>Forecast</u>	2014 Final Proposed <u>Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Rental Income</i>	\$126	\$109	\$111	\$105	\$108	\$110
<i>Advertising</i>	124	124	129	133	137	141
<i>Paratransit Reimbursement</i>	136	163	177	188	209	237
<i>Fare Reimbursement (students/seniors)</i>	97	97	98	98	98	98
<i>Concessions</i>	6	7	7	7	7	7
<i>Parking</i>	16	17	17	17	18	18
<i>All Other</i>	58	263	118	62	62	62
<b>Total Other Operating Revenue</b>	<b>\$564</b>	<b>\$779</b>	<b>\$656</b>	<b>\$610</b>	<b>\$638</b>	<b>\$673</b>

Over the course of the Plan, year-to-year changes reflect decreases of \$123 million in 2014 and \$46 million in 2015, and increases of \$28 million in 2016 and \$35 million in 2017.

The overall year-to-year decrease in 2014 mainly reflects changes to the timing of Sandy-related recoveries as follows: NYCT (\$80 million); MNR (\$16 million); the LIRR (\$15 million); B&T (\$8 million); and MTA HQ (\$5 million).

Similarly, the year-to-year decrease in 2015 is attributable mostly to NYCT (\$19 million); the LIRR (\$8 million); MTA Bus (\$6 million); and MNR (\$2 million) due to revised Sandy related recovery assumptions. In addition, the decrease at MTA HQ (\$9 million) is mainly due to a change in accounting methodology of consolidation/relocation expenses from the disposition of the Madison Avenue buildings.

The general year-to-year increase in 2016 is mainly driven by: NYCT (\$24 million) from higher NYC reimbursements for paratransit expenses.

The year-over-year increase in 2017 mostly reflects higher revenue at NYCT (\$31 million) due to higher NYC reimbursements for paratransit services.

Compared with the July Plan, revenue decreases by \$14 million in 2013, \$25 million in 2014, \$33 million in 2015, \$86 million in 2016, and \$31 million in 2017. The decrease in 2013 reflects reduced investment income of \$13 million and the timing of a real estate sale at the LIRR (\$3 million). In 2014, the decrease reflects paratransit reimbursement adjustments and reduced Sandy-related recoveries at NYCT (\$18 million), and reduced investment income at FMTAC (\$13 million). Partially offsetting these results are increases at MTA Bus of \$6 million primarily due to Sandy-related recoveries, and the timing of a real estate sale at the LIRR (\$3 million). The decreases from 2015 through 2017 reflect reduced revenue at MTA HQ of \$9 million in 2015 and \$58 million in 2016 primarily due to a change in accounting methodology of consolidation/relocation expenses from the disposition of the Madison Avenue buildings; reduced investment income (approximately \$14 million annually) and reduced NYC paratransit reimbursement (approximately \$13 million annually). Excluding a projected decline in investment income, other revenues decrease by \$1 million in 2013, \$11 million in 2014, \$19 million in 2015, \$72 million in 2016, and \$17 million in 2017.

Compared with the February Plan, revenues increase by \$80 million in 2013, and decrease by \$41 million in 2014, \$136 million in 2015 and \$133 million in 2016. In addition to the factors noted above, plan-to-plan variations are mainly driven by the timing of Sandy-related reimbursements (favorable in 2013 and unfavorable in 2014). The decrease in 2015 reflects a continuation of the causes referenced previously, as well as reduced Madison Avenue rental income at MTA HQ resulting from the presumed leasing of the Madison Avenue properties, and paratransit reimbursement adjustments. The decrease in 2016 reflects the impact of revised paratransit growth assumptions in ridership to 8% from 11% and resultant reductions in NYC reimbursements for paratransit services. It also includes revised storm recovery assumptions and reimbursements from the leasing of the Madison Avenue properties, and reduced investment income, partially offset by increased revenue at the LIRR expected to be generated from a new right-of-way lease agreement with the Long Island Power Authority. Excluding a projected decline in investment income, other revenues increase by \$104 million in 2013 and decrease by \$16 million in 2014, \$110 million in 2015 and \$106 million in 2016.

## **PAYROLL**

MTA Consolidated Payroll expenses from 2013 through 2017 are influenced by a number of factors including position levels, inflation assumptions, labor agreements, and capital project activity.

The baseline November Plan continues to assume that labor settlements will include three years of “net zero” wage growth, effective upon the completion of existing contracts, followed by inflationary growth of 1.97% in 2013, 1.91% in 2014, 1.85% in 2015, 1.89% in 2016, and 1.85% in 2017.

The expiration dates of contracts for the largest unions are as follows:

- At NYCT, the TCU and UTU contracts expired on December 31, 2009, while the TWU and ATU contracts expired on January 15, 2012;
- For the commuter railroads, union contracts expired on June 15, 2010 at MNR, and on June 30, 2010 at the LIRR; and
- At MTA Bus, the TWU contracts expired on January 15, 2012, while the ATU and TSO contracts expired in 2011.

Wage increase assumptions for represented employees at MTA HQ, B&T, and for SSSA and TSO employees at NYCT — all of whose contracts expired prior to 2012 — follow only the first two years of the pattern (4% in year 1 and another 4% in year 2) of the last TWU agreement, followed by the “net zero” wage growth assumption, then CPI-based increases thereafter.

The wages of non-represented employees (who have gone four consecutive years without raises) are assumed to follow CPI-based increases in 2013. No across-the-board raises have been granted as of the November Plan.

November Plan expenses are projected at \$4,259 million in 2013, \$4,342 million in 2014, \$4,453 million in 2015, \$4,563 million in 2016, and \$4,689 million in 2017. Over the course of the plan, on a year-to-year basis, expenses increase by \$82 million in 2014, \$111 million in 2015, \$110 million in 2016 and \$126 million in 2017.

The Plan reflects payroll impacts stemming from service investments that were approved by the MTA Board in July 2012, beginning in the fourth quarter of 2012 with the commencement of additional new and/or restored service scheduled throughout 2013. The Plan also reflects the impact of rebaselining overtime, which will reduce vacancy savings as a result of an overall plan to aggressively fill vacancies across the Agencies, as well as increasing resources necessary to ensure adequate coverage to support investments in operations and maintenance.

The year-to-year growth in 2014 is mostly attributable to NYCT (\$36 million), MNR (\$19 million), the LIRR (\$16 million), B&T (\$12 million), and MTA HQ (\$3 million). In addition to the inflation based growth assumptions described above, the November Plan is further influenced by new maintenance and operational programmatic investments, as well as contractual escalations, reduced vacancy assumptions, and the full-year impact of positions authorized in the July Plan. NYCT’s forecast includes an increase of 501 positions (representing a 1% increase from the 2013 baseline position level) associated with platform budget adjustments and programmatic new needs. The MNR Plan includes the addition of Maintenance of Way (MofW) positions supporting the

Infrastructure Improvement Program and Train & Engine (T&E) positions supporting service plan adjustments. The LIRR includes additional resources for East Side Access (ESA) readiness efforts; B&T remains unchanged from the July Plan. MTA HQ includes the impact of consolidating the Pension function and additional MTA Police coverage for the New Haven Line. (See agency sections for specific program details.)

Year-to-year expense growth from 2015 to 2017 largely reflects the continuation of the factors described above along with baseline service plan adjustments at MTA Bus. Aside from years with zero wage increases, Agency changes are driven primarily by inflation.

Compared with the July Plan, expenses decrease by \$15 million in 2013, \$10 million in both 2014 and 2015, \$7 million in 2016, and \$5 million in 2017.

Plan-to-plan decreases in 2013 are mainly attributable to NYCT (\$20 million) as a result of lower average wage rates resulting from an increase in new hires with lower starting salaries and miscellaneous base pay underruns; and B&T (\$1 million) reflecting mostly vacancies in Bridges & Tunnels Officer positions and managerial positions. This is partially offset by expense growth at MNR (\$3 million) resulting mainly from staff additions supporting the MofW Infrastructure Improvement Program, MTA Bus (\$2 million) resulting from revised requirements for Sandy-related maintenance work, and the LIRR (\$2 million) resulting from changes in project activity. It should be noted that vacancy savings were partially offset by increases in overtime to ensure coverage requirements.

For 2014, the decrease in expenses is primarily driven by NYCT (\$15 million) due to lower wage rates and MNR (\$1 million) resulting from delayed service adjustments, revised vacancy assumptions in the Maintenance of Equipment (MofE) and Car Appearance divisions, and winding down of the Infrastructure Improvement Plan. This is partially offset by the LIRR (\$2 million) which includes additional track maintenance staffing, adjustments to the Reliability Centered Maintenance (RCA) Program, and ESA readiness efforts, and MTA HQ (\$2 million) reflecting various initiatives.

For 2015-2017, expense decreases are primarily attributable to lower average wage rates at NYCT, revised track and RCA work at the LIRR, staff reductions consistent with the completion of the Infrastructure Improvement Program and employee attrition at MNR. These are partially offset by baseline service adjustments at MTA Bus, and increased MTA Police coverage supporting the Moynihan Station Project (2015), and ESA readiness efforts (2016) at MTA HQ.

When compared with the February Financial Plan, Payroll expenses decrease by \$9 million in 2013, increase by \$36 million in 2014, \$40 million in 2015, and \$42 million in 2016. Plan to plan expense growth from 2015 to 2017 reflects the continued impact of the factors described above, along with other changes including Sandy-related maintenance work, baseline service adjustments, programmatic initiatives, and the reallocation of resources as a means to reduce overtime expenditures at NYCT and

MTA Bus, as well as the impact of meeting new needs requirements at MNR and B&T, partly offset by expense reductions at MTA HQ associated with lower vacation accruals, and a favorable salary mix resulting from higher retirements at the MTA Police Department.

## **OVERTIME**

MTA Consolidated Overtime expenses are influenced by a number of factors including vacancies, employee availability, wage growth assumptions, project activity, weather, and work rules.

November Plan expenses are projected at \$594 million in 2013, \$560 million in 2014, \$554 million in 2015, \$557 million in 2016, and \$566 million in 2017. Expenses decrease by \$34 million in 2014, and \$7 million in 2015, and increase by \$4 million in 2016 and \$9 million in 2017.

The year-to-year decrease in 2014 is mostly attributable to NYCT (\$32 million) reflecting efforts to significantly reduce overtime necessitated by vacancies coupled with lower Sandy-related work requirements. Expenses decrease at MNR (\$2 million) mostly due to the timing of service plan adjustments and the projected elimination of 2013 extraordinary costs for the derailment coverage. Out-year changes largely reflect the impact of tackling issues driving vacancy coverage requirements, and general wage increase assumptions in 2016 & 2017 at NYCT, as well as reduced expenses in 2016 at MNR based on the completion of the Maintenance of Way Infrastructure Improvement program.

When compared with the July Plan, overtime expenses increase by \$38 million in 2013, \$57 million in 2014, \$45 million in 2015, and \$48 million in 2016 and 2017. The bulk of the increases are attributable to NYCT (\$26 million in 2013, followed by average annual increases of \$33 million thereafter) and indicative of efforts to rebase overtime to accurately project usage levels needed for additional bus traffic, FastTrack, signals and facility maintenance, and increased supervision requirements couple. It also captures weather-related overtime costs that were erroneously omitted from the Mid-Year Forecast. LIRR's plan-to-plan increases (\$1 million in 2013 followed by average annual increases of \$9 million thereafter) are largely due to revised weather-related overtime assumptions (rebasing), and higher vacancy and absentee coverage requirements until most overtime eligible positions are filled and training is completed. MNR's expense increases (\$6 million in 2013 followed by average annual increases of \$3 million thereafter) is mostly attributable to a comprehensive Infrastructure Improvement Plan and coverage for service improvements in Operations Services. MTA Bus rebased overtime expenses with increases averaging \$4 million per year, reflecting trends in running-time caused by traffic delays, revised inclement weather assumptions, and platform budget adjustments.

Compared with the February Plan, overtime expenses increase by \$87 million in 2013, \$65 million in 2014, \$50 million in 2015, and \$44 million in 2016. In addition to the

factors noted above, the increase in overtime expenses is due to Sandy-related maintenance costs, subways maintenance backlog requirements, and vacancy coverage requirements at NYCT; higher vacancies, lower availability, and the impact of several winter storms that occurred earlier in the year at the LIRR; and Sandy-related maintenance costs, the rightsizing between straight time and overtime in Operations Services, GCT repairs and the unionization of IT staff at MNR.

It should be noted that actual Non-Reimbursable and Reimbursable overtime spending year-to-date through August 2013 exceeded the Mid-Year Forecast by \$37 million. The November Plan has been adjusted to reflect improved forecasting and steps necessary to address overtime spending affected by vacancy/absentee coverage issues, unscheduled service, and programmatic/ routine maintenance. The MTA has been proactive in its efforts to correct these deficiencies, and has made Agency-specific recommendations such as: determining the causes for higher absenteeism and crack down on abuses; perform cost/benefit sensitivity analysis on overtime vs. straight time economies; re-focus efforts to achieve overtime control; and continue to address underlying issues responsible for OT levels.

## **HEALTH & WELFARE**

Empire Plan premium rates provided in July 2013 by the New York State Department of Civil Service are used as the primary assumption for per-employee Health & Welfare premium expenses in 2013 and 2014. Premium forecasts for 2015 through 2017 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. Year-to-year changes in expenses are also impacted by position levels.

MTA Consolidated Health & Welfare expenses are \$920 million for the 2013 November Forecast. In comparison with the 2013 Mid-Year Forecast, expenses are \$5 million favorable due to lower projected costs for premiums.

November Plan Health & Welfare expenses in 2014 are projected to be \$1,023 million, \$103 million greater than 2013 expenses, primarily due to higher costs for premiums and anticipated increases in positions. Beginning on January 1, 2014, the Empire Plan Prescription Drug and Mental Health and Substance Abuse contract will become self-funded. The impact of these changes is reflected in 2014 premium rate estimates, which have been prepared by the State Department of Civil Service. In comparison with the July Plan, expenses are less than \$19 million favorable due to lower projected costs for premiums.

MTA Consolidated Health & Welfare expenses are forecast to increase annually by 7.1%, 7.5% and 7.7%, respectively, for 2015 through 2017, when expenses are projected to reach \$1,268 million. November Plan forecasts are lower than expense forecasts in the July Plan, favorable by \$20 million in 2015, \$28 million in 2016 and \$37

million in 2017. These favorable changes are attributable to lower projected costs for premiums.

In comparison with the February Plan, Health & Welfare expenses are favorable by \$57 million in 2013, \$20 million in 2014, \$35 million in 2015 and \$60 million in 2016 due to lower projected costs for premiums.

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

### **OPEB**

In 2007, the MTA implemented the Governmental Accounting Standard Board Statement No. 45 ("GASB-45"), the "Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions," requiring that state and local governmental entities' financial reports reflect systematic, accrual-based measurements and the recognition of Other Post-Employment Benefit (OPEB) costs over a period that approximates the employee's years of service and provides information about actuarial accrued liabilities and to what extent progress is made in the funding of any liabilities. Prior to that, the MTA and other governmental employers' OPEB costs had been funded on a "pay-as-you-go" basis and were reported in the financial statements when the "promised" benefits were paid.

The annual review by the MTA's actuary resulted in an increased annual required contribution (ARC) to \$2,648 million, as of December 31, 2012, an increase of 9.3 percent over the prior ARC of \$2,422 million. The value of the unfunded accrued liability, prepared at the end of 2011, is currently estimated to be \$17.8 billion, an increase of 35% over the prior estimate which was prepared in 2009. Updated ARCs and the unfunded accrued liability estimate are expected to be provided by the beginning of 2014 and will be reflected in the 2014 July Plan.

The November Plan accrued baseline 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.

In comparison with the July Plan, OPEB current payment expenses are favorable by \$11 million 2013, \$22 million in 2014, \$23 million in 2015, \$26 million in 2016 and \$31 million in 2017. The favorable variances are primarily due lower employer premium assumptions.

In comparison with the February Plan, OPEB current payment expenses are favorable by \$27 million 2013, \$25 million in 2014, \$34 million in 2015 and \$41 million in 2016 due lower employer premium assumptions.

## GASB FUND

While the GASB 45 standard only requires the disclosure of this future liability, the MTA has taken measures to fund this growing liability. Agency contributions to this GASB fund are captured in the Cash Receipts and Expenditures Statement. In June 2008, the MTA Board approved the establishment of the “MTA Retiree Welfare Benefits Trust” (“OPEB Trust”) to govern the administration and investment of the OPEB Trust assets. Annual contributions are deposited with the MTA Treasurer in the GASB Fund Reserve, with the intent of periodically moving such funds into the OPEB Trust. In 2012, \$250 million was moved from the GASB Fund Reserve to the OPEB Trust.

Annual projected contributions are \$84 million in 2013, \$98 million in 2014, \$106 million in 2015, \$114 million in 2016 and \$123 million in 2017. Included in these contributions are the Health & Welfare contributions made by those represented employees required to do so.

In comparison with the July Plan, the cash Contribution to GASB Fund expenditures are lower by \$2 million in 2013, \$5 million in 2014, \$6 million in 2015, \$7 million in 2016 and \$8 million in 2017.

In comparison with the February Plan, the cash Contribution to GASB Fund expenditures are higher by \$1 million in 2013, \$11 million in 2014, \$16 million in 2015 and \$21 million in 2016. The increased contributions are expected to help offset the previously mentioned increases in the ARC and unfunded accrued liability.

## **PENSIONS**

MTA employees are covered by a number of separate and distinct pension plans. All B&T employees and two-thirds of employees at NYCT are participants in the New York City Employee Retirement System (NYCERS). The remaining one-third of NYCT employees are participants in the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) Plan, one of three MTA-sponsored Plans. The other two MTA-sponsored plans—the MTA Defined Benefit Plan and the Long Island Rail Road Additional Plan—cover employees at the LIRR, MNR, SIR, MTA Bus and MTA Police (which is part of MTAHQ). Non-police employees at MTAHQ are participants in the New York State and Local Retirement System (NYSLRS).

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 reflect changes to actuarial assumptions, the most significant of which is a lower assumed rate of return on investments from 8.0% down to 7.0%<sup>2</sup> for NYCERS and from

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<sup>2</sup> The 8.0% rate of return assumption was based on a return gross of expenses while the current 7.0% rate of return assumption is based on a return net of expenses; the change from 8.0% to 7.0% is, in effect, a net decrease of 80 basis points (0.8%).

7.5% down to 7.0% for MTA-sponsored Plans beginning in FY2013<sup>3</sup>. Employer contribution rates for NYSLRS include both the continuing impact of the substantial financial market loss of 2008–2009 as well as the market recovery in the years since then.

Pension expenses total \$1,296 million in 2013 and increase by \$27 million in 2014, \$12 million in 2015, \$22 million in 2016 and \$3 million in 2017, when total pension expenses are projected to be \$1,360 million. Pension expenses are based on actuarial projections; where projections are unavailable, the forward three-year average CPI plus one percent—which is a proxy intended to capture anticipated impacts from demographic changes of employees and retirees—is applied to projections.

In comparison with the July Financial Plan, expenses are favorable by \$21 million in 2013, \$27 million in 2014, \$17 million in each of 2015 and 2016 and \$16 million in 2017, primarily due to a change in the payment method at NYCT for NYCERS from semi-annual to monthly, significantly reducing interest expense.

Compared with the February Financial Plan, expenses are favorable by \$71 million in 2013, \$70 million in 2014, \$114 million in 2015 and \$127 million in 2016. Plan-to-plan decreases are due to much more modest increases than anticipated in the February Financial Plan for the cost of lowering of the actuarial interest from 8.0% to 7.0% at NYCERS, the impact of which was mitigated by a change in actuarial methods by the Chief Actuary. The Chief Actuary implemented a market value restart and switched funding methods to a commonly-used method known as the Entry Age Actuarial Cost Method. Under this method, discrete unfunded liabilities are recognized. The initial unfunded liability is to be amortized using increasing payments over a closed 22-year period, which results in a smoothing effect of cost increases over and beyond the financial plan period. In addition, a change in the payment method at NYCT for NYCERS from semi-annual to monthly contributed to the favorable variance.

## **OTHER FRINGE BENEFITS**

The Other Fringe Benefits category captures costs for Worker's Compensation and Federal Insurance Contributions Act (FICA) expenses at all Agencies except the Commuter Railroads. For the LIRR and MNR, Federal Employees Liability Act (FELA) expenses and Railroad Retirement taxes (RRT), which are similar in nature to Worker's Compensation and FICA, are also included, as are miscellaneous employee expenses.

November Plan Expenses are projected at \$591 million in 2013, \$586 million in 2014, \$614 million in 2015, \$638 million in 2016, and \$662 million in 2017. Over the course of the Plan, on a year-to-year basis, this results in a reduction of expenses totaling \$4 million in 2014, followed by average annual increases of \$26 million from 2015 through 2017.

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<sup>3</sup> NYCERS FY2013 began on July 1, 2012; MTA-sponsored Plans' FY2013 began on January 1, 2013.

The year-to-year decrease in 2014 is mainly due to NYCT (\$17 million), reflecting the overall impact of higher overhead credits from increased reimbursable work. This is partially offset by higher expenses at the LIRR (\$6 million) and MNR (\$4 million) due to higher Railroad Retirement Tax assumptions and employee claims adjustments; MTA Bus (\$2 million) mainly caused by higher staffing levels, programmatic activity, and rates; and higher FICA expenses and changes in staffing levels at B&T (\$1 million).

For the years 2015 through 2017, year-to-year average annual expense growth is essentially attributable to NYCT (\$14 million), the LIRR (\$7 million), MNR (\$3 million), MTA HQ (\$1 million), and MTA Bus (\$1 million) consistent with changes in staffing levels, employee injury claims, and payroll rate assumptions, along with other factors including higher Workers' Compensation at NYCT, and a continuation of the assumptions noted above at the Commuter Railroads and MTA Bus.

Compared with the July Plan, expenses increase by \$10 million in 2013, decrease by \$8 million in 2014, and increase by \$1 million in 2015, \$12 million in 2016, and \$18 million in 2017. Plan-to-plan increases in 2013 are mainly attributable to NYCT (\$7 million) resulting from higher Workers' Compensation requirements; MNR (\$4 million) resulting from revised Railroad Retirement Tax assumptions and employee injury claims adjustments; and MTA HQ (\$1 million) consistent with payroll rate assumptions. These results are partially offset by lower expenses at the LIRR (\$2 million) resulting from higher vacancy levels. For 2014, the decrease in expenses is driven by NYCT (\$14 million) mostly due to higher overhead credits from increased reimbursable work. This is partially offset by higher expenses at MNR (\$5 million) resulting from revised Railroad Retirement Tax assumptions and employee injury claims adjustments; and the LIRR (\$1 million) resulting from revised Railroad Retirement Tax assumptions and employee injury claims. For 2015-2017, expense increases are primarily attributable to higher Workers' Compensation requirements at NYCT and revised Railroad Retirement Tax assumptions and employee injury claims adjustments at both MNR and the LIRR.

When compared with the February Financial Plan, Other Fringe Benefits increase by \$31 million in 2013, \$15 million in 2014, \$25 million in 2015, \$34 million 2016, and in \$44 million in 2017. In addition to the above noted factors, expense increases are primarily attributable to MTA Bus (\$15 million in 2013, and approximately \$19 million annually thereafter) reflecting the reclassification of Worker's Compensation expenses to Other Fringe Benefits from the Insurance category.

## **ELECTRIC POWER**

Electric Power is supplied to the MTA by the New York Power Authority (NYPA), the Long Island Power Authority (LIPA) and Connecticut Light & Power (CL&P). MTA has a Long-Term Agreement (LTA) through 2017 with NYPA to meet MTA's electricity requirements within the City of New York and Westchester County. The LTA requires that certain NYPA assets, such as a share of low-cost upstate hydroelectric power and dedicated low-cost transmission line capacity from upstate New York, be allocated to serve the MTA and NYPA's other governmental customers located in New York City.

Additionally, along with NYPA and the other governmental customers involved in the LTA, MTA has a long-term share in the Astoria II power plant.

Expenses associated with the NYPA LTA are based on NYPA's current 2013 cost of service estimate, which reflects actuals through May and an August revision for the remainder of the year. In the February Financial Plan, MTA included a \$25 million expense provision to cover a Federal Energy Regulatory Commission (FERC) ruling regarding claims by independent generating firms that the pricing of power from the Astoria II plant undercut their ability to competitively sell electricity; beginning with the July Plan, this provision is now reflected in NYPA estimates, and an MTA top-side adjustment is no longer necessary. For 2013, individual NYPA tariffs that are applied to MTA electric usage changed to varying degrees compared with the overall cost of service, the result of a production rate reassessment. By far, the most significant variation was a steep reduction in rates affecting NYCT electricity usage for its substations and traction needs, platform and tunnel lighting, and signals operations. This, in turn, resulted in significant favorable variances when comparing July Plan expenses forecasts with those estimated for the February Plan. Going forward, NYPA intends to analyze its production rates on an annual basis, reducing the likelihood that future reassessments will result in large variations from the overall cost of service. NYPA cost of service projections beyond 2013 are based on changes in the national consumer price index as well as projected commodity price changes for natural gas and diesel fuel. Delivery of NYPA-supplied electricity is handled by Consolidated Edison (Con Ed), and delivery cost projections are based on rates approved by the State Public Service Commission (PSC) through March 2013, with annual 10% increases based on historic trends assumed for subsequent years. Con Ed delivery rates also reflect the final phase-in years of the delivery rate redesign, which began in 2011. The impact of this rate redesign phase-in results in Con Edison delivery rate increases of 15% in 2013, 12.7% in 2014 and 10.4% in 2015. For 2016 and 2017, with the delivery rate redesign fully implemented, it is assumed Con Edison rates will increase by 10% each year.

The forecast for NYPA-supplied electricity for the 2013 November Forecast is projected to decrease 0.4% from 2012 costs; this reflects lower costs for diesel fuel and natural gas, the primary variable costs in the generation of electricity. The 2013 Mid-Year Forecast assumed a similar decline due to diesel fuel and natural gas prices, but included an offset for a contractual accounting adjustment for prior year expenses that are to be billed to the MTA. In the July Plan, the accounting adjustment was assumed to take place in 2013, resulting in an overall 1.4% increase in NYPA costs over 2012 levels. Based on discussions with NYPA, the accounting adjustment is now expected to be transacted in early 2014, and this is reflected in the November Plan projections. The Adopted Budget had assumed NYPA charges would increase 8.0% over 2012 costs. Con Ed delivery rates are projected to be 15.0% greater than charges incurred in 2012, unchanged from both the Mid-Year Forecast and the Adopted Budget assumptions.

The rate for NYPA-supplied electricity for the 2014 Final Proposed Budget, compared with 2013, is projected to increase 5.8% for traction and propulsion power and decrease

3.8% for all other purposes; these estimated cost changes reflect a projected 1% decline in NYPA's overall cost of service, the impact of the non-recurring prior-year accounting adjustment that is expected in early 2014, and the annual production rate adjustment that results in differing impacts for traction and non-traction tariffs. In the July Plan, 2014 NYPA expenses were projected to decrease 1.1%, reflecting a 0.9% increase in NYPA costs offset by the impact of the non-recurring accounting adjustment that had been expected to occur in 2013. The February Plan assumed NYPA expense would increase 4.7%. Con Ed delivery rates are projected to be 12.7% greater than charges incurred in 2013, unchanged from both the July Plan and February Plan assumptions.

NYPA rates, both for traction and for all other uses, are expected to increase 3.5% in 2015, 5.3% in 2016 and 4.4% in 2017. The July Plan assumed NYPA rates would increase 2.7% in 2015, 3.8% in 2016 and 4.7% in 2017; in the February Plan NYPA rates were projected to increase 5.7% in 2015 and 6.1% in 2016. As with 2013 and 2014, Con Ed delivery rates are unchanged from both the July and February Plans; increases are projected to be 10.4% in 2015 and 10.0% in both 2016 and 2017.

Price projections for electricity supplied by LIPA and CL&P are based on Producer Price Index for Electric Power forecasts, and are projected to increase 2.6% in 2013, compared with the 3.5% increase assumed in the Mid-Year Forecast and the 3.3% increase assumed in the Adopted Budget. The LIPA and CL&P rate for electricity is estimated to increase 3.8% in 2014, slightly higher than the 3.5% projection in both the July and February Plans. For 2015, LIPA and CL&P rates are expected to increase 1.3% (compared with 1.8% projected in the July Plan and 2.4% projected in the February Plan), increase 2.3% in 2016 (compared with 1.2% in the July Plan and 1.8% in the February Plan), and increase 2.4% in 2017 (compared with 2.3% in the July Plan).

MTA Consolidated Electric Power expenses of \$509 million for the 2013 November Forecast are \$37 million (7.9%) higher than 2012 expenses. This estimate is \$6 million (1.1%) favorable compared with the Mid-Year Forecast projection, and primarily reflects the delay into 2014 of the NYPA non-recurring accounting adjustment. Compared with the Adopted Budget, the projection is \$52 million favorable, which is due to lower price assumptions and lower expenses of \$30 million for 2012 that is the basis of the 2013 forecasts.

Expenses for the 2014 Final Proposed Budget are expected to be \$537 million, an increase of \$29 million (5.6%) over the 2013 November Forecast, primarily reflecting annual rate changes and the impact of the NYPA non-recurring accounting adjustment. Compared with the July Plan, 2014 is \$1 million (0.2%) favorable, and compared with the February Plan, 2014 is favorable by \$58 million (9.8%), due to lower than previously projected electric rates. MTA Consolidated Electric Power expenses are forecast to increase by 5.5% in 2015, 6.2% in 2016 and 6.2% in 2017, reaching \$640 million in 2017. Compared with the July Plan, forecasts are \$3 million (0.5%) unfavorable in 2015, \$8 million (1.3%) unfavorable in 2016 and \$8 million (1.3%) unfavorable in 2017. Annual

projections are \$69 million (10.8%) favorable in 2015 and \$77 million (11.4%) favorable in 2016.

## **FUEL**

Diesel and natural gas prices for the 2013 November Financial Plan include actual prices through August 27, 2013 and reflect commodity futures prices as of September 3, 2013. Where commodity futures prices are unavailable, price changes are projected using Global Insight forecasts (August 2013) for New York Harbor No. 2 Distillate for heating oil and diesel and PPI (Producer Price Index) Utility for Natural Gas.

Oil prices are forecast to change modestly from the projections used in the July Plan. On a year-to-year basis, Ultra Low Sulfur Diesel (ULSD) prices are projected to decrease by 5.7% and 3.7% in 2014 and 2015, respectively, and then increase by 1.2% and 3.0% in 2016 and 2017, respectively. For Compressed Natural Gas (CNG), prices are forecast to decrease by 0.8% from 2013 to 2014, but increase by 4.0%, 3.2% and 2.0% in 2015, 2016 and 2017, respectively.

Since 2008, the MTA has used financial instruments to hedge a portion of its projected fuel expense to reduce budgetary risk from price volatility.<sup>4</sup> The MTA intends to continue this strategy, with new hedge contracts extending as far as 24 months from execution date, which provides a measure of financial stability from price fluctuations. At any point in time, approximately 50% of the projected fuel usage for the forward 12-month period will be hedged.

Fuel expenses of \$275 million for the 2013 November Forecast are \$7 million unfavorable compared with the 2013 Mid-Year Forecast. The 2013 November Forecast price for ULSD is estimated to be \$0.10 per gallon higher, while CNG prices are estimated to be \$0.27 per MMBTU (million metric British thermal unit) lower, than price assumptions in the 2013 Mid-Year Forecast. Heating Oil and Unleaded Diesel are each estimated to be \$0.10 per gallon higher than prices incorporated into 2013 Mid-Year Forecast.

November Plan Fuel expenses in 2014 are estimated to be \$268 million, \$1 million more than projected in the July Plan. The price for ULSD is estimated to be the same price per gallon as assumed in the July Plan, and while CNG prices are projected to be \$0.11 per MMBTU lower, Unleaded Gasoline is estimated to be \$0.15 per gallon higher, than the July Plan.

November Plan Fuel expenses in 2015 are estimated to be \$267 million, \$1 million less than projected in the July Plan. The price for ULSD is estimated to be \$0.05 per gallon lower, and CNG prices are estimated to be \$0.06 per MMBTU higher, than the July Plan.

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<sup>4</sup> Financial impacts from fuel hedge settlements are reflected in cash subsidies, not in the fuel expense category.

November Plan Fuel expenses in 2016 are estimated to be \$267 million, \$5 million less than projected in the July Plan. The price for ULSD is estimated to be \$0.10 per gallon lower, but CNG prices are estimated to be \$0.17 per MMBTU higher, than the July Plan.

November Plan Fuel expenses in 2017 are estimated to be \$274 million, \$8 million lower than projected in the July Plan. The price for ULSD is estimated to be \$0.13 per gallon lower, but CNG prices are estimated to be \$0.16 per MMBTU higher, than the July Plan.

In comparison with the February Plan, Fuel expenses in 2013 are \$5 million unfavorable due to higher prices for ULSD of \$0.13 per gallon and CNG, estimated to be higher by \$0.51 per MMBTU. Fuel expenses in 2014 are \$1 million unfavorable primarily due to higher prices for CNG, estimated to be higher by \$0.22 per MMBTU. Expenses in 2015 are unfavorable by \$3 million due to higher estimated USLD and CNG prices, \$0.03 per gallon and \$0.18 per MMBTU, respectively. In 2016, expenses are estimated to be \$13 million favorable compared to the February Plan primarily due to lower prices for ULSD and Unleaded Gasoline of \$0.12 and \$0.19 per gallon, respectively.

## **INSURANCE**

The MTA's insurance programs are obtained through the commercial insurance marketplace and by the MTA's First Mutual Transportation Assurance Company (FMTAC), which is a pure captive insurance company. The programs insured by FMTAC include:

- All-Agency Excess Liability (Primary)
- All-Agency Excess Liability (Excess)<sup>5</sup>
- All-Agency Protective Liability (Primary)
- All-Agency Protective Liability (Excess)
- All-Agency Protective Liability (LORAM)
- All-Agency Property Policy<sup>2</sup>
- All-Agency Sabotage & Terrorism<sup>6</sup>
- Comprehensive Automobile Liability<sup>7</sup>
- Paratransit (Access-A-Ride)<sup>3</sup>
- Station Liability – LIRR & MNR
- Force Account – LIRR & MNR
- Premises Liability

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<sup>5</sup> A portion is insured through FMTAC and the remainder is insured in the global market.

<sup>6</sup> These policies are insured through FMTAC and then reinsured in the global market.

<sup>7</sup> Only the deductible portion of these policies is captured within FMTAC.

The following table measures MTA Consolidated Insurance expenses:

<b>MTA CONSOLIDATED INSURANCE EXPENSES</b>						
<b>Non-Reimbursable</b>						
(\$ in millions)						
	2012	2013	2014			
	Actual	November	Final			
<u>Insurance Expenses</u>		<u>Forecast</u>	<u>Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
NYCT	\$54	\$62	\$73	\$86	\$102	\$120
LIRR	16	21	25	29	34	39
MNR	11	15	18	21	24	28
SIR	0	1	2	2	2	3
MTA Bus	2	3	3	4	5	6
B&T	7	13	16	20	23	27
MTAHQ	0	2	2	2	2	2
Total Gross Insurance Expenses	\$90	\$115	\$140	\$164	\$192	\$225
<u>Insurance Credits</u>						
FMTAC	(\$83)	(\$82)	(\$88)	(\$96)	(\$105)	(\$115)
Net Insurance Expenses	\$8	\$33	\$52	\$68	\$87	\$110

The table captures gross insurance expenses by Agency, including some costs that are contracted between MTA Risk Management on behalf of MTA Agencies and the commercial marketplace. It also captures FMTAC expense credits necessary for correct accounting treatment. Since FMTAC is an MTA Agency, its finances are incorporated within MTA consolidated financial reports and budgets. Therefore, premiums paid by an Agency to FMTAC result in offsetting revenue that has to be credited. What remains, and is captured as net insurance expenses, are only those costs that exclude a FMTAC component. This includes costs for policies that are contracted directly between MTA Risk Management on behalf of an Agency and the commercial marketplace, as well as for FMTAC policies that are then re-insured in the commercial marketplace.

Supplementing the \$500 million per occurrence coverage noted above, FMTAC's property insurance program has been expanded to include a further layer of \$200 million of fully collateralized coverage for losses from storm surges that surpass specified trigger levels in New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from July 31, 2013 to July 30, 2016. The expanded protection is reinsured by MetroCat Re Ltd., a Bermuda special purpose insurer formed to provide FMTAC with capital markets-based property reinsurance. The MetroCat Re reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is available for storm surge losses only after amounts available under the \$500 million in general property reinsurance are exhausted.

Year-to-year increases in Insurance expense are primarily driven by assessments of market conditions made by MTA's Risk Management Department in conjunction with its master broker. Policy premiums are primarily driven by changes in underlying losses and market conditions, and are further influenced by factors such as claims losses, reserve adjustments and exposure (e.g., projected ridership, vehicle count, and volume of capital work).

In comparison with the July Financial Plan, MTA Consolidated Insurance expenses are virtually unchanged in 2013, favorable by \$8 million in each of 2014 and 2015, favorable by \$1 million in 2016 and unfavorable by \$5 million in 2017. The favorable variance is due to the slightly lower costs for property reinsurance coverage than projected in the July Plan.

Compared with the February Financial Plan, MTA Consolidated Insurance expenses are unfavorable by \$1 million in 2013, \$7 million 2014, \$15 million in 2015 and \$22 million in 2016. The unfavorable variances are primarily due to the renewal of the All-Agency Property Policy at higher rates than previously budgeted and the inclusion of a provision for property reinsurance coverage. The All-Agency Property Policy is insured through FMTAC but reinsured in the global market, and the higher premiums reflect market conditions, which saw significant losses resulting from natural events, such as Sandy. These higher costs were partially offset by a re-categorization of MTA Bus's Worker's Compensation policy from Insurance to Other Fringe Benefits, and by savings in NYCT's Paratransit (Access-A-Ride) policy.

## **CLAIMS**

Claims expenses are based on actuarial valuations of projected claims, actual claims expense paid and any adjustments to reserves.

Claims expenses in the November Financial Plan are projected to be \$204 million in 2013, \$201 million in 2014, \$210 million in 2015, \$215 million in 2016 and \$219 million in 2017. In comparison with the July Plan, expenses are unfavorable by \$6 million in 2013, but favorable by \$5 million in 2014 and unchanged from the July Plan in each year from 2015 through 2017.

In comparison with the February Financial Plan, Claims expenses are unfavorable by \$6 million in 2013, but favorable by \$12 million in 2014, \$10 million in 2015 and \$19 million in 2016, primarily due to lower expenses at FMTAC, which reflect the latest actuarial valuation of projected claims.

## **PARATRANSIT SERVICE CONTRACTS**

Paratransit Service Contracts are third-party contracts for federally-mandated transportation services that benefit people covered under the Americans with Disabilities Act, as well as their personal care attendants. Funding is provided for direct transportation costs (primary vendors, vouchers and taxis), eligibility determinations as

well as operational services for scheduling and dispatching trips. Maintenance expenses for vehicle rehabilitations, scheduling system, the Automated Vehicle Locator and Interactive Voice Response system are also included.

In 2010, faced with a projected rapid growth in the demand for paratransit service and an associated increase in expenses, MTA embarked on an ambitious plan to control expenses. This included reducing non-service related costs and average cost per trip, improved enforcement of eligibility requirements, and the conversion of contracted trips to fixed route feeder trips.

In 2012, the MTA introduced the Paratransit Fare Incentive (Zero Fare Proposal), an efficiency initiative that would enable paratransit customers to ride subways and buses for free using special zero-fare MetroCards, which is expected to reduce demand for paratransit service. Implementation of this initiative began in September, 2013.

November Plan expenses are projected to be \$368 million in 2013, \$394 million in 2014, \$412 million in 2015, \$457 million in 2016 and \$526 million in 2017, reflecting year-to-year increases of \$26 million in 2014, \$17 million in 2015, \$45 million in 2016, and \$69 million in 2017. These increases mainly reflect projected annual trip growth of 8% and CPI inflationary adjustments on paratransit carrier contracts.

Compared with the July Financial Plan, Paratransit Service Contract expenses are projected to decrease by \$23 million in 2013 and 2014, \$17 million in 2015, \$23 million in 2016, and \$34 million in 2017. The savings are primarily the result of a reduction in the projection of completed trips.

Compared with the February Plan, Paratransit Service Contract expenses decrease by \$17 million in 2013, \$25 million in 2014, \$14 million in 2015, and \$37 million in 2016. In addition to the above noted factors, expenses decrease in every year of the plan due to revised trip growth assumptions.

For a complete income statement on Paratransit, please refer to Section II, Major Assumptions 2014-2017 Projections-Baseline, Subsidies. Further information on Paratransit saving initiatives is included in Section II, Major Assumptions 2014-2017 Projections-Baseline, Agency Baseline Assumptions, and Paratransit.

## **MAINTENANCE AND OTHER OPERATING CONTRACTS**

Maintenance and Other Operating Contracts is a broad category of expenses that includes facility expenses (e.g., leases, rentals, utilities, real estate taxes), operating contracts (e.g., equipment/vehicle rental, E-ZPass tags, environmental testing & services, rolling stock purchases), and maintenance services (e.g., construction services, snow removal). Expense forecasts for this category are impacted by contractual increases and regional CPI forecasts.

November Plan expenses are projected at \$546 million in 2013, \$581 million in 2014, \$622 million in 2015, \$640 million in 2016 and \$639 million in 2017, reflecting year-to-year increases of \$35 million in 2014, \$41 million in 2015, and \$17 million in 2016, followed by a decrease of \$0.4 million in 2017.

The year-to-year increase in 2014 is attributable to: B&T (\$17 million) mostly for additional maintenance on key bridge and tunnel components; the LIRR (\$13 million) mainly due to the elevator maintenance major overhaul program, various security initiatives, equipment rental and Penn Station joint facility maintenance; and MNR (\$9 million) due to the continuation of the Infrastructure Improvement program, higher GCT escalator maintenance costs, an increase in office space leasing costs, and restoration of brush cutting, right-of-way clean-up, and security system maintenance costs.

The year-to-year increase in 2015 is attributable to: MTA Bus (\$31 million) due to the hybrid-to-diesel bus fleet conversion and the overhaul and upgrade of MCI Fleet engines and structures; SIR (\$8 million) mostly due to the R44 fleet maintenance program; B&T (\$7 million), mainly due to re-estimates of major maintenance and preventive maintenance for key bridge and tunnel components; and MNR (\$3 million), primarily for a new cycle of locomotive overhauls and office space lease escalations. These unfavorable projections are partially offset by lower expenses at the LIRR (\$7 million) mostly related to the completion of the elevator maintenance overhaul program and lower equipment rentals; and MTA HQ (\$3 million) mainly reflecting the impact of the disposition of the Madison Avenue buildings.

The year-to-year increase in 2016 is mainly driven by: NYCT (\$12 million) mostly due to the timing of bus shop expenses; the LIRR (\$6 million) mainly for East Side Access readiness efforts; and B&T (\$5 million) mostly for major maintenance and preventive maintenance needs for key bridge and tunnel components and the cyclical E-ZPass Tag Replacement Program. These unfavorable projections are partially offset by lower expenses at MTA Bus (\$4 million) mainly from revised estimates of needs; and MNR (\$2 million) mostly due to the completion of the Infrastructure Improvement program.

The year-to-year decrease in 2017 is mainly attributable to: MTA Bus (\$14 million) primarily due to streamlining of expenses; and NYCT (\$10 million) mostly due to the timing of bus shop expenses and paratransit fleet plan adjustments. Partially offsetting these results are higher expenses at the LIRR (\$19 million) due to East Side Access readiness efforts; and at B&T (\$3 million) mostly due to major maintenance and preventive maintenance needs for key bridge and tunnel components and inflationary adjustments.

Compared with the July Plan, expenses decrease by \$25 million in 2013, and increase by \$30 million 2014, \$22 million in 2015, \$25 million in 2016 and \$22 million in 2017. Plan-to-plan decreases in 2013 largely reflect revised timing assumptions for B&T (\$11 million), the bulk of which concerns Sandy-related expenses; NYCT (\$11 million) for vehicle purchases and station painting; and the LIRR (\$5 million) mainly due to re-estimates of critical maintenance needs and timing. Plan-to-plan increases in 2014 are

driven by MNR (\$13 million) mainly for the expansion of the Infrastructure Improvement Program, brush cutting, Right-of-Way clean-up expenses, and office lease escalations; NYCT (\$10 million) reflecting the shift in the purchase of paratransit vehicles and station painting from 2013 to 2014; B&T (\$8 million) reflecting the shifting of Sandy-related expenses from 2013 to 2014; and the LIRR (\$6 million) mainly due to timing, re-estimates, transformer repairs, and higher Penn Station joint facility costs. These results are partially offset by a favorable variance of \$6 million at MTA Bus reflecting a reclassification of bus components to Materials & Supplies. Plan-to-Plan increases in 2015 thru 2017 by and large reflect a continuation of the above programs with average annual increases of \$9 million at MNR; \$7 million at NYCT; and \$1 million at the LIRR. Additional increases are attributable to SIR of approximately \$5 million annually primarily due to R44 fleet maintenance.

Overall, compared with the February Plan, Maintenance and Other Operating Contracts increase by \$5 million in 2013, \$30 million in 2014, \$40 million in 2015, and \$32 million in 2016. In addition to the factors noted above, plan-to-plan variations in 2013 are mainly driven by Sandy storm-related expenses at B&T, additional requirements for support fleet services, paratransit fleet adjustments, and rail car disposals at NYCT, and re-estimates of critical maintenance needs at the LIRR. From 2014 through 2016, higher expenses are mainly driven by programmatic re-estimates including elevator and escalator maintenance and joint facilities costs at the LIRR; and hybrid bus fleet conversion to clean diesel propulsion at MTA Bus. Partially offsetting these increases are reductions at NYCT, primarily due to revised paratransit fleet assumptions and “Green Fee” card stock savings; lower GCT steam usage and rates, greater operating efficiencies resulting from a review of maintenance contracts, and transfer of GCT operating costs to operating capital at MNR; and the presumed leasing of the Madison Avenue buildings at MTA Headquarters.

## **PROFESSIONAL SERVICE CONTRACTS**

Professional Service Contracts broadly consists of three categories of expense: Information Technology (IT), Office and Employee expenses, and Other Professional Services. *Information Technology* expenses include software, hardware, IT consulting, data center costs, and IT maintenance and repair. *Office & Employee* expenses include, but are not limited to, expenses for temporary services, office equipment and related rentals, repair and maintenance, and outside training. *Other Professional Services* includes, but is not limited to, fees for engineering, legal, auditing, and market research.

November Plan annual expenses are projected at \$314 million in 2013, \$337 in 2014, \$319 million in 2015, \$316 million in 2016, and \$321 million in 2017, reflecting growth of \$23 million in 2014, followed by year-to-year decreases of \$18 million in 2015 and \$3 million in 2016, and then increase by \$5 million in 2017.

Total year-to-year increases in 2014 are mainly attributable to MTA HQ, with expense escalations totaling \$18 million, reflecting the impact of engineering and relocation costs related to the transfer of MTA HQ administrative functions to Two Broadway, and start-

up costs for BSC data center hosting; increases of \$8 million at the LIRR which reflect the timing of system Initiatives and Sandy-related costs; and increases of \$2 million at MTA Bus resulting from the impacts of document imaging and court reporting services, VAX/HASTUS programming efforts, BSC administrative expenses, and an MOU with NYCT to manage the MTA Bus Employee Assistance Program. These results are partially offset by expense reductions totaling \$6 million at NYCT and are mostly reflective of timing adjustments for several Information Technology expenditures.

Year-to-year changes from 2015 through 2017 mainly reflect the impact of timing for system initiatives and Sandy-related costs at the LIRR, reducing expenses by \$9 million in 2015 and increasing expenses by approximately \$1 million in 2017; the impact of timing of Information Technology-related expenditures at NYCT, reducing expenses by \$5 million in 2015, and \$1 million in 2016, and increasing expenses by \$2 million in 2017; and re-estimates corresponding to the needs of the West Side Yards Development, as well as of BSC-related hosting costs at MTA HQ, reducing expenses by \$4 million in 2015 and \$3 million in 2016, followed by an increase of \$1 million in 2017.

Year-over-year changes at other agencies over this same time period were modest and mostly reflect inflationary adjustments, the timing of various IT-related projects, and several limited duration initiatives.

Compared with the July Plan, expenses increase by \$13 million in 2013, \$36 million in 2014, \$24 million in 2015, and \$21 million in both 2016 and 2017. The major contributors are:

- NYCT: Annual increases of \$12 million in 2013, \$10 million in both 2014 and 2015, and \$8 million in both 2016 and 2017, primarily from Workers' Compensation Board Administrative requirements driven by higher claims volume.
- B&T: Annual increases of \$7 million in 2013 through 2017 are attributable to the new GASB 65 ruling requiring bond issuance fees to be fully realized when incurred.
- HQ: expense underruns totaling approximately \$1 million in 2013, followed by increases of \$12 million in 2014, \$8 million in 2015, and \$6 million in both 2016 and 2017 reflect expenses for the disaster recovery-related All-Agency Integrated Cloud E-mail Initiative, consulting services for the New York State "Procure-to-Pay" Initiative, Business Transformation Initiative, and hosting costs for back-up data center locations.

Overall, when compared with the February Plan, Professional Service Contracts expenses increase by \$32 million in 2013, \$56 million in 2014, \$40 million in 2015, \$33 million in 2016, and \$32 million in 2017. In addition to the factors noted above, changes over the life of the plan were also driven by the Enterprise Asset Management Initiative,

the Homeless Outreach Program, special structures inspections, and Enterprise Security Maintenance costs all at NYCT; the Enterprise Asset Management initiative and a cyber-security initiative at B&T; and Two Broadway-related expenses at MTA HQ.

## **MATERIALS AND SUPPLIES**

Materials & Supplies reflect funding for a variety of expenses including but not limited to rolling stock replacement parts, electrical supplies, communication equipment, project materials, roadway equipment, and infrastructure maintenance supplies. All Agency increases in Materials and Supplies for 2014 through 2017 are inflated primarily by regional CPI-U forecasts.

November Plan expenses are projected at \$498 million in 2013, \$527 million in 2014, \$548 million in 2015, \$555 million in 2016, and \$564 million in 2017, reflecting year-to-year increases of \$29 million in 2014, \$20 million in 2015, \$7 million in 2016, and \$9 million in 2017.

The year-to-year increase in 2014 is mostly attributable to the LIRR (\$18 million) for Reliability Centered Maintenance (RCM) material; NYCT (\$7 million), reflecting large timing changes in subway and bus fleet maintenance program requirements; and MTA Bus (\$3 million) due to the reclassification of bus component costs to Materials & Supplies from Maintenance & Other Operating Contracts.

Similarly, year-to-year increases in 2015 through 2017 primarily reflect the timing of subway and bus fleet maintenance requirements at NYCT (\$17 million in 2015), East Side Access start-up costs, RCM, and other capital related activity (\$6 million and \$10 million in 2016 and 2017, respectively) at the LIRR, and bus fleet overhauls and upgrades, as well as inflation at MTA Bus (\$6 million in 2015).

Compared with the July Plan, expenses decrease in 2013 by \$21 million, increase in 2014 by \$1 million, and decrease by \$9 million in 2015, \$8 million in 2016 and \$9 million in 2017. The plan-to-plan decrease in 2013 is mainly attributable to NYCT (\$18 million) resulting from the favorable timing of expenses, including subways maintenance material requirements and higher scrap sales, as well as the streamlining of departmental maintenance material spending; and SIR (\$3 million) mainly due to the reclassification of expenses from Materials & Supplies to Maintenance & Other Operating Contracts. For 2014, the increase in expenses is driven by a re-estimate of material needs associated with the RCM program, operating funded capital, and highway fleet cyclical replacement purchases (2014 only) at the LIRR (\$4 million); as well as a reclassification of bus components to Materials & Supplies from Maintenance & Other Operating Contracts at MTA Bus (\$3 million). This was partially offset mainly by a re-estimate of projected Sandy-related expenses at NYCT (\$3 million); as well as inflation adjustments and the completion of the GCT escalator maintenance initiative at MNR (\$3 million). For 2015-2017, expense decreases are primarily attributable to lower Sandy expenses in 2015 and the streamlining of departmental maintenance material spending at NYCT; inflationary rate reductions and the completion of the GCT escalator

maintenance initiative at MNR; partially offset by higher expenses at MTA Bus reflecting a reclassification of bus components from Maintenance & Other Operating Contracts.

Compared with the February Plan, expenses increase in 2013 and 2014 by \$3 million and \$15 million, respectively, and decrease by \$20 million in 2015 and 2016, and \$30 million in 2017. In addition to the factors noted above, plan-to-plan increases in 2013 and 2014 are mainly driven by higher Sandy storm-related maintenance costs and revised subways scheduled maintenance at NYCT; as well as greater requirements for the RCM and elevator/escalator programs, and for additional materials previously captured in operating capital at the LIRR. Additional increases in 2013 are due to an unfavorable timing impact from 2012. For 2015 and 2016, the favorable change reflects decreased subway maintenance requirements at NYCT; and lower requirements for rolling stock materials at MNR; partially offset by higher RCM program and operating funded capital needs at the LIRR.

## **OTHER BUSINESS EXPENSES**

Other Business Expenses reflect a variety of expenses including credit and debit card fees for fare media purchases, bond service fees and internal subsidy support requirements.

November Plan expenses are projected at \$165 million in 2013, \$161 million in 2014, \$166 million in 2015, \$172 million in 2016 and \$175 million in 2017, reflecting a year-to-year decrease of \$4 million in 2014, followed by increases of \$6 million in 2015 and 2016, and \$3 million in 2017. These changes reflect inflationary growth, programmatic changes, and timing impacts.

The year-to-year decrease in 2014 is mostly attributable to lower expenses at MNR of \$6 million, mainly due to write-offs of M-8 cars damaged in the New Haven Line derailment that occurred in May; and MTA HQ (\$4 million), reflecting the completion of Two Broadway Sandy-related repairs. These variances are partially offset by higher expenses at NYCT (\$5 million) due to the timing of inter-departmental account adjustments and increases in fare media credit/debit card fees; and the LIRR (\$3 million) mostly for the concrete tie replacement program and inflation

The year-to-year increase in 2015 is partly due to higher fare media credit/debit card fees at NYCT (\$2 million). The year-to-year increases in 2016 and 2017 are mainly due to adjustments to West-of-Hudson subsidies at MNR, re-estimates at MTA Bus, and inflationary increases.

Compared with the July Plan, expenses decrease by \$38 million in 2013, and \$19 million in 2014, and increase by \$5 million annually thereafter. The changes in 2013 and 2014 are mostly attributable to MTA HQ, and result from the revised methodology in accounting for expenses related to the MTA Headquarters relocation to Two Broadway (\$42 million favorable in 2013 and \$23 million favorable in 2014). For 2015 through 2017, expense increases are primarily attributable to higher debit/credit card fees at

NYCT (approximately \$3 million annually), as well as revised estimates for non-claim related services at FMTAC, based on actual results through August 2013 (approximately \$2 million annually).

Compared with the February Plan, Other Business Expenses decrease by \$31 million in 2013 and \$19 million in 2014, and increase by \$4 million in both 2015 and 2016. In addition to the factors noted above, plan-to-plan variations are mainly driven by Sandy-related expenses and a change in the accounting methodology for concrete tie replacement reimbursements at the LIRR.

## **2013 Budget Reduction Program (BRP)**

In July, the Preliminary Budget included \$25 million in recurring unspecified Agency deficit reduction measures. In order to achieve greater savings, Agencies were permitted to apply only 50% of real and discretionary prior-year (2012) favorable results toward meeting that savings target, beginning in 2013, with the remaining 50% to be used to help fund other new programs. The BRPs captured below were used to achieve a portion of the targeted savings.

The table captures only new programmatic BRPs that were developed in 2013. Accordingly, additional savings generated from pre-existing BRPs, in this case NYCT/Paratransit, are excluded from this table.

### **METROPOLITAN TRANSPORTATION AUTHORITY November Financial Plan 2014 - 2017**

(\$ in millions)

Favorable/(Unfavorable)

<b>2013 Budget Reduction Program by Agency and Category</b>										
	<b>2013</b>		<b>2014</b>		<b>2015</b>		<b>2016</b>		<b>2017</b>	
	<b>Pos</b>	<b>\$</b>	<b>Pos</b>	<b>\$</b>	<b>Pos</b>	<b>\$</b>	<b>Pos</b>	<b>\$</b>	<b>Pos</b>	<b>\$</b>
<b>Agency:</b>										
New York City Transit/SIR	-	0.0	-	0.3	-	0.3	-	0.3	-	0.3
Metro-North Railroad	-	2.7	-	8.0	-	8.3	-	8.1	-	10.0
MTA Headquarters	-	5.1	-	3.7	-	2.9	-	2.8	-	2.9
<b>Total (Excluding MTA Bus)</b>	-	<b>\$7.8</b>	-	<b>\$12.0</b>	-	<b>\$11.5</b>	-	<b>\$11.2</b>	-	<b>\$13.2</b>
MTA Bus	-	6.4	-	5.2	-	5.2	-	5.2	-	5.2
<b>Total</b>	-	<b>\$14.2</b>	-	<b>\$17.2</b>	-	<b>\$16.7</b>	-	<b>\$16.5</b>	-	<b>\$18.4</b>
<b>Category:</b>										
Administration	-	5.1	-	3.7	-	2.9	-	2.9	-	2.9
Customer Convenience/Amenities	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Maintenance/Inventory	-	1.9	-	6.1	-	5.7	-	5.8	-	7.4
Revenue Enhancement	-	0.8	-	2.2	-	2.9	-	2.6	-	2.9
Safety/Security	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Service	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Service Support	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Other	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
<b>Total (Excluding MTA Bus)</b>	-	<b>\$7.8</b>	-	<b>\$12.0</b>	-	<b>\$11.5</b>	-	<b>\$11.2</b>	-	<b>\$13.2</b>
MTA Bus - Other	-	6.4	-	5.2	-	5.2	-	5.2	-	5.2
<b>Total</b>	-	<b>\$14.2</b>	-	<b>\$17.2</b>	-	<b>\$16.7</b>	-	<b>\$16.5</b>	-	<b>\$18.4</b>

Differences in totals are due to rounding.

The BRP's developed for this Plan result in programmatic savings that reduce the deficit by \$14.2 million in 2013, \$17.2 million in 2014, \$16.7 million in 2015, \$16.5 million in 2016 and \$18.4 million in 2017. All BRPs, including re-estimates, have been incorporated into Agency baselines within the category construct of MTA's traditional financial statements.

Major budget reduction initiatives that comprise the total 2013 BRPs are listed below by agency. Specific details can be found in the BRP worksheets located in Agency sections.

**MNR BRP Savings:**

- Additional non-passenger revenue from higher GCT retail and rent revenues;
- Reduction in operating contracts for various service costs and repairs; and
- Reduction in rolling stock material usage.

**MTAHQ BRP Savings:**

- Savings from deferring IESS maintenance agreements until the out years;
- Savings from elimination and consolidation of wireless devices and telephone and security services;
- Lower repair costs for vehicles and facilities for MTA Police; and
- Savings from reduced use of leases and rentals, IT purchases, legal and other outside services.

**SIR BRP Savings:**

- Material efficiency savings; and
- Office equipment and supplies savings.

**MTA Bus BRP Savings:**

- In both the November and July Plans, MTA Bus offered a reduction in OTPS costs for facilities maintenance, repair contract costs, office equipment and supplies.

The following pages provide a more detailed description of the assumptions used in formulating the 2014 Final Proposed Budget and the forecasts for 2015 through 2017. Additional detail can be found in individual Agency sections.

# **Subsidies**

## SUBSIDIES - OVERVIEW

The following pages provide accrual and cash summary tables for projections of subsidies and dedicated taxes received by MTA, as well as tables comparing these projections with those from the 2013 July Plan. Detailed narratives describing each subsidy, the forecast methodologies employed and explanations of changes from earlier Plans are also included. The details of Bridges and Tunnels operations that produce the Operating Surplus Transfer are discussed in the Bridges and Tunnels portion of the Agency Financial Plans section of this report. Consolidated income and expense information on NYCT's Paratransit operation is also included. (Note that additional details on NYCT's Paratransit operation can be found in this volume under Agency Financial Plans.)

Overall accrued subsidies are projected to grow from year to year in line with regional economic growth projections. Real estate transaction tax revenues continue to trend higher as they have done since the Fall of 2010, and projections indicate that recent improvements in the regional economy will continue to spur growth in real estate activity. However, these improvements in annual real estate tax revenues should be contrasted with the steep declines that occurred in 2008 and 2009, when MTA saw receipts fall by seventy-five percent; the 2013 real estate tax forecast remains forty-three percent lower than actual receipts in 2007.

On an *accrual basis*, the 2013 November Forecast of Total Dedicated Taxes and State & Local Subsidies is \$5,890 million, which is \$398 million (7%) higher than 2012. The growth is due primarily to higher appropriation for MTA Metropolitan Mass Transportation Operating Assistance and favorable regional economic activity that is driving higher real estate tax revenues. This forecast is \$5 million below the July Plan estimate and \$138 million (2%) higher than the February Plan estimate. The unfavorable variance to July primarily reflects lower MTA Bus Subsidy due to re-estimates of cash expenses and lower Petroleum Business Tax revenues, partially offset by higher real estate transaction tax revenues. The favorable variance to the February Plan is primarily the result of higher real estate transaction tax receipts, higher City Subsidy for MTA Bus, and increased State Dedicated Tax revenue due to re-estimate of Metropolitan Mass Transportation Operating Assistance revenues, partially offset by unfavorable Payroll Mobility Tax and Petroleum Business Taxes.

On a *cash basis*, total 2013 MTA Dedicated Taxes and State & Local Subsidies is \$5,412 million or \$221 million (4%) higher than 2012. The cash forecast is \$77 million below the July Plan estimate, and this unfavorable variance mostly reflects a "one-shot" cash transfer of real estate transaction tax receipts of \$80 million to reduce MTA unfunded pension liability. In the July Plan, this was captured as a "below-the-line adjustment" in Volume I. The forecast also includes lower Petroleum Business Tax receipts of \$25 million and a reduced City Subsidy to MTA Bus of \$24 million. This is offset primarily by favorable real estate transaction tax receipts of \$41 million, as well as higher Connecticut Department of Transportation Subsidy of \$9 million. Compared to February, the forecast is \$82 million lower and mostly reflects unfavorable net subsidy

cash adjustments, Petroleum Business Tax and Payroll Mobility Tax receipts, partially offset by favorable real estate transaction tax receipts. Details of these changes are described in the related sections of this report.

On an accrual basis, Total Dedicated Taxes and State & Local Subsidies are projected to increase from the prior year by \$149 million (3%) in 2014, \$334 million (6%) in 2015, \$236 million (4%) in 2016 and \$204 million (3%) in 2017. Compared with the July Plan, the November forecasts are higher by \$1 million in 2014, \$49 million in 2015, \$44 million in 2016 and \$53 million in 2017, due primarily to favorable Mortgage Recording Taxes and Urban Taxes as a result of strong mortgage borrowing and commercial real estate activity and favorable City Subsidy to both MTA Bus and Staten Island Railway, reflecting re-estimates of revenues and expenses and timing adjustments. Compared with the February Plan, Total State & Local Subsidies are expected to increase by \$49 million in 2014, \$110 million in 2015, and \$112 million in 2016.

On a *cash basis*, total Dedicated Taxes and State and Local Subsidies are projected to increase from the prior year by \$459 million (8%) in 2014, \$60 million (1%) in 2015, \$249 million (4%) in 2016 and \$255 million (4%) in 2017. Compared to the July Plan, the November Plan estimates are higher by \$29 million in 2014, \$71 million in 2015, \$19 million in 2016 and \$44 million in 2017, due primarily to favorable Mortgage Recording Taxes and Urban Taxes, partially offset by unfavorable Petroleum Business Tax receipts. Compared with the February Plan, Total State & Local Subsidies, on a cash basis, are expected to increase by \$119 million in 2014, and to decrease by \$58 million in 2015 and by \$156 million in 2016.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Consolidated Subsidies**  
**Accrual Basis**  
(\$ in millions)

	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b><u>Subsidies</u></b>						
<b>Dedicated Taxes</b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,354.2	\$1,518.2	\$1,558.4	\$1,625.5	\$1,692.6	\$1,765.9
Petroleum Business Tax (PBT) Receipts	600.2	594.5	609.9	614.4	617.6	619.0
Mortgage Recording Tax (MRT)	271.0	369.6	403.7	439.6	459.0	470.5
MRT Transfer to Suburban Counties	(2.4)	(3.6)	(4.8)	(5.5)	(5.4)	(5.2)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Interest	4.3	4.5	4.7	4.9	5.1	5.3
Urban Tax	439.1	528.2	533.5	589.2	643.9	686.6
Investment Income	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>
	<b>\$2,657.4</b>	<b>\$3,002.3</b>	<b>\$3,096.3</b>	<b>\$3,259.1</b>	<b>\$3,404.0</b>	<b>\$3,533.4</b>
<b>PMT and MTA Aid</b>						
Payroll Mobility Tax	\$1,265.3	\$1,214.2	\$1,315.1	\$1,384.7	\$1,452.4	\$1,522.1
Payroll Mobility Tax Replacement Funds	254.9	307.2	307.2	307.2	307.2	307.2
MTA Aid	<u>305.6</u>	<u>308.2</u>	<u>320.4</u>	<u>330.1</u>	<u>334.9</u>	<u>334.9</u>
	<b>\$1,825.8</b>	<b>\$1,829.6</b>	<b>\$1,942.7</b>	<b>\$2,022.0</b>	<b>\$2,094.6</b>	<b>\$2,164.2</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	187.9	187.9	187.9	187.9	187.9	187.9
CDOT Subsidy	80.7	96.3	97.2	96.0	94.5	98.3
Station Maintenance	<u>160.3</u>	<u>160.3</u>	<u>162.7</u>	<u>165.4</u>	<u>168.0</u>	<u>170.6</u>
	<b>\$616.9</b>	<b>\$632.4</b>	<b>\$635.7</b>	<b>\$637.2</b>	<b>\$638.3</b>	<b>\$644.8</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$5,100.2</b>	<b>\$5,464.4</b>	<b>\$5,674.8</b>	<b>\$5,918.3</b>	<b>\$6,136.9</b>	<b>\$6,342.3</b>
City Subsidy for MTA Bus	\$361.0	\$393.1	\$336.4	\$417.8	\$432.8	\$428.8
City Subsidy for SIRTOA	<u>30.7</u>	<u>32.3</u>	<u>27.9</u>	<u>36.7</u>	<u>39.0</u>	<u>41.6</u>
	<b>\$391.7</b>	<b>\$425.4</b>	<b>\$364.3</b>	<b>\$454.4</b>	<b>\$471.8</b>	<b>\$470.4</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$5,491.9</b>	<b>\$5,889.8</b>	<b>\$6,039.1</b>	<b>\$6,372.8</b>	<b>\$6,608.7</b>	<b>\$6,812.7</b>
<b>Inter-agency Subsidy Transactions</b>						
B&T Operating Surplus Transfer	\$497.6	\$596.2	\$530.6	\$500.8	\$471.9	\$431.0
MTA Subsidy to Subsidiaries	<u>(21.1)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$476.6</b>	<b>\$596.2</b>	<b>\$530.6</b>	<b>\$500.8</b>	<b>\$471.9</b>	<b>\$431.0</b>
<b>GROSS SUBSIDIES</b>	<b>\$5,968.5</b>	<b>\$6,485.9</b>	<b>\$6,569.7</b>	<b>\$6,873.6</b>	<b>\$7,080.6</b>	<b>\$7,243.7</b>

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

**Consolidated Subsidies**

Accrual Basis

(\$ in millions)

	2013	2014	2015	2016	2017
<b><u>Subsidies</u></b>					
<b>Dedicated Taxes</b>					
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax (PBT) Receipts	(25.6)	(26.2)	(26.4)	(26.6)	(26.6)
Mortgage Recording Tax (MRT)	32.4	38.5	41.3	39.9	46.7
MRT Transfer to Suburban Counties	(0.6)	(0.7)	(0.7)	(0.5)	(0.3)
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	13.5	15.2	16.6	19.4	28.8
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$19.7</b>	<b>\$26.7</b>	<b>\$30.9</b>	<b>\$32.4</b>	<b>\$48.5</b>
<b>PMT and MTA Aid</b>					
Payroll Mobility Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Payroll Mobility Tax Replacement Funds	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>
	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>State and Local Subsidies</b>					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy	9.4	(3.9)	3.0	(4.5)	(5.8)
Station Maintenance	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$9.4</b>	<b>(\$3.9)</b>	<b>\$3.0</b>	<b>(\$4.5)</b>	<b>(\$5.8)</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$29.2</b>	<b>\$22.8</b>	<b>\$33.8</b>	<b>\$27.9</b>	<b>\$42.7</b>
City Subsidy for MTA Bus	(\$35.9)	(\$20.9)	\$11.7	\$11.6	\$2.2
City Subsidy for SIRTOA Recovery	<u>1.6</u>	<u>(0.7)</u>	<u>3.3</u>	<u>4.7</u>	<u>8.2</u>
	<b>(\$34.3)</b>	<b>(\$21.7)</b>	<b>\$15.0</b>	<b>\$16.3</b>	<b>\$10.4</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>(\$5.1)</b>	<b>\$1.1</b>	<b>\$48.8</b>	<b>\$44.2</b>	<b>\$53.2</b>
<b>Inter-agency Subsidy Transactions</b>					
B&T Operating Surplus Transfer	\$32.2	\$0.2	\$9.6	\$13.0	\$14.3
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$32.2</b>	<b>\$0.2</b>	<b>\$9.6</b>	<b>\$13.0</b>	<b>\$14.3</b>
<b>GROSS SUBSIDIES</b>	<b>\$27.1</b>	<b>\$1.3</b>	<b>\$58.4</b>	<b>\$57.2</b>	<b>\$67.5</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Consolidated Subsidies**  
**Cash Basis**  
(\$ in millions)

	2012	2013	2014			
	Actual	November Forecast	Final Proposed Budget	2015	2016	2017
<b>Subsidies</b>						
<b>Dedicated Taxes</b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,354.2	\$1,518.2	\$1,558.4	\$1,625.5	\$1,692.6	\$1,765.9
Petroleum Business Tax (PBT) Receipts	599.5	593.1	609.5	614.1	617.5	619.0
Mortgage Recording Tax (MRT)	279.8	364.7	400.6	437.9	458.0	470.1
MRT Transfer to Suburban Counties	(1.8)	(2.4)	(3.6)	(4.8)	(5.5)	(5.4)
Reimburse Agency Security Costs	(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)
Interest	4.3	4.5	4.7	4.9	5.1	5.3
Urban Tax	407.5	547.5	528.8	584.5	640.2	684.6
Investment Income	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>
	<b>\$2,609.6</b>	<b>\$2,991.6</b>	<b>\$3,064.5</b>	<b>\$3,228.3</b>	<b>\$3,374.1</b>	<b>\$3,505.8</b>
<b>PMT and MTA Aid</b>						
Payroll Mobility Tax	\$1,265.3	\$1,214.2	\$1,315.1	\$1,384.7	\$1,452.4	\$1,522.1
Payroll Mobility Tax Replacement Funds	254.9	307.2	307.2	307.2	307.2	307.2
MTA Aid	<u>305.6</u>	<u>308.2</u>	<u>320.4</u>	<u>330.1</u>	<u>334.9</u>	<u>334.9</u>
	<b>\$1,825.8</b>	<b>\$1,829.6</b>	<b>\$1,942.7</b>	<b>\$2,022.0</b>	<b>\$2,094.6</b>	<b>\$2,164.2</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	187.5	187.9	187.9	187.9	187.9	187.9
CDOT Subsidy	80.7	96.3	97.2	96.0	94.5	98.3
Station Maintenance	<u>157.3</u>	<u>158.5</u>	<u>160.9</u>	<u>163.3</u>	<u>166.1</u>	<u>168.7</u>
	<b>\$613.4</b>	<b>\$630.6</b>	<b>\$633.9</b>	<b>\$635.1</b>	<b>\$636.4</b>	<b>\$642.8</b>
<b>Other Subsidy Adjustments</b>						
Resource to Reduce Pension Liability	\$0.0	(\$80.0)	\$5.6	\$5.6	\$5.6	\$5.6
Interagency Loan	75.0	(120.2)	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	(11.8)	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)
Forward Energy Contracts Program - Gain/(Loss)	3.0	0.1	1.7	(0.2)	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
NYS Reimbursement Transferred to B&T	0.0	(3.9)	0.0	0.0	0.0	0.0
Repayment of Loan to Capital Financing Fund	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	0.0
Committed to Capital	<u>(131.8)</u>	<u>(123.6)</u>	<u>(84.8)</u>	<u>(288.1)</u>	<u>(250.0)</u>	<u>(323.0)</u>
	<b>(\$168.0)</b>	<b>(\$441.6)</b>	<b>(\$191.4)</b>	<b>(\$396.6)</b>	<b>(\$358.3)</b>	<b>(\$331.3)</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$4,880.8</b>	<b>\$5,010.2</b>	<b>\$5,449.7</b>	<b>\$5,488.8</b>	<b>\$5,746.7</b>	<b>\$5,981.5</b>
City Subsidy for MTA Bus	\$290.0	\$371.5	\$389.5	\$414.4	\$397.1	\$414.6
City Subsidy for SIRTTOA	<u>21.1</u>	<u>30.7</u>	<u>32.3</u>	<u>27.9</u>	<u>36.7</u>	<u>39.0</u>
	<b>\$311.0</b>	<b>\$402.2</b>	<b>\$421.8</b>	<b>\$442.3</b>	<b>\$433.8</b>	<b>\$453.6</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$5,191.8</b>	<b>\$5,412.4</b>	<b>\$5,871.5</b>	<b>\$5,931.1</b>	<b>\$6,180.5</b>	<b>\$6,435.1</b>
<b>Inter-agency Subsidy Transactions</b>						
B&T Operating Surplus Transfer	\$509.3	\$596.2	\$537.1	\$503.8	\$474.7	\$435.1
MTA Subsidy to Subsidiaries	<u>(10.1)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$499.2</b>	<b>\$596.2</b>	<b>\$537.1</b>	<b>\$503.8</b>	<b>\$474.7</b>	<b>\$435.1</b>
<b>GROSS SUBSIDIES</b>	<b>\$5,691.0</b>	<b>\$6,008.6</b>	<b>\$6,408.6</b>	<b>\$6,434.8</b>	<b>\$6,655.3</b>	<b>\$6,870.2</b>

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

**Consolidated Subsidies**

**Cash Basis**

(\$ in millions)

	2013	2014	2015	2016	2017
<b><u>Subsidies</u></b>					
<b>Dedicated Taxes</b>					
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax (PBT) Receipts	(25.5)	(26.2)	(26.4)	(26.5)	(26.6)
Mortgage Recording Tax (MRT)	29.2	38.2	41.5	39.3	46.6
MRT Transfer to Suburban Counties	0.0	(0.6)	(0.7)	(0.7)	(0.5)
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0
Urban Tax	12.3	15.1	16.4	18.6	28.8
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$16.0</b>	<b>\$26.5</b>	<b>\$30.8</b>	<b>\$30.7</b>	<b>\$48.4</b>
<b>PMT and MTA Aid</b>					
Payroll Mobility Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Payroll Mobility Tax Replacement Funds	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>
	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>State and Local Subsidies</b>					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy	9.4	(3.9)	3.0	(4.5)	(5.8)
Station Maintenance	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$9.4</b>	<b>(\$3.9)</b>	<b>\$3.0</b>	<b>(\$4.5)</b>	<b>(\$5.8)</b>
<b>Other Subsidy Adjustments</b>					
Resource to Reduce Pension Liability	(\$80.0)	\$5.6	\$5.6	\$5.6	\$5.6
Inter-Agency Loan	0.0	0.0	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 Program - Gain/(Loss)	0.8	2.9	(0.1)	0.0	0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0	0.0
NYS Reimbursement Transferred to B&T	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>
	<b>(\$79.2)</b>	<b>\$8.5</b>	<b>\$5.5</b>	<b>\$5.6</b>	<b>\$5.6</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>(\$53.8)</b>	<b>\$31.1</b>	<b>\$39.3</b>	<b>\$31.8</b>	<b>\$48.2</b>
City Subsidy for MTA Bus	(\$23.5)	(\$3.7)	\$32.7	(\$16.6)	(\$9.3)
City Subsidy for SIRT OA	<u>0.0</u>	<u>1.6</u>	<u>(0.7)</u>	<u>3.3</u>	<u>4.7</u>
	<b>(\$23.5)</b>	<b>(\$2.1)</b>	<b>\$32.0</b>	<b>(\$13.2)</b>	<b>(\$4.6)</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>(\$77.3)</b>	<b>\$29.0</b>	<b>\$71.2</b>	<b>\$18.5</b>	<b>\$43.6</b>
<b>Inter-agency Subsidy Transactions</b>					
B&T Operating Surplus Transfer	\$29.0	\$3.4	\$8.7	\$12.7	\$14.2
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$29.0</b>	<b>\$3.4</b>	<b>\$8.7</b>	<b>\$12.7</b>	<b>\$14.2</b>
<b>GROSS SUBSIDIES</b>	<b>(\$48.3)</b>	<b>\$32.3</b>	<b>\$79.9</b>	<b>\$31.2</b>	<b>\$57.8</b>

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

Revenues derived from the following taxes flow into the statewide Mass Transportation Operating Assistance Fund (MTOA), which consist of three accounts, the Public Transportation Systems Operating Assistance Account (PTOA), the Urban Mass Transit Operating Assistance Account, and the Metropolitan Mass Transportation Assistance Account (MMTOA):

- 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 Metropolitan Mass Transportation Operating Assistance (MMTOA) account consists of one hundred percent of the receipts from the 17-percent corporate surcharge imposed within the MTA Transportation District (MCTD), one hundred percent of the sales and use tax imposed in the MCTD, fifty-five percent of the MTOA PBT, and eighty percent of the tax on transportation and transmission companies. The MMTOA funds are appropriated by the State and supplement the general operating subsidies of downstate transportation systems in the MCTD.

The estimate of total taxes in the statewide Mass Transportation Operating Assistance Fund for 2013 is \$2,055 million, of which \$1,972 million is allotted for Downstate transit properties. Of the Downstate allotment, \$1,518 million in non-18b funds is appropriated for the benefit of MTA. In addition, \$190 million is earmarked to fund the State's 18-b obligation, which includes \$175 million for the MTA.

### **2013 November Forecast**

The 2013 November Forecast reflects New York State 2012-13 Enacted Budget appropriation of \$1,518 million. Of the total estimated MMTOA receipts for 2013, \$1,003 million is appropriated for NYCT/SIR and \$511 million for the Commuter Railroads. The combined MTA Share is \$164 million (12%) higher than the 2012 level; it is unchanged from the July Plan forecast and is \$30 million higher than the February Plan forecast. An additional amount of \$4 million was appropriated for reimbursement to the MTA for costs associated with the suspension of the Marine Parkway and Cross Bay Bridges due to Superstorm Sandy.

The 2013 percentage allocations of the Downstate share of MMTOA are 59% for NYCT/SIR and 27% for the Commuter Railroads. These percentages are based

on the actual amounts appropriated in NYS' 2013-14 Enacted Budget. MMTOA and State 18-b funds were also allotted to MTA Bus and other downstate transportation properties.

The 2013 November Plan assumes that the State's funding of its 18-b obligations to the MTA remains at the 2012 level of \$175 million, which includes \$154 million for NYCT/SIR and \$21 million for the Commuter Railroads and is consistent with the July and February Plans.

## **2014**

For 2014, total estimated MTA MMTOA revenue is \$1,558 million, which is \$40 million (3%) more than the 2013 estimate. The forecast is unchanged from the July Plan and \$10 million below the February forecast. Of the total, \$1,034 million is earmarked for NYCT and SIR and \$525 million is earmarked for the commuter railroads.

The percentage allocations of MMTOA's downstate shares that come to the MTA represent 58% for NYCT/SIR and 27% for the Commuter Railroads.

The 2014 November Plan assumes that the State's funding of its 18-b obligation for NYCT and Commuter Railroads will remain at the 2013 level of \$175 million, which is consistent with the July and February Plans.

Revenues for the Sales Tax, Petroleum Business Tax, and Corporate Surcharge components of MMTOA are expected to grow annually from the 2013 level by 4%, 3% and 4%, respectively. There is no change expected in the level of Corporate Franchise Tax receipts, which remain flat through the Plan period. (See the table at the end of this section).

## **2015 – 2017**

For 2015 through 2017, MTA MMTOA forecasts are based on projections included in the NYS 2013-14 Enacted Budget of revenues from sales taxes, petroleum business taxes, corporate franchise taxes and the corporate tax surcharge. These forecasts are \$1,625 million in 2015, \$1,693 million in 2016, and \$1,766 million in 2017. Compared with the prior year, MTA MMTOA revenues are expected to increase by \$67 million (4%) in 2015, \$67 million (4%) in 2016 and \$73 million (4%) in 2017 and are unchanged from the July Plan. Compared with the February Plan, these revenue receipts are expected to be \$15 million lower in 2015 and \$2 million higher in 2016.

For 2015 through 2017, the Plan assumes the following growth rates from the prior year levels for the component taxes of MMTOA:

<b>Growth Rate for the Individual Components of MMTOA (from prior year level)</b>					
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Sales Tax		4%	3%	2%	4%
Petroleum Business Tax		3%	1%	1%	0%
Corporate Franchise Tax		0%	0%	0%	0%
Corporate Tax Surcharge		4%	5%	5%	5%

**MMTOA STATE DEDICATED TAXES**  
**November Financial Plan 2014-2017**  
(\$ in millions)

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<b><u>Forecast of MMTOA Gross Receipts (\$FY):</u></b>						
Sales Tax	\$823.3	\$854.9	\$892.9	\$921.9	\$944.9	\$979.9
PBT	138.3	142.0	146.0	147.0	148.0	148.0
Corporate Franchise	65.0	58.0	58.0	58.0	58.0	58.0
Corporate Surcharge	949.0	1,000.0	1,043.0	1,093.0	1,149.0	1,201.0
Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Gross Receipts Available for Allocation</b>	<b>\$1,975.6</b>	<b>\$2,054.9</b>	<b>\$2,139.9</b>	<b>\$2,219.9</b>	<b>\$2,299.9</b>	<b>\$2,386.9</b>
<b><u>Allocation of Total Gross Receipts to DownState:</u></b>						
Total Gross Receipts	\$1,975.6	\$2,054.9	\$2,139.9	\$2,219.9	\$2,299.9	\$2,386.9
Less: Upstate Share of PBT	(62.2)	(63.9)	(65.7)	(66.2)	(66.6)	(66.6)
Less: Upstate Share of Transmission	(21.5)	(19.1)	(19.1)	(19.1)	(19.1)	(19.1)
Less: Repay Negative Fund Balance	0.0	0.0	0.0	0.0	0.0	0.0
Less: New Fund Balance	(100.0)	0.0	0.0	0.0	0.0	0.0
Upstate Percent Share of Investment Income	3.15%	3.11%	3.07%	2.98%	2.90%	2.79%
Less: Upstate Share of Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Net DownState Share Available for Allocation</b>	<b>\$1,791.9</b>	<b>\$1,971.9</b>	<b>\$2,055.1</b>	<b>\$2,134.7</b>	<b>\$2,214.2</b>	<b>\$2,301.2</b>
Less: 18-B Adjustment	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)
<b>Adjusted Total Net DownState Share for Allocation</b>	<b>\$1,602.4</b>	<b>\$1,782.4</b>	<b>\$1,865.6</b>	<b>\$1,945.1</b>	<b>\$2,024.7</b>	<b>\$2,111.7</b>
Add: NYS Reimbursement	0.0	3.9	0.0	0.0	0.0	0.0
<b>Adjusted Total Net DownState Share + Other</b>	<b>\$1,602.4</b>	<b>\$1,786.3</b>	<b>\$1,865.6</b>	<b>\$1,945.1</b>	<b>\$2,024.7</b>	<b>\$2,111.7</b>
Prior Year's Carryover						
Adjusted Downstate Distribution	1,602.4	1,782.4	1,865.6	1,945.1	2,024.7	2,111.7
Appropriation	0.0	0.0	0.0	1.0	1.0	1.0
Carry-over						
	(175.1)	(175.1)	(175.1)	(175.1)	(175.1)	(175.1)
<b><u>Allocation of Total Net DownState Share to NYCT/SIR:</u></b>						
NYCT/SIR Share	58.56%	58.66%	57.79%	57.79%	57.79%	57.79%
From Total Net DownState Share	\$1,049.4	\$1,156.8	\$1,187.6	\$1,233.5	\$1,279.5	\$1,329.8
Less: 18-B Adjustment	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)
Adjusted Total Net DownState Share	\$895.6	\$1,002.9	\$1,033.7	\$1,079.7	\$1,125.6	\$1,175.9
From Carryover	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total NYCT/SIR Share of Net DownState Share</b>	<b>\$895.6</b>	<b>\$1,002.9</b>	<b>\$1,033.7</b>	<b>\$1,079.7</b>	<b>\$1,125.6</b>	<b>\$1,175.9</b>
Total SIR Share (Cash)	3.1	3.5	3.6	3.8	3.9	4.1
<b>Total NYCT Share of Net DownState Share</b>	<b>\$892.4</b>	<b>\$999.4</b>	<b>\$1,030.1</b>	<b>\$1,075.9</b>	<b>\$1,121.7</b>	<b>\$1,171.8</b>
<b><u>Allocation of Total Net DownState Share to MTA:</u></b>						
MTA Share	26.78%	27.01%	26.56%	26.56%	26.56%	26.56%
From Total Net DownState Share	\$479.8	\$532.6	\$545.9	\$567.0	\$588.1	\$611.2
Less: 18-B Adjustment	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)
Adjusted Total Net DownState Share	\$458.6	\$511.4	\$524.7	\$545.8	\$566.9	\$590.0
From Carryover	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total MTA Share of Net DownState Share</b>	<b>\$458.6</b>	<b>\$511.4</b>	<b>\$524.7</b>	<b>\$545.8</b>	<b>\$566.9</b>	<b>\$590.0</b>
<b><u>NYS Reimbursement</u></b>						
NYS Reimbursement	\$0.0	\$3.9	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total NYS Reimbursement</b>	<b>\$0.0</b>	<b>\$3.9</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

## **PETROLEUM BUSINESS TAXES (PBT)**

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, while sixty-three percent (63%) 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, which is also referred to interchangeably by the MTA for purposes of budget presentation as Petroleum Business Tax (PBT) Receipts. Eighty-five percent (85%) of the MTTF Receipts are payable to New York City Transit for the benefit of NYCT and SIR, and the remaining 15% to MTA for the benefit of LIRR and Metro-North.

MTA utilizes the PBT Receipts 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 always been sufficient to meet 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 estimates are provided on a cash basis. Accrual estimates are based on a one-month lag in the booking and collection of PBT proceeds.

### **2013 November Forecast**

The 2013 MTA November Forecast for PBT, on a cash basis, is \$593 million. Of the total PBT allocation, 85% or \$504 million is earmarked for New York City Transit and 15% or \$89 million for the commuter railroads. The combined MTA PBT estimate is \$6 million below the 2012 level. This is \$25 million below the July Plan estimate, a downward revision to reflect actual receipts through October. The estimate is \$38 million below the February Plan.

### **2014 Final Proposed Budget**

The 2014 Final Proposed Budget for MTA PBT, on a cash basis, is \$610 million, which is \$16 million (3%) greater than the 2013 estimate. This is \$26 million below the July Plan estimate, reflecting a lower base year estimate for 2013, growing at the same estimated annual rate as in the prior plan. It is \$26 million below the February Plan estimate.

### **2015 - 2017**

For 2015 through 2017, PBT cash estimates are \$614 million, \$617 million and \$619 million, respectively, reflecting year-to-year growth of \$5 million (1%) in 2015, \$3 million (1%) in 2016 and \$2 million (0.2%) in 2017. Compared to the July Plan, these PBT estimates are lower by \$26 million in 2015, \$27 million in 2016, and \$27 million in 2017, reflecting a lower base year estimate in 2013, growing at the same estimated annual rate as in the prior plan. Compared to the February Plan, these estimates are lower by \$23 million in 2015 and by \$22 million in 2016.

**PETROLEUM BUSINESS TAX PROJECTIONS**  
**November Financial Plan 2014-2017**  
(\$ in millions)

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<b>Total Net PBT Collections Available for Distribution</b>	<b>\$1,763.2</b>	<b>\$1,744.4</b>	<b>\$1,792.7</b>	<b>\$1,806.3</b>	<b>\$1,816.0</b>	<b>\$1,820.6</b>

**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%
<b>Share Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Amount of Total Net Collections Available for the MTA:**

<b>MTA Total</b>	<b>\$599.5</b>	<b>\$593.1</b>	<b>\$609.5</b>	<b>\$614.1</b>	<b>\$617.5</b>	<b>\$619.0</b>
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**Accrued**

NYCT/SIR Share of MTA Total	\$510.2	\$505.3	\$518.4	\$522.3	\$524.9	\$526.2
Commuter Railroad Share of MTA Total	<u>90.0</u>	<u>89.2</u>	<u>91.5</u>	<u>92.2</u>	<u>92.6</u>	<u>92.9</u>
<b>MTA Total of Net Collections</b>	<b>\$600.2</b>	<b>\$594.5</b>	<b>\$609.9</b>	<b>\$614.4</b>	<b>\$617.6</b>	<b>\$619.0</b>

**Cash**

NYCT/SIR Share of MTA Total	\$509.6	\$504.1	\$518.1	\$522.0	\$524.8	\$526.1
Commuter Railroad Share of MTA Total	<u>89.9</u>	<u>89.0</u>	<u>91.4</u>	<u>92.1</u>	<u>92.6</u>	<u>92.8</u>
<b>MTA Total of Net Collections</b>	<b>\$599.5</b>	<b>\$593.1</b>	<b>\$609.5</b>	<b>\$614.1</b>	<b>\$617.5</b>	<b>\$619.0</b>

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

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

MRT-1 is imposed on the borrower for recorded mortgages of real property, subject to certain exclusions, and collected by New York City and the other seven counties within the MTA's service area at the rate of three-tenths of one percent (0.3%) of the debt secured by certain real estate mortgages. By Statute, 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 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. 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, any 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 at a rate of one-quarter of one percent (0.25%) 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 Counties, and \$2.0 million for Rockland County. 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 post-1989 tax rate increases plus MRT-2) to MTA in the preceding calendar year increased over such payment in calendar year 1989 and (ii) \$1.5 million each for Dutchess and Orange Counties and \$2.0 million for Rockland County.

### **Forecast Methodology**

Forecasts of 2013 MRT receipts consist of actual receipts through October. With the exception of MRT collections from New York City, forecasts for the remainder of the Plan period are based on projections of suburban real estate activity provided by IHS Global Insight and an analysis of recent conditions. For New York City, MRT receipts for

the remainder of the Plan period are based on the City of New York's May 2013 Executive Budget.

### **2013 November Forecast**

MRT receipts are forecast to be \$365 million in 2013, \$85 million (30%) more than 2012 MRT receipts. This projected increase would be the third annual increase after four years of declines from 2007 to 2010. Coupled with increases in 2011 and 2012, the 2013 MRT projection will still be 52 percent lower than when MRT receipts peaked in 2006. MRT-1, which is collected on mortgages for both commercial and residential properties, is projected to increase \$65 million (35%) while MRT-2, which is paid only on residential properties with fewer than seven units in the structure, is forecast to increase \$19 million (21%) compared with 2012 receipts.

The 2013 November Forecast for MRT is \$29 million (9%) more than the Mid-Year Forecast, reflecting stronger recovery in mortgage borrowing than anticipated in the July Plan. MRT-1 is estimated to be \$17 million (7%) more than the Mid-Year Forecast, while MRT-2 is projected to be \$13 million (13%) more than the Mid-Year Forecast. Compared with the Adopted Budget, the 2013 November Forecast projects a \$41 million (13%) improvement in MRT receipts.

### **2014 Final Proposed Budget**

Projections indicate that improvements in the regional economy will continue to spur growth in mortgage recordings at about the same rate as that expected in the July Plan. MRT receipts are forecast to be \$401 million in 2014, \$36 million (10%) greater than estimated in the 2013 November Forecast. About two-thirds of the MRT increase in 2014 is expected to come from MRT-1 receipts, which is projected to increase \$23 million (9%); MRT-2 receipts are forecast to increase \$13 million (12%).

The 2014 Final Proposed Budget for MRT is \$38 million (11%) more than the July Plan forecast, reflecting a stronger year-over-year increase (10% vs. 8% in July). MRT-1 is estimated to be \$22 million (9%) more than the July Plan forecast, while MRT-2 is projected to be \$17 million (15%) more than the July Plan forecast. Compared with the February Plan, 2014 MRT receipts are projected to be \$32 million (9%) higher.

### **2015 - 2017**

MRT receipts are expected to improve annually, increasing \$37 million in 2015, \$20 million in 2016, and \$12 million in 2017. The projected growth in MRT receipts reflects continued improvement in the regional economy over the course of the plan period, which is expected to have favorable impacts on housing demand – and, by extension, mortgage recording activity – in the MTA region. Despite these increases, 2017 MRT receipts, which are projected to reach \$470 million, will still be 38 percent below receipts from ten years earlier, when MRT receipts peaked in 2006.

For 2015, projected MRT receipts in the November Plan are \$42 million (10%) more than the July Plan forecast while 2016 MRT receipts are expected to be \$39 million (9%) higher and 2017 MRT receipts are projected to be \$47 million (11%) more than was forecast in the July Plan. The higher forecasts reflect sustained growth during the plan period, which are growing off a higher 2013 base. Compared with the February Plan, MRT receipts are projected to be higher each year, by \$24 million (6%) in 2015 and by \$19 million (4%) in 2016.

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
MRT-1	35%	9%	10%	5%	3%
MRT-2	21%	12%	9%	3%	1%
TOTAL	30%	10%	9%	5%	3%

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

MRT-2 receipts are 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 both the February and July Plans, an annual amount of \$10 million has been earmarked in the November Plan to cover these security expenses from 2013 through 2017.

In addition, the November Plan assumes that funds from subsidies will be used to cover debt service cash flow requirements and loan repayment of the 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 paper expended after November 2006 on MTABC 2005 – 2009 Capital Program 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 2013 and continuing for the duration of the Plan period. This reflects no changes from the February and July Plans.

# MORTGAGE RECORDING TAX PROJECTIONS

## November Financial Plan 2014-2017

(\$ in millions)

### Cash Basis

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<b>MORTGAGE RECORDING TAX #261-1</b>						

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

Total Gross Receipts	\$187.4	\$252.8	\$275.7	\$301.9	\$318.1	\$328.3
Carryover	0.0	0.0	0.0	0.0	0.0	0.0
OPEB Offset	0.0	0.0	0.0	0.0	0.0	0.0
Less: MTAHQ Operating Expenses Net of Reimbursement	(298.4)	(347.3)	(345.9)	(361.2)	(371.3)	(378.3)
<b>Receipts Available for Transfer</b>	<b>(\$111.0)</b>	<b>(\$94.4)</b>	<b>(\$70.2)</b>	<b>(\$59.3)</b>	<b>(\$53.3)</b>	<b>(\$49.9)</b>
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	111.0	94.4	70.2	59.3	53.3	49.9
<b>Adjusted Receipts Available for Transfer</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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

Opening Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NYCT/SIR Share	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>
From Current Year Net Receipts	0.0	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0	0.0
Carryover from Prior-Year Accrual	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total NYCT/SIR Net Cash Share</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
Total SIR Net Cash Share	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total NYCT Net Cash Share</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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

Opening Balance - CR/SHF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commuter Railroad Share	<b>45%</b>	<b>45%</b>	<b>45%</b>	<b>45%</b>	<b>45%</b>	<b>45%</b>
From Net Receipts	0.0	0.0	0.0	0.0	0.0	0.0
Carryover	0.0	0.0	0.0	0.0	0.0	0.0
Less: Suburban Highway Fund	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Commuter Railroad Net Cash Share</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

### **MORTGAGE RECORDING TAX #261-2**

#### Receipts Available

Total Receipts to Corporate Account	\$92.5	\$111.8	\$124.9	\$136.0	\$139.9	\$141.7
All Agency Security Pool	(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)
General Reserve	0.0	0.0	(135.0)	(140.0)	(145.0)	(150.0)
Investment Income	4.3	4.5	4.7	4.9	5.1	5.3
<b>Total Receipts Available for Transfer</b>	<b>\$61.9</b>	<b>\$81.4</b>	<b>(\$40.3)</b>	<b>(\$34.0)</b>	<b>(\$34.9)</b>	<b>(\$37.8)</b>

#### Use of Total Receipts:

DORF Opening Balance	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5
Less: Transfer to MTA DORF Account	(6.3)	(6.9)	(8.1)	(9.3)	(10.0)	(9.9)
Less: Transfer to MTAHQ Funds	(111.0)	(94.4)	(70.2)	(59.3)	(53.3)	(49.9)
<b>Net Receipts Available</b>	<b>(\$51.0)</b>	<b>(\$15.4)</b>	<b>(\$114.2)</b>	<b>(\$98.2)</b>	<b>(\$93.6)</b>	<b>(\$93.2)</b>

## **URBAN TAXES**

Urban Taxes consist of two distinct taxes applied to certain commercial real property transactions and mortgage recordings within New York City: a Mortgage Recording Tax (MRT) imposes a five-eighths of one-percent (0.625%) levy on mortgages exceeding \$500,000 on New York City commercial properties; and, a Real Property Transfer Tax (RPTT) imposes a one percent levy 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% is earmarked as subsidy for the New York City private buses; the City utilizes 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 2013 consist of actual receipts through October, with the remaining two months reflecting average monthly receipts since July. Additionally, anticipated tax receipts from a large transaction that was recorded in October have been incorporated in the 2013 projection. For subsequent years, forecasts are consistent with projections in the City of New York's May 2013 Executive Budget. Approximately 39 percent (\$55 million) of the increase in receipts from 2012 is attributable to six significantly large transactions during 2013; the receipts from these large transactions are excluded from the base that is used to project Urban Tax receipts for 2014 and subsequent years during the Financial Plan period.

### **2013 November Forecast**

Urban Tax receipts are forecast to be \$547 million in 2013, \$141 million (35%) more than 2012 receipts. While this projected increase follows a \$54 million increase (15%) in 2012, a \$179 million increase (103%) in 2011 and a \$24 million increase (16%) in 2010, it also follows an 83% decline from 2007 to 2009, when annual receipts fell by \$734 million in two years. The growth in receipts since 2009 represents about 54% of the 2007 to 2009 decline. Urban Tax growth over the 2012 level is evenly split between RPTT receipts, which are projected to increase \$69 million (24%), and MRT receipts, which are forecast to increase \$72 million (62%).

The 2013 November Forecast for the Urban Taxes is \$12 million more than the Mid-Year Forecast, a 2% improvement; without the tax receipts from the large October transaction, total Urban Taxes would be unchanged from the Mid-Year Forecast. The two components that comprise the Urban Taxes, however, did not have similar trends relative to the Mid-Year Forecast: RPTT receipts are unfavorable by \$15 million (4%), while MRT receipts are favorable by \$27 million (17%).

Compared with the Adopted Budget, the 2013 November Forecast is \$116 million (27%) favorable; RPTT is \$55 million (18%) favorable and MRT is \$60 million (47%) favorable.

## **2014 Final Proposed Budget**

Continued improvement in the region's economy is expected to sustain growth in New York City commercial real estate activity, and Urban Tax receipts are forecast to be \$529 million in 2014. While this is a \$19 million (3%) decline from the 2013 November Forecast, the decline reflects unusually strong activity in 2013 that was removed from the base used to develop the 2014 projection. If those large 2013 transactions were removed from the variance calculation, the year-to-year change would be \$36 million (7%) favorable. RPTT receipts are expected to decline by 7% while MRT receipts are expected to increase by 3%. When adjusted to exclude the large 2013 transactions, estimates of RPTT receipts are up 8% and MRT receipts are up 7% over the 2013 November Forecast.

The 2014 Final Proposed Budget for the Urban Taxes is \$15 million more than the July Plan forecast (3%), continuing the plan-over-plan improvement for 2013. RPTT is estimated to be \$14 million less (4%) than the July Plan forecast, while MRT is projected to be \$29 million more (17%) than the July Plan forecast. Urban Tax projections for 2014 are \$56 million (12%) more than the February Plan forecast.

## **2015 - 2017**

Urban Tax receipts are expected to improve annually, increasing by \$56 million in 2015, \$56 million in 2016 and \$44 million in 2017, reflecting annual improvements in the regional economy during the Plan period which, in turn, is expected to favorably impact commercial real estate activity in New York City. Even with these increases coupled with the increases starting in 2010, projected 2017 Urban Tax receipts will still be 23 percent below receipts from ten years earlier, when Urban Tax receipts peaked in 2007.

For 2015 through 2017, Urban Tax receipt projections exceed the projections in the July Plan, \$16 million (3%) for 2015, \$19 million (3%) for 2016 and \$29 million (4%) for 2017. Compared with the February Plan, Urban Tax receipts projections are 13% higher for 2015 and 14% higher for 2016.

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Real Property Transfer Tax	24%	(7)%	10%	9%	6%
Mortgage Recording Tax	62%	3%	11%	10%	8%
<b>TOTAL</b>	<b>35%</b>	<b>(3)%</b>	<b>11%</b>	<b>10%</b>	<b>7%</b>

## PAYROLL MOBILITY TAX (PMT)

The Payroll Mobility Tax (PMT), also referred to interchangeably as the Metropolitan Commuter Transportation Mobility Tax (MCTMT), was enacted in 2009<sup>1</sup> by New York State (Chapter 25, 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. Legislation enacted in December 2011 significantly changed the Payroll Mobility Tax, effective April 1, 2012. The new legislation, referred to as the "December Act", eliminates the payroll mobility tax imposed within the MTA Commuter Transportation District ("MCTD") for the following taxpayers:

- Employers with payroll expense less than or equal to \$312,500 in any calendar quarter;
- Any public school district, board of cooperative educational services, public elementary or secondary school, school serving students with disabilities of school age and any nonpublic elementary or secondary school that provides instruction in grade one or above; and
- Individuals with net earnings from self-employment attributable to the MCTD that do not exceed \$50,000 for the tax year.

The December Act reduced the payroll mobility tax liability for the following taxpayers:

- Employers with payroll expense no greater than \$375,000 in any calendar quarter are subject to reduced tax rate of 0.11 percent; and
- Employers with payroll expense greater than \$375,000 but not greater than \$437,500 in any calendar quarter are subject to reduced tax rate of 0.23 percent.

Employers with payroll expense in excess of \$437,500 in any calendar quarter continue to pay a tax rate of 0.34 percent. Further, the December Act expressly provides that any reductions in transit aid attributable to these reductions in the payroll mobility tax "shall be offset through alternative sources that will be included in the state budget"; these offsets to the MTA from alternative sources are known as the "PMT Revenue Offset" or "PMT Replacement Funds".

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<sup>1</sup> When the tax was first enacted in 2009, it applied to all employers in the MCTD and was imposed on the earnings of all self-employed individuals within the MCTD at a flat rate of 0.34 percent. School districts were also required to pay the tax, but the legislation mandated that the 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.

### **2013 November Forecast**

The 2013 November forecast of PMT revenues of \$1,214 is unchanged from the July Plan estimate reflecting year to date collections through September. This forecast is \$51 million (4%) below the prior year and \$34 million below the February Plan estimate. The November Plan includes PMT Replacement Funds of \$307 million annually. Total PMT revenues for 2013 including the replacement funds are \$1,521 million.

### **2014 Final Proposed Budget**

The 2014 Final Proposed Budget forecast for PMT is \$1,315 million, which is \$101 million (8%) higher than the 2013 estimate. This is unchanged from the July and February Plans. The latest Global Insight projection of regional wage and salary disbursements is consistent with the projection used in the MTA Mid-Year Plan, hence no change to the forecast. When combined with the PMT replacement funds of \$307 million, Total PMT revenues in 2014 are \$1,622 million.

### **2015 - 2017**

The November Plan PMT forecast of PMT revenues is \$1,385 million for 2015, \$1,452 million for 2016 and \$1,522 for 2017. When combined with the replacement funds Total MTA PMT revenues are \$1,692 in 2015, \$1,760 in 2016 and \$1,829 in 2017. These estimates are unchanged from the July and February Plans, reflecting the latest Global Insight projections of regional wage and salary disbursements that are consistent with the projections used in the MTA Mid-Year 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.

In February 2012, New York State Legislature passed a law that granted the City the authority to establish a Hail Accessible Interborough License (HAIL) program to provide street hail service in certain underserved areas of Manhattan in the boroughs of Brooklyn, Bronx, Staten Island and Queens, and also to expand the existing yellow-taxi program by selling 2,000 new licenses. After several legal challenges, the law is set for implementation during the second half of 2013. This is expected to result in additional Taxicab Tax revenues for the MTA over the next three years as the additional vehicles are phased into the City's taxi fleet.

### **2013 November Forecast**

The 2013 November forecast of total MTA Aid taxes is \$308 million, which is \$3 million higher than 2012. This is unchanged from the July Plan estimate and includes \$2.5 million in projected revenues from the new Hail program Taxicab Tax. Compared with the February Plan the November forecast is \$2.5 million lower to reflect the revised estimate of the projected revenues from the new Hail program due to the delayed mid-year implementation.

### **2014 Final Proposed Budget**

The MTA Aid forecast for the 2014 Final Proposed Budget is \$320 million, which is \$12 million higher than 2013. This is unchanged from the July Plan, and includes the new revenues of \$10 million from the expansion of the tax base for the Taxicab Tax as the HAIL program continues its roll-out. Compared with the February Plan the November forecast is higher by \$5 million reflecting re-estimate of the revenues from the expansion of the tax base for the Taxicab Tax as the HAIL program continues its roll-out.

### **2015 - 2017**

For 2015 through 2017, the November Plan assumes annual growth of 1.5 percent per annum, which is consistent with the July and February Plans, and is attributable to anticipated moderate favorable economic activity over the years covered by the Plan. In addition, consistent with the July Plan the forecast includes an additional \$10 million annually over the February estimate for the additional revenues from the expansion of the tax base for the Taxicab Tax reflecting full implementation of the HAIL program.

## 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 has used a portion of the MMTOA funds for the State's 18-b payments.
- *Local Operating Assistance* – payments made by the City and each of the seven counties in the MTA Transportation District, which are 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. Additional assistance from NYC and other localities not elsewhere captured are included in Local Operating Assistance.
- *Station Maintenance* – a subsidy paid by the City and each of the seven counties in the MTA Transportation District 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 an annual adjustment tied to the consumer price index.
- *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.

### **2013 November Forecast**

In the November Plan, the 2013 State and Local cash subsidy estimate (excluding New York City Subsidy for MTA Bus and SIR) is \$631 million, or \$17 million higher than 2012. This estimate is \$9 million above the July Plan forecast, and the change is primarily due to higher CDOT subsidies, which is due in part to Connecticut Department of Transportation funding the majority of the costs associated with the Con Edison Power failure on the New Haven Line of Metro-North Railroad In September 2013. The

November State and Local cash subsidy forecast is consistent with the February Plan forecast.

For 2013, the November Plan cash forecast of City Subsidy to MTA Bus of \$371 million, is \$81 million higher than 2012. This estimate decreased by \$24 million from the July Plan level, primarily due to re-estimates of cash expenses. Compared to the February Plan, the November Plan estimate is lower by \$13 million, also due to unfavorable cash adjustments. The 2013 cash forecast for City Subsidy to Staten Island Railroad is \$10 million higher than 2012. This is unchanged from the July Plan and \$4 million below the February Plan due to reforecast of revenues and expenses.

### **2014 Final Proposed Budget**

The 2014 Final Proposed Budget for State and Local Subsidy (excluding City Subsidy for MTA Bus and SIR) is \$3 million above the 2013 estimate. It is \$4 million below the July Plan estimate, primarily due to unfavorable re-estimates of CDOT subsidies to MNR, reflecting lower expenses and higher revenues at MNR. Compared to the February Plan, the November Plan estimate is higher by \$14 million dollars, due to favorable re-estimates of CDOT subsidies.

### **2015 – 2017**

Total State and Local Subsidy in the MTA's November Plan are above the prior year's estimate by \$1 million in 2015, \$1 million in 2016 and \$6 million in 2017. Compared with the July Plan estimates, the November estimates are higher by \$3 million in 2015 due primarily to favorable re-estimates of CDOT subsidies to MNR reflecting lower revenues and higher expenses. This was below the July estimates by \$4 million in 2016 and \$6 million in 2017, reflecting unfavorable re-estimates of CDOT subsidies. Compared to the February Plan, the November Plan estimates are higher by \$9 million in 2015 and by \$1 million in 2016 due primarily to favorable re-estimate of CDOT subsidies.

## 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 2013 through 2017.

- *Interagency Loan* - The November Plan, consistent with the July Plan, reflects repayment in 2013 of inter-agency loans for funds advanced to cover Sandy-related costs and interest rate swap termination fees.
- *MTA Bus Debt Service* - Consistent with the February Plan and the July Plan, 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. [For details, see *Other MRT-2 Adjustments* in the Mortgage Recording Taxes (MRT) Section].
- *Forward Energy Contract* - Since 2008, the MTA has used financial instruments to hedge a portion of its projected fuel expense to reduce budgetary risk from price volatility. The MTA intends to continue this strategy, with new hedge contracts extending as far as 24 months from execution date, which provides a measure of financial stability from price fluctuations. At any point in time, approximately 50% of the projected fuel usage for the forward 12-month period will be hedged.
- *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 in North White Plains, for which MTA Capital would be reimbursed over time from MNR's operating budget. The November Plan, like the July and February Plans, incorporates the repayment of this loan in the amount of \$2.4 million annually from 2013 through 2017.
- *NYS Reimbursement to B&T* - In its 2013-14 Enacted Budget, the State appropriated an amount of \$4 million for reimbursement to the MTA for costs associated with the suspension of the Marine Parkway and Cross Bay Bridges due to Sandy. This is consistent with the July Plan.
- *Reduction in Unfunded Pension Liability* – MTA employees belong to a number of different pension plans. LIRR employees that began employment before 1988 are members of the "LIRR Additional Plan", which is the least funded of the MTA Plans at only 27 percent, with a \$1.2 billion unfunded liability. The 2013 November Plan captures a "one-shot" increase in real estate transaction tax receipts of \$80 million, due to a higher volume of large transactions than was

anticipated early in the year. This was also captured in the July Plan as a below-the-line item and is now incorporated into the November Plan baseline. These funds were used to reduce the unfunded pension liability, which will save approximately \$6 million in pension expenses annually and reduce the pressure for future fare and toll increases.

- *Committed to Capital* - Consistent with the February and July Plans, 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 November Plan, like the July and February Plans, continues to assume the transfer to the Capital Program beginning in 2012 of \$150 million and increases by increments of \$50 million annually through 2016. The amounts reflected in this category are net of debt service payments associated with the MTA's 2010-2014 Capital Program, which are captured within consolidated debt service.
- *Additional Support for Capital Program* - Beginning in 2015, the November Plan, consistent with the July Plan, continues to assume an additional \$250 million annually as a "down payment" in support of the 2015-2019 Capital Program. A portion of this support will be funded with debt service savings derived from the 2012 refunding program, with the balance attributable to re-estimates of interest rates and cash flow requirements.

# MTA NEW YORK CITY TRANSIT SUBSIDY ALLOCATION

## November Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Subsidies</b>						
<b>Dedicated Taxes</b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$892.4	\$999.4	\$1,030.1	\$1,075.9	\$1,121.7	\$1,171.8
Petroleum Business Tax (PBT) Receipts	509.6	504.1	518.1	522.0	524.8	526.1
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Urban Tax	<u>407.5</u>	<u>547.5</u>	<u>528.8</u>	<u>584.5</u>	<u>640.2</u>	<u>684.6</u>
	<b>\$1,809.5</b>	<b>\$2,051.0</b>	<b>\$2,077.0</b>	<b>\$2,182.4</b>	<b>\$2,286.7</b>	<b>\$2,382.5</b>
<b>New State Taxes and Fees</b>						
Payroll Mobility Tax	\$944.9	\$866.9	\$882.5	\$851.6	\$936.1	\$957.4
Payroll Mobility Tax Replacement Funds	190.4	219.3	206.1	188.9	198.0	193.2
MTA Aid	<u>237.4</u>	<u>220.1</u>	<u>215.0</u>	<u>203.0</u>	<u>215.9</u>	<u>210.7</u>
	<b>\$1,372.7</b>	<b>\$1,306.4</b>	<b>\$1,303.6</b>	<b>\$1,243.5</b>	<b>\$1,349.9</b>	<b>\$1,361.3</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1
Local Operating Assistance	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>
	<b>\$316.2</b>	<b>\$316.2</b>	<b>\$316.2</b>	<b>\$316.2</b>	<b>\$316.2</b>	<b>\$316.2</b>
<b>Other Subsidy Adjustments</b>						
Inter-agency Loan	\$52.0	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0
NYCT Charge Back of MTA Bus Debt Service	(11.8)	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)
Forward Energy Contracts Program - Gain/(Loss)	2.1	0.1	1.2	(0.1)	0.0	0.0
Repayment of Loan to Capital Financing Fund	0.0	0.0	0.0	0.0	0.0	0.0
Committed to Capital	<u>(65.8)</u>	<u>(71.8)</u>	<u>(58.7)</u>	<u>(146.5)</u>	<u>(115.0)</u>	<u>(132.0)</u>
	<b>(\$23.5)</b>	<b>(\$172.8)</b>	<b>(\$69.0)</b>	<b>(\$158.1)</b>	<b>(\$126.5)</b>	<b>(\$143.5)</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$3,475.0</b>	<b>\$3,500.8</b>	<b>\$3,627.8</b>	<b>\$3,584.1</b>	<b>\$3,826.4</b>	<b>\$3,916.5</b>
<b>Inter-agency Subsidy Transactions</b>						
Bridges and Tunnels Operating Surplus Transfer	<u>\$193.6</u>	<u>\$235.1</u>	<u>\$211.8</u>	<u>\$195.5</u>	<u>\$180.8</u>	<u>\$160.4</u>
	<b>\$193.6</b>	<b>\$235.1</b>	<b>\$211.8</b>	<b>\$195.5</b>	<b>\$180.8</b>	<b>\$160.4</b>
<b>GROSS SUBSIDIES</b>	<b>\$3,668.6</b>	<b>\$3,735.8</b>	<b>\$3,839.6</b>	<b>\$3,779.5</b>	<b>\$4,007.3</b>	<b>\$4,076.9</b>

# MTA COMMUTER RAILROAD SUBSIDY ALLOCATION

## November Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b><u>Subsidies</u></b>						
<b><i>Dedicated Taxes</i></b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$458.6	\$511.4	\$524.7	\$545.8	\$566.9	\$590.0
Petroleum Business Tax (PBT) Receipts	89.9	89.0	91.4	92.1	92.6	92.8
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>
	<b>\$549.5</b>	<b>\$601.3</b>	<b>\$617.1</b>	<b>\$639.0</b>	<b>\$660.7</b>	<b>\$684.1</b>
<b><i>New State Taxes and Fees</i></b>						
Payroll Mobility Tax	\$320.4	\$347.3	\$432.7	\$533.1	\$516.3	\$564.7
Payroll Mobility Tax Replacement Funds	64.6	87.9	101.1	118.3	109.2	114.0
MTA Aid	<u>68.2</u>	<u>88.2</u>	<u>105.4</u>	<u>127.1</u>	<u>119.1</u>	<u>124.3</u>
	<b>\$453.1</b>	<b>\$523.3</b>	<b>\$639.2</b>	<b>\$778.5</b>	<b>\$744.6</b>	<b>\$802.9</b>
<b><i>State and Local Subsidies</i></b>						
State Operating Assistance	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3
Local Operating Assistance	28.8	29.3	29.3	29.3	29.3	29.3
CDOT Subsidy	80.7	96.3	97.2	96.0	94.5	98.3
Station Maintenance	<u>157.3</u>	<u>158.5</u>	<u>160.9</u>	<u>163.3</u>	<u>166.1</u>	<u>168.7</u>
	<b>\$296.0</b>	<b>\$313.3</b>	<b>\$316.6</b>	<b>\$317.8</b>	<b>\$319.1</b>	<b>\$325.5</b>
<b><i>Other Subsidy Adjustments</i></b>						
Inter-agency Loan	\$23.0	(\$30.7)	\$0.0	\$0.0	\$0.0	\$0.0
Forward Energy Contracts Program - Gain/(Loss)	0.9	0.0	0.5	(0.0)	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Repayment of Loan to Capital Financing Fund	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	0.0
Committed to Capital	<u>(66.0)</u>	<u>(51.8)</u>	<u>(26.1)</u>	<u>(141.6)</u>	<u>(135.0)</u>	<u>(191.0)</u>
	<b>(\$144.5)</b>	<b>(\$264.8)</b>	<b>(\$122.5)</b>	<b>(\$238.5)</b>	<b>(\$231.8)</b>	<b>(\$187.8)</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$1,154.2</b>	<b>\$1,173.0</b>	<b>\$1,450.4</b>	<b>\$1,496.8</b>	<b>\$1,492.6</b>	<b>\$1,624.6</b>
<b><i>Inter-agency Subsidy Transactions</i></b>						
Bridges and Tunnels Operating Surplus Transfer	<u>\$315.7</u>	<u>\$361.2</u>	<u>\$325.3</u>	<u>\$308.3</u>	<u>\$293.9</u>	<u>\$274.7</u>
	<b>\$315.7</b>	<b>\$361.2</b>	<b>\$325.3</b>	<b>\$308.3</b>	<b>\$293.9</b>	<b>\$274.7</b>
<b>GROSS SUBSIDIES</b>	<b>\$1,469.9</b>	<b>\$1,534.2</b>	<b>\$1,775.8</b>	<b>\$1,805.1</b>	<b>\$1,786.5</b>	<b>\$1,899.3</b>

# MTA STATEN ISLAND RAILWAY SUBSIDY ALLOCATION

## November Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b><u>Subsidies</u></b>						
<b><i>Dedicated Taxes</i></b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$3.1	\$3.5	\$3.6	\$3.8	\$3.9	\$4.1
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	\$3.5	\$3.6	\$3.8	\$3.9	\$4.1
<b><i>State and Local Subsidies</i></b>						
State Operating Assistance	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
Local Operating Assistance	0.6	0.6	0.6	0.6	0.6	0.6
SIRTOA Recovery	<u>21.1</u>	<u>30.7</u>	<u>32.3</u>	<u>27.9</u>	<u>36.7</u>	<u>39.0</u>
	\$22.2	\$31.8	\$33.5	\$29.0	\$37.8	\$40.1
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$25.3</b>	<b>\$35.3</b>	<b>\$37.1</b>	<b>\$32.8</b>	<b>\$41.7</b>	<b>\$44.2</b>
<b><i>Inter-agency Subsidy Transactions</i></b>						
MTA Subsidy to Subsidiaries	(\$21.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>GROSS SUBSIDIES</b>	<b>\$4.2</b>	<b>\$35.3</b>	<b>\$37.1</b>	<b>\$32.8</b>	<b>\$41.7</b>	<b>\$44.2</b>

# MTA HEADQUARTERS SUBSIDY ALLOCATION

## November Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Subsidies</b>						
<b>Dedicated Taxes</b>						
<u>Mortgage Recording Tax-1</u>						
Net Receipts After Agency Transfers	\$187.4	\$252.8	\$275.7	\$301.9	\$318.1	\$328.3
<u>Adjustments to MRT-1</u>						
Diversion of MRT to Suburban Counties	0.0	0.0	0.0	0.0	0.0	0.0
Carryover/Opening Balances/Interest	0.0	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	<u>111.0</u>	<u>94.4</u>	<u>70.2</u>	<u>59.3</u>	<u>53.3</u>	<u>49.9</u>
Adjustments to MRT-1	\$111.0	\$94.4	\$70.2	\$59.3	\$53.3	\$49.9
<b>Net Available MRT-1 Funds for MTA HQ</b>	<b>\$298.4</b>	<b>\$347.3</b>	<b>\$345.9</b>	<b>\$361.2</b>	<b>\$371.3</b>	<b>\$378.3</b>
<b>Net Funding of MTA Headquarters</b>	<b>\$298.4</b>	<b>\$347.3</b>	<b>\$345.9</b>	<b>\$361.2</b>	<b>\$371.3</b>	<b>\$378.3</b>
<u>Mortgage Recording Tax - 2</u>						
Net Receipts	\$92.5	\$111.8	\$124.9	\$136.0	\$139.9	\$141.7
<u>Adjustments to MRT-2</u>						
Funding of General Reserve	\$0.0	\$0.0	(\$135.0)	(\$140.0)	(\$145.0)	(\$150.0)
Diversion of MRT to Suburban Counties	(1.8)	(2.4)	(3.6)	(4.8)	(5.5)	(5.4)
Investment Income	4.3	4.5	4.7	4.9	5.1	5.3
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>(111.0)</u>	<u>(94.4)</u>	<u>(70.2)</u>	<u>(59.3)</u>	<u>(53.3)</u>	<u>(49.9)</u>
	<b>(\$143.4)</b>	<b>(\$127.3)</b>	<b>(\$239.1)</b>	<b>(\$234.2)</b>	<b>(\$233.5)</b>	<b>(\$234.9)</b>
<b>Unallocated MRT-2 Receipts</b>	<b>(\$51.0)</b>	<b>(\$15.4)</b>	<b>(\$114.2)</b>	<b>(\$98.2)</b>	<b>(\$93.6)</b>	<b>(\$93.2)</b>

**MTA BUS COMPANY SUBSIDY ALLOCATION**  
**November Financial Plan 2014-2017**  
**Cash Basis**  
(\$ in millions)

	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b><u>Subsidies</u></b>						
City Subsidy to MTA Bus Company	\$290.0	\$371.5	\$389.5	\$414.4	\$397.1	\$414.6

**MTA BRIDGES & TUNNELS**  
**November Financial Plan 2014-2017**  
**Surplus Transfer**  
(\$ in millions)

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<b>Net Surplus/(Deficit)</b>	<b>\$1,130.757</b>	<b>\$1,220.812</b>	<b>\$1,195.263</b>	<b>\$1,180.990</b>	<b>\$1,175.567</b>	<b>\$1,163.221</b>

**Deductions from Net Operating Income:**

Total Debt Service	591.453	578.888	617.559	631.859	650.466	677.229
Capitalized Assets	11.251	17.165	17.843	17.849	20.635	21.056
Reserves	27.965	25.415	25.895	26.382	26.881	27.338
GASB Reserves	2.309	3.077	3.234	3.357	3.551	3.757
<b>Total Deductions from Net Operating Income</b>	<b>\$632.978</b>	<b>\$624.545</b>	<b>\$664.532</b>	<b>\$679.447</b>	<b>\$701.533</b>	<b>\$729.380</b>
<b>Net Income Available for Transfer to MTA and NYCT</b>	<b>\$497.779</b>	<b>\$596.267</b>	<b>\$530.731</b>	<b>\$501.543</b>	<b>\$474.034</b>	<b>\$433.842</b>

**Distribution of Funds to MTA:**

Investment Income in Current Year	\$0.136	\$0.110	\$0.162	\$0.737	\$2.180	\$2.866
Accrued Current Year Allocation	308.424	358.049	321.717	306.818	292.469	272.689
<b>Total Accrued Amount Distributed to MTA</b>	<b>\$308.560</b>	<b>\$358.159</b>	<b>\$321.878</b>	<b>\$307.555</b>	<b>\$294.649</b>	<b>\$275.555</b>

**Distribution of Funds to NYCT:**

First \$24 million of Surplus reserved for NYCT	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000
Additional Accrued Current Year Allocation	165.219	214.108	184.853	169.988	155.384	135.286
<b>Total Accrued Amount Distributed to NYCT</b>	<b>\$189.219</b>	<b>\$238.108</b>	<b>\$208.853</b>	<b>\$193.988</b>	<b>\$179.384</b>	<b>\$159.286</b>

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

From Current Year Surplus	\$315.723	\$361.175	\$325.350	\$308.308	\$293.904	\$274.667
Investment Income in Prior Year	0.085	0.136	0.110	0.162	0.737	2.180
<b>Total Cash Amount Distributed to MTA</b>	<b>\$315.808</b>	<b>\$361.311</b>	<b>\$325.460</b>	<b>\$308.470</b>	<b>\$294.641</b>	<b>\$276.847</b>
<b>Total Cash Amount Distributed to NYCT</b>	<b>\$193.604</b>	<b>\$235.053</b>	<b>\$211.779</b>	<b>\$195.474</b>	<b>\$180.845</b>	<b>\$160.396</b>

**MTA BRIDGES & TUNNELS**  
**November Financial Plan 2014-2017**  
**Surplus Transfer**  
(\$ in millions)

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<b><u>Debt Service Detail by Agency:</u></b>						
B&T Own Purpose Debt Service	\$196.526	\$200.148	\$246.438	\$260.793	\$278.761	\$302.030
NYCT Transportation Debt Service	269.066	261.341	253.992	253.948	254.395	256.801
MTA Transportation Debt Service	125.861	117.399	117.129	117.118	117.310	118.398
<b>Total Debt Service by Agency</b>	<b>\$591.453</b>	<b>\$578.888</b>	<b>\$617.559</b>	<b>\$631.859</b>	<b>\$650.466</b>	<b>\$677.229</b>

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

Total Adjusted Net Income Available for Transfer	\$1,089.096	\$1,175.045	\$1,148.129	\$1,132.665	\$1,122.320	\$1,108.205
Less: B&T Total Debt Service	(196.526)	(200.148)	(246.438)	(260.793)	(278.761)	(302.030)
Less: first \$24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
<b>Remainder of Total Accrued Amount for Transfer</b>	<b>\$868.570</b>	<b>\$950.897</b>	<b>\$877.691</b>	<b>\$847.872</b>	<b>\$819.560</b>	<b>\$782.175</b>

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

<b><u>Distribution of Remainder to MTA</u></b>						
Fifty Percent of Total Accrued Amount for Transfer	\$434.285	\$475.449	\$438.845	\$423.936	\$409.780	\$391.087
Less: MTA Total Debt Service	(125.861)	(117.399)	(117.129)	(117.118)	(117.310)	(118.398)
<b>MTA's Accrued Current Year Allocation</b>	<b>\$308.424</b>	<b>\$358.049</b>	<b>\$321.717</b>	<b>\$306.818</b>	<b>\$292.469</b>	<b>\$272.689</b>
<b><u>Cash Conversion of MTA's Accrued Amount</u></b>						
Current Year Amount	\$269.493	\$322.244	\$289.545	\$276.136	\$263.222	\$245.420
Balance of Prior Year	46.231	38.931	35.805	32.172	30.682	29.247
<b>Cash Transfer to MTA</b>	<b>\$315.723</b>	<b>\$361.175</b>	<b>\$325.350</b>	<b>\$308.308</b>	<b>\$293.904</b>	<b>\$274.667</b>

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

<b><u>Distribution of Remainder to NYCT</u></b>						
Fifty Percent of Total Accrued Amount for Transfer	\$434.285	\$475.449	\$438.845	\$423.936	\$409.780	\$391.087
Less: NYCT Total Debt Service	(269.066)	(261.341)	(253.992)	(253.948)	(254.395)	(256.801)
Plus: first \$24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000	25.000
<b>NYCT's Accrued Current Year Allocation</b>	<b>\$189.219</b>	<b>\$238.108</b>	<b>\$208.853</b>	<b>\$193.988</b>	<b>\$179.384</b>	<b>\$159.286</b>
<b><u>Cash Conversion of NYCT's Accrued Amount</u></b>						
Current Year Amount	\$168.462	\$214.297	\$187.968	\$174.589	\$161.446	\$142.458
Balance of Prior Year	25.142	20.756	23.811	20.885	19.399	17.938
<b>Cash Transfer to NYCT</b>	<b>\$193.604</b>	<b>\$235.053</b>	<b>\$211.779</b>	<b>\$195.474</b>	<b>\$180.845</b>	<b>\$160.396</b>

SUMMARY  
**MTA STATEN ISLAND RAILWAY**  
**2013 NOVEMBER FINANCIAL PLAN**  
**2014-2017**  
(\$ in millions)

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<b><u>Revenue Summary:</u></b>						
Farebox Revenue	\$5.4	\$5.5	\$5.7	\$5.8	\$5.9	\$5.9
Other Revenue	2.3	4.2	4.1	2.4	2.4	2.4
State/City Subsidies	4.2	4.6	4.7	4.9	5.1	5.2
<b>Total Revenue Before MTA Subsidy</b>	<b>\$11.9</b>	<b>\$14.3</b>	<b>\$14.6</b>	<b>\$13.1</b>	<b>\$13.3</b>	<b>\$13.5</b>
<b><u>Non-Reimbursable Expense Summary:</u></b>						
Labor Expenses	\$31.0	\$32.1	\$30.0	\$29.0	\$30.9	\$32.9
Non-Labor Expenses	8.8	14.2	12.3	20.5	21.2	22.1
Depreciation	8.9	8.6	8.3	8.3	8.3	8.3
OPEB Obligation	2.1	2.3	2.3	2.3	2.3	2.3
Environmental Remediation	(0.0)	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Reimbursable Expenses</b>	<b>\$50.7</b>	<b>\$57.3</b>	<b>\$52.9</b>	<b>\$60.1</b>	<b>\$62.7</b>	<b>\$65.6</b>
<b>Total Net Revenue/(Deficit)</b>	<b>(\$38.8)</b>	<b>(\$43.0)</b>	<b>(\$38.3)</b>	<b>(\$47.1)</b>	<b>(\$49.4)</b>	<b>(\$52.0)</b>
<b><u>Cash Adjustment Summary:</u></b>						
Operating Cash Adjustments	\$8.2	\$11.1	\$10.6	\$10.6	\$10.6	\$10.6
GASB Cash Adjustments	(0.1)	(0.5)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Total Cash Adjustments</b>	<b>\$8.1</b>	<b>\$10.6</b>	<b>\$10.4</b>	<b>\$10.4</b>	<b>\$10.4</b>	<b>\$10.4</b>
<b>Gross Cash Balance</b>	<b>(\$30.7)</b>	<b>(\$32.3)</b>	<b>(\$27.9)</b>	<b>(\$36.7)</b>	<b>(\$39.0)</b>	<b>(\$41.6)</b>
<b><u>City Subsidy Cash Adjustments:</u></b>						
Cash Balance Due from the City of New York	30.7	32.3	27.9	36.7	39.0	41.6
Cash Subsidy Received from City of New York for SIRTGA	21.1	30.7	32.3	27.9	36.7	39.0
Subsidy Cash Timing	(\$9.6)	(\$1.6)	\$4.5	(\$8.8)	(\$2.3)	(\$2.6)
<b>Net Cash Balance from Previous Year</b>	<b>(21.1)</b>	<b>(30.7)</b>	<b>(32.3)</b>	<b>(27.9)</b>	<b>(36.7)</b>	<b>(39.0)</b>
<b>Baseline Net Cash Surplus/(Deficit)</b>	<b>(\$30.7)</b>	<b>(\$32.3)</b>	<b>(\$27.9)</b>	<b>(\$36.7)</b>	<b>(\$39.0)</b>	<b>(\$41.6)</b>
<b><u>MTA Internal Subsidy:</u></b>						
MTA Carryover from Previous Year	2.8	0.0	0.0	0.0	0.0	0.0
MTA Internal Subsidy (Cash)	(21.1)	0.0	0.0	0.0	0.0	0.0
<b>Baseline Net Cash Surplus/(Deficit)</b>	<b>(\$49.0)</b>	<b>(\$32.3)</b>	<b>(\$27.9)</b>	<b>(\$36.7)</b>	<b>(\$39.0)</b>	<b>(\$41.6)</b>

**SUMMARY**  
**MTA BUS COMPANY**  
**2013 NOVEMBER FINANCIAL PLAN**  
**2014-2017**  
(\$ in millions)

	<b>ACTUAL</b>	<b>FORECAST</b>				
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b><u>Revenue Summary:</u></b>						
Farebox Revenue	\$181.9	\$198.0	\$201.5	\$202.9	\$204.6	\$204.8
Other Revenue	19.3	26.6	26.3	20.2	20.6	20.9
<b>Total Revenue Before MTA Subsidy</b>	<b>\$201.2</b>	<b>\$224.6</b>	<b>\$227.7</b>	<b>\$223.1</b>	<b>\$225.1</b>	<b>\$225.8</b>
<b><u>Non-Reimbursable Expense Summary:</u></b>						
Labor Expenses	\$443.3	\$433.7	\$437.5	\$461.7	\$479.4	\$489.7
Non-Labor Expenses	98.9	138.3	142.2	185.7	185.2	171.6
Depreciation	45.8	42.2	42.2	42.2	42.2	42.9
OPEB Obligation	99.6	56.3	56.9	57.7	58.3	59.2
Environmental Remediation	2.3	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Reimbursable Expenses</b>	<b>\$689.9</b>	<b>\$670.6</b>	<b>\$678.8</b>	<b>\$747.3</b>	<b>\$765.1</b>	<b>\$763.3</b>
<b>Total Net Revenue/(Deficit)</b>	<b>(\$488.7)</b>	<b>(\$446.0)</b>	<b>(\$451.1)</b>	<b>(\$524.2)</b>	<b>(\$540.0)</b>	<b>(\$537.6)</b>
<b><u>Cash Adjustment Summary:</u></b>						
Operating Cash Adjustments	\$133.5	\$57.8	\$119.6	\$111.5	\$112.4	\$114.1
GASB Cash Adjustments	(5.9)	(4.9)	(5.0)	(5.1)	(5.2)	(5.3)
<b>Total Cash Adjustment</b>	<b>\$127.6</b>	<b>\$52.9</b>	<b>\$114.6</b>	<b>\$106.4</b>	<b>\$107.2</b>	<b>\$108.8</b>
<b>Gross Cash Balance</b>	<b>(\$361.0)</b>	<b>(\$393.1)</b>	<b>(\$336.4)</b>	<b>(\$417.8)</b>	<b>(\$432.8)</b>	<b>(\$428.8)</b>
<b><u>City Subsidy Cash Adjustments:</u></b>						
Cash Balance Due from the City of New York	\$361.0	\$393.1	\$336.4	\$417.8	\$432.8	\$428.8
Cash Subsidy Received from City of New York for MTA Bus	290.0	371.5	389.5	414.4	397.1	414.6
Subsidy Cash Timing	(71.1)	(21.6)	53.0	(3.4)	(35.7)	(14.2)
<b>Net Cash Balance from Previous Year</b>	<b>(\$28.4)</b>	<b>(\$99.5)</b>	<b>(\$121.1)</b>	<b>(\$68.0)</b>	<b>(\$71.4)</b>	<b>(\$107.1)</b>
<b>Baseline Net Cash Surplus/(Deficit)</b>	<b>(\$99.5)</b>	<b>(\$121.1)</b>	<b>(\$68.0)</b>	<b>(\$71.4)</b>	<b>(\$107.1)</b>	<b>(\$121.2)</b>

**MTA New York City Transit**  
**November Estimate 2014 - 2017**  
**Paratransit Operations**  
(\$ in thousands)

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>ADA Trips:</b>	6,753,067	7,341,540	7,928,863	8,563,172	9,248,226
<i>Pct Change from Previous Year</i>	-0.3%	8.7%	8.0%	8.0%	8.0%

<b>Revenue:</b>					
Fares	\$ 16,285	\$ 18,343	\$ 19,810	\$ 21,395	\$ 23,106
Urban Tax	35,213	35,565	39,277	42,927	45,770
<i>Sub-total</i>	\$ 51,498	\$ 53,907	\$ 59,087	\$ 64,321	\$ 68,876
City Reimbursements	127,480	141,404	148,802	165,889	191,058
<b>Total Revenue</b>	<b>\$ 178,977</b>	<b>\$ 195,311</b>	<b>\$ 207,889</b>	<b>\$ 230,210</b>	<b>\$ 259,935</b>

<b>Expenses:</b>					
Operating Expenses:					
Salaries & Benefits	\$ 17,766	\$ 21,737	\$ 21,737	\$ 21,737	\$ 21,737
Rental & Miscellaneous	440,904	470,146	497,520	554,014	634,077
<b>Total Expenses</b>	<b>\$ 458,670</b>	<b>\$ 491,883</b>	<b>\$ 519,257</b>	<b>\$ 575,751</b>	<b>\$ 655,814</b>

<b>Net Paratransit Surplus/(Deficit)</b>	<b>\$ (279,693)</b>	<b>\$ (296,571)</b>	<b>\$ (311,368)</b>	<b>\$ (345,541)</b>	<b>\$ (395,879)</b>
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	<b>Paratransit Details</b>				
<b>Total Paratransit Reimbursement:</b>	<b>\$ 162,693</b>	<b>\$ 176,969</b>	<b>\$ 188,079</b>	<b>\$ 208,816</b>	<b>\$ 236,828</b>
Urban Tax	\$ 35,213	\$ 35,565	\$ 39,277	\$ 42,927	\$ 45,770
City Reimbursements	127,480	141,404	148,802	165,889	191,058

**Rental & Miscellaneous Expense:**

*Paratransit Service Contracts*

Carrier Services	\$ 338,161	\$ 357,936	\$ 373,699	\$ 415,496	\$ 481,063
Command Center	22,192	26,066	28,676	31,511	34,588
Eligibility Certification	3,270	3,701	4,100	4,550	5,050
Other	4,702	5,031	5,031	5,031	5,031
<b>Subtotal</b>	<b>\$ 368,326</b>	<b>\$ 392,734</b>	<b>\$ 411,506</b>	<b>\$ 456,589</b>	<b>\$ 525,733</b>

*Other Than Personnel Service:*

Insurance	34,903	37,451	43,992	52,264	62,082
Fuel	22,501	22,253	23,192	25,323	28,110
Other	13,993	16,496	17,620	18,628	16,942
<b>Subtotal</b>	<b>\$ 71,396</b>	<b>\$ 76,200</b>	<b>\$ 84,803</b>	<b>\$ 96,215</b>	<b>\$ 107,134</b>

<i>Non-City Reimbursable OTPS:</i>	<b>\$ 1,182</b>	<b>\$ 1,211</b>	<b>\$ 1,211</b>	<b>\$ 1,210</b>	<b>\$ 1,210</b>
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<b>Total Rental &amp; Miscellaneous Expense</b>	<b>\$ 440,904</b>	<b>\$ 470,146</b>	<b>\$ 497,520</b>	<b>\$ 554,014</b>	<b>\$ 634,077</b>
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<b>Annual Growth in Total Expenses</b>	<b>4.8%</b>	<b>7.2%</b>	<b>5.6%</b>	<b>10.9%</b>	<b>13.9%</b>
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## **Debt Service**

## Debt Service in the Financial Plan

The following table includes debt service projections for 2013 through 2017 associated with *approved* Capital Programs excluding the Disaster Recovery Program (Sandy). The overall favorable debt service variance for the period from 2013 through 2017 period against the July 2013 Financial Plan is largely reflective of the projected capital cash flow timing and low short-term rates on outstanding variable rate debt, offset by the increased interest rates.

Debt Service Forecast (in millions)*			
Year	July Plan Debt Service	November Plan Debt Service	Difference Favorable (Unfavorable)
2013	\$2,223	\$2,191	\$32
2014	2,390	2,393	-3
2015	2,505	2,481	23
2016	2,697	2,642	55
2017	2,880	2,818	62
<b>Total 2013-2017</b>	<b>\$12,695</b>	<b>\$12,525</b>	<b>\$170</b>

\*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*	2013	2014	2015	2016	2017
(\$ in millions)					
TR and DTF New Money Bonds	\$1,799	\$1,793	\$1,938	\$1,972	\$2,067
TBTA New Money Bonds	<u>200</u>	<u>166</u>	<u>248</u>	<u>285</u>	<u>334</u>
Total New Money Bonds	\$1,999	\$1,959	\$2,186	\$2,256	\$2,401
Assumed Fixed-Rates					
Transportation Revenue Bonds	5.48%	5.66%	5.81%	5.92%	5.97%
Dedicated Tax Fund Bonds	5.16%	5.33%	5.48%	5.58%	5.62%
Triborough Bridge & Tunnel Authority	5.16%	5.33%	5.48%	5.58%	5.62%
Assumed Variable Rates					
	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates <sup>1</sup>					
Transportation Revenue Bonds	5.33%	5.49%	5.63%	5.73%	5.77%
Dedicated Tax Fund Bonds	5.04%	5.20%	5.33%	5.42%	5.46%
Triborough Bridge & Tunnel Authority	5.04%	5.20%	5.33%	5.42%	5.46%

\* TR stands for Transportation Revenue; DTF stands for Dedicated Tax Fund. 2013 New Money Bonds include \$1.5 billion of TR New Money Bonds and \$200 million of TBTA New Money Bonds issued through October 15, 2013.

<sup>1</sup> Weighted Average of fixed and variable forecasted rates calculated.

- 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 2013–2017 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of October 1, 2013).
- 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.
- 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.
- Assumes Transportation Revenue Bonds are issued to fund a portion of the East Side Access project costs ultimately expected to be funded by the Railroad Rehabilitation and Improvement Financing (RRIF) loan.
- All bonds issued to finance TBTA capital projects issued under the TBTA General Revenue Resolution.
- Assumes \$354 million of pay-go funding committed to capital during the 2013-2017 forecast period.
- In 2013, 2 Broadway Certificates of Participation Debt Service is partially offset by approximately \$1.1 million debt service reserve fund release.
- Build America Bonds subsidy has been reduced by 7.2% annually through and including Federal Fiscal Year 2021 reflecting the sequester reduction for payments to issuers of direct pay bonds.
- No reserve funds.

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**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Summary of Total Budgeted Debt Service**

(\$ in millions)

Line Number		FORECAST				
		2012	2013	2014	2015	2017
9	<b><u>New York City Transit:</u></b>					
10						
11	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$688.894	\$755.165	\$812.411	\$784.517	\$789.531
12	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.652	32.842	85.387	209.317
13	2 Broadway Certificates of Participation - NYCT Lease Portion	4.648	12.335	17.727	19.775	21.180
14	Transportation Resolution Commercial Paper	0.851	3.965	13.259	13.259	13.259
15	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	318.492	309.371	324.262	315.970	319.390
16	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	8.070	25.012	54.942
17	<i>Sub-Total MTA Paid Debt Service</i>	\$1,012.885	\$1,081.487	\$1,208.570	\$1,243.920	\$1,417.619
18						
19	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$193.100	\$190.653	\$180.413	\$180.789	\$181.806
20	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	81.085	70.688	73.580	73.323	75.343
21	<i>Sub-Total B&amp;T Paid Debt Service</i>	\$274.185	\$261.341	\$253.992	\$254.112	\$257.150
22						
23						
24						
25						
26	<b><u>Total NYCT Debt Service</u></b>	<b>\$1,287.070</b>	<b>\$1,342.828</b>	<b>\$1,462.562</b>	<b>\$1,498.032</b>	<b>\$1,674.769</b>
27	<b><u>Commuter Railroads:</u></b>					
28						
29	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$445.835	\$471.276	\$506.087	\$488.711	\$490.694
30	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	1.028	40.596	99.810	159.702
31	Transportation Resolution Commercial Paper	0.453	2.490	8.575	8.575	8.575
32	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	68.393	66.402	67.774	66.041	66.537
33	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	0.000	0.000	0.000
34	<i>Sub-Total MTA Paid Debt Service</i>	\$514.681	\$541.196	\$623.032	\$663.137	\$781.773
35						
36	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$86.431	\$86.342	\$84.801	\$84.978	\$85.456
37	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	35.625	31.057	32.328	32.215	33.103
38	<i>Sub-Total B&amp;T Paid Debt Service</i>	\$122.056	\$117.399	\$117.129	\$117.193	\$118.559
39						
40						
41	<b><u>Bridges and Tunnels:</u></b>					
42						
43	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$168.730	\$174.686	\$217.749	\$218.204	\$219.432
44	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	32.030	27.923	29.065	28.964	29.762
45	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	5.528	19.416	58.631
46	2 Broadway Certificates of Participation - TBTA Lease Portion	0.657	1.744	2.507	2.796	2.995
47						
48	<b><u>Total B&amp;T Debt Service</u></b>	<b>\$201.417</b>	<b>\$204.353</b>	<b>\$254.849</b>	<b>\$269.380</b>	<b>\$310.819</b>
49						
50	<b><u>MTA Bus:</u></b>					
51						
52	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$28.454	\$27.442	\$22.400	\$21.631	\$21.769
53	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	0.000	0.000	0.000
54	Transportation Resolution Commercial Paper	0.214	0.206	0.166	0.166	0.166
55						
56	<b><u>Total MTA Bus Debt Service</u></b>	<b>\$28.668</b>	<b>\$27.647</b>	<b>\$22.566</b>	<b>\$21.797</b>	<b>\$21.935</b>
57						
58	<b><u>Total MTA HQ Debt Service for 2 Broadway Certificates of Participation</u></b>	<b>\$0.638</b>	<b>\$1.692</b>	<b>\$2.432</b>	<b>\$2.713</b>	<b>\$2.906</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Summary of Total Budgeted Debt Service**

(\$ in millions)

Line Number		FORECAST				
		ACTUAL 2012	2013	2014	2015	2017
59	<b>MTA Total:</b>					
60						
61	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$1,163.183	\$1,253.883	\$1,340.898	\$1,294.859	\$1,300.113
62	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	386.885	375.773	392.036	382.011	384.882
63	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	448.261	451.680	482.963	483.971	483.988
64	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	148.740	129.669	134.973	134.501	135.626
65	2 Broadway Certificates of Participation	5.942	15.771	22.666	25.285	23.785
66	Transportation Resolution Commercial Paper	1.519	6.660	22.000	22.000	22.000
67	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	1.680	73.437	185.197	303.085
68	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	8.070	25.012	43.701
69	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	5.528	19.416	37.483
70						
71	<b>Total Debt Service</b>	<b>\$2,154.530</b>	<b>\$2,235.116</b>	<b>\$2,482.570</b>	<b>\$2,572.251</b>	<b>\$2,734.665</b>
72						
73	<b>MTA Investment Income by Resolution</b>					
74						
75	Investment Income from Transportation Debt Service Fund	\$0.000	\$0.000	\$0.000	(\$0.925)	(\$2.159)
76	Investment Income from Dedicated Tax Fund Debt Service Fund	0.000	0.000	0.000	(0.254)	(0.564)
77	Investment Income from TBTA (B&T) General Revenue Debt Service Fund	0.000	0.000	0.000	(0.315)	(0.682)
78	Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund	0.000	0.000	0.000	(0.084)	(0.173)
79	Investment Income from 2 Broadway Certificates of Participation Debt Service Fund	0.000	0.000	0.000	(0.016)	(0.034)
80						
81	<b>Total MTA Investment Income</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$1.594)</b>	<b>(\$3.391)</b>
82						
83	<b>MTA Net Total</b>					
84						
85	Net Transportation Revenue Bonds Debt Service	\$1,163.183	\$1,255.563	\$1,414.335	\$1,479.131	\$1,601.194
86	Transportation Resolution Commercial Paper	1.519	6.660	22.000	22.000	22.000
87	Net Dedicated Tax Fund Bonds Debt Service	386.885	375.773	400.106	406.768	428.048
88	Net TBTA (B&T) General Revenue Bonds Debt Service	448.261	451.680	488.490	503.072	520.820
89	Net TBTA (B&T) Subordinate Revenue Bonds Debt Service	148.740	129.669	134.973	134.417	135.457
90	Net 2 Broadway Certificates of Participation Debt Service	5.942	15.771	22.666	25.269	23.755
91	BAB Subsidy Transportation Revenue Bonds	(58.703)	(27.238)	(54.477)	(54.477)	(54.477)
92	BAB Subsidy Dedicated Tax Fund Bonds	(28.369)	(13.163)	(26.326)	(26.326)	(26.326)
93	BAB Subsidy TBTA General Revenue Bonds	(9.063)	(4.205)	(8.411)	(8.411)	(8.411)
94						
95	<b>Total MTA Net Debt Service</b>	<b>\$2,058.395</b>	<b>\$2,190.509</b>	<b>\$2,393.356</b>	<b>\$2,481.444</b>	<b>\$2,642.060</b>
						<b>\$2,818.084</b>

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## **Debt Service Affordability Statement**

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**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Debt Affordability Statement <sup>(1)</sup>**

\$ in millions

Forecasted Debt Service and Borrowing Schedule			Notes	2012 ACTL	2013	2014	2015	2016	2017
Combined MTA/TBTA Forecasted Debt Service Schedule			1, 2, 3	\$2,052.5	\$2,174.7	\$2,370.7	\$2,456.2	\$2,618.3	\$2,791.0
Forecasted New Money Bonds Issued			4	2,184.9	1,998.6	1,958.9	2,185.9	2,256.4	2,400.6
Forecasted Debt Service by Credit <sup>9</sup>			Notes	2012 ACTL	2013	2014	2015	2016	2017
Transportation Revenue Bonds			5	\$10,773.0	\$11,936.4	\$11,999.7	\$12,223.4	\$12,459.8	\$12,676.0
Pledged Revenues				1,106.0	1,235.0	1,381.9	1,446.7	1,568.7	1,692.6
Debt Service as a % of Pledged Revenues				10%	10%	12%	12%	13%	13%
Dedicated Tax Fund Bonds									
Pledged Revenues			6	\$599.5	\$593.1	\$609.5	\$614.1	\$617.5	\$619.0
Debt Service				358.5	362.6	373.8	380.4	401.7	424.2
Debt Service as a % of Pledged Revenues				60%	61%	61%	62%	65%	69%
Triborough Bridge and Tunnel Authority General Revenue Bonds			7	\$1,089.1	\$1,175.0	\$1,148.1	\$1,132.7	\$1,122.3	\$1,108.2
Pledged Revenues				439.2	447.5	480.1	494.7	512.4	536.2
Debt Service as a % of Total Pledged Revenues				40%	38%	42%	44%	46%	48%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds			8	\$649.9	\$727.6	\$668.0	\$638.0	\$609.9	\$572.0
Pledged Revenues				148.7	129.7	135.0	134.4	135.5	138.0
Debt Service as a % of Total Pledged Revenues				23%	18%	20%	21%	22%	24%
Cumulative Debt Service (Excluding State Service Contract Bonds)			Notes	2012 ACTL	2013	2014	2015	2016	2017
Total Debt Service				\$2,052.5	\$2,174.7	\$2,370.7	\$2,456.2	\$2,618.3	\$2,791.0
Fare and Toll Revenues				\$6,570.1	\$7,112.3	\$7,295.4	\$7,370.5	\$7,452.1	\$7,490.0
Total Debt Service as a % of Fare and Toll Revenue				31%	31%	32%	33%	35%	37%
Operating Revenues (including Fare and Toll Revenues) and Subsidies				\$12,625.8	\$13,781.3	\$13,990.5	\$14,353.5	\$14,698.8	\$14,975.9
Total Debt Service as a % of Operating Revenues and Subsidies				16%	16%	17%	17%	18%	19%
Non-reimbursable Expenses with Non-Cash Liabilities				\$14,215.9	\$14,762.5	\$15,426.4	\$16,022.2	\$16,609.8	\$17,349.1
Total Debt Service as % of Non-reimbursable Expenses				14%	15%	15%	15%	16%	16%

Notes on the following page are integral to this table.

## Notes

- 1 Unhedged tax-exempt variable rate debt reflects actual rates through September 2012, 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 2012 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 DTF pledged revenue figures above, the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Transportation Operating Assistance Account for the benefit of the MTA are also pledged. After the payment of debt service on the MTA Dedicated Tax Fund Bonds, these subsidies are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRT OA.
- 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

- <sup>(1)</sup> Revenue and expense numbers do not include the impact of those items listed as part of the below-the-line adjustments on the financial schedules.

# METROPOLITAN TRANSPORTATION AUTHORITY (including Triborough Bridge and Tunnel Authority)

## Total Budgeted Annual Debt Service

All Issuance to October 15, 2013 (\$ in millions)

Fiscal Year	Transportation Revenue Resolution			Dedicated Tax Fund Resolution			TBTA General Revenue Resolution			TBTA Subordinate Resolution			MTA and TBTA Debt Service		
	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined
2013	1,233.3	1.7	1,235.0	362.6	-	362.6	447.5	-	447.5	129.7	-	129.7	2,173.1	1.7	2,174.7
2014	1,308.4	73.4	1,381.9	365.7	8.1	373.8	474.6	5.5	480.1	135.0	-	135.0	2,283.7	87.0	2,370.7
2015	1,282.4	185.2	1,467.6	355.7	25.0	380.7	475.6	19.4	495.0	134.5	-	134.5	2,228.1	229.6	2,457.8
2016	1,267.6	303.1	1,570.7	358.6	43.7	402.3	475.6	37.5	513.1	135.6	-	135.6	2,237.4	384.3	2,621.7
2017	1,270.8	423.9	1,694.7	359.8	64.9	424.8	478.3	58.6	536.9	138.2	-	138.2	2,247.1	547.5	2,794.6
2018	1,272.2	529.9	1,802.0	358.3	84.4	442.7	475.6	80.5	556.1	136.5	-	136.5	2,242.5	694.8	2,937.3
2019	1,268.4	574.4	1,842.7	352.6	92.5	445.1	472.2	98.3	570.5	136.5	-	136.5	2,229.6	765.2	2,994.8
2020	1,266.8	574.4	1,841.2	354.3	92.5	446.7	472.6	110.0	582.6	135.8	-	135.8	2,229.6	776.8	3,006.4
2021	1,263.5	574.4	1,837.9	351.6	92.5	444.1	469.7	116.2	585.9	136.5	-	136.5	2,221.4	783.0	3,004.5
2022	1,255.4	574.4	1,829.8	347.3	92.5	439.7	473.3	118.5	591.8	136.0	-	136.0	2,212.0	785.3	2,997.3
2023	1,270.9	574.4	1,845.2	350.1	92.5	442.6	466.8	119.0	585.8	136.6	-	136.6	2,224.4	785.8	3,010.2
2024	1,272.5	574.4	1,846.8	349.5	92.5	442.0	461.8	119.1	580.9	136.7	-	136.7	2,220.4	785.9	3,006.4
2025	1,277.6	574.4	1,851.9	349.5	92.5	441.9	461.5	119.1	580.6	136.7	-	136.7	2,225.2	785.9	3,011.1
2026	1,317.4	574.4	1,891.8	346.7	92.5	439.1	460.7	119.1	579.8	136.9	-	136.9	2,261.6	785.9	3,047.5
2027	1,316.8	574.4	1,891.2	339.6	92.5	432.1	464.0	119.1	583.1	136.9	-	136.9	2,257.4	785.9	3,043.3
2028	1,311.1	574.4	1,885.5	348.2	92.5	440.6	475.8	119.1	594.8	137.2	-	137.2	2,272.2	785.9	3,058.1
2029	1,296.2	574.4	1,870.6	346.4	92.5	438.9	474.9	119.1	594.0	137.1	-	137.1	2,254.7	785.9	3,040.6
2030	1,299.5	574.4	1,873.9	345.3	92.5	437.8	477.1	119.1	596.2	137.3	-	137.3	2,259.3	785.9	3,045.2
2031	1,310.9	574.4	1,885.3	342.7	92.5	435.2	494.6	119.1	613.7	130.6	-	130.6	2,278.8	785.9	3,064.7
2032	1,239.1	574.4	1,813.5	347.1	92.5	439.6	419.5	119.1	538.6	77.4	-	77.4	2,083.2	785.9	2,869.1
2033	955.5	574.4	1,529.9	333.8	92.5	426.3	220.0	119.1	339.1	-	-	-	1,509.3	785.9	2,295.3
2034	956.3	574.4	1,530.6	182.8	92.5	275.2	230.9	119.1	350.0	-	-	-	1,369.9	785.9	2,155.8
2035	929.5	574.4	1,503.9	131.3	92.5	223.7	260.8	119.1	379.9	-	-	-	1,321.6	785.9	2,107.5
2036	747.1	574.4	1,321.5	146.0	92.5	238.5	254.6	119.1	373.7	-	-	-	1,147.8	785.9	1,933.7
2037	716.2	574.4	1,290.6	334.1	92.5	426.5	255.5	119.1	374.6	-	-	-	1,305.8	785.9	2,091.7
2038	662.1	574.4	1,236.4	322.8	92.5	415.2	234.2	119.1	353.3	-	-	-	1,219.0	785.9	2,004.9
2039	595.6	574.4	1,169.9	271.3	92.5	363.8	79.8	119.1	188.9	-	-	-	946.7	785.9	1,732.7
2040	492.6	574.4	1,067.0	29.9	92.5	122.4	37.0	119.1	156.1	-	-	-	559.5	785.9	1,345.5
2041	344.1	574.4	918.5	-	92.5	92.5	17.1	119.1	136.2	-	-	-	361.2	785.9	1,147.1
2042	281.4	574.4	855.8	-	92.5	92.5	15.4	119.1	134.4	-	-	-	296.8	785.9	1,082.7
2043	144.7	564.3	709.0	-	92.5	92.5	2.9	119.1	122.0	-	-	-	147.6	775.8	923.5
2044	42.8	500.9	543.7	-	84.4	84.4	-	113.6	113.6	-	-	-	42.8	698.9	741.7
2045	42.8	389.2	432.0	-	67.5	67.5	-	99.7	99.7	-	-	-	42.8	556.3	599.1
2046	41.4	271.3	312.6	-	48.8	48.8	-	81.6	81.6	-	-	-	41.4	401.6	443.0
2047	29.9	150.4	180.3	-	27.5	27.5	-	60.5	60.5	-	-	-	29.9	238.4	268.3

### Notes:

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

Includes interest budgeted for Transportation Revenue Commercial Paper.

Forecasted Investment Income is not included above.

Net of Build America Bonds subsidy.

### Addendum to MTA Debt Affordability Statement

## **Positions (Headcount)**

## POSITIONS (Headcount)

The information contained in this section presents MTA headcount by Agency, function, occupational group and various other reporting categories. Analysis of these numbers is provided on both a plan-to-plan and a year-to-year basis. The changes in headcount described therein are reflective of the MTA-wide commitment to improve service as well as maintain, expand and integrate the MTA Network. To that end, the November Plan reflects the strategic reallocation of resources with reductions in areas where operations can be made more efficient while also adding positions where more personnel are required.

The MTA continues to benefit from headcount reductions taken in 2010 which resulted in a 15% administrative reduction at the Agencies (20% at Headquarters). However, non-administrative positions are being added in all years of the financial plan primarily for long-term restoration and mitigation projects resulting from Superstorm Sandy (Sandy), critical operational and maintenance needs for service investments that were approved by the MTA Board in July, 2012, and to maintain employee and customer safety. These “New Needs” are referenced on the following pages and detailed in Agency sections.

<b>METROPOLITAN TRANSPORTATION AUTHORITY</b> <b>November Financial Plan 2014-2017</b> Favorable/(Unfavorable)					
<b>Total Position Changes at a Glance</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2013 July Plan - Total Baseline Positions</b>	<b>67,440</b>	<b>67,651</b>	<b>67,809</b>	<b>67,851</b>	<b>68,362</b>
Total Plan-to-Plan Changes	66	(592)	(459)	(368)	(212)
<b>2013 November Plan - Total Baseline Positions</b>	<b>67,374</b>	<b>68,243</b>	<b>68,268</b>	<b>68,219</b>	<b>68,574</b>
Total Year-to-Year Changes, November Plan		(869)	(25)	49	(355)
<b>Total Plan-to-Plan Changes by Reporting Category:</b>					
<i>Non-Reimbursable</i>	91	(273)	(175)	(149)	(128)
<i>Reimbursable</i>	(25)	(319)	(284)	(219)	(84)
<b>Total</b>	<b>66</b>	<b>(592)</b>	<b>(459)</b>	<b>(368)</b>	<b>(212)</b>
<i>Full-Time</i>	66	(591)	(458)	(367)	(211)
<i>Full-Time Equivalents</i>	0	(1)	(1)	(1)	(1)
<b>Total</b>	<b>66</b>	<b>(592)</b>	<b>(459)</b>	<b>(368)</b>	<b>(212)</b>
<i>By Function Category</i>					
- Administration	32	0	(8)	(23)	(23)
- Operations	67	56	234	249	371
- Maintenance	(28)	(638)	(650)	(573)	(539)
- Engineering/Capital	(6)	16	(9)	5	5
- Public Safety	1	(26)	(26)	(26)	(26)
<b>Total</b>	<b>66</b>	<b>(592)</b>	<b>(459)</b>	<b>(368)</b>	<b>(212)</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	(41)	(202)	(141)	(128)	(108)
- Professional, Technical, Clerical	(22)	(33)	(58)	(70)	(70)
- Operational Hourlies	129	(357)	(260)	(170)	(34)
<b>Total</b>	<b>66</b>	<b>(592)</b>	<b>(459)</b>	<b>(368)</b>	<b>(212)</b>
<b>Total Plan-to-Plan Changes by Major Category:</b>					
<i>2013 BRPs</i>	0	0	0	0	0
<i>New Needs</i>	(26)	(121)	(136)	(116)	(97)
<i>Change in Reimbursable Positions</i>	(25)	(319)	(284)	(219)	(84)
<i>Re-estimates &amp; All Other <sup>1</sup></i>	117	(152)	(39)	(33)	(31)
<b>Total</b>	<b>66</b>	<b>(592)</b>	<b>(459)</b>	<b>(368)</b>	<b>(212)</b>

<sup>1</sup> Includes Full-time Equivalents

## **Year-to-Year Position Changes**

### **2014 vs. 2013**

Consolidated 2014 baseline positions are 68,243, a total increase of 869 positions from the 2013 level. This is primarily due to:

- NYCT - total positions increase by 593 positions, reflecting a non-reimbursable increase of 501 positions and 92 reimbursable positions. The non-reimbursable increase is due mostly to service/platform budget adjustments, and normal budget increases. The Plan also reflects 18 non-reimbursable positions that were transferred to MTA Headquarters due to the centralization of the pension function at that agency. The reimbursable increase is due to revised capital project support requirements.
- MNR – net increases of 105 positions, including 68 non-reimbursable positions mainly reflect the addition of Maintenance of Way (MOW) and Train & Engineers (T&E) positions, and 37 reimbursable Operation Services positions resulting from ongoing Sandy-related work.
- LIRR - net increases of 52 positions, reflecting an increase of 27 reimbursable, and 25 non-reimbursable positions, are primarily resulting from East Side Access readiness efforts.
- MTA Bus – net increases of 47 non-reimbursable positions mainly reflect the impact of revised platform guidelines, and efforts to increase bus operator employee availability, and training float.
- MTA Headquarters – net increases of 43 positions, include 32 additional non-reimbursable positions, 18 of which were transferred from NYCT as part of a consolidation of the pension function at HQ. Pension counselors and other related positions also add 11 reimbursable positions to this now centralized function.
- Staten Island Railway – net increases of 29 Sandy-related reimbursable positions will support ongoing repair and flood mitigation work.

Positions by Function increase between 2013 and 2014 and are mainly in the following areas:

- Maintenance increases by 790 positions, 417 of which occur at MNR and reflect the transfer-in of the Car Appearance Unit (CAU) from the Operations function; 345 position increases at NYCT to support Sandy-related recovery and resiliency efforts, and increased subway-related New Needs; and 31 additional positions at the LIRR.
- Operations increase by 35 positions, revealing the net impact of 310 additional positions at NYCT for on-going Sandy-related recovery and resiliency work and 40 positions at MTA Bus to support Platform Budget adjustments, partly offset by 333 fewer positions resulting from transferring the CAU to the Maintenance function from Operations.

## **2015 - 2017**

Total forecasted positions are 68,268 for 2015, an increase of 25 positions from 2014. Non-reimbursable positions increase by 223, while reimbursable positions decrease by 198. At the LIRR, non-reimbursable position increases of 249 attributable to the East Side Access ramp-up are partially offset by reimbursable decreases of 47 positions due to changes in project activity. MTA Bus increases of 78 non-reimbursable positions are mainly for revised assumptions impacting the service/platform budget adjustments and improved employee availability. MNR increases of 14 non-reimbursable positions reflect T&E positions needed to support the platform service plan. At NYCT, positions decrease by 273 positions, consisting of a reimbursable decrease of 151 positions and a non-reimbursable decrease of 122 positions. The reimbursable position reductions are mostly attributable to the projected completion of several capital projects, including the copper cable upgrade and the connective-oriented Ethernet project, while non-reimbursable position decreases are mostly due to training float adjustments partially offset by increases in SMS and the completion of the Public Address Customer Information Screen (PA/CIS) project.

Total forecasted positions are 68,219 in 2016, a decrease of 49 positions from 2015. NYCT position levels are reduced by 338 positions and include a non-reimbursable decrease of 92 positions and a reimbursable decrease of 246 positions. The non-reimbursable decrease is due mostly to reduced staffing required for Scheduled Maintenance System (SMS). Reimbursable position reductions are mostly due to the completion of Sandy-related work, which is projected to continue until mid-year 2016. Staten Island Railway decreases of 34 reimbursable positions reflect projected completion of Sandy-related support for repair and flood mitigation work. LIRR increases of 279 positions, including non-reimbursable position increases of 319 are attributable to East Side Access ramp-up work, partially offset by reimbursable decreases of 40 positions due to changes in project activity. MTA Headquarters' positions increase by 30, overall reflecting the impact of additional MTAPD positions needed for East Side Access.

In 2017, total forecasted positions of 68,574 reflect an increase of 355 positions from the prior year, primarily due to 218 additional non-reimbursable positions for East Side Access ramp-up work at the LIRR; 130 Positions at NYCT, including 259 non-reimbursable operating staff positions for the 2<sup>nd</sup> Avenue Subway partially offset by reimbursable position reductions of 129; 44 additional non-reimbursable positions at MTA Headquarters reflecting needs for police coverage in anticipation of the opening of East Side Access; partly offset by a reduction of 34 positions at MTA Bus, reflecting the completion of the Shop Overhaul Project.

## **November Plan vs. July Plan Position Changes**

### **2013**

Headcount of 67,374 positions reflects a decrease of 66 positions from the July Plan, primarily due to:

- NYCT – A net decrease of 71 positions, consisting of a non-reimbursable decrease of 105 positions and a reimbursable increase of 34 positions. Overtime was utilized in lieu of filling 66 non-reimbursable positions intended to support bus and subway platform/service changes and 52 Bus Shifters. This was partly offset by 13 additional non-reimbursable positions required for “A” Division service management at the Rail Control Center. Reimbursable increases include 23 positions for Subways Capital program support and a reforecast of platform budget service of 16 positions.
- MTA Headquarters increases by 11 non-reimbursable New Needs positions.

### **2014**

Headcount of 68,243 positions reflects an increase of 592 positions from the July Plan, mainly the result of:

- NYCT - increases of 398 positions consist of 222 additional reimbursable positions, including 100 in support of Sandy-related recovery and resiliency work, 71 positions for subways capital program support, 58 positions for subway car procurement support, 22 positions for signals modernizations, and 10 positions to support the Second Avenue Subway project. The non-reimbursable position increase of 176 positions includes 157 positions for training float, 60 positions for the 7 West Extension, 36 positions for select bus services, and 20 positions for FasTrack support. Those increases are partly offset by a reduction of 57 positions from availability/pay hour adjustments, 51 Bus Shifters, and 18 pension administration positions transferred to MTA HQ.
- Increases of 56 positions at MNR include an increase of 23 MOW positions mostly for the Infrastructure Improvement program, 11 positions in the Safety and Security Plan to enhance oversight of district safety requirements, strengthen fire prevention in GCT and enhance internal safety investigation capabilities, eight training positions to address increased regulatory and internal certification requirements for MOE and MOW employees, and seven additional positions to support GCT.
- Fifty-one additional non-reimbursable positions at MTA Bus to support its New Needs - Platform Budget staffing requirements.
- MTA Headquarters 44 position increase mainly consists of 33 non-reimbursable and 11 reimbursable positions due to the consolidation of the Pension function at the Agency and the MTA PD.
- Staten Island Railway increases reimbursable positions by 34 due to Sandy-related repair and flood mitigation work.

### 2015 - 2017

Headcount increases to 68,268 positions in 2015, decreases slightly to 68,219 positions in 2016, and increases to 68,574 positions in 2017, reflecting increases of 459, and 368 positions, respectively, from the July Plan. These unfavorable variances are mainly due to the following:

- NYCT increases by 211 positions, 135 positions and 13 positions in 2015, 2016, and 2017, respectively. These increases are primarily due to additional reimbursable positions of 214 positions in 2015, 148 positions in 2016, and 22 positions in 2017. The increased resources include support for Sandy-related recovery and resiliency initiatives (105 in 2015 and 120 in 2016), subway car work (56 in 2015 and 13 in 2016), the Subways Capital Program (44 in 2015 and 13 in 2016), and Signals modernizations (22 in 2015).
- MNR increases by 59 positions in 2015, 52 positions in 2016, and 47 positions in 2017. These increases include 23 MOW positions mainly to support the Infrastructure Improvement Plan, 11 positions to support the Safety & Security Plan, which will enhance oversight of district safety requirements, strengthen fire prevention in GCT, and improve internal safety investigation capabilities, 10 positions in the MOE department required to support the Positive Train Control reimbursable project, and seven positions in GCT. In 2016, changes in 2015 carry forward, but adjusted for 20 fewer MOW positions due to the completion of the Infrastructure Improvement Plan. In 2017, similarly, position assumptions from 2016 carry forward, partially offset by a decrease of five MOW positions due to the ramp down of Right-of-Way (ROW) clean-up efforts.
- MTA Bus increases of 67 non-reimbursable New Needs positions in 2015 and 2016, and 48 non-reimbursable positions in 2017 include the addition of 24 Platform Budget positions, 10 positions for Bus Operator Employee Availability and eight Bus Operator Training Float positions.
- LIRR increases by 45 positions in 2015, 71 positions in 2016, and 61 positions in 2017. Non-reimbursable positions increase by 29 positions in 2015, 30 in 2016, and 29 in 2017 due to initiatives begun in 2014. Reimbursable positions increase by 16 positions in 2015, 41 positions in 2016, and 32 in 2017 due to increased project activity.
- MTA Headquarters increases of 43 positions in each of the years 2015, 2016, and 2017 include 32 non-reimbursable and 11 reimbursable positions mainly the result of consolidating the Pension function at Headquarters from the Agencies.
- Staten Island Railway net increases of 34 reimbursable positions in the years 2014-2016 are needed to perform Sandy-related repair and flood mitigation work.

### **November Plan vs. Adopted Budget Position Changes**

#### 2013

Headcount of 67,374 positions reflects an increase of 768 positions from the February Adopted Budget primarily due to the following:

- NYCT – Positions increase by 391 mainly due to reimbursable changes in support of Sandy-related recovery and resiliency efforts.
- LIRR – Positions increase by 170 positions mainly for maintenance activities.
- B&T – Positions increase by 94 mostly for long-term restoration and mitigation projects resulting from Sandy-related efforts.
- MNR – Positions increase by 60 mainly for non-reimbursable track clean-up, Information Technology, and ongoing Sandy-related cleanup efforts.
- MTA Bus – Increase of 58 non-reimbursable positions is mainly to support service/platform budget adjustments.

#### 2014

Headcount of 68,243 positions reflects an increase of 1,658 positions from the February Plan.

- NYCT – Position increases of 1,133 positions is comprised of 505 reimbursable positions, 276 of which will support on-going Sandy-related recovery and resiliency efforts, July Plan New Needs of 221 positions, including 98 for SMS-R46 Life Extension, as well as 157 non-reimbursable positions for training float, and 231 additional positions to support operations.
- LIRR – Positions increase by 126 positions mainly due to reimbursable increases of 109 positions primarily driven by greater project activity.
- MNR – Position increases of 122 are comprised of 75 non-reimbursable positions, including 15 right-of-way track cleanup positions, 15 Information Technology positions; and 47 reimbursable positions, including 24 positions to support Sandy-related cleanup efforts.
- MTA Bus – Positions increase by 116 non-reimbursable positions mainly for service/platform budget adjustments and to improve employee availability.
- SIR – Positions increase by 34 reimbursable Sandy-related positions to perform repairs and flood mitigation work.
- MTA HQ – Positions increase by 33 positions mainly due to the consolidation of the Pension function at the Agency.

#### 2015 and 2016

Headcount increases to 68,268 positions in 2015, and 68,219 positions in 2016, reflecting increases of 1,459 and 1,186 positions, respectively, from the February Plan.

These unfavorable variances are mainly due to:

- NYCT – Positions increase by 916 in 2015 and 686 in 2016. Non-reimbursable positions increase by 482 and 485 in 2015 and 2016, respectively, mainly due to operations and maintenance support requirements. Reimbursable positions increase by 434 and 201 in 2015 and 2016, respectively, reflecting ongoing Sandy recovery and resiliency work in 2015, and subway car procurement support in 2016.
- LIRR – Positions increase by 132 in 2015 and 120 in 2016 reflecting increased project activity.

- MTA Bus – Positions increase by 126 in 2015 and 136 in 2016 mainly for service/platform budget adjustments and to improve employee availability.
- MNR – Positions increase by 125 in 2015 and 118 in 2016. Position changes reflect a continuation of prior years' initiatives.
- MTA Headquarters increases of 32 positions in 2015 and 2016 were mainly due to the consolidation of the Pension function at the Agency.
- B&T – Positions increase by 94 in 2015 and 94 in 2016. Position changes reflect a continuation of prior years' initiatives.
- SIR – Positions increase by 34 in 2015 only, and reflects Staten Island Railway increases of 34 Sandy reimbursable support positions.

## New Needs

Programmatic changes referred to earlier and explained further in Agency sections address MTA's need to carry out long-term restoration and mitigation projects resulting from Sandy, critical system maintenance work, and either commence or continue programmatic efforts that will improve equipment, safety and reliability of service. These New Needs result in increases of 26 positions in 2013, 121 positions in 2014, 136 positions in 2015, 116 positions in 2016, and 97 positions in 2017. Major New Needs are listed in the following table:

<b>METROPOLITAN TRANSPORTATION AUTHORITY</b> <b>November Financial Plan 2014-2017</b> Favorable/(Unfavorable)					
<b>Position Impacts of Major New Needs</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<i>MNR</i>					
- Grand Central Terminal Reorganization	(7)	(7)	(7)	(7)	(7)
- Infrastructure Investment Program	0	(20)	(20)	0	0
- Track Maintenance and Oversight	0	(10)	(10)	(10)	(10)
- Infrastructure and Equipment Training	(8)	(8)	(8)	(8)	(8)
- Safety Oversight Enhancements	0	(11)	(11)	(11)	(11)
<i>Total MNR</i>	(15)	(56)	(56)	(36)	(36)
<i>MTAHQ</i>					
- Sandy Compliance Manager	(1)	(1)	(1)	(1)	(1)
- Excelsior Fellow	(1)	(1)	0	0	0
- BSC Benefits Positions	(7)	(7)	(7)	(7)	(7)
- Capital Program Management - Sandy	(2)	(5)	(5)	(5)	(5)
<i>Total MTAHQ</i>	(11)	(14)	(13)	(13)	(13)
<i>MTA Bus Co</i>					
- Platform Budget - Guidelines Schedule Revision	0	(24)	(24)	(24)	(24)
- Bus Operator Employee Availability	0	(10)	(10)	(10)	(10)
- Far Rockaway Maintenance Work at JFK Depot	0	(6)	0	0	0
- Shop Structure Upgrade Support	0	0	(10)	(10)	(1)
- Bus Operator Training Float	0	(8)	(8)	(8)	(8)
- Shop MCI Engines Overhaul/Repair Support	0	0	(12)	(12)	(2)
- Other	0	(3)	(3)	(3)	(3)
<i>Total MTA Bus</i>	0	(51)	(67)	(67)	(48)
<b>Total New Needs</b>	<b>(26)</b>	<b>(121)</b>	<b>(136)</b>	<b>(116)</b>	<b>(97)</b>

### Changes in Reimbursable Positions

Efficiencies in the last two years, primarily in the management of the Capital Program, have been largely eliminated as Agencies continue to carry out long-term restoration and mitigation projects resulting from Sandy. Major reimbursable positions are listed below.

<b>METROPOLITAN TRANSPORTATION AUTHORITY</b> <b>November Financial Plan 2014-2017</b> Favorable/Unfavorable)					
<b>Position Impacts of Major Reimbursable</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<i>NYCT</i>					
- Platform Budget Service Reforecast	(16)	0	0	0	0
- Subways Capital Program Support	(23)	(71)	(44)	(13)	0
- Signals Modernizations	(1)	0	0	0	0
- Sandy Recovery and Resiliency	0	(100)	(105)	(120)	0
- Subway Car Procurement Support	0	(58)	(56)	(13)	0
- Signals Modernizations	0	(22)	(22)	0	0
- Extend Second Avenue Support	0	(10)	0	0	0
- Projected Engineering Vacancies	0	45	0	0	0
- Other	6	(6)	13	(2)	(22)
<b>Total NYCT</b>	<b>(34)</b>	<b>(222)</b>	<b>(214)</b>	<b>(148)</b>	<b>(22)</b>
<i>LIRR</i>					
- Project Activity	0	(43)	(16)	(41)	(32)
<i>MNR</i>					
- Service Plan Changes	14	(9)	(9)	(19)	(19)
<i>MTAHQ</i>					
- Pension Counselors	0	(6)	(6)	(6)	(6)
- Pension Function Consolidation	0	(5)	(5)	(5)	(5)
<b>Total MTAHQ</b>	<b>0</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>
<i>Staten Island Railway</i>					
- Sandy Repair and Flood Mitigation	(5)	(34)	(34)	0	0
<b>Total Reimbursable</b>	<b>(25)</b>	<b>(319)</b>	<b>(284)</b>	<b>(219)</b>	<b>(84)</b>

## Re-Estimates & All Other

Combined, agencies show a net decrease of 117 positions in 2013, and increases of 152 in 2014, 39 in 2015, 33 in 2016, and 31 in 2017. Major drivers of the change are captured in the table below with more information contained in Agency sections:

<b>METROPOLITAN TRANSPORTATION AUTHORITY</b> <b>November Financial Plan 2014-2017</b> Favorable/(Unfavorable)					
<b>Position Impacts of Major Re-Estimates</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>NYCT</b>					
- Department of Buses Shifter Positions	52	51	0	0	0
- Buses and Subways Platform/Service Adjustments	66	0	0	0	0
- "A" Division Service Management at Rail Control Ctr	(13)	0	0	0	0
- Training Float Adjustment	0	(157)	0	0	0
- Availability/Pay Hour Adjustments	0	57	0	0	0
- Select Bus Service - B4	0	(36)	0	0	0
- Fast Track Support	0	(20)	0	0	0
- Support of 7 West Extension	0	(60)	0	0	0
- Pension Positions Transferred to HQ	0	18	0	0	0
- Other	0	(29)	3	13	9
<b>Total NYCT</b>	<b>105</b>	<b>(176)</b>	<b>3</b>	<b>13</b>	<b>9</b>
<b>LIRR</b>					
- Adjustments to Capital Project Schedule	7	34	(29)	(30)	(29)
<b>MNR</b>					
- Service Plan Changes	5	9	6	3	8
<b>MTAHQ</b>					
- Pension Function Consolidation	0	(18)	(18)	(18)	(18)
- MTAPD Support IT Transfer	0	(1)	(1)	(1)	(1)
<b>Total MTAHQ</b>	<b>0</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>
<b>Total Re-Estimates</b>	<b>117</b>	<b>(152)</b>	<b>(39)</b>	<b>(33)</b>	<b>(31)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Agency**

Category	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Baseline Total Positions</b>	<b>65,151</b>	<b>67,374</b>	<b>68,243</b>	<b>68,268</b>	<b>68,219</b>	<b>68,574</b>
NYC Transit	45,537	46,454	47,047	46,774	46,436	46,566
Long Island Rail Road	6,414	6,901	6,953	7,155	7,434	7,642
Metro-North Railroad	6,002	6,478	6,583	6,597	6,596	6,603
Bridges & Tunnels	1,545	1,746	1,746	1,746	1,746	1,746
Headquarters	1,623	1,722	1,765	1,769	1,799	1,843
Staten Island Railway	271	276	305	305	271	271
Capital Construction Company	129	140	140	140	140	140
Bus Company	3,630	3,657	3,704	3,782	3,797	3,763
<b>Non-Reimbursable</b>	<b>59,073</b>	<b>61,025</b>	<b>61,698</b>	<b>61,921</b>	<b>62,182</b>	<b>62,676</b>
NYC Transit	40,597	41,801	42,302	42,180	42,088	42,347
Long Island Rail Road	5,960	6,134	6,159	6,408	6,727	6,944
Metro-North Railroad	5,592	5,900	5,968	5,982	5,971	5,978
Bridges & Tunnels	1,501	1,658	1,658	1,658	1,658	1,658
Headquarters	1,583	1,672	1,704	1,708	1,738	1,782
Staten Island Railway	268	268	268	268	268	268
Capital Construction Company	-	-	-	-	-	-
Bus Company	3,572	3,593	3,640	3,718	3,733	3,699
<b>Reimbursable</b>	<b>6,078</b>	<b>6,348</b>	<b>6,544</b>	<b>6,346</b>	<b>6,036</b>	<b>5,898</b>
NYC Transit	4,940	4,653	4,745	4,594	4,348	4,219
Long Island Rail Road	454	767	794	747	707	698
Metro-North Railroad	410	578	615	615	625	625
Bridges & Tunnels	44	88	88	88	88	88
Headquarters	40	50	61	61	61	61
Staten Island Railway	3	8	37	37	3	3
Capital Construction Company	129	140	140	140	140	140
Bus Company	58	64	64	64	64	64
<b>Total Full-Time</b>	<b>64,923</b>	<b>67,194</b>	<b>68,069</b>	<b>68,109</b>	<b>68,060</b>	<b>68,415</b>
NYC Transit	45,329	46,290	46,889	46,631	46,293	46,423
Long Island Rail Road	6,414	6,901	6,953	7,155	7,434	7,642
Metro-North Railroad	6,001	6,477	6,582	6,596	6,595	6,602
Bridges & Tunnels	1,545	1,746	1,746	1,746	1,746	1,746
Headquarters	1,623	1,722	1,765	1,769	1,799	1,843
Staten Island Railway	271	276	305	305	271	271
Capital Construction Company	129	140	140	140	140	140
Bus Company	3,611	3,642	3,689	3,767	3,782	3,748
<b>Total Full-Time-Equivalents</b>	<b>228</b>	<b>180</b>	<b>174</b>	<b>159</b>	<b>159</b>	<b>159</b>
NYC Transit	208	164	158	143	143	143
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	1	1	1	1	1	1
Bridges & Tunnels	-	-	-	-	-	-
Headquarters	-	-	-	-	-	-
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	19	15	15	15	15	15

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Function and Agency**

<b>Function</b>	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Administration</b>	<b>3,983</b>	<b>4,320</b>	<b>4,349</b>	<b>4,348</b>	<b>4,345</b>	<b>4,359</b>
NYC Transit	1,827	1,934	1,890	1,882	1,876	1,875
Long Island Rail Road	584	645	654	659	666	677
Metro-North Railroad	469	569	590	590	590	590
Bridges & Tunnels	62	65	65	65	65	65
Headquarters	880	932	965	964	964	964
Staten Island Railway	26	25	25	25	25	25
Capital Construction Company	14	16	16	16	16	16
Bus Company	121	134	144	147	143	147
<b>Operations</b>	<b>29,107</b>	<b>29,627</b>	<b>29,662</b>	<b>29,631</b>	<b>29,697</b>	<b>29,889</b>
NYC Transit	21,655	21,910	22,220	22,042	22,012	22,040
Long Island Rail Road	2,154	2,285	2,303	2,436	2,526	2,678
Metro-North Railroad	2,079	2,163	1,830	1,844	1,850	1,862
Bridges & Tunnels	678	789	789	789	789	789
Headquarters	-	-	-	-	-	-
Staten Island Railway	100	91	91	91	91	91
Capital Construction Company	-	-	-	-	-	-
Bus Company	2,441	2,389	2,429	2,429	2,429	2,429
<b>Maintenance</b>	<b>28,853</b>	<b>29,811</b>	<b>30,601</b>	<b>30,628</b>	<b>30,575</b>	<b>30,680</b>
NYC Transit	20,373	20,707	21,052	20,940	20,693	20,796
Long Island Rail Road	3,555	3,829	3,860	3,924	4,106	4,151
Metro-North Railroad	3,364	3,636	4,053	4,053	4,046	4,041
Bridges & Tunnels	396	405	405	405	405	405
Headquarters	-	-	-	-	-	-
Staten Island Railway	145	155	155	155	155	155
Capital Construction Company	-	-	-	-	-	-
Bus Company	1,020	1,079	1,076	1,151	1,170	1,132
<b>Engineering/Capital</b>	<b>1,694</b>	<b>1,955</b>	<b>1,933</b>	<b>1,958</b>	<b>1,869</b>	<b>1,869</b>
NYC Transit	1,193	1,319	1,274	1,299	1,244	1,244
Long Island Rail Road	121	142	136	136	136	136
Metro-North Railroad	90	110	110	110	110	110
Bridges & Tunnels	141	218	218	218	218	218
Headquarters	-	-	-	-	-	-
Staten Island Railway	-	5	34	34	-	-
Capital Construction Company	115	124	124	124	124	124
Bus Company	34	37	37	37	37	37
<b>Public Safety</b>	<b>1,514</b>	<b>1,661</b>	<b>1,698</b>	<b>1,703</b>	<b>1,733</b>	<b>1,777</b>
NYC Transit	489	584	611	611	611	611
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-	-
Bridges & Tunnels	268	269	269	269	269	269
Headquarters	743	790	800	805	835	879
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	14	18	18	18	18	18

**Metropolitan Transportation Authority**  
**November Financial Plan 2014-2017**  
**Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group**  
**Non-Reimbursable and Reimbursable**

FUNCTION/OCCUPATIONAL GROUP		2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>							
	Managers/Supervisors	1,510	1,708	1,722	1,716	1,716	1,726
	Professional, Technical, Clerical	2,448	2,489	2,495	2,497	2,502	2,502
	Operational Hourlies	25	123	132	135	127	131
	<b>Total Administration</b>	<b>3,983</b>	<b>4,320</b>	<b>4,349</b>	<b>4,348</b>	<b>4,345</b>	<b>4,359</b>
<b>Operations</b>							
	Managers/Supervisors	3,204	3,361	3,414	3,403	3,389	3,408
	Professional, Technical, Clerical	860	968	967	964	958	958
	Operational Hourlies	25,043	25,299	25,282	25,265	25,351	25,524
	<b>Total Operations</b>	<b>29,107</b>	<b>29,627</b>	<b>29,662</b>	<b>29,631</b>	<b>29,697</b>	<b>29,889</b>
<b>Maintenance</b>							
	Managers/Supervisors	5,031	5,332	5,411	5,383	5,385	5,381
	Professional, Technical, Clerical	1,749	1,919	1,919	1,883	1,839	1,837
	Operational Hourlies	22,073	22,561	23,272	23,363	23,352	23,463
	<b>Total Maintenance</b>	<b>28,853</b>	<b>29,811</b>	<b>30,601</b>	<b>30,628</b>	<b>30,575</b>	<b>30,680</b>
<b>Engineering/Capital</b>							
	Managers/Supervisors	445	521	507	512	501	501
	Professional, Technical, Clerical	1,247	1,430	1,396	1,416	1,366	1,366
	Operational Hourlies	2	4	30	30	2	2
	<b>Total Engineering/Capital</b>	<b>1,694</b>	<b>1,955</b>	<b>1,933</b>	<b>1,958</b>	<b>1,869</b>	<b>1,869</b>
<b>Public Safety</b>							
	Managers/Supervisors	178	266	295	295	295	296
	Professional, Technical, Clerical	125	144	146	146	146	146
	Operational Hourlies	1,211	1,251	1,257	1,262	1,292	1,335
	<b>Total Public Safety</b>	<b>1,514</b>	<b>1,661</b>	<b>1,698</b>	<b>1,703</b>	<b>1,733</b>	<b>1,777</b>
<b>Baseline Total Positions</b>							
	Managers/Supervisors	10,368	11,188	11,349	11,309	11,286	11,312
	Professional, Technical, Clerical	6,429	6,949	6,922	6,905	6,810	6,808
	Operational Hourlies	48,354	49,237	49,972	50,054	50,123	50,454
	<b>Baseline Total Positions</b>	<b>65,151</b>	<b>67,374</b>	<b>68,243</b>	<b>68,268</b>	<b>68,219</b>	<b>68,574</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**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 2012-2013	Change 2013-2014	Change 2014-2015	Change 2015-2016	Change 2016-2017
<b>Baseline Total Positions</b>	<b>(2,223)</b>	<b>(869)</b>	<b>(25)</b>	<b>49</b>	<b>(355)</b>
NYC Transit	(917)	(593)	273	338	(130)
Long Island Rail Road	(487)	(52)	(202)	(279)	(208)
Metro-North Railroad	(476)	(105)	(14)	1	(7)
Bridges & Tunnels	(201)	-	-	-	-
Headquarters	(99)	(43)	(4)	(30)	(44)
Staten Island Railway	(5)	(29)	-	34	-
Capital Construction Company	(11)	-	-	-	-
Bus Company	(27)	(47)	(78)	(15)	34
<b>Non-Reimbursable</b>	<b>(1,952)</b>	<b>(673)</b>	<b>(223)</b>	<b>(261)</b>	<b>(494)</b>
NYC Transit	(1,204)	(501)	122	92	(259)
Long Island Rail Road	(174)	(25)	(249)	(319)	(218)
Metro-North Railroad	(308)	(68)	(14)	11	(7)
Bridges & Tunnels	(157)	-	-	-	-
Headquarters	(89)	(32)	(4)	(30)	(44)
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(21)	(47)	(78)	(15)	34
<b>Reimbursable</b>	<b>(270)</b>	<b>(196)</b>	<b>198</b>	<b>310</b>	<b>139</b>
NYC Transit	287	(92)	151	246	129
Long Island Rail Road	(313)	(27)	47	40	10
Metro-North Railroad	(168)	(37)	-	(10)	-
Bridges & Tunnels	(44)	-	-	-	-
Headquarters	(10)	(11)	-	-	-
Staten Island Railway	(5)	(29)	-	34	-
Capital Construction Company	(11)	-	-	-	-
Bus Company	(6)	-	-	-	-
<b>Total Full-Time</b>	<b>(2,271)</b>	<b>(875)</b>	<b>(40)</b>	<b>49</b>	<b>(355)</b>
NYC Transit	(961)	(599)	258	338	(130)
Long Island Rail Road	(487)	(52)	(202)	(279)	(208)
Metro-North Railroad	(476)	(105)	(14)	1	(7)
Bridges & Tunnels	(201)	-	-	-	-
Headquarters	(99)	(43)	(4)	(30)	(44)
Staten Island Railway	(5)	(29)	-	34	-
Capital Construction Company	(11)	-	-	-	-
Bus Company	(31)	(47)	(78)	(15)	34
<b>Total Full-Time-Equivalents</b>	<b>48</b>	<b>6</b>	<b>15</b>	<b>-</b>	<b>-</b>
NYC Transit	44	6	15	-	-
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	4	-	-	-	-

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Year to Year Changes for Positions by Function and Agency**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents**  
**Favorable/(Unfavorable)**

<b>FUNCTION/DEPARTMENT</b>	<b>Change 2012-2013</b>	<b>Change 2013-2014</b>	<b>Change 2014-2015</b>	<b>Change 2015-2016</b>	<b>Change 2016-2017</b>
<b><i>Administration</i></b>	<b>(337)</b>	<b>(29)</b>	<b>1</b>	<b>3</b>	<b>(14)</b>
NYC Transit	(107)	44	8	6	1
Long Island Rail Road	(61)	(9)	(5)	(7)	(11)
Metro-North Railroad	(100)	(21)	-	-	-
Bridges & Tunnels	(3)	-	-	-	-
Headquarters	(52)	(33)	1	-	-
Staten Island Railway	1	-	-	-	-
Capital Construction Company	(2)	-	-	-	-
Bus Company	(13)	(10)	(3)	4	(4)
<b><i>Operations</i></b>	<b>(520)</b>	<b>(35)</b>	<b>31</b>	<b>(66)</b>	<b>(192)</b>
NYC Transit	(255)	(310)	178	30	(28)
Long Island Rail Road	(131)	(18)	(133)	(90)	(152)
Metro-North Railroad	(84)	333	(14)	(6)	(12)
Bridges & Tunnels	(111)	-	-	-	-
Headquarters	-	-	-	-	-
Staten Island Railway	9	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	52	(40)	-	-	-
<b><i>Maintenance</i></b>	<b>(958)</b>	<b>(790)</b>	<b>(27)</b>	<b>53</b>	<b>(105)</b>
NYC Transit	(334)	(345)	112	247	(103)
Long Island Rail Road	(274)	(31)	(64)	(182)	(45)
Metro-North Railroad	(272)	(417)	-	7	5
Bridges & Tunnels	(9)	-	-	-	-
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	(10)	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(59)	3	(75)	(19)	38
<b><i>Engineering/Capital</i></b>	<b>(261)</b>	<b>22</b>	<b>(25)</b>	<b>89</b>	<b>-</b>
NYC Transit	(126)	45	(25)	55	-
Long Island Rail Road	(21)	6	-	-	-
Metro-North Railroad	(20)	-	-	-	-
Bridges & Tunnels	(77)	-	-	-	-
Headquarters	-	-	-	-	-
Staten Island Railway	(5)	(29)	-	34	-
Capital Construction Company	(9)	-	-	-	-
Bus Company	(3)	-	-	-	-
<b><i>Public Safety</i></b>	<b>(147)</b>	<b>(37)</b>	<b>(5)</b>	<b>(30)</b>	<b>(44)</b>
NYC Transit	(95)	(27)	-	-	-
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	(1)	-	-	-	-
Headquarters	(47)	(10)	(5)	(30)	(44)
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(4)	-	-	-	-

**Metropolitan Transportation Authority**  
**November Financial Plan 2014-2017**  
**Year to Year Changes for Positions by Function and Occupational Group**  
**Baseline Total Full-time Positions and Full-time Equivalents**  
**Non-Reimbursable and Reimbursable**

Favorable/(Unfavorable)

<b>FUNCTION/OCCUPATIONAL GROUP</b>	<b>Change 2012-2013</b>	<b>Change 2013-2014</b>	<b>Change 2014-2015</b>	<b>Change 2015-2016</b>	<b>Change 2016-2017</b>
<b>Administration</b>					
Managers/Supervisors	(199)	(14)	6	-	(10)
Professional, Technical, Clerical	(40)	(6)	(2)	(5)	-
Operational Hourlies	(98)	(9)	(3)	8	(4)
<b>Total Administration</b>	<b>(337)</b>	<b>(29)</b>	<b>1</b>	<b>3</b>	<b>(14)</b>
<b>Operations</b>					
Managers/Supervisors	(157)	(53)	11	14	(19)
Professional, Technical, Clerical	(108)	1	3	6	-
Operational Hourlies	(256)	17	17	(86)	(173)
<b>Total Operations</b>	<b>(520)</b>	<b>(35)</b>	<b>31</b>	<b>(66)</b>	<b>(192)</b>
<b>Maintenance</b>					
Managers/Supervisors	(301)	(79)	28	(2)	4
Professional, Technical, Clerical	(170)	-	36	44	2
Operational Hourlies	(488)	(711)	(91)	11	(111)
<b>Total Maintenance</b>	<b>(958)</b>	<b>(790)</b>	<b>(27)</b>	<b>53</b>	<b>(105)</b>
<b>Engineering/Capital</b>					
Managers/Supervisors	(76)	14	(5)	11	-
Professional, Technical, Clerical	(183)	34	(20)	50	-
Operational Hourlies	(2)	(26)	-	28	-
<b>Total Engineering/Capital</b>	<b>(261)</b>	<b>22</b>	<b>(25)</b>	<b>89</b>	<b>-</b>
<b>Public Safety</b>					
Managers/Supervisors	(88)	(29)	-	-	(1)
Professional, Technical, Clerical	(19)	(2)	-	-	-
Operational Hourlies	(40)	(6)	(5)	(30)	(43)
<b>Total Public Safety</b>	<b>(147)</b>	<b>(37)</b>	<b>(5)</b>	<b>(30)</b>	<b>(44)</b>
<b>Baseline Total Positions</b>					
Managers/Supervisors	(820)	(161)	40	23	(26)
Professional, Technical, Clerical	(520)	27	17	95	2
Operational Hourlies	(883)	(735)	(82)	(69)	(331)
<b>Baseline Total Positions</b>	<b>(2,223)</b>	<b>(869)</b>	<b>(25)</b>	<b>49</b>	<b>(355)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Baseline Change Between 2013 November Financial Plan vs. 2013 July Financial Plan**  
**Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Function and Agency**  
**Favorable/(Unfavorable)**

Category	2013	2014	2015	2016	2017
<b>Baseline Total Positions</b>	<b>66</b>	<b>(592)</b>	<b>(459)</b>	<b>(368)</b>	<b>(212)</b>
NYC Transit	71	(398)	(211)	(135)	(13)
Long Island Rail Road	7	(9)	(45)	(71)	(61)
Metro-North Railroad	4	(56)	(59)	(52)	(47)
Bridges & Tunnels	-	-	-	-	-
Headquarters	(11)	(44)	(43)	(43)	(43)
Staten Island Railway	(5)	(34)	(34)	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	(51)	(67)	(67)	(48)
<b>Non-Reimbursable</b>	<b>91</b>	<b>(273)</b>	<b>(175)</b>	<b>(149)</b>	<b>(128)</b>
NYC Transit	105	(176)	3	13	9
Long Island Rail Road	7	34	(29)	(30)	(29)
Metro-North Railroad	(10)	(47)	(50)	(33)	(28)
Bridges & Tunnels	-	-	-	-	-
Headquarters	(11)	(33)	(32)	(32)	(32)
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	(51)	(67)	(67)	(48)
<b>Reimbursable</b>	<b>(25)</b>	<b>(319)</b>	<b>(284)</b>	<b>(219)</b>	<b>(84)</b>
NYC Transit	(34)	(222)	(214)	(148)	(22)
Long Island Rail Road	(0)	(43)	(16)	(41)	(32)
Metro-North Railroad	14	(9)	(9)	(19)	(19)
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	(11)	(11)	(11)	(11)
Long Island Bus	-	-	-	-	-
Staten Island Railway	(5)	(34)	(34)	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-
<b>Total Full-Time</b>	<b>66</b>	<b>(591)</b>	<b>(458)</b>	<b>(367)</b>	<b>(211)</b>
NYC Transit	71	(397)	(210)	(134)	(12)
Long Island Rail Road	7	(9)	(45)	(71)	(61)
Metro-North Railroad	4	(56)	(59)	(52)	(47)
Bridges & Tunnels	-	-	-	-	-
Headquarters	(11)	(44)	(43)	(43)	(43)
Staten Island Railway	(5)	(34)	(34)	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	(51)	(67)	(67)	(48)
<b>Total Full-Time-Equivalents</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
NYC Transit	-	(1)	(1)	(1)	(1)
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Baseline Change Between 2013 November Financial Plan vs. 2013 July Financial Plan**  
**Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Function and Agency**  
**Favorable/(Unfavorable)**

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Administration</b>	<b>32</b>	<b>-</b>	<b>(8)</b>	<b>(23)</b>	<b>(23)</b>
NYC Transit	-	34	28	15	15
Long Island Rail Road	2	(5)	(5)	(7)	(7)
Metro-North Railroad	(3)	(24)	(27)	(27)	(27)
Bridges & Tunnels	3	3	3	3	3
Headquarters	(14)	(47)	(46)	(46)	(46)
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	44	39	39	39	39
<b>Operations</b>	<b>67</b>	<b>56</b>	<b>234</b>	<b>249</b>	<b>371</b>
NYC Transit	97	(202)	(22)	(6)	114
Long Island Rail Road	-	(25)	(27)	(28)	(26)
Metro-North Railroad	14	367	367	367	367
Bridges & Tunnels	(2)	(2)	(2)	(2)	(2)
Headquarters	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(42)	(82)	(82)	(82)	(82)
<b>Maintenance</b>	<b>(28)</b>	<b>(638)</b>	<b>(650)</b>	<b>(573)</b>	<b>(539)</b>
NYC Transit	(26)	(248)	(210)	(117)	(115)
Long Island Rail Road	5	15	(19)	(42)	(34)
Metro-North Railroad	(7)	(399)	(399)	(392)	(387)
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	(6)	(22)	(22)	(3)
<b>Engineering/Capital</b>	<b>(6)</b>	<b>16</b>	<b>(9)</b>	<b>5</b>	<b>5</b>
NYC Transit	-	45	20	-	-
Long Island Rail Road	-	6	6	6	6
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	(1)	(1)	(1)	(1)	(1)
Headquarters	-	-	-	-	-
Staten Island Railway	(5)	(34)	(34)	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-
<b>Public Safety</b>	<b>1</b>	<b>(26)</b>	<b>(26)</b>	<b>(26)</b>	<b>(26)</b>
NYC Transit	-	(27)	(27)	(27)	(27)
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	-	-	-	-	-
Headquarters	3	3	3	3	3
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(2)	(2)	(2)	(2)	(2)
<b>Baseline Total Positions</b>	<b>66</b>	<b>(592)</b>	<b>(459)</b>	<b>(368)</b>	<b>(212)</b>

**Metropolitan Transportation Authority**  
**November Financial Plan 2014-2017**  
**Baseline Change Between 2013 November Financial Plan vs. 2013 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		2013	2014	2015	2016	2017
<b>Administration</b>						
	Managers/Supervisors	(5)	(23)	(18)	(25)	(25)
	Professional, Technical, Clerical	(5)	(15)	(28)	(36)	(36)
	Operational Hourlies	42	38	38	38	38
	<b>Total Administration</b>	<b>32</b>	<b>-</b>	<b>(8)</b>	<b>(23)</b>	<b>(23)</b>
<b>Operations</b>						
	Managers/Supervisors	(9)	(61)	(51)	(48)	(34)
	Professional, Technical, Clerical	(3)	(5)	(5)	(5)	(5)
	Operational Hourlies	79	122	290	302	410
	<b>Total Operations</b>	<b>67</b>	<b>56</b>	<b>234</b>	<b>249</b>	<b>371</b>
<b>Maintenance</b>						
	Managers/Supervisors	(30)	(104)	(53)	(35)	(29)
	Professional, Technical, Clerical	(8)	(42)	(34)	(25)	(25)
	Operational Hourlies	10	(492)	(563)	(513)	(485)
	<b>Total Maintenance</b>	<b>(28)</b>	<b>(638)</b>	<b>(650)</b>	<b>(573)</b>	<b>(539)</b>
<b>Engineering/Capital</b>						
	Managers/Supervisors	2	14	9	8	8
	Professional, Technical, Clerical	(6)	30	10	(3)	(3)
	Operational Hourlies	(2)	(28)	(28)	-	-
	<b>Total Engineering/Capital</b>	<b>(6)</b>	<b>16</b>	<b>(9)</b>	<b>5</b>	<b>5</b>
<b>Public Safety</b>						
	Managers/Supervisors	1	(28)	(28)	(28)	(28)
	Professional, Technical, Clerical	-	(1)	(1)	(1)	(1)
	Operational Hourlies	-	3	3	3	3
	<b>Total Public Safety</b>	<b>1</b>	<b>(26)</b>	<b>(26)</b>	<b>(26)</b>	<b>(26)</b>
<b>Baseline Total Positions</b>						
	Managers/Supervisors	(41)	(202)	(141)	(128)	(108)
	Professional, Technical, Clerical	(22)	(33)	(58)	(70)	(70)
	Operational Hourlies	129	(357)	(260)	(170)	(34)
	<b>Baseline Total Positions</b>	<b>66</b>	<b>(592)</b>	<b>(459)</b>	<b>(368)</b>	<b>(212)</b>

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

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated Statement Of Operations By Category**  
(\$ in millions)

Line

No.

<b>Non-Reimbursable</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November</b>	<b>Final Proposed</b>			
		<b>Forecast</b>	<b>Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b><u>Operating Revenue</u></b>						
Farebox Revenue	\$5,079	\$5,483	\$5,646	\$5,718	\$5,790	\$5,824
Toll Revenue	1,491	1,629	1,649	1,653	1,662	1,666
Other Revenue	564	779	656	610	638	673
Capital and Other Reimbursements	0	0	0	0	0	0
<b>Total Operating Revenue</b>	<b>\$7,134</b>	<b>\$7,892</b>	<b>\$7,951</b>	<b>\$7,981</b>	<b>\$8,090</b>	<b>\$8,163</b>
<b><u>Operating Expense</u></b>						
<b>Labor Expenses:</b>						
Payroll	\$4,194	\$4,259	\$4,342	\$4,453	\$4,563	\$4,689
Overtime	574	594	560	554	557	566
Health & Welfare	813	920	1,023	1,095	1,177	1,268
OPEB Current Payment	413	453	496	537	585	633
Pensions	1,328	1,296	1,324	1,335	1,357	1,360
Other-Fringe Benefits	650	591	586	614	638	662
Reimbursable Overhead	(309)	(309)	(315)	(305)	(301)	(297)
<b>Sub-total Labor Expenses</b>	<b>\$7,663</b>	<b>\$7,804</b>	<b>\$8,015</b>	<b>\$8,283</b>	<b>\$8,576</b>	<b>\$8,881</b>
<b>Non-Labor Expenses:</b>						
Electric Power	\$472	\$509	\$537	\$567	\$602	\$639
Fuel	252	275	268	267	267	274
Insurance	8	33	52	68	87	110
Claims	136	204	201	210	215	219
Paratransit Service Contracts	361	368	394	412	457	526
Maintenance and Other Operating Contracts	452	546	581	622	640	639
Professional Service Contracts	277	314	337	319	316	321
Materials & Supplies	431	498	527	548	555	564
Other Business Expenses	144	165	161	166	172	175
<b>Sub-total Non-Labor Expenses</b>	<b>\$2,530</b>	<b>\$2,913</b>	<b>\$3,058</b>	<b>\$3,179</b>	<b>\$3,311</b>	<b>\$3,467</b>
<b>Other Expense Adjustments:</b>						
Other	\$63	\$46	\$47	\$48	\$51	\$52
General Reserve	0	0	135	140	145	150
<b>Sub-total Other Expense Adjustments</b>	<b>\$63</b>	<b>\$46</b>	<b>\$182</b>	<b>\$188</b>	<b>\$196</b>	<b>\$202</b>
<b>Total Operating Expense before Non-Cash Liability Adj.</b>	<b>\$10,256</b>	<b>\$10,763</b>	<b>\$11,256</b>	<b>\$11,650</b>	<b>\$12,083</b>	<b>\$12,550</b>
Depreciation	\$2,149	\$2,176	\$2,265	\$2,384	\$2,453	\$2,637
OPEB Obligation	1,786	1,819	1,900	1,982	2,069	2,156
Environmental Remediation	25	5	6	6	6	6
<b>Total Operating Expense after Non-Cash Liability Adj.</b>	<b>\$14,216</b>	<b>\$14,762</b>	<b>\$15,426</b>	<b>\$16,022</b>	<b>\$16,610</b>	<b>\$17,349</b>
<b>Net Deficit Before Subsidies and Debt Service</b>	<b>(\$7,082)</b>	<b>(\$6,871)</b>	<b>(\$7,475)</b>	<b>(\$8,042)</b>	<b>(\$8,520)</b>	<b>(\$9,186)</b>
Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,959	\$4,000	\$4,171	\$4,372	\$4,527	\$4,799
Debt Service (excludes Service Contract Bonds)	(2,058)	(2,191)	(2,393)	(2,481)	(2,642)	(2,818)
<b>Total Operating Expense with Debt Service</b>	<b>\$12,315</b>	<b>\$12,953</b>	<b>\$13,649</b>	<b>\$14,131</b>	<b>\$14,725</b>	<b>\$15,369</b>
Dedicated Taxes and State/Local Subsidies	\$5,492	\$5,890	\$6,039	\$6,373	\$6,609	\$6,813
<b>Net Deficit After Subsidies and Debt Service</b>	<b>\$311</b>	<b>\$828</b>	<b>\$342</b>	<b>\$222</b>	<b>(\$26)</b>	<b>(\$393)</b>
Conversion to Cash Basis: GASB Account	(90)	(84)	(98)	(106)	(114)	(123)
Conversion to Cash Basis: All Other	(290)	(235)	(398)	(335)	(268)	(304)
<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>(\$68)</b>	<b>\$509</b>	<b>(\$154)</b>	<b>(\$218)</b>	<b>(\$409)</b>	<b>(\$820)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated Statement Of Operations By Category**  
(\$ in millions)

Line

No

7	Reimbursable						
8		2012	2013	2014			
9		Actual	November	Final Proposed			
10	<b>Operating Revenue</b>		Forecast	Budget	2015	2016	2017
11	Farebox Revenue	\$0	\$0	\$0	\$0	\$0	\$0
12	Toll Revenue	0	0	0	0	0	0
13	Other Revenue	0	0	0	0	0	0
14	Capital and Other Reimbursements	1,348	1,444	1,566	1,525	1,523	1,516
15	<b>Total Operating Revenue</b>	<b>\$1,348</b>	<b>\$1,444</b>	<b>\$1,566</b>	<b>\$1,525</b>	<b>\$1,523</b>	<b>\$1,516</b>
16							
17	<b>Operating Expense</b>						
18	<b>Labor Expenses:</b>						
19	Payroll	\$467	\$485	\$566	\$558	\$549	\$540
20	Overtime	107	134	108	103	103	103
21	Health & Welfare	51	58	66	69	71	73
22	OPEB Current Payment	0	0	0	0	0	0
23	Pensions	65	63	68	69	68	68
24	Other-Fringe Benefits	131	145	169	165	162	159
25	Reimbursable Overhead	311	308	313	304	301	296
26	<b>Sub-total Labor Expenses</b>	<b>\$1,131</b>	<b>\$1,193</b>	<b>\$1,290</b>	<b>\$1,268</b>	<b>\$1,254</b>	<b>\$1,239</b>
27							
28	<b>Non-Labor Expenses:</b>						
29	Electric Power	\$1	\$0	\$0	\$0	\$0	\$0
30	Fuel	0	0	0	0	0	0
31	Insurance	8	7	10	10	10	10
32	Claims	0	0	0	(0)	(0)	(0)
33	Paratransit Service Contracts	1	0	0	0	0	0
34	Maintenance and Other Operating Contracts	69	67	53	58	64	69
35	Professional Service Contracts	37	55	65	72	77	79
36	Materials & Supplies	95	114	140	111	111	112
37	Other Business Expenses	5	7	7	6	6	6
38	<b>Sub-total Non-Labor Expenses</b>	<b>\$216</b>	<b>\$250</b>	<b>\$275</b>	<b>\$257</b>	<b>\$269</b>	<b>\$277</b>
39							
40	<b>Other Expense Adjustments:</b>						
41	Other	\$0	\$0	\$0	\$0	\$0	\$0
42	<b>Sub-total Other Expense Adjustments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
43							
44	Environmental Remediation	0	0	0	0	0	0
45							
46	<b>Total Operating Expense</b>	<b>\$1,348</b>	<b>\$1,444</b>	<b>\$1,566</b>	<b>\$1,525</b>	<b>\$1,523</b>	<b>\$1,516</b>
47							
48	<b>Baseline Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>(\$0)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated Statement Of Operations By Category**  
(\$ in millions)

Line Number		2012	2013	2014			
	Non-Reimbursable / Reimbursable	Actual	November Forecast	Final Proposed Budget	2015	2016	2017
10	<b>Operating Revenue</b>						
11	Farebox Revenue	\$5,079	\$5,483	\$5,646	\$5,718	\$5,790	\$5,824
12	Toll Revenue	1,491	1,629	1,649	1,653	1,662	1,666
13	Other Revenue	564	779	656	610	638	673
14	Capital and Other Reimbursements	1,348	1,444	1,566	1,525	1,523	1,532
15	<b>Total Operating Revenue</b>	<b>\$8,482</b>	<b>\$9,335</b>	<b>\$9,517</b>	<b>\$9,506</b>	<b>\$9,614</b>	<b>\$9,695</b>
17	<b>Operating Expense</b>						
18	<b>Labor Expenses:</b>						
19	Payroll	\$4,661	\$4,745	\$4,907	\$5,011	\$5,112	\$5,237
20	Overtime	681	728	668	657	661	670
21	Health & Welfare	864	978	1,089	1,164	1,248	1,344
22	OPEB Current Payment	413	453	496	537	585	633
23	Pensions	1,393	1,359	1,391	1,404	1,425	1,428
24	Other-Fringe Benefits	782	736	756	779	800	824
25	Reimbursable Overhead	1	(1)	(2)	(1)	(1)	3
26	<b>Sub-total Labor Expenses</b>	<b>\$8,795</b>	<b>\$8,997</b>	<b>\$9,306</b>	<b>\$9,551</b>	<b>\$9,830</b>	<b>\$10,140</b>
28	<b>Non-Labor Expenses:</b>						
29	Electric Power	\$472	\$509	\$538	\$567	\$602	\$640
30	Fuel	252	275	268	267	267	274
31	Insurance	16	40	61	78	97	120
32	Claims	136	204	201	210	215	219
33	Paratransit Service Contracts	362	368	394	412	457	526
34	Maintenance and Other Operating Contracts	521	613	634	680	704	708
35	Professional Service Contracts	314	369	403	391	394	393
36	Materials & Supplies	526	612	667	658	666	680
37	Other Business Expenses	149	172	168	172	178	182
38	<b>Sub-total Non-Labor Expenses</b>	<b>\$2,747</b>	<b>\$3,164</b>	<b>\$3,334</b>	<b>\$3,436</b>	<b>\$3,580</b>	<b>\$3,740</b>
40	<b>Other Expense Adjustments:</b>						
41	Other	\$63	\$46	\$47	\$48	\$51	\$52
42	General Reserve	0	0	135	140	145	150
43	<b>Sub-total Other Expense Adjustments</b>	<b>\$63</b>	<b>\$46</b>	<b>\$182</b>	<b>\$188</b>	<b>\$196</b>	<b>\$202</b>
45	<b>Total Operating Expense before Non-Cash Liability Adjs.</b>	<b>\$11,604</b>	<b>\$12,206</b>	<b>\$12,821</b>	<b>\$13,175</b>	<b>\$13,606</b>	<b>\$14,082</b>
47	Depreciation	\$2,149	\$2,176	\$2,265	\$2,384	\$2,453	\$2,637
48	OPEB Obligation	1,786	1,819	1,900	1,982	2,069	2,156
49	Environmental Remediation	25	5	6	6	6	6
51	<b>Total Operating Expense</b>	<b>\$15,564</b>	<b>\$16,206</b>	<b>\$16,992</b>	<b>\$17,547</b>	<b>\$18,133</b>	<b>\$18,881</b>
53	<b>Net Operating Deficit Before Subsidies and Debt Service</b>	<b>(\$7,082)</b>	<b>(\$6,871)</b>	<b>(\$7,475)</b>	<b>(\$8,042)</b>	<b>(\$8,520)</b>	<b>(\$9,186)</b>
55	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,959	\$4,000	\$4,171	\$4,372	\$4,527	\$4,799
57	Debt Service (excludes Service Contract Bonds)	(2,058)	(2,191)	(2,393)	(2,481)	(2,642)	(2,818)
59	<b>Total Operating Expense with Debt Service</b>	<b>\$13,663</b>	<b>\$14,397</b>	<b>\$15,215</b>	<b>\$15,656</b>	<b>\$16,248</b>	<b>\$16,900</b>
61	Dedicated Taxes and State/Local Subsidies	\$5,492	\$5,890	\$6,039	\$6,373	\$6,609	\$6,813
63	<b>Net Deficit After Subsidies and Debt Service</b>	<b>\$311</b>	<b>\$828</b>	<b>\$342</b>	<b>\$222</b>	<b>(\$26)</b>	<b>(\$393)</b>
65	Conversion to Cash Basis: GASB Account	(90)	(84)	(98)	(106)	(114)	(123)
66	Conversion to Cash Basis: All Other	(290)	(235)	(398)	(335)	(268)	(304)
68	<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>(\$68)</b>	<b>\$509</b>	<b>(\$154)</b>	<b>(\$218)</b>	<b>(\$409)</b>	<b>(\$820)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**MTA Consolidated Cash Receipts and Expenditures**  
(\$ in millions)

Line

No	Cash Receipts and Expenditures	2012	2013	2014			
		Actual	November Forecast	Final Proposed Budget	2015	2016	2017
10	<b>Receipts</b>						
11	Farebox Revenue	\$5,077	\$5,530	\$5,685	\$5,759	\$5,832	\$5,867
12	Other Operating Revenue	536	859	672	641	730	691
13	Capital and Other Reimbursements	1,434	1,438	1,592	1,511	1,493	1,484
14	<b>Total Receipts</b>	<b>\$7,047</b>	<b>\$7,827</b>	<b>\$7,950</b>	<b>\$7,911</b>	<b>\$8,055</b>	<b>\$8,042</b>
15							
16	<b>Expenditures</b>						
17	<b><u>Labor:</u></b>						
18	Payroll	\$4,499	\$4,604	\$4,940	\$4,831	\$4,915	\$5,039
19	Overtime	646	700	671	632	635	644
20	Health and Welfare	872	968	1,056	1,130	1,212	1,302
21	OPEB Current Payment	399	437	479	521	567	615
22	Pensions	1,480	1,152	1,343	1,361	1,378	1,379
23	Other Fringe Benefits	608	679	705	719	735	756
24	Contribution to GASB Fund	90	84	98	106	114	123
25	Reimbursable Overhead	0	0	0	0	0	0
26	<b>Total Labor Expenditures</b>	<b>\$8,594</b>	<b>\$8,626</b>	<b>\$9,293</b>	<b>\$9,299</b>	<b>\$9,556</b>	<b>\$9,858</b>
27							
28	<b><u>Non-Labor:</u></b>						
29	Electric Power	\$466	\$537	\$532	\$561	\$596	\$633
30	Fuel	252	274	262	260	261	268
31	Insurance	33	42	47	65	78	98
32	Claims	173	193	182	188	189	193
33	Paratransit Service Contracts	354	366	392	410	455	524
34	Maintenance and Other Operating Contracts	458	541	516	553	583	584
35	Professional Service Contracts	254	335	359	342	341	346
36	Materials & Supplies	537	604	665	657	663	672
37	Other Business Expenditures	150	151	241	167	172	176
38	<b>Total Non-Labor Expenditures</b>	<b>\$2,677</b>	<b>\$3,043</b>	<b>\$3,197</b>	<b>\$3,203</b>	<b>\$3,337</b>	<b>\$3,493</b>
39							
40	<b><u>Other Expenditure Adjustments:</u></b>						
41	Other	\$92	\$74	\$134	\$93	\$110	\$111
42	General Reserve	0	0	135	140	145	150
43	<b>Total Other Expenditure Adjustments</b>	<b>\$92</b>	<b>\$74</b>	<b>\$269</b>	<b>\$233</b>	<b>\$255</b>	<b>\$261</b>
44							
45	<b>Total Expenditures</b>	<b>\$11,364</b>	<b>\$11,742</b>	<b>\$12,758</b>	<b>\$12,735</b>	<b>\$13,148</b>	<b>\$13,612</b>
46							
47	<b>Net Cash Deficit Before Subsidies and Debt Service</b>	<b>(\$4,317)</b>	<b>(\$3,915)</b>	<b>(\$4,809)</b>	<b>(\$4,824)</b>	<b>(5,093)</b>	<b>(5,570)</b>
48							
49	Dedicated Taxes and State/Local Subsidies	\$5,691	\$6,009	\$6,409	\$6,435	\$6,655	\$6,870
50	Debt Service (excludes Service Contract Bonds)	(1,442)	(1,584)	(1,754)	(1,829)	(1,971)	(2,120)
51							
52	<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>(\$68)</b>	<b>\$509</b>	<b>(\$154)</b>	<b>(\$218)</b>	<b>(\$409)</b>	<b>(\$820)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Cash Conversion Detail**  
(\$ in millions)

	2012	2013	2014			
	Actual	November Forecast	Final Proposed Budget	2015	2016	2017
<b><u>Depreciation</u></b>						
New York City Transit	\$1,416	\$1,433	\$1,544	\$1,638	\$1,688	\$1,863
Long Island Rail Road	317	323	312	321	324	327
Metro-North Railroad	223	225	227	225	227	229
MTA Bus Company	46	42	42	42	42	43
MTA Headquarters	50	50	27	38	43	38
Staten Island Railway	9	9	8	8	8	8
Bridges & Tunnels	88	94	104	112	120	128
<i>Sub-Total</i>	<i>2,149</i>	<i>2,176</i>	<i>2,265</i>	<i>2,384</i>	<i>2,453</i>	<i>2,637</i>
<b><u>Other Post Employment Benefits</u></b>						
New York City Transit	\$1,391	\$1,447	\$1,504	\$1,565	\$1,627	\$1,692
Long Island Rail Road	80	82	85	87	90	90
Metro-North Railroad	56	62	65	68	71	75
MTA Bus Company	100	56	57	58	58	59
MTA Headquarters	84	93	106	119	131	144
Staten Island Railway	2	2	2	2	2	2
Bridges & Tunnels	73	77	80	85	89	93
<i>Sub-Total</i>	<i>1,786</i>	<i>1,819</i>	<i>1,900</i>	<i>1,982</i>	<i>2,069</i>	<i>2,156</i>
<b><u>Environmental Remediation</u></b>						
New York City Transit	16	0	0	0	0	0
Long Island Rail Road	6	2	2	2	2	2
Metro-North Railroad	0	3	4	4	4	4
MTA Bus Company	2	0	0	0	0	0
Staten Island Railway	(0)	0	0	0	0	0
Bridges & Tunnels	0	0	0	0	0	0
<i>Sub-Total</i>	<i>25</i>	<i>5</i>	<i>6</i>	<i>6</i>	<i>6</i>	<i>6</i>
<b><u>Operating</u></b>						
New York City Transit	(22)	133	(223)	(59)	(62)	(81)
Long Island Rail Road	(12)	(21)	(41)	(28)	(33)	(36)
Metro-North Railroad	33	(13)	(60)	(31)	(27)	(31)
MTA Bus Company	(20)	(46)	15	7	7	7
MTA Headquarters	(43)	103	(15)	121	187	129
Staten Island Railway	(3)	(0)	(0)	(0)	(0)	(0)
First Mutual Transportation Assurance Company	(36)	5	3	(4)	(13)	(22)
Other	38	26	19	21	21	21
<i>Sub-Total</i>	<i>(66)</i>	<i>189</i>	<i>(303)</i>	<i>26</i>	<i>79</i>	<i>(15)</i>
<b><u>Subsidies</u></b>						
New York City Transit	(8)	(158)	(71)	(162)	(129)	(143)
Commuter Railroads	(187)	(264)	(121)	(239)	(232)	(188)
MTA Bus Company	(71)	(22)	53	(3)	(36)	(14)
MTA Headquarters	(15)	(29)	(27)	(26)	(26)	(26)
Staten Island Railway	(28)	(32)	(28)	(37)	(39)	(42)
Long Island Bus	(4)	0	0	0	0	0
Other	0	(4)	0	0	0	0
<i>Sub-Total</i>	<i>(313)</i>	<i>(508)</i>	<i>(193)</i>	<i>(467)</i>	<i>(462)</i>	<i>(412)</i>
<b>Total Cash Conversion</b>	<b>\$3,580</b>	<b>\$3,681</b>	<b>\$3,675</b>	<b>\$3,932</b>	<b>\$4,144</b>	<b>\$4,371</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Changes Year-to-Year By Category**

Favorable/(Unfavorable)  
(\$ in millions)

Line Number	2013		2014		Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
	Non-Reimbursable	November Forecast	Final Proposed Budget								
9											
10											
11											
12	Operating Revenue										
13	Farebox Revenue	\$5,483	\$5,646	\$162	\$5,718	\$72	\$5,790	\$73	\$5,824	\$34	
14	Toll Revenue	1,629	1,649	21	1,653	3	1,662	9	1,666	4	
15	Other Revenue	779	656	(123)	610	(46)	638	28	673	35	
16	Capital and Other Reimbursements	0	0	0	0	0	0	0	0	0	
17	Total Operating Revenue	\$7,892	\$7,951	\$60	\$7,981	\$29	\$8,090	\$109	\$8,163	\$73	
18											
19	Operating Expense										
20	Labor Expenses:										
21	Payroll	\$4,259	\$4,342	(82)	\$4,453	(111)	\$4,563	(110)	\$4,689	(126)	
22	Overtime	594	560	34	554	7	557	(4)	566	(9)	
23	Health & Welfare	920	1,023	(103)	1,095	(72)	1,177	(82)	1,268	(91)	
24	OP&B Current Payment	453	486	(43)	537	(42)	585	(48)	633	(48)	
25	Pensions	1,296	1,324	(27)	1,335	(12)	1,357	(22)	1,360	(3)	
26	Other-Fringe Benefits	591	586	4	614	(27)	638	(25)	662	(24)	
27	Reimbursable Overhead	(309)	(315)	6	(305)	(10)	(301)	(4)	(297)	(4)	
28	Sub-total Labor Expenses	\$7,804	\$8,015	(\$211)	\$8,283	(\$268)	\$8,576	(\$293)	\$8,881	(\$305)	
29											
30	Non-Labor Expenses:										
31	Traction and Propulsion Power	\$509	\$537	(29)	\$567	(29)	\$602	(35)	\$639	(38)	
32	Fuel for Buses and Trains	275	268	7	267	1	267	(1)	274	(7)	
33	Insurance	33	52	(19)	68	(17)	87	(19)	110	(23)	
34	Claims	204	201	4	210	(10)	215	(4)	219	(4)	
35	Paratransit Service Contracts	368	394	(26)	412	(17)	457	(45)	526	(69)	
36	Maintenance and Other Operating Contracts	546	581	(35)	622	(41)	640	(17)	639	0	
37	Professional Service Contracts	314	337	(23)	319	18	316	3	321	(5)	
38	Materials & Supplies	498	527	(29)	548	(20)	555	(7)	564	(9)	
39	Other Business Expenses	165	161	4	166	(6)	172	(6)	175	(3)	
40	Sub-total Non-Labor Expenses	\$2,913	\$3,058	(\$145)	\$3,179	(\$121)	\$3,311	(\$132)	\$3,467	(\$156)	
41											
42	Other Expense Adjustments:										
43	Other	\$46	\$47	(1)	\$48	(1)	\$51	(3)	\$52	(1)	
44	General Reserve	0	135	(135)	140	(5)	145	(5)	150	(5)	
45	Sub-total Other Expense Adjustments	\$46	\$182	(\$136)	\$188	(\$6)	\$196	(\$8)	\$202	(\$6)	
46											
47	Total Operating Expense before Non-Cash Liability Adjs.	\$10,763	\$11,256	(\$493)	\$11,650	(\$394)	\$12,083	(\$433)	\$12,550	(\$468)	
48											
49	Depreciation	2,176	2,265	(90)	2,384	(119)	2,453	(68)	2,637	(184)	
50	OP&B Obligation	1,819	1,900	(80)	1,982	(83)	2,069	(86)	2,156	(87)	
51	Environmental Remediation	5	6	(1)	6	0	6	0	6	0	
52											
53	Total Operating Expense	\$14,762	\$15,426	(\$664)	\$16,022	(\$596)	\$16,610	(\$588)	\$17,349	(\$739)	
54											
55	Less B&T Depreciation	94	104	(10)	112	(7)	120	(7)	128	(8)	
56											
57	Net Operating Deficit Before Subsidies and Debt Service	(\$6,871)	(\$7,475)	(\$604)	(\$8,042)	(\$566)	(\$8,520)	(\$478)	(\$9,186)	(\$666)	
58											
59	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$4,000	\$4,171	(\$171)	\$4,372	(\$202)	\$4,527	(\$161)	\$4,799	(\$176)	
60	Debt Service (excludes Service Contract Bonds)	(2,191)	(2,393)	(203)	(2,481)	(88)	(2,642)	(161)	(2,818)	(176)	
61											
62	Total Operating Expense with Debt Service	\$12,953	\$13,649	(\$696)	\$14,131	(\$482)	\$14,725	(\$594)	\$15,369	\$644	
63											
64	Dedicated Taxes and State/Local Subsidies	\$5,890	\$6,039	\$149	\$6,373	\$334	\$6,609	\$236	\$6,813	\$204	
65											
66	Net Deficit After Subsidies and Debt Service	\$828	\$342	(\$487)	\$222	(\$119)	(\$26)	(\$248)	(\$393)	(\$367)	
67											
68	Conversion to Cash Basis: GASB Account	(84)	(98)	14	(106)	7	(114)	(191)	(123)	(394)	
69	Conversion to Cash Basis: All Other	(235)	(398)	162	(335)	(63)	(268)	0	(304)	0	
70	CASH BALANCE BEFORE PRIOR YEAR CARRYOVER	\$509	(\$154)	\$663	(\$218)	(\$64)	(\$409)	0	(\$920)	0	

# METROPOLITAN TRANSPORTATION AUTHORITY

## November Financial Plan 2014-2017

### Non-Recurring Revenue and Savings

(\$ in millions)

		2013 November Forecast		2014 Final Proposed Budget		2015 Plan		2016 Plan		2017 Plan	
		Explanation		Explanation		Explanation		Explanation		Explanation	
Multi-Agency	2011 Tropical Storm Irene Reimb.	Insurance/FEMA reimbursement for expenses incurred as a result of Tropical Storm Irene (August 2011)		\$ -		\$ -		\$ -		\$ -	
		\$ 29.5		\$ -		\$ -		\$ -		\$ -	
Multi-Agency	2012 Super-storm Sandy Reimb.	Insurance/FEMA reimbursement for expenses incurred as a result of Superstorm Sandy (October 2012)		\$ 50.2		\$ -		\$ -		\$ -	
		\$ 174.8		\$ 50.2		\$ -		\$ -		\$ -	
MTAHQ	Lower HQ Salary	Vacancy savings		\$ -		\$ -		\$ -		\$ -	
MTAHQ	Recovery of Relocation Costs			\$ -		\$ 8.3		\$ 59.0		Reimbursement of HQ move to 2 Bway	
LIRR	Sale of Finance and Accounting Building			\$ -		\$ -		\$ -		\$ -	
LIRR	Bayridge Real Estate Sale	Currently, the Transit Oriented Development (TOD) Group is doing an engineering study and an appraisal for the air rights. They are projecting phase I to go out towards the end of 2013 and phase II in 2014.		\$ 3.0		\$ -		\$ -		\$ -	
NYCT	CNG Fuel Tax Credits	\$ 6.0		\$ 3.0		\$ -		\$ -		\$ -	
Total Non-Recurring Resources (> or = \$1 million)		\$ 216.3		\$ 55.6		\$ 8.3		\$ 59.0		\$ -	

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**November Financial Plan 2014-2017**  
**Operating Budget Reserves - Baseline**  
(\$ in millions)

	2013 November <u>Forecast</u>	2014 Final Proposed <u>Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
MTA General Reserve (annual)	\$0.0	\$135.0	\$140.0	\$145.0	\$150.0
GASB Fund Reserve <sup>1,2</sup>	\$397.8	\$499.5	\$608.5	\$726.4	\$853.3
MTA Retiree Welfare Benefits Trust <sup>1</sup>	\$250.0	\$250.0	\$250.0	\$250.0	\$250.0

<sup>1</sup> Cumulative balances

<sup>2</sup> MTA intends to move funds from the GASB Fund Reserve into the MTA Retiree Welfare Benefits Trust Fund.

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

NYCT  
2013 Commitment Goals  
All \$ in Millions

ACEP	Project Description	Commitment Value
<b>2005-2009</b>		
T50302/18	Purchase 90 Standard Buses	\$46.65
T50703/22	Steel Repair And Abutments: La Salle - 133 St / Bway-7th Ave	\$9.89
T50806/15	PA/CIS: 44 Stns: Furnish-Install Cabinets	\$27.00
	<b>Element Total</b>	<b>\$83.55</b>
T51204/08	BRT: Traffic Signal Priority Hardware	\$3.63
	<b>Element Total</b>	<b>\$3.63</b>
G51404/12	Security Program: 09tsg: Lexington Av/53rd St Access Control	\$15.44
G51404/10	Security Program: 09tsg: 74th St/roosevelt Av Access Control	\$11.48
	<b>Element Total</b>	<b>\$26.92</b>
<b>2010-2014</b>		
T60302/24	Purchase 600 Standard Buses	\$311.02
T60302/25	Purchase 285 Express Buses	\$187.28
	<b>Element Total</b>	<b>\$498.30</b>
T60404/06	Passenger Station LAN: 31 Stations	\$30.00
T60404/07	Passenger Station LAN: 11 Stations - Partial Systems	\$2.00
	<b>Element Total</b>	<b>\$32.00</b>
T60407/03	Replaceme 2 Escalators Roosevelt Av / Qbl	\$13.70
T60407/04	Replace 11 Hydraulic Elevators	\$44.62
T60407/05	Replace 10 Hydraulic Elevators	\$2.60
	<b>Element Total</b>	<b>\$60.93</b>
T60412/89	Station Painting At Component Locations: 3 Loc / Brighton	\$2.31
T60412/77	Station Components: 3 Stations / Brighton	\$6.88
T60412/24	Station Painting At Component Locations, Phase 1	\$7.00
T60412/22	Brick Arch Repair: 168 Street & 181 Street / Broadway-7th Av	\$36.60
T60412/07	Station Renewal: Buhre Avenue / Pelham	\$19.22
T60412/08	Station Renewal: Middletown Road / Pelham	\$18.22
T60412/09	Station Renewal: Zerega Avenue / Pelham	\$18.29
T60412/10	Station Renewal: Castle Hill Avenue / Pelham	\$19.38
T60412/06	Station Component: Pelham Bay Park / Pelham	\$8.60
T60412/32	Station Renewal: Ozone Park-Lefferts Blvd / Liberty	\$6.64
T60412/31	Station Renewal: 104 Street / Liberty	\$17.10
T60412/33	Station Renewal: 111 Street / Liberty	\$16.32
T60412/34	Station Renewal: Rockaway Boulevard / Liberty	\$16.76
T60412/35	Station Renewal: 88 Street / Liberty	\$16.83
T60412/36	Station Renewal: 80 Street / Liberty	\$16.47
T60412/69	Station Component: Queensboro Plaza / Flushing	\$0.95
T60412/81	Station Component: 2 Locations / Culver	\$12.14
T60412/74	Station Component: 157 Street / Broadway-7th Ave	\$5.15
T60412/76	Station Component: 2 Locations / Eastern Parkway	\$3.32
T60412/91	Station Component: 3 Locations / Lexington	\$0.52
T60412/94	Station Component: 6 Locations / Canarsie	\$1.70
T60412/64	Station Component: 3 Locations / Astoria	\$0.41
T60412/93	Station Component: 2 Locations / QBL	\$0.83
T60412/92	Station Component: New Lots Av / New Lots	\$0.54

ACEP	Project Description	Commitment Value
T60412/50	Station Renewal: Van Siclen Avenue / New Lots	\$0.62
T60412/45	Station Renewal: Pennsylvania Avenue / New Lots	\$0.62
T60412/46	Station Renewal: Rockaway Avenue / New Lots	\$0.62
T60412/47	Station Renewal: Saratoga Avenue / New Lots	\$0.63
T60412/48	Station Renewal: Junius Street / New Lots	\$0.62
T60412/49	Station Renewal: Sutter Avenue-Rutland Road / New Lots	\$0.62
T60412/82	Station Component: 4 Locations / Broadway	\$0.67
T60412/84	Station Component: Delancey St-essex St / Nassau	\$0.47
T60412/90	Station Component: 5 Locations / Fulton	\$1.74
T60412/83	Station Component: 2 Locations / 4 Av	\$0.83
T60412/96	Station Component: 2 Locations / Nostrand	\$0.83
T60412/38	Station Renewal: Avenue X / Culver	\$0.50
T60412/39	Station Renewal: Avenue U / Culver	\$0.53
T60412/40	Station Renewal: Avenue P / Culver	\$0.51
T60412/41	Station Renewal: Bay Parkway / Culver	\$0.49
T60412/44	Station Renewal: Avenue I / Culver	\$0.51
T60412/42	Station Renewal: 18 Avenue / Culver	\$0.50
T60412/43	Station Renewal: Ditmas Avenue / Culver	\$0.51
T60412/80	Station Component: 103 Street / Lexington	\$0.73
T60412/82	Station Component: 4 Locations / Broadway	\$1.21
T60412/91	Station Component: 3 Locations / Lexington	\$0.62
T60412/64	Station Component: 3 Locations / Astoria	\$0.83
T60412/93	Station Component: 2 Locations / QBL	\$0.46
	<b>Element Total</b>	<b>\$267.85</b>
T60413/12	ADA: Ozone Park-Lefferts Blvd / Liberty	\$31.40
T60413/10	ADA: 23 Street / Lexington	\$26.30
	<b>Element Total</b>	<b>\$57.70</b>
T60414/07	Station Signage	\$4.35
T60414/03	Water Condition Remedy - 2013	\$3.18
T60414/04	Scrubber Room Drainage - 3 Locations	\$3.57
T60414/03	Water Condition Remedy - 2013	\$0.10
T60414/05	Access Improvements: Grand Central / Lex	\$0.50
	<b>Element Total</b>	<b>\$11.70</b>
T60502/12	Continuous Welded Rail - 2013	\$3.92
T60502/10	Mainline Track Replacement - 2013	\$2.83
T60502/56	Mainline Track Replacement 2013 At Broadway IRT Upper Mnhhtn	\$6.56
T60502/57	Mainline Track Replacement 2013 At Lexington Avenue	\$14.25
T60502/61	Mainline Track Replacement 2013 At Sea Beach	\$12.00
T60502/58	Mainline Track Replacement 2013 At 59 St Columbus Circle / 8 Av	\$3.59
T60502/59	Mainline Track Replacement 2013 At Euclid Ave / 8 Avenue	\$11.31
T60502/11	Track Force Account - 2013	\$35.00
T60502/76	Mainline Track Replacement 2013 At White Plains Road	\$7.08
T60502/66	Mainline Track Replacement 2013 At Lenox-White Plains Rd	\$5.59
T60502/55	Mainline Track Replacement 2013 At 6th Avenue	\$18.10
T60502/62	Mainline Track Replacement 2013 At Jamaica	\$16.75
T60502/64	Mainline Track Replacement 2013 At Queens Blvd	\$8.22
T60502/65	Mainline Track Replacement 2013 At Crosstown	\$4.03
T60502/63	Mainline Track Replacement 2013 At 8th Avenue	\$14.04
T60502/70	Mainline Track Replacement 2013 At Concourse	\$6.57
T60502/60	Mainline Track Replacement 2013 At Dekalb Ave / Canarsie	\$2.48
T60502/67	Mainline Track Replacement 2013 At Brighton	\$2.62

ACEP	Project Description	Commitment Value
T60502/75	Mainline Track Replacement 2013 At 7th Avenue	\$2.97
T60502/68	Mainline Track Replacement 2013 At 4th Avenue	\$3.24
T60502/21	Mainline Track Replacement 2011 At Dyre Av	\$1.08
T60502/74	Mainline Track Replacement 2013 At Pelham	\$1.51
T60502/69	Mainline Track Replacement 2013 At Canarsie	\$9.09
T60502/72	Mainline Track Replacement 2013 At Liberty Ave	\$8.67
T60502/46	Mainline Track Replacement 2012 At Pelham	\$1.57
T60502/73	Mainline Track Replacement 2013 At Jerome Ave	\$6.38
T60502/71	Mainline Track Replacement 2013 At Archer Avenue	\$2.42
T60502/13	Mainline Track Replacement - 2014	\$1.06
	<b>Element Total</b>	<b>\$212.91</b>
T60503/04	Mainline Switches - 2013 Support costs	\$5.45
T60503/17	Mainline Track Switches 2013 At Queens Blvd	\$15.33
T60503/18	Mainline Track Switches 2013 At Jamaica	\$13.87
T60503/19	Mainline Track Switches 2013 At 8th Avenue	\$3.13
T60503/20	Mainline Track Switches 2013 At Brighton	\$4.78
T60503/05	29 Mainline Switches - 2014	\$1.77
	<b>Element Total</b>	<b>\$44.32</b>
T60602/03	Tunnel Lighting Rehabilitation: 36 St To Jackson-Roosevelt / Queens Blvd	\$59.67
	<b>Element Total</b>	<b>\$59.67</b>
T60603/04	Vent Plant: 46 Street-Northern Blvd / Queens Blvd Line	\$85.50
T60603/05	Replace Vent Controls: 26 Locations	\$13.61
T60603/05	Replace Vent Controls: 26 Locations	\$0.82
	<b>Element Total</b>	<b>\$99.93</b>
T60604/03	Pumps at 4 Locations / Pelham - Jerome - Lenox	\$35.29
T60604/04	Pumps: 2 Locs - Manhattan Midtown	\$0.37
T60604/03	Pumps: 4 Locations / Pelham - Jerome - Lenox	\$0.89
T60604/04	Pumps: 2 Locs - Manhattan Midtown	\$0.37
	<b>Element Total</b>	<b>\$36.92</b>
T60703/09	Overcoating: Portal - East 180 Street / White Plains	\$33.67
T60703/22	122 St & 135 St Portal Repairs / Broadway-7th Avenue	\$14.11
T60703/15	Overcoating: Dyckman Street - 215 Street / Broadway-7th Avenue	\$17.78
T60703/23	Subway Structure Roof: Delancey Street / Nassau Loop	\$2.33
T60703/13	Structure Repairs / Dyre Avenue Line	\$8.64
T60703/16	Subway Tunnel Rehabilitation: Priority Repairs: 4th Ave	\$0.50
	<b>Element Total</b>	<b>\$77.04</b>
T60803/14	Roosevelt Interlocking / Queens Blvd	\$99.76
T60803/13	Dyre Avenue Line Signals	\$236.79
T60803/04	Repl Solid State Sig Equip - 8 Locs	\$26.08
T60803/12	Signal Control Modifications Phase 5	\$10.00
T60803/15	Interlocking Modernization: 34th Street - 6th Ave	\$204.50
T60803/18	Signal Key-by Circuit Mods: Phase 3	\$14.67
	<b>Element Total</b>	<b>\$591.80</b>
T60806/19	Communication Room Waterproofing: 17 Locations	\$9.88
T60806/19	Communication Room Waterproofing: 5 Locations [mentor]	\$3.37
T60806/21	Passenger Station LAN: 30 Stations	\$27.97
T60806/04	PA/CIS: 43 Stns: Furnish-Install Cabinets	\$27.40
T60806/17	Real Time Train Arrival Information: B-division, Phase 1	\$0.50
T60806/13	Antenna Cable Upgrade/replacement Ph 1	\$0.85

ACEP	Project Description	Commitment Value
T60806/01	Fiber Optic Cable Replacement: Phase 1	\$1.10
T60806/15	Copper Cable Upgrade/replacement Phase 3	\$0.46
	<b>Element Total</b>	<b>\$71.54</b>
T60902/03	Substation Hatchways: 6 Locations	\$4.46
T60902/04	Central Substation / 6th Av - Phase 2	\$17.65
	<b>Element Total</b>	<b>\$22.11</b>
T60904/06	CBH 146 Prospect Park / Brighton	\$5.87
T60904/05	Rehab CBH 403 Vanderbilt / Flushing	\$12.64
	<b>Element Total</b>	<b>\$18.50</b>
T61004/14	Yard Track - 2013	\$5.55
T61004/20	Yard Switches - 2013	\$6.88
T61004/04	207 St Maintenance Shop: Dc Power Upgrade	\$15.15
T61004/25	207 St Overhaul: Equipment For Car HVAC Repair & Maintenance	\$1.97
T61004/08	Heavy Shop Equipment Replacement	\$11.98
T61004/09	Yard Lighting: (Jerome, Pelham)	\$13.26
T61004/15	Yard Track - 2014	\$0.09
T61004/21	Yard Switches - 2014	\$0.29
T61004/07	Shop Repairs/ Upgrades: Pitkin And Concourse	\$1.13
T61004/07	Shop Repairs/ Upgrades: Pitkin And Concourse	\$1.13
	<b>Element Total</b>	<b>\$57.43</b>
T61204/10	HVAC Upgrades - Yukon Depot	\$12.14
T61204/18	Bus Lane Enforcement Cameras, Phase 1	\$2.70
T61204/16	Replace 8 Bus Washers At 4 Depots	\$0.54
	<b>Element Total</b>	<b>\$15.38</b>
T61302/05	Purchase 118 Non-rev Vehicles: 2012-13 Orders	\$13.92
T61302/06	Purchase 101 Non-rev Vehicles: 2013-14 Orders	\$11.50
T61602/04	Capital Revolving Fund - 2013	\$5.00
	<b>Element Total</b>	<b>\$30.42</b>
T61604/02	Enterprise-Wide San/Disaster Recovery Phase 2	\$11.68
T61604/04	WAN And Legacy Systems Replacement	\$9.61
	<b>Element Total</b>	<b>\$21.29</b>
T61605/11	Concrete Batch Plant (2012)	\$1.29
T61605/12	Concrete Cylinder Testing (2012)	\$0.75
T61605/09	Scope Development: 2013	\$12.00
T61605/07	Engineering Services: 2013	\$3.60
	<b>Element Total</b>	<b>\$17.64</b>
T61606/07	Groundwater & Soil Remed - 2011	\$6.50
T61606/05	Sprinkler & Alarm Systems: Phase 2 / 3 Locations	\$7.48
T61606/04	Asbestos Disposal	\$2.52
T61606/06	Fire Alarm: 207 Street Overhaul Shop	\$0.40
	<b>Element Total</b>	<b>\$16.89</b>
T61607/06	Maspeth Warehouse Repairs	\$6.53
T61607/03	Rto Master Tower Hardening	\$0.67
T61607/05	Employee Facilities: Chambers St / Nassau Loop	\$6.53
T61607/07	Perimeter Hardening: Rcc, Pcc & 130 Livingston	\$11.51
T61607/09	Dos Roof Replacement Phase 3	\$11.76
T61607/16	8 AFC Employee Office Upgrades @ 5 Depots	\$0.25
T61607/17	Livingston Plaza: Elevators, Roof, Facade	\$0.47

<b>ACEP</b>	<b>Project Description</b>	<b>Commitment Value</b>
	<b>Element Total</b>	<b>\$37.71</b>
S60701/02	Sir: Lemon Creek Culvert Bridge	\$7.30
S60701/08	Sir: Station Construction: Arthur Kill	\$21.84
S60701/05	Sir: New Power Substation: Prince's Bay	\$0.48
	<b>Element Total</b>	<b>\$29.62</b>
E61404/05	Security Program: 2011-tsg: Electronic Security - Urt Phase 2	\$32.00
E61404/02	Security Program: Electronic Security: 10tsg Boro Hall-court St	\$17.84
E61404/03	Security Program: Electronic Security: 10tsg Atlantic/pacific	\$16.85
	<b>Element Total</b>	<b>\$66.69</b>
	<b>NYCT's Total 2013 Commitment Plan</b>	<b>\$2,569.37</b>

MNR  
2013 Commitment Goals  
All \$ in Millions

ACEP	Project Description	Commitment Value
<b>2000-2004</b>		
M402-03-13	North White Plains Parking Garage	\$37.23
	<b>Element Total</b>	<b>\$37.23</b>
<b>2005-2009</b>		
M502-02-02	Croton Harmon/Peekskill Improvements	\$1.01
M502-02-09	Bronx Stations/Capacity Improvements	\$2.13
M503-02-06	Overhead Bridge Program-E of H (MNR Share)	\$.89
M503-02-12	Clearance Inventory and Video	\$.15
	<b>Element Total</b>	<b>\$4.17</b>
M505-01-03	HRLB Replace Breaker Houses	\$15.24
	<b>Element Total</b>	<b>\$15.24</b>
G514-03-05	GCT Lexington Avenue Bollards	\$.11
	<b>Element Total</b>	<b>\$.11</b>
<b>2010-2014</b>		
M602-01-01	GCT Trainshed/Tunnel Structure	\$2.55
M602-01-08	GCT Utilities	\$1.50
	<b>Element Total</b>	<b>\$4.05</b>
M602-02-01	Poughkeepsie Station Building	\$.82
M602-02-02	Fordham Station Improvements	\$11.26
M602-02-03	Harlem Line Station Renewal	\$2.23
M602-02-04	Station Building Rehabilitation/Net Lease	\$3.90
M602-02-06	New Haven Line Station Phase II	\$.40
	<b>Element Total</b>	<b>\$18.60</b>
M603-01-02	Turnouts - Mainline/High Speed	\$8.83
M603-01-03	GCT Turnouts/Switch Renewal	\$3.50
M603-01-04	Turnouts - Yards/Sidings	\$.79
M603-01-08	Drainage and Undercutting Program	\$6.84
M603-01-13	2013 Cyclical Track Program	\$12.78
	<b>Element Total</b>	<b>\$32.73</b>
M603-02-01	Replace Timbers Undergrade Bridges	\$1.95
M603-02-05	Bridge Walkways Installation	\$.38
M603-02-06	Remove Obsolete Facilities	\$.65
M603-02-10	Replace/Repair Undergrade Bridges Program	\$1.04
M603-02-11	Harlem River Lift Bridge Cable	\$8.57
M603-02-13	Catenary Painting/Rehab Catenary Structures	\$.16
M603-02-14	Park Avenue Viaduct Direct Fixation	\$1.80
	<b>Element Total</b>	<b>\$14.53</b>
M603-03-01	West of Hudson Track Program	\$1.00
M603-03-03	Moodna/Woodbury Viaduct	\$2.15

<b>ACEP</b>	<b>Project Description</b>	<b>Commitment Value</b>
	<b>Element Total</b>	<b>\$3.15</b>
M604-01-01	Positive Train Control	\$26.86
M604-01-02	West of Hudson Signal Improvements	\$1.13
M604-01-03	Replace Fiber/Communication & Signals Cables	\$3.29
M604-01-04	Replace Field code System - Mott Haven	\$.78
M604-01-06	Centralized Train Control/SCADA Intrusion Testing	\$.70
M604-01-08	Design/Replace Harlem and Hudson Track Relays	\$.63
M604-01-09	Replace High Cycle Relays	\$.13
	<b>Element Total</b>	<b>\$33.52</b>
M605-01-03	Harlem & Hudson Lines Power Improvements	\$28.29
M605-01-04	Replace Motors Alternators	\$1.73
M605-01-07	Har. River Lift Bridge Breaker Houses/Controls	\$4.74
M605-01-09	Replace 3rd Rail Brackets - Park Avenue Tunnel	\$5.50
	<b>Element Total</b>	<b>\$40.26</b>
M606-01-01	Harmon Shop Improvements	\$3.48
M606-01-02	Wassaic Yard Expansion-D/C	\$.50
	<b>Element Total</b>	<b>\$3.98</b>
M608-01-01	Systemwide Lead/Asbestos Abatement	\$.50
M608-01-06	Program Administration	\$6.44
M608-01-07	Program Scope Development	\$2.32
	<b>Element Total</b>	<b>\$9.26</b>
E614-03-01	11TSG Harlem River Lift Brg Security Study&Design	\$.64
	<b>Element Total</b>	<b>\$.64</b>
	<b>MNR's Total 2013 Commitment Plan</b>	<b>\$217.50</b>

LIRR  
2013 Commitment Goals  
All \$ in Millions

ACEP	Project Description	Commitment Value
<b>2005-2009</b>		
L5020425	JCC BUILDING FITOUT - PHASE 2	\$0.31
L502042E	NEW ELEVATORS-FLUSHING MAIN STREET	\$1.10
	<b>Element Total</b>	<b>\$1.41</b>
L50205U3	RONKONKOMA PARKING GARAGE REHAB	\$1.82
L50205U4	PARKING LOT REHAB (MENTOR)	\$0.44
	<b>Element Total</b>	<b>\$2.25</b>
L50304TQ	MLC-HICKSVILLE NORTH SIDING	\$4.12
L50304TR	MLC-HICKSVILLE STATION IMPROVEMENTS	\$4.03
L50304TT	MLC-ELLISON AVENUE BRIDGE	\$1.03
	<b>Element Total</b>	<b>\$9.18</b>
L50402VA	ERT FIRE & LIFE SAFETY	\$1.89
	<b>Element Total</b>	<b>\$1.89</b>
L50601YD	WHEEL SPUR YARD	\$9.81
	<b>Element Total</b>	<b>\$9.81</b>
L509048B	YAPHANK LANDFILL REMEDIATION	\$0.00
L509048C	LIC YARD REMEDIATION	\$0.06
L509048H	HOLBAN YARD	\$0.10
	<b>Element Total</b>	<b>\$0.16</b>
<b>2010-2014</b>		
L60101MA	M9 PURCHASE FOR M3 REPLACEMENT	\$350.00
	<b>Element Total</b>	<b>\$350.00</b>
L60204UB	MASSAPEQUA STATION PLATFORM REPLACEMENT	\$16.69
L60204UF	METS/WILLETS PT STATION RENOVATION	\$6.00
L60204UH	ELEVATOR REPLACEMENT PROGRAM	\$0.31
	<b>Element Total</b>	<b>\$23.00</b>
L60301TD	2013 ANNUAL TRACK PROGRAM	\$67.90
L60301TF	CONSTRUCTION EQUIPMENT	\$0.43
	<b>Element Total</b>	<b>\$68.33</b>
L60304TU	JAMAICA CAPACITY IMPROVEMENTS	\$1.78
L60304TV	MASSAPEQUA POCKET TRACK	\$0.89
L60304TW	GREAT NECK POCKET TRACK EXTENSION	\$0.42
L60304TX	2ND MAIN LINE TRACK FARM TO KO	\$0.13
	<b>Element Total</b>	<b>\$3.21</b>
L60401BB	BRIDGE PROGRAM	\$9.00
L60401BK	150 TH ST BRIDGE- JAMAICA BRIDGE REHAB	\$0.75
	<b>Element Total</b>	<b>\$9.75</b>

<b>ACEP</b>	<b>Project Description</b>	<b>Commitment Value</b>
L60501L4	IMPROVED RADIO COVERAGE INITIATIVE	<b>\$0.00</b>
L60501L6	PENN STATION RADIO RETROFIT/ERT ANTENNA	\$1.50
	<b>Element Total</b>	<b>\$1.50</b>
L60502LA	POSITIVE TRAIN CONTROL	\$38.58
L60502LC	SPEONK - MONTAUK SIGNALIZATION	\$24.62
L60502LF	CENTRALIZED TRAFFIC CONTROL	\$0.50
	<b>Element Total</b>	<b>\$63.70</b>
L60601YA	SHOP RECONFIG & RCM INFRASTRUCTURE	\$0.88
L60601YB	HILLSIDE FACILITY BLDG REHAB (ROOF)	\$4.37
L60601YC	HILLSIDE MAINTENANCE FACILITY	\$1.31
L60601YN	NEW MID SUFFOLK ELECTRIC YARD	\$0.30
	<b>Element Total</b>	<b>\$6.86</b>
L60604YT	REHAB OF EMPLOYEE FACILITIES	\$0.02
	<b>Element Total</b>	<b>\$0.02</b>
L60904N3	20 SUBSTATIONS CHLORDANE REMEDIATION	\$0.63
L60904N6	SMITHTOWN VIADUCT REMEDIATION & DRAINAGE	\$0.17
L60904NA	PROGRAM ADMIN	\$20.57
L60904NC	INSURANCE	\$0.20
L60904ND	INDEPENDENT ENGINEER	\$1.08
	<b>Element Total</b>	<b>\$22.64</b>
	<b>LIRR's Total 2013 Commitment Plan</b>	<b>\$573.72</b>

MTA CC  
2013 Commitment Goals  
All \$ in Millions

ACEP	Project Description	Commitment Value
<b>2000-2004</b>		
G4140203	Penn Station 31st & 33rd at 7th Ave (Design)	\$1.95
	<b>Element Total</b>	<b>\$1.95</b>
G4140401	Integrgraph upgrade (Construction)	\$0.42
	<b>Element Total</b>	<b>\$0.42</b>
<b>2005-2009</b>		
G5140417	Brighton LineColumn - Atlantic Ave - Repackaging (Design)	\$6.04
	<b>Element Total</b>	<b>\$6.04</b>
<b>2010-2014</b>		
G6100102	4C: Station Finishes/MEP 72 St	\$280.27
G6100104	5C: Station Finishes/MEP 86 St	\$265.91
	<b>Element Total</b>	<b>\$546.18</b>
G61401 tbd	Harold Structures (Part 3)	\$71.25
G41401tbd	Manhattan Southern Structures (CM005) - <b><u>Added 03/2013</u></b>	\$216.20
G61401 tbd	CM014B - GCT Concourse & Cavern Finishes	\$179.89
G61401 tbd	System Package 3 (Signal Equipment Procurement)	\$22.07
G61401 tbd	System Package 1	\$530.00
G6140103	West Bound By-Pass/East Bound Re-Route	\$128.15
	<b>Element Total</b>	<b>\$1,147.56</b>
	<b>MTACC's Total 2013 Commitment Plan</b>	<b>\$1,702.15</b>

B&T  
2013 Commitment Goals  
All \$ in Millions

ACEP	Project Description	Commitment Value
<b>2005-2009</b>		
D505QM01	Service & FE Building Rehab	\$4.80
	<b>Element Total</b>	<b>\$4.80</b>
G5140110	B&T 2008 BZPP Grant	\$1.15
	<b>Element Total</b>	<b>\$1.15</b>
G5140108	08TSG ThrogsNeck ElectSecurity	\$17.78
	<b>Element Total</b>	<b>\$17.78</b>
<b>2010-2014</b>		
D601BB28	Rehab. Walls, Roadway, Firelines, Ceiling Repair	\$5.12
	<b>Element Total</b>	<b>\$5.12</b>
D601BW07	Tower and Pier Fender Protection	\$3.04
D601BW14	Miscellaneous Structural Rehabilitation	\$2.45
D601BW84	Cable Investigation / Monitoring	\$2.89
	<b>Element Total</b>	<b>\$8.37</b>
D601HH89	Skewbacks Retrofit	\$5.13
	<b>Element Total</b>	<b>\$5.13</b>
D601MP16	Miscellaneous Steel Repairs	\$1.31
D601MP06	Substructure & Underwater Scour Protection	\$20.78
	<b>Element Total</b>	<b>\$22.09</b>
D601QM40	Tunnel Wall and Ceiling Repairs and Leak Control	\$3.37
	<b>Element Total</b>	<b>\$3.37</b>
D601RK76	Miscellaneous Structural Repair	\$1.00
D601RK23	Miscellaneous Rehab - Manhattan Approach Ramps	\$6.72
	<b>Element Total</b>	<b>\$7.72</b>
D601TN60	Anchorage Dehumidification	\$2.97
D601TN52	Miscellaneous Structural Rehabilitation	\$4.10
	<b>Element Total</b>	<b>\$7.07</b>
D601VN34	Verrazano-Narrows Bridge Main Cable Testing	\$0.05
D601VN35	Steel Repair & Concrete Rehab. & Drainage Systems	\$14.73
	<b>Element Total</b>	<b>\$14.78</b>

ACEP	Project Description	Commitment Value
D602BW89	Deck Replacement - Elevated and On Grade Approach	\$2.92
	<b>Element Total</b>	<b>\$2.92</b>
D602RK65	Deck Replacement - Bronx/Manhattan Ramps/Toll Plaza	\$24.32
D602RK75	Interim Repairs - Toll Plaza Deck	\$16.27
	<b>Element Total</b>	<b>\$40.60</b>
D602TN49	Miscellaneous Structural Rehabilitation	\$2.21
D602VN80	Replace Upper Level Suspended Span	\$87.55
D602VN84	Widening of Belt Parkway Ramps	\$7.66
	<b>Element Total</b>	<b>\$97.42</b>
D603AW36	Installation of CCTV / Fiber Optic Cable	\$21.16
D603AW48	2nd Generation E-Zpass In-Lane	\$4.43
	<b>Element Total</b>	<b>\$25.59</b>
D604BW15	Necklace Lighting	\$8.37
	<b>Element Total</b>	<b>\$8.37</b>
D604QM30	Tunnel Ventilation Building Electrical Upgrade	\$0.46
D604QM81	Controls / Communication System	\$3.86
	<b>Element Total</b>	<b>\$4.32</b>
D604VN87	Substation #1 Rehabilitation	\$14.62
	<b>Element Total</b>	<b>\$14.62</b>
D605AW12	Hazardous Materials Abatement	\$0.40
	<b>Element Total</b>	<b>\$0.40</b>
D605BB21	Service Building Rehabilitation	\$3.50
	<b>Element Total</b>	<b>\$3.50</b>
D606AW21	Program Administration	\$3.30
D606AW15	MTA Independent Engineer	\$0.62
D606AW18	Protective Liability Insurance	\$1.58
D606AW28	Scope Development	\$2.00
	<b>Element Total</b>	<b>\$7.50</b>
D607RK65	Paint - Plaza and Approach Ramps	\$1.72
	<b>Element Total</b>	<b>\$1.72</b>
D607VN35	Paint - Brooklyn&Staten Island Lower Level Ramps	\$19.03
	<b>Element Total</b>	<b>\$19.25</b>
	<b>B&amp;T's Total 2013 Commitment Plan</b>	<b>\$323.56</b>

MTA Bus  
2013 Commitment Goals  
All \$ in Millions

ACEP	Project Description	Commitment Value
<b>2005-2009</b>		
U5030204	Emergency Generators: 6 Depots	\$7.73
U5030216	Additional Fueling Capacity: JFK, Baisley Park and LaGuardia	\$3.50
U5030218	Security Upgrade: Eastchester and LaGuardia	\$7.50
U5030211	Far Rockaway Roof Replacement	\$1.50
U5030219	Service Vehicles	\$4.00
U5030220	Chassis Wash and Oil Water Separator: JFK	\$2.76
	<b>Element Total</b>	<b>\$26.99</b>
<b>2010-2014</b>		
U6030205	Bus Wash: JFK and Baisley Park	\$3.30
U6030208	New Apron: JFK	\$6.50
U6030201	Project Admin & Engineering	\$4.10
U6030204	Security Upgrade: Far Rockaway and Baisley Park	\$6.80
U6030217	45 Diesel Buses	\$25.90
	<b>Element Total</b>	<b>\$46.60</b>
	<b>MTA Bus' 2013 Commitment Plan</b>	<b>\$73.59</b>

MTA PD  
 2013 Commitment Goals  
 All \$ in Millions

ACEP	Project Description	Commitment Value
<b>2005-2009</b>		
N5100104	MTAPD K-9 Facility	\$1.16
N5100109	MTAPD Radio Project Design/Build	\$30.60
	<b>Element Total</b>	<b>\$31.76</b>
<b>2010-2014</b>		
E6100102	MTAPD District 9 HQ Design	\$0.50
E6100103	MTAPD District 2 HQ Land Acquisition	\$1.50
	<b>Element Total</b>	<b>\$2.00</b>
<b>MTAPD's Total 2013 Commitment Plan</b>		<b>\$33.76</b>

## NYCT 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T61204/23	Misc: Bus Projects:Tank Upgrades: Jamaica Depot [Mentor]	\$0.60	Jan-13
T60502/47	Mainline Track Replacement 2012 at Lexington Avenue	\$8.50	Jan-13
T40806/T1	Communications Cable And Equipment:Cable: Network Management (CNMMS)	\$10.83	Jan-13
T51604/02	Computer Hardware & Communications:HP Server Consolidation/Replacement	\$5.20	Jan-13
T60302/21	New Buses:90 Standard Diesel Buses - New Flyer Pilot	\$44.23	Jan-13
T60806/09	Comm Room HVAC Ph2: 2 Stations / Manhattan [Mentor]	\$0.97	Feb-13
T51204/24	Chassis Wash Lift Replacement: East New York Depot [Mentor]	\$0.72	Feb-13
T60502/35	Mainline Track Replacement 2012 at Cranberry Tube / 8 Avenue	\$8.52	Feb-13
T61604/02	Enterprise-Wide SAN/Disaster Recovery Phase 1	\$6.37	Feb-13
T50703/07	Elevated Structure Rehabilitation:Culver Viaduct Rehabilitation - Phase 2	\$154.28	Feb-13
T50411/56	Station Rehabilitation:Beach 60 Street / Far Rockaway	\$18.78	Apr-13
T61004/19	Yard Switches:Yard Switches - 2012	\$3.96	Feb-13
T61004/13	Yard Track Rehabilitation:Yard Track - 2012	\$1.84	Feb-13
T51204/22	Chassis Wash Repl 2 Lifts: Fresh Pond Depot [Mentor]	\$1.08	Feb-13
T50803/12	Signal Systems:Interlocking: 4th Ave / Culver	\$118.26	Feb-13
T50411/59	Station Rehabilitation:Beach 25 Street / Far Rockaway	\$18.54	Apr-13
T50999/01	Substations (IND):Jay St Substation: DC Feeders / CBH #579	\$36.69	Feb-13
T50411/58	Station Rehabilitation:Beach 36 Street / Far Rockaway	\$17.15	Apr-13
T50411/55	Station Rehabilitation:Beach 67 Street / Far Rockaway	\$23.42	Apr-13
T50411/57	Station Rehabilitation:Beach 44 Street / Far Rockaway	\$18.48	Apr-13
T60412/73	Emerg Rehab of Structural Roof/Sidewalk: Longwood Av/ Pelham	\$2.80	Mar-13
T51204/26	Depot Rehabilitation:Ulmer Park: Brick Facade Repair [Mentor]	\$0.97	Mar-13
T60502/32	Mainline Track Replacement 2012 at Jamaica	\$7.88	Mar-13
T40803/CI	Signal Systems:SSI: Bergen St Interlocking / Prospect Park WRAP-UP	\$1.42	Mar-13
T60502/49	Mainline Track Repl 2012: s/o 14 St Union Sq / Broadway	\$5.45	Mar-13
T50806/16	Station Communication Rooms:Comm Room HVAC: 6 Locs (On-Call)	\$4.49	Mar-13
T60503/10	Mainline Track Switches:Mainline Track Switches - 2012 at Queens Blvd	\$5.54	Mar-13
T60503/09	Mainline Track Switches:Mainline Track Switches - 2012 at West End	\$7.06	Mar-13
T31302/RG	Work Train & Special Equipment:1 Rail Grinder	\$11.73	Mar-13
T60502/28	Mainline Track Replacement 2012 at S/O Court Street	\$4.20	Apr-13
T51204/27	Depot Rehabilitation:Flatbush Depot: Facade Repair [Mentor]	\$0.97	Apr-13
T60502/43	Mainline Track Replacement 2012 at Eastern Parkway	\$2.17	Apr-13
T60503/12	Mainline Track Switches:Mainline Track Switches - 2012 at Eastern Parkway	\$3.57	Apr-13
T60503/16	Mainline Track Switches 2012: n/o New Lots Ave / E. Parkway	\$3.80	Apr-13
T61204/09	Misc: Bus Projects:Tank Upgrades: Fresh Pond Depot [Mentor]	\$2.08	Apr-13
T60502/45	Mainline Track Replacement 2012 at Jerome Ave	\$4.90	Apr-13
T40404/M4	Fare Control Modernization:AFC Replacement, Phase 1: Station Controllers	\$7.53	Apr-13
T51204/25	Depot Rehabilitation:Chassis Wash Lifts: MTV [Mentor]	\$0.88	Apr-13
T61607/02	Information Technology:Jay St Systems Phase 1: New PBX Room	\$4.25	Apr-13
T60412/01	Station Component Investments:4 Avenue / Culver	\$12.53	Apr-13
T60703/05	Elevated Structure Rehabilitation:Cypress Hills - 130 Street / Jamaica	\$21.85	Apr-13
T60412/12	Station Rehabilitation:Smith-9 Streets / Prospect Park Line	\$32.31	Apr-13
T50302/21	New Buses:54 Express Buses	\$34.72	Apr-13
T51606/02	Groundwater And Soil Remediation:Groundwater And Soil Remediation (2005)	\$7.25	Apr-13

## NYCT 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60703/18	Line Structure Overcoating:Cypress Hills - 130 Street / Jamaica	\$20.04	Apr-13
T60703/03	Culver Viaduct Rehabilitation Phase 3 - Underside	\$50.64	May-13
T61607/03	Maintenance Of Way:RTO Master Tower Hardening (In-House)	\$3.06	May-13
T50902/16	Substations (IND):Greeley Substation / 6th Avenue	\$30.81	May-13
T51606/09	Groundwater And Soil Remediation:Consultant Srvcs: UST & Remediation 2008	\$7.77	May-13
T61302/03	Work Train & Special Equipment:8 Auger-Type Snowthrowers	\$8.98	May-13
T60902/03	Misc: Power:Substation Hatchways: Phase 2 - 2 Loc CONSTRUCTION ONLY	\$3.81	May-13
T61607/21	Facilities: Distribution:Replace Roofing System at Maspeth Office Building	\$1.02	May-13
T61607/02	Information Technology:Jay St Sys Ph1: Duct & Street Work	\$2.91	May-13
T61607/22	Facilities: Distribution:Structure Repairs at Maspeth Storage Area	\$0.94	May-13
T60902/02	Substations (IND):Modernize 10 Street Substation / Culver	\$20.63	May-13
T61204/24	Bus Washers:2 Bus Washers at Gun Hill Depot [Mentor]	\$0.98	Jun-13
T60407/01	Escalator Replacement:3 Escalators - Southern Manhattan	\$14.48	Jun-13
T61204/26	Bus Washers:2 Bus Washers at Casey Stengel Depot [Mentor]	\$0.98	Jun-13
S60701/02	SIR: Structures:Rehabilitation of 8 Bridges	\$20.64	Jun-13
T60412/71	Station Painting at Component Locations: 207 St / Bway-7thAv	\$0.51	Jun-13
T60413/13	Station Accessibility (ADA):Dyckman Street / Broadway-7th Avenue	\$13.25	Jun-13
T50414/21	Station Component Investments:Platform Edge: 5 Locations / Broadway-7th Ave	\$12.17	Jun-13
T50414/21	Station Component Investments:Street Stairs: 2 Locations / Broadway-7th Ave	\$7.95	Jun-13
T60412/11	Station Normal Replacement:Dyckman Street / Broadway-7th Ave	\$49.38	Aug-13
T50414/07	Platform, Roof & Canopy Replacement:Repair Canopies: 5 Stns / Bway-7th Ave	\$14.14	Jun-13
T60703/01	Flood Mitigation and Relieving Platform Rehab / 148 St Yard	\$26.22	Jun-13
T60502/21	Mainline Track Replacement 2011 at Dyre Av	\$0.33	Jun-13
T40807/01	Rapid Transit Operations:Backup Command Center	\$22.84	Jun-13
S50701/12	SIR: Line Equipment:Signl Sys Mod: St.George-Tottnvil/Wrap-Up	\$1.19	Jun-13
T60502/56	Track Replacement 2013 at Broadway IRT Upper Mnhttn	\$6.56	Jun-13
T60302/06	New Buses:90 Articulated Buses	\$69.75	Jun-13
T51204/16	Depot Rehabilitation:Priority Repairs: Ulmer Park Depot (Terminated I/H Work)	\$7.61	Jun-13
T60503/15	Mainline Track Switches:Mainline Track Switches 2012: n/o Utica Ave / E. Parkway	\$9.27	Jun-13
T60302/05	New Buses:185 Standard Low-floor CNG Buses	\$90.40	Jun-13
T60503/17	Mainline Track Switches:Mainline Track Switches 2013 at Queens Blvd	\$15.33	Jun-13
T50101/01	New Subway Cars:23 A Division Cars - R188; Convert 10 R142A Cars	\$116.46	Jun-13
T30806/BS	Upgrade RTO Radio Base Stations to Fiber Optics	\$15.59	Jun-13
T60502/25	Mainline Track Replacement 2012 at Brighton	\$7.64	Jun-13
T60302/02	New Buses:328 Articulated Buses	\$251.94	Jun-13
T60414/03	Misc: Stations:Water Condition Remedy (2011)	\$3.77	Jun-13
T41302/O4	Work Train & Special Equipment:36 CWR Flatcars & 18 Flatcars	\$15.11	Jun-13
T51302/04	Rubber-Tired Vehicles:Replace Rubber Tire Vehicles - 2008-2009	\$7.49	Jun-13
T51606/04	Fire Protection:Fire Alarm: 130 Livingston & Power Ctr	\$18.10	Jun-13
T51204/16	Depot Rehabilitation:Priority Repairs: Flatbush Depot (Terminated I/H Work)	\$4.85	Jun-13
T60414/01	Station Signage:Station Signage	\$3.93	Jun-13
T60502/50	Mainline Track Repl 2012: Ave U - Sheepshead / Brighton	\$12.27	Jun-13
T60412/79	Station Component Investments:Junction Blvd / Flushing (S2/S4) [Mentor]	\$1.09	Jul-13

## NYCT 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60412/78	Station Component Investments:Junction Blvd / Flushing Line (S1/S3) [Mentor]	\$1.16	Jul-13
T50904/06	Power Distribution Facilities:Neg Cable Repl: Rockaway & Far Rockaway	\$13.12	Jul-13
T61607/13	Consolidated Employee Facilities:Subways:207 Street / 8th Avenue	\$8.84	Jul-13
T60806/03	Communication Equipment: Police:PRS:Time Domain Interference Solution	\$10.15	Jul-13
T50806/08	Communication Equipment: Police:PRS: TDI & Coverage (Pilot)	\$10.00	Jul-13
T60904/01	Power Distribution Facilities:New Duct Bank: 141 St - 148 St / Lenox	\$22.20	Jul-13
T60502/24	Mainline Track Replacement 2012 at Broadway	\$2.55	Aug-13
T50899/02	Stn Comm Room HVAC, Phase 2: 7 Stations / Brooklyn	\$5.27	Aug-13
T60412/68	Station Components: 149 Street-Grand Concourse / WPR	\$8.37	Aug-13
T60902/01	Substation Enclosures: 5 Locations	\$16.64	Aug-13
T60412/67	Station Component Investments:149 Street-Grand Concourse / Jerome	\$6.71	Aug-13
T60502/57	Mainline Track Replacement 2013 at Lexington Avenue	\$14.25	Aug-13
T61204/03	Radio & Data Communication:Bus Radio System Interim Upgrade	\$9.34	Aug-13
T61004/06	Car Maintenance Shops:Power Centers 2&3: CI OH Shop	\$8.38	Aug-13
T60412/85	Station Component Investments:Station Ventilators: Ph 4 - 4Loc / Eastern Queens	\$2.51	Aug-13
T50899/03	Station Communication Rooms:Comm Room HVAC Ph2: 6 Stations / Queens	\$5.46	Sep-13
T60806/07	Copper Cable Upgrade/Replacement Phase 2 - CONSTRUCTION	\$9.37	Sep-13
T60902/07	Roof and Enclosure: Concourse E. 144th St [Mentor]	\$1.40	Sep-13
S60701/01	SIR: Passenger Stations:Station Structural Repairs, 8 Locations	\$15.51	Sep-13
T51302/03	Work Train & Special Equipment:2 Ballast Regulators	\$7.74	Sep-13
T60502/65	Mainline Track Replacement 2013 at Crosstown	\$4.03	Sep-13
T60502/66	Mainline Track Replacement 2013 at Lenox-White Plains Rd	\$5.59	Sep-13
T60302/23	Bus Component Systems:Bus Cameras - 2010-14 Purchases	\$24.83	Sep-13
T61204/05	Depot Equipment And Machinery:IVN For 5 Depots	\$2.60	Sep-13
T61204/25	Bus Washers:3 Bus Washers at Kingsbridge Depot [Mentor]	\$1.30	Oct-13
T50899/05	Station Communication Rooms:Comm Room HVAC: 6 Locations	\$7.89	Oct-13
T61004/02	Car Maintenance Shops:207 St OH: Electrical	\$23.43	Oct-13
T60413/09	Station Accessibility (ADA):ADA: Hunts Point Av / Pelham	\$17.64	Oct-13
S40701/15	SIR: Passenger Stations:Station Security Initiatives	\$22.24	Oct-13
T60502/64	Mainline Track Replacement 2013 at Queens Blvd	\$8.22	Nov-13
T60503/19	Mainline Track Switches:Mainline Track Switches 2013 at 8th Avenue	\$3.13	Nov-13
T60502/60	Mainline Track Replacement 2013 at Dekalb Ave / Canarsie	\$2.48	Nov-13
T51606/10	Asbestos Abatement:Asbestos Waste Disposal I/Q	\$0.84	Nov-13
T60502/62	Mainline Track Replacement 2013 at Jamaica	\$16.75	Nov-13
T60503/18	Mainline Track Switches:Mainline Track Switches 2013 at Jamaica	\$13.87	Nov-13
T51203/06	New Depots & Facilities:Clara Hale Depot: Reconstruction	\$253.02	Nov-13
T50404/01	Fare Control Modernization:Smart Card Implementation Study	\$5.40	Nov-13
T60806/04	Public Address/Customer Info Systems:PA/CIS: 43 Stns: Furnish-Install Cabinets	\$18.64	Nov-13
T60803/01	Signal Systems:AC to DC Line Relay Conversion / Fulton PILOT	\$9.86	Nov-13
T50806/15	Public Address/Customer Info Systems:PA/CIS: 44 Stns: Furnish-Install Cabinets	\$9.76	Nov-13
T50899/04	Station Communication Rooms:Comm Room HVAC Ph2: 9 Stations / Manhattan	\$9.06	Dec-13
S60701/02	SIR: Structures:Lemon Creek Culvert Bridge	\$8.04	Dec-13
T41204/P2	Depot Rehabilitation:Paving: 3 Locations	\$3.13	Dec-13
T60502/41	Mainline Track Replacement 2012 at Broadway-7th Avenue	\$7.04	Dec-13

## NYCT 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60502/48	Mainline Track Replacement 2012 at White Plains Road	\$9.95	Dec-13
T60502/42	Mainline Track Replacement 2012 at Flushing	\$23.84	Dec-13
T60502/46	Mainline Track Replacement 2012 at Pelham	\$1.57	Dec-13
T60502/36	Mainline Track Replacement 2012 at 6th Avenue	\$20.48	Dec-13
T60502/33	Mainline Track Replacement 2012 at Myrtle Avenue	\$15.97	Dec-13
T50904/02	Duct Reconstruction: Ryders - Front St / 8th Avenue (Phase2)	\$21.36	Dec-13
T60502/59	Mainline Track Replacement 2013 at Euclid Ave / 8 Avenue	\$11.31	Dec-13
T60502/12	Welded Rail:Continuous Welded Rail - 2013	\$3.92	Dec-13
T60502/54	Welded Rail:CWR 2012: s/o 59 St Columbus Circle & n/o-s/e 7 Ave / 6 Ave	\$2.04	Dec-13
T60502/09	Welded Rail:Continuous Welded Rail - 2012	\$9.05	Dec-13
T41204/01	Radio & Data Communication:AVLM: Paratransit - 2,273 Veh	\$37.28	Dec-13
T60502/10	Mainline Track Replacement - 2013	\$3.84	Dec-13
T61004/20	Yard Switches:Yard Switches - 2013	\$7.16	Dec-13
T61004/14	Yard Track Rehabilitation:Yard Track - 2013	\$5.64	Dec-13
T60503/04	Mainline Track Switches:29 Mainline Switches - 2013	\$7.14	Dec-13
T60502/11	Mainline Track Rehabilitation:Track Force Account - 2013	\$35.00	Dec-13
T60502/58	Mainline Track Replacement 2013 at 59 St Columbus Cir / 8 Av	\$3.59	Dec-13
T60502/75	Mainline Track Replacement 2013 at 7th Avenue	\$2.97	Dec-13
T60502/74	Mainline Track Replacement 2013 at Pelham	\$1.51	Dec-13
T60502/68	Mainline Track Replacement 2013 at 4th Avenue	\$3.24	Dec-13
T60503/14	Mainline Track Switches:Mainline Track Switches - 2012 at White Plain Road	\$9.30	Dec-13
T60502/67	Mainline Track Replacement 2013 at Brighton	\$2.62	Dec-13
T60502/70	Mainline Track Replacement 2013 at Concourse	\$6.57	Dec-13
T61607/03	Maintenance Of Way:RTO Master Tower Hardening	\$1.54	Dec-13
T60412/26	Station Renewal:Seneca Avenue / Myrtle	\$8.26	Jan-14
T60412/29	Station Renewal:Fresh Pond Road / Myrtle	\$9.07	Jan-14
T60412/25	Station Renewal:Central Avenue / Myrtle	\$11.30	Jan-14
T60412/28	Station Renewal:Knickerbocker Avenue / Myrtle	\$11.13	Jan-14
T60412/27	Station Renewal:Forest Avenue / Myrtle	\$7.38	Jan-14
T60413/01	Station Accessibility (ADA):ADA: Forest Hills - 71 Av / Queens Blvd	\$24.73	Jan-14
T51199/05	Yard Rehabilitation:Yard Fencing: Rockaway Park	\$4.62	Jan-14
T50902/12	Misc: Power:Substation Hatchways: 6 Locations CONSTRUCTION ONLY	\$6.10	Jan-14
T61004/25	207 St Overhaul: Equipment for Car HVAC Repair & Maintenance	\$1.97	Jan-14
T60502/69	Mainline Track Replacement 2013 at Canarsie	\$9.09	Feb-14
T60413/08	Station Accessibility (ADA):ADA: Utica Av / Fulton Line	\$16.95	Feb-14
T61606/05	Fire Protection:Sprinkler & Alarm Systems: Phase 1 - 5 Locations	\$20.01	Feb-14
T61204/06	Bus Washers:3 Bus Washers at Manhattanville Depot	\$4.15	Feb-14
T60412/91	Station Component Investments:3 Locations / Lexington	\$6.71	Feb-14
T60404/02	Purchase Automated Farecard Access System (AFAS) Units	\$1.85	Feb-14
T60703/14	Line Structure Overcoating:Bway Junction - Cypress Hills / Jamaica	\$19.93	Mar-14
T60703/23	Subway Structure Roof: Delancey Street / Nassau Loop	\$2.77	Mar-14
T60404/06	Communications Cable And Equipment:Passenger Station LAN: 31 Stations	\$30.00	Mar-14
T60502/76	Mainline Track Replacement 2013 at White Plains Road	\$7.08	Mar-14
T51302/10	Rubber-Tired Vehicles:Diesel Particulate Filters: Non-Rev Fleet	\$4.97	Mar-14
T60412	Station Ventilators: Ph 6 - 5 Loc / Upper Manhattan & Bronx	\$6.55	Mar-14
T60502/71	Mainline Track Replacement 2013 at Archer Avenue	\$2.42	Mar-14
T51204/11	Depot Rehabilitation:Bus Lifts At Various Locations	\$8.80	Mar-14
T61204/02	Misc: Bus Projects:BRT - Bus Rapid Transit 2010-2011	\$10.00	Mar-14

## NYCT 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T61607/06	Facilities: Distribution:Maspeth Warehouse Repairs	\$8.05	Mar-14
T60503/20	Mainline Track Switches:Mainline Track Switches 2013 at Brighton	\$4.78	Mar-14
T60502/37	Mainline Track Replacement 2012 at Concourse	\$15.13	Mar-14
T60502/40	Mainline Track Replacement 2012 at Rockaway	\$9.16	Mar-14
T60502/73	Mainline Track Replacement 2013 at Jerome Ave	\$6.38	Mar-14
T60502/72	Mainline Track Replacement 2013 at Liberty Ave	\$8.67	Mar-14
T60502/63	Mainline Track Replacement 2013 at 8th Avenue	\$14.04	Mar-14
T60803/01	Maintenance Of Way:Signal Control Modifications Phase 4	\$15.48	Mar-14
T60502/55	Mainline Track Replacement 2013 at 6th Avenue	\$18.10	Mar-14
T50803/07	Signal Systems:Signal Key-By Circuit Mod: Phase 2	\$26.76	Mar-14
T61204/18	Misc: Bus Projects:Bus Lane Enforcement Cameras, Phase 1	\$2.70	Mar-14
T60412/74	Station Component Investments:157 Street / Broadway-7th Ave	\$5.71	Apr-14
T60302/18	Replace Integrated Farebox Unit (IFU) Components, Phase 2	\$21.94	Apr-14
T60806/21	Communications Cable And Equipment:Passenger Station LAN: 30 Stations	\$28.00	Apr-14
T51204/05	Misc: Bus Projects:Bus Time Customer Information System, Phase 1	\$30.69	Apr-14
T60902/03	Misc: Power:Substation Hatchways: 8 Locs	\$5.13	Apr-14
T60412/69	Station Component Investments:Queensboro Plaza / Flushing	\$0.95	Apr-14
T61606/02	Asbestos Abatement:Asbestos Abatement I/Q	\$8.30	May-14
T60803/07	Rapid Transit Operations:Station Time (ST) Improvements, Ph 2 / LEX	\$29.67	May-14
T60803/08	Maintenance Of Way:Stop Cable Repl Ph4: Various Locations	\$4.78	May-14
T41302/P4	Work Train & Special Equipment:Purchase 9 Diesel-Electric Locomotives	\$31.04	May-14
T51302/05	Work Train & Special Equipment:19 Diesel Locomotives	\$72.37	May-14
T60404/07	Passenger Station LAN: 11 Stations - Partial Systems	\$2.00	May-14
T60902/04	Substations (IND):Cabling: Central Substation / 6th Av - Phase 2	\$20.40	May-14
T60412/76	Station Component Investments:2 Locations / Eastern Parkway	\$4.08	Jun-14
T60502/61	Mainline Track Replacement 2013 at Sea Beach	\$12.00	Jun-14
T50599/01	Maintenance Of Way:Third Rail Heater Control System	\$5.95	Jun-14
T61605/03	Capital Program Management:Test Pits Contract	\$2.60	Jun-14
T61607/07	Security:Perimeter Hardening: RCC, PCC & 130 Livingston	\$12.00	Jun-14
T51204/13	Depot Equipment And Machinery:Depot Equipment 2009	\$9.88	Jun-14
T61605/02	Capital Program Management:Boring Services: Manhattan & Bronx	\$1.85	Jun-14
T61605/01	Capital Program Management:Boring Services: Bklyn, Qns, SI	\$1.54	Jun-14
T60413/06	Station Accessibility (ADA):ADA: Kingsbridge Rd / Concourse	\$24.45	Jul-14
T61606/03	Asbestos Abatement:I/Q Asbestos/Lead Air Monitoring - 2010	\$7.52	Jul-14
T60407/03	Escalator Replacement:2 Escalators Roosevelt Av / QBL	\$14.91	Jul-14
T60904/06	Power Distribution Facilities:CBH 146 Prospect Park / Brighton	\$6.95	Jul-14
T50414/03	Intermodal/Transfer Facilities:Myrtle-Wyckoff Intermdl FacI -Signal Wrk	\$0.68	Aug-14
T60803/03	Signal Systems:Church Ave Interlocking & Automatics / Culver	\$210.61	Aug-14
T51602/04	Owner-Controlled Insurance Program:2006-2009 Owner-Controlled Insurance	\$132.35	Aug-14
T51203/07	Depot Rehabilitation:ENY Depot Rehab	\$17.19	Sep-14
T60412/77	Station Component Investments:Station Components: 3 Stations / Brighton	\$6.88	Sep-14
T60412/89	Station Painting at Component Locations: 3 Loc / Brighton	\$2.49	Sep-14
T60703/07	Overcoating:Rockaway Boulevard - Hammels Wye / Rockaway	\$4.48	Oct-14
T60703/04	Viaduct Structure Rehab: Rockaway & Far Rockaway	\$42.09	Oct-14
T60902/03	Misc: Power:Substation Hatchways: 6 Locations CONSTRUCTION ONLY	\$5.50	Oct-14
T61606/05	Fire Protection:Sprinkler & Alarm Systems: Phase 2 / 3 Locations	\$9.40	Nov-14
T60806/04	Public Address/Customer Info Systems:PA/CIS: 43 Stations: Install Cable	\$47.32	Nov-14

## NYCT 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60412/84	Station Component Investments:Delancey St-Essex St / Nassau	\$1.39	Nov-14
T60414/02	Station Rehabilitation:Station Entrance Railings	\$4.02	Dec-14
T61204/10	Depot Equipment And Machinery:HVAC Upgrades - Yukon Depot	\$15.27	Dec-14
T60413/12	Station Accessibility (ADA):ADA: Ozone Park-Lefferts Blvd / Liberty	\$34.65	Dec-14
T41204/HU	New Depots & Facilities:AVL: 126 St Depot - Pilot 2	\$7.97	Dec-14
T61004/21	Yard Switches:Yard Switches - 2014	\$5.46	Dec-14
T60503/05	Mainline Track Switches:29 Mainline Switches - 2014	\$44.65	Dec-14
T60502/16	Welded Rail:Continuous Welded Rail - 2014	\$1.86	Dec-14
T61004/15	Yard Track Rehabilitation:Yard Track - 2014	\$3.45	Dec-14
T60502/13	Mainline Track Replacement - 2014	\$187.21	Dec-14
T60502/14	Mainline Track Rehabilitation:Track Force Account - 2014	\$35.00	Dec-14
T61607/10	Consolidated Employee Facilities:Subways:West 4 Street / 6th Avenue	\$4.13	Dec-14
T60412/32	Station Renewal:Ozone Park-Lefferts Boulevard / Liberty	\$7.99	Dec-14
T61605/04	Capital Program Management:Independent Eng'g Consultant 2010-2014	\$19.48	Dec-14
T61607/05	Employee Facilities:Subways:RTO Fac: Chambers St / Nassau Loop	\$7.07	Dec-14
T61607/15	Employee Facilities:Subways:9 Locations / Crosstown	\$7.51	Dec-14
T60703/02	Rehab Emergency Exits: 75 Locs	\$18.00	Dec-14
T60703/06	Structures:Demolition of Abandoned Structures - Various	\$15.15	Dec-14
T60803/04	Signal Systems:Repl Solid State Sig Equip - 8 Locs	\$27.32	Dec-14
T60703/20	Elevated Structure Rehabilitation:Trackway Stabilization / Franklin Shuttle	\$29.53	Jan-15
T60803/22	Maintenance Of Way:Duct Rehabilitation & Negative Cable: Steinway / Flushing	\$46.46	Jan-15
T60703/21	Capital Program Management:Structural Repairs: Steinway Tube	\$4.87	Jan-15
T50904/14	Misc: Power:Cathodic Protection Manhole Relocation at Queensbridge Park	\$3.50	Jan-15
T60703/15	Line Structure Overcoating:Dyckman Street - 215 Street / Broadway-7th Avenue	\$18.89	Jan-15
T60412/81	Station Component Investments:2 Locations / Culver	\$13.31	Jan-15
T61004/26	Car Maintenance Shops:East 180 St Maintenance Shop: Facility Waterproofing	\$0.30	Jan-15
T60806/20	Hydrogen Gas Ventilation:19 Communications Rooms	\$1.55	Jan-15
T60412/80	Station Component Investments:103 Street / Lexington	\$10.41	Jan-15
T40404/M6	Fare Control Modernization:AFC System Wrap-Up	\$8.10	Feb-15
T50703/22	Steel Repair and Abutments: La Salle - 133 St / Bway-7th Ave	\$0.64	Mar-15
T60703/22	122 St & 135 St Portal Repairs / Broadway-7th Avenue	\$14.90	Mar-15
T61604/03	Computer Hardware & Communications:Enterprise Securty Network Infrastructure	\$10.39	Mar-15
T60412/94	Station Component Investments:Station Components: 6 Locations / Canarsie	\$16.03	Apr-15
T60703/13	Line Structure Rehabilitation:Structure Repairs / Dyre Avenue Line	\$9.66	Apr-15
T61607/09	Roofing Repair & Replacement:DOS Roof Replacement Phase 3	\$13.23	May-15
T50902/17	Substation Equipment (IND):Repl DC Feeder Systems At 4 IND Substns	\$0.02	May-15
T60414/04	Misc: Stations:Scrubber Room Drainage - 3 Locations	\$4.40	Jun-15
T60414/03	Misc: Stations:Water Condition Remedy - 2013	\$3.28	Jun-15
T50803/23	Communication-Based Train Control:CBTC Test Track Pilot/ Culver Line	\$16.01	Jul-15
T60413/10	Station Accessibility (ADA):ADA: 23 Street / Lexington	\$29.42	Jul-15
S60701/03	SIR: Track:St. George Interlocking - Phase 1	\$14.21	Jul-15
T60803/11	Communication-Based Train Control:CBTC Test Track, Phase 2 / Culver	\$84.90	Jul-15
T61004/04	Car Maintenance Shops:207 St Maintenance Shop: DC Power Upgrade	\$19.18	Jul-15
T60412/64	Station Component Investments:3 Locations / Astoria	\$12.32	Jul-15

## NYCT 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60412/60	Station Component Investments:Station Components: 6 Stations / Jamaica	\$23.82	Jul-15
T60412/22	:Brick Arch Repair: 168 Street & 181 Street / Broadway-7th Av	\$40.93	Jul-15
T61607/17	Facilities:Livingston Plaza: Elevators, Roof, Facade	\$21.68	Jul-15
T61204/28	Bus Washers:4 Bus Washers at 2 Depots (East NY & Yukon)	\$17.90	Jul-15
T61602/01	Capital Revolving Fund:Capital Revolving Fund - 2010	\$5.00	Aug-15
S60701/08	SIR: Passenger Stations:Station Construction: Arthur Kill	\$26.43	Aug-15
T60412/07	Station Renewal:Buhre Avenue / Pelham	\$22.19	Aug-15
T60806/13	Antenna Cable Replacement:Antenna Cable Upgrade/Replacement Ph 1	\$15.88	Aug-15
T60412/10	Station Renewal:Castle Hill Avenue / Pelham	\$21.56	Aug-15
T61302/01	Rubber-Tired Vehicles:Purchase 110 Non-Revenue Vehicles - 2011	\$13.20	Aug-15
T60412/06	Station Component Investments:Pelham Bay Park / Pelham	\$9.66	Aug-15
T60412/08	Station Renewal:Middletown Road / Pelham	\$20.29	Aug-15
T60412/09	Station Renewal:Zerega Avenue / Pelham	\$20.69	Aug-15
T60412	Station Component: 2 Locations / Nostrand	\$7.36	Aug-15
T61607/23	Facilities:Sidewalk Shed: Livingston Plaza [Mentor]	\$1.16	Sep-15
T61606/01	Asbestos Abatement:Asbestos Abatement: Priority 7	\$5.00	Sep-15
T60412/36	Station Renewal:80 Street / Liberty	\$18.98	Sep-15
T60412/35	Station Renewal:88 Street / Liberty	\$18.49	Sep-15
T60412/34	Station Renewal:Rockaway Boulevard / Liberty	\$18.51	Sep-15
T60412/33	Station Renewal:111 Street / Liberty	\$17.98	Sep-15
T60412/31	Station Renewal:104 Street / Liberty	\$18.81	Sep-15
T60806/19	Communication Room Waterproofing:17 Locations	\$15.48	Sep-15
T60412/92	Station Component Investments:New Lots Av / New Lots	\$2.68	Sep-15
T61606/06	Fire Protection:Fire Alarm: 207 Street Overhaul Shop	\$5.12	Oct-15
T61606/08	Groundwater And Soil Remediation:Consult: UST & Remed (2011)	\$6.00	Oct-15
T60412/93	Station Component Investments:Station Components: 2 Locations / QBL	\$10.96	Oct-15
T60703/09	Line Structure Overcoating:Portal - East 180 Street / White Plains	\$35.25	Oct-15
T60703/11	Water Conditions Remedy:Alleviate Flooding At 6 Locs: Manhattan	\$48.69	Oct-15
T61607/12	Facilities:Power Upgrade: RCC, PCC	\$22.25	Oct-15
T60412/43	Station Renewal:Ditmas Avenue / Culver	\$19.26	Oct-15
T60412/42	Station Renewal:18 Avenue / Culver	\$19.35	Oct-15
T60412/44	Station Renewal:Avenue I / Culver	\$15.99	Oct-15
T60412/41	Station Renewal:Bay Parkway / Culver	\$13.02	Oct-15
T60412/40	Station Renewal:Avenue P / Culver	\$12.86	Oct-15
T60412/39	Station Renewal:Avenue U / Culver	\$16.66	Oct-15
T60412/38	Station Renewal:Avenue X / Culver	\$14.89	Oct-15
T60603/03	Ventilation Facilities:Vent Plant: Mulry Square / 8AV & BW7	\$71.81	Oct-15
T60412/82	Station Component Investments:4 Locations / Broadway	\$12.12	Oct-15
T60703/19	Line Structure Overcoating:Broadway Junction - New Lots Avenue / CNR	\$25.59	Nov-15
T61004/09	Yard Lighting:Yard Lighting: (Jerome, Pelham)	\$14.61	Nov-15
T60904/05	Power Distribution Facilities:Rehab CBH 403 Vanderbilt / Flushing	\$14.60	Nov-15
T60412/90	Station Component Investments:5 Locations / Fulton	\$12.82	Nov-15
T61004/16	Yard Track Rehabilitation:Yard Track - 2015	\$0.06	Dec-15
T61607/04	Consolidated Employee Facilities:Subways:Employee Facility: Jay St / Fulton	\$12.32	Dec-15
T60414/07	Station Signage:Station Signage	\$4.83	Dec-15
T60806/03	Communication Equipment: Police:Police Radio Wrap-Up	\$17.87	Dec-15
T61004/22	Yard Switches:Yard Switches - 2015	\$0.65	Dec-15
T60503/06	Mainline Track Switches:Mainline Switch Replacement 2015	\$2.90	Dec-15

## NYCT 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60502/15	Mainline Track Replacement - 2015	\$2.00	Dec-15
T60904/09	Power Distribution Facilities:CBH 275: Pearl Street / Clark	\$7.90	Dec-15
T61606/07	Groundwater And Soil Remediation:Groundwater & Soil Remed - 2011	\$6.50	Feb-16
T60101/01	New Subway Cars:103 A Division Cars - R188 Option	\$272.39	Feb-16
T60803/05	Communication-Based Train Control:CBTC Flushing: 370 R-142A Conversions	\$224.78	Feb-16
T60604/03	Pumping Facilities:Pumps: 4 Locations / Pelham - Jerome - Lenox	\$38.01	Feb-16
T61602/02	Capital Revolving Fund:Capital Revolving Fund - 2011	\$5.00	Mar-16
T60407/04	Elevator Replacement:Replace 11 Hydraulic Elevators	\$49.91	Mar-16
T60602/03	Tunnel Lighting Rehabilitation:36 St To Jackson-Roosevelt / Queens Blvd	\$62.14	Mar-16
T60412/45	Station Renewal:Pennsylvania Avenue / New Lots	\$11.55	Mar-16
T60412/49	Station Renewal:Sutter Avenue-Rutland Road / New Lots	\$12.35	Mar-16
T60412/48	Station Renewal:Junius Street / New Lots	\$12.83	Mar-16
T60412/46	Station Renewal:Rockaway Avenue / New Lots	\$10.81	Mar-16
T60412/50	Station Renewal:Van Siclen Avenue / New Lots	\$11.72	Mar-16
T60412/47	Station Renewal:Saratoga Avenue / New Lots	\$11.95	Mar-16
T60806/15	Copper Cable Upgrade/Replacement Phase 3	\$10.00	Mar-16
T60412/30	Station Component Investments:Station Walls-Tile Repl: Borough Hall / Lexington	\$2.73	Apr-16
T60404/01	Fare Control Modernization:AFC Replacement, Phase 2: Electronic Boards	\$30.00	Jun-16
T61607/08	Maintenance Of Way:Emerg Generator Upgrade Livingston Plaza	\$10.39	Jun-16
T60414/05	Misc: Stations:Access Improvements: Grand Central / LEX	\$19.75	Jun-16
T60703/16	Subway Tunnel Rehabilitation:Priority Repairs: 4th Avenue	\$4.82	Jul-16
T60904/04	Power Distribution Facilities:CBH 74 Havermeyer & 74A Bridge / Jamaica	\$23.45	Jul-16
T60806/08	Communications Systems:VHF Radio System Upgrade	\$220.59	Jul-16
T61004/01	Car Maintenance Shops:207 St OH Shop: Expand A/C Shop	\$153.87	Jul-16
T61004/08	Shop Equipment And Machinery:Heavy Shop Equipment Replacement	\$12.88	Jul-16
T60603/04	Ventilation Facilities:Vent Plant: 46 Street-Northern Blvd / Queens Blvd Line	\$91.59	Aug-16
T60603/05	Ventilation Facilities:Replace Vent Controls: 26 Locations	\$15.36	Sep-16
S60701/05	SIR: Power:New Power Substation: Prince's Bay	\$30.46	Sep-16
T60604/01	Water Conditions Remedy:Deep Wells: Nostrand Ph 2: Rehabilitate	\$15.67	Sep-16
T60803/06	Communication-Based Train Control:CBTC Flushing: Additional Support Costs	\$68.82	Nov-16
T50803/08	Communication-Based Train Control:CBTC Flushing Line	\$384.92	Nov-16
T60803/06	CBTC Flushing: Additional Support & Removals	\$95.94	Nov-16
T61606/04	Asbestos Abatement:Asbestos Disposal	\$2.52	Nov-16
T60703/17	Line Structure Overcoating:West 8 Street - Church Avenue Portal / Culver	\$51.43	Nov-16
T60803/14	Signal Systems:Roosevelt Interlocking / Queens Blvd	\$103.57	Nov-16
T60604/04	Pumping Facilities:Pumps: 2 Locs - Manhattan Midtown	\$20.27	Nov-16
T61004/10	Yard Rehabilitation:Yard CCTV, Phase 2	\$17.38	Dec-16
T61605/11	Capital Program Management:Concrete Batch Plant (2012)	\$1.29	Dec-16
T61606/11	Fire Protection:Fire Alarm Systems: 16 DOS Locations	\$39.38	Dec-16
T61605/12	Capital Program Management:Concrete Cylinder Testing (2012)	\$0.75	Dec-16
T60302/24	New Buses:600 Standard Buses	\$450.02	Dec-16
T60302/25	New Buses:285 Express Buses	\$213.04	Dec-16

## MNR 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
M8 Cars	M8 Cars; 96 Cars Acceptance	\$84.48	Dec-13
M404-01-07	Optimize Signal Relay Circuits	\$2.61	Dec-13
M502-01-08	GCT Water Conveyance Utilities	\$3.53	Feb-13
M502-02-11	System-Wide Vending Machines	\$0.57	Dec-13
M5030201	Replace/Repair Undergrade Bridge Program	\$27.76	Jun-13
M5040111	C&S Cable Repl GCT-Mott Haven	\$4.20	Mar-13
M5050102	Tagging Relays - Harlem & Hudson Lines	\$12.68	May-13
M5080112	WHRTAS Phase II Study	\$4.01	Sep-13
M6030112	2012 Cyclical Track Program	\$12.58	Jun-13
M6030304	Otisville Tunnel Renewal	\$3.30	Dec-13
M6040105	Crossing Upgrades - Phase 2	\$1.00	Sep-13
M6040113	Rolling Stock Radios and PA Equipment	\$0.25	Feb-13
M6040114	Radio Base Station Replacement	\$0.75	May-13
M6040116	Radio Frequency Rebanding	\$2.59	Apr-13
M3070106	Penn Station Access	\$8.62	Jan-14
M6040104	Replace Field Code System - Mo	\$1.76	Jan-14
M6030303	Moodna / Woodbury Viaducts	\$10.00	Feb-14
M6030113	2013 Cyclical Track Program	\$13.19	Apr-14
M6020102	Park Avenue Tunnel Renewal	\$8.09	May-14
M6020201	Poughkeepsie Station Building	\$1.44	May-14
M6030103	GCT Turnout / Switch Renewal	\$13.63	May-14
M6010102	M8 CARS	\$356.14	May-14
M5020209	Bronx Stations/Capacity Imp	\$15.52	Jun-14
N5100104	Canine Training Facility	\$13.47	Jun-14
Bridge 23	Substation Bridge 23	\$49.35	Jul-14
M6020206	New Haven Line Stations Improvements - Phase II	\$36.75	Aug-14
M6040111	PBX Equipment Upgrade	\$2.93	Sep-14
M6030214	Park Avenue Viaduct Direct Fix	\$1.80	Sep-14
M6060102	Wassaic Yard Expansion - D/C	\$3.00	Nov-14
M5040107	Signal System Replacement	\$31.89	Dec-14
M6020109	Customer Communications - GCT	\$2.04	Dec-14
M6030201	Replace Timbers Undergrade Bri	\$3.68	Dec-14
M6030209	Employee Welfare and Storage F	\$10.00	Dec-14
M6040108	Design / Replace Harlem and Hu	\$1.21	Dec-14
M6050105	Replace Substation Batteries	\$1.00	Dec-14
M6050108	Replace 3rd Rail Sectionalizin	\$1.26	Dec-14
M6050109	Replace 3rd Rail Brackets - Pa	\$5.60	Dec-14
M6080106	Program Administration	\$33.80	Dec-14
M6080107	Program Scope Development	\$10.72	Dec-14
M6080108	OCIP - Insurance	\$19.65	Dec-14
M6080109	Systemwide Security Initiative	\$5.00	Dec-14
M5080109	Customer & Employee Comms.	\$7.96	Dec-14
M6020207	Smart Card Improvements	\$9.08	Dec-14
M6030106	Cyclical Replacement of Insula	\$2.00	Dec-14
M6030301	West of Hudson Track Program	\$21.18	Dec-14
M6060104	Port Jervis Yard Expansion	\$7.30	Jan-15
M6030108	Drainage and Undercutting Improvements	\$14.00	Jan-15
M6050102	Replace Switchgear M505-01-11 - M605-01-02	\$19.10	Jan-15

## MNR 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
M6030213	Catenary Painting/Rehabilitate	\$3.50	Jan-15
M4020313	North White Plains Parking	\$41.80	Apr-15
M6030203	Right-of-Way Fencing	\$0.75	Apr-15
M6030114	2014 Cyclical Track Program	\$13.91	Apr-15
M6030305	West of Hudson Replace / Renew	\$11.91	May-15
M6020104	GCT Trainshed Track Structure	\$3.00	Jun-15
M6080103	Railroad Protective Liability	\$4.15	Jun-15
M6080104	Independent Engineer	\$6.73	Jun-15
M6030211	Harlem River Lift Bridge-Cable & Breakers/Control System	\$32.89	Jun-15
M6030205	Bridge Walkways Installation	\$1.87	Jun-15
M6020202	Fordham Station Improvements	\$13.00	Jul-15
M6040103	Replace Fiber / Communication	\$8.79	Jul-15
M6050104	Replace Motor Alternators	\$8.00	Jul-15
M6080101	Systemwide Lead / Asbestos Aba	\$0.50	Aug-15
M6080102	Environmental Remediation	\$0.20	Aug-15
M6030202	Renew / Replace Railtop Culver	\$3.63	Aug-15
M6040106	Centralized Train Control /SCA	\$0.73	Aug-15
M6020107	GCT Platform Improvements	\$3.10	Sep-15
M6020108	GCT Utilities	\$27.39	Sep-15
M5030206	Overhead Bridge Program-E of H	\$15.79	Sep-15
M5020206	Station Building Rehabs.	\$11.31	Dec-15
M6020204	Station Building Renewal / Net	\$4.95	Dec-15
M6030104	Turnouts: Yards / Sidings	\$4.41	Dec-15
M6040109	Replace High Cycle Relays	\$0.63	Dec-15
M6040102	West of Hudson Signal Improvem	\$67.60	Dec-15
M6030204	DC Substation / Signal House	\$1.75	Dec-15
M6030206	Remove Obsolete Facilities	\$3.00	Dec-15
M6040107	Refurbish / Replace Electrical	\$0.50	Dec-15
M6040101	Positive Train Control	\$206.28	2016
M6030212	Overhead Bridge Program - East	\$17.10	Jan-16
M6050103	Harlem & Hudson Lines Power Im	\$35.74	Feb-16
M6020302	Strategic Facilities	\$45.50	Mar-16
M6030210	Replace / Repair Undergrade Br	\$35.78	Mar-16
M6020105	GCT Leaks Remediation	\$13.00	Apr-16
M6020106	GCT Elevator Renewal - Phase 4	\$7.50	Jun-16
M6020101	GCT Trainshed / Park Avenue Tu	\$29.03	Sep-16
M6030107	Rock Slope Remediation	\$7.00	Sep-16
M6020110	GCT Recycling Facility	\$7.50	Dec-16
M6030102	Turnouts: Mainline / High Spee	\$67.38	Dec-16
M6060103	Other Shops / Yards Renewal	\$24.10	Dec-16

## MTACC 2013 - 2016 Completions

Project #	Project	Project Amount (\$ in Mil)	Planned Completion Date
G5090114	GCT Concourse Civil&Structural	556.04	Jun-13
G6090130	GCT Concourse Civil&Structural	255.56	Jun-13
G5100101	Cntract 2A 96 St Stn Structure	380.18	Oct-13
G6100107	Cntract 2A 96 St Stn Structure	8.00	Oct-13
G4090119	MH Tunnel Excavation	434.34	Oct-13
G5090148	Northern Blvd Crossing	103.29	Oct-13
G5090115	50th St. Vent Plant Facility	100.47	Dec-13
G5110108	Construction (Site J)	126.19	Dec-13
G5090119	Harold & Point CIL	8.09	Dec-13
G4090143	44th St and 245 Park Ave Entr	66.77	Jan-14
G5100102	Cntract 4B 72 St Stn Structure	478.72	Jan-14
G5090122	Queens Bored Infrastructure	752.60	Apr-14
G6090140	Queens Bored Infrastructure	34.00	Apr-14
G6140103	Queens Bored Infrastructure	4.39	Apr-14
G6140105	Queens Bored Infrastructure	10.64	Apr-14
G4090126	Harold Structures (Part 2A)	27.07	May-14
G5090155	Harold Structures (Part 2A)	32.69	May-14
G5090117	Harold Structures (Part 1)	209.47	Jun-14
G6090122	Harold Structures (Part 1)	67.93	Jun-14
G5110106	Site A Fac; Finishes and Systems	580.11	Jun-14
G4120106	FSTC A/C Mezzanine	172.88	Dec-14
G4120107	FSTC 4F-Transit Center Enclosure	224.92	Dec-14
G5100108	Contract 3: 63rd St Stn Rehab	201.89	Jan-15
G5100107	Cnt 5B 86St Stn Mining&Lining	75.24	Feb-15
G6100103	Cnt 5B 86St Stn Mining&Lining	264.39	Feb-15
G6090112	55th St. Ventilation Facility	58.85	Apr-15
G6090120	Plaza Substation & Structures	211.92	Jun-15
G5090119	Harold & Point CIL	30.75	Jul-15
G6100102	4C: Station Finishes/MEP 72 St	290.27	Nov-15
G5090118	Harold Interlocking Stage 1-4	116.56	Dec-15
G6090141	Manhattan South Structures	220.66	Feb-16
G6100101	2B/C: Shell/Finishes/MEP 96 St	378.88	Mar-16
G5110112	Construction: Core&Shell (Site P)	96.36	Apr-16
G6100104	5C: Station Finishes/MEP 86 St	239.41	May-16
G5100104	Cntract 6: SAS Systems	322.84	Aug-16

## LIRR 2013 - 2016 Completions

Project #	Project	Project Amount (\$ in Mil)	Planned Completion Date
PNYA	SHOP RECONFIG & RCM INFRASTRUCTURE	\$8.72	Mar-13
PN70	FLATBUSH SUBSTATION UPGRADE	\$4.81	May-13
PNTY	MLC-MINEOLA DRAINAGE IMPROVE. T & P EXT	\$0.18	May-13
PNBE	CONSTRUCT 3 MONTAUK BRANCH BRIDGES	\$19.26	Jun-13
PNB8	Queens Blvd Bridge	\$15.03	Aug-13
PNBA	GREAT NECK INFRASTRUCTURE - DESIGN	\$2.98	Jul-13
PNY3	JAMAICA STATION BUILDING REHAB	\$6.71	Sep-13
PN2D	NEW ELEVATORS-QUEENS VILLAGE STATION	\$7.60	Aug-13
PNAE	THIRD RAIL SYSTEM-2000 MCM CABLE	\$2.50	Aug-13
PN8C	LIC YARD REMEDIATION	\$0.91	Oct-13
PN8D	RICHMOND HILL YARD REMEDIATION	\$0.94	Sep-13
PN28	FOREST HILL STATION-RAMP	\$2.00	Oct-13
PNFT	LOCUST MANOR STATION IMPROVEMENTS	\$0.59	Oct-13
PNYB	HILLSIDE FACILITY BLDG REHAB (ROOF)	\$5.00	Oct-13
PN8K	MORRIS PARK ENVIRONMENTAL STUDY	\$8.59	Nov-13
PNUF	METS/WILLETS PT STATION RENOVATION	\$0.35	Dec-13
PNAC	SIGNAL POWER MOTOR GENERATOR REPLACEMENT	\$2.00	Apr-14
PNVC	PENN STA - EMP FAC YARDS /BLDG/ESCALATOR	\$2.18	Mar-14
PNEC	LITTLE NECK STATION PLATFORM IMPROVEMENT	\$1.30	Apr-14
PN27	NEW ATLANTIC TERMINAL ELEVATOR	\$3.43	May-14
PNTD	2013 ANNUAL TRACK PROGRAM	\$67.90	May-14
PNTF	CONSTRUCTION EQUIPMENT	\$7.00	Jul-14
PNAL	POWER POLE REPLACEMENT	\$3.00	Jun-14
PNC1	F CIRCUIT BREAKER HOUSE	\$7.15	Aug-14
PNTT	MLC-ELLISON AVENUE BRIDGE	\$0.45	Jun-14
PNAH	Composite Third Rail	\$10.90	Dec-14
PNAJ	ATLANTIC AVE TUNNEL LIGHTING	\$7.00	Nov-14
PNAK	SIGNAL POWER LINE REPLACEMENT	\$3.00	Dec-14
PNTE	2014 ANNUAL TRACK PROGRAM	\$57.10	Dec-14
PNBP	ERT FIRE & LIFE SAFETY	\$16.60	May-15
PNM4	PROTECT & WORK LOCO SPEC DEVELOPMENT	\$0.05	Jan-15
PNTJ	ROW-CULVERTS	\$2.50	Apr-15
PNTK	ROW-DRAINAGE CONTROL	\$3.50	Apr-15
PNTN	ROW-TRACK STABILITY /RETAINING WALLS	\$1.10	Jan-15
PNU1	INTERMODAL FACILITY DEVELOPMENT	\$40.00	Jun-15
PNBB	BRIDGE PROGRAM	\$24.60	Nov-15
PNUB	MASSAPEQUA STATION PLATFORM REPLACEMENT	\$19.82	Aug-15
PNBD	BROADWAY/PT. WASH BRIDGE REHABILITATION	\$4.75	Sep-15
PN2E	NEW ELEVATORS-FLUSHING MAIN STREET	\$8.29	Nov-15
PNV4	ESCALATOR REPLACEMENT PROGRAM	\$9.70	Nov-15
PNLC	SPEONK - MONTAUK SIGNALIZATION	\$49.91	Oct-15
PNSM	PTC DESIGN	\$9.50	Dec-15
PNVL	PENN STATION HVAC	\$11.00	Jan-16
PNBF	Atlantic Ave Viaduct - Phase IIB	\$46.80	Sep-16
PNUH	ELEVATOR REPLACEMENT PROGRAM	\$4.82	Oct-16

## B&T 2013 - 2016 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
D602HH10	Upper Level Sidewalk / Curb Stringers	\$42.00	Sep-13
D607HH10	Paint - Curb Stringers	\$0.81	Sep-13
D601HH07	Structural Rehabilitation - Phase I	\$8.58	Dec-13
D607TN82	Paint - Bronx and Queens Approach Spans	\$46.24	Jan-14
D503HH85	Upper Level Toll Plaza Deck	\$5.66	Feb-14
D405BB43	Rehab Battery Parking Garage - Elevator (Ph. 4)	\$4.51	Apr-14
D604BW1	Necklace Lighting	\$10.17	May-14
D601RK19	Seismic and Wind Study	\$5.40	Jul-14
D607TN85	Steel Repairs - Suspended Span	\$6.24	Jul-14
D501TN85	Suspended Span Cable Rewrap	\$40.40	Jul-14
D601AW9	Feasibility Study:BBT/QMT Improve/Modernize	\$3.37	Aug-14
D604BB45	Replace Electrical Switchgear & Equipment	\$56.74	Sep-14
D601BW0	Tower and Pier Fender Protection	\$3.12	Sep-14
D602RK73	Deck Replacement- RFK MQ Ramp	\$63.59	Sep-14
D601BW9	Concrete Anchorage Repairs	\$8.04	Oct-14
D601VN35	Steel Repair & Concrete Rehab. & Drainage Systems	\$19.09	Nov-14
D607VN35	Paint - Brooklyn&Staten Island Lower Level Ramps	\$19.61	Nov-14
D607AW9	Miscellaneous Agency Wide Painting	\$6.33	Dec-14
D502TN82	Rehab of Orthotropic Deck	\$2.73	Dec-14
D602TN82	Rehabilitate Orthotropic Deck - Phase B	\$25.37	Dec-14
D605AW1	Hazardous Materials Abatement	\$8.65	Jan-15
D606AW1	MTA Independent Engineer	\$3.85	Jan-15
D606AW2	Program Administration	\$15.96	Jan-15
D503AW37	Operation Centers TS Systems	\$3.28	Jan-15
D602BW8	Deck Replacement - Elevated and On Grade	\$161.97	Jan-15
D601MP16	Miscellaneous Steel Repairs	\$2.51	Jan-15
D606AW2	Miscellaneous	\$3.11	Feb-15
D606AW8	Traffic Enforcement Support	\$5.75	Feb-15
D604QM81	Controls / Communication System	\$4.31	Feb-15
D601BW8	Cable Investigation / Monitoring	\$9.24	Apr-15
D601MP06	Substructure & Underwater Scour Protection	\$27.65	Apr-15
D604VN87	Substation #1 Rehabilitation	\$16.63	May-15
D606AW1	Protective Liability Insurance	\$6.60	Jun-15
D504BB45	Rehabilitation of Tunnel Vent.	\$4.96	Jun-15
D601HH89	Skewbacks Retrofit	\$5.73	Jun-15
D601TN52	Miscellaneous Structural Rehabilitation	\$22.04	Jun-15
D601TN60	Anchorage Dehumidification	\$3.30	Jun-15
D603AW3	Installation of CCTV / Fiber Optic Cable	\$22.42	Jul-15
D602VN03	Toll Plaza - East & West Bound Ramps Improvements	\$70.58	Jul-15
D606AW2	Scope Development	\$7.12	Aug-15
D605BB21	Service Building Rehabilitation	\$4.43	Nov-15
D505QM01	Service & FE Building Rehab	\$13.32	Nov-15

## B&T 2013 - 2016 Completions

<b>ACEP</b>	<b>Project</b>	<b>Project Amount (\$ in Mil)</b>	<b>Planned Completion Date</b>
D603AW3	Weather Information Systems	\$1.24	Dec-15
D501BW84	Cable and Anchorage Investigat	\$8.18	Dec-15
D602HH88	Replace Upper & Lower Level Plza & Southbnd. Appr.	\$49.44	Dec-15
D605BB43	Misc. Repairs at BP Garage	\$6.27	Jan-16
D604MP03	Programmable Logic Controller & Mechanical Rehab.	\$24.03	Mar-16
D601QM18	Entrance and Exit Plazas Structural Rehabilitation	\$20.59	Apr-16
D602BB54	Replacement Brooklyn Plaza Structural Slab	\$22.33	Jun-16
D601VN34	Verrazano-Narrows Bridge Main Cable Testing	\$5.36	Aug-16
D602MP21	Rehabilitate Rockaway Point Blvd Overpass	\$7.61	Sep-16
D607MP21	Paint - Rockaway Point Overpass	\$1.09	Sep-16
D601BW1	Miscellaneous Structural Rehabilitation	\$13.51	Oct-16
D603AW4	2nd Generation E-Zpass In-Lane	\$21.44	Dec-16
D604AW8	Advanced Traveler Information Systems	\$11.55	Dec-16
D601RK76	Miscellaneous Structural Repair	\$20.00	Dec-16
D602TN49	Suspended Span Replacement - Phase A	\$22.51	Dec-16

**MTA Bus 2013 - 2016 Completions**

<b>ACEP</b>	<b>Project</b>	<b>Project Amount (\$ in Mil)</b>	<b>Planned Completion Date</b>
U5030204	Power Upgrade at JFK	\$1.6M	Jan-13
U5030220	New Boiler and A/C at JFK	\$1.4M	Jan-13
U5030214	New Roof and Ventilation System at JFK	\$9.5M	Feb-13
U5030204	Power Upgrade at Baisley Park	\$1.7M	Mar-13
U6030216	74 CNG Buses	\$46.3M	Mar-13
U5030202	Storage Building at College Point	\$3.00	May-13
U5030217	Fire Protection at JFK	\$4.02	May-13
U5030213	New Roof and Ventilation System at Eastchester	\$3.64	Jun-13
U5030217	Fire Protection: LaGuardia and Baisley Park	\$4.61	Jun-13
U6030224	Bus Cameras - 10-14 Purchases	\$2.20	Jun-13
U5030209	Upgrade Parking Lot: JFK and Baisley Park	\$9.76	Aug-13
U5030215	New Bus Wash at LaGuardia	\$2.39	Aug-13
U4030299	Diesel Emission Fluid Tanks at 8 Depots	\$1.00	Dec-13
U5030210	Security Upgrade at College Point	\$2.09	Dec-13
U5030218	Security Upgrade: Eastchester and LaGuardia	\$7.50	Dec-13
U5030211	New Roof and Ventilation System at Far Rockaway	\$6.93	Feb-14
U5030211	Far Rockaway Roof Replacement	\$1.50	Feb-14
U5030205	Relocate Tanks and Rehabilitation at Eastchester	\$12.88	Mar-14
U6030205	Bus Wash: JFK and Baisley Park	\$3.30	Apr-14
U4030214	Bus Time Customer Information System	\$2.04	Apr-14
U6030208	New Apron: JFK	\$6.50	May-14
U5030204	Emergency Generators: 6 Depots	\$7.60	Aug-14
U6030204	Security Upgrade: Far Rockaway and Baisley Park	\$6.80	Aug-14
U5030216	Additional Fueling Capacity at LaGuardia, JFK and Baisley Park	\$3.53	Dec-14
U5030219	Service Vehicles	\$4.00	Dec-14
U6030217	34 Diesel Buses	\$25.90	Dec-14
U5030220	Chassis Wash and Oil Water Separator: JFK	\$2.76	Mar-15

## MTA PD 2013-16 Completions

ACEP		Project	Project Amount (\$ in Mil)	Planned Completion Date
N5100104		K-9 Facility	\$13.47	Jul-14

## **OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2013-2017**

### **NEW YORK CITY TRANSIT CAPITAL PROJECTS**

**Project:** Second Avenue Subway Phase I – MTA Capital Construction is managing construction of the Second Avenue Subway on Manhattan’s east side from 125th Street to the Financial District in Lower Manhattan. The first phase of this four-phase project will utilize an existing tunnel under Central Park from 57th Street/Seventh Avenue on the Broadway Line to 63rd Street/Lexington. From 63rd Street, a new tunnel will be built along Second Avenue between 63rd Street and 96th Street. The first phase will be served by an extension of the Q Line and have new stations at 63rd Street/Lexington (connection to F train), 72nd Street, 86th Street and finally 96th Street and is slated to open in December 2016. This will result in \$31.4 million in additional expenses.

**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. The depot is planned to open in mid-2014 with full operating budget impacts in 2015 of about \$2 million annually.

**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. Installation is projected to be complete by 2016 with full operating budget impacts beginning in 2016 (\$1.2 million annually).

**Project:** 7 West Extension. This project will extend the Flushing Line (7) southwest from 42 St & 8th Ave to a new station at 34th St & 11th Ave. The construction includes new running tunnels and associated right-of-way equipment; vent plants; and a new terminal station with elevators, escalators, HVAC, and other modern station finishes. Full impacts will start in 2014 with \$18.0 million in additional annual expenses.

**Project:** Fulton Street 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. The complex is being renewed in phases. The renewed complex will be larger and have new escalators and elevators. Full impacts begin in 2014 with \$5.7 million in additional annual expenses.

**Project:** R188 Subway Car Purchase (126 cars). The purchase of 23 cars, in conjunction with the option for 103 cars, is to grow the A-Division fleet in anticipation of beginning CBTC on the Flushing Line and to support the extension of the Flushing Line. Additional new cars to the

fleet have maintenance, energy, and personnel costs. Total impacts of 55 cars are included with the 7 West Extension above. Total impacts of the remaining 71 cars are not included in the Financial Plan and NYCT is evaluating options regarding the operating impacts of these cars for the November Plan cycle. The R188 cars are expected to start arriving in 2015.

**Project:** R179 Subway Car Purchase. This project is for the purchase of 300 'B' division cars that will replace 272 R32 and R42 cars due for retirement. The operating budget impact is neutral for 272 fleet replacement cars, but 28 cars are fleet expansion. Total impacts of the 28 fleet expansion cars are not included in the Financial Plan and NYCT is evaluating options regarding the operating impacts of these cars for a future financial plan cycle. The R179 cars are expected to start arriving in 2017.

**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 2015, when the majority of the equipment would be installed or shortly thereafter. An annual total increase of \$3.3 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 2019 Opening Day. Operating budget increases will begin before 2019.

**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 operating budget impact of at least \$1 million a year. Partial impacts will begin in 2015 with full impacts realized starting in 2016.

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

**Project:** M-8 New Haven Line Purchase [May 2014]. This project is for the design, manufacture, test and delivery of the new New Haven Line M8 EMU Cars. The first one hundred cars will be utilized to supplement the existing fleet to fill out trains and reduce

standees. The base contract for 210 cars and the first option for 90 additional cars were awarded on August 21, 2006. Two additional options 42 and 38 cars respectively. A change order was executed for 25 Single Cars for a total of 405 cars. As of the end of December 2013, approximately 300 Cars will have been conditionally accepted and placed into revenue service. Anticipated steady-state Operating Budget Impact of approximately \$3 million (NYS portion) once all 405 cars are in service.

**Project:** Customer Communication/Connectivity Improvements [December 2014]. Under this project, an updated public address system and real-time information will be provided to Metro-North customers at East of Hudson stations. Departure time and destination, status, and track number will be displayed. Connectivity will be provided at each station to support the new real-time train information/public address system, upgrade ticket office workstations, and allow capability for remote CCTV and elevator monitoring/control. Project currently in scoping phase and any potential Operating Budget Impacts are currently unknown; however they could potentially exceed \$1 million.

**Project:** Positive Train Control [December 2015] Installation of a Positive Train Control (PTC) system is mandated by the Federal Rail Safety Improvement Act of 2008. Commuter railroads such as Metro-North have until December 15, 2015 to implement a PTC system. PTC 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. It 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 Operating Budget Impact of at least \$1 million a year. Partial impacts will begin in 2015 with full impacts in 2016.

**Project:** West of Hudson Signal Improvements [December 2015] The purpose of this project is to install a new 100 Hz Cab Signal system replacing existing antiquated signal system for the West of Hudson Port Jervis Line between Suffern, NY (MP 31.3) and Sparrowbush, NY (MP 89.9). This system will be consistent with NORAC (Northeast Operating Rules Advisory Committee) and NJT (New Jersey Transit) operating rules. This project will extend existing cab signal system from NJT territory (south of Suffern) into MNR territory up to the division post at MP 89.9. This line consists of nine interlockings and four highway grade crossings. MNR rolling stock operated by NJT is already equipped with cab signal system due to its operation south of Suffern. PTC equipment for West of Hudson will be procured as options on New Jersey Transit PTC contract. Similarly to the Positive Train Control project (above), the West of Hudson Signal Improvements project could potentially have an annual Operating Budget Impact of greater than \$1 million due to the assets and equipment that will need to be operated and maintained.

## **OTHER AGENCIES**

Other MTA agencies have no capital projects entering beneficial use in 2013-2017 that have impacts on the operating budget over \$1 million.

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## **V. Agency Financial Plans**

# **Bridges and Tunnels**

**MTA BRIDGES AND TUNNELS**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014–2017**

**FINANCIAL OVERVIEW**

MTA Bridges and Tunnels (B&T) continues to be a strong source of fiscal stability to the MTA. In 2013 and 2014 combined, B&T is projected to contribute \$1.877 billion in Support to Mass Transit, which is \$43.7 million greater than the July Financial Plan.<sup>1</sup>

B&T is able to provide this substantial support to mass transit by efficiently carrying out its operations, while at the same time providing high levels of customer service and maintaining a strong safety focus for both employees and the travelers utilizing its facilities. The November Plan continues one of B&T's key initiatives, which is to make E-ZPass (which is the least expensive means of collecting tolls) more available to all B&T customers. E-ZPass traffic volume was greater by 2.9 million vehicles, or 1.7% year-to-date through September compared to the same period last year. Currently, E-ZPass usage is 83.7% of total traffic, which is 2.4% points greater than last year at this time. The following efforts have contributed toward this growth in usage.

- B&T began selling E-ZPass “On the Go” pre-paid tags in the cash toll lanes at each facility in 2012. At the end of September 2013, more than 233,000 tags had been sold in the lanes.
- Spanish language versions of the E-ZPass application, interactive website, and the customer service telephone voice response system were introduced in January of 2012.
- B&T introduced the MTA Reload Card in February 2012, an initiative which makes it easier for customers to replenish their E-ZPass account with cash. Customers can go to any Visa ReadyLink retail merchant and use the card to reload their E-ZPass accounts, eliminating the need to travel to one of three walk-in centers in Yonkers, Queens, or Staten Island for that purpose. To date, over 67,000 cards have been issued to customers and approximately 12% of total cash replenishments are currently made using the reload cards.
- In November 2012, B&T introduced E-ZPass “Pay per Trip”, which enables customers to set up an E-ZPass account without a pre-paid balance. Those interested in this program will pay for their tolls each day through an Automated Clearinghouse (ACH) deduction from their checking account. To date, nearly 16,000 account holders have signed up for this initiative.

The most potentially far reaching B&T initiative is the pilot project at the Henry Hudson Bridge to test All Electronic Toll (AET) collection operations. The implementation of

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<sup>1</sup> All references to July Financial Plan Support to Mass Transit and Baseline Operating Income include a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the MTA Consolidated July, 2013 Financial Plan.

cashless tolling at the facility began on November 10, 2012. All motorists are now able to use any lane to drive through the toll plaza without stopping. There is no change for drivers who use E-ZPass. For customers without an E-ZPass tag, an image is taken of their license plate and the registered driver receives a bill in the mail. For the year-to-date through August, 93.2% of total crossings were E-ZPass and 6.8% were "Tolls By Mail" transactions. The purpose of the pilot is to test both the new technologies required to collect video images from passing vehicles and the back-office systems to collect tolls from registered owners of vehicles without an E-ZPass tag. The pilot will also help determine the operational and financial issues in a cashless environment. The data collected from this pilot will be used to evaluate and guide future toll collection and toll plaza reconstruction plans.

B&T also monitors its facility operations by tracking key customer service oriented performance statistics at the bridges and tunnels. Through August, nearly 2,800 potholes were repaired and over 8,000 miles of roadway were swept across all facilities. Traffic mobility at all facilities was consistently smooth, with 89% of vehicle crossings at bridges during weekday peak periods traveling above 30 mph, and 71% of vehicle crossings at the tunnels (where lower speeds are posted during measured peak periods) traveling above 25 mph. These results are consistent with 2012 patterns.

There is no more important priority for B&T than safety. Safe work practices are continually emphasized and safety training is regularly provided to employees. Through August 2013, there were 55 lost time injuries in the agency, and rate of injuries per 200,000 hours was 5.5. These figures are comparable to the 5-year averages for the January through August period of 54 total injuries at a rate of 4.9.

B&T also carries out initiatives that help assure the safe passage of its customers, including identifying collision hotspots, re-evaluating and modifying traffic patterns in construction zones and improving roadway signage. Through August 2013, the collision rate was 5.64 per million vehicles, in line with the 5-year average rate of 5.43 over the comparable period.

To better enforce weight restrictions and ensure the safety and structural integrity of the facilities, a truck weight enforcement program is in place on B&T's suspension bridges. The program uses a combination of personnel to perform vehicle weight and safety inspections and provide a regular facility presence to conduct credential checks. From the start of the program in 2007 through August 2013, more than 66,000 trucks have been interdicted. In addition, B&T assists the NYC Department of Transportation with inspections and violation assessments of commuter buses.

Significant customer service improvements are also being carried out through the capital program, with some of the most significant improvements taking place at the Verrazano-Narrows Bridge.

- By summer 2015, the remaining three unused eastbound toll booths will be removed as part of improvements to the entrance and exit ramps and rehabilitation of the eastbound toll plaza.

- In September, the newly constructed Lily Pond Avenue entrance ramp, Brooklyn-bound, opened with an improved wider and more efficient configuration over the old on-ramp.
- In late 2012, a five-year, \$235.7 million construction contract was awarded to replace the original 1960s upper level suspended span roadway of the Verrazano-Narrows Bridge which, once completed, will include the agency's first reversible high occupancy vehicle lane. The new reversible lane will connect with State Department of Transportation's HOV lanes on either side of the bridge, providing a continuous HOV lane from the Staten Island Expressway straight through to the Hugh L. Carey Tunnel, saving time for thousands of daily bus and HOV car commuters.

In addition to the Verrazano improvements, in mid-2012 a \$50 million design/build contract was awarded to reconstruct the Manhattan/Queens ramp at the Robert F. Kennedy Bridge. The 26-month project to reconstruct the 54,000-square-foot ramp is expected to be completed by fall 2014, and will provide customers a much smoother ride through the bridge complex.

At the Bronx Whitestone Bridge, a \$212 million Capital project to reconstruct the Bronx approach roadway, providing drivers with wider 12-foot lanes and new safety shoulders, was completed in August 2012, two months ahead of schedule. Currently underway is the \$109 million reconstruction of the Queens approach to the bridge which was awarded in July 2011. And at the Throgs Neck Bridge, approximately 67,000 square feet of the deteriorated southbound roadway is being re-surfaced, which will result in a smoother ride for customers.

This November Financial Plan also includes the operating resources needed to help address the challenges of recovering from Tropical Storm Sandy (Sandy), which hit the eastern seaboard in late October 2012. As a direct result of the storm, both B&T tunnels—the Queens Midtown Tunnel (QMT) and the Hugh L. Carey (HLC) formerly Brooklyn Battery Tunnel (BBT)—sustained extensive and extraordinary damage in the hundreds of millions of dollars due to flooding. While the two tunnels suffered the most significant damages, B&T's bridges and related facilities (particularly the two Rockaway crossings) also experienced some damage due to the storm. Based on preliminary assessments by B&T staff and independent engineers, the estimated capital cost of restoration associated with Sandy is \$778 million, with an additional \$96 million projected for mitigation. Approximately \$24 million in restoration and mitigation projects are also being undertaken through operating budget resources in 2013 and 2014. The cost of infrastructure restoration is expected to be covered by a combination of insurance, federal programs (FEMA), and B&T resources.

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

### **2013 November Forecast**

In the 2013 November Forecast, a total of over \$1,220.8 million is projected in Baseline Operating Income compared to nearly \$1,198.5 million in the 2013 Mid-Year Forecast, an increase of nearly \$22.3 million.

Total revenues are \$1,669.8 million, which is \$18.3 million greater than the Mid-Year Forecast. Toll revenue accounts for 98% of all revenues and is projected at \$1,628.8 million, which is \$17.0 million greater than the Mid-Year Forecast. Traffic has generally been higher than forecast following the toll increase implemented on March 3, 2013. Actual volume through September was approximately 1% higher, which generated an extra \$10.4 million in revenue. In addition, current patterns in the mix of traffic have resulted in an average toll that is approximately \$0.02 higher than originally forecast, which adds another \$6.6 million to the November Plan. Favorable results are also occurring in Other Operating Revenue, primarily from additional parking receipts at the Battery Parking Garage and higher E-ZPass administrative fee income. These and other small revenue sources are adding a combined \$1.3 million to November Plan operating income.

The 2013 November Forecast expenses before depreciation and GASB adjustments are nearly \$449.0 million, which consists of \$243.6 million in labor costs and \$205.3 million in non-labor expenses. Total expenses are \$4.1 million below the Mid-Year Forecast.

Labor expenses are lower by \$1.9 million primarily due to lower payroll and corresponding fringe expenses associated with vacancies for Bridge & Tunnel Officers and managerial/professional staff.

Non-labor expenses are lower by \$2.2 million primarily due to the timing of permanent restoration and mitigation work associated with Sandy. Approximately \$9.7 million in Sandy-related work is expected to be needed in 2014 rather than in 2013 as originally anticipated. In addition, a total of \$1.1 million in small favorable re-estimates have been identified across a variety of areas, including consulting services and miscellaneous supplies. Partially offsetting these reductions are an additional \$7.0 million in expenses stemming from GASB 65, which requires that certain costs associated with bond issuance that were previously allowed to be amortized over the life of the bond must now be realized in full when incurred. Insurance expenses have also been re-estimated upward, by \$1.1 million.

Total Support to Mass Transit is \$975.0 million compared to \$935.0 million in the 2013 Mid-Year Forecast, an increase of \$40.0 million resulting from \$22.3 million more in Baseline Operating Income (nearly \$18.3 million in revenue gains and nearly \$4.1 million in lower expenses), lower B&T debt service (\$13.7 million), and lower capitalized assets expenditures (\$4.0 million).

In 2013, total planned year-end headcount is unchanged from the Mid-Year Forecast at 1,746, including 88 capital reimbursable full-time equivalents.

### **2014 Final Proposed Budget - Baseline**

In the 2014 Final Proposed Budget, a total of \$1,195.3 million is projected in Baseline Operating Income compared to \$1,191.0 million in the July Financial Plan, an increase of \$4.3 million.

Total revenues are \$1,687.0 million, which is \$16.3 million greater than the July Financial Plan. Toll revenues are increased by \$15.6 million, reflecting the higher plan-to-plan traffic trends from 2013. Investment Income has been revised downward by \$0.1 million. Other Operating Revenue has also been re-estimated upward by \$0.8 million, mainly to incorporate higher parking receipts expected at the Battery Parking Garage.

Expenses are \$491.7 million, which are comprised of \$265.2 million in labor costs and \$226.5 million in non-labor expenses. Overall expenses are \$12.0 million higher than the July Financial Plan.

Labor costs are projected to be lower by \$2.6 million due to downward inflationary adjustments for Health & Welfare and OPEB.

Non-labor expenses are higher by \$14.7 million. The main driver of the additional costs is the previously described timing of Sandy restoration and mitigation work (\$9.7 million) and the GASB 65 ruling on the accounting requirements for bond issuance costs (\$7.0 million). Partially offsetting these additional expenses are favorable re-estimates for E-ZPass related costs (\$1.1 million) and insurance premiums (\$0.8 million).

Total Support to Mass Transit is \$901.9 million compared to \$898.2 million in the July Financial Plan, an increase of \$3.7 million resulting from higher Baseline Operating Income of \$4.3 million (\$16.3 million in revenue gains partially offset by \$12.0 million in higher expenses) and a favorable inflationary adjustment to GASB Reserves (\$0.2 million), partially offset by higher B&T debt service (0.8 million).

In 2014, total headcount is budgeted at 1,746, including 88 reimbursable positions, which is unchanged from the July Financial Plan.

### **2015-2017 Projections**

The 2015 projection for Baseline Operating Income is \$1,181.0 million compared to \$1,168.5 million in the July Financial Plan. This consists of \$1,691.2 million in revenues, less \$510.2 million in expenses. The expenses are comprised of \$272.2 million in labor costs and \$238.0 million in non-labor expenses.

The 2016 projection for Baseline Operating Income is \$1,175.6 million compared to \$1,163.9 million in the July Financial Plan. This consists of \$1,702.2 million in revenues, offset by \$526.7 million in expenses. The expenses are comprised of nearly \$279.1 million in labor costs and \$247.6 million in non-labor expenses.

In 2017, the projection for Baseline Operating Income is \$1,163.2 million compared to \$1,153.0 million in the July Financial Plan. This consists of \$1,707.9 million in revenues, offset by \$544.7 million in expenses. The expenses are comprised of \$287.6 million in labor costs and \$257.0 million in non-labor expenses.

In 2015 to 2017, the total baseline planned headcount will be 1,746, which includes 88 capitally-reimbursable positions.

Details for year-to-year changes and 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**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE**

	2012	2013	2014			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Operating Revenue</b>						
Vehicle Toll Revenue	\$1,490.982	\$1,628.823	\$1,649.488	\$1,652.899	\$1,661.859	\$1,665.930
Other Operating Revenue	17.679	23.613	16.098	15.932	16.101	16.281
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.136	0.110	0.162	0.737	2.180	2.866
<b>Total Revenue</b>	<b>\$1,508.797</b>	<b>\$1,652.547</b>	<b>\$1,665.748</b>	<b>\$1,669.568</b>	<b>\$1,680.140</b>	<b>\$1,685.077</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$114.911	\$120.979	\$132.900	\$136.313	\$138.740	\$142.746
Overtime	20.921	20.882	21.228	21.656	22.103	22.523
Health and Welfare	22.171	25.022	27.340	28.363	29.971	31.678
OPEB Current Payment	13.988	15.384	16.168	16.783	17.757	18.786
Pensions	35.117	32.745	33.849	34.661	35.481	36.163
Other Fringe Benefits	18.226	16.493	17.595	17.902	18.158	18.386
Reimbursable Overhead	(4.758)	(5.114)	(5.095)	(5.145)	(5.196)	(5.442)
<b>Total Labor Expenses</b>	<b>\$220.576</b>	<b>\$226.391</b>	<b>\$243.984</b>	<b>\$250.533</b>	<b>\$257.014</b>	<b>\$264.840</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$5.706	\$7.480	\$7.561	\$7.805	\$8.170	\$8.540
Fuel	3.198	2.894	2.959	2.794	2.681	2.733
Insurance	7.020	12.589	16.466	19.914	23.163	26.980
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	92.229	113.232	129.870	136.876	142.371	145.505
Professional Service Contracts	22.194	36.390	36.537	36.826	36.527	37.763
Materials & Supplies	2.413	4.050	4.300	4.378	4.532	4.659
Other Business Expenses	24.649	28.707	28.808	29.451	30.115	30.835
<b>Total Non-Labor Expenses</b>	<b>\$157.409</b>	<b>\$205.344</b>	<b>\$226.501</b>	<b>\$238.044</b>	<b>\$247.559</b>	<b>\$257.015</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses Before Depreciation and GASB Adjs.</b>	<b>\$377.985</b>	<b>\$431.735</b>	<b>\$470.485</b>	<b>\$488.578</b>	<b>\$504.573</b>	<b>\$521.855</b>
Add: Depreciation	\$87.926	\$94.429	\$104.389	\$111.667	\$119.521	\$127.853
Add: OPEB Obligation	73.000	76.650	80.483	84.507	88.732	93.169
Add: Environmental Remediation	0.055	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses After Depreciation and GASB Adjs.</b>	<b>\$538.966</b>	<b>\$602.814</b>	<b>\$655.356</b>	<b>\$684.751</b>	<b>\$712.826</b>	<b>\$742.877</b>
Less: Depreciation	\$87.926	\$94.429	\$104.389	\$111.667	\$119.521	\$127.853
Less: OPEB Obligation	73.000	76.650	80.483	84.507	88.732	93.169
<b>Total Expenses</b>	<b>\$378.040</b>	<b>\$431.735</b>	<b>\$470.485</b>	<b>\$488.578</b>	<b>\$504.573</b>	<b>\$521.855</b>
<b>Baseline Income/(Deficit)</b>	<b>\$1,130.757</b>	<b>\$1,220.812</b>	<b>\$1,195.263</b>	<b>\$1,180.990</b>	<b>\$1,175.567</b>	<b>\$1,163.221</b>

## REIMBURSABLE

[illegible]

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**  
Page 1 of 2

	2012	2013	2014			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenue</b>						
Vehicle Toll Revenue	\$1,490.982	\$1,628.823	\$1,649.488	\$1,652.899	\$1,661.859	\$1,665.930
Other Operating Revenue	17.679	23.613	16.098	15.932	16.101	16.281
Capital and Other Reimbursements	14.152	17.228	21.230	21.628	22.108	22.809
Investment Income	0.136	0.110	0.162	0.737	2.180	2.866
<b>Total Revenue</b>	<b>\$1,522.949</b>	<b>\$1,669.774</b>	<b>\$1,686.978</b>	<b>\$1,691.196</b>	<b>\$1,702.248</b>	<b>\$1,707.885</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$120.920	\$128.300	\$142.635	\$146.123	\$148.634	\$152.722
Overtime	21.058	21.282	21.635	22.071	22.523	22.949
Health and Welfare	23.669	26.600	29.517	30.650	32.417	34.285
OPEB Current Payment	13.988	15.384	16.168	16.783	17.757	18.786
Pensions	36.184	34.636	36.420	37.363	38.342	39.185
Other Fringe Benefits	18.909	17.417	18.840	19.171	19.449	19.722
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$234.728</b>	<b>\$243.619</b>	<b>\$265.214</b>	<b>\$272.161</b>	<b>\$279.122</b>	<b>\$287.649</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$5.706	\$7.480	\$7.561	\$7.805	\$8.170	\$8.540
Fuel	3.198	2.894	2.959	2.794	2.681	2.733
Insurance	7.020	12.589	16.466	19.914	23.163	26.980
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
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Other Business Expenses	24.649	28.707	28.808	29.451	30.115	30.835
<b>Total Non-Labor Expenses</b>	<b>\$157.409</b>	<b>\$205.344</b>	<b>\$226.501</b>	<b>\$238.044</b>	<b>\$247.559</b>	<b>\$257.015</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses Before Depreciation and GASB Adjs.</b>	<b>\$392.137</b>	<b>\$448.963</b>	<b>\$491.715</b>	<b>\$510.205</b>	<b>\$526.681</b>	<b>\$544.664</b>
Add: Depreciation	\$87.926	\$94.429	\$104.389	\$111.667	\$119.521	\$127.853
Add: OPEB Obligation	73.000	76.650	80.483	84.507	88.732	93.169
Add: Environmental Remediation	0.055	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses After Depreciation and GASB Adjs.</b>	<b>\$553.118</b>	<b>\$620.042</b>	<b>\$676.586</b>	<b>\$706.379</b>	<b>\$734.934</b>	<b>\$765.686</b>
Less: Depreciation	\$87.926	\$94.429	\$104.389	\$111.667	\$119.521	\$127.853
Less: OPEB Obligation	73.000	76.650	80.483	84.507	88.732	93.169
<b>Total Expenses</b>	<b>\$392.192</b>	<b>\$448.963</b>	<b>\$491.715</b>	<b>\$510.205</b>	<b>\$526.681</b>	<b>\$544.664</b>
<b>Baseline Income/(Deficit)</b>	<b>\$1,130.757</b>	<b>\$1,220.812</b>	<b>\$1,195.263</b>	<b>\$1,180.990</b>	<b>\$1,175.567</b>	<b>\$1,163.221</b>

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**  
Page 2 of 2

	2012 <u>Actual</u>	2013 November <u>Forecast</u>	2014 Final Proposed <u>Budget</u>	2015	2016	2017
<b>Baseline Income/(Deficit)</b>	<b>\$1,130.757</b>	<b>\$1,220.812</b>	<b>\$1,195.263</b>	<b>\$1,180.990</b>	<b>\$1,175.567</b>	<b>\$1,163.221</b>
<b><u>Deductions from Income:</u></b>						
Reserves	\$11.251	\$17.165	\$17.843	\$17.849	\$20.635	\$21.056
GASB 45 Reserves	27.965	25.415	25.895	26.382	26.881	27.338
	2.309	3.077	3.234	3.357	3.551	3.757
<b>Adjusted Baseline Income/(Deficit)</b>	<b>\$1,089.232</b>	<b>\$1,175.155</b>	<b>\$1,148.291</b>	<b>\$1,133.402</b>	<b>\$1,124.500</b>	<b>\$1,111.071</b>
Less: Debt Service	591.453	578.888	617.559	631.859	650.466	677.229
<b>Income Available for Distribution</b>	<b>\$497.779</b>	<b>\$596.267</b>	<b>\$530.731</b>	<b>\$501.543</b>	<b>\$474.034</b>	<b>\$433.842</b>
<b><u>Distributable To:</u></b>						
MTA - Investment Income	\$0.136	\$0.110	\$0.162	\$0.737	\$2.180	\$2.866
MTA - Distributable Income	308.424	358.049	321.717	306.818	292.469	272.689
NYCT - Distributable Income	189.219	238.108	208.853	193.988	179.384	158.286
<b>Total Distributable Income:</b>	<b>\$497.779</b>	<b>\$596.267</b>	<b>\$530.731</b>	<b>\$501.543</b>	<b>\$474.034</b>	<b>\$433.842</b>
<b><u>Actual Cash Transfers:</u></b>						
MTA - Investment Income	\$0.085	\$0.136	\$0.110	\$0.162	\$0.737	\$2.180
MTA - Transfers	315.723	361.176	325.350	308.308	293.904	274.667
NYCT - Transfers	193.604	235.054	211.779	195.474	180.845	160.396
<b>Total Cash Transfers:</b>	<b>\$509.412</b>	<b>\$596.366</b>	<b>\$537.239</b>	<b>\$503.944</b>	<b>\$475.486</b>	<b>\$437.243</b>
<b><u>SUPPORT TO MASS TRANSIT:</u></b>						
Total Revenues	\$1,522.949	\$1,669.774	\$1,686.978	\$1,691.196	\$1,702.248	\$1,707.885
Less: Net Operating Expenses	392.192	448.963	491.715	510.205	526.681	544.664
<b>Net Operating Income:</b>	<b>\$1,130.757</b>	<b>\$1,220.812</b>	<b>\$1,195.263</b>	<b>\$1,180.990</b>	<b>\$1,175.567</b>	<b>\$1,163.221</b>
<b><u>Deductions from Operating Income:</u></b>						
B&T Debt Service	\$196.526	\$200.148	\$246.438	\$260.793	\$278.761	\$302.030
Capitalized Assets	11.251	17.165	17.843	17.849	20.635	21.056
Reserves	27.965	25.415	25.895	26.382	26.881	27.338
GASB Reserves	2.309	3.077	3.234	3.357	3.551	3.757
<b>Total Deductions from Operating Income:</b>	<b>\$238.051</b>	<b>\$245.804</b>	<b>\$293.410</b>	<b>\$308.382</b>	<b>\$329.827</b>	<b>\$354.181</b>
<b>Total Support to Mass Transit:</b>	<b>\$892.706</b>	<b>\$975.007</b>	<b>\$901.853</b>	<b>\$872.608</b>	<b>\$845.740</b>	<b>\$809.041</b>

**MTA BRIDGES TUNNELS**  
**2013 November Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

<b>NON-REIMBURSABLE OVERTIME</b>	<b>Total</b>		
	<b>Hours</b>	<b>\$</b>	<b>%</b>
<b>OPERATIONS &amp; MAINTENANCE</b>			
<u>Scheduled Service</u>	50,612	\$2.919	14.0%
<u>Unscheduled Service</u>	15,152	0.872	4.2%
<u>Programmatic/Routine Maintenance</u>	840	0.051	0.2%
<u>Unscheduled Maintenance</u>	24,156	1.470	7.0%
<u>Vacancy/Absentee Coverage</u>	164,410	9.825	47.0%
<u>Weather Emergencies</u>	15,796	0.957	4.6%
<u>Safety/Security/Law Enforcement</u>	43,692	2.555	12.2%
<u>Other</u>	7,485	0.461	2.2%
<u>All Other Departments and Accruals<sup>1</sup></u>		1.772	8.5%
Subtotal	<b>322,143</b>	<b>\$20.882</b>	100%
<b>REIMBURSABLE OVERTIME</b>	7,200	0.400	
<b>TOTAL OVERTIME</b>	<b>329,343</b>	<b>\$21.282</b>	

<sup>1</sup> Includes overtime for all departments other than Operations and Maintenance, and adjustments to reflect the 28-day payroll lag. Does not include hours.

**MTA BRIDGES AND TUNNELS**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014–2017**  
**Year-to-Year Changes by Category - Baseline**

**Toll Revenue**

- At current crossing charges, toll revenue is estimated at \$1,628.8 million in 2013 and \$1,649.5 million in 2014, an increase of \$20.7 million primarily based on a full year's impact of the toll increase implemented on March 3, 2013. Traffic estimates increase slightly from 281.5 million vehicles in 2013 to 281.6 million in 2014, reflecting modest growth in regional employment, partially offset by an adjustment to incorporate more normal winter weather in 2014.
- Toll revenue increases to \$1,652.9 in 2015, \$1,661.9 in 2016 and \$1,665.9 million in 2017, reflecting traffic volume increases from regional employment growth of approximately 1% per year, and the additional leap year day in 2016. Traffic levels are projected at 282.9 million vehicles in 2015, 284.8 million in 2016, and 285.8 million in 2017.

**Other Operating Revenue**

- Other Operating Revenue is estimated at \$23.6 million in 2013 and \$16.1 million in 2014, a year-to-year drop of \$7.5 million. Revenue in 2013 includes \$6.3 million in expected reimbursements from FEMA for costs related to emergency work performed in the aftermath of Sandy. Also in 2013, an insurance settlement of \$0.4 million is anticipated for costs associated with Tropical Storm Irene. Due to the uncertainty of future reimbursements and costs, no reimbursement projections are included in B&T's 2014 Final Proposed Budget. Revenue declines by another \$0.8 million in 2014 primarily due to anticipated year-to-year declines in E-ZPass administrative fees and other small revenue sources.
- Other Operating Revenue decreases by \$0.2 million in 2015 primarily due to anticipated declines in E-ZPass administrative fees. Growth of \$0.2 million in both 2016 and 2017 reflects projected additional receipts from the Battery Parking Garage.

**Capital and Other Reimbursements**

- Capital and Other Reimbursements increase by \$4.0 million in 2014 largely due to the full-year reimbursable expectations of an additional 44 full-time equivalents, primarily dedicated to projects related to Sandy, that began work during the third quarter of 2013. Reimbursements grow \$0.4 million in 2015, \$0.5 million in 2016 and \$0.7 million in 2017. These adjustments are tied to the expected work to be performed for the Capital Programs.

## **Investment Income**

- The Investment Income plan for 2013 through 2017 reflects earnings on estimated fund balances based on projected short-term investment yields, which continue to be forecast at very low interest rates. Total investment income is estimated at \$0.1 million in 2013 and \$0.2 million in 2014.
- Short-term interest rates are forecast to grow each year from 2015 thereafter. Income projections are \$0.7 million in 2015, \$2.2 million in 2016 and \$2.9 million in 2017.

## **Payroll**

- Salaries for non-represented employees, having gone four consecutive years without raises, are assumed to follow CPI-based increases in 2013. No across-the-board raises have been granted as of the November Plan.
- In 2014, expenses increase by \$14.3 million, primarily reflecting contractual step-up increases, the filling of 2013 vacancies and inflationary adjustments (\$10.0 million), and a full year's impact of an additional 90 positions that were authorized in the July Financial Plan beginning in the third quarter of 2013 (\$4.3 million).
- Thereafter, expenses increase by contractual step-up increases and inflationary adjustments by \$3.5 million in 2015, \$2.5 million in 2016, and \$4.1 million in 2017.
- Wage inflation for non-represented and most represented employees is 1.91% in 2014, 1.85% in 2015, 1.89% in 2016, and 1.85% in 2017.

## **Overtime**

- Inflationary adjustments are the primary reason for increases of approximately \$0.4 million each year from 2014 through 2017.
- Wage inflation rates for overtime are the same as for payroll.

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

- In 2014, there is an increase of \$3.7 million from 2013 primarily due to forecast inflation for defined medical programs (\$3.0 million), and full-year premiums for the new staff that joined B&T toward the end of 2013 (\$0.7 million).
- The year-over-year net increases from 2015 to 2017 are \$1.7 million, \$2.7 million, and \$2.9 million, respectively, and are the result of forecast inflation for defined medical programs.
- Inflation rates for defined medical programs are 5.1% in 2014, 3.8% in 2015, and 5.8% each year thereafter.

## **Pension**

- In 2014, there is a \$1.8 million increase from 2013, reflecting the New York City Office of the Actuary's current estimates (\$0.8 million) and an adjustment for the 90 new positions that began in 2013 (\$1.0 million).
- The increases of \$0.9 million in 2015, \$1.0 million in 2016, and \$0.8 million in 2017 are based on the latest growth factors suggested by the New York City Office of the Actuary.

## **Other Fringe Benefits**

- The year-over-year increase from 2013 to 2014 of \$1.4 million is primarily due to higher FICA and other expenses associated with the previously discussed payroll changes.
- Thereafter, expenses increase by \$0.3 million annually from 2015 through 2017 primarily due to inflationary adjustments for payroll and overtime.

## **Electric Power**

- Expenses for Electric Power increase between \$0.1 million and \$0.4 million annually due to inflationary adjustments.

## **Fuel**

- The small year-to-year annual changes from 2014 through 2017, all less than \$0.2 million up or down, are primarily the result of incorporating the most recent projections for heating fuel.

## **Insurance**

- Insurance expenses increase between \$3.2 million and \$3.9 million annually from 2014 through 2017 based on revised insurance growth assumptions.

## **Maintenance and Other Operating Contracts**

- Year-to-year expenses are projected to be \$16.6 million higher in 2014. The main driver for the increase is due to an additional \$13.4 million in major maintenance to ensure that key bridge and tunnel components are properly maintained to maximize the level of service they provide until large scale rehabilitation or replacement work under the capital program can be carried out. The only other significant increase is for E-ZPass Customer Service Center expenses, which are expected to rise by \$1.0 million primarily due to anticipated account growth. Other small increases across numerous miscellaneous maintenance contracts are largely inflation based.

- Expenses grow by \$7.0 million in 2015, \$5.5 million in 2016, and \$3.1 million in 2017. Most of the growth (\$15.1 million in 2015, \$1.3 million in both 2016 and 2017) is driven by anticipated increases in major maintenance and preventive maintenance needs for the aforementioned reasons. The timing of Sandy-related expenses partially offsets the higher expenses in 2015, with \$9.7 million in work expecting to be completed by the end of 2014. Outside of inflationary adjustments, the E-ZPass Tag Replacement Program accounts for other significant year-to-year shifts, with \$0.3 million less needed in 2015, \$1.9 million more required for 2016, and \$0.4 million less needed in 2017.
- Inflationary adjustments are based on a national CPI-U forecast of 1.41% in 2014, 1.69% in 2015, 1.95% in 2016 and 1.83% in 2017, and these factors also apply to the expense categories that follow (Professional Service Contracts, Materials and Supplies and Other Business Expenses).

### **Professional Service Contracts**

- In 2014, expenses are \$0.1 million greater than 2013 primarily due to inflationary increases.
- Expenses grow by \$0.3 million in 2015 primarily due to inflationary adjustments, then decline by \$0.3 million in 2016. Expenses are adjusted upward by \$1.2 million in 2017 primarily for inflation.

### **Materials and Supplies**

- Material and Supplies increase between \$0.1 million and \$0.2 million annually due to inflationary adjustments.

### **Other Business Expenses**

- Expenses from 2014 through 2017 are between \$0.1 million and \$0.7 million greater each year due to inflationary adjustments.

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2013	2014	Change 2013 - 2014	2015	Change 2014 - 2015	2016	Change 2015 - 2016	2017	Change 2016 - 2017
<b>Revenue</b>									
Vehicle Toll Revenue	\$ 1,628.823	\$ 1,649.488	\$ 20.665	\$ 1,652.899	\$ 3.411	\$ 1,661.859	\$ 8.960	\$ 1,665.930	\$ 4.071
Other Operating Revenue	23.613	16.098	(7.515)	15.932	(0.166)	16.101	0.169	16.281	0.180
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Investment Income	0.110	0.162	0.051	0.737	0.575	2.180	1.443	2.866	0.686
<b>Total Revenue</b>	<b>\$ 1,652.547</b>	<b>\$ 1,665.748</b>	<b>\$ 13.201</b>	<b>\$ 1,669.568</b>	<b>\$ 3.820</b>	<b>\$ 1,680.140</b>	<b>\$ 10.572</b>	<b>\$ 1,685.077</b>	<b>\$ 4.937</b>
<b>Expenses</b>									
Labor:									
Payroll	\$ 120.979	\$ 132.900	\$ (11.920)	\$ 136.313	\$ (3.413)	\$ 138.740	\$ (2.427)	\$ 142.746	\$ (4.006)
Overtime	20.882	21.228	(0.346)	21.656	(0.429)	22.103	(0.447)	22.523	(0.420)
Health and Welfare	25.022	27.340	(2.318)	28.363	(1.023)	29.971	(1.608)	31.678	(1.707)
OPEB Current Payment	15.384	16.168	(0.784)	16.783	(0.615)	17.757	(0.974)	18.786	(1.029)
Pensions	32.745	33.849	(1.104)	34.661	(0.812)	35.481	(0.820)	36.163	(0.682)
Other Fringe Benefits	16.493	17.595	(1.102)	17.902	(0.307)	18.158	(0.256)	18.386	(0.228)
Reimbursable Overhead	(5.114)	(5.095)	(0.019)	(5.145)	0.050	(5.196)	0.051	(5.442)	0.246
<b>Total Labor Expenses</b>	<b>\$ 226.391</b>	<b>\$ 243.984</b>	<b>\$ (17.593)</b>	<b>\$ 250.533</b>	<b>\$ (6.549)</b>	<b>\$ 257.014</b>	<b>\$ (6.480)</b>	<b>\$ 264.840</b>	<b>\$ (7.826)</b>
Non-Labor:									
Electric Power	\$ 7.480	\$ 7.561	\$ (0.081)	\$ 7.805	\$ (0.245)	\$ 8.170	\$ (0.365)	\$ 8.540	\$ (0.370)
Fuel	2.894	2.959	(0.065)	2.794	0.166	2.681	0.113	2.733	(0.053)
Insurance	12.589	16.466	(3.877)	19.914	(3.448)	23.163	(3.249)	26.980	(3.816)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	113.232	129.870	(16.638)	136.876	(7.006)	142.371	(5.495)	145.505	(3.134)
Professional Service Contracts	36.390	36.537	(0.147)	36.826	(0.288)	36.527	0.298	37.763	(1.236)
Materials & Supplies	4.050	4.300	(0.249)	4.378	(0.078)	4.532	(0.154)	4.659	(0.127)
Other Business Expenses	28.707	28.808	(0.101)	29.451	(0.643)	30.115	(0.664)	30.835	(0.720)
<b>Total Non-Labor Expenses</b>	<b>\$ 205.344</b>	<b>\$ 226.501</b>	<b>\$ (21.157)</b>	<b>\$ 238.044</b>	<b>\$ (11.544)</b>	<b>\$ 247.559</b>	<b>\$ (9.515)</b>	<b>\$ 257.015</b>	<b>\$ (9.456)</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$ 431.735</b>	<b>\$ 470.485</b>	<b>\$ (38.750)</b>	<b>\$ 488.578</b>	<b>\$ (18.093)</b>	<b>\$ 504.573</b>	<b>\$ (15.996)</b>	<b>\$ 521.855</b>	<b>\$ (17.282)</b>
Add: Depreciation	\$ 94.429	\$ 104.389	\$ (9.960)	\$ 111.667	\$ (7.278)	\$ 119.521	\$ (7.854)	\$ 127.853	\$ (8.332)
Add: OPEB Obligation	76.650	80.483	(3.833)	84.507	(4.024)	88.732	(4.225)	93.169	(4.437)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$ 602.814</b>	<b>\$ 655.356</b>	<b>\$ (52.542)</b>	<b>\$ 684.751</b>	<b>\$ (29.395)</b>	<b>\$ 712.826</b>	<b>\$ (28.075)</b>	<b>\$ 742.877</b>	<b>\$ (30.051)</b>
Less: Depreciation	\$ 94.429	\$ 104.389	\$ (9.960)	\$ 111.667	\$ (7.278)	\$ 119.521	\$ (7.854)	\$ 127.853	\$ (8.332)
Less: OPEB Obligation	76.650	80.483	(3.833)	84.507	(4.024)	88.732	(4.225)	93.169	(4.437)
<b>Total Expenses</b>	<b>\$ 431.735</b>	<b>\$ 470.485</b>	<b>\$ (38.750)</b>	<b>\$ 488.578</b>	<b>\$ (18.093)</b>	<b>\$ 504.573</b>	<b>\$ (15.996)</b>	<b>\$ 521.855</b>	<b>\$ (17.282)</b>
<b>Baseline Income/(Deficit)</b>	<b>\$ 1,220.812</b>	<b>\$ 1,195.263</b>	<b>\$ (25.549)</b>	<b>\$ 1,180.990</b>	<b>\$ (14.273)</b>	<b>\$ 1,175.567</b>	<b>\$ (5.423)</b>	<b>\$ 1,163.221</b>	<b>\$ (12.345)</b>

## REIMBURSABLE

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**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

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

	Favorable/(Unfavorable)									
	2013	2014	Change 2013 - 2014	2015	Change 2014 - 2015	2016	Change 2015 - 2016	2017	Change 2016 - 2017	
<b>Revenue</b>										
Vehicle Toll Revenue	\$ 1,628.823	\$ 1,649.488	\$ 20.665	\$ 1,652.899	\$ 3.411	\$ 1,661.859	\$ 8.960	\$ 1,665.930	\$ 4.071	
Other Operating Revenue	23.613	16.098	(7.515)	15.932	(0.166)	16.101	0.169	16.281	0.180	
Capital and Other Reimbursements	17.228	21.230	4.002	21.628	0.398	22.108	0.480	22.809	0.701	
Investment Income	0.110	0.162	0.051	0.737	0.575	2.180	1.443	2.866	0.686	
<b>Total Revenue</b>	<b>\$ 1,669.774</b>	<b>\$ 1,686.978</b>	<b>\$ 17.203</b>	<b>\$ 1,691.196</b>	<b>\$ 4.218</b>	<b>\$ 1,702.248</b>	<b>\$ 11.052</b>	<b>\$ 1,707.885</b>	<b>\$ 5.638</b>	
<b>Expenses</b>										
Labor:										
Payroll	\$ 128.300	\$ 142.635	\$ (14.334)	\$ 146.123	\$ (3.488)	\$ 148.634	\$ (2.511)	\$ 152.722	\$ (4.088)	
Overtime	21.282	21.635	(0.353)	22.071	(0.437)	22.523	(0.452)	22.949	(0.426)	
Health and Welfare	26.600	29.517	(2.917)	30.650	(1.133)	32.417	(1.767)	34.285	(1.868)	
OPEB Current Payment	15.384	16.168	(0.784)	16.783	(0.615)	17.757	(0.974)	18.786	(1.029)	
Pensions	34.636	36.420	(1.784)	37.363	(0.943)	38.342	(0.979)	39.185	(0.843)	
Other Fringe Benefits	17.417	18.840	(1.423)	19.171	(0.331)	19.449	(0.278)	19.722	(0.273)	
Reimbursable Overhead	-	-	-	-	-	-	-	-	-	
<b>Total Labor Expenses</b>	<b>\$ 243.619</b>	<b>\$ 265.214</b>	<b>\$ (21.595)</b>	<b>\$ 272.161</b>	<b>\$ (6.947)</b>	<b>\$ 279.122</b>	<b>\$ (6.960)</b>	<b>\$ 287.649</b>	<b>\$ (8.527)</b>	
Non-Labor:										
Electric Power	\$ 7.480	\$ 7.561	\$ (0.081)	\$ 7.805	\$ (0.245)	\$ 8.170	\$ (0.365)	\$ 8.540	\$ (0.370)	
Fuel	2.894	2.959	(0.065)	2.794	0.166	2.681	0.113	2.733	(0.053)	
Insurance	12.589	16.466	(3.877)	19.914	(3.448)	23.163	(3.249)	26.980	(3.816)	
Claims	-	-	-	-	-	-	-	-	-	
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Contracts	113.232	129.870	(16.638)	136.876	(7.006)	142.371	(5.495)	145.505	(3.134)	
Professional Service Contracts	36.390	36.537	(0.147)	36.826	(0.288)	36.527	0.298	37.763	(1.236)	
Materials & Supplies	4.050	4.300	(0.249)	4.378	(0.078)	4.532	(0.154)	4.659	(0.127)	
Other Business Expenses	28.707	28.808	(0.101)	29.451	(0.643)	30.115	(0.664)	30.835	(0.720)	
<b>Total Non-Labor Expenses</b>	<b>\$ 205.344</b>	<b>\$ 226.501</b>	<b>\$ (21.157)</b>	<b>\$ 238.044</b>	<b>\$ (11.544)</b>	<b>\$ 247.559</b>	<b>\$ (9.515)</b>	<b>\$ 257.015</b>	<b>\$ (9.456)</b>	
Other Expenses Adjustments:										
Other	-	-	-	-	-	-	-	-	-	
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$ 448.963</b>	<b>\$ 491.715</b>	<b>\$ (42.752)</b>	<b>\$ 510.205</b>	<b>\$ (18.491)</b>	<b>\$ 526.681</b>	<b>\$ (16.476)</b>	<b>\$ 544.664</b>	<b>\$ (17.983)</b>	
Add: Depreciation	\$ 94.429	\$ 104.389	\$ (9.960)	\$ 111.667	\$ (7.278)	\$ 119.521	\$ (7.854)	\$ 127.853	\$ (8.332)	
Add: OPEB Obligation	76.650	80.483	(3.833)	84.507	(4.024)	88.732	(4.225)	93.169	(4.437)	
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-	
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$ 620.042</b>	<b>\$ 676.586</b>	<b>\$ (56.544)</b>	<b>\$ 706.379</b>	<b>\$ (29.793)</b>	<b>\$ 734.934</b>	<b>\$ (28.555)</b>	<b>\$ 765.686</b>	<b>\$ (30.752)</b>	
Less: Depreciation	\$ 94.429	\$ 104.389	\$ (9.960)	\$ 111.667	\$ (7.278)	\$ 119.521	\$ (7.854)	\$ 127.853	\$ (8.332)	
Less: OPEB Obligation	76.650	80.483	(3.833)	84.507	(4.024)	88.732	(4.225)	93.169	(4.437)	
<b>Total Expenses</b>	<b>\$ 448.963</b>	<b>\$ 491.715</b>	<b>\$ (42.752)</b>	<b>\$ 510.205</b>	<b>\$ (18.491)</b>	<b>\$ 526.681</b>	<b>\$ (16.476)</b>	<b>\$ 544.664</b>	<b>\$ (17.983)</b>	
<b>Baseline Income/(Deficit)</b>	<b>\$ 1,220.812</b>	<b>\$ 1,195.263</b>	<b>\$ (25.549)</b>	<b>\$ 1,180.990</b>	<b>\$ (14.273)</b>	<b>\$ 1,175.567</b>	<b>\$ (5.423)</b>	<b>\$ 1,163.221</b>	<b>\$ (12.345)</b>	

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

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

	Favorable/(Unfavorable)									
	2013	2014	Change 2013 - 2014	2015	Change 2014 - 2015	2016	Change 2015 - 2016	2017	Change 2016 - 2017	
<b>Baseline Net Income/(Deficit)</b>	<b>\$ 1,220.812</b>	<b>\$ 1,195.263</b>	<b>\$ (25.549)</b>	<b>\$ 1,180.990</b>	<b>\$ (14.273)</b>	<b>\$ 1,175.567</b>	<b>\$ (5.423)</b>	<b>\$ 1,163.221</b>	<b>\$ (12.345)</b>	
<u>Deductions from Income:</u>										
Less: Capitalized Assets	\$ 17.165	\$ 17.843	\$ (0.678)	\$ 17.849	\$ (0.006)	\$ 20.635	\$ (2.786)	\$ 21.056	\$ (0.421)	
Reserves	25.415	25.895	(0.480)	26.382	(0.487)	26.881	(0.499)	27.338	(0.457)	
GASB 45 Reserves	3.077	3.234	(0.157)	3.357	(0.123)	3.551	(0.194)	3.757	(0.206)	
<b>Adjusted Baseline Net Income/(Deficit)</b>	<b>\$ 1,175.155</b>	<b>\$ 1,148.291</b>	<b>\$ (26.864)</b>	<b>\$ 1,133.402</b>	<b>\$ (14.889)</b>	<b>\$ 1,124.500</b>	<b>\$ (8.902)</b>	<b>\$ 1,111.071</b>	<b>\$ (13.429)</b>	
Less: Debt Service	\$ 578.888	\$ 617.559	\$ (38.671)	\$ 631.859	\$ (14.300)	\$ 650.466	\$ (18.607)	\$ 677.229	\$ (26.763)	
<b>Income Available for Distribution</b>	<b>\$ 596.267</b>	<b>\$ 530.731</b>	<b>\$ (65.535)</b>	<b>\$ 501.543</b>	<b>\$ (29.189)</b>	<b>\$ 474.034</b>	<b>\$ (27.509)</b>	<b>\$ 433.842</b>	<b>\$ (40.192)</b>	
<b>Distributable To:</b>										
MTA - Investment Income	\$ 0.110	\$ 0.162	\$ 0.051	\$ 0.737	\$ 0.575	\$ 2.180	\$ 1.443	\$ 2.866	\$ 0.686	
MTA - Distributable Income	358.049	321.717	(36.332)	306.818	(14.898)	292.469	(14.349)	272.689	(19.780)	
NYCT - Distributable Income	238.108	208.853	(29.254)	193.988	(14.866)	179.384	(14.603)	158.286	(21.098)	
<b>Total Distributable Income:</b>	<b>\$ 596.267</b>	<b>\$ 530.731</b>	<b>\$ (65.535)</b>	<b>\$ 501.543</b>	<b>\$ (29.189)</b>	<b>\$ 474.034</b>	<b>\$ (27.509)</b>	<b>\$ 433.842</b>	<b>\$ (40.192)</b>	
<b>Actual Cash Transfers:</b>										
MTA - Investment Income	\$ 0.136	\$ 0.110	\$ (0.026)	\$ 0.162	\$ 0.051	\$ 0.737	\$ 0.575	\$ 2.180	\$ 1.443	
MTA - Transfers	361.176	325.350	(35.826)	308.308	(17.042)	293.904	(14.404)	274.667	(19.237)	
NYCT - Transfers	235.054	211.779	(23.275)	195.474	(16.305)	180.845	(14.629)	160.396	(20.449)	
<b>Total Cash Transfers:</b>	<b>\$ 596.366</b>	<b>\$ 537.239</b>	<b>\$ (59.127)</b>	<b>\$ 503.944</b>	<b>\$ (33.295)</b>	<b>\$ 475.486</b>	<b>\$ (28.458)</b>	<b>\$ 437.243</b>	<b>\$ (38.242)</b>	
<b>SUPPORT TO MASS TRANSIT:</b>										
Total Revenues	\$ 1,669.774	\$ 1,686.978	\$ 17.203	\$ 1,691.196	\$ 4.218	\$ 1,702.248	\$ 11.052	\$ 1,707.885	\$ 5.638	
Less: Net Operating Expenses	448.963	491.715	(42.752)	510.205	(18.491)	526.681	(16.476)	544.664	(17.983)	
<b>Net Operating Income:</b>	<b>\$ 1,220.812</b>	<b>\$ 1,195.263</b>	<b>\$ (25.549)</b>	<b>\$ 1,180.990</b>	<b>\$ (14.273)</b>	<b>\$ 1,175.567</b>	<b>\$ (5.423)</b>	<b>\$ 1,163.221</b>	<b>\$ (12.345)</b>	
<b>Deductions from Operating Income:</b>										
B&T Debt Service	\$ 200.148	\$ 246.438	\$ (46.291)	\$ 260.793	\$ (14.355)	\$ 278.761	\$ (17.967)	\$ 302.030	\$ (23.270)	
Capitalized Assets	17.165	17.843	(0.678)	17.849	(0.006)	20.635	(2.786)	21.056	(0.421)	
Reserves	25.415	25.895	(0.480)	26.382	(0.487)	26.881	(0.499)	27.338	(0.457)	
GASB 45 Reserves	3.077	3.234	(0.157)	3.357	(0.123)	3.551	(0.194)	3.757	(0.206)	
<b>Total Deductions from Operating Inc:</b>	<b>\$ 245.804</b>	<b>\$ 293.410</b>	<b>\$ (47.606)</b>	<b>\$ 308.382</b>	<b>\$ (14.971)</b>	<b>\$ 329.827</b>	<b>\$ (21.446)</b>	<b>\$ 354.181</b>	<b>\$ (24.354)</b>	
<b>Total Support to Mass Transit:</b>	<b>\$ 975.007</b>	<b>\$ 901.853</b>	<b>\$ (73.155)</b>	<b>\$ 872.608</b>	<b>\$ (29.244)</b>	<b>\$ 845.740</b>	<b>\$ (26.869)</b>	<b>\$ 809.041</b>	<b>\$ (36.699)</b>	

**MTA BRIDGES AND TUNNELS**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014–2017**  
**Summary of Major Plan-to-Plan Changes**

**Non-Reimbursable**

**2013: November Financial Plan vs. July Financial Plan**

**Revenues**

Revenue adjustments from the July Plan generate an additional \$18.3 million. The major changes include:

- Additional toll revenues (\$17.0 million) primarily due to higher than forecast traffic levels following the toll increase implemented on March 3, 2013 (\$10.4 million) and a higher than estimated average toll (\$6.6 million).
- Increase in Other Operating Revenues (\$1.3 million) primarily due to favorable re-estimates for receipts from the Battery Parking Garage (\$0.8 million) and E-ZPass administrative fees (\$0.3 million).

**Expenses**

Non-reimbursable expenses are projected to be \$4.1 million less than the July Plan. Labor costs are \$1.9 million lower and non-labor expenses are \$2.2 million lower. The major variances include:

**Labor**

- Lower Payroll costs (\$1.3 million) and associated Other Fringe Benefits (\$0.1 million) due to vacancies for Bridges & Tunnel Officers and managerial employees.
- Decrease in Health and Welfare of \$0.5 million based on vacancies and actual favorable results through August.

**Non-Labor**

- Higher Insurance expenses (\$1.1 million) reflecting the latest estimates.
- Lower expenses in Maintenance and Other Operating Contracts (\$11.1 million) due to the timing of \$9.7 million in estimated Sandy-related expenses that have been shifted into 2014 as plans for permanent restoration and mitigation work become more solidified, and small favorable re-estimates across numerous miscellaneous maintenance contracts that reduce expenses by \$1.4 million in total.
- Higher expenses for Professional Service Contracts (\$7.0 million) primarily due to the previously discussed GASB 65 requirements governing the accounting of bond issuance costs.
- Increased Other Business Expenses (\$0.9 million) due to additional projected E-ZPass debt.

**Total Deductions from Income**

- Lower Capitalized Assets of \$4.0 million due to project re-estimates.

## **2014-2017: November Financial Plan vs. July Financial Plan**

### **Revenues**

From 2014 through 2017, total revenues are being increased between \$16.3 million and \$17.3 million annually.

- Increases in toll revenues range between \$15.6 million and \$17.2 million each year, reflecting the higher baseline traffic and average toll trends from 2013, as well as the current forecasts for regional employment and inflation.
- Other Operating Revenue is greater by approximately \$0.9 million each year primarily due to the expected continuation of improved receipts from the Battery Parking Garage.

### **Expenses**

Non-reimbursable expenses are being increased by \$12.0 million in 2014, \$3.8 million in 2015, \$5.6 million in 2016 and \$6.9 million in 2017.

### **Labor**

Labor expenses decrease by \$2.6 million in both 2014 and 2015, \$3.0 million in 2016, and \$3.7 million in 2017 based on downward inflationary adjustments to Health and Welfare and OPEB Current Payment.

### **Non-Labor**

Non-Labor expenses will increase by \$14.7 million in 2014, \$6.4 million in 2015, \$8.7 million in 2016, and \$10.6 million in 2017 based on the following major changes:

- Increased Maintenance and Other Operating Contracts due to the shifting of \$9.7 million in Sandy-related expenses from 2013 into 2014.
- Maintenance and Other Operating contracts also includes re-estimates for E-ZPass related expenses in 2014 that reduce costs for that year by \$1.1 million.
- An additional \$7.0 million per year in higher Professional Service Contracts due to the previously discussed GASB 65 requirements governing the accounting of bond issuance costs.
- Lower insurance re-estimates in 2014 and 2015 that reduce costs by \$0.8 million and \$0.7 million respectively, but higher estimates thereafter, which result in additional costs of \$1.3 million in 2016 and \$3.2 million in 2017.

### **Total Deductions from Income**

- Lower deductions of \$0.2 million per year reflect inflationary adjustments to the GASB reserve for future retiree health benefit costs.

### **Reimbursable**

There is no change from the July Financial Plan in reimbursable income and expenses for 2013 through 2017.

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>2013 July Financial Plan - Adjusted Baseline Income*</b>	<b>\$1,148.806</b>	<b>\$1,143.796</b>	<b>\$1,120.711</b>	<b>\$1,112.617</b>	<b>\$1,100.621</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Vehicle Toll Revenue	\$16.996	\$15.618	\$16.198	\$17.237	\$16.496
Other Operating Revenue	1.269	0.849	0.860	0.861	0.877
Investment Income	0.000	(0.132)	(0.720)	(0.795)	(0.313)
<b>Total Revenue Changes</b>	<b>\$18.265</b>	<b>\$16.335</b>	<b>\$16.338</b>	<b>\$17.303</b>	<b>\$17.060</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$1.304	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.500	1.663	1.660	1.960	2.475
OPEB Current Payment	0.000	0.985	0.902	1.060	1.235
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.100	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>\$1.904</b>	<b>\$2.648</b>	<b>\$2.562</b>	<b>\$3.020</b>	<b>\$3.710</b>
<b>Non-Labor:</b>					
Electric Power	\$0.000	\$0.132	\$0.096	\$0.029	\$0.040
Fuel	0.000	(0.052)	0.020	0.068	0.085
Insurance	(1.109)	0.837	0.688	(1.278)	(3.197)
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	11.084	(8.462)	(0.118)	(0.342)	(0.364)
Professional Service Contracts	(6.952)	(7.058)	(6.986)	(7.024)	(7.026)
Materials & Supplies	0.012	0.007	0.003	(0.006)	(0.007)
Other Business Expenses	(0.854)	(0.091)	(0.093)	(0.099)	(0.099)
<b>Total Non-Labor Expense Changes</b>	<b>\$2.180</b>	<b>(\$14.686)</b>	<b>(\$6.389)</b>	<b>(\$8.651)</b>	<b>(\$10.567)</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$4.084</b>	<b>(\$12.038)</b>	<b>(\$3.827)</b>	<b>(\$5.631)</b>	<b>(\$6.857)</b>
Add: 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
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$4.084</b>	<b>(\$12.038)</b>	<b>(\$3.827)</b>	<b>(\$5.631)</b>	<b>(\$6.857)</b>
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000
<b>Total Expense Changes</b>	<b>\$4.084</b>	<b>(\$12.038)</b>	<b>(\$3.827)</b>	<b>(\$5.631)</b>	<b>(\$6.857)</b>
<b>Total Baseline Changes</b>	<b>\$22.349</b>	<b>\$4.297</b>	<b>\$12.511</b>	<b>\$11.672</b>	<b>\$10.203</b>
<b>Deductions from Income</b>					
Capitalized Assets	\$4.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.197	0.180	0.212	0.247
<b>Total Deductions from Income</b>	<b>\$4.000</b>	<b>\$0.197</b>	<b>\$0.180</b>	<b>\$0.212</b>	<b>\$0.247</b>
<b>Total Adjusted Baseline Changes</b>	<b>\$26.349</b>	<b>\$4.494</b>	<b>\$12.691</b>	<b>\$11.884</b>	<b>\$10.450</b>
<b>2013 November Financial Plan - Adjusted Baseline Income</b>	<b>\$1,175.155</b>	<b>\$1,148.291</b>	<b>\$1,133.402</b>	<b>\$1,124.500</b>	<b>\$1,111.071</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the MTA Consolidated July 2013 Financial Plan.

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>2013 July Financial Plan - Adjusted Baseline Income</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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
Investment Income	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenses</b>					
<i>Labor:</i>					
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
<b>Total Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<i>Non-Labor:</i>					
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	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	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Add: 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
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000
<b>Total Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Adjustment Changes</b>					
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Deductions from Income</b>					
Capitalized Assets	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.000	0.000	0.000	0.000
<b>Total Deductions from Income</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Adjusted Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2013 November Financial Plan - Adjusted Baseline Income</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>2013 July Financial Plan - Adjusted Baseline Income*</b>	<b>\$1,148.806</b>	<b>\$1,143.796</b>	<b>\$1,120.711</b>	<b>\$1,112.617</b>	<b>\$1,100.621</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Vehicle Toll Revenue	\$16.996	\$15.618	\$16.198	\$17.237	\$16.496
Other Operating Revenue	1.269	0.849	0.860	0.861	0.877
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	(0.132)	(0.720)	(0.795)	(0.313)
<b>Total Revenue Changes</b>	<b>\$18.265</b>	<b>\$16.335</b>	<b>\$16.338</b>	<b>\$17.303</b>	<b>\$17.060</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	\$1.304	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.500	1.663	1.660	1.960	2.475
OPEB Current Payment	0.000	0.985	0.902	1.060	1.235
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.100	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>\$1.904</b>	<b>\$2.648</b>	<b>\$2.562</b>	<b>\$3.020</b>	<b>\$3.710</b>
<i>Non-Labor:</i>					
Electric Power	\$0.000	\$0.132	\$0.096	\$0.029	\$0.040
Fuel	0.000	(0.052)	0.020	0.068	0.085
Insurance	(1.109)	0.837	0.688	(1.278)	(3.197)
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	11.084	(8.462)	(0.118)	(0.342)	(0.364)
Professional Service Contracts	(6.952)	(7.058)	(6.986)	(7.024)	(7.026)
Materials & Supplies	0.012	0.007	0.003	(0.006)	(0.007)
Other Business Expenses	(0.854)	(0.091)	(0.093)	(0.099)	(0.099)
<b>Total Non-Labor Expense Changes</b>	<b>\$2.180</b>	<b>(\$14.686)</b>	<b>(\$6.389)</b>	<b>(\$8.651)</b>	<b>(\$10.567)</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$4.084</b>	<b>(\$12.038)</b>	<b>(\$3.827)</b>	<b>(\$5.631)</b>	<b>(\$6.857)</b>
Add: 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
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$4.084</b>	<b>(\$12.038)</b>	<b>(\$3.827)</b>	<b>(\$5.631)</b>	<b>(\$6.857)</b>
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000
<b>Total Expense Changes</b>	<b>\$4.084</b>	<b>(\$12.038)</b>	<b>(\$3.827)</b>	<b>(\$5.631)</b>	<b>(\$6.857)</b>
<b>Total Baseline Changes</b>	<b>\$22.349</b>	<b>\$4.297</b>	<b>\$12.511</b>	<b>\$11.672</b>	<b>\$10.203</b>
<b>Deductions from Income</b>					
Capitalized Assets	\$4.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.197	0.180	0.212	0.247
<b>Total Deductions from Income</b>	<b>\$4.000</b>	<b>\$0.197</b>	<b>\$0.180</b>	<b>\$0.212</b>	<b>\$0.247</b>
<b>Total Adjusted Baseline Changes</b>	<b>\$26.349</b>	<b>\$4.494</b>	<b>\$12.691</b>	<b>\$11.884</b>	<b>\$10.450</b>
<b>2013 November Financial Plan - Adjusted Baseline Income</b>	<b>\$1,175.155</b>	<b>\$1,148.291</b>	<b>\$1,133.402</b>	<b>\$1,124.500</b>	<b>\$1,111.071</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the MTA Consolidated July 2013 Financial Plan.

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Net Operating Income*</b>	<b>\$1,148.806</b>	<b>\$1,143.796</b>	<b>\$1,120.711</b>	<b>\$1,112.617</b>	<b>\$1,100.621</b>
<b><i>Non-Reimbursable Major Changes</i></b>					
<b>Revenue</b>					
Vehicle Toll Revenue	\$16.996	\$15.618	\$16.198	\$17.237	\$16.496
Other Operating Income	1.269	0.849	0.860	0.861	0.877
Investment Income	0.000	(0.132)	(0.720)	(0.795)	(0.313)
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$18.265</b>	<b>\$16.335</b>	<b>\$16.338</b>	<b>\$17.303</b>	<b>\$17.060</b>
<b>Expenses</b>					
Inflation-Related:					
Health and Welfare/OPEB Current Payment	\$0.500	\$2.648	\$2.562	\$3.020	\$3.710
GASB Health and Welfare Reserve	0.000	0.197	0.180	0.212	0.247
Electric Power	0.000	0.132	0.096	0.029	0.040
Fuel	0.000	(0.052)	0.020	0.068	0.085
Other Non-Labor	0.000	0.202	0.108	(0.189)	(0.207)
<b>Sub-Total Inflation Related</b>	<b>0.500</b>	<b>3.127</b>	<b>2.966</b>	<b>3.140</b>	<b>3.875</b>
<b>Re-Estimates</b>					
Labor Vacancies	1.404	0.000	0.000	0.000	0.000
Capitalized Assets Projects	4.000	0.000	0.000	0.000	0.000
Professional Membership Dues	0.619	0.000	0.000	0.000	0.000
IT Consulting and Systems Maintenance	0.583	0.000	0.000	0.000	0.000
Insurance	(1.109)	0.837	0.688	(1.278)	(3.197)
E-ZPass Related Expenses	(0.079)	1.090	(0.170)	(0.178)	(0.187)
GASB 65 Ruling-Bond Issuance Costs	(7.000)	(7.000)	(7.000)	(7.000)	(7.000)
Tropical Storm Sandy Timing Re-estimates	9.675	(9.675)	0.000	0.000	0.000
Other Small Changes Across Many Areas	(0.509)	(0.220)	(0.131)	(0.104)	(0.101)
<b>Sub-Total Re-estimates</b>	<b>7.584</b>	<b>(14.968)</b>	<b>(6.613)</b>	<b>(8.560)</b>	<b>(10.485)</b>
<b>Sub-Total Non-Reimbursable Expense Changes</b>	<b>\$8.084</b>	<b>(\$11.841)</b>	<b>(\$3.647)</b>	<b>(\$5.420)</b>	<b>(\$6.609)</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>\$26.349</b>	<b>\$4.494</b>	<b>\$12.691</b>	<b>\$11.883</b>	<b>\$10.451</b>
<b><i>Reimbursable Major Changes</i></b>					
<b>Revenue</b>					
None	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenses</b>					
None	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Sub-Total Reimbursable Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>\$26.349</b>	<b>\$4.494</b>	<b>\$12.691</b>	<b>\$11.883</b>	<b>\$10.451</b>
<b>Cash Adjustment Changes</b>					
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$26.349</b>	<b>\$4.494</b>	<b>\$12.691</b>	<b>\$11.883</b>	<b>\$10.451</b>
<b>Baseline 2013 November Financial Plan - Net Operating Income</b>	<b>\$1,175.154</b>	<b>\$1,148.290</b>	<b>\$1,133.402</b>	<b>\$1,124.500</b>	<b>\$1,111.071</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the MTA Consolidated July 2013 Financial Plan.

**MTA BRIDGES AND TUNNELS**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014–2017**  
**Traffic/Utilization**

**Year-to-Year**

Paid traffic is forecast at 281.5 million vehicles in 2013 and increases by 0.1 million vehicles in 2014. A modest increase stemming from regional (New York City, Long Island and Westchester) employment growth of 1.4% is almost entirely offset by a weather adjustment for below normal snowfall in January 2013. The traffic forecast developed for the November Financial Plan 2015-2017 incorporates the most recent economic projections, which include regional employment growth of 1.3% in 2015, 1.1% in 2016 and 1.1% in 2017. This growth in regional employment is expected to have positive year-to-year impacts on traffic volumes. In addition, an upward adjustment was made for 2016, the next leap-year. Paid traffic is forecast at 282.9 million vehicles in 2015, 284.8 million in 2016, and 285.8 million in 2017.

**Plan-to-Plan**

Paid traffic volume is projected to reach 281.5 million vehicles in 2013, which is 1.8 million vehicles above the July Financial Plan level based on favorable results through September. Traffic has generally been higher than forecast following the toll increase implemented on March 3, 2013. This favorable trend is reflected in the baseline projections for 2014 through 2017. The November Plan forecast also incorporates the assumptions for regional employment growth cited above, which are very close to those used in the July Plan. However, regional inflation also has a statistically significant impact on traffic, and the November Plan projection for 2014 (1.27%) is lower than in July (1.52%), which brings baseline traffic volume down somewhat and modestly suppresses the plan-to-plan gains throughout the 2014-17 period. Traffic levels forecast in the November Plan are greater than the July Plan by 1.5 million vehicles in 2014, 1.6 million in 2015, 1.8 million in 2016 and 1.7 million in 2017.

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Traffic Volume (Utilization)**

	2013		2014			
	2012	November	Final Proposed			
	Actual	Forecast	Budget	2015	2016	2017
<b><u>Traffic Volume</u></b>	282.754	281.462	281.570	282.861	284.766	285.834
<b><u>Toll Revenue</u></b>	\$ 1,490.982	\$ 1,628.823	\$ 1,649.488	\$ 1,652.899	\$ 1,661.859	\$ 1,665.930

**MTA BRIDGES AND TUNNELS**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014–2017**  
**Positions**

**Position Assumptions**

**Year-to-Year**

Total year-end headcount is budgeted at 1,746 positions for each year of the November Financial Plan, which includes 88 reimbursable positions.

**Plan-to-Plan**

For 2013 through 2017, total November Plan year-end headcount is unchanged from the July Plan at 1,746 positions, including reimbursable headcount of 88 full-time equivalents.

<b>MTA BRIDGES &amp; TUNNELS</b> <b>November Financial Plan 2014-2017</b> Favorable/(Unfavorable)					
<b>Total Position Changes at a Glance</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2013 July Plan - Total Baseline Positions</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>
Total Plan-to-Plan Changes					
<b>2013 November Plan - Total Baseline Positions</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>
Total Year-to-Year Changes, November Plan		0	0	0	0
<b>Total Plan-to-Plan Changes by Reporting Category:</b>					
<i>Non-Reimbursable</i>	0	0	0	0	0
<i>Reimbursable</i>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Full-Time</i>					
<i>Full-Time Equivalents</i>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>By Function Category</i>					
- Administration	3	3	3	3	3
- Operations	(2)	(2)	(2)	(2)	(2)
- Maintenance	0	0	0	0	0
- Engineering/Capital	(1)	(1)	(1)	(1)	(1)
- Public Safety	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	8	8	8	8	8
- Professional, Technical, Clerical	(9)	(9)	(9)	(9)	(9)
- Operational Hourlies	1	1	1	1	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Plan-to-Plan Changes by Major Category:</b>					
<i>2013 BRPs</i>	0	0	0	0	0
<i>New Needs</i>	0	0	0	0	0
<i>Change in Reimbursable Positions</i>	0	0	0	0	0
<i>Re-estimates &amp; All Other<sup>1</sup></i>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Includes Full-time Equivalents

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents**

FUNCTION/DEPARTMENT	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>						
Executive	2	2	2	2	2	2
Law	8	20	20	20	20	20
CFO <sup>(1)</sup>	26	21	21	21	21	21
Labor Relations	4	5	5	5	5	5
Staff Services <sup>(2)</sup>	21	16	16	16	16	16
EEO	1	1	1	1	1	1
<b>Total Administration</b>	<b>62</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>Operations</b>						
Revenue Management	36	41	41	41	41	41
Operations (Non-Security)	642	748	748	748	748	748
<b>Total Operations</b>	<b>678</b>	<b>789</b>	<b>789</b>	<b>789</b>	<b>789</b>	<b>789</b>
<b>Maintenance</b>						
Maintenance	169	171	171	171	171	171
Operations - Maintainers	163	172	172	172	172	172
Technology	54	54	54	54	54	54
Internal Security - Tech Svcs	10	8	8	8	8	8
<b>Total Maintenance</b>	<b>396</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>405</b>
<b>Engineering/Capital</b>						
Engineering & Construction	120	169	169	169	169	169
Health & Safety	8	10	10	10	10	10
Law <sup>(3)</sup>	0	16	16	16	16	16
Planning & Budget Capital	13	23	23	23	23	23
<b>Total Engineering/Capital</b>	<b>141</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>
<b>Public Safety</b>						
Operations (Security)	232	232	232	232	232	232
Internal Security - Operations	36	37	37	37	37	37
<b>Total Public Safety</b>	<b>268</b>	<b>269</b>	<b>269</b>	<b>269</b>	<b>269</b>	<b>269</b>
<b>Total Baseline Positions</b>	<b>1,545</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>
<i>Non-Reimbursable</i>	1,501	1,658	1,658	1,658	1,658	1,658
<i>Reimbursable</i>	44	88	88	88	88	88
<i>Total Full-Time</i>	1,545	1,746	1,746	1,746	1,746	1,746
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0

(1) Includes Legal and Procurement staff.

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

(3) Includes Human Resources and Administration staff.

**MTA BRIDGES AND TUNNELS**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>						
Managers/Supervisors	24	20	20	20	20	20
Professional, Technical, Clerical	38	45	45	45	45	45
Operational Hourlies	-	-	-	-	-	-
<b>Total Administration</b>	<b>62</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>Operations</b>						
Managers/Supervisors	51	56	56	56	56	56
Professional, Technical, Clerical	49	55	55	55	55	55
Operational Hourlies <sup>(1)</sup>	578	678	678	678	678	678
<b>Total Operations</b>	<b>678</b>	<b>789</b>	<b>789</b>	<b>789</b>	<b>789</b>	<b>789</b>
<b>Maintenance</b>						
Managers/Supervisors	33	34	34	34	34	34
Professional, Technical, Clerical	50	52	52	52	52	52
Operational Hourlies <sup>(2)</sup>	313	319	319	319	319	319
<b>Total Maintenance</b>	<b>396</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>405</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	31	49	49	49	49	49
Professional, Technical, Clerical	110	169	169	169	169	169
Operational Hourlies	-	-	-	-	-	-
<b>Total Engineering/Capital</b>	<b>141</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>
<b>Public Safety</b>						
Managers/Supervisors	7	7	7	7	7	7
Professional, Technical, Clerical	27	28	28	28	28	28
Operational Hourlies <sup>(3)</sup>	234	234	234	234	234	234
<b>Total Public Safety</b>	<b>268</b>	<b>269</b>	<b>269</b>	<b>269</b>	<b>269</b>	<b>269</b>
<b>Total Positions</b>						
Managers/Supervisors	146	166	166	166	166	166
Professional, Technical, Clerical	274	349	349	349	349	349
Operational Hourlies	1,125	1,231	1,231	1,231	1,231	1,231
<b>Total Positions</b>	<b>1,545</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>

(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.

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# **Capital Construction Company**

**MTA CAPITAL CONSTRUCTION COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014-2017**

**OVERVIEW**

MTACC's core staff directly manages the design and construction of over \$14 billion in capital projects, utilizing dedicated resources to efficiently address the challenges related to the planning, design, construction, regulatory framework, and community participation requirements of large complex capital projects. Labor costs for administrative staff that support system expansion projects, as well as non-project specific costs are charged to the Administration component of the capital budget. Select administrative functions that are highly technical in nature and performed mainly by engineers as well as project-specific costs are funded directly from specific "mega" capital projects.

A shortlist of the "Mega" Projects and associated "direct" position requirements include:

- Second Avenue Subway – 20 positions
- East Side Access – 22 positions
- 7 Line Extension – 10 positions
- Fulton Center – 20 positions
- Security Program -12 positions

Annual staffing levels remain constant from the July Plan at 140 total positions and are comprised of 56 administrative positions and 84 "direct" project positions. Of the 56 positions, 40 are engineering/capital MTACC technical employees who will be directly charged to the mega projects, based on work assignments.

Since its creation, MTACC has developed and implemented strategies to recruit staff with the experience and technical skills required for MTA's complex construction projects on an as needed basis only. Matrixed employees (employees from other Agencies and under temporary management by MTACC – only labor costs are captured within MTACC's costs, not headcount) and consultants support MTACC in lieu of hiring full-time staff. These expenses will be funded directly from specific capital program projects, including independent engineering and legal expenses that approximate \$11 million.

**2013 November Forecast**

MTACC's 2013 November Financial Plan is \$34.4 million reflecting a \$0.3 million decrease from the 2013 July Financial Plan. Labor Costs are projected at \$26.8 million, with a staffing level of 140 by year end.

Non-Labor costs are projected at \$7.6 million, a decrease of 3.9% from 2013 Mid-Year Forecast. Non-Labor costs are projected to decrease primarily due to revised estimates of specialized consultants in the fourth quarter of 2013 and computer equipment. Remaining funds have been budgeted for risk management software, federal mentoring program, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and other office costs including mobile communications device upgrades and supplies.

### **2014 Final Proposed Budget – Baseline**

MTACC projects 2014 expenses of \$35.2 million, an increase of 0.2% (\$0.09 million) from the 2013 July Financial Plan, and maintaining a year-end headcount of 140. Staffing expenditures will be reimbursed by each of the “mega” projects for those employees directly working on projects.

Labor and fringe expenses are projected at \$27.7 million, a decrease of 0.3% (\$0.1 million) from the 2013 July Financial Plan. Labor costs decrease due to escalation rate adjustments.

Non-Labor costs are projected at \$7.5 million, a 2.5% increase from the 2013 July Financial Plan. This increase of \$0.2 million is due to a revised estimate of the occupancy expenses at 2 Broadway offset by a decrease in specialized engineering consultants and IT purchases. MTA Audit quarterly chargebacks and All Agency Protective Liability insurance are included within the MTACC Administrative November Plan and the forecasts are on par with the July Financial Plan. Additional projections include the reimbursement of NYCT for administrative support staff and services, temporary expert services (such as consultants and firms to support project controls, change order and claims management), legal and engineering services, workforce development through employee training, federal mentoring program and other office costs such as communications and computer equipment.

In comparison to the February Financial Plan, the November Plan decreases by \$0.5 million in 2014. Labor expenses will increase by approximately \$0.1 million (0.4%) due to revised payroll projections, benefits and escalation rates. Non-labor expenses decrease in 2014 by \$0.6 million (7.5%) due to revised occupancy estimates and a decrease in computer equipment, materials and supplies.

### **2015 - 2017 Projections**

MTACC expenses are projected to increase by 0.4%, 0.7% and 0.8% in 2015, 2016 and 2017, respectively, against the July Financial Plan. Non-labor expenses will increase in 2015 by 3.1% and continue to increase by 4.2% in 2016 and 5.1% in 2017. Other business expenses have increased by \$0.3 million in 2015 and \$0.4 million in 2016 through 2017, due to a revised estimate of 2 Broadway occupancy expenses partially offset by a decrease in employee expenses and computer equipment. Professional

services expenses are anticipated to decrease from the July Plan by \$0.09 million, annually, from 2015 through 2017 due to fewer specialized engineering consultants. Year-end staffing levels of 140 employees remain constant through 2017.

In comparison to the February Financial Plan, the November Plan decreases by \$0.6 million in 2015, and \$0.02 million and \$0.03 million in 2016 and 2017, respectively. Labor expenses drop by approximately \$0.1 million (0.3%) annually due to revised payroll projections, benefits and escalation rates. Non-labor expenses are lower in 2015 due to a decrease in computer equipment, materials and supplies, partially offset by an increase in occupancy estimates. In 2016 and 2017 non-labor expenses are slightly higher than the Adopted Budget due to increases in specialized consultants, MTA Audit chargebacks, and 2 Broadway occupancy expenses.

The administrative contribution will be approximately 29% through 2017 (average of \$10 million). The remainder of the expenses will be reimbursed by each of the mega projects.

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**MTA CAPITAL CONSTRUCTION COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Baseline**

**Revenue**

**Capital and Other Reimbursements:**

- All MTACC expenses are reimbursable from the MTA Capital Program.
- Funds are made available in the MTA's Capital Program and are drawn down as expenditures are incurred; therefore, revenues (reimbursements) will always equal expenditures. Consequently, reduced expenses result in lower revenues.
- Costs will be reimbursed from specific capital projects in accordance with how the resources are utilized.

**Expenses**

**Payroll:**

- As a result of inflation, payroll expenditures will increase 1.9% each year, from 2015 to 2017. Annual staffing level will continue to remain at 140 throughout the years.

**Other Fringe Benefits:**

- In 2014, Health and Welfare costs will slightly decrease by 2.1%. Pension and Other Fringe Benefit expenditures will increase by 12.2% and 5.4% respectively, due to revised projections from NYCT and MTAHQ.
- Overall, benefit expenditures will continue to increase in 2015, 2016 and 2017 by 3%, 3.8% and 3.2% respectively, due to inflation escalation rates.

#### Insurance:

- 2014 premium rates are expected to increase by 12.4% due to market conditions.
- Insurance cost will increase approximately by 20% each year between 2015 and 2017, reflecting revised premium growth assumptions.

#### Professional Service Contracts:

- 2014 costs will decrease by \$0.3 million, 7.4%, due to the full payment of the federal mentoring program Small Business Federal Program (SBFP), in 2013. Original estimate was assumed to be spread out over three years but billed in full in 2013.
- As MTACC capital projects for Fulton Street and the 7 line extension approach the completion stage in 2014, fewer audit, technical experts and IQ consultants are anticipated; resulting in a slight decrease of 3.4% in 2015 and a sharp decline of 14% in 2016.

#### Materials and Supplies:

- 2014 through 2017 reflect inflationary increases.

#### Other Business Expenses:

- 2014 costs will increase by \$0.3 million, 9.2%, due to revised 2 Broadway occupational costs.
- MTACC's office space cost is expected to increase by 4% each year from 2015 to 2017.
- Other business expenditures remain relatively constant from 2015 through 2017 due to the timing of agency-wide initiatives.

## REIMBURSABLE

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## CASH RECEIPTS & EXPENDITURES

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**MTA CAPITAL CONSTRUCTION COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014-2017**  
**Summary of Major Plan-to-Plan Changes**

**2013: November Financial Plan vs. July Financial Plan**

The November Financial Plan is \$0.3 million (0.9%) lower than the July Financial Plan. Labor expenses remain the same as the July Financial Plan. Non-Labor costs are expected to decrease by \$0.3 million. This decrease is due to a revised estimate of engineering consultants, employee expenses and computer equipment. Administrative costs captured within this plan are specialized consultant services, environmental and archeological resources, MTA Audit chargebacks, federal mentoring program, telecommunications and IT expenditures such as risk management software and upgrades to existing equipment.

**2014 - 2017: November Financial Plan vs. July Financial Plan**

Expenses for 2014 increase by \$0.09 million from the July Financial Plan due to revised estimates in occupancy costs for 2 Broadway partially offset by a decrease in specialized engineering consulting costs, employee expenses, computer equipment, and escalation rate adjustments. These assumptions have been applied through 2017. Overall, expenses are expected to increase minimally -- by \$0.1 million (0.4%) in 2015 and by \$0.3 million in 2016 and 2017. Labor expenses are slightly lower than the July Plan, due to escalation rate and economic demographic updates. Non-labor expenditures are \$0.2 million higher in 2015 and increase slightly by \$0.3 million and \$0.4 million in 2016 and 2017, respectively. The professional services budget is projected to decrease by \$0.09 million annually from 2014 through 2017. The baseline includes re-estimates of engineering, environmental and temporary expert services, and catastrophic bond insurance expense.

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue					
Capital and Other Reimbursement	(0.307)	0.085	0.147	0.264	0.312
<b>Total Revenue Changes</b>	<b>(\$0.307)</b>	<b>\$0.085</b>	<b>\$0.147</b>	<b>\$0.264</b>	<b>\$0.312</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare	0.000	0.284	0.243	0.308	0.335
OPEB Current Payment					
Pensions	0.000	0.000	(0.001)	(0.001)	0.002
Other Fringe Benefits	0.000	(0.189)	(0.168)	(0.283)	(0.292)
Reimbursable Overhead					
<b>Total Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.095</b>	<b>\$0.074</b>	<b>\$0.024</b>	<b>\$0.044</b>
<i>Non-Labor:</i>					
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel					
Insurance	0.000	0.000	0.000	0.000	0.000
Claims					
Paratransit Service Contracts					
Professional Service Contracts	0.240	0.090	0.088	0.086	0.088
Maintenance and Other Operating Contracts					
Materials & Supplies	(0.000)	0.000	0.000	(0.000)	0.000
Other Business Expenses	0.067	(0.270)	(0.309)	(0.374)	(0.444)
<b>Total Non-Labor Expense Changes</b>	<b>\$0.307</b>	<b>(\$0.180)</b>	<b>(\$0.221)</b>	<b>(\$0.288)</b>	<b>(\$0.356)</b>
<sup>1</sup> Includes Full Time Equivalents					
<b>Total Expense Changes</b>	<b>\$0.307</b>	<b>(\$0.085)</b>	<b>(\$0.147)</b>	<b>(\$0.264)</b>	<b>(\$0.312)</b>
<i>Other Expense Adjustments/Gap Closing Actions</i>					
Other - Restricted Cash Adjustment					
<b>Total Other Expenditure Adjustments Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2014-2017**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

***Non-Reimbursable Major Changes***

**Revenue**

<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
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**Expenses**

<b>Sub-Total Non-Reimbursable Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
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<b><i>Total Non-Reimbursable Major Changes</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>
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***Reimbursable Major Changes***

Revenue	(\$0.307)	\$0.085	\$0.147	\$0.264	\$0.312
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Sub-Total Reimbursable Revenue Changes	(\$0.307)	\$0.085	\$0.147	\$0.264	\$0.312
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<sup>1</sup>Includes Full Time Equivalents

Expenses	\$0.307	(\$0.085)	(\$0.147)	(\$0.264)	(\$0.312)
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Sub-Total Reimbursable Expense Changes	\$0.307	(\$0.085)	(\$0.147)	(\$0.264)	(\$0.312)
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<b><i>Total Reimbursable Major Changes</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>
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<b>Total Accrual Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
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**Cash Adjustment Changes**

<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
--------------------------------------	----------------	----------------	----------------	----------------	----------------

<b><i>Total Baseline Changes</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>	<b><i>\$0.000</i></b>
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<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
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**MTA CAPITAL CONSTRUCTION COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014-2017**  
**Positions**

**Position Assumptions**

All costs are reimbursable from the MTA Capital Program. The November Financial Plan projects 2013 year end staffing of 140 and remain constant at that level through 2017.

Staffing needs are 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 and as a result, in 2013, the projected year end employee quota will remain the same as the July Financial Plan of 140.

The breakdown of the year-end staffing level of 140 is as follows: 16 MTACC administrative positions and 124 positions supporting the following capital projects: East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program. In the Adopted Budget, MTACC anticipated a year end staff of 140 employees. .

\*Employees of other agencies under temporary management by MTACC

<b>MTA Capital Construction Company</b> <b>November Financial Plan 2014-2017</b> Favorable/(Unfavorable)					
<b>Total Position Changes at a Glance</b>					
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>2013 July Plan - Total Baseline Positions</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>
Total Plan-to-Plan Changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>2013 November Plan - Total Baseline Positions</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>
Total Year-to-Year Changes, November Plan		0	0	0	0

<b>Total Plan-to-Plan Changes by Reporting Category:</b>					
<i>Non-Reimbursable</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Reimbursable</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Full-Time</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Full-Time Equivalents</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>By Function Category</i>					
- Administration	0	0	0	0	0
- Operations	0	0	0	0	0
- Maintenance	0	0	0	0	0
- Engineering/Capital	0	0	0	0	0
- Public Safety	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	0	0	0	0	0
- Professional, Technical, Clerical	0	0	0	0	0
- Operational Hourlies	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Total Plan-to-Plan Changes by Major Category:</b>					
<i>2013 BRPs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>New Needs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Change in Reimbursable Positions</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Re-estimates &amp; All Other<sup>1</sup></i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup>Includes Full Time Equivalents

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Administration</b>						
MTACC	14	16	16	16	16	16
<b>Engineering/Capital</b>						
MTACC	38	40	40	40	40	40
East Side Access	22	22	22	22	22	22
Second Avenue Subway	16	20	20	20	20	20
Security Program	10	12	12	12	12	12
Lower Manhattan Projects	18	20	20	20	20	20
7 Line Extension	11	10	10	10	10	10
<b>Total Engineering/Capital</b>	<b>115</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>
<b>Total Baseline Positions</b>	<b>129</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	129	140	140	140	140	140
<i>Total Full-Time</i>	129	140	140	140	140	140
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP		2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical	14	16	16	16	16	16
	Operational Hourlies						
	<b>Total Administration</b>	14	16	16	16	16	16
<b>Operations</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Operations</b>	-	-	-	-	-	-
<b>Maintenance</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Maintenance</b>	-	-	-	-	-	-
<b>Engineering/Capital</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical	115	124	124	124	124	124
	Operational Hourlies						
	<b>Total Engineering/Capital</b>	115	124	124	124	124	124
<b>Public Safety</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Public Safety</b>	-	-	-	-	-	-
<b>Total Baseline Positions</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical	129	140	140	140	140	140
	Operational Hourlies						
	<b>Total Baseline Positions</b>	129	140	140	140	140	140

<sup>1</sup>Includes Full Time Equivaler

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# **Long Island Rail Road**

# **MTA LONG ISLAND RAIL ROAD**

## **2014 Final Proposed Budget**

### **November Financial Plan 2014 - 2017**

#### **FINANCIAL OVERVIEW**

The 2013 November Financial Plan maintains MTA Long Island Rail Road commitment to delivering safe, secure and reliable transportation while continuing to improve customer service. It contains the resources necessary for the LIRR to achieve its performance goals in train service, fleet performance and service reliability. Equally important, the financial plan lays the foundation for current and future customer improvements through investments in infrastructure and technology. These investments will support the post-Sandy reconstruction, provide for future service growth, leverage technology to make the purchase of tickets more convenient for customers, and improve data analysis capabilities to increase system reliability and optimize resources.

#### **Programmatic Investments:**

##### ***Infrastructure Investments***

The November financial plan reflects additional resources for engineering positions to both commence long-term repairs to bring assets damaged by Sandy back to a state-of-good repair, and to test and maintain assets until repairs are fully completed. This is especially good news for LIRR customers who were hard hit by Sandy.

Another major investment, the Massapequa Pocket Track, is scheduled to achieve beneficial use during the four-year term of this financial plan. This new pocket track, located just east of the Massapequa Station, will improve train service and frequency as well as on-board seat availability. The pocket track is one of several infrastructure improvements that the LIRR is making in anticipation of the completion of the East Side Access project. The extra track space will begin paying immediate dividends when it becomes available in 2016, providing the LIRR with greater operating flexibility along the Babylon Branch. Following the opening of East Side Access service, the pocket track will allow the LIRR to turn additional trains during weekday rush hours and provide a location to start westbound trains into Penn Station and Grand Central Terminal.

In addition, several other major Capital funded initiatives are scheduled to progress during the financial plan period. They include Positive Train Control, Centralized Train Control, and the Main Line Double Track. The financial plan reflects the necessary resources to ensure the benefits of all these assets are fully realized and properly maintained.

## ***Technology Investments***

Metro-North Railroad and the LIRR are collaborating on another major MTA-wide customer service oriented initiative – the further development of New Fare Payment System (NFPS) technology. The goal of the NFPS is to enable customers to purchase tickets on-board or off-board using a wide variety of payment and purchase methods including cash, credit cards and pin-less debit cards, “smartcards”, smartphones, and self-printed bar-coded tickets. These tickets will be validated by train crew members equipped with hand-held Ticket Issuing Machines (TIMS).

The LIRR real-time train initiative remains on schedule. This initiative will provide train status information to customers via their handheld devices and the internet. So far, this application has been deployed on the Port Washington and West Hempstead branches with other branches scheduled to go live by the fourth quarter of 2013.

The LIRR is participating in a MTA-wide initiative, by investing in the development of an Enterprise Asset Management (EAM) system which will provide a planning framework that links asset condition and maintenance activities to life cycle planning in order to improve asset performance, optimize maintenance resources, and strengthen long-term planning. Initial focus will be on track and signal asset elements.

## **Ridership and Revenue**

The impact of Sandy still reverberates throughout the region. Prior to the storm, the LIRR had experienced 13 months of consecutive ridership growth. Between the onset of the storm and the end of 2012, an estimated 2.4 million riders were lost. Though ridership has since stabilized, it is still down 1.2 percent when compared to the same period last year. A bright spot continues to be the LIRR’s service to Brooklyn, where ridership has increased due in large part to the Barclay’s Center big-draw entertainers and professional sporting events. Looking ahead, the Barclay’s Center will be home to the professional hockey franchise, the New York Islanders, which are expected to draw large crowds from Long Island with the LIRR as the preferred method of transportation to the games.

These trends have been incorporated into the 2013 November Financial Plan. The 2013 Final Forecast ridership is projected to be 83.2 million, essentially unchanged from the Mid-Year Forecast level. Ridership is projected to be 83.9 million, remaining essentially unchanged from the 2014 Preliminary Budget. Ridership projections in the out-years are projected to grow conservatively by 0.7% in 2015, 0.6% in 2016, and 0.2% in 2017.

## Efficiency Initiatives

The LIRR's commitment to efficiency is evidenced by the 2013 November Forecast and 2014-2017 Financial Plan, which reflects the continued implementation of budget reduction programs outlined in prior financial plans. The LIRR continues to subject all areas of the budget to intensive review, specifically payroll-related operational costs, overtime, inventory and administration. For example, the Maintenance of Equipment Department continues to aggressively manage and adjust its maintenance activities to reflect component performance, while separate task force working groups continue to examine overtime, inventory, and employee availability.

The LIRR considers overtime management to be one of its highest priorities. Under certain conditions, overtime can be an efficient way to ensure sufficient levels of staff are deployed to complete required work, such as to staff activities that are temporary in nature (unscheduled maintenance and emergency response) or to backfill open jobs on an interim basis while new hires are brought onto the workforce. Nevertheless, it is critical for the LIRR to maintain tight control of overtime usage in order to ensure that it is used only when needed and that it is the most cost-effective approach. In the 2013 November Plan, the LIRR will adjust the overtime budget for weather to reflect a historical average, adding \$5.3 million in 2014, \$5.4 million in 2015, \$5.6 million in 2016, and \$6.0 million in 2017. Without this weather related increase, the 2014 non-reimbursable overtime budget would be 4% below the 2013 November Forecast target. Continued oversight of overtime by senior management along with planned hiring/training and improved availability are the key drivers of overtime control.

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 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 procurement levels. Consequently, in 2014, the LIRR is projecting an additional \$7 million in savings, building on savings achieved in 2009 through 2013.

Still, expenses such as health benefits, insurance and fuel continue to rise more rapidly than the rate of inflation. These categories are called "uncontrollable" as they are heavily impacted by influences outside of management control. This is especially the case for the historic burden the LIRR bears for its "closed pension plan," which has not accepted new members since 1988 when the plan was closed. Covering this unfunded liability will cost the LIRR \$135.4 million in 2014. Furthermore, the LIRR has over 6,150 retirees, most with health benefits costing the Agency an estimated \$66.7 million in 2014.

## **2013 November Forecast**

The LIRR's 2013 November Forecast is comprised of non-reimbursable revenue totaling \$700.3 million and non-reimbursable expenses including depreciation, other post-employment benefits and environmental remediation of \$1,718.4 million that generate an operating deficit of (\$1,018.1) million. The 2013 November Forecast reimbursable revenue and expenses each total \$230.3 million.

Total non-reimbursable revenue is \$2.7 million lower than the Mid-Year Forecast. Farebox Revenue is \$0.1 million lower due to lower overall ridership. Other Operating Revenue is \$2.6 million lower due to the timing of a real estate sale.

Total non-reimbursable expenses (excluding depreciation and Other Post-Employment Benefits (OPEB)) are lower by \$17.5 million. The favorable variance is primarily due to favorable reimbursable overhead, lower average headcount (and associated fringe), favorable electric rates and timing and re-estimates of various maintenance, other operating and professional services contracts. This is partially offset by increased overtime expenses as a result of vacant craft and foreman positions in the Maintenance of Equipment department, higher track maintenance and lower availability in Train Operations and Customer Service. A significant number of vacant craft positions are expected to be filled by the end of 2013.

The major cash adjustments from the Mid-Year Forecast include a LIPA settlement expense recalculation and Federal Employee Liability Act (FELA)/Claims adjustments.

Full-time positions total 6,901 in the 2013 November Forecast, with 6,134 non-reimbursable positions and 767 reimbursable positions.

## **2014 Final Proposed Budget - Baseline**

The LIRR's Financial Plan is geared toward achieving several key operational goals in 2014, including maintaining on-time performance at 95.1%, and a fleet-wide mean distance between failures (MDBF) of 153,000 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 the reconciliation to the Preliminary Budget.

The 2014 revenue total \$978.8 million, of which \$698.7 million is non-reimbursable revenue and \$280.1 million is reimbursable revenue. The total expense budget is \$2,072.9 million, of which \$1,674.9 million is for operating expenses, and the balance is associated with non-cash items such as depreciation, other post-employment benefits and environmental remediation. Non-reimbursable operating expenses total \$1,394.8 million in 2014, while reimbursable expenses are \$280.1 million.

The cash budget for 2014 incorporates \$955.2 million in cash receipts and \$1,692.3 million in cash disbursements. The baseline cash requirement of (\$737.1) million is driven by operating expenses and revenues anticipated in 2014 and other adjustments to cash flow.

On an accrued basis, revenues and expenses are higher in the 2014 Final Proposed Budget than the 2013 November Forecast. Total revenues for 2014 are \$978.8 million, \$48.2 million higher than in the current 2013 November Forecast with non-reimbursable revenues declining by \$1.5 million and Reimbursable revenues rising by \$49.8 million. Ridership in 2014 increases over the 2013 November Forecast by 0.7 million rides, or 0.8%. Total operating expenses before depreciation and OPEB of \$1,674.9 million reflect growth of \$132.9 million over the 2013 November Forecast. Non-reimbursable expenses increase by \$83.2 million and reimbursable expenses increase by \$49.8 million. While the resulting total operating baseline deficit including non-cash items such as depreciation, OPEB, and environmental remediation increases by \$75.9 million to (\$1,094.1) million in 2014, the projected baseline cash deficit (or subsidy requirement) of (\$737.1) million in 2014 is higher by \$105.2 million.

Full-time positions total 6,953 in the 2014 Final Proposed Budget, with 6,159 non-reimbursable positions and 794 reimbursable positions. Compared to the 2013 November Forecast, this reflects a total increase of 52 positions, an increase of 25 non-reimbursable positions and 27 reimbursable positions. The major driver of the non-reimbursable headcount change is due to East Side Access readiness efforts. Compared with the July Financial Plan, there was a total position increase of 9 positions.

### **Financial Plan 2015-2017 Projections**

The baseline projections for 2015 through 2017 reflect continuing initiatives launched in 2013. During this period, the LIRR has increased its investments in the Reliability Centered Maintenance program (RCM) for its M7 fleet, as many components start to enter critical maintenance stages. In addition, in 2015 - 2017, the LIRR financial plan reflects the ramp-up costs for East Side Access readiness efforts.

The baseline projections for 2015-2017 reflect these various impacts. Non-reimbursable revenues decline slightly in 2015 and then grow by less than 1% each year thereafter, while Reimbursable revenues decrease by 11.1% in 2015, 1.8% in 2016 and 0.7% in 2017.

The pace of expense growth is higher than the projected revenue growth, driven by rates that exceed inflation in “uncontrollable costs”, such as health insurance (active employees and retirees), electric power and pension costs. Non-reimbursable expenses (before depreciation) grow by 2.3% from \$1,394.8 million in 2014 to \$1,426.8 million in 2015. They continue to rise by 5.9% in 2016 and 6.8% in 2017, reaching \$1,613.3 million. The higher rate of growth in the out-years is primarily due to East Side Access

readiness efforts. Reimbursable expenses decrease by 11.1% in 2015, 1.8% in 2016 and 0.7% in 2017.

On a year-to-year basis, baseline positions increase by 202 positions in 2015, 279 positions in 2016 and 208 positions in 2017. These increases are primarily related to East Side Access readiness efforts. For the period 2015 to 2017, reimbursable positions decrease by 47 in 2015, 40 in 2016 and 9 in 2017, reflecting the anticipated level of capital activity and the completion of Sandy reconstruction projects.

**MTA LONG ISLAND RAIL ROAD**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

NON-REIMBURSABLE						
	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Operating Revenue</b>						
Farebox Revenue	\$581.371	\$631.193	\$644.345	\$648.993	\$652.946	\$655.779
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	63.718	69.060	54.399	46.483	47.465	47.320
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$645.089</b>	<b>\$700.253</b>	<b>\$698.744</b>	<b>\$695.476</b>	<b>\$700.411</b>	<b>\$703.099</b>
<b>Operating Expenses</b>						
<u><b>Labor:</b></u>						
Payroll	\$407.904	\$434.307	\$450.308	\$471.482	\$503.582	\$536.751
Overtime	90.276	90.258	91.545	91.740	92.501	93.337
Health and Welfare	85.795	93.946	102.799	109.549	121.704	133.731
OPEB Current Payment	54.845	62.966	66.731	69.857	74.471	79.371
Pensions	164.459	183.003	177.353	178.778	182.754	184.409
Other Fringe Benefits	98.779	109.914	115.875	121.465	129.425	136.312
Reimbursable Overhead	(22.511)	(29.189)	(26.094)	(20.539)	(20.375)	(17.847)
<b>Total Labor Expenses</b>	<b>\$879.546</b>	<b>\$945.206</b>	<b>\$978.518</b>	<b>\$1,022.333</b>	<b>\$1,084.062</b>	<b>\$1,146.064</b>
<u><b>Non-Labor:</b></u>						
Electric Power	\$89.144	\$99.348	\$103.125	\$105.957	\$110.456	\$114.777
Fuel	26.374	31.363	30.671	29.790	29.985	30.767
Insurance	15.617	20.570	25.343	29.313	33.862	39.228
Claims	5.665	4.085	4.156	4.229	4.303	4.370
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	53.026	58.632	71.551	64.822	70.824	89.589
Professional Service Contracts	30.497	31.301	39.397	30.121	29.978	31.046
Materials & Supplies	88.365	108.081	126.358	124.466	130.675	140.546
Other Business Expenses	34.465	13.019	15.654	15.790	16.481	16.896
<b>Total Non-Labor Expenses</b>	<b>\$343.154</b>	<b>\$366.398</b>	<b>\$416.255</b>	<b>\$404.487</b>	<b>\$426.564</b>	<b>\$467.219</b>
<u><b>Other Expenses Adjustments:</b></u>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,222.700</b>	<b>\$1,311.604</b>	<b>\$1,394.772</b>	<b>\$1,426.820</b>	<b>\$1,510.626</b>	<b>\$1,613.283</b>
Depreciation	317.340	322.744	311.549	320.849	324.042	327.267
OPEB Obligation	80.186	82.051	84.513	87.048	89.660	89.660
Environmental Remediation	6.441	2.000	2.000	2.000	2.000	2.000
<b>Total Expenses</b>	<b>\$1,626.667</b>	<b>\$1,718.399</b>	<b>\$1,792.834</b>	<b>\$1,836.717</b>	<b>\$1,926.328</b>	<b>\$2,032.210</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$981.578)</b>	<b>(\$1,018.146)</b>	<b>(\$1,094.090)</b>	<b>(\$1,141.241)</b>	<b>(\$1,225.916)</b>	<b>(\$1,329.111)</b>
<u><b>Cash Conversion Adjustments</b></u>						
Depreciation	\$317.340	\$322.744	\$311.549	\$320.849	\$324.042	\$327.267
Operating/Capital	(4.840)	(19.972)	(33.575)	(11.956)	(12.125)	(12.336)
Other Cash Adjustment	77.446	83.475	79.001	72.926	70.602	67.582
<b>Total Cash Conversion Adjustments</b>	<b>\$389.945</b>	<b>\$386.247</b>	<b>\$356.975</b>	<b>\$381.819</b>	<b>\$382.518</b>	<b>\$382.512</b>
<b>Net Cash Surplus/(Deficit)</b>	<b>(\$591.633)</b>	<b>(\$631.899)</b>	<b>(\$737.115)</b>	<b>(\$759.422)</b>	<b>(\$843.398)</b>	<b>(\$946.599)</b>

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**MTA LONG ISLAND RAIL ROAD**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE / REIMBURSABLE</b>						
	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenue</b>						
Farebox Revenue	\$581.371	\$631.193	\$644.345	\$648.993	\$652.946	\$655.779
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	63.718	69.060	54.399	46.483	47.465	47.320
Capital and Other Reimbursements	190.936	230.331	280.084	249.048	244.688	242.986
<b>Total Revenue</b>	<b>\$836.025</b>	<b>\$930.584</b>	<b>\$978.828</b>	<b>\$944.524</b>	<b>\$945.099</b>	<b>\$946.085</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$469.859	\$506.927	\$540.409	\$564.144	\$594.157	\$627.330
Overtime	103.515	105.186	106.871	105.935	106.190	107.393
Health and Welfare	97.577	108.136	118.951	126.050	137.748	149.794
OPEB Current Payment	54.845	62.966	66.731	69.857	74.471	79.371
Pensions	186.501	203.006	198.858	200.788	204.194	205.904
Other Fringe Benefits	112.318	125.447	135.328	141.337	148.747	155.657
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$1,024.615</b>	<b>\$1,111.669</b>	<b>\$1,167.149</b>	<b>\$1,208.112</b>	<b>\$1,265.507</b>	<b>\$1,325.449</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$89.337	\$99.451	\$103.171	\$105.991	\$110.456	\$114.777
Fuel	26.374	31.363	30.671	29.790	29.985	30.767
Insurance	19.263	24.610	30.941	35.054	39.413	44.756
Claims	5.665	4.085	4.156	4.229	4.303	4.370
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	65.371	70.802	85.441	75.197	81.229	99.998
Professional Service Contracts	31.967	38.410	47.732	33.813	33.143	34.451
Materials & Supplies	116.010	148.034	188.536	167.788	174.695	184.702
Other Business Expenses	35.033	13.512	17.060	15.895	16.583	16.999
<b>Total Non-Labor Expenses</b>	<b>\$389.020</b>	<b>\$430.266</b>	<b>\$507.708</b>	<b>\$467.756</b>	<b>\$489.807</b>	<b>\$530.820</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,413.636</b>	<b>\$1,541.935</b>	<b>\$1,674.856</b>	<b>\$1,675.868</b>	<b>\$1,755.314</b>	<b>\$1,856.269</b>
Depreciation	\$317.340	\$322.744	\$311.549	\$320.849	\$324.042	\$327.267
OPEB Obligation	80.186	82.051	84.513	87.048	89.660	89.660
Environmental Remediation	6.441	2.000	2.000	2.000	2.000	2.000
<b>Total Expenses</b>	<b>\$1,817.603</b>	<b>\$1,948.730</b>	<b>\$2,072.918</b>	<b>\$2,085.765</b>	<b>\$2,171.016</b>	<b>\$2,275.196</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$981.578)</b>	<b>(\$1,018.146)</b>	<b>(\$1,094.090)</b>	<b>(\$1,141.241)</b>	<b>(\$1,225.916)</b>	<b>(\$1,329.111)</b>
<b><u>Cash Conversion Adjustments</u></b>						
Depreciation	\$317.340	\$322.744	\$311.549	\$320.849	\$324.042	\$327.267
Operating/Capital	(4.840)	(19.972)	(33.575)	(11.956)	(12.125)	(12.336)
Other Cash Adjustment	77.446	83.475	79.001	72.926	70.602	67.582
<b>Total Cash Conversion Adjustments</b>	<b>\$389.945</b>	<b>\$386.247</b>	<b>\$356.975</b>	<b>\$381.819</b>	<b>\$382.518</b>	<b>\$382.512</b>
<b>Net Cash Surplus/(Deficit)</b>	<b>(\$591.633)</b>	<b>(\$631.899)</b>	<b>(\$737.115)</b>	<b>(\$759.422)</b>	<b>(\$843.398)</b>	<b>(\$946.599)</b>

**MTA LONG ISLAND RAIL ROAD**  
**November Financial Plan 2014-2017**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Receipts</b>						
Farebox Revenue	\$606.767	\$655.916	\$668.345	\$672.993	\$676.946	\$679.779
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	41.670	111.134	45.976	37.785	38.485	38.023
Capital and Other Reimbursements	203.686	207.647	240.887	231.362	226.487	224.485
<b>Total Receipts</b>	<b>\$852.122</b>	<b>\$974.697</b>	<b>\$955.208</b>	<b>\$942.140</b>	<b>\$941.918</b>	<b>\$942.287</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$476.980	\$507.577	\$537.697	\$561.371	\$591.320	\$624.499
Overtime	102.957	105.186	106.871	105.935	106.190	107.393
Health and Welfare	99.888	108.136	118.951	126.050	137.748	149.794
OPEB Current Payment	54.752	62.966	66.731	69.857	74.471	79.371
Pensions	187.173	203.701	198.858	200.788	204.194	205.904
Other Fringe Benefits	103.975	126.847	135.328	141.337	148.747	155.657
GASB Account	10.010	12.593	13.346	13.971	14.894	15.874
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$1,035.734</b>	<b>\$1,127.006</b>	<b>\$1,177.782</b>	<b>\$1,219.309</b>	<b>\$1,277.564</b>	<b>\$1,338.492</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$84.058	\$132.822	\$103.171	\$105.991	\$110.456	\$114.777
Fuel	27.475	31.711	30.671	29.790	29.985	30.767
Insurance	26.528	23.588	30.751	34.857	39.196	45.516
Claims	7.142	2.953	2.346	2.400	2.455	2.505
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	77.095	77.745	85.441	75.197	81.229	99.998
Professional Service Contracts	23.406	39.672	44.382	30.305	29.470	30.604
Materials & Supplies	123.795	129.550	177.452	164.465	175.039	185.903
Other Business Expenses	11.038	17.549	16.327	15.248	15.922	16.324
<b>Total Non-Labor Expenditures</b>	<b>\$380.537</b>	<b>\$455.590</b>	<b>\$490.541</b>	<b>\$458.253</b>	<b>\$483.752</b>	<b>\$526.394</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	25.684	24.000	24.000	24.000	24.000	24.000
<b>Total Other Expenditure Adjustments</b>	<b>\$25.684</b>	<b>\$24.000</b>	<b>\$24.000</b>	<b>\$24.000</b>	<b>\$24.000</b>	<b>\$24.000</b>
<b>Total Expenditures</b>	<b>\$1,441.955</b>	<b>\$1,606.596</b>	<b>\$1,692.323</b>	<b>\$1,701.562</b>	<b>\$1,785.316</b>	<b>\$1,888.886</b>
Cash Timing and Availability Adjustment	(1.799)	-	-	-	-	-
<b>Baseline Cash Surplus/(Deficit)</b>	<b>(\$591.632)</b>	<b>(\$631.899)</b>	<b>(\$737.115)</b>	<b>(\$759.422)</b>	<b>(\$843.398)</b>	<b>(\$946.599)</b>

**MTA LONG ISLAND RAIL ROAD**  
**November Financial Plan 2014-2017**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Receipts</b>						
Farebox Revenue	\$25.396	\$24.723	\$24.000	\$24.000	\$24.000	\$24.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(22.048)	42.074	(8.423)	(8.698)	(8.980)	(9.297)
Capital and Other Reimbursements	12.750	(22.684)	(39.197)	(17.686)	(18.201)	(18.501)
<b>Total Receipts</b>	<b>\$16.097</b>	<b>\$44.113</b>	<b>(\$23.620)</b>	<b>(\$2.384)</b>	<b>(\$3.181)</b>	<b>(\$3.798)</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	(\$7.121)	(\$0.650)	\$2.712	\$2.773	\$2.837	\$2.831
Overtime	0.558	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(2.311)	0.000	(0.000)	0.000	0.000	0.000
OPEB Current Payment	0.093	-	-	-	-	-
Pensions	(0.672)	(0.695)	-	-	-	-
Other Fringe Benefits	8.343	(1.400)	0.000	0.000	(0.000)	(0.000)
GASB Account	(10.010)	(12.593)	(13.346)	(13.971)	(14.894)	(15.874)
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>(\$11.119)</b>	<b>(\$15.337)</b>	<b>(\$10.633)</b>	<b>(\$11.197)</b>	<b>(\$12.057)</b>	<b>(\$13.043)</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$5.279	(\$33.371)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(1.101)	(0.348)	(0.000)	(0.000)	(0.000)	(0.000)
Insurance	(7.265)	1.022	0.190	0.197	0.217	(0.760)
Claims	(1.477)	1.132	1.810	1.829	1.848	1.865
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(11.724)	(6.943)	-	-	-	-
Professional Service Contracts	8.561	(1.262)	3.350	3.508	3.673	3.847
Materials & Supplies	(7.784)	18.484	11.084	3.323	(0.344)	(1.201)
Other Business Expenditures	23.995	(4.037)	0.733	0.647	0.661	0.675
<b>Total Non-Labor Expenditures</b>	<b>\$8.483</b>	<b>(\$25.324)</b>	<b>\$17.167</b>	<b>\$9.503</b>	<b>\$6.055</b>	<b>\$4.426</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	(25.684)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
<b>Total Other Expenditures Adjustments</b>	<b>(\$25.684)</b>	<b>(\$24.000)</b>	<b>(\$24.000)</b>	<b>(\$24.000)</b>	<b>(\$24.000)</b>	<b>(\$24.000)</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adj.</b>	<b>(\$12.222)</b>	<b>(\$20.548)</b>	<b>(\$41.087)</b>	<b>(\$28.078)</b>	<b>(\$33.184)</b>	<b>(\$36.415)</b>
Depreciation Adjustment	\$317.340	\$322.744	\$311.549	\$320.849	\$324.042	\$327.267
OPEB Obligation	80.186	82.051	84.513	87.048	89.660	89.660
Environmental Remediation	6.441	2.000	2.000	2.000	2.000	2.000
Cash Timing and Availability Adjustment	(1.799)	-	-	-	-	-
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$389.945</b>	<b>\$386.247</b>	<b>\$356.975</b>	<b>\$381.819</b>	<b>\$382.518</b>	<b>\$382.512</b>

**MTA Long Island Rail Road**  
**2013 November Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

<b>NON-REIMBURSABLE OVERTIME</b>	<b>Total</b>		
	<b>Hours</b>	<b>\$</b>	<b>%</b>
<u>Scheduled Service</u>	364,920	\$18.661	20.7%
<u>Unscheduled Service</u>	127,626	6.627	7.3%
<u>Programmatic/Routine Maintenance</u>	505,475	23.437	26.0%
<u>Unscheduled Maintenance</u>	16,476	0.748	0.8%
<u>Vacancy/Absentee Coverage</u>	683,664	33.487	37.1%
<u>Weather Emergencies</u>	101,408	4.762	5.3%
<u>Safety/Security/Law Enforcement</u>	0	0.000	0.0%
<u>Other</u>	19,541	2.534	2.8%
Subtotal	<b>1,819,110</b>	<b>\$90.258</b>	100.0%
<b>REIMBURSABLE OVERTIME</b>	279,443	14.928	
<b>TOTAL OVERTIME</b>	<b>2,098,553</b>	<b>\$105.186</b>	

**MTA LONG ISLAND RAIL ROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Year-To-Year Changes by Category - Baseline**

**Revenue**

**Farebox Revenue**

- The regional economy and employment trends are the primary drivers of Farebox Revenue.
- Farebox revenue is increasing by 2.1% in 2014 over 2013 primarily due to the full year impact of the fare increase and anticipated ridership growth.
- Farebox revenue is increasing by 0.7% in 2015 over 2014 primarily due to anticipated ridership growth.
- Passenger revenue forecasts in the outer years 2016 - 2017 reveal modest annual growth due to increases in ridership.

**Other Operating Revenue**

- Other revenues are lower in 2014 from the 2013 November Forecast due to timing of Federal Transportation Administration (FTA) reimbursement for Sandy.
- Other Revenues decline further in 2015 as a result of lower projected real estate sales and no additional Sandy-related recoveries.
- Excluding real estate sales in 2013 and 2014 and the timing of reimbursements for storms Sandy and Irene, Other Operating Revenue is 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**

- Salaries for non-represented employees, having gone four consecutive years without raises, are assumed to follow CPI-based increases in 2013. No across-the-board raises have been granted as of the November Plan.
- 2013 - 2017 includes CPI-based increases for represented employees of 1.97%, 1.91%, 1.85%, 1.89% and 1.85% respectively (all increases effective July 1 of each year).
- 2013 - 2014 increase is due to projected wage assumptions and position increases pertaining to additional flagging tours associated with capital program activity, additional track maintenance staffing, Reliability Centered Maintenance (RCM) and East Side Access readiness efforts.
- Almost all the headcount increases from 2015 – 2017 are related to East Side Access readiness efforts.

### **Overtime**

- 2013 - 2014 increase of \$1.7 million or 1.6% is primarily associated with additional weather overtime to reflect the current winter storm operating procedures and recent weather patterns, project activity and lower availability due to posting and training, partially offset by the assumption that a significant number of vacant craft positions will be filled by 2013 resulting in improved availability.
- 2015 - 2017 changes primarily reflect normal wage growth.

### **Health & Welfare**

- 2013 – 2017 reflects an annual NYSHIP rate increase of approximately 2.3%, 4.4%, 2.7%, 4.7% and 4.7%, respectively for individual coverage and 5.2% (2013), 5.1%, 3.8% and 5.8% (2017) 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 base from the Railroad Retirement Board and annual CPI increases; the tax rate for each tier is expected to remain unchanged.
- Railroad Unemployment costs reflect a slight annual increase in the monthly charge per employee in each year.
- Federal Employers Liability Act (FELA) Indemnity payments increase by CPI.

### **Electric Power**

- 2013 is based on actuals through July and reflects the latest LIRR consumption estimates and inflationary increases.
- 2014 - 2017 reflects the latest LIRR consumption estimates and inflationary increases.

### **Fuel**

- 2013 is based on actuals through July and reflects the latest LIRR consumption estimates and inflationary increases.
- 2014 - 2017 reflects the latest inflationary increases.

### **Insurance**

- 2013 - 2017 reflects the latest inflationary increases and Force Account Insurance estimates based on project activity. Generally, premium rates are assumed to increase by 10-14% per year during 2014-2017.

### **Claims**

- 2013 reflects actual experience through July and the anticipated settlement and payout of claims for the balance of the year.
- 2014 - 2017 reflects inflationary increases.

### **Maintenance and Other Operating Contracts**

- 2013 – 2014 increase due to the Elevator Maintenance major overhaul program, various security initiatives, equipment rental and Penn Station joint facility maintenance.
- 2014 – 2015 reduction due to the completion of the elevator maintenance overhaul program and lower equipment rental.
- 2016 - 2017 includes East Side Access readiness efforts.

### **Professional Service Contracts**

- 2013 – 2014 increase reflects timing of system initiatives and Sandy-related expenses.
- 2014 – 2015 decreases due to lower system initiative costs, Sandy related expenses and timing of capital program activity, partially offset by normal inflationary increases.
- 2016 -2017 includes East Side Access readiness efforts.

### **Material and Supplies**

- The increase in materials from 2013 – 2014 is primarily due to East Side Access construction material and other capital program activity, Operating Funded Capital projects, and RCM material.
- 2014 – 2015 decrease include changes in East Side Access construction material and other capital program activity.
- 2016 – 2017 includes East Side Access readiness efforts and other operating budget impacts.

### **Other Business Expenses**

- 2013 – 2017 reflects changes associated with the concrete tie replacement program and normal inflationary increases.
- 2016-2017 includes East Side Access readiness efforts.

### **Depreciation**

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

### **Cash Adjustments**

#### **Expense**

- Insurance and Claims & Suits – payments versus accrued expenses.
- Timing of Concrete Tie reimbursements.
- GASB account contributions.
- Depreciation and other non-cash adjustments for each year 2013 - 2017.
- Timing from 2012 included in 2013 and shifts between 2013 and 2014.
- Material drawdown.

**MTA LONG ISLAND RAILROAD**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016- 2015	2017	Change 2017 - 2016
<b>Revenue</b>									
Farebox Revenue	\$631.193	\$644.345	\$13.153	\$648.993	\$4.648	\$652.946	\$3.953	\$655.779	\$2.832
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	69.060	54.399	(14.661)	46.483	(7.916)	47.465	0.982	47.320	(0.145)
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$700.253</b>	<b>\$698.744</b>	<b>(\$1.508)</b>	<b>\$695.476</b>	<b>(\$3.268)</b>	<b>\$700.411</b>	<b>\$4.935</b>	<b>\$703.099</b>	<b>\$2.687</b>
<b>Expenses</b>									
Labor:									
Payroll	\$434.307	\$450.308	(16.001)	\$471.482	(\$21.174)	\$503.582	(\$32.099)	\$536.751	(\$33.169)
Overtime	90.258	91.545	(1.287)	91.740	(0.195)	92.501	(0.761)	93.337	(0.836)
Health and Welfare	93.946	102.799	(8.852)	109.549	(6.750)	121.704	(12.155)	133.731	(12.027)
OPEB Current Payment	62.966	66.731	(3.765)	69.857	(3.126)	74.471	(4.614)	79.371	(4.900)
Pensions	183.003	177.353	5.650	178.778	(1.425)	182.754	(3.976)	184.409	(1.655)
Other Fringe Benefits	109.914	115.875	(5.962)	121.465	(5.590)	129.425	(7.959)	136.312	(6.887)
Reimbursable Overhead	(29.189)	(26.094)	(3.095)	(20.539)	(5.555)	(20.375)	(0.164)	(17.847)	(2.528)
<b>Total Labor Expenses</b>	<b>\$945.206</b>	<b>\$978.518</b>	<b>(\$33.312)</b>	<b>\$1,022.333</b>	<b>(\$43.815)</b>	<b>\$1,084.062</b>	<b>(\$61.729)</b>	<b>\$1,146.064</b>	<b>(\$62.003)</b>
Non-Labor:									
Electric Power	\$99.348	\$103.125	(\$3.777)	\$105.957	(\$2.832)	\$110.456	(\$4.499)	\$114.777	(\$4.321)
Fuel	31.363	30.671	0.692	29.790	0.881	29.985	(0.195)	30.767	(0.782)
Insurance	20.570	25.343	(4.773)	29.313	(3.970)	33.862	(4.549)	39.228	(5.366)
Claims	4.085	4.156	(0.071)	4.229	(0.073)	4.303	(0.074)	4.370	(0.067)
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	58.632	71.551	(12.919)	64.822	6.729	70.824	(6.002)	89.589	(18.765)
Professional Service Contracts	31.301	39.397	(8.096)	30.121	9.276	29.978	0.143	31.046	(1.068)
Materials & Supplies	108.081	126.358	(18.277)	124.466	1.892	130.675	(6.209)	140.546	(9.871)
Other Business Expenses	13.019	15.654	(2.635)	15.790	(0.136)	16.481	(0.692)	16.896	(0.415)
<b>Total Non-Labor Expenses</b>	<b>\$366.398</b>	<b>\$416.255</b>	<b>(\$49.857)</b>	<b>\$404.487</b>	<b>\$11.768</b>	<b>\$426.564</b>	<b>(\$22.077)</b>	<b>\$467.219</b>	<b>(\$40.655)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,311.604</b>	<b>\$1,394.772</b>	<b>(\$83.169)</b>	<b>\$1,426.820</b>	<b>(\$32.048)</b>	<b>\$1,510.626</b>	<b>(\$83.806)</b>	<b>\$1,613.283</b>	<b>(\$102.657)</b>
Depreciation	\$322.744	\$311.549	\$11.195	\$320.849	(\$9.300)	\$324.042	(\$3.193)	\$327.267	(\$3.225)
OPEB Obligation	82.051	84.513	(2.462)	87.048	(2.535)	89.660	(2.612)	89.660	0.000
Environmental Remediation	2.000	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000
<b>Total Expenses</b>	<b>\$1,718.399</b>	<b>\$1,792.834</b>	<b>(\$74.436)</b>	<b>\$1,836.717</b>	<b>(\$43.883)</b>	<b>\$1,926.328</b>	<b>(\$89.611)</b>	<b>\$2,032.210</b>	<b>(\$105.882)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$1,018.146)</b>	<b>(\$1,094.090)</b>	<b>(\$75.944)</b>	<b>(\$1,141.241)</b>	<b>(\$47.151)</b>	<b>(\$1,225.916)</b>	<b>(\$84.676)</b>	<b>(\$1,329.111)</b>	<b>(\$103.195)</b>

## REIMBURSABLE

[illegible]

**MTA LONG ISLAND RAILROAD**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016- 2015	2017	Change 2017 - 2016
<b>Revenue</b>									
Farebox Revenue	\$631.193	\$644.345	\$13.153	\$648.993	\$4.648	\$652.946	\$3.953	\$655.779	\$2.832
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	69.060	54.399	(14.661)	46.483	(7.916)	47.465	0.982	47.320	(0.145)
Capital and Other Reimbursements	230.331	280.084	49.753	249.048	(31.036)	244.688	(4.360)	242.986	(1.702)
<b>Total Revenue</b>	<b>\$930.584</b>	<b>\$978.828</b>	<b>\$48.245</b>	<b>\$944.524</b>	<b>(\$34.304)</b>	<b>\$945.099</b>	<b>\$0.575</b>	<b>\$946.085</b>	<b>\$0.985</b>
<b>Expenses</b>									
Labor:									
Payroll	\$506.927	\$540.409	(\$33.482)	\$564.144	(\$23.735)	\$594.157	(\$30.012)	\$627.330	(\$33.173)
Overtime	105.186	106.871	(1.685)	105.935	0.936	106.190	(0.255)	107.393	(1.203)
Health and Welfare	108.136	118.951	(10.814)	126.050	(7.099)	137.748	(11.698)	149.794	(12.046)
OPEB Current Payment	62.966	66.731	(3.765)	69.857	(3.126)	74.471	(4.614)	79.371	(4.900)
Pensions	203.006	198.858	4.148	200.788	(1.930)	204.194	(3.406)	205.904	(1.710)
Other Fringe Benefits	125.447	135.328	(9.882)	141.337	(6.009)	148.747	(7.409)	155.657	(6.910)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$1,111.669</b>	<b>\$1,167.149</b>	<b>(\$55.480)</b>	<b>\$1,208.112</b>	<b>(\$40.963)</b>	<b>\$1,265.507</b>	<b>(\$57.395)</b>	<b>\$1,325.449</b>	<b>(\$59.943)</b>
Non-Labor:									
Electric Power	\$99.451	\$103.171	(\$3.720)	\$105.991	(\$2.820)	\$110.456	(\$4.465)	\$114.777	(\$4.321)
Fuel	31.363	30.671	0.692	29.790	0.881	29.985	(0.195)	30.767	(0.782)
Insurance	24.610	30.941	(6.331)	35.054	(4.113)	39.413	(4.359)	44.756	(5.343)
Claims	4.085	4.156	(0.071)	4.229	(0.073)	4.303	(0.074)	4.370	(0.067)
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	70.802	85.441	(14.639)	75.197	10.244	81.229	(6.032)	99.998	(18.769)
Professional Service Contracts	38.410	47.732	(9.322)	33.813	13.919	33.143	0.670	34.451	(1.308)
Materials & Supplies	148.034	188.536	(40.502)	167.788	20.748	174.695	(6.907)	184.702	(10.007)
Other Business Expenses	13.512	17.060	(3.548)	15.895	1.165	16.583	(0.689)	16.999	(0.416)
<b>Total Non-Labor Expenses</b>	<b>\$430.266</b>	<b>\$507.708</b>	<b>(\$77.442)</b>	<b>\$467.756</b>	<b>\$39.952</b>	<b>\$489.807</b>	<b>(\$22.051)</b>	<b>\$530.820</b>	<b>(\$41.013)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,541.935</b>	<b>\$1,674.856</b>	<b>(\$132.922)</b>	<b>\$1,675.868</b>	<b>(\$1.012)</b>	<b>\$1,755.314</b>	<b>(\$79.446)</b>	<b>\$1,856.269</b>	<b>(\$100.955)</b>
Depreciation	\$322.744	\$311.549	\$11.195	\$320.849	(\$9.300)	\$324.042	(\$3.193)	\$327.267	(\$3.225)
OPEB Obligation	82.051	84.513	(2.462)	87.048	(2.535)	89.660	(2.612)	89.660	0.000
Environmental Remediation	2.000	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000
<b>Total Expenses</b>	<b>\$1,948.730</b>	<b>\$2,072.918</b>	<b>(\$124.189)</b>	<b>\$2,085.765</b>	<b>(\$12.847)</b>	<b>\$2,171.016</b>	<b>(\$85.251)</b>	<b>\$2,275.196</b>	<b>(\$104.180)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$1,018.146)</b>	<b>(\$1,094.090)</b>	<b>(\$75.944)</b>	<b>(\$1,141.241)</b>	<b>(\$47.151)</b>	<b>(\$1,225.916)</b>	<b>(\$84.676)</b>	<b>(\$1,329.111)</b>	<b>(\$103.195)</b>

**MTA LONG ISLAND RAILROAD**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016- 2015	2017	Change 2017 - 2016
<b>Receipts</b>									
Farebox Revenue	\$655.916	\$668.345	\$12.429	\$672.993	\$4.648	\$676.946	\$3.953	\$679.779	\$2.833
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	111.134	45.976	(65.158)	37.785	(8.191)	38.485	0.700	38.023	(0.462)
Capital and Other Reimbursements	207.647	240.887	33.240	231.362	(9.525)	226.487	(4.875)	224.485	(2.002)
<b>Total Receipts</b>	<b>\$974.697</b>	<b>\$955.208</b>	<b>(\$19.489)</b>	<b>\$942.140</b>	<b>(\$13.068)</b>	<b>\$941.918</b>	<b>(\$0.222)</b>	<b>\$942.287</b>	<b>\$0.369</b>
<b>Expenditures</b>									
Labor:									
Payroll	\$507.577	\$537.697	(\$30.120)	\$561.371	(\$23.674)	\$591.320	(\$29.949)	\$624.499	(\$33.179)
Overtime	105.186	106.871	(1.685)	105.935	0.936	106.190	(0.255)	107.393	(1.203)
Health and Welfare	108.136	118.951	(10.815)	126.050	(7.099)	137.748	(11.698)	149.794	(12.046)
OPEB Current Payment	62.966	66.731	(3.765)	69.857	(3.126)	74.471	(4.614)	79.371	(4.900)
Pensions	203.701	198.858	4.843	200.788	(1.930)	204.194	(3.406)	205.904	(1.710)
Other Fringe Benefits	126.847	135.328	(8.481)	141.337	(6.009)	148.747	(7.410)	155.657	(6.910)
GASB Account	12.593	13.346	(0.753)	13.971	(0.625)	14.894	(0.923)	15.874	(0.980)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$1,127.006</b>	<b>\$1,177.782</b>	<b>(\$50.776)</b>	<b>\$1,219.309</b>	<b>(\$41.527)</b>	<b>\$1,277.564</b>	<b>(\$58.255)</b>	<b>\$1,338.492</b>	<b>(\$60.928)</b>
Non-Labor:									
Electric Power	\$132.822	\$103.171	\$29.651	\$105.991	(\$2.820)	\$110.456	(\$4.465)	\$114.777	(\$4.321)
Fuel	31.711	30.671	1.040	29.790	0.881	29.985	(0.195)	30.767	(0.782)
Insurance	23.588	30.751	(7.163)	34.857	(4.106)	39.196	(4.339)	45.516	(6.320)
Claims	2.953	2.346	0.607	2.400	(0.054)	2.455	(0.055)	2.505	(0.050)
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	77.745	85.441	(7.696)	75.197	10.244	81.229	(6.032)	99.998	(18.769)
Professional Service Contracts	39.672	44.382	(4.710)	30.305	14.077	29.470	0.835	30.604	(1.134)
Materials & Supplies	129.550	177.452	(47.902)	164.465	12.987	175.039	(10.574)	185.903	(10.864)
Other Business Expenses	17.549	16.327	1.222	15.248	1.079	15.922	(0.674)	16.324	(0.402)
<b>Total Non-Labor Expenditures</b>	<b>\$455.590</b>	<b>\$490.541</b>	<b>(\$34.951)</b>	<b>\$458.253</b>	<b>\$32.288</b>	<b>\$483.752</b>	<b>(\$25.499)</b>	<b>\$526.394</b>	<b>(\$42.642)</b>
Other Expenditure Adjustments:									
Other	\$24.000	\$24.000	0.000	\$24.000	0.000	\$24.000	0.000	\$24.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$24.000</b>	<b>\$24.000</b>	<b>\$0.000</b>	<b>\$24.000</b>	<b>\$0.000</b>	<b>\$24.000</b>	<b>\$0.000</b>	<b>\$24.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$1,606.596</b>	<b>\$1,692.323</b>	<b>(\$85.727)</b>	<b>\$1,701.562</b>	<b>(\$9.239)</b>	<b>\$1,785.316</b>	<b>(\$83.754)</b>	<b>\$1,888.886</b>	<b>(\$103.570)</b>
Cash Timing and Availability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Baseline Net Cash Deficit</b>	<b>(\$631.899)</b>	<b>(\$737.115)</b>	<b>(\$105.216)</b>	<b>(\$759.422)</b>	<b>(\$22.307)</b>	<b>(\$843.398)</b>	<b>(\$83.976)</b>	<b>(\$946.599)</b>	<b>(\$103.201)</b>

**MTA LONG ISLAND RAIL ROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Plan-To-Plan Changes by Generic Category - Baseline**

**2013: November Forecast vs. July Financial Plan**

2013 November Forecast is based on actual performance through July with projections for August through December based on current trends and known activities.

**Revenue**

- Passenger Revenue is slightly unfavorable to plan primarily due to overall lower ridership.
- Other Operating Revenue is unfavorable due to timing of a real estate sale.
- Capital and Other Reimbursements are lower primarily resulting from changes in capital project activity and lower East Side Access material requirements.

**Expense**

- Payroll – decreased due to the average number of vacant positions throughout the year.
- Other Fringe, including Railroad Retirement Taxes, decreased due to the average number of vacant positions throughout the year.
- Overtime – increased as a result of vacant craft and foreman positions in the Maintenance of Equipment department and lower availability in Train Operations and Customer Service. A hiring plan is in place to fill and train a significant number of the vacant positions by the end of 2013.
- Health and Welfare costs are lower due to the average number of vacant positions.
- Lower Electric Power is due to lower inflationary growth assumptions.
- Lower Maintenance and other Operating Contracts are due to a re-estimate of various maintenance and other operating contracts as well as timing of activities between 2013 and 2014.
- Lower Professional Services primarily due to a re-estimate and timing of various IT hardware, software and maintenance activities between 2013 and 2014.

**2014 - 2017: November Financial Plan vs. July Financial Plan**

**Revenue**

- Passenger Revenue is similar to the July Financial Plan.
- Other Operating Revenue is favorable in 2014 due to the timing of a real estate sale and similar to the July Financial Plan in the outer years.
- Capital and Other Reimbursements are higher primarily resulting from higher project activity.

## **Expense**

- Payroll - increases from the July Financial Plan due to higher positions associated with track worker adjustments, movement bureau staffing levels and changes in capital program activity.
- Overtime - increases primarily driven by weather related overtime based on a historical three year average, higher absentee coverage based on an average of 37 vacant craft positions (with a corresponding decrease in straight time payroll and fringe costs), higher availability coverage due to training and posting and changes in project activity.
- Health and Welfare costs decrease due to lower rates, partially offset by increased positions.
- OPEB Current Payment costs decrease due to lower rates.
- Electric Power decreases, reflecting lower rates.
- Higher Maintenance and other Operating Contracts are due to timing and re-estimates of various maintenance and other operating contracts, Transformer repairs at Island Park and Valley Stream and higher Penn Station joint facility costs.
- Professional Services are higher each year due to timing and re-estimates of various professional services including IT initiatives, capital activities, and several track and East River tunnel maintenance studies.
- Material & Supplies change each year due to a re-estimate of material needs associated with the RCM program, operating funded capital and highway fleet cyclical replacement program (2014 only).

**MTA LONG ISLAND RAILROAD**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit) (adjusted) *</b>	<b>(\$669.199)</b>	<b>(\$719.721)</b>	<b>(\$763.341)</b>	<b>(\$849.688)</b>	<b>(\$953.024)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	(\$0.081)	(\$0.345)	\$0.258	\$0.605	\$0.526
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(2.587)	3.170	0.128	(0.172)	(0.214)
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>(\$2.668)</b>	<b>\$2.825</b>	<b>\$0.386</b>	<b>\$0.433</b>	<b>\$0.312</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	(\$1.918)	(\$2.463)	\$0.860	\$0.668	\$0.533
Overtime	(1.035)	(10.352)	(9.169)	(9.277)	(9.143)
Health and Welfare	0.733	6.272	5.926	7.180	8.674
OPEB Current Payment	0.000	3.887	3.534	4.205	4.962
Pensions	0.767	(0.134)	0.444	0.854	0.668
Other Fringe Benefits	1.573	(1.216)	(0.568)	(0.673)	(0.787)
Reimbursable Overhead	5.133	(0.236)	0.781	1.504	1.177
<b>Total Labor Expense Changes</b>	<b>\$5.252</b>	<b>(\$4.243)</b>	<b>\$1.807</b>	<b>\$4.461</b>	<b>\$6.084</b>
<b>Non-Labor:</b>					
Electric Power	\$1.917	\$1.215	\$1.932	\$1.142	\$1.132
Fuel	(0.008)	(0.009)	0.361	0.864	1.046
Insurance	0.393	1.308	1.290	0.024	(1.218)
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	4.966	(5.524)	(1.554)	(1.317)	(1.332)
Professional Service Contracts	3.337	(8.439)	(0.523)	(0.558)	(0.581)
Materials & Supplies	1.104	(4.212)	(0.532)	0.326	(0.092)
Other Business Expenses	0.514	(0.207)	(0.023)	(0.028)	(0.026)
<b>Total Non-Labor Expense Changes</b>	<b>\$12.224</b>	<b>(\$15.868)</b>	<b>\$0.952</b>	<b>\$0.453</b>	<b>(\$1.071)</b>
<b>Total Expense Changes before Depreciation and GASB Adjs.</b>	<b>\$17.476</b>	<b>(\$20.110)</b>	<b>\$2.759</b>	<b>\$4.914</b>	<b>\$5.013</b>
<b>Depreciation</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>OPEB Obligation</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Environmental Remediation</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Expense Changes</b>	<b>\$17.476</b>	<b>(\$20.110)</b>	<b>\$2.759</b>	<b>\$4.914</b>	<b>\$5.013</b>
<b>Cash Adjustment Changes</b>					
GASB	\$0.000	\$0.778	\$0.707	\$0.841	\$0.993
Insurance	(1.164)	0.857	(0.024)	0.010	0.012
Material Drawdown	0.000	7.000	0.000	0.000	0.000
LIPA Settlement - expense recalculation	6.000	0.000	0.000	0.000	0.000
Maintenance & Other Operating Contracts	1.000	0.000	0.000	0.000	0.000
FELA/Claims	10.472	0.000	0.000	0.000	0.000
Other Misc	(1.412)	0.177	0.083	0.083	0.087
<b>Total Cash Adjustment Changes</b>	<b>\$14.896</b>	<b>\$8.812</b>	<b>\$0.766</b>	<b>\$0.934</b>	<b>\$1.092</b>
<b>Total Baseline Changes</b>	<b>\$29.704</b>	<b>(\$8.473)</b>	<b>\$3.911</b>	<b>\$6.282</b>	<b>\$6.417</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$639.495)</b>	<b>(\$728.194)</b>	<b>(\$759.430)</b>	<b>(\$843.406)</b>	<b>(\$946.607)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan.

**MTA LONG ISLAND RAILROAD**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit) (adjusted) *</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$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	(6.488)	9.398	3.884	8.907	6.997
<b>Total Revenue Changes</b>	<b>(\$6.488)</b>	<b>\$9.398</b>	<b>\$3.884</b>	<b>\$8.907</b>	<b>\$6.997</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$5.148	\$0.974	(\$1.313)	(\$2.819)	(\$1.843)
Overtime	0.276	(1.507)	(1.060)	(1.408)	(1.545)
Health and Welfare	0.015	0.096	(0.294)	(0.684)	(0.524)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	(0.767)	0.134	(0.444)	(0.854)	(0.668)
Other Fringe Benefits	1.071	0.115	(0.353)	(0.823)	(0.631)
Reimbursable Overhead	(5.133)	0.236	(0.781)	(1.504)	(1.177)
<b>Total Labor Expense Changes</b>	<b>\$0.610</b>	<b>\$0.048</b>	<b>(\$4.245)</b>	<b>(\$8.092)</b>	<b>(\$6.388)</b>
<b>Non-Labor:</b>					
Electric Power	(\$0.103)	(\$0.046)	(\$0.034)	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000
Insurance	0.612	0.093	0.030	(0.190)	(0.106)
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	0.099	(1.608)	(0.051)	(0.119)	(0.091)
Professional Service Contracts	0.200	(4.684)	(0.369)	0.009	(0.317)
Materials & Supplies	5.278	(3.202)	0.787	(0.511)	(0.091)
Other Business Expenses	(0.208)	0.001	(0.002)	(0.004)	(0.004)
<b>Total Non-Labor Expense Changes</b>	<b>\$5.878</b>	<b>(\$9.446)</b>	<b>\$0.361</b>	<b>(\$0.815)</b>	<b>(\$0.609)</b>
<b>Total Expense Changes</b>	<b>\$6.488</b>	<b>(\$9.398)</b>	<b>(\$3.884)</b>	<b>(\$8.907)</b>	<b>(\$6.997)</b>
<b>Cash Adjustment Changes</b>					
Operating Funded Capital	7.596	(8.921)	0.008	0.008	0.008
<b>Total Cash Adjustment Changes</b>	<b>\$7.596</b>	<b>(\$8.921)</b>	<b>\$0.008</b>	<b>\$0.008</b>	<b>\$0.008</b>
<b>Total Baseline Changes</b>	<b>\$7.596</b>	<b>(\$8.921)</b>	<b>\$0.008</b>	<b>\$0.008</b>	<b>\$0.008</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$7.596</b>	<b>(\$8.921)</b>	<b>\$0.008</b>	<b>\$0.008</b>	<b>\$0.008</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan.

**MTA LONG ISLAND RAILROAD**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE/REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit) (adjusted) *</b>	<b>(\$669.199)</b>	<b>(\$719.721)</b>	<b>(\$763.341)</b>	<b>(\$849.688)</b>	<b>(\$953.024)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	(\$0.081)	(\$0.345)	\$0.258	\$0.605	\$0.526
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(2.587)	3.170	0.128	(0.172)	(0.214)
Capital and Other Reimbursement	(6.488)	9.398	3.884	8.907	6.997
<b>Total Revenue Changes</b>	<b>(\$9.156)</b>	<b>\$12.223</b>	<b>\$4.270</b>	<b>\$9.340</b>	<b>\$7.309</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$3.230	(\$1.489)	(\$0.453)	(\$2.151)	(\$1.310)
Overtime	(0.759)	(11.859)	(10.229)	(10.685)	(10.688)
Health and Welfare	0.748	6.368	5.632	6.496	8.150
OPEB Current Payment	0.000	3.887	3.534	4.205	4.962
Pensions	0.000	(0.000)	0.000	0.000	0.000
Other Fringe Benefits	2.644	(1.101)	(0.921)	(1.496)	(1.418)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>\$5.862</b>	<b>(\$4.195)</b>	<b>(\$2.438)</b>	<b>(\$3.631)</b>	<b>(\$0.304)</b>
<b>Non-Labor:</b>					
Electric Power	\$1.814	\$1.169	\$1.898	\$1.142	\$1.132
Fuel	(0.008)	(0.009)	0.361	0.864	1.046
Insurance	1.005	1.401	1.320	(0.166)	(1.324)
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	5.065	(7.132)	(1.605)	(1.436)	(1.423)
Professional Service Contracts	3.537	(13.123)	(0.892)	(0.549)	(0.898)
Materials & Supplies	6.382	(7.414)	0.255	(0.185)	(0.183)
Other Business Expenses	0.306	(0.206)	(0.025)	(0.032)	(0.030)
<b>Total Non-Labor Expense Changes</b>	<b>\$18.102</b>	<b>(\$25.314)</b>	<b>\$1.313</b>	<b>(\$0.362)</b>	<b>(\$1.680)</b>
<b>Total Expense Changes before Depreciation and GASB Adjs.</b>	<b>\$23.964</b>	<b>(\$29.508)</b>	<b>(\$1.125)</b>	<b>(\$3.993)</b>	<b>(\$1.984)</b>
<b>Depreciation</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>OPEB Obligation</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Environmental Remediation</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Expense Changes</b>	<b>\$23.964</b>	<b>(\$29.508)</b>	<b>(\$1.125)</b>	<b>(\$3.993)</b>	<b>(\$1.984)</b>
<b>Cash Adjustment Changes</b>					
GASB	\$0.000	\$0.778	\$0.707	\$0.841	\$0.993
Operating Funded Capital	7.596	(8.921)	0.008	0.008	0.008
Insurance	(1.164)	0.857	(0.024)	0.010	0.012
Material Drawdown	0.000	7.000	0.000	0.000	0.000
LIPA Settlement - expense recalculation	6.000	0.000	0.000	0.000	0.000
Maintenance & Other Operating Contracts	1.000	0.000	0.000	0.000	0.000
FELA/Claims	10.472	0.000	0.000	0.000	0.000
Other Misc	(1.412)	0.177	0.083	0.083	0.087
<b>Total Cash Adjustment Changes</b>	<b>\$22.492</b>	<b>(\$0.109)</b>	<b>\$0.774</b>	<b>\$0.942</b>	<b>\$1.100</b>
<b>Total Baseline Changes</b>	<b>\$37.300</b>	<b>(\$17.394)</b>	<b>\$3.919</b>	<b>\$6.290</b>	<b>\$6.425</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$631.899)</b>	<b>(\$737.115)</b>	<b>(\$759.422)</b>	<b>(\$843.398)</b>	<b>(\$946.599)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan.

**MTA LONG ISLAND RAIL ROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Summary of Major Plan-To-Plan Changes**

- Health and Welfare rates lower in 2014 – 2017 based on the most recent revisions for Empire Plan cost assumptions provided by the NYS Department of Civil Service.
- Lower Utility rate assumptions for Traction Power.
- Timing adjustments between 2013 and 2014 related to various IT initiatives, elevator/escalator maintenance, security initiatives, equipment rentals and other outside services.
- Higher Penn Station New York Amtrak joint facility costs projected in 2014 – 2017 based on the latest cost projections provided by Amtrak.
- Several maintenance studies will be conducted in 2014, including the Chairman's Blue Ribbon Commission to investigate track infrastructure conditions and maintenance practices, as well as East River Tunnel third rail issues.
- Track worker headcount adjustments in 2014 – 2017 to reflect anticipated maintenance and capital project activity.
- Higher Transformer repairs in 2014 as a result of fires at Island Park and Valley Stream.
- Higher weather-related overtime based on historical analysis.
- Replacement of work truck fleet based on industry standards in order to maintain fleet in a state of good repair.
- Based on improved inventory management, there will be greater material drawdowns in 2014 resulting in a \$7.0 million cash savings.
- Based on recently completed negotiations with a major utility provider, anticipate a one-time cash savings of \$6.0 million in 2013.
- Based on a review of outstanding legal claims, there will be a one-time cash savings of \$10.5 million in 2013.

**MTA LONG ISLAND RAILROAD**  
**November Financial Plan 2014-2017**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit) (adjusted) *</b>	<b>(\$669.199)</b>	<b>(\$719.721)</b>	<b>(\$763.341)</b>	<b>(\$849.688)</b>	<b>(\$953.024)</b>
<b><i>Non-Reimbursable Major Changes</i></b>					
<b>Revenue</b>					
Farebox Revenue	(\$0.081)	(\$0.345)	\$0.258	\$0.605	\$0.526
Other Operating Revenue	0.413	0.170	0.128	(0.172)	(0.214)
Timing of real estate sale	(3.000)	3.000			
Sub-Total Non-Reimbursable Revenue Changes	(\$2.668)	\$2.825	\$0.386	\$0.433	\$0.312
<b>Expenses</b>					
Health & Welfare rate adjustment		\$10.512	\$9.649	\$11.714	\$13.980
Utility Rate Adjustments	2.307	1.922	2.275	2.021	2.192
Timing adjustments	7.159	(6.265)	(0.385)	(0.242)	(0.242)
Payroll rates, open positions and other misc. labor adjustments	4.884	(1.503)	(0.378)	(0.487)	(0.336)
Misc non-payroll adjustments	3.117	(2.574)	0.330	0.144	0.140
PSNY Joint Facility Maintenance	(0.045)	(2.138)	(2.141)	(2.144)	(2.148)
Trackworker Headcount adjustments and maintenance studies		(3.280)	(2.045)	(2.059)	(1.982)
Transformer Repairs		(1.250)			
Weather Related Overtime		(5.324)	(5.366)	(5.601)	(5.953)
Availability Overtime		(1.030)	(0.100)	(0.102)	(0.104)
Crew Book, Maintenance and Other Overtime	(1.648)	(0.230)	(0.234)	(0.239)	(0.243)
Highway Fleet Cyclical Replacement		(4.000)	-	-	-
Reimbursable headcount and overtime adjustments	0.757	(1.709)	1.512	2.597	1.752
Training Associated costs	0.564	(0.905)	(0.174)	(0.552)	-
Other Changes	0.381	(2.336)	(0.184)	(0.136)	(2.043)
Sub-Total Non-Reimbursable Expense Changes	\$17.476	(\$20.110)	\$2.759	\$4.914	\$5.013
<b>Total Non-Reimbursable Major Changes</b>	<b>\$14.808</b>	<b>(\$17.285)</b>	<b>\$3.145</b>	<b>\$5.348</b>	<b>\$5.325</b>
<b><i>Reimbursable Major Changes</i></b>					
<b>Revenue</b>					
Capital and Other Reimbursement	(6.488)	9.398	3.884	8.907	6.997
Sub-Total Reimbursable Revenue Changes	(\$6.488)	\$9.398	\$3.884	\$8.907	\$6.997
<b>Expenses</b>					
Labor	\$0.610	\$0.048	(\$4.245)	(\$8.092)	(\$6.388)
Non Labor	5.878	(9.446)	0.361	(0.815)	(0.609)
Sub-Total Reimbursable Expense Changes	\$6.488	(\$9.398)	(\$3.884)	(\$8.907)	(\$6.997)
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>\$14.808</b>	<b>(\$17.285)</b>	<b>\$3.145</b>	<b>\$5.348</b>	<b>\$5.325</b>
<b><i>Cash Adjustment Changes</i></b>					
GASB	\$0.000	\$0.778	\$0.707	\$0.841	\$0.993
Operating Funded Capital	7.596	(8.921)	0.008	0.008	0.008
Insurance	(1.164)	0.857	(0.024)	0.010	0.012
Material Drawdown	-	7.000	-	-	-
LIPA Settlement - expense recalculation	6.000	-	-	-	-
Maintenance & Other Operating Contracts	1.000	-	-	-	-
FELA/Claims	10.472	-	-	-	-
Other Misc	(1.412)	0.177	0.083	0.083	0.087
<b>Total Cash Adjustment Changes</b>	<b>\$22.492</b>	<b>(\$0.109)</b>	<b>\$0.774</b>	<b>\$0.942</b>	<b>\$1.100</b>
<b>Total Baseline Changes</b>	<b>\$37.300</b>	<b>(\$17.394)</b>	<b>\$3.919</b>	<b>\$6.290</b>	<b>\$6.425</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$631.899)</b>	<b>(\$737.115)</b>	<b>(\$759.422)</b>	<b>(\$843.398)</b>	<b>(\$946.599)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan.

**MTA LONG ISLAND RAIL ROAD  
2014 Final Proposed Budget  
November Financial Plan 2014 – 2017  
Ridership/(Utilization)**

**RIDERSHIP/UTILIZATION PROJECTIONS**

The regional economy and employment are the primary drivers of passenger ridership and revenue. Ridership through August was 0.4% below the Mid-Year Forecast and below the 2012 levels by 0.9% (adjusted for the same number of work days). The November Forecast projects 2013 ridership to be 83.2 million, which is a slight decrease over the Mid-Year Forecast. Ridership projections for the outer years 2014-2017 reveal modest annual growth of 0.8% in 2014, 0.7% in 2015, 0.6% in 2016, and 0.2% in 2017.

**MTA LONG ISLAND RAIL ROAD**  
**November Financial Plan 2014-2017**  
**Ridership/(Utilization)**  
(\$ in millions)

	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b><u>RIDERSHIP</u></b>						
Monthly	44.965	46.206	46.538	46.866	47.166	47.196
Weekly	1.823	1.787	1.797	1.809	1.820	1.828
<b>Total Commutation</b>	<b>46.788</b>	<b>47.993</b>	<b>48.335</b>	<b>48.675</b>	<b>48.986</b>	<b>49.024</b>
One-Way Full Fare	7.904	8.117	8.184	8.240	8.291	8.327
One-Way Off Peak	17.514	17.477	17.637	17.759	17.868	17.946
All Other	9.548	9.594	9.728	9.827	9.885	9.926
<b>Total Non-Commutation</b>	<b>34.966</b>	<b>35.188</b>	<b>35.548</b>	<b>35.827</b>	<b>36.044</b>	<b>36.199</b>
<b>Total Ridership</b>	<b>81.753</b>	<b>83.181</b>	<b>83.884</b>	<b>84.502</b>	<b>85.030</b>	<b>85.223</b>
<b><u>FAREBOX REVENUE</u></b>						
<b>Total Passenger Revenue</b>	<b>\$581.371</b>	<b>\$631.193</b>	<b>\$644.345</b>	<b>\$648.993</b>	<b>\$652.946</b>	<b>\$655.779</b>

**MTA LONG ISLAND RAIL ROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Positions**  
**Plan-to-Plan Summary of Changes**

**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 seasonal as well as other fluctuations in staffing requirements for capital projects.

**2013 Changes**

Total Positions of 6,901 in 2013 represents a decrease of 7 non-reimbursable positions from the Mid-Year Forecast.

**2014 Changes**

The 2014 Final Proposed Budget totals 6,953 positions, an increase of 9 positions from the July Financial Plan. The net decrease of 34 non-reimbursable positions results primarily from monthly timing adjustments to the 2014 capital project schedule, partially offset by additional track workers and Movement Bureau staffing levels (shift from overtime to straight-time). The net increase of 43 reimbursable positions is driven by project activity.

**2015 – 2017 Changes**

The 2015 - 2017 Final Proposed Budget reflects increases of 45, 71, and 61 positions, respectively. Non-reimbursable positions increased by 29 positions in 2015, 30 in 2016 and 29 in 2017, and reflects a continuation of initiatives begun in 2014 continue through 2017. Reimbursable positions increase by 16 in 2015, 41 in 2016, and 32 in 2017 due to project activity.

**MTA LONG ISLAND RAIL ROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Positions**  
**Year-To-Year Summary of Changes**

**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.

**2013 - 2014 Changes**

The 2014 Final Proposed Budget totals 6,953 positions, an increase of 52 positions from the 2013 November Forecast. This includes an increase of 25 non-reimbursable positions and 27 reimbursable positions. The non-reimbursable increase is primarily related to East Side Access readiness efforts.

**2015 – 2017 Changes**

Annual staffing levels increase by 202 in 2015, 279 in 2016, and 208 in 2017. Non-reimbursable positions increase by 249 in 2015, 319 in 2016 and 217 in 2017. These increases are primarily related to East Side Access readiness efforts (increases of 210, 322, and 233 positions, respectively). Reimbursable positions decreased by 47 in 2015, 40 in 2016, and 9 in 2017 due to changes in project activity.

**MTA LONG ISLAND RAIL ROAD**  
**November Financial Plan 2014-2017**  
Favorable/(Unfavorable)

**Total Position Changes at a Glance**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2013 July Plan - Total Baseline Positions</b>	<b>6,908</b>	<b>6,944</b>	<b>7,110</b>	<b>7,363</b>	<b>7,581</b>
Total Plan-to-Plan Changes	7	(9)	(45)	(71)	(61)
<b>2013 November Plan - Total Baseline Positions</b>	<b>6,901</b>	<b>6,953</b>	<b>7,155</b>	<b>7,434</b>	<b>7,642</b>
Total Year-to-Year Changes, November Plan		(52)	(202)	(279)	(208)

**Total Plan-to-Plan Changes by Reporting Category:**

<i>Non-Reimbursable</i>	7	34	(29)	(30)	(29)
<i>Reimbursable</i>	0	(43)	(16)	(41)	(32)
<b>Total</b>	<b>7</b>	<b>(9)</b>	<b>(45)</b>	<b>(71)</b>	<b>(61)</b>
<i>Full-Time</i>	7	(9)	(45)	(71)	(61)
<i>Full-Time Equivalents</i>	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>(9)</b>	<b>(45)</b>	<b>(71)</b>	<b>(61)</b>
<i>By Function Category</i>					
- Administration	2	(5)	(5)	(7)	(7)
- Operations	0	(25)	(27)	(28)	(26)
- Maintenance	5	15	(19)	(42)	(34)
- Engineering/Capital	0	6	6	6	6
- Public Safety	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>(9)</b>	<b>(45)</b>	<b>(71)</b>	<b>(61)</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	(4)	(47)	(21)	(23)	(15)
- Professional, Technical, Clerical	(1)	(3)	1	1	1
- Operational Hourlies	12	41	(25)	(49)	(47)
<b>Total</b>	<b>7</b>	<b>(9)</b>	<b>(45)</b>	<b>(71)</b>	<b>(61)</b>

**Total Plan-to-Plan Changes by Major Category:**

<i>2013 BRPs</i>	0	0	0	0	0
<i>New Needs</i>	0	0	0	0	0
<i>Change in Reimbursable Positions</i>	0	(43)	(16)	(41)	(32)
<i>Re-estimates &amp; All Other<sup>1</sup></i>	7	34	(29)	(30)	(29)
<b>Total</b>	<b>7</b>	<b>(9)</b>	<b>(45)</b>	<b>(71)</b>	<b>(61)</b>

<sup>1</sup> Includes Full-time Equivalents

**MTA LONG ISLAND RAIL ROAD**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Administration</b>						
Executive VP	5	5	5	5	5	5
Labor Relations	11	18	18	18	18	18
Procurement & Logistics (excl. Stores)	79	88	83	83	80	81
Human Resources	29	32	32	38	48	51
Sr VP Administration	2	2	2	2	2	2
Strategic Investments	26	32	32	32	32	32
President	4	4	4	4	4	4
VP & CFO/Pensions	8	2	2	2	2	2
Information Technology	153	162	164	165	165	172
Controller	39	45	46	46	46	46
Management and Budget	18	18	19	19	19	19
Process Re-Engineering	6	7	7	7	7	7
VP - East Side Access & Special Projects	23	34	42	42	42	42
Market Dev. & Public Affairs	56	60	60	60	60	60
Gen. Counsel & Secretary	31	30	30	30	30	30
Diversity Management	1	1	1	1	1	1
System Safety	69	75	74	72	72	72
Security	6	6	11	11	11	11
Sr VP Operations/ Serv. Planning	18	24	22	22	22	22
<b>Total Administration</b>	<b>584</b>	<b>645</b>	<b>654</b>	<b>659</b>	<b>666</b>	<b>677</b>
<b>Operations</b>						
Train Operations	1,868	1,986	2,004	2,137	2,230	2,376
Customer Service	286	299	299	299	296	302
<b>Total Operations</b>	<b>2,154</b>	<b>2,285</b>	<b>2,303</b>	<b>2,436</b>	<b>2,526</b>	<b>2,678</b>
<b>Maintenance</b>						
Engineering	1,516	1,722	1,740	1,768	1,761	1,755
Equipment	1,948	2,014	2,027	2,063	2,252	2,303
Procurement (Stores)	91	93	93	93	93	93
<b>Total Maintenance</b>	<b>3,555</b>	<b>3,829</b>	<b>3,860</b>	<b>3,924</b>	<b>4,106</b>	<b>4,151</b>
<b>Engineering/Capital</b>						
Department of Project Management	121	142	136	136	136	136
<b>Total Engineering/Capital</b>	<b>121</b>	<b>142</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>
<b>Total Baseline Positions</b>	<b>6,414</b>	<b>6,901</b>	<b>6,953</b>	<b>7,155</b>	<b>7,434</b>	<b>7,642</b>
<i>Non-Reimbursable</i>	5,960	6,134	6,159	6,408	6,727	6,944
<i>Reimbursable</i>	454	767	794	747	707	698
<i>Total Full-Time</i>	6,414	6,901	6,953	7,155	7,434	7,642
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

**MTA LONG ISLAND RAIL ROAD**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP		2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>							
	Managers/Supervisors	281	332	342	348	357	368
	Professional, Technical, Clerical	303	313	312	311	309	309
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Administration</b>	<b>584</b>	<b>645</b>	<b>654</b>	<b>659</b>	<b>666</b>	<b>677</b>
<b>Operations</b>							
	Managers/Supervisors	298	325	335	334	335	353
	Professional, Technical, Clerical	160	167	167	167	163	163
	Operational Hourlies	1,696	1,793	1,801	1,935	2,028	2,162
	<b>Total Operations</b>	<b>2,154</b>	<b>2,285</b>	<b>2,303</b>	<b>2,436</b>	<b>2,526</b>	<b>2,678</b>
<b>Maintenance</b>							
	Managers/Supervisors	639	744	760	770	813	807
	Professional, Technical, Clerical	255	277	269	267	267	267
	Operational Hourlies	2,661	2,808	2,831	2,887	3,026	3,077
	<b>Total Maintenance</b>	<b>3,555</b>	<b>3,829</b>	<b>3,860</b>	<b>3,924</b>	<b>4,106</b>	<b>4,151</b>
<b>Engineering/Capital</b>							
	Managers/Supervisors	97	106	99	99	99	99
	Professional, Technical, Clerical	24	36	37	37	37	37
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Engineering/Capital</b>	<b>121</b>	<b>142</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>
<b>Public Safety</b>							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Public Safety</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Baseline Positions</b>							
	Managers/Supervisors	1,315	1,507	1,536	1,551	1,604	1,627
	Professional, Technical, Clerical	742	793	785	782	776	776
	Operational Hourlies	4,357	4,601	4,632	4,822	5,054	5,239
	<b>Total Baseline Positions</b>	<b>6,414</b>	<b>6,901</b>	<b>6,953</b>	<b>7,155</b>	<b>7,434</b>	<b>7,642</b>

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# **Metro-North Railroad**

**MTA METRO-NORTH RAILROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**

**FINANCIAL OVERVIEW**

The November 2014-2017 Financial Plan reflects a focus on key strategic investments required to support Metro-North's mission to provide safe, secure and reliable transportation service to its customers. These investments enable the Railroad to achieve its core performance goals and reduce operating risk.

In response to 2013 findings and in anticipation of formal recommendations from the National Transportation Safety Board (NTSB) and Transportation Technology Center Inc. (TTCI), the November Financial Plan update includes programs and integrates additional resources required to continue the Maintenance of Way infrastructure improvement program started in 2013, improvements to strengthen track maintenance and inspection programs, enhancements to the safety program and resources required to address increased training needs resulting from higher levels of attrition. To fund these new needs, the financial plan incorporates the continuation of the positive financial trends that Metro-North has experienced to date, including more efficient use of materials and equipment, increasing non-passenger revenue from Grand Central Terminal (GCT) retail operations, and the re-timing of expenditures. As final recommendations are developed – whether by Metro-North, the NTSB, and/or TTCI for infrastructure improvements, those recommendations will be reflected in the next financial plan update.

Evolving new needs included in the November Financial Plan are described below.

***Infrastructure Improvement Program***

- **Right-of-Way Track Improvement Program**

In-depth testing and inspection of Metro-North's right-of-way has uncovered many areas of inadequate drainage that has caused premature deterioration of the track infrastructure. In 2014, Metro-North will continue work that began in July 2013 to accelerate maintenance efforts and further improve the right-of-way. This program, covering areas throughout Metro-North's territory, includes track and drainage improvements, tie replacement, fencing repairs, and general clean-up. These efforts will require additional overtime, material, and equipment rental fees through 2015. The estimated cost of this program is \$17 million in 2013, \$19 million in 2014 and \$16 million in 2015.

- **Right-of-Way Track Maintenance and Inspection Program**

This program represents a long term strategy to improve track maintenance and inspection through an increase in staffing that will target enhancing capabilities in track engineering and design, track performance analysis, and additional

management oversight of production maintenance and equipment. Identified to date is the addition of 10 management positions at an annual cost of \$1.6 million starting in 2014 that will enable the following improvements:

- Track engineering & design will be enhanced through the development, design and evaluation of engineering projects for track, switch, and interlocking issues. Improvements in this area will assist in creating sustainable maintenance systems and monitoring federally mandated inspection activities.
  - Track maintenance and inspection will be strengthened using specialized equipment. Required tasks include scheduling geometry testing runs, analyzing data, and developing coordinated maintenance and repair schedules. Track performance data will also be analyzed to develop trends and to ensure compliance with FRA and Metro-North guidelines and specifications.
- **Infrastructure Maintenance for GCT and Outlying Structures and Facilities**  
Maintenance initiatives that keep the infrastructure in good condition and protect previous investments in GCT, repair facilities, structures, employee work places and building systems will be given a greater emphasis. Inspection and cyclical maintenance programs will be developed or further refined and a long-term focus will be placed on maintenance plans that sustain a proactive and consistent response to maintenance needs in 2014 and beyond. Details surrounding this initiative include:
    - Establishing a 24/7 trouble desk to coordinate terminal repairs, prioritize tasks, and track status for GCT, the track infrastructure, and structures and facilities throughout the territory.
    - Establish asset management practices and systems to develop cyclical inspections, maintenance programs, and improvements in the management of key assets.
    - Increase engineering expertise that support contractual projects and capital design improvements of plant equipment and utilities that require on-going maintenance and repair. This will ensure a more comprehensive approach in maintaining GCT and other critical facilities and provide continuity in the management and analysis of maintenance functions.
    - Implement formal policies & procedures and cyclical inspections for GCT inventory tracking and internal controls.

### **Safety**

Metro-North will improve operational and employee safety through an increase in staffing to oversee local and corporate safety requirements. This effort will require the addition of 11 management positions at an annual cost of \$1.7 million starting in 2014.

- An internal incident/accident investigation function has been developed and provides the technical expertise needed to ensure thorough investigations are conducted. This team will work to determine root causes of operating incidents and, where necessary, enhance safety procedures and work processes through analysis of investigation results.

- Additional Safety & Security Department staffing will realize a strategic goal of assigning one Safety & Security Officer per operating district, to act as the liaison to operating departments, and as the focal point for all safety and security matters within the assigned territory.
- Additional Fire Brigade personnel will significantly enhance fire and EMS response capabilities in GCT providing on site 24/7 coverage. It will also facilitate the expansion of critical fire/life/safety inspections throughout the entire facility.

### ***Training***

Metro-North will increase its training staff by eight positions in the areas of Infrastructure and Equipment to ensure a properly trained work force and to comply with regulatory requirements at an annual cost of \$1.2 million in 2014.

- New Trainers for Maintenance of Equipment and Maintenance of Way functions are necessary to meet training needed for the influx of new employees due to higher than normal attrition of skilled staff as well as meeting new federally mandated (FRA/OSHA) minimum training standards that are to go into effect later this year.
- In addition, Metro-North is instituting new internal certification requirements on existing functions, such as wheel shop certifications, HVAC certifications and cab signaling, necessitating new recertification programs to be developed and delivered.
- These additional requirements also impact administrative needs pertaining to developing new training programs, revising existing programs, tracking of training data for reporting, analysis and notification of expiring certifications.

### ***Con Edison Power Failure on the New Haven Line***

On September 25<sup>th</sup> the failure of a 138,000 volt Con Edison feeder cable prevented Metro-North from operating electric train service in an eight-mile section of the New Haven Line, the busiest passenger rail line in the country. The failure occurred during the construction of a new \$50 million substation.

In response, Metro-North established alternate service options with limited diesel train service between Stamford and Grand Central Terminal, a shuttle bus service to the Harlem Line, and a network of park and ride lots to get passengers to other subway and rail lines. Con Edison was able to activate three temporary transformers that provided limited power and enabled some electric trains to operate through the affected area between Mount Vernon and Harrison stations. Full train service resumed Monday morning, October 7<sup>th</sup>, following successful testing of a major new electrical substation at Mount Vernon.

The financial impact from this event includes a significant ridership revenue loss including a revenue credit for New Haven Line monthly and weekly ticket holders that

was approved in a special vote by the MTA Board, due to the magnitude and duration of this non-weather related service disruption.

**In addition to these new needs, on-going programs and financial plan highlights are described below:**

***Ridership***

- The 2013 Year-end Forecast estimates 84.0 million riders, an increase of 1.3% over 2012 and on-target to the July Financial Plan projection.
- In 2014-2017 ridership is projected to grow approximately 1.6% annually with growth occurring across all commuter lines. 2014 ridership is projected at 85.9 million and growth projections incorporate service refinements, increases in parking and promotional advertising, and a projected continuation of regional employment growth.
- Ridership projections assume no fare increase in New York State and approved fare increases in the State of Connecticut of 5.04% in 2014, and annual increases of 1.0% in 2015 through 2018.

***Additional Train Service***

Over the last two years, Metro-North launched the largest service increase in its history as part of the MTA's service investment program that expanded service by more than 5%. Additional incremental service improvements will leverage infrastructure improvements or address remaining service gaps, while balancing track availability limitations. In the fall of 2013, additional service will be added to the Danbury Branch of the New Haven Line to take advantage of the new signal system. In 2014, improved service frequency will be achieved with additional weekday off-peak service on the New Haven Line and added weekend service on the upper Harlem and outer New Haven lines.

***Improved Service Reliability with new M8's***

In partnership with CDOT, Metro-North continues to phase-in the replacement of the entire New Haven Line electric car fleet with new M-8 cars. By the end of 2013, approximately 300 of the 405 new M-8 cars will be accepted with the remaining cars arriving in 2014. With the integration of this equipment into daily train operations, service reliability will be improved as the aging and lesser performing M-2, M-4, and M-6 cars are retired. The financial plan incorporates the phasing in of resources necessary to support new M-8 cars and an associated improvement and expansion of shop facilities at New Haven. This not only includes additional staffing for required maintenance and inspection to a larger car fleet, but also incorporates the savings in material consumption that will be realized as the older, less reliable, NHL electric cars are retired.

***On-going Infrastructure Improvements and Maintenance Programs that ensure the continuation of high service quality***

- The Right-of-Way Clean-up Program is embedded in the Infrastructure Improvement Program and reflects a short-term strategy to clean-up the entire right-of-way and a long-term goal to maintain the roadway at an acceptable level of cleanliness. Work involves the clean-up of all debris along the right-of-way and graffiti removal from all Metro-North structures.
- To improve snow removal capability, three self-propelled snow throwers and one Front End Loader with a snow thrower attachment will be procured in 2014. The cost for this equipment totals \$4.9 million.
- Metro-North will install additional Hot Bearing Detection and Wheel Impact Load Detection systems on the New Haven Line to determine the cause of infrastructure and equipment damage/failures. This equipment will enable Metro-North to proactively identify brake and wheel defects which will enable preventive action prior to a failure that would likely damage rolling stock and infrastructure and cause service delays. This equipment also makes the wheel truing facility more efficient in maintaining the rolling stock in a state of good repair. The cost for purchase and installation of this equipment is \$1.9 million.
- Emergency Generators to provide a source of power to stations and facilities during power outages include one 350KW large capacity generator to power AC distribution systems, and smaller portable generators for use at stations will be procured in 2014.
- Power reliability projects include enhancements to the third rail and catenary infrastructure, as well as traction power delivery systems and switches.
- In GCT:
  - Work continues on installation of energy efficient electric-powered chillers that support the GCT air conditioning system, installed in partnership with New York Power Authority (NYPA).
  - A major maintenance program is underway on GCT escalators which will extend their useful life and improve service reliability. Cost provisions continue to be included for the future replacement of all 11 GCT escalators.
  - Work continues on improving the customer environment in the GCT Trainshed.
  - Additional improvements to GCT entrance doors, the Biltmore room, elevators and market area space will take place in 2014
- Resources continue to be included for locomotive overhaul programs that maintain equipment reliability, improve their mean distance between failures, and reduces out-of-service rates thereby avoiding extraordinary operating costs for major component repairs and locomotive rentals.

***Customer Service initiatives are underway that improve customer communication and convenience***

- Installation of new customer information monitors and the replacement of outdated electronic platform signs at New York State (NYS) outlying stations to improve the quality of information communicated to customers.
- Public Address System improvements will increase the reliability and the quality of this equipment with upgrades to the current PA systems and implementation of a new PA system at the New Haven station that will improve the reliability and quality of customer information regarding train arrivals, departures, track changes, and other customer information.
- Improvements to the Customer Call-in System (Interactive Voice Response (IVR) system) include the addition of new advanced call routing to increase customer convenience and allow for a seamless navigation through the interactive voice response system.
- Ticket Vending Machines were added in GCT and several outlying stations to improve customer convenience.
- Smartphones were introduced for GCT Customer Service Representatives in 2013 to provide convenient and on-the-spot transportation and non-transportation information to MNR riders, NYC tourists and GCT shoppers.

***Continue on-going Safety and Security programs as part of Metro-North's commitment to safety as Priority One***

- Continue accident prevention programs including periodic Safety Stand-down days, safety committees, and communication efforts that increase customer and employee safety awareness and reduce injuries.
- Evaluation of additional customer safety improvements at stations is currently underway which includes expansion of the communication network for security cameras, centralization of elevator alarm systems and control, and coordinated efforts to improve maintenance and related safety conditions.

***Planned Technology Investments that replace dated legacy systems, help meet regulatory requirements, and enhance customer service and information are included in Metro-North's November Financial Plan.***

- IT Infrastructure improvements are planned for 2014 at a cost of \$0.9 million to improve the overall resiliency and redundancy of the hardware and software supporting critical business functions and customer facing applications such as Metro-North Train Time™ and the Fare Payment System. Failure to implement these changes could result in critical system outages and the loss of IT services at critical times.
- To improve customer convenience and enhance revenue collection efforts, current Ticket Issuing Machines will be replaced starting in late 2014 with new mobile devices & printers that support debit, credit, smartcard, and barcode scanning technology.

- The current mainframe Crew Management System (CMS) that is used to schedule and pay Train and Engine Service employees will be upgraded from outdated mainframe technology to a web-based platform starting in mid-2014.
- Improved business processes along with a new integrated scheduling system will be designed, developed and implemented over the next three years to replace outdated train, equipment and crew scheduling processes and applications.
- A redesign / rewrite of the Metro-North Train Time™ application is planned for 2013 to utilize one schedule for all stations to improve the performance and scalability of the system and to also address functional improvements to update train status information more effectively and efficiently when necessary.

## **2013 NOVEMBER FORECAST**

The 2013 Non-Reimbursable November Forecast reflects revenue projections totaling \$693.6 million and expenses, including non-cash liability adjustments, of \$1,373.4 million that result in an operating deficit of \$679.8 million. Operating revenues of \$693.6 million reflect passenger revenues of \$621.3 million that are \$6.8 million lower than the July Plan due to lower ridership resulting from the July CSX Derailment on the Hudson line and the September Con Edison power failure impacting the New Haven line. Other Operating Revenue of \$72.3 million is \$1.0 million better than the July Plan due primarily to lower revenue-funded GCT maintenance projects. Non-reimbursable operating expenses of \$1,373.4 million reflect an increase of \$14.0 million compared to the July Plan. The majority of increases are due to the Infrastructure Improvement Program, lower overhead recoveries due to lower capital project activity and an increase in accrued claims costs, partially offset by lower depreciation expectations.

The 2013 November Reimbursable Forecast for expenditures (and receipts) total \$164.8 million, which is \$8.6 million lower than the 2013 July Plan. This reduction reflects the re-scheduling of a number of projects as a result of heavier operational focus on infrastructure improvements. The November forecast also includes lower 2013 costs for the Cyclical Track Program as well as the Positive Train Control (PTC) project.

## **2014 FINAL PROPOSED BUDGET**

The 2014 Final Proposed Non-Reimbursable Budget reflects revenue projections totaling \$716.5 million and expenses, including non-cash liability adjustments, of \$1,421.4 million that generate an operating deficit of \$704.9 million. Non-reimbursable Farebox Revenue of \$660.1 million is supported by East of Hudson ridership of 84.2 million, which is 2.2% higher than 2013. Other Operating Revenue of \$56.4 million is \$15.9 million lower than 2013; however, excluding the elimination of \$18.8 million of extraordinary 2013 reimbursements for damages from storms Sandy and Irene, baseline revenues are \$2.9 million (5.9%) higher than 2013. These revenues include: \$21.7 million from GCT retail

operations, advertising revenue of \$15.3 million, commissary sales of \$6.5 million and \$8 million from station rents and parking. Operating expenses of \$1,421.4 million reflect \$758.5 million in labor and employee benefit costs, \$366.8 million in non-labor costs and \$296.1 million in non-cash adjustments for depreciation and post-retirement benefits. Labor costs reflect CPI-based wage increase assumptions, fewer vacancies, and additional staffing required for: new M-8 cars, the Infrastructure Improvement Program, service increases, GCT maintenance and customer service improvements, increased employee training, and safety program enhancements. Other adjustments include higher employee benefit costs, higher insurance premiums, anticipated increases in electric power costs and inflation-based increases for material.

The 2014 Final Proposed Reimbursable Budget of expenditures (and receipts) total \$190.7 million, an increase of \$25.9 million from the 2013 November Forecast mostly reflects the impact of capital project activity. The Final Proposed Budget also includes a net decrease of \$3.0 million versus the July Financial Plan of \$193.7 million. This reduction reflects a decrease in maintenance contracts partially offset by increases in labor expenses and materials & supplies as certain capital work delayed from 2013 due to the emphasis on operational activities resumes in 2014.

## **2015-2017 PROJECTIONS**

2015-2017 projections include modest growth in ridership that drive higher passenger revenues and the continuation of initiatives that maintain or enhance train service levels, service reliability programs that maintain rolling stock and the right-of-way in a state-of-good repair, and projected cost changes in labor, energy, employee benefits, insurance, and material as well as capital projects. Major assumptions reflected in the 2015-2017 projections and reconciliation to the July Plan is furnished later in this document.

Details for the Year-to-Year changes and reconciliations of the November Financial Plan to the July Financial Plan are discussed in the Plan-to-Plan Summary of Changes. The assumptions guiding ridership projections are discussed in the Ridership / (Utilization) section while headcount assumptions are described at the end of this document.

**MTA Metro-North Railroad**  
**November Financial Plan 2014 - 2017**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

NON-REIMBURSABLE						
	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Operating Revenue</b>						
Farebox Revenue	\$587.493	\$621.318	\$660.112	\$673.953	\$685.453	\$696.281
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	51.428	72.322	56.389	54.173	54.772	56.473
MNR - MTA	0.000	0.000	0.000	0.000	0.000	0.000
MNR - CDOT	0.000	0.000	0.000	0.000	0.000	0.000
MNR - Other	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$638.921</b>	<b>\$693.640</b>	<b>\$716.501</b>	<b>\$728.126</b>	<b>\$740.226</b>	<b>\$752.753</b>
<b>Operating Expenses</b>						
<b>Labor:</b>						
Payroll	\$393.854	\$412.986	\$431.522	\$441.131	\$446.587	\$455.364
Overtime	55.224	62.620	60.376	58.950	56.086	57.146
Health and Welfare	81.664	96.604	106.748	112.373	116.509	123.318
OPEB Current Payment	19.456	21.000	22.049	22.877	24.169	25.536
Pensions	67.126	75.972	75.961	77.027	76.872	77.775
Other Fringe Benefits	92.904	98.582	102.307	106.609	108.291	111.052
Reimbursable Overhead	(33.434)	(35.949)	(40.514)	(40.136)	(40.883)	(41.640)
<b>Total Labor</b>	<b>\$676.793</b>	<b>\$731.815</b>	<b>\$758.450</b>	<b>\$778.832</b>	<b>\$787.632</b>	<b>\$808.551</b>
<b>Non-Labor:</b>						
Electric Power	\$69.985	\$77.901	\$86.801	\$92.079	\$98.011	\$103.915
Fuel	28.789	29.073	26.607	25.756	25.918	26.660
Insurance	10.790	14.802	18.313	21.124	24.217	27.835
Claims	0.356	0.393	0.535	0.535	0.535	0.535
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	89.262	98.732	107.353	110.283	108.073	109.085
Professional Service Contracts	24.083	27.973	28.940	28.019	29.201	28.963
Materials & Supplies	62.520	71.135	72.718	72.212	73.935	74.113
Other Business Expenses	17.957	31.848	25.548	27.203	29.333	30.965
<b>Total Non-Labor</b>	<b>\$303.742</b>	<b>\$351.857</b>	<b>\$366.814</b>	<b>\$377.211</b>	<b>\$389.223</b>	<b>\$402.071</b>
<b>Other Expenses Adjustments:</b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$980.535</b>	<b>\$1,083.673</b>	<b>\$1,125.265</b>	<b>\$1,156.043</b>	<b>\$1,176.855</b>	<b>\$1,210.622</b>
Depreciation	\$223.143	\$224.771	\$227.237	\$225.487	\$227.487	\$229.487
OPEB Obligation	56.244	62.070	65.098	67.542	71.356	75.392
Environmental Remediation	0.130	2.885	3.800	3.800	3.800	3.800
<b>Total Expenses</b>	<b>\$1,260.052</b>	<b>\$1,373.399</b>	<b>\$1,421.400</b>	<b>\$1,452.872</b>	<b>\$1,479.498</b>	<b>\$1,519.301</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$621.131)</b>	<b>(\$679.759)</b>	<b>(\$704.899)</b>	<b>(\$724.746)</b>	<b>(\$739.273)</b>	<b>(\$766.548)</b>
<b>Cash Conversion Adjustments:</b>						
Depreciation	\$223.143	\$224.771	\$227.237	\$225.487	\$227.487	\$229.487
Operating/Capital	(16.264)	(31.537)	(43.007)	(30.151)	(17.000)	(17.000)
Other Cash Adjustments	105.224	83.624	51.550	70.038	65.019	65.398
<b>Total Cash Conversion Adjustments</b>	<b>\$312.103</b>	<b>\$276.858</b>	<b>\$235.780</b>	<b>\$265.374</b>	<b>\$275.506</b>	<b>\$277.885</b>
<b>Baseline Cash Surplus/(Deficit)</b>	<b>(\$309.028)</b>	<b>(\$402.901)</b>	<b>(\$469.119)</b>	<b>(\$459.372)</b>	<b>(\$463.766)</b>	<b>(\$488.663)</b>

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**MTA Metro-North Railroad**  
**November Financial Plan 2014 - 2017**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

NON-REIMBURSABLE / REIMBURSABLE						
	2012	2013	2014			
	Actual	November Forecast	Final Proposed Budget	2015	2016	2017
<b>Revenue</b>						
Farebox Revenue	\$587.493	\$621.318	\$660.112	\$673.953	\$685.453	\$696.281
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	51.428	72.322	56.389	54.173	54.772	56.473
MNR - MTA	83.828	86.168	113.125	116.679	119.424	122.085
MNR - CDOT	77.499	68.887	61.342	78.402	86.283	93.466
MNR - Other	10.870	9.747	16.278	16.621	16.976	17.312
Capital and Other Reimbursements	172.197	164.802	190.745	211.703	222.683	232.863
<b>Total Revenue</b>	<b>\$811.118</b>	<b>\$858.442</b>	<b>\$907.247</b>	<b>\$939.829</b>	<b>\$962.908</b>	<b>\$985.616</b>
<b>Expenses</b>						
<b>Labor:</b>						
Payroll	\$433.573	\$449.533	\$476.229	\$486.700	\$493.007	\$502.656
Overtime	73.229	78.951	76.239	75.120	72.560	73.928
Health and Welfare	93.421	108.900	121.774	127.818	132.658	140.079
OPEB Current Payment	19.456	21.000	22.049	22.877	24.169	25.536
Pensions	73.857	83.336	84.865	85.426	85.108	85.812
Other Fringe Benefits	103.873	107.894	112.678	117.795	119.793	122.866
Reimbursable Overhead	1.381	(1.057)	(1.678)	(0.556)	(0.564)	(0.571)
<b>Total Labor</b>	<b>\$798.790</b>	<b>\$848.557</b>	<b>\$892.155</b>	<b>\$915.180</b>	<b>\$926.730</b>	<b>\$950.306</b>
<b>Non-Labor:</b>						
Electric Power	\$70.285	\$77.901	\$86.801	\$92.079	\$98.011	\$103.915
Fuel	28.791	29.073	26.607	25.756	25.918	26.660
Insurance	14.666	17.720	22.131	25.053	28.220	31.913
Claims	0.356	0.393	0.535	0.535	0.535	0.535
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	108.642	122.564	119.363	130.847	135.095	140.723
Professional Service Contracts	33.189	33.565	48.570	56.326	58.160	59.756
Materials & Supplies	79.085	85.982	93.662	94.118	96.875	98.042
Other Business Expenses	18.929	32.720	26.187	27.852	29.994	31.636
<b>Total Non-Labor</b>	<b>\$353.942</b>	<b>\$399.917</b>	<b>\$423.855</b>	<b>\$452.565</b>	<b>\$472.808</b>	<b>\$493.180</b>
<b>Other Adjustments:</b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,152.732</b>	<b>\$1,248.475</b>	<b>\$1,316.010</b>	<b>\$1,367.746</b>	<b>\$1,399.538</b>	<b>\$1,443.485</b>
Depreciation	\$223.143	\$224.771	\$227.237	\$225.487	\$227.487	\$229.487
OPEB Obligation	56.244	62.070	65.098	67.542	71.356	75.392
Environmental Remediation	0.130	2.885	3.800	3.800	3.800	3.800
<b>Total Expenses</b>	<b>\$1,432.249</b>	<b>\$1,538.201</b>	<b>\$1,612.146</b>	<b>\$1,664.575</b>	<b>\$1,702.181</b>	<b>\$1,752.165</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$621.131)</b>	<b>(\$679.759)</b>	<b>(\$704.899)</b>	<b>(\$724.746)</b>	<b>(\$739.273)</b>	<b>(\$766.548)</b>
<b>Cash Conversion Adjustments:</b>						
Depreciation	\$223.143	\$224.771	\$227.237	\$225.487	\$227.487	\$229.487
Operating/Capital	(16.264)	(31.537)	(43.007)	(30.151)	(17.000)	(17.000)
Other Cash Adjustments	105.224	83.624	51.550	70.038	65.019	65.398
<b>Total Cash Conversion Adjustments</b>	<b>\$312.103</b>	<b>\$276.858</b>	<b>\$235.780</b>	<b>\$265.374</b>	<b>\$275.506</b>	<b>\$277.885</b>
<b>Baseline Cash Surplus/(Deficit)</b>	<b>(\$309.028)</b>	<b>(\$402.901)</b>	<b>(\$469.119)</b>	<b>(\$459.372)</b>	<b>(\$463.766)</b>	<b>(\$488.663)</b>

**MTA Metro-North Railroad  
November Financial Plan 2014 - 2017  
Cash Receipts & Expenditures  
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES						
	2012	2013	2014			
	Actual	November Forecast	Final Proposed Budget	2015	2016	2017
<b>Receipts</b>						
Farebox Revenue	\$593.830	\$627.245	\$666.414	\$680.953	\$692.953	\$704.781
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	77.864	85.091	71.957	70.444	71.154	72.068
MNR - MTA	135.587	80.462	112.376	118.068	120.765	123.277
MNR - CDOT	97.795	68.627	64.076	80.307	86.275	93.458
MNR - Other	19.269	20.938	16.707	16.983	17.771	17.237
Capital and Other Reimbursements	252.651	170.027	193.159	215.358	224.811	233.972
<b>Total Receipts</b>	<b>\$924.345</b>	<b>\$882.363</b>	<b>\$931.530</b>	<b>\$966.755</b>	<b>\$988.918</b>	<b>\$1,010.821</b>
<b>Expenditures</b>						
Labor:						
Payroll	\$432.215	\$456.525	\$487.892	\$488.518	\$490.761	\$502.255
Overtime	73.162	79.302	78.852	75.675	73.131	74.881
Health and Welfare	98.906	109.088	126.105	132.425	137.405	144.967
OPEB Current Payment	19.456	21.000	22.049	22.877	24.169	25.536
Pensions	76.168	67.940	85.856	86.316	85.504	86.211
Other Fringe Benefits	98.524	103.903	114.252	119.113	118.626	122.167
GASB Account	24.869	0.000	8.917	9.105	9.291	9.474
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor</b>	<b>\$823.300</b>	<b>\$837.758</b>	<b>\$923.923</b>	<b>\$934.029</b>	<b>\$938.887</b>	<b>\$965.491</b>
<b>Non-Labor:</b>						
Electric Power	\$75.243	\$79.914	\$88.795	\$93.875	\$99.861	\$105.821
Fuel	22.004	25.473	23.007	22.156	22.318	23.060
Insurance	17.221	18.765	22.406	26.250	28.514	32.306
Claims	1.434	1.039	0.681	0.681	0.681	0.681
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	118.509	135.137	119.979	128.565	144.514	149.587
Professional Service Contracts	36.013	36.491	59.681	62.981	61.025	62.549
Materials & Supplies	90.334	101.003	111.723	104.815	101.863	101.865
Other Business Expenses	49.315	49.683	50.454	52.775	55.020	58.124
<b>Total Non-Labor</b>	<b>\$410.073</b>	<b>\$447.505</b>	<b>\$476.725</b>	<b>\$492.098</b>	<b>\$513.796</b>	<b>\$533.993</b>
<b>Other Adjustments:</b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Timing and Availability Adjustmen	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$1,233.373</b>	<b>\$1,285.263</b>	<b>\$1,400.648</b>	<b>\$1,426.127</b>	<b>\$1,452.683</b>	<b>\$1,499.484</b>
<b>Baseline Cash Deficit</b>	<b>(\$309.028)</b>	<b>(\$402.900)</b>	<b>(\$469.118)</b>	<b>(\$459.372)</b>	<b>(\$463.765)</b>	<b>(\$488.663)</b>
<b>Subsidies</b>						
MTA	\$229.158	\$306.640	\$371.950	\$363.410	\$369.309	\$390.381
CDOT	80.718	96.260	97.168	95.962	94.456	98.282
<b>Total Subsidies</b>	<b>\$309.876</b>	<b>\$402.900</b>	<b>\$469.118</b>	<b>\$459.372</b>	<b>\$463.765</b>	<b>\$488.663</b>

**MTA Metro-North Railroad**  
**November Financial Plan 2014 - 2017**  
**Cash Conversion (Cash Flow Adjustments)**  
**(\$ in millions)**

CASH FLOW ADJUSTMENTS						
	2012	2013	2014			
	Actual	November Forecast	Final Proposed Budget	2015	2016	2017
<b>Receipts</b>						
Farebox Revenue	\$6.337	\$5.927	\$6.302	\$7.000	\$7.500	\$8.500
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	26.436	12.770	15.569	16.272	16.382	15.596
MNR - MTA	51.759	(5.706)	(0.749)	1.389	1.341	1.192
MNR - CDOT	20.296	(0.260)	2.734	1.905	(0.008)	(0.008)
MNR - Other	8.399	11.191	0.429	0.362	0.795	(0.075)
Capital and Other Reimbursements	80.454	5.225	2.414	3.655	2.128	1.109
<b>Total Receipts</b>	<b>\$113.227</b>	<b>\$23.921</b>	<b>\$24.284</b>	<b>\$26.927</b>	<b>\$26.010</b>	<b>\$25.205</b>
<b>Expenditures</b>						
Labor:						
Payroll	\$1.358	(\$6.992)	(\$11.663)	(\$1.818)	\$2.245	\$0.401
Overtime	0.067	(0.351)	(2.613)	(0.555)	(0.571)	(0.953)
Health and Welfare	(5.485)	(0.188)	(4.331)	(4.607)	(4.747)	(4.888)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(2.311)	15.396	(0.991)	(0.890)	(0.396)	(0.399)
Other Fringe Benefits	5.349	3.991	(1.574)	(1.318)	1.167	0.699
GASB Account	(24.869)	0.000	(8.917)	(9.105)	(9.291)	(9.474)
Reimbursable Overhead	1.381	(1.057)	(1.678)	(0.556)	(0.564)	(0.571)
<b>Total Labor</b>	<b>(\$24.510)</b>	<b>\$10.799</b>	<b>(\$31.768)</b>	<b>(\$18.849)</b>	<b>(\$12.157)</b>	<b>(\$15.185)</b>
<b>Non-Labor:</b>						
Electric Power	(\$4.958)	(\$2.013)	(\$1.994)	(\$1.796)	(\$1.850)	(\$1.906)
Fuel	6.787	3.600	3.600	3.600	3.600	3.600
Insurance	(2.555)	(1.045)	(0.275)	(1.197)	(0.294)	(0.393)
Claims	(1.078)	(0.646)	(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	(9.867)	(12.573)	(0.616)	2.282	(9.419)	(8.864)
Professional Service Contracts	(2.824)	(2.926)	(11.111)	(6.655)	(2.865)	(2.793)
Materials & Supplies	(11.249)	(15.021)	(18.061)	(10.697)	(4.988)	(3.823)
Other Business Expenditures	(30.386)	(16.964)	(24.268)	(24.924)	(25.026)	(26.489)
<b>Total Non-Labor</b>	<b>(\$56.131)</b>	<b>(\$47.588)</b>	<b>(\$52.871)</b>	<b>(\$39.533)</b>	<b>(\$40.988)</b>	<b>(\$40.814)</b>
<b>Other Adjustments:</b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b>	<b>\$32.586</b>	<b>(\$12.867)</b>	<b>(\$60.355)</b>	<b>(\$31.455)</b>	<b>(\$27.136)</b>	<b>(\$30.794)</b>
Depreciation Adjustment	\$223.143	\$224.771	\$227.237	\$225.487	\$227.487	\$229.487
OPEB Obligation	56.244	62.070	65.098	67.542	71.356	75.392
Environmental Remediation	0.130	2.885	3.800	3.800	3.800	3.800
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$312.103</b>	<b>\$276.859</b>	<b>\$235.781</b>	<b>\$265.374</b>	<b>\$275.508</b>	<b>\$277.885</b>

**MTA METRO-NORTH RAILROAD**  
**2013 November Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

<b>NON-REIMBURSABLE OVERTIME</b>	<b>Total</b>		
	<b>Hours</b>	<b>\$</b>	<b>%</b>
<u>Scheduled Service</u>	552,980	\$29.688	47.4%
<u>Unscheduled Service</u>	1,358	0.072	0.1%
<u>Programmatic/Routine Maintenance</u>	260,152	12.210	19.5%
<u>Unscheduled Maintenance</u>	13,528	0.697	1.1%
<u>Vacancy/Absentee Coverage</u>	209,842	9.314	14.9%
<u>Weather Emergencies</u>	148,410	7.071	11.3%
<u>Safety/Security/Law Enforcement</u>	0	0.000	0.0%
<u>Other</u>	73,535	3.568	5.7%
Subtotal	<b>1,259,806</b>	<b>\$62.620</b>	100.0%
<b>REIMBURSABLE OVERTIME</b>	333,439	\$16.330	
<b>TOTAL OVERTIME</b>	<b>1,593,244</b>	<b>\$78.951</b>	

<sup>1</sup> Other & reimbursable budget includes PTE \$'s only. Does not include hours.

REIMBURSABLE OVERTIME Hours still under review

**MTA METRO-NORTH RAILROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Baseline**

**REVENUE**

**FAREBOX REVENUE**

Non-Reimbursable

- The 4.3% increase in 2014 Farebox Revenue reflects the following impacts:
  - 2.2% increase in ridership.
  - Service improvements which include the full year impact of the September 2013 opening of the West Haven Station, the November 2013 service improvements on the Danbury Branch associated with the installation of a new signal system and 2014 service increases on the upper Harlem and outer New Haven lines to close gaps in service frequency.
  - An approved State of Connecticut fare increase of 5.04% and no fare increase in NYS.
- 2015-2017 reflects approved fare increases of 1.0% annually in the State of Connecticut, no NYS fare increases, modest employment and economic growth, as well as the impacts of service initiatives and advertising.

Reimbursable

- Not applicable

Cash

- 2013-2017 cash adjustments include receipts from the sale of MetroCards, 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

- 2013-2017 baseline revenue increase reflects continuing improvement in GCT retail revenues and higher advertising sales.
- The \$15.9 million decrease in 2014 revenue reflects the elimination of \$18.8 million in extraordinary reimbursements for losses incurred from storms Sandy and Irene (\$22.3 million in 2013 and \$3.4 million in 2014). Excluding this change, baseline revenues in 2014 increase by \$2.9 million (5.5%).

Reimbursable

- Not applicable

Cash

- 2013-2017 adjustments include the reclassifications of Amtrak and other railroad reimbursements, revenue offsets for GCT revenue funded projects, reimbursements from CDOT, and reimbursements for settlements and scrap material sales and other miscellaneous items. 2013-2017 cash receipts are decreased (\$9.7 million, \$10.4 million, \$10.7 million, \$11.0 million, and \$11.4

million, respectively) by the Harlem/Hudson portion of advertising revenue that is being held at MTAHQ.

## **CAPITAL AND OTHER REIMBURSEMENTS**

### **Reimbursable**

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

- 2013 accrued expenditures (and receipts) total \$164.8 million and are based upon the latest projections of capital project activity. Lower reimbursements in 2013 are primarily attributable to timing adjustments in expenditures for the Positive Train Control (PTC) project and rescheduling of several Track program projects due to the diversion of forces to the non-reimbursable Infrastructure Improvement Program.
- 2014-2017 increases in accrued reimbursable receipts are higher based upon the latest projections of capital project activity and include an increase in PTC project activity and Cyclical Track Programs, as well as inflation and the resumption of projects rescheduled from 2013.

### **Cash**

- 2013-2017 includes adjustments for receipt timing differences.

## **EXPENSES**

### **PAYROLL**

#### **Non Reimbursable**

##### **Management Labor**

- The wages of non-represented employees (who have gone four consecutive years without raises) are assumed to follow CPI-based increases in 2013. No across-the-board raises have been granted as of the November Plan.
- In 2014, the increased management salary expense of \$9.5 million is driven by the full year impact of 2013 new hires, fewer vacancies, inflation (1.91%) and 2014 staff additions related to the Maintenance of Way (MofW) Infrastructure Improvement Program, GCT maintenance improvements, increased employee training, and safety program enhancements.
- In 2015-2017 staffing costs are driven by cost of living adjustments of 1.85%, 1.89% and 1.89% respectively.

##### **Agreement Labor**

- 2014 cost increases of \$9.0 million include the full year impact of 2013 hiring (including the IT staff unionization), fewer vacancies, a CPI-based wage increase (1.91%) and additional staffing for: the MofW Infrastructure Improvement Program, new M-8 cars, increases in the service plan, and West of Hudson signal improvements. These increases were partially offset by higher step rate discount savings, and the net shift of 2013 non-reimbursable labor forces back to reimbursable project work.

- 2015 cost increases are driven primarily by the CPI wage increase, service plan improvements and the full year impact of 2014 hires.
- 2016 and 2017 increases are driven primarily by the CPI-based wage increases and service plan improvements. In 2016, costs are reduced with the completion of the MofW Infrastructure Improvement Program.

#### 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.
- 2014 reimbursable payroll costs are projected at \$44.7 million comprised of non-agreement labor (\$19.5 million), (Other than Train & Engine) OT&E staff requirements (\$18.8 million), and (Train & Engine) T&E labor (\$6.4 million) as capital project activity ramps up from the 2013 delay due to operational workflow focus.

#### Cash

- 2013-2017 cash adjustments include timing differences, an Agreement employee allowance (for uniforms, tools and shoes), retirement payments, and employee contribution to health care coverage.

### **OVERTIME**

#### Non-Reimbursable

- 2014 is better by \$2.2 million due to reduced costs associated with the Infrastructure Improvement Plan (\$0.3 million), timing of Service Plan adjustments (\$0.8 million), and the elimination of 2013 extraordinary costs for the derailment coverage (\$0.8 million) and the NHL Con Ed power failure (\$0.3 million)
- 2015 improves by \$1.4 million due to the winding down of the MofW Infrastructure Improvement Program and reduced service coverage requirements as new T&E staff training is completed
- 2016 reductions in overtime are due to the completion of the MofW Infrastructure Improvement Program (\$3.0 million) and further decreases in service coverage requirements as new T&E staff training is completed (\$0.5 million).
- 2017 increases (\$1.1 million) are due primarily to inflation.

#### 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.
- 2014 projections of overtime expenses are \$15.9 million reflecting a slight decrease (\$0.5 million) despite the resumption of capital work and reflecting an emphasis on cost management of capital workflows towards using more direct labor in capital project work.

- 2015-2017 reimbursable project costs reflect a continuation of new baseline project levels from 2014 forward, resulting in average annual increases of \$0.3 million.

## **HEALTH AND WELFARE**

### **Non-Reimbursable and Reimbursable**

- 2014-2017 includes estimated annual rate increases of 5.00% in 2014, 3.75% in 2015, 5.65% in 2016, and 5.66% in 2017.

### **Cash**

- 2013-2017 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 are \$22.0 million in 2014, \$22.9 million in 2015, \$24.2 million in 2016, and \$25.5 million in 2017.

## **PENSIONS**

### **Non-Reimbursable and Reimbursable**

- The 2014-2017 pension costs represent the inclusion of all non-represented and most represented Metro-North employees in the MTA Defined Benefit Plan (DB Plan). Those employees not in the DB Plan are participants in the MTA 401K Plan. Metro-North's projected share of the incremental funding requirements for the DB Plan is based on draft projections prepared by actuarial consultants.

### **Cash**

- 2013 cash requirements are decreased by \$16.7 million to reflect advance payment of 2013 costs in 2012.

## **OTHER FRINGE BENEFITS**

### **Non-Reimbursable**

- Railroad Retirement tax rates for Tier I and II remain constant for 2014-2017 at 7.65% and 12.6%, respectively.
- Maximum earnings level for Tier I is estimated at \$113,700 in 2013, \$116,400 in 2014, \$119,700 in 2015, \$123,900 in 2016, and \$128,100 in 2017.
- Maximum earnings level for Tier II is estimated at \$84,300 2013, \$86,400 in 2014, \$88,800 in 2015, \$92,100 in 2016, and \$95,100 in 2017.
- Other cost adjustments reflect inflationary salary increases and changes in staffing levels.
- Non-reimbursable costs include estimates for personal injury claims (\$10.5 million annually in 2013-2015, \$10.7 million in 2016, and \$10.9 million in 2017).

## Cash

- 2013-2017 adjustments include differences between expense accruals and cash disbursements.

## **GASB ACCOUNT**

### Cash

- Reflects cash expenditures to fund a contribution to a GASB 45 (Government Accounting Standards Board) fund earmarked for post-retirement liabilities for “Other than Pension Employee Benefits” (healthcare costs). 2013 cash deposit was prepaid in 2012. 2013-2017 cash contributions have been adjusted to reflect current funding assumptions.

## **REIMBURSABLE OVERHEAD**

### Non-Reimbursable

- Changes in overhead cost recoveries reflect revisions in Reimbursable project cost estimates.

### Reimbursable

- Overhead costs for 2013 are based on a percentage share of direct labor costs charged to reimbursable projects. 2014-2017 overhead costs are based on the continuation of 2013 forecast levels adjusted for rescheduled projects and for inflation-based increases in labor costs. 2014 projections for Reimbursable Overhead total \$38.8 million, up from \$34.9 million in 2013 due to inflationary factors. Material handling and equipment recovery increases are predicated on CPI-based inflation rates.

## **ELECTRIC POWER**

### **Traction Power - Revenue**

#### Non-Reimbursable

- 2014-2017 incorporates the net effect of new service levels, adjustments for rate increases, and the net cost changes associated with the integration of new M-8 cars into New Haven Line service.
- 2014-2017 costs reflect annual increases of 7.23% in 2014, 4.84% in 2015, 5.79% in 2016, and 5.46% in 2017.

### **Non-Traction Power – Non-Revenue**

#### Non-Reimbursable

- 2014-2017 reflects an increase in GCT electric costs. Inflation is expected to decrease in 2014 at 3.85% while the out years will increase at 3.51% in 2015, 5.27% in 2016, and 4.65% in 2017.

## **FUEL**

### **Revenue Vehicle Fuel**

#### Non-Reimbursable

- Lower fuel prices drive the decrease in costs from 2014-2015 with projected price deflation of 5.68% in 2014 and 3.73% in 2015. In 2016 and 2017 prices are expected to increase by 1.18% and 3.03%, respectively.

#### Cash

- 2013-2017 include a credit (reduction to cash disbursements) for accrued fuel costs at New Haven which are paid directly by CDOT.

### **Non-Revenue Fuel**

#### Non-Reimbursable

- 2014-2017 prices are projected to decrease by 2.24% in 2014, 5.60% in 2015, and 4.03% in 2016, then increase by 1.96% in 2017.

## **INSURANCE**

#### Non-Reimbursable and Reimbursable

- Increases in 2014-2017 reflect revised insurance premium estimates.

#### Cash

- 2013-2017 reflects an increase in force account payments as well as All-Agency insurance costs. 2013-2017 also includes the difference between expense accruals and cash payments.

## **CLAIMS**

#### Non-Reimbursable

- 2014-2017 reflect current claims trends for passenger injuries and miscellaneous claims.

The Remaining Non-Reimbursable Cost Categories, other than Material & Supplies, were inflated by CPI Increases in 2014-2017 of 1.27%, 1.62%, 1.87%, and 1.48% respectively.

## **MAINTENANCE AND OTHER OPERATING CONTRACTS**

#### Non-Reimbursable

- 2014 increase is primarily due to the continuation of the Infrastructure Improvement program (\$1.0 million), higher GCT escalator maintenance costs and an increase in office space leasing costs due to rent escalations and swing space requirements at the Graybar building as well as an increase in 525 N. Broadway maintenance costs (\$3.9 million). Other increases include the restoration of the brush cutting, Right of Way clean-up and security system maintenance costs (\$2.3 million).
- 2015 increase reflects the beginning of a new cycle of locomotive overhauls (\$5.0 million) office space lease escalations (\$0.6 million) partially offset by reduced Infrastructure Improvement Plan costs \$2.8 million.

- 2016 and 2017 reflect completion of the Infrastructure Improvement Program in 2016 (\$3.7 million) partially offset higher office space lease escalations (\$0.7 million) and a slight increase in the locomotive overhaul costs (\$0.2 million).

#### Reimbursable

- 2014 projected estimates for Maintenance & Other Operating Contracts total \$12.0 million and include the resumption of workflows from delayed 2013 projects as well as the ramp up of the PTC project.
- CPI increases in 2014-2017 follow the same pattern as non-reimbursable costs noted above.
- 2015-2017 estimates reflect the ongoing impact of PTC as well as other ongoing project activity adjusted for inflation.

#### Cash

- 2013-2017 cash adjustments include the elimination of non-cash GASB 49 environmental accruals and payment timing differences. 2013-2017 also includes reclassifications of revenue offsets for GCT revenue funded projects and payments on behalf of CDOT for station facilities and the MTA for utilities.

### **PROFESSIONAL SERVICES CONTRACTS**

#### Non-Reimbursable

- 2014-2017 reflects the implementation of a biannual market share study with the MTA starting in 2014 (\$0.6 million) and IT consulting services which were delayed in 2013 (\$0.5 million in 2014 and \$0.2 million in 2016 and 2017).

#### Reimbursable

- 2014, the increase of \$14.0 million primarily reflects the impact of the PTC project.
- 2015-2017 expenses reflect inflationary growth assumptions.

### **MATERIAL AND SUPPLIES**

#### Non-Reimbursable

- 2014-2017 costs were inflated based on the Chained Price Index for Industrial Building Materials (4.28% in 2014, 4.59% in 2015, 4.72% in 2016, and 4.31% in 2017).
- 2014 increase is due to the implementation of the M-7 Seat Change-Out program (\$3.4 million), inflationary increases (\$3.1 million) and the continuation of the Infrastructure Improvement Program (\$0.8 million). These cost increases were partially offset by the 2013 events relating to obsolete material write-down of \$3.5 million and Sandy repairs of \$1.2 million.
- 2015 improves by \$0.5 million due to the completion of M-8 damaged car repairs (\$3.7 million) and rescheduling of several power improvement programs, (\$0.6 million), partially offset by inflationary increases (\$2.3 million) and M-7 Seat Change-Out program requirements (\$1.5 million).
- 2016 worsens by \$1.7 million due to inflationary increases (\$2.7 million) and additional expenses related to the start of power improvement projects that had been delayed until the completion of the Infrastructure Improvement Program

(\$0.3 million), partially offset by reduced M-7 seat change-out material requirements (\$1.4 million).

- 2017 increase of \$0.2 million due to inflation (\$2.1 million) partially offset by reduced seat change out expenses (\$1.5 million) and completion of power improvement projects (\$0.3 million).

#### Reimbursable

- 2014 projected estimates of \$20.9 million include the impact of PTC as well as new cyclical track programs.
- CPI increases in 2014-2017 follow the same assumptions as non-reimbursable costs noted above.
- 2015-2017 levels are based upon prior year projections adjusted for the impact of inflation.

#### Cash

- Cash adjustments reflect differences between expense accruals and cash requirements.
- 2013-2017 includes increases to cash requirements for M-8 spare parts inventory build-up (\$8.3 million in 2013, \$2.0 million in 2014, and \$1.2 million in 2016).
- 2013-2017 includes adjustment for obsolete material reserve (\$3.5 million in 2013 and \$0.5 million per year in 2014 - 2017).

### **OTHER BUSINESS EXPENSES**

#### Non-Reimbursable

- 2014 is lower due to the elimination of 2013 write-off costs associated with the derailment-damaged M-8 cars (\$4.8 million).
- 2014-2017 includes the impact of inflation and adjustments to West of Hudson subsidy requirements.

#### Reimbursable

- 2014 projected estimates for Other Business Expenses total \$0.6 million which is essentially flat and in line with 2013.
- CPI increases in 2014-2017 follow the same assumptions as non-reimbursable costs noted above.

#### Cash

- 2013 includes a reduction to disbursements for the non-cash write-off of the NHL derailment equipment loss. 2013-2017 cash adjustments include payments for receipt of MetroCards, Westchester County bus fares and special promotions partially offset by the reclassification of credit card fees as an offset to Farebox Revenue. 2013-2017 also includes the reclassification of Amtrak and other railroad reimbursements to the Other Operating Revenue category.

### **DEPRECIATION**

#### Non-Reimbursable

- 2014-2017 includes provisions for changes in Metro-North's capital assets.

**OPEB OBLIGATION (GASB 45)**

Non-Reimbursable

- 2014-2017 costs reflect the recognition of the liability for Post-Retirement Benefits (healthcare costs) for future retirees.

**ENVIRONMENTAL REMEDIATION (GASB 49)**

Non-Reimbursable

- 2014-2017 costs reflect the estimated liability for pollution remediation costs associated with capital projects.

**MTA METRO-NORTH RAILROAD**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2013	2014	Change 2013 - 2014	2015	Change 2014 - 2015	2016	Change 2015 - 2016	2017	Change 2016 - 2017
<b>Revenue</b>									
Farebox Revenue	\$621.318	\$660.112	\$38.794	\$673.953	\$13.840	\$685.453	\$11.500	\$696.281	\$10.827
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	72.322	56.389	(15.933)	54.173	(2.216)	54.772	0.599	56.473	1.700
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$693.640</b>	<b>\$716.501</b>	<b>\$22.862</b>	<b>\$728.126</b>	<b>\$11.625</b>	<b>\$740.226</b>	<b>\$12.100</b>	<b>\$752.753</b>	<b>\$12.527</b>
<b>Expenses</b>									
Labor:									
Payroll	\$412.986	\$431.522	(\$18.536)	\$441.131	(\$9.609)	\$446.587	(\$5.456)	\$455.364	(\$8.777)
Overtime	62.620	60.376	2.244	58.950	1.426	56.086	2.864	57.146	(1.060)
Health and Welfare	96.604	106.748	(10.145)	112.373	(5.625)	116.509	(4.136)	123.318	(6.808)
OPEB Current Payment	21.000	22.049	(1.049)	22.877	(0.828)	24.169	(1.292)	25.536	(1.367)
Pensions	75.972	75.961	0.011	77.027	(1.067)	76.872	0.155	77.775	(0.903)
Other Fringe Benefits	98.582	102.307	(3.725)	106.609	(4.301)	108.291	(1.683)	111.052	(2.760)
Reimbursable Overhead	(35.949)	(40.514)	4.565	(40.136)	(0.379)	(40.883)	0.748	(41.640)	0.757
<b>Total Labor Expenses</b>	<b>\$731.815</b>	<b>\$758.450</b>	<b>(\$26.635)</b>	<b>\$778.832</b>	<b>(\$20.382)</b>	<b>\$787.632</b>	<b>(\$8.800)</b>	<b>\$808.551</b>	<b>(\$20.919)</b>
Non-Labor:									
Electric Power	\$77.901	\$86.801	(\$8.900)	\$92.079	(\$5.278)	\$98.011	(\$5.932)	\$103.915	(\$5.904)
Fuel	29.073	26.607	2.467	25.756	0.851	25.918	(0.162)	26.660	(0.742)
Insurance	14.802	18.313	(3.510)	21.124	(2.811)	24.217	(3.093)	27.835	(3.618)
Claims	0.393	0.535	(0.142)	0.535	0.000	0.535	0.000	0.535	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	98.732	107.353	(8.621)	110.283	(2.930)	108.073	2.210	109.085	(1.012)
Professional Service Contracts	27.973	28.940	(0.968)	28.019	0.921	29.201	(1.182)	28.963	0.238
Materials & Supplies	71.135	72.718	(1.582)	72.212	0.506	73.935	(1.723)	74.113	(0.178)
Other Business Expenses	31.848	25.548	6.300	27.203	(1.655)	29.333	(2.130)	30.965	(1.632)
<b>Total Non-Labor Expenses</b>	<b>\$351.857</b>	<b>\$366.814</b>	<b>(\$14.957)</b>	<b>\$377.211</b>	<b>(\$10.396)</b>	<b>\$389.223</b>	<b>(\$12.012)</b>	<b>\$402.071</b>	<b>(\$12.848)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,083.673</b>	<b>\$1,125.265</b>	<b>(\$41.592)</b>	<b>\$1,156.043</b>	<b>(\$30.778)</b>	<b>\$1,176.855</b>	<b>(\$20.812)</b>	<b>\$1,210.622</b>	<b>(\$33.767)</b>
Depreciation	\$224.771	\$227.237	(2.466)	\$225.487	\$1.750	\$227.487	(\$2.000)	\$229.487	(\$2.000)
OPEB Obligation	62.070	65.098	(3.028)	67.542	(2.444)	71.356	(3.814)	75.392	(4.036)
Environmental Remediation	2.885	3.800	(0.915)	3.800	0.000	3.800	0.000	3.800	0.000
<b>Total Expenses</b>	<b>\$1,373.399</b>	<b>\$1,421.400</b>	<b>(\$48.002)</b>	<b>\$1,452.872</b>	<b>(\$31.472)</b>	<b>\$1,479.498</b>	<b>(\$26.626)</b>	<b>\$1,519.301</b>	<b>(\$39.803)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$679.759)</b>	<b>(\$704.899)</b>	<b>(\$25.140)</b>	<b>(\$724.746)</b>	<b>(\$19.847)</b>	<b>(\$739.273)</b>	<b>(\$14.526)</b>	<b>(\$766.548)</b>	<b>(\$27.276)</b>

## REIMBURSABLE

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**MTA METRO-NORTH RAILROAD**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and REIMBURSABLE**

	Favorable/(Unfavorable)								
	2013	2014	Change 2013 - 2014	2015	Change 2014 - 2015	2016	Change 2015 - 2016	2017	Change 2016 - 2017
<b><u>Revenue</u></b>									
Farebox Revenue	\$621.318	\$660.112	\$38.794	\$673.953	\$13.840	\$685.453	\$11.500	\$696.281	\$10.827
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	72.322	56.389	(15.933)	54.173	(2.216)	54.772	0.599	56.473	1.700
Capital and Other Reimbursements	164.802	190.745	25.943	211.703	20.957	222.683	10.980	232.863	10.181
<b>Total Revenue</b>	<b>\$858.442</b>	<b>\$907.247</b>	<b>\$48.805</b>	<b>\$939.829</b>	<b>\$32.582</b>	<b>\$962.908</b>	<b>\$23.080</b>	<b>\$985.616</b>	<b>\$22.708</b>
<b><u>Expenses</u></b>									
Labor:									
Payroll	\$449.533	\$476.229	(\$26.696)	\$486.700	(\$10.471)	\$493.007	(\$6.307)	\$502.656	(\$9.649)
Overtime	78.951	76.239	2.712	75.120	1.119	72.560	2.560	73.928	(1.368)
Health and Welfare	108.900	121.774	(12.874)	127.818	(6.044)	132.658	(4.840)	140.079	(7.421)
OPEB Current Payment	21.000	22.049	(1.049)	22.877	(0.828)	24.169	(1.292)	25.536	(1.367)
Pensions	83.336	84.865	(1.528)	85.426	(0.561)	85.108	0.318	85.812	(0.704)
Other Fringe Benefits	107.894	112.678	(4.783)	117.795	(5.118)	119.793	(1.997)	122.866	(3.073)
Reimbursable Overhead	(1.057)	(1.678)	0.621	(0.556)	(1.122)	(0.564)	0.008	(0.571)	0.008
<b>Total Labor Expenses</b>	<b>\$848.557</b>	<b>\$892.155</b>	<b>(\$43.598)</b>	<b>\$915.180</b>	<b>(\$23.025)</b>	<b>\$926.730</b>	<b>(\$11.550)</b>	<b>\$950.306</b>	<b>(\$23.576)</b>
Non-Labor:									
Electric Power	\$77.901	\$86.801	(\$8.900)	\$92.079	(\$5.278)	\$98.011	(\$5.932)	\$103.915	(\$5.904)
Fuel	29.073	26.607	2.467	25.756	0.851	25.918	(0.162)	26.660	(0.742)
Insurance	17.720	22.131	(4.410)	25.053	(2.923)	28.220	(3.166)	31.913	(3.693)
Claims	0.393	0.535	(0.142)	0.535	0.000	0.535	0.000	0.535	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	122.564	119.363	3.201	130.847	(11.483)	135.095	(4.248)	140.723	(5.628)
Professional Service Contracts	33.565	48.570	(15.005)	56.326	(7.756)	58.160	(1.834)	59.756	(1.596)
Materials & Supplies	85.982	93.662	(7.681)	94.118	(0.456)	96.875	(2.757)	98.042	(1.167)
Other Business Expenses	32.720	26.187	6.533	27.852	(1.665)	29.994	(2.143)	31.636	(1.642)
<b>Total Non-Labor Expenses</b>	<b>\$399.917</b>	<b>\$423.855</b>	<b>(\$23.938)</b>	<b>\$452.565</b>	<b>(\$28.711)</b>	<b>\$472.808</b>	<b>(\$20.242)</b>	<b>\$493.180</b>	<b>(\$20.372)</b>
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$1,248.475</b>	<b>\$1,316.010</b>	<b>(\$67.535)</b>	<b>\$1,367.746</b>	<b>(\$51.736)</b>	<b>\$1,399.538</b>	<b>(\$31.792)</b>	<b>\$1,443.485</b>	<b>(\$43.947)</b>
Depreciation	\$224.771	\$227.237	(2.466)	\$225.487	\$1.750	\$227.487	(\$2.000)	\$229.487	(\$2.000)
OPEB Obligation	62.070	65.098	(3.028)	67.542	(2.444)	71.356	(3.814)	75.392	(4.036)
Environmental Remediation	2.885	3.800	(0.915)	3.800	0.000	3.800	0.000	3.800	0.000
<b>Total Expenses</b>	<b>\$1,538.201</b>	<b>\$1,612.146</b>	<b>(\$73.945)</b>	<b>\$1,664.575</b>	<b>(\$52.429)</b>	<b>\$1,702.181</b>	<b>(\$37.606)</b>	<b>\$1,752.165</b>	<b>(\$49.984)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$679.759)</b>	<b>(\$704.899)</b>	<b>(\$25.140)</b>	<b>(\$724.746)</b>	<b>(\$19.847)</b>	<b>(\$739.273)</b>	<b>(\$14.526)</b>	<b>(\$766.548)</b>	<b>(\$27.276)</b>

**MTA METRO-NORTH RAILROAD**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Cash Basis**  
**(\$ in millions)**

**Cash Receipts & Expenditures**

	Favorable/(Unfavorable)								
	2013	2014	Change 2013 - 2014	2015	Change 2014 - 2015	2016	Change 2015 - 2016	2017	Change 2016 - 2017
<b><u>Receipts</u></b>									
Farebox Revenue	\$627.245	\$666.414	\$39.169	\$680.953	\$14.539	\$692.953	\$12.000	\$704.781	\$11.828
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	85.091	71.957	(13.134)	70.444	(1.513)	71.154	0.710	72.068	0.914
Capital and Other Reimbursements	170.027	193.159	23.132	215.358	22.199	224.811	9.453	233.972	9.161
<b>Total Receipts</b>	<b>\$882.363</b>	<b>\$931.530</b>	<b>\$49.167</b>	<b>\$966.755</b>	<b>\$35.225</b>	<b>\$988.918</b>	<b>\$22.163</b>	<b>\$1,010.821</b>	<b>\$21.903</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$456.525	\$487.892	(\$31.367)	\$488.518	(\$0.626)	\$490.761	(\$2.244)	\$502.255	(\$11.494)
Overtime	79.302	78.852	0.450	75.675	3.177	73.131	2.545	74.881	(1.750)
Health and Welfare	109.088	126.105	(17.017)	132.425	(6.320)	137.405	(4.980)	144.967	(7.562)
OPEB Current Payment	21.000	22.049	(1.049)	22.877	(0.828)	24.169	(1.292)	25.536	(1.367)
Pensions	67.940	85.856	(17.916)	86.316	(0.460)	85.504	0.812	86.211	(0.707)
Other Fringe Benefits	103.903	114.252	(10.349)	119.113	(4.861)	118.626	0.487	122.167	(3.541)
GASB Account	0.000	8.917	(8.917)	9.105	(0.188)	9.291	(0.186)	9.474	(0.183)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$837.758</b>	<b>\$923.923</b>	<b>(\$86.165)</b>	<b>\$934.029</b>	<b>(\$10.106)</b>	<b>\$938.887</b>	<b>(\$4.858)</b>	<b>\$965.491</b>	<b>(\$26.604)</b>
Non-Labor:									
Electric Power	\$79.914	\$88.795	(\$8.881)	\$93.875	(\$5.080)	\$99.861	(\$5.986)	\$105.821	(\$5.960)
Fuel	25.473	23.007	2.466	22.156	0.851	22.318	(0.162)	23.060	(0.742)
Insurance	18.765	22.406	(3.641)	26.250	(3.844)	28.514	(2.264)	32.306	(3.792)
Claims	1.039	0.681	0.358	0.681	0.000	0.681	0.000	0.681	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	135.137	119.979	15.158	128.565	(8.586)	144.514	(15.949)	149.587	(5.073)
Professional Service Contracts	36.491	59.681	(23.190)	62.981	(3.300)	61.025	1.956	62.549	(1.524)
Materials & Supplies	101.003	111.723	(10.720)	104.815	6.908	101.863	2.952	101.865	(0.002)
Other Business Expenses	49.683	50.454	(0.771)	52.775	(2.321)	55.020	(2.245)	58.124	(3.104)
<b>Total Non-Labor Expenditures</b>	<b>\$447.505</b>	<b>\$476.725</b>	<b>(\$29.220)</b>	<b>\$492.098</b>	<b>(\$15.373)</b>	<b>\$513.796</b>	<b>(\$21.698)</b>	<b>\$533.993</b>	<b>(\$20.197)</b>
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$1,285.263</b>	<b>\$1,400.648</b>	<b>(\$115.385)</b>	<b>\$1,426.127</b>	<b>(\$25.479)</b>	<b>\$1,452.683</b>	<b>(\$26.556)</b>	<b>\$1,499.484</b>	<b>(\$46.801)</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$402.900)</b>	<b>(\$469.118)</b>	<b>(\$66.218)</b>	<b>(\$459.372)</b>	<b>\$9.746</b>	<b>(\$463.765)</b>	<b>(\$4.393)</b>	<b>(\$488.663)</b>	<b>(\$24.898)</b>
<b><u>Subsidies</u></b>									
MTA	\$306.640	\$371.950	\$65.310	\$363.410	(\$8.540)	\$369.309	\$5.899	\$390.381	\$21.072
CDOT	96.260	97.168	0.908	95.962	(1.206)	94.456	(1.506)	98.282	3.826
<b>Total Subsidies</b>	<b>\$402.900</b>	<b>\$469.118</b>	<b>\$66.218</b>	<b>\$459.372</b>	<b>(\$9.746)</b>	<b>\$463.765</b>	<b>\$4.393</b>	<b>\$488.663</b>	<b>\$24.898</b>

**MTA METRO-NORTH RAILROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Summary of Plan-to-Plan Changes by Generic Category**

**REVENUE**

**FAREBOX REVENUE**

Non-Reimbursable

- 2013 shows decreased revenue of revenue of \$6.8 million resulting from the events described previously.
- 2014–2017 reflects rising ridership growth that has been evidenced in the actuals since the July Financial Plan. This results in increased revenue of \$1.1 million in 2014, \$1.6 million in 2015, \$1.3 million in 2016, and \$3.0 million in 2017.

Reimbursable and Cash

- Not applicable

**OTHER OPERATING REVENUE**

Non-Reimbursable

- 2013 includes \$22.3 million in storm reimbursements (\$11.3 million for Sandy and \$11.0 million for Irene) and an additional \$3.4 million for Sandy in 2014, based on revised recovery assumptions.
- 2013 changes from the July Financial Plan are primarily due to the rescheduling of GCT revenue funded projects.
- 2014-2017 reflects reduced storm recoveries offset by continuing improvement in GCT retail and advertising revenues.

Reimbursable

- Not applicable

Cash

- 2013-2017 adjustments primarily reflect decreases vs. the July Plan (\$0.6 million, \$0.4 million, \$0.7 million, \$0.7 million, and \$0.8 million, respectively) for the Harlem/Hudson portion of advertising revenue that has been reassigned to MTAHQ.

**CAPITAL AND OTHER REIMBURSEMENTS**

Reimbursable

- Lower reimbursements in 2014 reflect rescheduled and reassessed project workflows and are primarily attributable to reduced labor requirements.
- 2015-2017 reimbursable project costs (and receipts) reflect a continuation of new baseline project levels from 2014 adjusted for the rescheduled PTC project as well as other select minor project cost and scheduling refinements.

## Cash

- 2013-2017 includes adjustments for receipt timing differences.

## EXPENSES

### PAYROLL

#### Management Labor

- Non-Agreement salaries include provisions for cost of living increases in 2014-2017 of 1.91%, 1.85% 1.89% and 1.89% respectively.
- 2014 salary expense is worse by (\$4.8 million) due to additional positions related to the MofW Infrastructure Improvement Plan (\$1.4 million), Security (\$1.1 million), Training (\$0.8 million), IT (\$0.6 million), and GCT maintenance improvements (\$0.6 million).
- 2015-2017 salary expense is higher by approximately (\$5.2 million) annually resulting from the same items mentioned above.

#### Agreement Labor

- Agreement salaries assume no wage increases for the three year period of July 16, 2010 through July 15, 2013. For 2014–2017, increases are applied starting July 16<sup>th</sup> of each year at annual CPI-driven rates of 1.91% in 2014, 1.85% in 2015, 1.89% in 2016, and 1.89% in 2017.
- The 2013 increase of \$2.1 million is related primarily to the MofW Infrastructure Improvement Plan partially offset by a delay in the implementation of the Service Improvement Plan and delayed hires.
- The 2014 reduction of \$6.0 million reflects a reduction in the provision for retiree pay-outs \$1.4 million, increased staff vacancies in MofE \$1.3 million, greater quantity of entry level, lower rate positions for Car Appearance resulting in \$1.1 million favorable change, delayed Service Improvement Plans \$1.0 million, a reduction in the MofW Infrastructure Improvement Plan \$0.9 million and the elimination of three ticket sellers positions in Customer Service as a result of the purchase of additional ticket vending machines (TVMs) \$0.2 million.
- 2015 is essentially flat to 2014.
- 2016–2017 are better by \$9.6 million and \$9.8 million respectively, due to the same items above as well a \$3.6 million further reduction in MofW infrastructure reductions related to the completion of the Infrastructure Improvement Plan with staff attrition and migration back to capital programs.

#### Reimbursable

- 2013 reimbursable payroll costs are lower by \$3.7 million at \$36.5 million relative to the July plan of \$40.2 million due to overall decreases in OT&E and non-agreement labor staffing partially offset by slightly increased T&E staff requirements.
- 2014 costs are projected at \$44.7 million reflecting increased non-agreement and OT&E staff requirements as delayed capital projects resume emphasis.
- 2015-2017 reimbursable project costs reflect a continuation of new baseline project levels from 2014.

## **OVERTIME**

### **Non-Reimbursable**

- Overtime is inflated at the same rate as agreement salaries.
- 2013 overtime is worse by \$6.0 million due to the Infrastructure Improvement Plan (\$4.0 million), increased provision for Train & Engine Crew service coverage (\$1.4 million) and the New Haven Line power failure (\$0.3 million).
- 2014 overtime is worse by \$6.7 million due primarily to the Infrastructure Improvement Plan (\$5.0 million) and coverage for service improvements in Operations Services (\$1.3 million).
- 2015 is worse by \$4.6 million due primarily to the MofW Infrastructure Improvement Plan (\$3.1 million) and coverage for service improvements in Operations Services (\$0.6 million).
- 2016-2017 is worse by \$0.8 million annually due primarily to Power initiatives in MofW.

### **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. 2013 overtime costs (\$16.3 million) remain essentially flat relative to the July plan (\$16.1 million).
- 2014 costs projected at \$15.9 million reflect a slight decrease from the July Financial Plan.
- 2015-2017 reimbursable project costs reflect a continuation of new baseline project levels from 2014.

## **HEALTH AND WELFARE**

### **Non-Reimbursable and Reimbursable**

- 2013 changes generally reflect lower premium growth rates compared to the July Mid-Year Forecast.
- 2014–2017 reflects a higher number of retirees and changes in premiums.

## **OPEB CURRENT PAYMENT (GASB 45)**

### **Non-Reimbursable**

- 2013–2017 changes in Other Post Employment Benefit (OPEB) payments are due to an increasing level of retirees.

## **PENSIONS**

### **Non-Reimbursable and Reimbursable**

- The 2013-2017 changes in pension costs represent updated actuarial estimates for the Defined Benefit Plan.

### **Cash**

- 2013 cash requirements are decreased by \$16.7 million to reflect advance payment of 2013 costs in 2012.

## **OTHER FRINGE BENEFITS**

Non-Reimbursable and Reimbursable

- 2013–2017 reflect changes in Railroad Retirement taxes and adjustments to employee claims.

## **REIMBURSABLE OVERHEAD**

Non-Reimbursable and Reimbursable

- 2013–2017 Overhead cost recovery reflects a modification to the General and Administrative allocation rates and adjustments to project activity.

## **ELECTRIC POWER**

### **Traction Power - Revenue**

Non-Reimbursable

- 2013 is better by \$2.4 million due to New Haven Line efficiencies driven primarily by the ongoing retirement of M-2, M-4, and M-6 train cars and the subsequent increase in M-8 train car miles (\$2.1 million) and the November 2013 service plan reduction (\$0.3 million).
- 2014–2017 incorporates the impact of revised inflation factors and service plan changes.

### **Non-Traction Power – Non-Revenue**

Non-Reimbursable

- 2013 is better by \$0.5 million due primarily to slightly lower rates and a milder winter.
- 2014–2017 incorporates the impact of revised inflation rates.

## **FUEL**

### **Revenue Vehicle Fuel**

Non-Reimbursable

- 2013 is higher by \$0.7 million due to higher rates than originally planned.
- 2014–2017 incorporates the impact of revised inflation assumptions.

### **Cash**

- 2013–2017 include a credit (reduction to cash disbursements) for accrued fuel costs at New Haven which are paid directly by CDOT.

### **Non-Revenue Fuel**

Non-Reimbursable

- 2013 is higher by \$0.6 million due to rate/volume issues with the original plan.
- 2014–2017 incorporates the impact of revised inflation assumptions.

## **INSURANCE**

Non-Reimbursable and Reimbursable

- 2013–2017 incorporates the impact of revised premiums.

#### Cash

- 2013-2017 includes an adjustment for the difference between expense accruals and cash payments.

### **CLAIMS**

#### Non-Reimbursable

- 2013–2017 reflect current claim trends and also captures the potential risk associated with recent events.

### **MAINTENANCE AND OTHER OPERATING CONTRACTS**

#### Non-Reimbursable

- 2013 is higher by \$3.1 million due to RailVac rental costs (\$2.1 million), additional police and bus services related to the CSX derailment and NHL power failure (\$1.7 million) partially offset by reduced Environmental Hazard expense \$0.6 million.
- 2014 and 2015 include equipment rental costs of \$5.2 million and \$3.7 million respectively for the continuation of the Infrastructure Improvement Program focused on areas outside the Bronx. These costs were not included in the July Financial Plan.
- 2014–2017 show higher plan-over-plan costs due to ongoing programs for brush cutting and Right of Way Clean-up expenses (\$1.6 million), lease escalations in mid-town (\$1.2 million), increased provisions for bus service (\$0.7 million), higher anticipated utility rates at GCT (\$0.7 million), increases in 525 N. Broadway maintenance and repairs (\$0.6 million), increased external security contracts (\$0.5 million) and the full year impact for the new GCT escalator maintenance contract (\$0.5 million).

#### Reimbursable

- In 2013, net expenditures increased by \$7.4 million to \$23.8 million relative to the July plan due to increased expenditures for NHL Tree removal and West of Hudson Signal improvements offset slightly by lower 2013 costs in Cos Cob West Substation, Turnouts Mainline, and Radio Frequency re-banding.
- 2014 costs are projected at \$12.0 million primarily due to rescheduled PTC project, Danbury Branch Signal projects and track work programs. 2014 projections also include the impact of the GCT Leaks remediation project and the Overhead Bridge Program.
- 2015-2017 reimbursable project costs reflect a continuation of new baseline project levels from 2014 and select minor project cost and scheduling

#### Cash

- 2013-2017 cash adjustments include timing differences and reallocations to accrued expenses.

## **PROFESSIONAL SERVICES CONTRACTS**

### **Non-Reimbursable**

- 2013 is better by \$2.3 million due primarily to delayed consulting as well as a shift in data center charges to operating capital in IT, in addition to reduced legal, training and medical exam costs related to the delay in new hires.
- 2014–2017 is \$1.7 million better annually due to the prior period's ground penetrating radar study, delayed training in MofW, and other cost cutting initiatives.

### **Reimbursable**

- 2013 expenditures decreased by \$2.3 million to \$5.6 million relative to the July plan and is primarily attributable to the Overhead Bridge Program and the 2013 Cyclical Track program.
- In 2014 projected estimates total \$19.6 million due largely to the impact of PTC as well as the West of Hudson Signal improvements project.
- 2015-2017 expenses reflect inflationary growth assumptions and reflect a continuation of new baseline project levels from 2015 forward along with select minor project cost and scheduling refinements.

## **MATERIAL AND SUPPLIES**

### **Non-Reimbursable**

- 2013 is \$0.7 million higher due to additional materials required for the Infrastructure Improvement Program and the write-off of obsolete material partially offset by a delay in the Seat Replacement Program and lower material requirements related to ongoing Sandy repairs.
- 2014 is better by \$3.4 million due to inflationary rate reductions and the elimination of the GCT escalator performance system partially offset by the non-Bronx Infrastructure Improvement Plan.
- 2015 is better by \$3.9 million due to inflationary rate reductions and the elimination of the GCT escalator performance system partially offset by the Infrastructure Improvement Plan.
- 2016-2017 is better by \$6.1 million due to inflationary rate reductions, the completion of the Infrastructure Improvement Plan and the elimination of the GCT escalator performance system.

### **Reimbursable**

- In 2013, the net decrease of \$1.5 million to \$14.8 million relative to the July plan \$16.3 million is primarily due to decreased requirements for the 2013 Cyclical Track Program offset by increased needs for the GCT switch renewal, the Turnouts-Yards project, the Railroad Under Grade Bridge, and Park Ave Viaduct projects.
- In 2014, projections total \$20.9 million and include the PTC project, Bronx Stations project, the C-30 Track Program, and the New Haven Rail Yard Component project.
- 2015-2017 levels are based upon prior year projections adjusted for the impact of inflation.

#### Cash

- 2013-2017 reflects cash adjustments for the difference between expense accruals and cash payments. In 2013, the non-cash reserve for obsolete material increased by \$3.0 million.

### **OTHER BUSINESS EXPENSES**

#### Non-Reimbursable

- 2013 is \$3.4 million higher due primarily to the NHL power failure and a reduction in Amtrak expense recoveries related to train delays caused by the Infrastructure Improvement Plan partially offset by improved revenues driving lower subsidy expense from NJT on the West of Hudson line as well as slightly lower expense inflation assumptions.
- 2014–2017 costs improve in the out years due primarily to reduced subsidies from NJT on the West of Hudson line.

### **DEPRECIATION**

#### Non-Reimbursable

- 2013-2017 includes provisions for changes in Metro-North's capital assets.

### **OPEB OBLIGATION (GASB 45)**

#### Non-Reimbursable

- 2013-2017 costs reflect a true-up (decrease) in the liability for Post Retirement Benefits (healthcare costs) for future retirees based on an updated actuarial estimate.

### **ENVIRONMENTAL REMEDIATION (GASB 49)**

#### Non-Reimbursable

- 2013–2017 costs reflect the estimated liability for pollution remediation costs associated with capital projects. It is assumed to hold constant.

**MTA METRO-NORTH RAILROAD**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>					
	2013	2014	2015	2016	2017
<b>2013 July Financial Plan Baseline - Operating Cash Income/(Deficit) *</b>	<b>(\$388.906)</b>	<b>(\$477.411)</b>	<b>(\$469.283)</b>	<b>(\$477.711)</b>	<b>(\$504.459)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	(\$6.806)	\$1.100	\$1.644	\$1.338	\$3.024
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.952	(0.030)	0.498	(0.433)	(0.401)
Capital and Other Reimbursement					
<b>Total Revenue Changes</b>	<b>(\$5.854)</b>	<b>\$1.069</b>	<b>\$2.141</b>	<b>\$0.905</b>	<b>\$2.623</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	(\$2.926)	\$1.179	\$0.295	\$3.915	\$3.985
Overtime	(5.998)	(6.672)	(4.621)	(0.740)	(0.753)
Health and Welfare	(3.648)	11.209	10.325	14.500	16.662
OPEB Current Payment	(1.000)	(2.447)	(2.346)	(2.636)	(2.950)
Pensions	(1.226)	(0.392)	(0.031)	1.372	1.638
Other Fringe Benefits	(3.608)	(4.695)	(7.251)	(6.944)	(7.769)
Reimbursable Overhead	(6.845)	(3.288)	(4.482)	(4.577)	(4.680)
<b>Total Labor Expense Changes</b>	<b>(\$25.251)</b>	<b>(\$5.107)</b>	<b>(\$8.113)</b>	<b>\$4.892</b>	<b>\$6.132</b>
<b>Non-Labor:</b>					
Electric Power	\$2.865	(\$1.680)	(\$3.170)	(\$4.900)	(\$5.713)
Fuel	(1.331)	0.743	1.224	1.720	1.985
Insurance	0.268	0.888	0.878	(0.245)	(1.335)
Claims	0.142	0.000	0.000	0.000	0.000
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	(3.132)	(13.194)	(10.441)	(7.957)	(8.148)
Professional Service Contracts	2.257	1.653	1.608	1.587	1.631
Materials & Supplies	(0.665)	3.374	3.899	6.079	6.141
Other Business Expenses	(3.364)	0.216	0.441	0.552	0.706
<b>Total Non-Labor Expense Changes</b>	<b>(\$2.960)</b>	<b>(\$7.999)</b>	<b>(\$5.561)</b>	<b>(\$3.164)</b>	<b>(\$4.733)</b>
<b>Total Expenses before Depreciation and GASB Adjustments</b>	<b>(\$28.211)</b>	<b>(\$13.106)</b>	<b>(\$13.673)</b>	<b>\$1.728</b>	<b>\$1.398</b>
Depreciation	\$13.818	\$14.752	\$14.752	\$14.752	\$14.752
OPEB Obligation	0.000	4.007	3.613	4.254	4.958
Environmental Remediation	1.070	0.155	0.155	0.155	0.155
<b>Total Expense Changes</b>	<b>(\$13.322)</b>	<b>\$5.808</b>	<b>\$4.847</b>	<b>\$20.889</b>	<b>\$21.263</b>
<b>Cash Conversion Adjustment Changes</b>					
Depreciation	(\$13.818)	(\$14.752)	(\$14.752)	(\$14.752)	(\$14.752)
Operating/Capital	3.707	(6.661)	(1.593)	0.000	0.000
Other Cash Adjustments	15.293	22.828	19.268	6.903	6.662
<b>Total Cash Conversion Adjustments</b>	<b>\$5.182</b>	<b>\$1.415</b>	<b>\$2.923</b>	<b>(\$7.850)</b>	<b>(\$8.090)</b>
<b>Total Baseline Changes</b>	<b>(\$13.995)</b>	<b>\$8.292</b>	<b>\$9.911</b>	<b>\$13.945</b>	<b>\$15.796</b>
<b>2013 November Financial Plan Baseline-Operating Cash Income/(Deficit)</b>	<b>(\$402.901)</b>	<b>(\$469.119)</b>	<b>(\$459.372)</b>	<b>(\$463.766)</b>	<b>(\$488.663)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the MTA Consolidated July 2013 Financial Plan.

**MTA METRO-NORTH RAILROAD**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

REIMBURSABLE					
	2013	2014	2015	2016	2017
<b>2013 July Financial Plan Baseline - Operating Cash Income/(Deficit) *</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
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	(8.609)	(2.917)	7.380	8.169	14.292
<b>Total Revenue Changes</b>	<b>(\$8.609)</b>	<b>(\$2.917)</b>	<b>\$7.380</b>	<b>\$8.169</b>	<b>\$14.292</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$3.681	(\$3.703)	(\$3.799)	(\$3.865)	(\$3.933)
Overtime	(0.226)	0.555	0.555	0.564	0.578
Health and Welfare	1.148	(1.148)	(0.708)	(0.709)	(0.559)
OPEB Current Payment	-	-	-	-	-
Pensions	0.762	(1.256)	(0.881)	(0.869)	(0.842)
Other Fringe Benefits	0.576	(0.518)	(1.151)	(1.279)	(1.399)
Reimbursable Overhead	6.237	3.082	3.118	3.184	3.257
<b>Total Labor Expense Changes</b>	<b>\$12.179</b>	<b>(\$2.989)</b>	<b>(\$2.866)</b>	<b>(\$2.975)</b>	<b>(\$2.897)</b>
<b>Non-Labor:</b>					
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000
Insurance	0.265	(0.509)	(0.559)	(0.569)	(0.579)
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	(7.368)	13.149	11.099	9.515	5.143
Professional Service Contracts	2.276	(3.229)	(11.498)	(10.400)	(12.030)
Materials & Supplies	1.453	(3.553)	(3.606)	(3.793)	(3.985)
Other Business Expenses	(0.197)	0.049	0.051	0.053	0.057
<b>Total Non-Labor Expense Changes</b>	<b>(\$3.570)</b>	<b>\$5.906</b>	<b>(\$4.514)</b>	<b>(\$5.194)</b>	<b>(\$11.395)</b>
<b>Total Expense Changes</b>	<b>\$8.609</b>	<b>\$2.917</b>	<b>(\$7.380)</b>	<b>(\$8.169)</b>	<b>(\$14.292)</b>
<b>2013 November Financial Plan Baseline-Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the MTA Consolidated July 2013 Financial Plan.

**MTA METRO-NORTH RAILROAD**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>2013 July Financial Plan Baseline - Operating Cash Income/(Deficit) *</b>	<b>(\$388.906)</b>	<b>(\$477.411)</b>	<b>(\$469.283)</b>	<b>(\$477.711)</b>	<b>(\$504.459)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	(\$6.806)	\$1.100	\$1.644	\$1.338	\$3.024
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.952	(0.030)	0.498	(0.433)	(0.401)
Capital and Other Reimbursement	(8.609)	(2.917)	7.380	8.169	14.292
<b>Total Revenue Changes</b>	<b>(\$14.463)</b>	<b>(\$1.848)</b>	<b>\$9.522</b>	<b>\$9.074</b>	<b>\$16.915</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$0.755	(\$2.524)	(\$3.504)	\$0.050	\$0.052
Overtime	(6.224)	(6.118)	(4.066)	(0.176)	(0.175)
Health and Welfare	(2.500)	10.061	9.617	13.791	16.103
OPEB Current Payment	(1.000)	(2.447)	(2.346)	(2.636)	(2.950)
Pensions	(0.464)	(1.648)	(0.912)	0.504	0.796
Other Fringe Benefits	(3.032)	(5.213)	(8.403)	(8.223)	(9.169)
Reimbursable Overhead	(0.608)	(0.207)	(1.364)	(1.393)	(1.423)
<b>Total Labor Expense Changes</b>	<b>(\$13.072)</b>	<b>(\$8.096)</b>	<b>(\$10.979)</b>	<b>\$1.917</b>	<b>\$3.234</b>
<b>Non-Labor:</b>					
Electric Power	\$2.865	(\$1.680)	(\$3.170)	(\$4.900)	(\$5.713)
Fuel	(1.331)	0.743	1.224	1.720	1.985
Insurance	0.534	0.379	0.319	(0.814)	(1.914)
Claims	0.142	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	(10.500)	(0.045)	0.658	1.558	(3.005)
Professional Service Contracts	4.533	(1.577)	(9.890)	(8.813)	(10.399)
Materials & Supplies	0.788	(0.178)	0.293	2.286	2.156
Other Business Expenses	(3.560)	0.265	0.492	0.605	0.762
<b>Total Non-Labor Expense Changes</b>	<b>(\$6.530)</b>	<b>(\$2.093)</b>	<b>(\$10.075)</b>	<b>(\$8.358)</b>	<b>(\$16.128)</b>
<b>Total Expenses before Non-Cash Liability Adjs.</b>					
Depreciation	\$13.818	\$14.752	\$14.752	\$14.752	\$14.752
OPEB Obligation	0.000	4.007	3.613	4.254	4.958
Environmental Remediation	1.070	0.155	0.155	0.155	0.155
<b>Total Expense Changes</b>	<b>\$14.888</b>	<b>\$18.914</b>	<b>\$18.520</b>	<b>\$19.162</b>	<b>\$19.865</b>
<b>Baseline Net Surplus/(Deficit) Changes</b>					
<b>Cash Conversion Adjustment Changes</b>					
Depreciation	(\$13.818)	(\$14.752)	(\$14.752)	(\$14.752)	(\$14.752)
Operating/Capital	3.707	(6.661)	(1.593)	0.000	0.000
Other Cash Adjustments	15.293	22.828	19.268	6.903	6.662
<b>Total Cash Conversion Adjustments</b>	<b>\$5.182</b>	<b>\$1.415</b>	<b>\$2.923</b>	<b>(\$7.850)</b>	<b>(\$8.090)</b>
<b>Total Baseline Changes</b>	<b>(\$13.995)</b>	<b>\$8.293</b>	<b>\$9.911</b>	<b>\$13.945</b>	<b>\$15.796</b>
<b>2013 November Financial Plan Baseline-Operating Cash Income/(Deficit)</b>	<b>(\$402.901)</b>	<b>(\$469.118)</b>	<b>(\$459.372)</b>	<b>(\$463.766)</b>	<b>(\$488.663)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the MTA Consolidated July 2013 Financial Plan.

**MTA METRO-NORTH RAILROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Summary of Major Plan-to-Plan Changes**

Revisions to Metro-North's financial plan for the 2014-2017 periods reflect adjustments resulting from ongoing Infrastructure Improvement Program, evolving economic conditions, changing cost assumptions and resource allocations.

**2013: NOVEMBER FINANCIAL PLAN vs. JULY FINANCIAL PLAN**

The 2013 November Forecast cash subsidy requirement of \$402.9 million for non-reimbursable operations is \$14.0 million higher than the 2013 July Plan. This reflects lower revenues of \$5.9 million and an increase of \$13.3 million in cash expenses. Farebox Revenues are \$6.8 million lower than the July Plan due to losses incurred from the July CSX freight train derailment on the Hudson line and the September Con Edison power failure impacting the New Haven line. Other Operating Revenue are \$1.0 million better than the July Plan due primarily to a lower level of revenue-funded GCT maintenance projects. Non-reimbursable operating expenses reflect an increase of \$13.3 million compared to the July Plan. The majority of increases are due to the Infrastructure Improvement Program, lower overhead recoveries due to lower capital project activity and an increase in accrued claims costs.

The 2013 Reimbursable Forecast of expenditures (and receipts) total \$164.8 million, which is \$8.6 million lower than the 2013 July Plan. This reduction reflects the re-scheduling of a number of projects and also includes lower 2013 costs for the Cyclical Track Program as well as the rescheduling of the Positive Train Control (PTC) project.

**2014: NOVEMBER FINANCIAL PLAN vs. JULY FINANCIAL PLAN**

The 2014 Final Proposed Budget cash subsidy requirement of \$469.1 million for non-reimbursable operations is \$8.3 million lower than the 2013 July Plan. This reflects \$1.1 million in revenue improvements in addition to a forecast reduction of \$5.8 million in cash expense. The increase in revenues is primarily driven by higher Farebox Revenue due to improvements in ridership growth. Expense improvements are due primarily to lower rates of increase in health & welfare costs, lower materials expenses and lower professional services costs. These decreases are partially offset by increased overtime and contract services related to the Infrastructure Improvement Program and higher Operating Capital expenditures.

Proposed Reimbursable expenditures (and receipts) for 2014 are projected at \$190.7 million which is \$2.9 million lower than the July Plan of \$193.7 million. This reduction reflects a decrease in maintenance contracts partially offset by increases in labor

expenses and materials & supplies as certain capital work delayed from 2013 due to the emphasis on operational activities resumes in 2014.

## **2015 - 2017: NOVEMBER FINANCIAL PLAN vs. JULY FINANCIAL PLAN**

The 2015-2017 November Financial Plan subsidy requirements are lower than the July Financial Plan by \$9.9 million in 2015, \$13.9 million in 2016, and \$15.8 million 2017. Higher revenue reflects mainly increased Farebox Revenue growth assumptions. Increased expenses are due to higher labor costs in overtime, other fringe benefits and reimbursable overhead partially offset by lower employee health & welfare costs. Non-Labor expenses show increased electric power and maintenance service contracts which are partially offset by lower material usage due to operating efficiencies.

Reimbursable expenditures (and receipts) for 2015-2017 compared to the July Plan are higher by \$7.4 million in 2015, \$8.2 million in 2016, and \$14.3 million in 2017, reflecting a continuation of revised baseline project levels from 2014 forward as well as select project cost and scheduling refinements.

**MTA Metro-North Railroad**  
**November Financial Plan 2014 - 2017**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>2013 July Financial Plan Baseline - Operating Cash Income/(Deficit) *</b>	<b>(\$388.906)</b>	<b>(\$477.411)</b>	<b>(\$469.283)</b>	<b>(\$477.711)</b>	<b>(\$504.459)</b>
<b>Non-Reimbursable Major Changes</b>					
Revenue					
Passenger Revenue	\$1.514	\$1.100	\$1.644	\$1.338	\$3.024
Non-Passenger Revenue	1.298	1.500	0.498	(0.433)	(0.401)
New Haven Line - ConEd Power Failure	(8.666)	0.000	0.000	0.000	0.000
Sandy Recovery	0.000	(1.530)	0.000	0.000	0.000
Sub-Total Non-Reimbursable Revenue Changes	<b>(\$5.854)</b>	<b>\$1.069</b>	<b>\$2.141</b>	<b>\$0.905</b>	<b>\$2.623</b>
Expenses					
Right-of-Way Track Improvement Program	(\$17.177)	(\$18.693)	(\$16.105)	\$0.000	\$0.000
New Haven Line - ConEd Power Failure	(2.834)	0.000	0.000	0.000	0.000
Right-of-Way Track Maintenance and Inspection Program	0.000	(1.586)	(1.586)	(1.586)	(1.586)
Infrastructure and Equipment Training	(0.294)	(1.178)	(1.178)	(1.178)	(1.178)
GCT Maintenance Improvements	(0.236)	(0.944)	(0.944)	(0.944)	(0.944)
Expanded Safety Management	0.000	(1.719)	(1.719)	(1.719)	(1.719)
Busing Service Related to CSX Derailment on Hudson Line	(0.800)	0.000	0.000	0.000	0.000
Lower Sandy Repair Expenses	1.630	0.000	0.000	0.000	0.000
Labor Cost Adjustments (Vacancy, Step and Capital OH)	(7.937)	1.295	1.172	1.787	1.740
Health & Welfare Changes	(2.884)	11.008	10.441	12.606	14.453
Insurance Premium Increase	0.268	0.888	0.878	(0.245)	(1.335)
Electric Power Pricing	2.588	(3.140)	(4.157)	(5.887)	(6.700)
Fuel Pricing	(1.331)	0.743	1.224	1.720	1.985
Service Plan Changes	0.606	2.840	1.288	1.288	1.288
Other	0.191	(2.620)	(2.985)	(4.113)	(4.605)
Sub-Total Non-Reimbursable Expense Changes	<b>(\$28.211)</b>	<b>(\$13.106)</b>	<b>(\$13.673)</b>	<b>\$1.728</b>	<b>\$1.398</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>(\$34.065)</b>	<b>(\$12.037)</b>	<b>(\$11.532)</b>	<b>\$2.633</b>	<b>\$4.021</b>
<b>Reimbursable Major Changes</b>					
Revenue					
Projections for 2014-2017 assume capital project activity levels similar to 2013 YEF adjusted for the winding down / completion / addition of projects	(\$8.609)	(\$2.917)	\$7.380	\$8.169	\$14.292
Sub-Total Reimbursable Revenue Changes	<b>(\$8.609)</b>	<b>(\$2.917)</b>	<b>\$7.380</b>	<b>\$8.169</b>	<b>\$14.292</b>
Expenses					
Projections for 2014-2017 assume capital project activity levels similar to 2013 YEF adjusted for the winding down / completion / addition of projects	\$8.609	\$2.917	(\$7.380)	(\$8.169)	(\$14.292)
Sub-Total Reimbursable Expense Changes	<b>\$8.609</b>	<b>\$2.917</b>	<b>(\$7.380)</b>	<b>(\$8.169)</b>	<b>(\$14.292)</b>
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>(\$34.065)</b>	<b>(\$12.037)</b>	<b>(\$11.532)</b>	<b>\$2.633</b>	<b>\$4.021</b>
<b>Cash Adjustment Changes</b>					
Timing in Force Account Payments	\$9.433	(\$1.713)	\$3.000	\$3.000	\$3.000
Retimed Claims Payment	3.500				
Remove July Plan Cash Provision for MofW and GCT Improvements specified as New Needs in November Plan	-	14.500	12.000	9.000	9.000
Operating Capital	0.911	3.983	1.041	(2.234)	(2.234)
Other	6.226	3.559	5.402	1.546	2.009
<b>Total Cash Adjustment Changes</b>	<b>\$20.070</b>	<b>\$20.329</b>	<b>\$21.443</b>	<b>\$11.312</b>	<b>\$11.775</b>
<b>Total Baseline Changes</b>	<b>(\$13.995)</b>	<b>\$8.293</b>	<b>\$9.911</b>	<b>\$13.945</b>	<b>\$15.796</b>
<b>2013 November Financial Plan Baseline-Operating Cash Income/(Deficit)</b>	<b>(\$402.901)</b>	<b>(\$469.118)</b>	<b>(\$459.372)</b>	<b>(\$463.766)</b>	<b>(\$488.663)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the MTA Consolidated July 2013 Financial Plan.

**MTA METRO-NORTH RAILROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**

**Ridership / (Utilization)**

Ridership projections are developed primarily by the application of line segment ridership forecasting models that incorporate current trends (excluding anomalies), the impact of economic and demographic factors, MTA supported CPI factors, employment and population forecasts, the most current information for proposed parking, advertising, service expansion and connecting services as well as government supported mass transit initiatives. In addition, internal programs that affect service, customer awareness and access to Metro-North are also incorporated into ridership forecasts.

Total East of Hudson ridership is projected at 82.4 million in 2013 which is 1.3% higher than 2012 and on-target to the July Financial Plan as ridership improvements over the last several months were minimally offset by losses incurred from service disruptions caused by the July CSX freight train derailment on the Hudson Line and the September Con Edison power failure which impacted New Haven Line service. In 2014 East of Hudson ridership is projected at 84.3 million, a 2.2% increase vs. 2013. 2015-2017 ridership is projected to grow, 1.6% in 2015, 1.3% in 2016 and 1.2% in 2017 with growth occurring across all three commuter lines. Projections over this period assume no fare increases in New York State and approved fare increases in the State of Connecticut of 5.04% in 2014 with annual increases of 1.0% in 2015 through 2017. Efforts to promote ridership growth continue with increases in programmed service expansion, increased parking and promotional advertising as well as a continuation of regional employment growth.

West of Hudson utilization reflects 2013 customer levels that are on target to 2012 and 2.3% higher than the July Financial Plan. In 2014 ridership is projected at 1.6 million, a 1.1% increase over 2013. 2015-2017 ridership is projected to grow 1.7% in both 2015 and 2016, then by 0.8% in 2017. Growth rates during this period reflect improvement in the economic climate, a resumption of customer growth in peak periods and continued customer increases during off-peak periods on both the Port Jervis and Pascack Valley lines.

**MTA Metro-North Railroad**  
**November Financial Plan 2014 - 2017**  
**Ridership (Utilization) \***  
(in millions)

	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November</b>	<b>Final Proposed</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
		<b>Forecast</b>	<b>Budget</b>			
<b><u>Ridership</u></b>						
Harlem Line	26.648	27.065	27.768	28.322	28.765	29.131
Hudson Line	15.853	16.016	16.401	16.682	16.935	17.173
New Haven Line	38.840	39.331	40.081	40.633	41.062	41.511
<b>Baseline Total Ridership</b>	<b>81.341</b>	<b>82.412</b>	<b>84.249</b>	<b>85.636</b>	<b>86.763</b>	<b>87.815</b>
West of Hudson	1.612	1.605	1.623	1.650	1.679	1.693
<b>Total Ridership - All MNR Lines</b>	<b>82.954</b>	<b>84.018</b>	<b>85.873</b>	<b>87.287</b>	<b>88.441</b>	<b>89.507</b>
<b><u>Farebox Revenue</u></b>						
Harlem Line	\$174.927	\$189.307	\$197.487	\$201.889	\$205.379	\$208.143
Hudson Line	127.698	137.572	142.990	145.627	148.060	150.304
New Haven Line	284.313	293.958	319.144	325.935	331.504	337.319
West of Hudson Mail & Ride	0.555	0.481	0.492	0.501	0.510	0.514
<b>Baseline Total Farebox Revenue</b>	<b>\$587.493</b>	<b>\$621.318</b>	<b>\$660.112</b>	<b>\$673.953</b>	<b>\$685.453</b>	<b>\$696.281</b>

\* Reflects East of Hudson Service

**MTA Metro-North Railroad**  
**November Financial Plan 2014 - 2017**  
**2013 Budget Reduction Plan Summary**  
(\$ in millions)

	Favorable/(Unfavorable)									
	<u>Pos.</u>	<u>2013</u>	<u>Pos.</u>	<u>2014</u>	<u>Pos.</u>	<u>2015</u>	<u>Pos.</u>	<u>2016</u>	<u>Pos.</u>	<u>2017</u>
<u>Administration</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Administration	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Customer Convenience/Amenities</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Customer Convenience/Amenities	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
Review and Monitor Contract Services	-	0.600	-	0.600	-	0.600	-	0.600	-	0.600
Reduce Rolling Stock Material Usage	<u>-</u>	<u>1.259</u>	<u>-</u>	<u>5.249</u>	<u>-</u>	<u>4.801</u>	<u>-</u>	<u>4.912</u>	<u>-</u>	<u>6.512</u>
Subtotal Maintenance	-	1.859	-	5.849	-	5.401	-	5.512	-	7.112
<u>Revenue Enhancement</u>										
Increase Non-Passenger Revenue	-	0.802	-	2.168	-	2.909	-	2.613	-	2.916
Subtotal Revenue Enhancement	-	0.802	-	2.168	-	2.909	-	2.613	-	2.916
<u>Safety/Security</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<b>Agency Submission</b>	-	<b>\$2.661</b>	-	<b>\$8.017</b>	-	<b>\$8.310</b>	-	<b>\$8.125</b>	-	<b>\$10.028</b>

**MTA Metro-North Railroad  
November Financial Plan 2014 - 2017  
2013 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Review and Monitor Contract Services

<b>Background Details:</b>	Reduce provisional budget amounts for various service costs and repairs.
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<b>Program Description/ Implementation Plan:</b>	Manage Operating Contracts - The reduction \$0.6 million annually and is part of the 2013 unspecified deficit reduction target.
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<b>Program Implementation Date:</b>	JUNE 2013	<b>When will savings begin?:</b>	JUNE 2013
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>					
2013 Unspecified Deficit Reduction Target	\$0.600	\$0.600	\$0.600	\$0.600	\$0.600
Net Cash Savings (in millions)	<b>\$0.600</b>	<b>\$0.600</b>	<b>\$0.600</b>	<b>\$0.600</b>	<b>\$0.600</b>

*Total Positions Required:*

**MTA Metro-North Railroad  
November Financial Plan 2014 - 2017  
2013 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Reduce Rolling Stock Material Usage

<b>Background Details:</b>	Replace M-7 seats on as-needed basis replacing cyclical program; take advantage of new M-8 car material efficiencies and revise maintenance program support for the M-2, M-4 and M-6 car fleets that are being phased-out; implement modifications to NHL fleet equipment traction motors reducing stress and lower frequency of failure rates.
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<b>Program Description/ Implementation Plan:</b>	Reduce Rolling Stock Material Usage - \$0.8 million annually is dedicated to the 2013 unspecified deficit reduction target. The incremental annual reductions of \$0.5 million to \$5.7 million are used to fund other Metro-North new needs and are in excess of Metro-North's 2013 unspecified deficit reduction target.
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<b>Program Implementation Date:</b>	JUNE 2013	<b>When will savings begin?:</b>	JUNE 2013
		<b>Are these savings recurring?:</b>	Yes

**Other Issues:**

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>					
2013 Unspecified Deficit Reduction Target	\$0.800	\$0.800	\$0.800	\$0.800	\$0.800
Reduce Rolling Stock Material Usage	0.459	4.449	4.001	4.112	5.712
Net Cash Savings (in millions)	<b>\$1.259</b>	<b>\$5.249</b>	<b>\$4.801</b>	<b>\$4.912</b>	<b>\$6.512</b>

*Total Positions Required:*

**MTA Metro-North Railroad  
November Financial Plan 2014 - 2017  
2013 Budget Reduction Plan Worksheet**

**Category by Function:**

**Revenue Enhancement**

**Program:**

**Increase Non-Passenger Revenue**

<b>Background Details:</b>	Continue favorable growth trend on realization of higher GCT retail revenues and percentage rent receipts, and maintain control on tenant service costs.
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<b>Program Description/ Implementation Plan:</b>	Increase Non-Passenger Revenue - \$0.8 million annual receipts is part of the 2013 unspecified deficit reduction target. Further revenue enhancement is forecast from stable increases from advertising, station rents and concessions. The incremental annual reductions that grow to \$2.1 million are used to fund other Metro-North new needs and are in excess of Metro-North's 2013 unspecified deficit reduction target.
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<b>Program Implementation Date:</b>	JUNE 2013	<b>When will savings begin?:</b>	JUNE 2013
		<b>Are these savings recurring?:</b>	Yes

**Other Issues:**

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>					
2013 Unspecified Deficit Reduction Target	\$0.800	\$0.800	\$0.800	\$0.800	\$0.800
Stable Increases of Non-Passenger Revenues	\$0.002	\$1.368	\$2.109	\$1.813	\$2.116
Net Cash Savings (in millions)	<b>\$0.802</b>	<b>\$2.168</b>	<b>\$2.909</b>	<b>\$2.613</b>	<b>\$2.916</b>

*Total Positions Required:*

**MTA METRO-NORTH RAILROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Positions**

**POSITION ASSUMPTIONS**

Positions are stated as of December 31 of each year and reflect authorized staffing levels.

**YEAR-TO-YEAR CHANGES**

**2013-2014**

The 2014 Final Proposed Budget contains an overall increase of 105 new positions to enable the Railroad to complete its strategic initiatives and further improve performance and reduce operating risk. These initiatives include track infrastructure and facility improvements, safety and service reliability enhancements, employee training and customer service and communication improvements.

**Non-Reimbursable**

The 2014 Final Proposed Budget includes the net addition of 68 positions at year-end, which includes a shift of 35 operating positions to support capital program work in December. Excluding this shift, there are programmatic increases of 103 positions to the non-reimbursable budget.

These increases are attributed to: 30 Maintenance of Way Infrastructure Improvement Program positions (includes 10 management oversight and 20 temporary Trackmen positions), 18 T&E positions to support the 2014 service plan and 14 Maintenance of Equipment positions to maintain the larger fleet of new M-8 cars. The Safety Security Plan includes 11 positions to enhance the oversight of district safety requirements, strengthen Fire Prevention in GCT, and enhance internal safety investigation capabilities. Eight additional training positions are required to address increased regulatory and internal certification requirements for MofE and MofW employees. West of Hudson signal improvements require the addition of seven Maintenance of Way positions to comply with inspection and maintenance regulations and four additional Maintenance of Way positions will be required to support the relocation of critical data communication equipment to a new location in GCT. Positions have also been added to support various MofW functions (two GPS support positions and three Engineering Associates) and Mobile Ticketing (three positions). Also, there is a shift of three Procurement positions from reimbursable to non-reimbursable to right size current work levels. In addition to these changes, 2014 includes the transfer of the Car Appearance Unit (370 positions) from the Operations Services Department to the Maintenance of Equipment Department effective January 2014.

## Reimbursable

The 2014 Final Proposed Budget includes the net addition of 37 positions at year-end, which includes a shift of 35 operating positions to support capital program work in December. Excluding this shift, there are programmatic increases of 2 positions to the reimbursable budget. These increases are attributed to: 11 T&E Flagmen positions to support Sandy repairs partially offset by a reduction of eight positions - five MofW Structures positions no longer required and the transfer of three Procurement positions to the non-reimbursable budget.

### **2014-2015**

The increase of 14 non-reimbursable positions reflects an increase of 14 T&E positions to support the service plan.

### **2015-2016**

2016 includes a decrease of 11 non-reimbursable positions resulting from the reduction of 20 Maintenance of Way positions due to the completion of the Infrastructure Improvement Plan partially offset by an increase of six T&E positions to support the service plan and three positions to support new geometry car equipment in MofW. There is also an increase of ten reimbursable positions for PTC.

### **2016-2017**

2017 includes an increase of seven non-reimbursable positions resulting from 12 additional T&E positions to support the service plan partially offset by a decrease of five Maintenance of Way positions due to the ramping down of the Right-of-Way clean-up efforts.

**MTA METRO-NORTH RAILROAD**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Positions Plan-to-Plan Changes**

**PLAN TO PLAN CHANGES**

**2013**

The 2013 November Forecast includes a net reduction of four positions versus the July Plan. This reflects a reduction of 16 positions due to the partial rescheduling of the November Service Plan to 2014 partially offset by 7 positions to support the Grand Central Terminal Re-organization as well several other miscellaneous hires.

**2014**

The Final Proposed Budget for 2014 includes increases of 56 positions from the July Financial Plan primarily due to: the increase of 23 Maintenance of Way positions reflecting an increase of 30 Infrastructure Improvement Program positions (includes 10 management oversight and 20 temporary Trackmen positions) offset by the reclassification of seven maintenance positions in West of Hudson to support the new signal system. The Safety Security Plan requires 11 positions to enhance the oversight of district safety requirements, strengthen Fire Prevention in GCT, and enhance internal safety investigation capabilities. Eight additional training positions are required to address increased regulatory and internal certification requirements for MofE and MofW employees. The increase of 7 positions in GCT maintenance is a function of the re-organization of the GCT. In addition to these changes, 2014 includes the transfer of the Car Appearance Unit (370 positions) from the Operations Services Department to the Maintenance of Equipment Department effective January 2014.

**2015**

The 2015 Plan includes an increase of 59 positions from the July Financial Plan based upon all the items mentioned in the 2014 comments above (including the transfer of the Car Appearance Unit) plus the elimination of a planned staff reduction of three positions in Training.

**2016**

The November Forecast for 2016 shows a net increase of 52 positions over the July Forecast. All of these positions carry forward from the 2015 changes noted above (including the transfer of the Car Appearance Unit) plus an increase of ten positions for PTC. These increases are partially offset by a reduction of 20 Maintenance of Way positions due to the completion of the Infrastructure Improvement Plan partially offset by three additional positions to support new Geometry Car equipment (also in MofW).

**2017**

The November Forecast for 2017 shows a net increase of 47 positions over the July Forecast. All of these positions carry forward from the 2016 changes noted above (including the transfer of the Car Appearance Unit) partially offset by a decrease of 5 Maintenance of Way positions primarily due to the ramp down of the Right-of-Way clean-up efforts.

<b>MTA METRO-NORTH RAILROAD</b> <b>November Financial Plan 2014 - 2017</b> Favorable/(Unfavorable)					
<b>Total Position Changes at a Glance</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2013 July Plan - Total Baseline Positions</b>	<b>6,482</b>	<b>6,527</b>	<b>6,538</b>	<b>6,544</b>	<b>6,556</b>
Total Plan-to-Plan Changes	4	(56)	(59)	(52)	(47)
<b>2013 November Plan - Total Baseline Positions</b>	<b>6,478</b>	<b>6,583</b>	<b>6,597</b>	<b>6,596</b>	<b>6,603</b>
Total Year-to-Year Changes, November Plan		(105)	(14)	1	(7)
<b>Total Plan-to-Plan Changes by Reporting Category:</b>					
<i>Non-Reimbursable</i>	(10)	(84)	(50)	(33)	(28)
<i>Reimbursable</i>	14	28	(9)	(19)	(19)
<b>Total</b>	<b>4</b>	<b>(56)</b>	<b>(59)</b>	<b>(52)</b>	<b>(47)</b>
<i>Full-Time</i>	4	(56)	(59)	(52)	(47)
<i>Full-Time Equivalents</i>	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>(56)</b>	<b>(59)</b>	<b>(52)</b>	<b>(47)</b>
<i>By Function Category</i>					
- Administration	(3)	(24)	(27)	(27)	(27)
- Operations <sup>(1)</sup>	14	367	367	367	367
- Maintenance <sup>(1)</sup>	(7)	(399)	(399)	(392)	(387)
- Engineering/Capital	0	0	0	0	0
- Public Safety	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>(56)</b>	<b>(59)</b>	<b>(52)</b>	<b>(47)</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	(7)	(8)	(8)	(8)	(8)
- Professional, Technical, Clerical	(3)	(41)	(44)	(44)	(44)
- Operational Hourlies	14	(7)	(7)	0	5
<b>Total</b>	<b>4</b>	<b>(56)</b>	<b>(59)</b>	<b>(52)</b>	<b>(47)</b>
<b>Total Plan-to-Plan Changes by Major Category:</b>					
<i>2013 BRPs</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>New Needs</i>	<b>(15)</b>	<b>(56)</b>	<b>(56)</b>	<b>(36)</b>	<b>(36)</b>
<i>Change in Reimbursable Positions</i>	<b>14</b>	<b>28</b>	<b>(9)</b>	<b>(19)</b>	<b>(19)</b>
<i>Re-estimates &amp; All Other</i>	<b>5</b>	<b>(28)</b>	<b>6</b>	<b>3</b>	<b>8</b>
<b>Total</b>	<b>4</b>	<b>(56)</b>	<b>(59)</b>	<b>(52)</b>	<b>(47)</b>

<sup>(1)</sup>Reflects the January 2014 transfer of the Car Appearance Unit (370 positions) from Operations (Operation Services Dept.) to Maintenance (Maintenance of Equipment Dept.).

**MTA METRO-NORTH RAILROAD**  
**November Financial Plan 2014 - 2017**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

FUNCTION/DEPARTMENT	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>						
President	3	3	3	3	3	3
Labor Relations	7	9	9	9	9	9
Safety	17	22	33	33	33	33
COS/ Corporate & Public Affairs	16	16	16	16	16	16
Customer Service	39	48	48	48	48	48
Legal	16	18	18	18	18	18
Claims	12	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	7	7	7	7	7
Human Resources & Diversity	26	28	28	28	28	28
Training	45	50	58	58	58	58
Employee Relations & Diversity	2	5	5	5	5	5
VP Planning	2	2	2	2	2	2
Operations Planning & Analysis	16	18	18	18	18	18
Capital Planning & Programming	13	16	16	16	16	16
Business Development Facilities & Mktg	22	24	24	24	24	24
Long Range Planning	7	8	8	8	8	8
VP Finance & Info Systems	1	1	1	1	1	1
Controller	79	80	81	81	81	81
Information Technology & Project Mgmt	82	124	125	125	125	125
Budget	17	20	20	20	20	20
Procurement & Material Management	34	46	46	46	46	46
Corporate	0	0	0	0	0	0
<b>Total Administration</b>	<b>469</b>	<b>569</b>	<b>590</b>	<b>590</b>	<b>590</b>	<b>590</b>
<b>Operations</b>						
Operations Administration	49	61	61	61	61	61
Operations Services <sup>(1)</sup>	1,749	1,798	1,457	1,471	1,477	1,489
Customer Service	219	239	240	240	240	240
Business Development Facilities & Mktg	32	38	38	38	38	38
Metro-North West	30	27	34	34	34	34
<b>Total Operations</b>	<b>2,079</b>	<b>2,163</b>	<b>1,830</b>	<b>1,844</b>	<b>1,850</b>	<b>1,862</b>
<b>Maintenance</b>						
GCT	357	389	389	389	389	389
Maintenance of Equipment <sup>(1)</sup>	1,252	1,351	1,735	1,735	1,745	1,745
Maintenance of Way	1,637	1,776	1,809	1,809	1,792	1,787
Procurement & Material Management	118	120	120	120	120	120
<b>Total Maintenance</b>	<b>3,364</b>	<b>3,636</b>	<b>4,053</b>	<b>4,053</b>	<b>4,046</b>	<b>4,041</b>
<b>Engineering/Capital</b>						
Construction Management	35	42	42	42	42	42
Engineering & Design	55	68	68	68	68	68
<b>Total Engineering/Capital</b>	<b>90</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>
<b>Baseline Total Positions</b>	<b>6,002</b>	<b>6,478</b>	<b>6,583</b>	<b>6,597</b>	<b>6,596</b>	<b>6,603</b>
<i>Non-Reimbursable</i>	5,592	5,900	6,005	5,982	5,971	5,978
<i>Reimbursable</i>	410	578	578	615	625	625
<i>Total Full-Time</i>	6,001	6,477	6,582	6,596	6,595	6,602
<i>Total Full-Time-Equivalents</i>	1	1	1	1	1	1

<sup>(1)</sup>Reflects the January 2014 transfer of the Car Appearance Unit (370 positions) from Operations (Operation Services Dept.) to Maintenance (Maintenance of Equipment Dept.).

**MTA METRO-NORTH RAILROAD**  
**November Financial Plan 2014 - 2017**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>						
Managers/Supervisors	165	192	193	193	193	193
Professional, Technical, Clerical	304	377	397	397	397	397
Operational Hourlies	-	-	-	-	-	-
<b>Total Administration</b>	<b>469</b>	<b>569</b>	<b>590</b>	<b>590</b>	<b>590</b>	<b>590</b>
<b>Operations</b>						
Managers/Supervisors <sup>(1)</sup>	149	156	149	149	149	149
Professional, Technical, Clerical	224	238	239	239	239	239
Operational Hourlies <sup>(1)</sup>	1,706	1,770	1,443	1,457	1,463	1,475
<b>Total Operations</b>	<b>2,079</b>	<b>2,163</b>	<b>1,830</b>	<b>1,844</b>	<b>1,850</b>	<b>1,862</b>
<b>Maintenance</b>						
Managers/Supervisors <sup>(1)</sup>	502	541	548	548	548	548
Professional, Technical, Clerical	466	502	519	519	519	519
Operational Hourlies <sup>(1)</sup>	2,396	2,594	2,987	2,987	2,980	2,975
<b>Total Maintenance</b>	<b>3,364</b>	<b>3,636</b>	<b>4,053</b>	<b>4,053</b>	<b>4,046</b>	<b>4,041</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	43	49	49	49	49	49
Professional, Technical, Clerical	47	61	61	61	61	61
Operational Hourlies	-	-	-	-	-	-
<b>Total Engineering/Capital</b>	<b>90</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>
<b>Public Safety</b>						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
<b>Total Public Safety</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Baseline Positions</b>						
Managers/Supervisors	859	938	939	939	939	939
Professional, Technical, Clerical	1,041	1,177	1,215	1,215	1,215	1,215
Operational Hourlies	4,102	4,363	4,429	4,443	4,442	4,449
<b>Total Baseline Positions</b>	<b>6,002</b>	<b>6,478</b>	<b>6,583</b>	<b>6,597</b>	<b>6,596</b>	<b>6,603</b>

<sup>(1)</sup>Reflects the January 2014 transfer of the Car Appearance Unit (363 in Operational Hourly positions & 7 in Managers/Supervisors) from Operations (Operation Services Dept.) to Maintenance (Maintenance of Equipment Dept.).

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## **MTA Headquarters**

**MTA HEADQUARTERS**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**

**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 includes the MTA Police Department. Continuing to affirm its commitment to the goals laid out in the MTA Vision Statement, the MTA Headquarters' Plan demonstrates the organization's commitment to streamlining operations and maximizing efficiencies and revenue opportunities within the organization and across the MTA. At the same time, it also remains committed to maintaining an organization dedicated to communicating effectively and promoting customer satisfaction, as well as enhancing safety and security throughout the MTA system.

*Policy, Oversight and Consolidated Functions*

MTA Headquarters' November Financial Plan contains self-funded programs and funding for MTA-wide initiatives considered to be the highest priority by executive management. In the spring of 2013, MTA Headquarters conducted a review of operations that identified recurring savings of almost \$3 million. These savings are included in the baseline, and are discussed more fully in the Budget Reductions Program (BRPs) section.

The MTA Headquarters' November Financial Plan continues to provide funding for a number of strategic cost reduction initiatives, including the consolidation/relocation of the Administration offices from Madison Avenue to Two Broadway. Reimbursement of this funding will come from the disposition of the Madison Avenue properties with the remaining revenues to aid the MTA Capital Plan. An Information Technology initiative will enable the MTA to improve customer service through the development of a "cloud" based system that will be utilized as a platform to display real-time train status for commuter rail customers and other critical public applications. It will enable the MTA to pursue a single, integrated All-Agency Cloud E-mail solution to provide continuous e-mail service in the event of a major disaster. The cloud environment will also enable MTA employees to promptly resume duties following unexpected business disruptions. Funding is also provided for IT to maximize computing efficiencies by assuring a smooth transition of the computer structure to the all-agency data center at Two Broadway and to improve Disaster Recovery capabilities of business systems/applications.

The November Plan includes funding for a consultant to examine the "Procure-to-Pay" processes across the MTA to recommend how to make the processes as efficient and effective as possible using inherent technical capabilities. Funding is also provided for management consulting services for the MTA to improve its business processes, identify and implement opportunities for operating and capital cost savings and increase revenue generation. Audits will be funded to implement Executive Order 88 which

mandates that agencies and authorities energy use in their buildings be reduced by the year 2020. Funding is also included to engage a Blue Ribbon Panel of transportation safety officials and railroad industry leaders to review maintenance practices, protocols and strategies in light of a series of safety-related incidents including derailments and workplace accidents at MNR, LIRR, and NYCT. Because workers compensation benefit costs have escalated rapidly, baseline funding engages a consultant to assist in a long term plan to identify and implement process improvements to reduce the overall cost of administering this benefit and to establish data collection procedures to identify factors that are driving these increases.

Pension department employees from the Agencies will consolidate into the MTA Pension, Retirement, and Benefits Services Division transferring 19 positions from NYCT and four positions from LIRR, as well as six additional new positions for Pension Benefits Counseling, Pension Finance and Pension Administration. Five headcount positions are also provided for Capital Program Management to coordinate, set, and manage all agency-wide programs related to Sandy disaster recovery and mitigation. Efforts are currently underway to consolidate Information Technology at MTA Headquarters and the Treasury function, effective at the beginning of 2014. The transfer of IT headcount and budgets from agencies to the new IT Department under HQ and the Treasury consolidation will not be reflected in the November Plan but included in the February technical adjustment.

MTA funding is also included for projects and planning-related expenses, specifically, for oversight of the West Side Yards Development project, which has no net cost impact since all funding is reimbursable by the project developer.

### *MTA Security*

As the transportation system expands, MTA is taking steps to ensure appropriate protection is provided for our customers, employees and facilities. The 2014 Budget baseline includes funding in 2014 for the hiring of nine MTA Police positions, enabling the MTA PD to increase its presence on the Metro North New Haven Line, which is MNR's most heavily traveled line. Included in the Financial Plan baseline is funding for the hiring of five MTAPD positions beginning in 2015 for patrolling the Moynihan project, an expansion of the west end concourse at Penn Station. Also included in the baseline is funding in 2016 for the MTA PD to begin a hiring schedule for approximately 30 new officers each year through 2018, which will be used to augment safety and security throughout the MTA system and be available to establish a fully-trained security presence for East Side Access when it opens in 2019.

### *Business Service Center (BSC)*

In order to transform the way the MTA conducts business, it 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. A second phase began in 2012,

incorporating NYCT and MTA Bus, followed this year by B&T Human Resources functions into the BSC.

Operating capital funding is provided for the BSC needs to upgrade hardware and software, specifically for:

- Finance and Human Resources upgrades of \$27.1 million in 2014 and \$11.6 million in 2015;
- Document Imaging Upgrades of \$1.4 million in each of the years 2015 and 2016;
- In 2014 only, Telephone System Replacement of \$0.6 million; Disaster Recovery of \$1.1 million; Occupational Health Records System Upgrade of \$1.5 million; Vendor Master File Cleanup of \$0.5 million; Auto Vouchering of \$1.0 million;
- Replace original BSC hardware equipment of \$10.0 million in 2016.

In addition, funding is provided for Livingston Plaza back up data center hosting fees, short-term hosting for an additional recovery location at Sterling Forest, and additional hosting that will be required during PeopleSoft environment upgrades.

### **2013 November Forecast**

The MTA Headquarters Baseline Deficit of \$429.8 million in the November Plan includes total Non-Reimbursable Operating Revenues of \$62.5 million and total expenses before depreciation and other post-employment benefits of \$349.4 million, consisting of \$209.8 million in labor expenses and \$139.5 million in non-labor expenses. Total capital and other reimbursements are projected to be \$71.9 million. Total reimbursable labor expenses are \$61.1 million and non-labor expenses are \$10.8 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$103.2 million primarily reflecting advertising revenue receipts reassigned from the Agencies to MTA Headquarters.

The Baseline Cash Deficit is projected to be \$183.7 million, a \$33.0 million favorable variance from the July Adopted Budget of \$216.7 million. Major operating cash changes include:

#### **Favorable**

- Revised methodology in accounting for MTAHQ Two Broadway relocation expenses of \$44.9 million.
- Reduced operating capital of \$4.6 million mainly due to capital spending deferred to outer years of the Plan.
- Revised insurance premium expense of \$1.4 million.
- Lower accrued payroll of \$1.0 million due to vacancies.
- Lower pension costs of \$0.9 million due to revised contribution requirements.
- Reduced electric power and professional service expenses of \$0.8 million each due to under spending.

#### **Unfavorable**

- Other cash flow adjustments of \$13.0 million mainly due to revised accounting methodology and timing of MTAHQ Two Broadway relocation expenses.

- New Needs professional services expenses of \$3.4 million mainly for Cloud E-mail, Procure-to-Pay, and Business Transformation consulting.
- Lower reimbursable overhead recovery of \$2.9 million mainly due to reduced expenses recoverable from benefiting agencies.
- Higher health and welfare expenses of \$0.9 million due to revised forecasting methodology.

Reimbursable expenses are projected to increase by \$4.2 million in 2013 mainly due to a change in methodology in recording MTAPD reimbursable overtime partly offset by reduced expenses recoverable from the benefiting agencies.

Total baseline positions are projected to increase by 11 positions to 1,722 positions, resulting from 11 New Needs positions including the addition of seven BSC Benefits positions, Two Capital Program Management positions, a State-mandated Excelsior Fellow position, and a Contract Compliance position. These are discussed more thoroughly in the Positions section.

### **2014 Final Proposed Budget - Baseline**

The MTA Headquarters Baseline Deficit of \$445.0 million in the November Plan includes total Non-Reimbursable Operating Revenues of \$57.2 million and total expenses before depreciation and other post-employment benefits of \$369.0 million, consisting of \$214.5 million in labor expenses and \$154.5 million in non-labor expenses. Total capital and other reimbursements are projected to be \$80.3 million. Total reimbursable labor expenses are \$63.9 million and non-labor expenses are \$16.4 million. Cash adjustments prior to depreciation and OPEB obligation are unfavorable by \$14.8 million primarily reflecting advertising revenue receipts reassigned to MTA Headquarters from NYCT and the Commuter Railroads, partly offset by higher operating capital and revised MTAHQ headquarters relocation costs.

The Baseline Cash Deficit is projected to be \$326.6 million, a \$101.1 million unfavorable variance from the July Preliminary Budget of \$225.5 million.

Major operating cash changes include:

#### **Unfavorable**

- Other cash flow adjustments of \$76.9 million mainly due to revised accounting methodology and timing of MTAHQ Two Broadway relocation expenses.
- Higher operating capital of \$34.7 million including BSC costs for PeopleSoft software upgrades for Finance and Human Resources, and Occupational Health Records System, and funding for Telephone System Replacement, Vendor Master File Cleanup, and Auto Vouchering.
- New needs professional services expenses of \$11.7 million mainly for Cloud E-mail, Energy Efficiency Audits of State Buildings, Procure-to-Pay, and Business Transformation consulting.
- BSC new needs for hosting charges of \$4.3 million primarily for back-up data center locations.

- The consolidation of 18 positions into the MTA Headquarters Pension, Retirement and Benefits Service Division of \$1.8 million.
- New needs positions for seven BSC Benefits positions, five Capital Program management positions to manage Sandy activity, one manager for Sandy Small Business Compliance, one state-mandated Excelsior Fellow position. These new needs total \$1.6 million.
- Lower revenue of \$1.3 million due to reallocation of Two Broadway rentals.

### **Favorable**

- Revised methodology in accounting for MTAHQ Two Broadway relocation expenses of \$22.4 million.
- Revised insurance premium expense of \$2.1 million.
- Lower pension costs of \$1.8 million due to revised contribution requirements.
- Lower health and welfare expenses of \$0.7 million due to lower rates.
- Lower support requirements for the Rockaway Resident Discount Program of \$0.5 million.

Reimbursable expenses are projected to increase by \$7.4 million in 2014 mainly due to a change in methodology in recording MTAPD reimbursable overtime and the consolidation of four LIRR positions into the MTA Pension, Retirement and Benefits Service Division.

Total baseline positions are projected to increase by 44 positions to 1,765 positions. This results from 14 New Needs positions, 11 reimbursable positions, and 19 re-estimated positions. This is discussed more thoroughly in the Positions section.

### **2015-2017 Projections**

Operating cash deficits are projected to increase by \$16.2 million in 2015, \$1.4 million in 2016, and \$3.2 million in 2017 relative to the July Plan.

Major operating cash changes include:

### **Unfavorable**

- Higher operating capital of \$14.0 million in 2015, \$12.4 million in 2016, and \$1.0 million in 2017. Operating capital increase in 2015 are primarily due to BSC new needs for PeopleSoft software upgrades for Finance and Human Resources, and Document Imaging upgrades. Operating capital increases in 2016 are due to BSC new need to replace original equipment.
- BSC new needs for hosting charges for back-up data centers and an Enterprise Budgeting System of \$5.4 million, \$3.7 million, and \$3.8 million in 2015, 2016, and 2017, respectively.
- The consolidation of 19 positions into the MTA Headquarters Pension, Retirement and Benefits Service Division of \$1.8 million in 2015, and \$1.9 million in 2016 and 2017.
- New needs positions for seven BSC Benefits positions, five Capital Program Management positions to manage Sandy activity, and one manager for Sandy

Small Business Compliance. These new needs total \$1.5 million in 2015 and 2016, and \$1.6 million in 2017.

- New needs professional services expenses for Cloud E-mail internet service provider expenses, Business Transformation consulting, and Energy Efficiency Audits of State Buildings of \$2.4 million in 2015, \$2.2 million in 2016 and \$1.8 million in 2017.
- Higher support requirements for the Rockaway Resident Discount Program of \$0.6 million in each year.

### **Favorable**

- Higher other net cash flow adjustments of \$14.0 million in 2015, \$74.8 million in 2016, and \$0.7 million in 2017 mainly due to revised methodology in accounting for MTAHQ relocation expense reimbursements.
- Revised insurance premium expense of \$2.5 million, \$3.0 million, and \$3.6 million in 2015, 2016, and 2017, respectively.
- Lower pension costs of \$1.9 million in 2015, \$1.8 million in 2016, and \$1.5 million in 2017, due to revised contribution requirements.
- Higher revenue of \$0.5 million in 2016, and \$1.5 million in 2017, due to reallocation of Two Broadway rentals.

Reimbursable expenses are projected to increase by \$6.2 million in 2015, and \$6.3 million in 2016 and 2017. Increases are mainly due to a change in methodology in recording MTAPD reimbursable overtime and the consolidation of four LIRR positions into the MTA Pension, Retirement and Benefits Service Division.

Total baseline positions are projected to increase by 43 positions in each year 2015-2017. This results in total headcount of 1,769 positions in 2015, 1,799 positions in 2016, and 1,843 positions in 2017. Increases result from 13 New Needs positions, 11 reimbursable positions, and 19 re-estimated positions. This is discussed more thoroughly in the Positions section.

### **Budget Reduction Program (BRPs)**

The November baseline includes BRPs identified in the July Plan following an in-depth review of administrative and Public Safety expenses. Of the \$5.1 million savings identified in 2013, \$4.4 million is due to administrative reductions. Part of the MTAHQ savings recurs through the elimination of wireless devices, reductions in telephone services and reduced professional services and other maintenance costs of \$0.8 million. Part of the savings consists of one-shots, including reduced Integrated Electronic Security System (IESS) facility maintenance license fees of \$2.8 million. MTAPD savings of \$0.7 million results mainly from reduced contracts with outside vendors for IT hardware and software and are recurring.

BRP savings of \$3.7 million in 2014 and \$2.9 million in 2015 are a reduction from 2013 and reflect diminishing savings related to the IESS maintenance licenses. Thereafter, BRP savings of \$2.9 million continue in 2016 and 2017 and are adjusted for inflation.

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Operating Revenue</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.535	53.302	51.945	45.322	47.002	48.723
Advertising	0.000	0.000	0.000	0.000	0.000	0.000
Other	5.130	9.190	5.208	2.936	2.991	3.035
Total Other Operating Revenue	57.665	62.492	57.153	48.258	49.993	51.758
Capital and Other Reimbursements						
<b>Total Revenue</b>	<b>\$57.665</b>	<b>\$62.492</b>	<b>\$57.153</b>	<b>\$48.258</b>	<b>\$49.993</b>	<b>\$51.758</b>
<b>Operating Expenses</b>						
<u>Labor:</u>						
Payroll	\$154.472	\$157.318	\$160.524	\$162.358	\$165.794	\$171.110
Overtime	12.954	9.090	9.403	9.092	9.121	9.293
Health and Welfare	23.164	23.369	26.075	27.480	29.610	32.150
OPEB Current Payment	7.741	11.520	13.080	14.640	16.200	17.760
Pensions	34.326	42.474	41.821	42.767	44.145	46.090
Other Fringe Benefits	17.391	14.728	14.045	14.556	15.094	15.764
Reimbursable Overhead	(59.852)	(48.677)	(50.492)	(51.309)	(52.269)	(53.043)
<b>Total Labor Expenses</b>	<b>\$190.196</b>	<b>\$209.823</b>	<b>\$214.455</b>	<b>\$219.583</b>	<b>\$227.696</b>	<b>\$239.124</b>
<u>Non-Labor:</u>						
Electric Power	\$7.087	5.284	6.777	6.440	6.610	6.903
Fuel	2.417	1.939	1.258	1.168	1.129	1.162
Insurance	0.347	1.671	1.874	1.998	2.191	2.460
Claims	(0.015)	1.099	1.209	1.330	1.463	1.609
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	54.910	66.383	66.279	62.841	63.599	64.540
Professional Service Contracts	56.314	50.591	68.447	64.214	61.477	61.930
Materials & Supplies	0.000	0.000	0.002	0.002	0.002	0.002
<u>Other Business Expenses</u>						
MTA Internal Subsidy	(17.168)	4.200	3.500	4.600	4.600	4.600
Other	5.553	8.371	5.157	5.075	5.171	5.258
Total Other Business Expenses	(11.615)	12.571	8.657	9.675	9.771	9.858
<b>Total Non-Labor Expenses</b>	<b>\$109.445</b>	<b>\$139.538</b>	<b>\$154.502</b>	<b>\$147.668</b>	<b>\$146.241</b>	<b>\$148.464</b>
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$299.641</b>	<b>\$349.360</b>	<b>\$368.957</b>	<b>\$367.251</b>	<b>\$373.937</b>	<b>\$387.588</b>
Depreciation	49.676	49.598	27.275	37.674	42.810	37.812
OPEB Obligation	83.759	93.325	105.962	118.600	131.238	143.875
Environmental Remediation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$433.076</b>	<b>\$492.282</b>	<b>\$502.194</b>	<b>\$523.525</b>	<b>\$547.985</b>	<b>\$569.276</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$375.411)</b>	<b>(\$429.791)</b>	<b>(\$445.041)</b>	<b>(\$475.267)</b>	<b>(\$497.992)</b>	<b>(\$517.518)</b>

REIMBURSABLE
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**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE / REIMBURSABLE</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenue</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.535	53.302	51.945	45.322	47.002	48.723
Other	5.130	9.190	5.208	2.936	2.991	3.035
Total Other Operating Revenue	57.665	62.492	57.153	48.258	49.993	51.758
Capital and Other Reimbursements	69.293	71.903	80.304	83.964	90.266	91.288
<b>Total Revenue</b>	<b>\$126.958</b>	<b>\$134.395</b>	<b>\$137.458</b>	<b>\$132.221</b>	<b>\$140.259</b>	<b>\$143.046</b>
<b>Expenses</b>						
<u>Labor:</u>						
Payroll	\$157.955	\$161.032	\$165.419	\$167.333	\$170.862	\$176.253
Overtime	12.961	16.088	15.754	14.092	14.121	14.293
Health and Welfare	23.684	23.949	26.962	28.422	30.607	33.204
OPEB Current Payment	7.741	11.520	13.080	14.640	16.200	17.760
Pensions	35.009	43.148	42.741	43.704	45.105	47.073
Other Fringe Benefits	17.983	15.148	14.433	14.985	15.539	16.222
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$255.333</b>	<b>\$270.885</b>	<b>\$278.389</b>	<b>\$283.175</b>	<b>\$292.433</b>	<b>\$304.805</b>
<u>Non-Labor:</u>						
Electric Power	\$7.087	\$5.284	\$6.777	\$6.440	\$6.610	\$6.903
Fuel	2.417	1.939	1.258	1.168	1.129	1.162
Insurance	0.347	1.671	1.874	1.998	2.191	2.460
Claims	(0.015)	1.099	1.209	1.330	1.463	1.609
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	54.910	66.389	66.299	62.861	63.619	64.561
Professional Service Contracts	60.435	60.768	84.683	84.448	86.866	87.395
Materials & Supplies	-	-	0.002	0.002	0.002	0.002
<u>Other Business Expenses</u>						
MTA Internal Subsidy	(17.168)	4.200	3.500	4.600	4.600	4.600
Other Business Expenses	5.588	9.027	5.272	5.192	5.291	5.379
Total Other Business Expenses	(11.580)	13.227	8.772	9.792	9.891	9.979
<b>Total Non-Labor Expenses</b>	<b>\$113.601</b>	<b>\$150.378</b>	<b>\$170.872</b>	<b>\$168.039</b>	<b>\$171.770</b>	<b>\$174.071</b>
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$368.934</b>	<b>\$421.263</b>	<b>\$449.261</b>	<b>\$451.214</b>	<b>\$464.203</b>	<b>\$478.876</b>
Depreciation	49.676	49.598	27.275	37.674	42.810	37.812
OPEB Obligation	83.759	93.325	105.962	118.600	131.238	143.875
Environmental Remediation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$502.369</b>	<b>\$564.185</b>	<b>\$582.498</b>	<b>\$607.489</b>	<b>\$638.251</b>	<b>\$660.563</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$375.411)</b>	<b>(\$429.791)</b>	<b>(\$445.041)</b>	<b>(\$475.267)</b>	<b>(\$497.992)</b>	<b>(\$517.518)</b>

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November</b>	<b>Final Proposed</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
		<b>Forecast</b>	<b>Budget</b>			
<b>Receipts</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.457	53.187	51.945	45.322	47.002	48.723
Advertising	0.000	115.025	118.946	122.782	126.420	130.168
Other	<u>4.688</u>	<u>9.117</u>	<u>5.307</u>	<u>16.180</u>	<u>77.198</u>	<u>3.139</u>
Total Other Operating Revenue	57.145	177.329	176.199	184.284	250.621	182.030
Capital and Other Reimbursements	66.477	70.327	80.604	83.964	90.266	91.288
<b>Total Receipts</b>	<b>\$123.622</b>	<b>\$247.656</b>	<b>\$256.803</b>	<b>\$268.248</b>	<b>\$340.887</b>	<b>\$273.318</b>
<b>Expenditures</b>						
<u>Labor:</u>						
Payroll	\$154.364	164.388	158.890	160.687	164.156	169.490
Overtime	12.975	16.088	15.754	14.092	14.121	14.293
Health and Welfare	22.164	22.920	25.890	27.305	29.467	32.039
OPEB Current Payment	7.741	11.520	13.080	14.640	16.200	17.760
Pensions	47.679	43.082	42.156	43.248	44.639	46.606
Other Fringe Benefits	17.376	15.839	14.371	14.920	15.474	16.157
GASB Account	1.029	1.451	1.512	1.542	1.575	1.606
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$263.328</b>	<b>\$275.289</b>	<b>\$271.652</b>	<b>\$276.434</b>	<b>\$285.632</b>	<b>\$297.952</b>
<u>Non-Labor:</u>						
Electric Power	\$6.473	5.284	6.777	6.440	6.610	6.903
Fuel	2.122	1.939	1.258	1.168	1.129	1.162
Insurance	2.622	\$1.648	\$1.855	\$1.978	\$2.169	\$2.435
Claims	2.426	\$0.939	\$1.209	\$1.330	\$1.463	\$1.609
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	55.541	\$64.964	\$63.581	\$60.284	\$61.011	\$61.914
Professional Service Contracts	54.930	\$63.187	\$78.332	\$78.114	\$80.351	\$80.841
Materials & Supplies	0.025	\$0.000	\$0.002	\$0.002	\$0.002	\$0.002
<u>Other Business Expenses</u>						
MTA Internal Subsidy	(6.239)	\$4.200	\$3.500	\$4.600	\$4.600	\$4.600
Other Business Expenses	<u>19.661</u>	<u>(\$4.461)</u>	<u>\$83.189</u>	<u>\$4.652</u>	<u>\$4.736</u>	<u>\$4.812</u>
Total Other Business Expenses	13.422	(0.261)	86.69	9.252	9.336	9.412
<b>Total Non-Labor Expenditures</b>	<b>\$137.561</b>	<b>\$137.700</b>	<b>\$239.701</b>	<b>\$158.568</b>	<b>\$162.069</b>	<b>\$164.278</b>
<u>Other Expenditure Adjustments:</u>						
Capital	7.572	18.384	72.016	31.266	29.716	18.316
Unallocated Service Enhancement Policy Action	-	-	-	-	-	-
<b>Total Other Expenditure Adjustments</b>	<b>\$7.572</b>	<b>\$18.384</b>	<b>\$72.016</b>	<b>\$31.266</b>	<b>\$29.716</b>	<b>\$18.316</b>
<b>Total Expenditures</b>	<b>\$408.461</b>	<b>\$431.373</b>	<b>\$583.369</b>	<b>\$466.267</b>	<b>\$477.418</b>	<b>\$480.546</b>
<b>Baseline Cash Deficit</b>	<b>(\$284.839)</b>	<b>(\$183.717)</b>	<b>(\$326.566)</b>	<b>(\$198.020)</b>	<b>(\$136.531)</b>	<b>(\$207.229)</b>

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November</b>	<b>Final Proposed</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
		<b>Forecast</b>	<b>Budget</b>			
<b>Receipts</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	(0.078)	(0.115)	0.000	0.000	0.000	0.000
Advertising Revenue	-	115.025	118.946	122.782	126.420	130.168
Other Operating Revenue	(0.442)	(0.073)	0.099	13.245	74.207	0.104
Capital and Other Reimbursements	(2.816)	(1.576)	0.300	-	-	-
<b>Total Receipts</b>	<b>(\$3.336)</b>	<b>\$113.261</b>	<b>\$119.345</b>	<b>\$136.026</b>	<b>\$200.628</b>	<b>\$130.272</b>
<b>Expenditures</b>						
<u><b>Labor:</b></u>						
Payroll	\$3.591	(\$3.356)	\$6.529	\$6.646	\$6.705	\$6.762
Overtime	(0.014)	-	-	-	-	-
Health and Welfare	1.520	1.029	1.073	1.118	1.140	1.165
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(12.670)	0.066	0.585	0.456	0.466	0.467
Other Fringe Benefits	0.607	(0.691)	0.062	0.065	0.065	0.065
GASB Account	(1.029)	(1.451)	(1.512)	(1.542)	(1.575)	(1.606)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>(\$7.995)</b>	<b>(\$4.403)</b>	<b>\$6.737</b>	<b>\$6.742</b>	<b>\$6.801</b>	<b>\$6.853</b>
<u><b>Non-Labor:</b></u>						
Electric Power	\$0.614					
Fuel	0.295		-	-	-	-
Insurance	(2.275)	0.023	0.019	0.020	0.022	0.025
Claims	(2.441)	0.160	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.631)	1.426	2.718	2.577	2.608	2.647
Professional Service Contracts	5.505	(2.419)	6.351	6.334	6.515	6.555
Materials & Supplies	(0.025)	-	0.000	0.000	0.000	0.000
<u><b>Other Business Expenses</b></u>						
MTA Internal Subsidy	(10.929)	-	-	-	-	-
Other Business Expenses	(14.073)	13.488	(77.917)	0.541	0.555	0.566
Total Other Business Expenses	(25.002)	13.488	(77.917)	0.541	0.555	0.566
<b>Total Non-Labor Expenditures</b>	<b>(\$23.960)</b>	<b>\$12.678</b>	<b>(\$68.829)</b>	<b>\$9.472</b>	<b>\$9.700</b>	<b>\$9.793</b>
<u><b>Other Expenditure Adjustments:</b></u>						
Capital	(\$7.572)	(\$18.384)	(\$72.016)	(\$31.266)	(\$29.716)	(\$18.316)
<b>Total Other Expenditure Adjustments</b>	<b>(\$7.572)</b>	<b>(\$18.384)</b>	<b>(\$72.016)</b>	<b>(\$31.266)</b>	<b>(\$29.716)</b>	<b>(\$18.316)</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b>	<b>(\$42.863)</b>	<b>\$103.152</b>	<b>(\$14.762)</b>	<b>\$120.973</b>	<b>\$187.413</b>	<b>\$128.602</b>
Depreciation Adjustment	49.676	49.598	27.275	37.674	42.810	37.812
OPEB Obligation	83.759	93.325	105.962	118.600	131.238	143.875
Environmental Remediation	-	-	-	-	-	-
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$90.572</b>	<b>\$246.074</b>	<b>\$118.475</b>	<b>\$277.248</b>	<b>\$361.461</b>	<b>\$310.289</b>

**MTA Headquarters**  
**2013 November Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

		Total		
<b>NON-REIMBURSABLE OVERTIME</b>		Hours	\$	%
	<u>Scheduled Service</u>	0.000	\$0.000	0.0%
	<u>Unscheduled Service</u>	0.000	0.000	0.0%
	<u>Programmatic/Routine Maintenance</u>	0.000	0.000	0.0%
	<u>Unscheduled Maintenance</u>	0.000	0.000	0.0%
	<u>Vacancy/Absentee Coverage</u>	97,383	4.519	49.7%
	<u>Weather Emergencies</u>	0.000	0.000	0.0%
	<u>Safety/Security/Law Enforcement</u>	90,253	4.130	45.4%
	<u>Other</u>	11,428	0.441	4.9%
	Subtotal	<b>199,064</b>	<b>\$9.090</b>	<b>100%</b>
	<b>REIMBURSABLE OVERTIME</b>	157,146	6.998	
	<b>TOTAL OVERTIME</b>	<b>356,210</b>	<b>\$16.088</b>	

**MTA HEADQUARTERS**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 -2017**  
**Year-to-Year Changes by Category - Baseline**

**Receipts:**

Rental and Other Income and Reimbursements

- The November Financial Plan for 2013 reflects advertising revenue receipts reassigned to MTA Headquarters from NYCT and the Commuter Railroads since the support of this real estate function is performed at MTA Headquarters. Since advertising revenue is location-specific, the advertising revenue and expenses, on an accrued basis only, will continue to be allocated to the Agencies where the advertising revenue is generated. The reduction at these agencies in Other Operating Revenue cash receipts will be matched by additional cash subsidies and have no adverse impact on an Agency's cash position.
- The July Financial Plan for 2013 and 2014 reflects adjustments to recovery of costs related to Sandy, adjustments to Two Broadway rental income, re-estimated charge-backs to Agencies for work performed by MTA Headquarters on their behalf, and re-estimated other income.
- In 2014 and the outer years of the Plan, Capital and Other Reimbursements increase due to the reimbursement of MTAPD overtime expenses reimbursable from grants.
- Rental Revenue in 2014 reflects a decrease from 2013 taking into account the reallocation of space at Two Broadway due to the relocation of MTAHQ. Two Broadway Rental Revenue is then increased 4% annually afterwards.
- In 2015 and 2016, a change in accounting methodology of other revenue reflects reimbursement of consolidation/relocation expenses from the disposition of the Madison Avenue buildings on a cash basis only, partly offset by lost rental revenues as a result of the buildings' disposal.
- Other Revenues in 2017 are inflated by the CPI-Urban rate of 1.48%.

**Expenditures:**

Payroll

- Salaries for non-represented employees, having gone four consecutive years without raises, are assumed to follow CPI-based increases in 2013. No across the board raises have been granted as of the November Plan.
- Payroll in 2014 is increased from 2013 and reflects the impact of a projected full-year of staffing, the consolidation of 23 positions into the MTA Pension, Retirement and Benefits Service Division, the addition of MTAPD positions for increased security on the New Haven Line, and 14 New Needs positions.
- Expenses in 2015, 2016, and 2017 reflect MTA Headquarters and MTA Police civilian salaries inflated by wage growth assumptions of 1.85%, 1.89%, and 1.85%, respectively.
- MTA Police represented salaries are inflated according to prevailing inflator assumptions and reflect the increase in patrol force necessary to provide greater

coverage on the New Haven Line in 2014, the Moynihan project in 2015, and the East Side Access Project beginning in 2016.

#### Overtime

- Overtime expenses throughout the November Financial Plan are primarily related to MTA Police operations.
- In 2013 and in the outer years MTAPD overtime expenses reimbursable from grants are now reflected as Reimbursable Expenses with reimbursements included in Capital and Other Reimbursements. 2013 and 2014 are based off of current Federal Department of Justice grants for Directed Patrol, which provide for enhanced patrolling of MTA facilities.
- Increased non-reimbursable expenses in 2014 primarily reflect MTAPD coverage anticipated for Super Bowl XLVIII at the MetLife Stadium.
- Non-reimbursable overtime expenses in 2015, 2016, and 2017 are inflated by prevailing inflator assumptions.

#### Health and Welfare

- Health and welfare costs increase in 2013 mainly due to increased headcount and higher medical premium rates.
- In 2014 and beyond health and welfare costs increase due to full staffing, headcount increases, and higher rates. Based on revised Empire Plan cost assumptions provided by the NYS Department of Civil Service, medical insurance premium rates for family coverage in 2014 are projected to increase at a rate of 5.1%, 3.8% in 2015 and 5.8% in 2016 and 2017.

#### OPEB Current Payment

- Increased projected expenses reflect higher GASB Account contributions in each year to help offset projected steep increases in future retiree health benefit costs.

#### Pensions

- Pension costs in 2013 reflect the final billing for NYSLERS contribution as well as required contribution to the MTA Defined Benefit Plan.
- Pension costs in 2014 increase based on estimated NYSLERS and MTA Defined Benefit contributions.
- NYSLER contributions are then inflated by a forward 3-year average CPI plus 1% of 2.65% in 2015, 2.57% in 2016, and 2.54% in 2017.
- MTA Defined Benefits contributions estimates are based on actuarial growth assumptions through 2017.

#### Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.

#### Electric Power

- Electric expenses in 2013 reflect usage estimates based on actual usage and billing.
- Higher electric expenses in 2014 reflect higher Two Broadway expenses partly offset by revised electric rate assumptions.

- Expenses In 2015 and beyond reflect re-estimates at MTA Headquarters.

#### Fuel

- Expenses in 2013 and beyond are adjusted based on the latest heating fuel and gasoline projections.

#### Insurance and Claims

- The core of excess liability policies is inflated at approximately 23% annually. Other Insurance premiums and claims expenses are inflated at approximately 10% annually.

#### Maintenance and Other Operating Contracts

- Maintenance and other operating contracts expenses in 2013 includes IESS maintenance expenses, real estate rental costs and facility related expenses.
- Expenses are virtually unchanged in 2014.
- Lower maintenance expenses in 2015 primarily reflect the impact of the disposition of the Madison Avenue buildings.
- Expenses in 2016 and 2017, with some small adjustments, are inflated by the CPI-Urban rates of 1.87%, and 1.48%, respectively.

#### Professional Service Contracts

- The baseline in 2013 reflects expenses, mainly hardware and software purchases, primarily at the Business Service Center. New Needs for Cloud E-mail internet service provider expenses, and Procure-to-Pay and Business Transformation consulting are also incorporated into the 2013 November Forecast.
- Expenses beginning in 2014 are projected to increase primarily due to Two Broadway for engineering, relocation of Headquarters administration functions, increased BSC hosting costs and New Needs for Cloud E-mail internet service provider expenses, Procure-to-Pay and Business Transformation consulting, and Energy Efficiency Audits of State Buildings.
- In 2015, 2016, and 2017 the majority of expenses are inflated by the CPI-Urban rates of 1.62%, 1.87%, and 1.48%, respectively, with adjustments corresponding to the needs of the West Side Yards development, and the required additional BSC data center hosting costs for each year.

#### Materials & Supplies

- Materials and Supplies expenses, while negligible, are inflated at the CPI-Urban rate of 1.27%, 1.62%, 1.87%, and 1.48% in 2014 - 2017.

#### MTA Internal Subsidy

- Support requirements for the Rockaway Resident Discount Program are \$4.2 million in 2013, decreasing to \$3.5 in 2014, and increasing to \$4.6 million per year thereafter. Reimbursement assumptions are addressed within the MTA Consolidated Subsidies section.

#### Other Business Expenses

- Expenses in 2013 reflect Sandy costs related to Two Broadway repairs.
- Beginning in 2014 expenses are normalized and are inflated by the CPI-Urban rates of 1.27%, 1.62%, 1.87%, and 1.48%, in 2014, 2015, 2016, 2017, respectively.

#### **Other Expenditure Adjustments:**

##### Capital Expenditures

- Capital expenditures of \$18.4 million in 2013 are \$4.6 million favorable from the July Plan primarily reflecting timing of expenditures and \$10.8 million unfavorable carryover from 2012.
- Capital expenditures of \$72.0 million in 2014 are an increase of \$53.6 million from 2013 and reflect BSC new needs to upgrade the PeopleSoft Financial and Human Resources modules (\$27.1 million), Telephone System (\$0.6 million), Disaster Recovery (\$1.1 million), and Occupational Health Records System (\$1.5 million). Funding is also provided for Vendor File Cleanup (\$0.5 million) and Auto Vouchering (\$1.0 million). Additional funding for the All-Agency Budget Enterprise System of \$0.7 million is also provided. Also reflected are Two Broadway needs of \$11.5 million for a power supply upgrade, elevator modernization, and other building improvements prior to the MTA Headquarters relocation; \$2.5 million to replace the MTAPD firearms trailer. Timing adjustments of projects spending deferred from prior years is also reflected.
- Capital expenditures of \$31.3 million in 2015 are \$40.8 million reduction from 2014 but reflect funding to upgrade the BSC PeopleSoft Financial and Human Resources modules (\$11.6 million), and Document Imaging (\$1.4 million).
- Capital expenditures of \$29.7 million in 2016 are \$1.6 million reduction from 2015 but reflect BSC needs of \$10.0 million to replace original BSC equipment and \$1.4 million for Document Imaging.
- Capital expenditures in 2017 of \$18.3 million are \$11.4 million reduction from the 2016 spending of \$29.7 million and reflect normalized levels of operating capital activity.

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	53.302	51.945	(1.356)	45.322	(6.624)	47.002	1.681	48.723	1.721
Other	9.190	5.208	(3.982)	2.936	(2.272)	2.991	0.055	3.035	0.044
Capital and Other Reimbursements									
<b>Total Revenue</b>	<b>\$62.492</b>	<b>\$57.153</b>	<b>(\$5.338)</b>	<b>\$48.258</b>	<b>(\$8.896)</b>	<b>\$49.993</b>	<b>\$1.736</b>	<b>\$51.758</b>	<b>\$1.765</b>
<b>Expenses</b>									
Labor:									
Payroll	\$157.318	\$160.524	(\$3.206)	\$162.358	(\$1.834)	\$165.794	(\$3.436)	\$171.110	(\$5.316)
Overtime	9.090	9.403	(0.313)	9.092	0.311	9.121	(0.029)	9.293	(0.172)
Health and Welfare	23.369	26.075	(2.706)	27.480	(1.405)	29.610	(2.130)	32.150	(2.540)
OPEB Current Payment	11.520	13.080	(1.560)	14.640	(1.560)	16.200	(1.560)	17.760	(1.560)
Pensions	42.474	41.821	0.654	42.767	(0.946)	44.145	(1.378)	46.090	(1.945)
Other Fringe Benefits	14.728	14.045	0.683	14.556	(0.511)	15.094	(0.539)	15.764	(0.670)
Reimbursable Overhead	(48.677)	(50.492)	1.814	(51.309)	0.818	(52.269)	0.959	(53.043)	0.774
<b>Total Labor Expenses</b>	<b>\$209.823</b>	<b>\$214.455</b>	<b>(\$4.632)</b>	<b>\$219.583</b>	<b>(\$5.128)</b>	<b>\$227.696</b>	<b>(\$8.113)</b>	<b>\$239.124</b>	<b>(\$11.428)</b>
Non-Labor:									
Electric Power	\$5.284	\$6.777	(\$1.493)	\$6.440	\$0.336	\$6.610	(\$0.169)	\$6.903	(\$0.293)
Fuel	1.939	1.258	0.681	1.168	0.090	1.129	0.039	1.162	(0.033)
Insurance	1.671	1.874	(0.203)	1.998	(0.124)	2.191	(0.193)	2.460	(0.269)
Claims	1.099	1.209	(0.110)	1.330	(0.121)	1.463	(0.133)	1.609	(0.146)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.383	66.279	0.103	62.841	3.438	63.599	(0.758)	64.540	(0.941)
Professional Service Contracts	50.591	68.447	(17.857)	64.214	4.234	61.477	2.737	61.930	(0.453)
Materials & Supplies	-	0.002	(0.002)	0.002	(0.000)	0.002	(0.000)	0.002	(0.000)
MTA Internal Subsidy	4.200	3.500	0.700	4.600	(1.100)	4.600	-	4.600	-
Other Business Expenses	8.371	5.157	3.214	5.075	0.082	5.171	(0.096)	5.258	(0.087)
<b>Total Non-Labor Expenses</b>	<b>\$139.538</b>	<b>\$154.502</b>	<b>(\$14.965)</b>	<b>\$147.668</b>	<b>\$6.835</b>	<b>\$146.241</b>	<b>\$1.427</b>	<b>\$148.464</b>	<b>(\$2.223)</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adj.</b>	<b>\$349.360</b>	<b>\$368.957</b>	<b>(\$19.597)</b>	<b>\$367.251</b>	<b>\$1.707</b>	<b>\$373.937</b>	<b>(\$6.686)</b>	<b>\$387.588</b>	<b>(\$13.651)</b>
Depreciation	49.598	27.275	22.323	37.674	(10.399)	42.810	(5.136)	37.812	4.998
OPEB Obligation	93.325	105.962	(12.638)	118.600	(12.638)	131.238	(12.638)	143.875	(12.638)
Environmental Remediation	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$492.282</b>	<b>\$502.194</b>	<b>(\$9.912)</b>	<b>\$523.525</b>	<b>(\$21.331)</b>	<b>\$547.985</b>	<b>(\$24.460)</b>	<b>\$569.276</b>	<b>(\$21.291)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$429.791)</b>	<b>(\$445.041)</b>	<b>(\$15.250)</b>	<b>(\$475.267)</b>	<b>(\$30.226)</b>	<b>(\$497.992)</b>	<b>(\$22.724)</b>	<b>(\$517.518)</b>	<b>(\$19.526)</b>

## REIMBURSABLE

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**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS AND EXPENDITURES**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	53.187	51.945	(1.241)	45.322	(6.624)	47.002	1.681	48.723	1.721
Advertising	115.025	118.946	3.921	122.782	3.835	126.420	3.639	130.168	3.748
Other	9.117	5.307	(3.810)	16.180	10.873	77.198	61.017	3.139	(74.059)
Capital and Other Reimbursements	70.327	80.604	10.277	83.964	3.360	90.266	6.302	91.288	1.022
<b>Total Revenue</b>	<b>\$247.656</b>	<b>\$256.803</b>	<b>\$9.147</b>	<b>\$268.248</b>	<b>\$11.445</b>	<b>\$340.887</b>	<b>\$72.639</b>	<b>\$273.318</b>	<b>(\$67.569)</b>
<b>Expenses</b>									
<b>Labor:</b>									
Payroll	\$164.388	\$158.890	\$5.498	\$160.687	(\$1.797)	\$164.156	(\$3.470)	\$169.490	(\$5.334)
Overtime	16.088	15.754	0.334	14.092	1.662	14.121	(0.029)	14.293	(0.172)
Health and Welfare	22.920	25.890	(2.969)	27.305	(1.415)	29.467	(2.162)	32.039	(2.572)
OPEB Current Payment	11.520	13.080	(1.560)	14.640	(1.560)	16.200	(1.560)	17.760	(1.560)
Pensions	43.082	42.156	0.926	43.248	(1.092)	44.639	(1.391)	46.606	(1.967)
Other Fringe Benefits	15.839	14.371	1.468	14.920	(0.549)	15.474	(0.554)	16.157	(0.683)
GASB Account	1.451	1.512	(0.061)	1.542	(0.031)	1.575	(0.033)	1.606	(0.031)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$275.289</b>	<b>\$271.652</b>	<b>\$3.637</b>	<b>\$276.434</b>	<b>(\$4.782)</b>	<b>\$285.632</b>	<b>(\$9.199)</b>	<b>\$297.952</b>	<b>(\$12.319)</b>
<b>Non-Labor:</b>									
Electric Power	\$5.284	\$6.777	(\$1.493)	\$6.440	\$0.336	\$6.610	(\$0.169)	\$6.903	(\$0.293)
Fuel	1.939	1.258	0.681	1.168	0.090	1.129	0.039	1.162	(0.033)
Insurance	1.648	1.855	(0.207)	1.978	(0.123)	2.169	(0.191)	2.435	(0.267)
Claims	0.939	1.209	(0.270)	1.330	(0.121)	1.463	(0.133)	1.609	(0.146)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	64.964	63.581	1.383	60.284	3.297	61.011	(0.728)	61.914	(0.903)
Professional Service Contracts	63.187	78.332	(15.144)	78.114	0.217	80.351	(2.237)	80.841	(0.490)
Materials & Supplies	-	0.002	(0.002)	0.002	(0.000)	0.002	(0.000)	0.002	(0.000)
MTA Internal Subsidy	4.200	3.500	0.700	4.600	(1.100)	4.600	-	4.600	-
Other Business Expenses	(4.461)	83.189	(87.650)	4.652	78.537	4.736	(0.084)	4.812	(0.077)
<b>Total Non-Labor Expenditures</b>	<b>\$137.700</b>	<b>\$239.701</b>	<b>(\$102.001)</b>	<b>\$158.568</b>	<b>\$81.134</b>	<b>\$162.069</b>	<b>(\$3.502)</b>	<b>\$164.278</b>	<b>(\$2.209)</b>
<b>Other Expenditure Adjustments:</b>									
Capital	18.384	72.016	(53.632)	31.266	40.750	29.716	1.550	18.316	11.400
<b>Total Other Expenditure Adjustments</b>	<b>\$18.384</b>	<b>\$72.016</b>	<b>(\$53.632)</b>	<b>\$31.266</b>	<b>\$40.750</b>	<b>\$29.716</b>	<b>\$1.550</b>	<b>\$18.316</b>	<b>\$11.400</b>
<b>Total Expenditures</b>	<b>\$431.373</b>	<b>\$583.369</b>	<b>(\$151.996)</b>	<b>\$466.267</b>	<b>\$117.101</b>	<b>\$477.418</b>	<b>(\$11.150)</b>	<b>\$480.546</b>	<b>(\$3.128)</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$183.717)</b>	<b>(\$326.566)</b>	<b>(\$142.849)</b>	<b>(\$198.020)</b>	<b>\$128.546</b>	<b>(\$136.531)</b>	<b>\$61.489</b>	<b>(\$207.229)</b>	<b>(\$70.698)</b>

**MTA HEADQUARTERS**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Summary of Plan-to-Plan Changes by Generic Category**

**2013: November Financial Plan vs. July Financial Plan**

**Operating Revenue Changes**

Other operating revenues are projected to increase from the July Financial Plan by \$0.3 million.

Major generic category changes include:

- Other revenues are projected to increase by \$0.3 million mainly due to increased retail sales at the Transit Museum stores.

**Operating Expense Changes**

Excluding depreciation and post-employment benefits increase of \$13.6 million, operating expenses decreased by \$41.1 million.

Major generic category changes include:

- Lower other business expenses of \$41.8 million are mainly due to revised methodology in accounting for expenses related to the Headquarters relocation to Two Broadway.
- Revised insurance premium expense of \$1.4 million.
- Lower electric power costs of \$0.8 million due to under spending.
- Payroll is projected to decrease by \$0.7 million mainly due to continued vacancies.
- Professional service contracts of \$0.6 million are lower as a result of under spending.
- Lower reimbursable overhead recovery of \$2.9 million mainly due to reduced expenses recoverable from benefiting agencies,
- Higher health and welfare of \$0.9 million mainly due to revised forecasting methodology and increased headcount.

**2014: November Financial Plan vs. July Financial Plan**

**Operating Revenue Changes**

Other operating revenues are projected to decrease from the July Plan by \$1.3 million.

Major generic category changes include:

- Rental income is projected to decrease by \$1.3 million due to reallocation and recalculation of Two Broadway rentals.

### **Operating Expense Changes**

Excluding depreciation and post-employment benefits increases of \$31.8 million, operating expenses decreased by \$11.8 million.

Major generic category changes include:

- Lower other business expenses of \$22.2 million are mainly due to revised methodology in accounting for expenses related to the Headquarters relocation to Two Broadway.
- Insurance decreases of \$2.1 million reflect revised premiums forecast.
- Higher reimbursable overhead of \$0.7 million mainly due to higher expenses recoverable from benefitting agencies.
- Lower internal subsidy of \$0.5 million reflects support requirements for the Rockaway Resident Discount Program.
- Lower pensions of \$1.1 million mainly due to revised NYSLERS contributions offset by the impact of increased headcount.
- Professional service contracts increase by \$11.7 million mainly as a result of higher BSC hosting costs for back-up Data Center locations, and consulting services for Cloud E-mail, Energy Efficiency Audits of State Buildings, Procure-to-Pay, and Business Transformation initiatives.
- Payroll is projected to increase by \$2.5 million mainly due to the impact of the consolidation of 18 positions into the MTA Pension, Retirement and Benefits Service Division, and 14 New Needs positions.

### **2015- 2017: November Financial Plan vs. July Financial Plan**

#### **Operating Revenue Changes**

Other operating revenues are projected to decrease from the July Plan by \$8.8 million in 2015, \$58.5 million in 2016, and \$1.5 million in 2017.

Major generic category changes include:

- Rental income is projected to decrease by \$0.4 million in 2015, and increase by \$0.5 million in 2016 and \$1.5 million in 2017 mainly due to reallocation and recalculation of Two Broadway rentals.
- Other revenues are projected to decrease by \$8.3 million in 2015 and \$59.0 million in 2016 mainly due to revised methodology for accounting for projected reimbursements from the sale of the Madison Avenue buildings in 2015 and 2016.

## **Operating Expense Changes**

Excluding depreciation and post-employment benefits increases of \$47.5 million in 2015, \$59.1 million in 2016, and \$63.5 million in 2017, operating expenses are unfavorable by \$7.5 million in 2015, \$5.4 million in 2016, and 4.4 million in 2017.

Major generic category changes include:

- Professional service contracts increase by \$8.0 million in 2015, \$6.2 million in 2016, and \$5.8 million in 2017 mainly as a result of higher BSC hosting costs and for Internet Service provider expenses for Cloud E-mail, and Energy Efficiency Audits of State Buildings.
- Payroll is projected to increase by \$2.6 million, \$2.5 million and \$2.4 million in 2015, 2016, and 2017, respectively mainly due to the impact of the consolidation of 18 positions into the MTA Pension, Retirement and Benefits Service Division, and 14 New Needs positions.
- Higher internal subsidy of \$0.6 million in each of the years 2015-2017 reflects increased support requirements for the Rockaway Resident Discount Program.
- Insurance premium decreases of \$2.5 million, \$3.0 million, and \$3.6 million in 2015, 2016, and 2017, respectively.
- Higher reimbursable overhead of \$0.8 million in 2016, and \$0.9 million in 2016 and 2017 mainly due to higher expenses recoverable from benefitting agencies.

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$216.693)</b>	<b>(\$225.501)</b>	<b>(\$181.808)</b>	<b>(\$135.092)</b>	<b>(\$203.994)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	(\$0.055)	(\$1.342)	(\$0.424)	\$0.474	\$1.483
Advertising Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other	\$0.347	\$0.000	(\$8.329)	(\$58.960)	\$0.006
Capital and Other Reimbursement					
<b>Total Revenue Changes</b>	<b>\$0.292</b>	<b>(\$1.342)</b>	<b>(\$8.753)</b>	<b>(\$58.486)</b>	<b>\$1.490</b>
<b>Expenses</b>	0.837				
<b>Labor:</b>					
Payroll	0.689	(\$2.457)	(\$2.621)	(\$2.488)	(\$2.387)
Overtime	0.000	-	-	-	-
Health and Welfare	(0.916)	0.377	0.227	0.184	0.276
OPEB Current Payment	(0.000)	-	-	-	-
Pensions	0.349	0.434	0.560	0.415	0.167
Other Fringe Benefits	(0.598)	(0.491)	(0.361)	(0.352)	(0.347)
<u>Reimbursable Overhead</u>	(2.914)	0.726	0.788	0.883	0.871
<b>Total Labor Expense Changes</b>	<b>(3.390)</b>	<b>(1.411)</b>	<b>(1.407)</b>	<b>(1.358)</b>	<b>(1.421)</b>
<b>Non-Labor:</b>					
Electric Power	0.838	0.192	0.143	0.043	0.059
Fuel	(0.091)	(0.023)	0.015	0.064	0.076
Insurance	1.362	2.078	2.494	2.992	3.591
Claims	0.000	0.000	0.000	0.000	0.001
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.048)	-	0.066	(0.040)	(0.008)
Professional Service Contracts	0.636	(11.702)	(7.983)	(6.228)	(5.835)
Materials & Supplies	-	-	(0.000)	(0.000)	(0.000)
MTA Internal Subsidy	-	0.500	(0.600)	(0.600)	(0.600)
<u>Other Business Expenses</u>	41.785	22.197	(0.241)	(0.252)	(0.253)
<b>Total Non-Labor Expense Changes</b>	<b>\$44.481</b>	<b>\$13.243</b>	<b>(\$6.106)</b>	<b>(\$4.019)</b>	<b>(\$2.971)</b>
<b>Gap Closing Expenses :</b>					
<b>Total Gap Closing Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$41.092</b>	<b>\$11.832</b>	<b>(\$7.514)</b>	<b>(\$5.377)</b>	<b>(\$4.392)</b>
Depreciation	\$4.730	(\$5.162)	(\$12.462)	(\$15.799)	(\$11.810)
OPEB Obligation	(\$18.325)	(\$26.662)	(\$35.000)	(\$43.338)	(\$51.675)
Environmental Remediation					
<b>Total Expense Changes</b>	<b>\$27.498</b>	<b>(\$19.992)</b>	<b>(\$54.976)</b>	<b>(\$64.514)</b>	<b>(\$67.877)</b>
<b>Cash Adjustment Changes</b>					
Revenue Adjustments	(0.861)	0.300	13.144	74.105	0.000
Expense Adjustments	6.049	(80.031)	34.373	47.456	63.153
<b>Total Cash Adjustment Changes</b>	<b>\$5.187</b>	<b>(\$79.731)</b>	<b>\$47.517</b>	<b>\$121.561</b>	<b>\$63.153</b>
<b>Total Baseline Changes</b>	<b>\$32.977</b>	<b>(\$101.065)</b>	<b>(\$16.212)</b>	<b>(\$1.439)</b>	<b>(\$3.234)</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$183.717)</b>	<b>(\$326.566)</b>	<b>(\$198.020)</b>	<b>(\$136.531)</b>	<b>(\$207.229)</b>

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Other					
<u>Capital and Other Reimbursement</u>	<u>4.249</u>	<u>7.406</u>	<u>6.217</u>	<u>6.308</u>	<u>6.282</u>
<b>Total Revenue Changes</b>	<b>\$4.249</b>	<b>\$7.406</b>	<b>\$6.217</b>	<b>\$6.308</b>	<b>\$6.282</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	0.148	(0.825)	(0.838)	(0.848)	(0.853)
Overtime	(6.998)	(6.351)	(5.000)	(5.000)	(5.000)
Health and Welfare	(0.026)	(0.200)	(0.246)	(0.246)	(0.246)
OPEB Current Payment	-	-	-	-	-
Pensions	0.338	0.711	0.734	0.759	0.778
Other Fringe Benefits	(0.037)	(0.012)	(0.072)	(0.074)	(0.075)
<u>Reimbursable Overhead</u>	<u>2.914</u>	<u>(0.726)</u>	<u>(0.788)</u>	<u>(0.883)</u>	<u>(0.871)</u>
<b>Total Labor Expense Changes</b>	<b>(\$3.662)</b>	<b>(\$7.404)</b>	<b>(\$6.209)</b>	<b>(\$6.292)</b>	<b>(\$6.268)</b>
<b>Non-Labor:</b>					
Electric Power	-	-	-	-	-
Fuel	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	0.002	-	(0.000)	(0.000)	(0.000)
Professional Services	0.000	-	(0.005)	(0.013)	(0.011)
Materials & Supplies	-	-	-	-	-
MTA Internal Subsidy	-	-	-	-	-
<u>Other Business Expenses</u>	<u>(0.590)</u>	<u>(0.002)</u>	<u>(0.003)</u>	<u>(0.003)</u>	<u>(0.003)</u>
<b>Total Non-Labor Expense Changes</b>	<b>(\$0.587)</b>	<b>(\$0.002)</b>	<b>(\$0.008)</b>	<b>(\$0.016)</b>	<b>(\$0.014)</b>
<b>Gap Closing Expenses :</b>					
<b>Total Gap Closing Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>(\$4.249)</b>	<b>(\$7.406)</b>	<b>(\$6.217)</b>	<b>(\$6.308)</b>	<b>(\$6.282)</b>
Depreciation					
<b>Total Expense Changes</b>	<b>(\$4.249)</b>	<b>(\$7.406)</b>	<b>(\$6.217)</b>	<b>(\$6.308)</b>	<b>(\$6.282)</b>
<b>Cash Adjustment Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2013 November Financial Plan - Operating Cash</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA HEADQUARTERS  
2014 Final Proposed Budget  
November Financial Plan 2014-2017  
Summary of Major Plan-to-Plan Changes**

**2013: November Financial Plan vs. July Financial Plan**

**Revenue Changes**

Total revenue is projected to increase from the July Adopted Budget by \$4.5 million.

Major changes include:

- Revised other revenues projected to increase by \$0.3 million mainly due to higher Transit Museum retail revenues.
- Capital reimbursements increase by \$4.2 million mainly due MTAPD overtime expenses reimbursable from grants now being reflected in this category.

**Expense Changes**

Total expenses decreased by \$23.2 million in 2013.

Major changes include:

**Favorable**

- Lower other business expenses are mainly due to revised methodology in accounting for expenses related to the Headquarters relocation to Two Broadway of \$44.9 million.
- Lower depreciation of \$4.7 million mainly to due to the timing of spending on operating capital projects.
- Revised insurance premiums expense of \$1.4 million.
- Lower pension costs of \$0.9 million due to revised contribution requirements.
- Reduced electric power and professional service expenses of \$0.8 million each due to under spending

**Unfavorable**

- Change in OPEB obligations of \$18.3 million to offset projected steep increases in future retiree benefits costs.
- New Needs professional services expenses of \$3.4 million for Cloud E-mail, Procure-to-Pay, and Business Transformation consulting.
- Higher health and welfare expenses of \$0.9 million due to revised forecasting methodology.
- Higher reimbursable costs of \$7.0 million mainly due to MTAPD overtime expenses reimbursable from grants now being reflected as Reimbursable Expenses.

## **Cash Adjustments**

Cash adjustments are projected to be favorable by \$5.2 million mainly due to depreciation and OPEB adjustments, and lower operating capital, partly offset by higher other cash flow adjustments.

## **2014: November Financial Plan vs. July Financial Plan**

### **Revenue Changes**

Revenues are projected to increase from the July Plan by \$6.1 million.

Major changes include:

- Rental income is projected to decrease by \$1.3 million due to adjusted Two Broadway rentals.
- Capital and other reimbursements are projected to increase by \$7.4 million due to MTAPD overtime expenses reimbursable from grants now being reflected in this category and an increase in reimbursable MTA Pension, Retirement and Benefits Service Division employees.

### **Expense Changes**

Total expenses are projected to increase by \$27.4 million.

Major changes include:

#### **Unfavorable**

- Change in OPEB obligations of \$26.7 million to offset projected steep increases in future retiree benefits costs.
- New needs professional services expenses of \$11.7 million for Cloud E-mail, Energy Efficiency Audits of State Buildings, Procure-to-Pay, and Business Transformation consulting.
- Higher MTAPD overtime expenses reimbursable from grants of \$6.4 million now being reflected as Reimbursable Expenses.
- Higher depreciation resulting from BSC new operating capital needs of \$5.2 million.
- BSC new needs of \$4.3 million resulting from BSC new operating capital needs.
- The consolidation of 18 positions into the MTA Pension, Retirement and Benefits Service Division of \$1.8 million.
- New needs positions for seven BSC Benefits positions, five Capital Program Management positions to manage Sandy activity, one manager for Sandy Small Business Compliance, and one state-mandated Excelsior Fellow position. These new needs total \$1.6 million.
- Re-estimate to reimbursable overhead of \$0.7 million.

- The consolidation of four reimbursable LIRR pension positions into the MTA Pension, Retirement and Benefits Service Division of \$0.5 million.

### **Favorable**

- Lower other business expenses are mainly due to revised methodology in accounting for expenses related to the Headquarters relocation to Two Broadway of \$22.4 million.
- Revised insurance premium expense of \$2.1 million.
- Lower pension costs of \$1.8 million due to revised contribution requirements.
- Lower health and welfare expenses of \$0.7 million due to lower rates.
- Lower support requirements for the Rockaway Resident Discount Program of \$0.5 million.

### **Cash Adjustments**

Cash adjustments are projected to be unfavorable by \$79.7 million mainly due other cash flow adjustments of \$76.9 million primarily related to the MTA Headquarters relocation and moving expenses to Two Broadway; also, BSC operating capital new needs of \$34.7 million for PeopleSoft software upgrades for Finance and Human Resources, and Occupational Health Records System, and funding for Telephone System Replacement, Vendor Master File Cleanup, and Auto Vouchering. Favorable depreciation and OPEB obligation adjustments of \$31.8 million are partial offsets.

### **2015, 2016 and 2017: November Financial Plan vs. July Financial Plan**

#### **Revenue Changes**

Other operating revenues are projected to decrease from the July Plan by \$2.5 million in 2015, \$52.2 million in 2016, and increase by \$7.8 million in 2017.

Major changes include:

- Capital and other reimbursements are projected to increase by \$6.2 million in 2015, and \$6.3 million in 2016 and 2017 due to MTAPD overtime expenses reimbursable from grants now being reflected in this category as well as an increase in reimbursable MTA Pension, Retirement and Benefits Service Division employees.
- Other revenues are projected to decrease by \$8.3 million in 2015 and by \$59.0 million in 2016 mainly due to revised methodology in accounting for reimbursements related to the Headquarters relocation to Two Broadway.
- Rental income is projected to decrease by \$0.4 million in 2015, and increase by \$0.5 million and \$1.5 million in 2016 and 2017, respectively, due to adjusted Two Broadway rentals.

## **Expense Changes**

Expenses increase by \$61.2 million in 2015, \$70.8 million in 2016, and \$74.2 million in 2017.

Major changes include:

### **Unfavorable**

- Change in OPEB obligations of \$35.0 million in 2015, \$43.3 million in 2016, and \$51.7 million in 2017 to offset projected steep increases in future retiree benefits costs.
- Higher depreciation of \$12.5 million in 2015, \$15.8 million in 2016, and \$11.8 million in 2017 mainly resulting from BSC new operating capital needs.
- BSC new needs for hosting charges of \$5.4 million, \$3.7 million, and \$3.8 million in 2015, 2016, and 2017, respectively.
- Higher MTAPD overtime expenses reimbursable from grants of \$5.0 million in years 2015-2017 now being reflected as Reimbursable Expenses.
- The consolidation of 19 positions into the MTA Pension, Retirement and Benefits Service Division of \$1.8 million in 2015, and \$1.9 million in 2016 and 2017.
- New needs positions for seven BSC Benefits positions, five Capital Program Management positions to manage Sandy activity, and one manager for Sandy Small Business Compliance. These new needs total \$1.5 million in 2015 and 2016, and \$1.6 million in 2017.
- New needs professional services expenses for Cloud E-mail internet service provider expenses, Business Transformation consulting of \$1.8 million in each year 2015-2017, and Energy Efficiency Audits of State Buildings expenses of \$0.7 million in 2015, and \$0.5 million in 2016.
- Re-estimate of reimbursable overhead of \$0.8 million in 2015, and \$0.9 million in 2016 and 2017.
- Higher support requirements for the Rockaway Resident Discount Program of \$0.6 million in each year.

### **Favorable**

- Revised insurance premium expense of \$2.5 million, \$3.0 million, and \$3.6 million in 2015, 2016, and 2017, respectively.
- Lower pension costs of \$1.9 million in 2015, \$1.8 million in 2016, and \$1.5 million in 2017, due to revised NYSLERS contribution forecasts.

## **Cash Adjustments**

Cash adjustments are projected to be favorable by \$47.5 million in 2015, \$121.6 million in 2016, and \$63.2 million in 2017. Favorable depreciation, OPEB and other cash flow adjustments of \$61.5 million in 2015, \$134.0 million in 2016, and \$64.2 million in 2017 are partly offset by higher operating capital at the BSC of \$14.0 million in 2015 and \$12.4 million in 2016, and \$1.0 million in 2017.

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$216.693)</b>	<b>(\$225.501)</b>	<b>(\$181.808)</b>	<b>(\$135.092)</b>	<b>(\$203.994)</b>
<b>Non-Reimbursable Major Changes</b>					
<b>Revenue</b>					
Higher Transit Museum Revenue	\$0.347	\$0.000	\$0.000	\$0.000	\$0.000
Adjustment of 2 Broadway Rent	-	(1.342)	(0.428)	0.474	1.471
All Other	(0.055)	(0.000)	(8.325)	(58.960)	0.019
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>0.292</b>	<b>(\$1.342)</b>	<b>(\$8.753)</b>	<b>(\$58.486)</b>	<b>\$1.490</b>
<b>Expenses</b>					
Revised Pension Contribution Requirements	\$0.928	\$1.840	\$1.862	\$1.757	\$1.541
Revised Health and Welfare Expenses	(0.910)	0.660	0.416	0.401	0.518
Re-estimate of Insurance Expenses	1.362	2.078	2.494	2.992	3.591
Effect of Revised Electric Power Rates	-	0.192	0.143	0.043	0.059
Effect of Revised Fuel Rates	(0.061)	(0.023)	0.015	0.064	0.076
Cross Bay Resident Refund	-	0.500	(0.600)	(0.600)	(0.600)
Revised Schedule of MTAHQ Relocation Expenses	44.867	22.434	-	-	-
2013 Underspending - Electric Power	0.838	-	-	-	-
2014 Underspending - Professional Services	0.842	-	-	-	-
Lower Accrued Payroll	0.979	-	-	-	-
Higher 2013 Other Fringe Benefits (non-programmatic)	(0.287)	(0.320)	(0.147)	(0.142)	(0.130)
Pension Function Consolidation - NYCT Positions	-	(1.790)	(1.823)	(1.866)	(1.905)
Lower Reimbursable Overhead Recovery	(2.914)	-	-	-	-
Tropical Storm Sandy Compliance Mgr.	(0.054)	(0.130)	(0.133)	(0.137)	(0.140)
Procure-To-Pay Consultant	(1.000)	(3.000)	-	-	-
Cloud E-mail	(2.008)	(2.008)	(0.750)	(0.765)	(0.778)
Business Transformation Consult. Services	(0.250)	(1.000)	(1.000)	(1.000)	(1.000)
Excelsior Fellow	(0.026)	(0.099)	(0.073)	-	-
Capital Program Management - Hurricane Sandy	(0.068)	(0.681)	(0.698)	(0.718)	(0.737)
Pension Counselors	-	-	-	-	-
BSC Benefits Positions	(0.051)	(0.641)	(0.657)	(0.676)	(0.693)
Chairman's Fund	-	(0.100)	(0.102)	(0.104)	(0.105)
BSC and Enterprise Budgeting System Hosting	-	(4.310)	(5.400)	(3.719)	(3.773)
Change in Depreciation	4.730	(5.162)	(12.463)	(15.800)	(11.814)
Change in OPEB Obligation	(18.325)	(26.662)	(35.000)	(43.338)	(51.676)
Inflation adjustments	-	(0.006)	(0.077)	(0.204)	(0.170)
Improving Energy Efficiency of State Buildings	-	(1.200)	(0.650)	(0.450)	-
Blue Ribbon Panel	(0.147)	(0.147)	-	-	-
All Other	(0.948)	(0.417)	(0.332)	(0.245)	(0.138)
<b>Sub-Total Non-Reimbursable Expense Changes</b>	<b>\$27.497</b>	<b>(\$19.991)</b>	<b>(\$54.976)</b>	<b>(\$64.513)</b>	<b>(\$67.877)</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>\$27.789</b>	<b>(\$21.334)</b>	<b>(\$63.729)</b>	<b>(\$122.999)</b>	<b>(\$66.387)</b>
<b>Reimbursable Major Changes</b>					
Revised Reimbursable Revenue	4.249	7.406	6.217	6.308	6.282
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$4.249</b>	<b>\$7.406</b>	<b>\$6.217</b>	<b>\$6.308</b>	<b>\$6.282</b>
<b>Expenses</b>					
Change in Methodology in Recording MTAPD Reimbursable OT	(\$6.998)	(\$6.351)	(\$5.000)	(\$5.000)	(\$5.000)
Pension Function Consolidation - LIRR Positions (Reimbursable)	-	(0.543)	(0.552)	(0.562)	(0.571)
Change in Reimbursable Overhead	2.914	(0.726)	(0.788)	(0.883)	(0.871)
All Other	(0.165)	0.214	0.123	0.138	0.160
<b>Sub-Total Reimbursable Expense Changes</b>	<b>(\$4.249)</b>	<b>(\$7.406)</b>	<b>(\$6.217)</b>	<b>(\$6.308)</b>	<b>(\$6.282)</b>
<b>Total Reimbursable Major Changes</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>
<b>Total Accrual Changes</b>	<b>\$27.789</b>	<b>(\$21.334)</b>	<b>(\$63.729)</b>	<b>(\$122.998)</b>	<b>(\$66.388)</b>
<b>Cash Adjustment Changes</b>					
Depreciation & OPEB Obligation Adjustment	\$13.594	\$31.824	\$47.462	\$59.137	\$63.485
Operating Capital	4.568	(34.704)	(13.950)	(12.400)	(1.000)
All Other CFA's	(12.975)	(76.851)	14.005	74.824	0.668
<b>Total Cash Adjustment Changes</b>	<b>\$5.187</b>	<b>(\$79.731)</b>	<b>\$47.517</b>	<b>\$121.561</b>	<b>\$63.153</b>
<b>Total Baseline Changes</b>	<b>\$32.977</b>	<b>(\$101.065)</b>	<b>(\$16.211)</b>	<b>(\$1.437)</b>	<b>(\$3.234)</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$183.717)</b>	<b>(\$326.565)</b>	<b>(\$198.020)</b>	<b>(\$136.531)</b>	<b>(\$207.229)</b>

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**2013 Budget Reduction Summary**  
(\$ in millions)

	Favorable/(Unfavorable)									
<u>Administration</u>	<u>Pos.</u>	<u>2013</u>	<u>Pos.</u>	<u>2014</u>	<u>Pos.</u>	<u>2015</u>	<u>Pos.</u>	<u>2016</u>	<u>Pos.</u>	<u>2017</u>
Reduction of IESS Maintenance Expenses		2.834		0.976		0.126		0.000		0.000
Reduction in Maintenance & Other Operating Expenses		0.825		0.951		0.965		0.982		0.997
Professional Service Reduction		0.299		0.610		0.619		0.629		0.639
MTAPD Miscellaneous Reductions		0.748		0.728		0.739		0.751		0.763
HQ Miscellaneous Reductions	<u>-</u>	<u>0.434</u>	<u>-</u>	<u>0.472</u>	<u>-</u>	<u>0.479</u>	<u>-</u>	<u>0.488</u>	<u>-</u>	<u>0.495</u>
Subtotal Administration	-	5.140	-	3.736	-	2.929	-	2.850	-	2.894
<u>Customer Convenience/Amenities</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Customer Convenience/Amenities	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
None										
Subtotal Maintenance	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
<u>Revenue Enhancement</u>										
None										
Subtotal Revenue Enhancement	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
<u>Safety</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None										
Subtotal Service Support	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
<u>Other</u>										
None	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>	<u>-</u>	<u>0.000</u>
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total</b>	-	<b>\$5.140</b>	-	<b>\$3.736</b>	-	<b>\$2.929</b>	-	<b>\$2.850</b>	-	<b>\$2.894</b>

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**2013 Budget Reduction Plan Worksheet**

**Category by Function:**                   **Administration**

**Program:**                                   **Reduction of IESS Maintenance Expenses**

<b>Background Details:</b>	MTAHQ is reducing the 2013, 2014 and 2015 IESS budget due to the delaying of securing maintenance agreements with vendors until the latter years of the Plan.
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<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	1/1/2013	<b>When will savings begin?:</b>	1/1/2013
		<b>Are these savings recurring?:</b>	<b>Yes</b>
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	<b>\$2.834</b>	<b>\$0.976</b>	<b>\$0.126</b>	<b>\$0.000</b>	<b>\$0.000</b>
<i>Total Positions Required:</i>					

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**2013 Budget Reduction Plan Worksheet**

**Category by Function:**                    **Administration**

**Program:**                                    **Reduction in Maintenance & Other Operating Expenses**

<b>Background Details:</b>	MTA is reducing Maint. & Other Operating expenses due to consolidating and eliminating wireless devices, telephone services, security services, and lowering repair costs at MTAPD facilities and for MTAPD vehicle repairs.
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<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	1/1/2013	<b>When will savings begin?:</b>	1/1/2013
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	<b>\$0.825</b>	<b>\$0.951</b>	<b>\$0.965</b>	<b>\$0.982</b>	<b>\$0.997</b>
<i>Total Positions Required:</i>					

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**2013 Budget Reduction Plan Worksheet**

**Category by Function:**                      **Administration**

**Program:**                                      **Professional Service Reduction**

<b>Background Details:</b>	MTAHQ has significantly reduced the use of leases and rentals, IT Software purchases and other outside services.
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<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	1/1/2013	<b>When will savings begin?:</b>	1/1/2013
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	2013	2014	2015	2016	2017
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.299	\$0.610	\$0.619	\$0.629	\$0.639

*Total Positions Required:*

Category by Function:	Administration
Program:	MTAPD Miscellaneous Reductions

<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	<b>1/1/2013</b>	<b>When will savings begin?:</b>	<b>1/1/2013</b>
		<b>Are these savings recurring?:</b>	<b>Yes</b>
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.748	\$0.728	\$0.739	\$0.751	\$0.763
<i>Total Positions Required:</i>					

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**2013 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** HQ Miscellaneous Reductions

<b>Background Details:</b>	Reductions in miscellaneous expenses include compensation savings due to position downgrades, and lower other business expenses, mainly in reduced outside New York State lobbying expenses.
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<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	1/1/2013	<b>When will savings begin?:</b>	1/1/2013
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.434	\$0.472	\$0.479	\$0.488	\$0.495
<i>Total Positions Required:</i>					

**MTA HEADQUARTERS  
2014 Final Proposed Budget  
November Financial Plan 2014-2017  
Positions**

**POSITION ASSUMPTIONS**

**2013: November Financial Plan vs. July Plan**

Total baseline positions are projected to increase by 11 non-reimbursable New Needs positions as follows:

- Seven BSC Benefits positions needed to stream-line Benefits processes and reduce expenses through more accurate record-keeping.
- Two Capital Program Management positions to manage Sandy all-agency-wide programs.
- One state mandated Excelsior Fellow position of a two-year duration.
- One MWDBE Contract Compliance manager needed to award Sandy projects on a fast-track basis to ensure that the MTA has MWDBE inclusion in subcontract opportunities.

A total position change of 14 in the Administration category includes a transfer of three positions from the Public Safety category.

Position changes by occupational group are: Managers/Supervisors increase by six positions, Professional, Technical, Clerical positions increase by five positions.

**2014: November Financial Plan vs. July Financial Plan**

Total baseline positions are projected to increase by 44 positions, due to non-reimbursable increases of 33 positions and reimbursable increases of 11 positions. Specifically:

Re-estimates and All Other (total increase of 19 positions):

- The consolidation of the 18 non-reimbursable Pension group positions in MTAHQ.
- The transfer from MNR of a non-reimbursable IT position for MTAPD Support.

New Needs (total increase of 14 positions) include:

- Seven non-reimbursable BSC Benefits positions needed to stream-line Benefits processes and reduce expenses through more accurate record-keeping.
- Five Capital Program Management non-reimbursable positions to manage Sandy all-agency-wide programs.
- One non-reimbursable State mandated Excelsior Fellow position of two-year duration.

- One non-reimbursable MWDBE Contract Compliance manager needed to award Sandy projects on a fast-track basis to ensure that the MTA has MWDBE inclusion in subcontract opportunities.

#### Changes in Reimbursable Positions (increase of 11 positions)

- Six reimbursable Pension positions including four Benefits Counselors, one Pension Finance Manager and one Pension Manager with oversight of day-to-day operations.
- The consolidation of the five reimbursable Pension group positions in MTAHQ.

Increases of 44 positions include 47 in the Administration position category partly offset by a reduction of three positions from the Public Safety category.

Position changes by occupational group are: Managers/Supervisors increase of 19 positions, and Professional, Technical, Clerical positions increase of 25 positions.

#### **2015-2017: November Financial Plan vs. July Financial Plan**

Total baseline positions are projected to increase by 43 positions in 2015, 2016, and 2017, including 32 non-reimbursable positions, and 11 reimbursable positions, as follows:

#### Re-estimates and All Other (total increase of 19 positions):

- The consolidation of the 18 non-reimbursable Pension group positions in MTAHQ.
- The transfer from MNR of a non-reimbursable IT position for MTAPD Support.

#### New Needs (total increase of 13 positions) include:

- Seven non-reimbursable BSC Benefits positions needed to stream-line Benefits processes and reduce expenses through more accurate record-keeping.
- Five Capital Program Management non-reimbursable positions to manage Sandy all-agency-wide programs.
- One non-reimbursable MWDBE Contract Compliance manager needed to award Sandy projects on a fast-track basis to ensure that the MTA has MWDBE inclusion in subcontract opportunities.

#### Changes in Reimbursable Positions (increase of 11 positions)

- Six reimbursable Pension positions including four Benefits Counselors, one Pension Finance Manager and one Pension Manager with oversight of day-to-day operations.
- The consolidation of the five reimbursable Pension group positions in MTAHQ.

Increases of 43 positions include 46 in the Administration positions category offset by a reduction of three positions from the Public Safety category.

Position changes by occupational group are: Managers/Supervisors increase of 19 positions, and Professional, Technical, Clerical positions increase of 24 positions.

### **Year over Year**

#### **2014 over 2013**

Total 2014 headcount of 1,765 positions reflects an increase of 43 positions over 2013, of which 32 are Non-Reimbursable and 11 are Reimbursable.

#### **Non-Reimbursable Re-estimates and All Other (19 positions):**

- The consolidation of 18 non-reimbursable Pension group positions in MTAHQ.
- The transfer from MNR of a non-reimbursable IT position for MTAPD Support.

#### **Non-Reimbursable increases (13 positions):**

- Nine MTA Police additions due to regional growth in the MNR New Haven Line responsibilities.
- Three Capital Program Management positions to manage Sandy all-agency-wide programs.
- One MTAPD civilian to assist in oversight of MTAPD facilities

#### **Reimbursable New Needs (11 positions):**

- Six Pension positions including four Benefits Counselors, one Pension Finance Manager and one Pension Manager with oversight of day-to-day operations.
- The consolidation of five reimbursable Pension group positions in MTAHQ.

Total non-reimbursable positions increase to 1,704 positions, and reimbursable positions increase to 61 positions mainly due to the Pension consolidation. Position increases by occupational group include 13 positions for Managers/Supervisors, 21 positions for Professional, Technical, Clerical position and nine Operational Hourlies.

#### **2015 over 2014**

Total headcount increases by four positions to 1,769 positions due to non-reimbursable MTAPD increases for the Moynihan project at Penn Station, partly offset by the discontinuation of the Excelsior Fellow position that had been created for a two-year duration. Total non-reimbursable positions increase to 1,708 positions and reimbursable positions remain unchanged at 61 positions. Position increases by occupational group are five Operational Hourlies positions, partly offset by the reduction of one Professional, Technical, Clerical position.

#### **2016 over 2015, and 2017 over 2016**

In 2016, headcount increases by 30 non-reimbursable MTAPD positions and by an additional 44 non-reimbursable positions in 2017. Increases are due to the MTAPD hiring plan for East Side Access in anticipation of its projected opening in 2019. Total non-reimbursable headcount increases to 1,738 positions in 2016 and 1,782 positions in

2017. Reimbursable positions remain unchanged in 2016 and 2017 at 61 positions. Position increases by occupational group are 30 Operational Hourlies positions in 2016 over 2015, and 43 positions in 2017. Managers/Supervisors remain unchanged at 485 positions in 2016 and increases to 486 positions in 2017.

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
Favorable/(Unfavorable)

**Total Position Changes at a Glance**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2013 July Plan - Total Baseline Positions</b>	<b>1,711</b>	<b>1,721</b>	<b>1,726</b>	<b>1,756</b>	<b>1,800</b>
Total Plan-to-Plan Changes	(11)	(44)	(43)	(43)	(43)
<b>2013 November Plan - Total Baseline Positions</b>	<b>1,722</b>	<b>1,765</b>	<b>1,769</b>	<b>1,799</b>	<b>1,843</b>
Total Year-to-Year Changes, November Plan		(43)	(4)	(30)	(44)

**Total Plan-to-Plan Changes by Reporting Category:**

<i>Non-Reimbursable</i>	(11)	(33)	(32)	(32)	(32)
<i>Reimbursable</i>	0	(11)	(11)	(11)	(11)
<b>Total</b>	<b>(11)</b>	<b>(44)</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>
<i>Full-Time</i>	(11)	(44)	(43)	(43)	<b>(43)</b>
<i>Full-Time Equivalents</i>					
<b>Total</b>	<b>(11)</b>	<b>(44)</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>
<i>By Function Category</i>					
- Administration	(14)	(47)	(46)	(46)	(46)
- Operations	0	0	0	0	0
- Maintenance	0	0	0	0	0
- Engineering/Capital	0	0	0	0	0
- Public Safety	3	3	3	3	3
<b>Total</b>	<b>(11)</b>	<b>(44)</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	(6)	(19)	(19)	(19)	(19)
- Professional, Technical, Clerical	(5)	(25)	(24)	(24)	(24)
- Operational Hourlies					
<b>Total</b>	<b>(11)</b>	<b>(44)</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>

**Total Plan-to-Plan Changes by Major Category:**

<i>2013 BRPs</i>					
<i>New Needs</i>	(11)	(14)	(13)	(13)	(13)
<i>Change in Reimbursable Positions</i>	0	(11)	(11)	(11)	(11)
<i>Re-estimates &amp; All Other<sup>1</sup></i>	0	(19)	(19)	(19)	(19)
<b>Total</b>	<b>(11)</b>	<b>(44)</b>	<b>(43)</b>	<b>(43)</b>	<b>(43)</b>

<sup>1</sup> Includes Full-time Equivalents

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

FUNCTION/DEPARTMENT	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>						
Office of Chairman	4	5	5	5	5	5
Office of Counselor to the Chairman	2	2	2	2	2	2
Office of Chief of Staff	3	6	6	6	6	6
General Counsel	52	56	56	56	56	56
Office of Diversity	23	29	29	29	29	29
Labor Relations	6	6	6	6	6	6
External Communication	12	13	13	13	13	13
PCAC	3	4	4	4	4	4
Audit	83	85	85	85	85	85
Chief Financial Officer	62	64	64	64	64	64
Real Estate	58	60	60	60	60	60
Chief Operating Officer	2	2	3	3	3	3
Federal Affairs	1	1	1	1	1	1
Environmental, Sustain. & Compliance	6	5	5	5	5	5
Spec. Project Develop/Planning	7	8	8	8	8	8
Corporate Account	1	4	3	3	3	3
Intergovernmental Relations	4	5	5	5	5	5
Information Technology	63	66	67	67	67	67
Corporate and Internal Communications	34	40	40	40	40	40
Human Resources	11	13	13	13	13	13
Pensions	0	27	56	56	56	56
Capital Programs	26	30	33	32	32	32
Business Service Center	417	401	401	401	401	401
<b>Total Administration</b>	<b>880</b>	<b>932</b>	<b>965</b>	<b>964</b>	<b>964</b>	<b>964</b>
<b>Public Safety</b>	<b>743</b>	<b>790</b>	<b>800</b>	<b>805</b>	<b>835</b>	<b>879</b>
 <b>Baseline Total Positions</b>	 <b>1,623</b>	 <b>1,722</b>	 <b>1,765</b>	 <b>1,769</b>	 <b>1,799</b>	 <b>1,843</b>
 <i>Non-Reimbursable</i>	 1,583	 1,672	 1,704	 1,708	 1,738	 1,782
<i>Reimbursable</i>	40	50	61	61	61	61
 <i>Full-Time</i>	 1,623	 1,722	 1,765	 1,769	 1,799	 1,843
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP		2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>							
	Managers/Supervisors	407	437	450	450	450	450
	Professional, Technical, Clerical	473	495	515	514	514	514
	Operational Hourlies						
	<b>Total Administration</b>	880	932	965	964	964	964
<b>Operations</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Operations</b>	-	-	-	-	-	-
<b>Maintenance</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Maintenance</b>	-	-	-	-	-	-
<b>Engineering/Capital</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Engineering/Capital</b>	-	-	-	-	-	-
<b>Public Safety</b>							
	Managers/Supervisors	36	35	35	35	35	36
	Professional, Technical, Clerical	64	75	76	76	76	76
	Operational Hourlies (Uniformed)	643	680	689	694	724	767
	<b>Total Public Safety</b>	743	790	800	805	835	879
<b>Total Positions</b>							
	Managers/Supervisors	443	472	485	485	485	486
	Professional, Technical, Clerical	537	570	591	590	590	590
	Operational Hourlies	643	680	689	694	724	767
	<b>Total Baseline Positions</b>	1,623	1,722	1,765	1,769	1,799	1,843

## **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, payroll, procurement, and human resource services to all agencies.
- 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 2014-2017**  
**Accrual Statement of Operations by Major Function**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b><u>MTA Consolidated Functions</u></b>					
<b>Operating Revenue</b>	\$15.638	\$15.442	\$7.331	\$7.468	\$7.579
Labor Expenses	\$9.686	\$13.475	\$14.497	\$15.000	\$15.497
Non-Labor Expenses	16.556	17.198	11.779	11.448	11.860
Depreciation / OPEB Obligation	1.193	1.109	1.127	1.148	1.165
<b>Total Expenses</b>	<b>\$27.435</b>	<b>\$31.781</b>	<b>\$27.402</b>	<b>\$27.596</b>	<b>\$28.522</b>
<b>Baseline Deficit</b>	<b>(\$11.797)</b>	<b>(\$16.340)</b>	<b>(\$20.071)</b>	<b>(\$20.127)</b>	<b>(\$20.943)</b>
<b><u>MTA HQ, Policy &amp; Oversight</u></b>					
<b>Operating Revenue</b>	\$46.855	\$41.712	\$40.926	\$42.525	\$44.179
Labor Expenses	\$39.743	(\$29.907)	\$50.782	\$53.252	\$55.503
Non-Labor Expenses	106.313	187.586	107.865	109.979	111.359
Depreciation / OPEB Obligation	138.475	129.234	152.206	169.904	177.482
<b>Total Expenses</b>	<b>\$284.530</b>	<b>\$286.913</b>	<b>\$310.854</b>	<b>\$333.135</b>	<b>\$344.345</b>
<b>Baseline Deficit</b>	<b>(\$237.676)</b>	<b>(\$245.201)</b>	<b>(\$269.928)</b>	<b>(\$290.610)</b>	<b>(\$300.166)</b>
<b><u>Business Service Center</u></b>					
<b>Operating Revenue</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	\$36.550	\$39.661	\$40.267	\$41.344	\$42.372
Non-Labor Expenses	16.766	19.445	19.403	16.063	16.315
Depreciation / OPEB Obligation	-	-	-	-	-
<b>Total Expenses</b>	<b>\$53.316</b>	<b>\$59.106</b>	<b>\$59.670</b>	<b>\$57.406</b>	<b>\$58.688</b>
<b>Baseline Deficit</b>	<b>(\$53.316)</b>	<b>(\$59.106)</b>	<b>(\$59.670)</b>	<b>(\$57.406)</b>	<b>(\$58.688)</b>
<b><u>Public Safety</u></b>					
<b>Operating Revenue</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	\$115.043	\$112.779	\$114.037	\$118.100	\$125.751
Non-Labor Expenses	8.704	8.721	8.620	8.752	8.929
Depreciation / OPEB Obligation	3.254	2.894	2.941	2.996	3.040
<b>Total Expenses</b>	<b>\$127.002</b>	<b>\$124.394</b>	<b>\$125.598</b>	<b>\$129.848</b>	<b>\$137.721</b>
<b>Baseline Deficit</b>	<b>(\$127.002)</b>	<b>(\$124.394)</b>	<b>(\$125.598)</b>	<b>(\$129.848)</b>	<b>(\$137.721)</b>

**MTA HEADQUARTERS**  
**November Financial Plan 2014-2017**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents**

<b>FUNCTION</b>	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
MTA Consolidated Functions	244	289	321	320	320	320
MTA HQ, Policy & Oversight	219	242	243	243	243	243
Business Service Center	417	401	401	401	401	401
Public Safety	743	790	800	805	835	879
<b>Baseline Total Positions</b>	<b>1,623</b>	<b>1,722</b>	<b>1,765</b>	<b>1,769</b>	<b>1,799</b>	<b>1,843</b>
<b>Non-Reimbursable</b>	<b>1,583</b>	<b>1,672</b>	<b>1,704</b>	<b>1,708</b>	<b>1,738</b>	<b>1,782</b>
MTA Consolidated Functions	223	266	260	259	259	259
MTA HQ, Policy & Oversight	219	242	243	243	243	243
Business Service Center	398	374	401	401	401	401
Public Safety	743	790	800	805	835	879
-	-	-	-	-	-	-
<b>Reimbursable</b>	<b>40</b>	<b>50</b>	<b>61</b>	<b>61</b>	<b>61</b>	<b>61</b>
MTA Consolidated Functions	21	23	61	61	61	61
MTA HQ, Policy & Oversight	-	-	-	-	-	-
Business Service Center	19	27	-	-	-	-
Public Safety	-	-	-	-	-	-
-	-	-	-	-	-	-
<i>Full-Time</i>	1,623	1,722	1,765	1,769	1,799	1,843
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

Note: Actuals reflect headcount vacancies.

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**MTA INSPECTOR GENERAL**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014-2017**

**Financial Overview**

The forecast for the Office of Inspector General for the years 2014-2017 reflects the guidelines and assumptions used by MTA Headquarters, and provides adequate resources used to investigate and audit matters of concern throughout the MTA and its subsidiaries. .

**2013 November Forecast**

In the 2013 November Forecast, a total of \$14.0 million is projected in baseline expenses compared to the July Plan of \$13.9 million. The unfavorable variance of \$0.2 million is the result of a change in the methodology used for estimating health and welfare expenses.

**2014 Final Proposed Budget – Baseline**

In the 2014 Final Proposed Budget, a total of \$13.7 million is projected in baseline expenses compared to the July Financial Plan of \$13.8 million. The favorable variance is mainly due to the re-estimation of pension expenses.

**2015-2017 Projections**

The forecast for the Office of Inspector General for the years 2015-2017 results in favorable projections in each year when compared to the July Plan primarily due to pension re-estimates and the change in the methodology used for estimating health and welfare expenses.

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## REIMBURSABLE

[illegible]

**MTA INSPECTOR GENERAL**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Cash Basis**  
**(\$ in millions)**

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b><u>Receipts</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	13.998	13.644	(0.354)	13.959	0.315	14.310	0.351	14.629	0.319
<b>Total Receipts</b>	<b>\$13.998</b>	<b>\$13.644</b>	<b>(\$0.354)</b>	<b>\$13.959</b>	<b>\$0.315</b>	<b>\$14.310</b>	<b>\$0.351</b>	<b>\$14.629</b>	<b>\$0.319</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	7.197	7.510	(0.313)	7.634	(0.124)	7.787	(0.153)	7.916	(0.129)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	1.181	1.246	(0.065)	1.297	(0.051)	1.376	(0.079)	1.459	(0.083)
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	1.357	1.346	0.011	1.382	(0.036)	1.417	(0.035)	1.453	(0.036)
Other Fringe Benefits	0.593	0.604	(0.011)	0.654	(0.050)	0.679	(0.025)	0.700	(0.021)
GASB Account	-	-	-	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$10.328</b>	<b>\$10.706</b>	<b>(\$0.378)</b>	<b>\$10.967</b>	<b>(\$0.261)</b>	<b>\$11.259</b>	<b>(\$0.292)</b>	<b>\$11.528</b>	<b>(\$0.269)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.064	0.062	0.002	0.066	(0.004)	0.068	(0.002)	0.072	(0.004)
Insurance	0.023	0.025	(0.002)	0.028	(0.003)	0.031	(0.003)	0.034	(0.003)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other									
Operating Contracts	2.439	2.438	0.001	2.478	(0.040)	2.524	(0.046)	2.561	(0.037)
Professional Service Contracts	1.023	0.279	0.744	0.284	(0.005)	0.289	(0.005)	0.293	(0.004)
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.121	0.134	(0.013)	0.136	(0.002)	0.139	(0.003)	0.141	(0.002)
<b>Total Non-Labor Expenditures</b>	<b>\$3.670</b>	<b>\$2.938</b>	<b>\$0.732</b>	<b>\$2.992</b>	<b>(\$0.054)</b>	<b>\$3.051</b>	<b>(\$0.059)</b>	<b>\$3.101</b>	<b>(\$0.050)</b>
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$13.998</b>	<b>\$13.644</b>	<b>\$0.354</b>	<b>\$13.959</b>	<b>(\$0.315)</b>	<b>\$14.310</b>	<b>(\$0.351)</b>	<b>\$14.629</b>	<b>(\$0.319)</b>
<b>Baseline Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>0.000</b>

**MTA INSPECTOR GENERAL**  
**November Financial Plan 2014 - 2017**  
**Summary of Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

**REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>2013 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline:</b>					
<b>Changes</b>					
<b>Revenue:</b>					
Capital and Other Reimbursements	0.184	(0.068)	(0.052)	(0.076)	(0.099)
<b>Sub-Total Revenue Changes</b>	<b>\$0.184</b>	<b>(\$0.068)</b>	<b>(\$0.052)</b>	<b>(\$0.076)</b>	<b>(\$0.099)</b>
<b>Expenses:</b>					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-
Health and Welfare	(0.184)	(0.008)	(0.012)	0.010	0.031
OPEB Current Payment	-	-	-	-	-
Pensions	0.000	0.077	0.076	0.082	0.084
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	-	-	-	-	-
Fuel	0.000	(0.001)	(0.008)	(0.009)	(0.011)
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other					
Operating Contracts	0.000	0.000	(0.003)	(0.006)	(0.005)
Professional Service Contracts	0.000	0.000	(0.001)	(0.001)	0.000
Materials & Supplies	-	-	-	-	-
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Depreciation	0.000	0.000	0.000	0.000	0.000
<b>Sub-Total Expense Changes</b>	<b>(\$0.184)</b>	<b>\$0.068</b>	<b>\$0.052</b>	<b>\$0.076</b>	<b>\$0.099</b>
<b>Cash Adjustments:</b>					
Revenue					
Expense					
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA INSPECTOR GENERAL**  
**November Financial Plan 2014 - 2017**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Administration</b>						
Office of the Inspector General	67	86	86	86	86	86
<b>Total Administration</b>	<b>67</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>
 <b>Baseline Total Positions</b>	 <b>67</b>	 <b>86</b>	 <b>86</b>	 <b>86</b>	 <b>86</b>	 <b>86</b>
 <b>Non-Reimbursable</b>						
<b>Reimbursable</b>	67	86	86	86	86	86
<b>Total</b>	<b>67</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>
 <b>Total Full-Time</b>	 67	 86	 86	 86	 86	 86
<b>Total Full-Time Equivalents</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**First Mutual Transportation Assurance Co.  
(FMTAC)**

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan for 2014 - 2017**

**Mission Statement and Highlights of Operations**

The mission of the First Mutual Transportation Assurance Company (FMTAC) is to act 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, while minimizing costs.

**FINANCIAL OVERVIEW**

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Insurance premiums from the Agencies (revenue) are recorded as credits to the Insurance expense line. Premiums are increasing 10% annually with the exception of the All-Agency Excess Liability policies, the All-Agency Property policy and the All-Agency Sabotage & Terrorism policy.

All Agency Excess Liability (Primary & Excess) – The All-Agency Excess Liability (Primary) policy is increasing 20% annually. This layer provides \$50 million of coverage in excess of each MTA Agency's self-insured retentions. This policy has been historically underpriced for premium compared to the premium rate for the layers above from the commercial insurance marketplace. In addition, FMTAC has experienced numerous large losses since 2007, which contribute to the need for premium increases. The All-Agency Excess Liability (Excess) policy premium is expected to increase by 20% annually due to market hardening.

All Agency Property Insurance Program – The property market has suffered significant financial losses due to natural disasters that have occurred around the world, and MTA is no exception, due to losses sustained in 2011 from Irene and 2012 from Sandy. This increase in losses has caused upward pressure on premiums. FMTAC's broker advises MTA Risk Management on market conditions and current forecasts. The All-

Agency Property and All-Agency Sabotage & Terrorism policies are expected to increase by 20% per year.

The premium assumptions contained in the July Plan have not been changed in the November Plan.

Additional expenses consist primarily of Claims and Other Business Expenses.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014-2017**

**2013 November Forecast**

In the 2013 November Forecast, a total of \$5.3 million is projected in Baseline Deficit compared to the \$12.1 million Baseline Surplus in the 2013 Mid-Year Budget. This consists of a decrease of \$15.2 million in revenues as well as an increase in expenses of \$2.1 million. The unfavorable outcome is primarily due to a decrease in unrealized gains and earned income from investments than projected in the 2013 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 2013.

**2014 Final Proposed Budget**

In the 2014 Final Proposed Budget, a total of \$2.6 million is projected in Baseline Deficit compared to the \$15.0 million Baseline Surplus in the July Plan. This consists of a decrease of \$15.5 million in revenues as well as an increase in expenses of \$2.2 million. The unfavorable outcome is due primarily to a decrease in unrealized gains and earned income from investments than projected in the 2013 Mid-Year Budget. Claims are based on actuarial analysis of claim activity on an estimated basis.

**2015 – 2017 Projections**

2015 – 2017 projections are representative of 2013 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2013 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 2013 at a rate of 2% each year.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**November Financial Plan 2014 - 2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE**

	2012	2013	2014			
	Actual	November	Final Proposed	2015	2016	2017
		Forecast	Budget			
<b>Operating Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	12.473	11.853	12.004	12.198	12.426	12.610
Investment Income	7.567	(11.673)	(11.821)	(12.013)	(12.237)	(12.419)
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$20.040</b>	<b>\$0.180</b>	<b>\$0.182</b>	<b>\$0.185</b>	<b>\$0.189</b>	<b>\$0.191</b>
<b>Operating Expenses</b>						
<u><b>Labor:</b></u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<u><b>Non-Labor:</b></u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	(82.502)	(82.411)	(88.421)	(95.815)	(104.704)	(115.233)
Claims	55.473	77.618	80.723	81.440	81.119	81.925
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	10.836	10.273	10.478	10.688	10.902	11.120
<b>Total Non-Labor Expenses</b>	<b>(\$16.193)</b>	<b>\$5.480</b>	<b>\$2.780</b>	<b>(\$3.687)</b>	<b>(\$12.683)</b>	<b>(\$22.188)</b>
<u><b>Other Expenses Adjustments:</b></u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>(\$16.193)</b>	<b>\$5.480</b>	<b>\$2.780</b>	<b>(\$3.687)</b>	<b>(\$12.683)</b>	<b>(\$22.188)</b>
Depreciation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>(\$16.193)</b>	<b>\$5.480</b>	<b>\$2.780</b>	<b>(\$3.687)</b>	<b>(\$12.683)</b>	<b>(\$22.188)</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$36.233</b>	<b>(\$5.300)</b>	<b>(\$2.598)</b>	<b>\$3.872</b>	<b>\$12.872</b>	<b>\$22.380</b>

CASH RECEIPTS AND EXPENDITURES	
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**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**November Financial Plan 2014 - 2017**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>
------------------------------

	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November</b>	<b>Final Proposed</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	5.077	5.281	6.033	6.698	7.448
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
<b>Total Non-Labor Expenditures</b>	<b>\$0.000</b>	<b>\$5.077</b>	<b>\$5.281</b>	<b>\$6.033</b>	<b>\$6.698</b>	<b>\$7.448</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	(\$36.233)	\$0.223	(\$2.683)	(\$9.905)	(\$19.570)	(\$29.828)
<b>Total Other Expenditures Adjustments</b>	<b>(\$36.233)</b>	<b>\$0.223</b>	<b>(\$2.683)</b>	<b>(\$9.905)</b>	<b>(\$19.570)</b>	<b>(\$29.828)</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>(\$36.233)</b>	<b>\$5.300</b>	<b>\$2.598</b>	<b>(\$3.872)</b>	<b>(\$12.872)</b>	<b>(\$22.380)</b>
Depreciation Adjustment	-	-	-	-	-	-
<b>Total Cash Conversion Adjustments</b>	<b>(\$36.233)</b>	<b>\$5.300</b>	<b>\$2.598</b>	<b>(\$3.872)</b>	<b>(\$12.872)</b>	<b>(\$22.380)</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Baseline**

**Revenue**

**Investment Income**

- A majority of Investment Income is derived through FMTAC based on the managed investments.
- Investment Income is projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts August 22, 2013.

**Other Operating Revenue**

- This is the realized earned investment income from bonds and equity investments.

**Expenses**

**Insurance**

- Insurance (premiums paid to FMTAC) is from the 2013 Mid-Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets and are based on increases in the market and exposure, as well as increases in the claims expense and reserve adjustments. The All-Agency Property Program increased substantially this year due to the hardening of the insurance market primarily driven by losses from Irene and Sandy. For the Casualty Owner-Controlled Insurance Program (OCIP) programs, an estimated of earned premium is also included, which is calculated based on percentage of contract completion.
- Insurance (premiums) are estimated to increase 10% annually with the exception of the All-Agency Excess Liability policies, the All-Agency Property policy, the All-Agency Sabotage & Terrorism policy, all of which are increasing 20% annually. The Property Program is driven by losses and an overall hardening of the global insurance market. We continually work with our broker to secure the best program available. The Paratranist program renewed with a lower premium than projected due to a reduction in exposure (number of vehicles). The force account programs received a reduction in rate leading to lower premium.
- The premium assumptions contained in the July Plan have not been changed in the November Plan.

## **Claims**

- Claims expenses are determined by actuarial projection for 2014 – 2017 actual claim expense paid and any adjustment either favorable or unfavorable to reserves. In addition to the actuarial analysis, the claims increase follows simultaneously with the factors of the growth in exposure (i.e. vehicle count) and higher insurance premiums.

## **Other Business Expenses**

- Other Business Expenses increase 2% for 2014 – 2017 and are representative of general increases for professional services provided and expenses not directly related to claims.

## **Restricted Cash Adjustment**

- Restricted cash grows as the net baseline surplus increases. Factors attributing to this growth are insurance premiums and related claims expenses.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	11.853	12.004	0.151	12.198	0.194	12.426	0.228	12.610	0.184
Investment Income	(11.673)	(11.821)	(0.148)	(12.013)	(0.192)	(12.237)	(0.225)	(12.419)	(0.181)
Capital and Other Reimbursement									
<b>Total Revenue</b>	<b>\$0.180</b>	<b>\$0.182</b>	<b>\$0.002</b>	<b>\$0.185</b>	<b>\$0.003</b>	<b>\$0.189</b>	<b>\$0.003</b>	<b>\$0.191</b>	<b>\$0.003</b>
<b>Expenses</b>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	-	-	0.000	-	0.000	-	0.000	-	0.000
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Fringe Benefits	-	-	0.000	-	0.000	-	0.000	-	0.000
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Labor Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	0.000	-	0.000	-	0.000	-	0.000
Insurance	(82.411)	(88.421)	6.010	(95.815)	7.394	(104.704)	8.889	(115.233)	10.529
Claims	77.618	80.723	(3.105)	81.440	(0.717)	81.119	0.321	81.925	(0.806)
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	10.273	10.478	(0.205)	10.688	(0.210)	10.902	(0.214)	11.120	(0.218)
<b>Total Non-Labor Expenses</b>	<b>\$5.480</b>	<b>\$2.780</b>	<b>\$2.700</b>	<b>(\$3.687)</b>	<b>\$6.467</b>	<b>(\$12.683)</b>	<b>\$8.996</b>	<b>(\$22.188)</b>	<b>\$9.505</b>
Other Expenses Adjustments:									
Other	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$5.480</b>	<b>\$2.780</b>	<b>\$2.700</b>	<b>(\$3.687)</b>	<b>\$6.467</b>	<b>(\$12.683)</b>	<b>\$8.996</b>	<b>(\$22.188)</b>	<b>\$9.505</b>
Depreciation	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Expenses</b>	<b>\$5.480</b>	<b>\$2.780</b>	<b>\$2.700</b>	<b>(\$3.687)</b>	<b>\$6.467</b>	<b>(\$12.683)</b>	<b>\$8.996</b>	<b>(\$22.188)</b>	<b>\$9.505</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$5.300)</b>	<b>(\$2.598)</b>	<b>\$2.702</b>	<b>\$3.872</b>	<b>\$6.470</b>	<b>\$12.872</b>	<b>\$9.000</b>	<b>\$22.380</b>	<b>\$9.508</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b><u>Receipts</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	11.853	12.004	0.151	12.198	0.194	12.426	0.228	12.610	0.184
Investment Income	(11.673)	(11.821)	(0.148)	(12.013)	(0.192)	(12.237)	(0.225)	(12.419)	(0.181)
Capital and Other Reimbursement									
<b>Total Receipts</b>	<b>\$0.180</b>	<b>\$0.182</b>	<b>\$0.002</b>	<b>\$0.185</b>	<b>\$0.003</b>	<b>\$0.189</b>	<b>\$0.003</b>	<b>\$0.191</b>	<b>\$0.003</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	-	-	0.000	-	0.000	-	0.000	-	0.000
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Fringe Benefits	-	-	0.000	-	0.000	-	0.000	-	0.000
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	0.000	-	0.000	-	0.000	-	0.000
Insurance	(82.411)	(88.421)	6.010	(95.815)	7.394	(104.704)	8.889	(115.233)	10.529
Claims	72.541	75.442	(2.901)	75.407	0.035	74.421	0.986	74.477	(0.056)
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	10.273	10.478	(0.205)	10.688	(0.210)	10.902	(0.214)	11.120	(0.218)
<b>Total Non-Labor Expenditures</b>	<b>\$0.403</b>	<b>(\$2.501)</b>	<b>\$2.904</b>	<b>(\$9.720)</b>	<b>\$7.219</b>	<b>(\$19.381)</b>	<b>\$9.661</b>	<b>(\$29.636)</b>	<b>\$10.255</b>
Other Expenditure Adjustments:									
Other	(0.223)	2.683	(2.906)	9.905	(7.222)	19.570	(9.665)	29.828	(10.258)
<b>Total Other Expenditure Adjustments</b>	<b>(\$0.223)</b>	<b>\$2.683</b>	<b>(\$2.906)</b>	<b>\$9.905</b>	<b>(\$7.222)</b>	<b>\$19.570</b>	<b>(\$9.665)</b>	<b>\$29.828</b>	<b>(\$10.258)</b>
<b>Total Expenditures</b>	<b>\$0.180</b>	<b>\$0.182</b>	<b>(\$0.002)</b>	<b>\$0.185</b>	<b>(\$0.003)</b>	<b>\$0.189</b>	<b>(\$0.003)</b>	<b>\$0.191</b>	<b>(\$0.003)</b>
<b>Baseline Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**November Financial Plan 2014-2017**  
**Summary of Changes Between Financial Plans by Category**

**2013 – 2017 November Financial Plan vs July Financial Plan**

**Revenue**

Revenue changes from the July Plan over the 2013 – 2017 periods include:

- A decreased baseline estimate for 2013 is primarily due to a decrease in total unrealized gains (Investment Income) and earned income (Other Operating Income) from investments for the first eight months of 2013. For 2014 – 2017, the decreased baseline estimate for 2013 is then projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts August 22, 2013.

**Expenses**

Expense changes from the July Plan over the 2013 – 2017 periods include:

- No change to the Insurance (premium revenue) as projected in the 2013 Mid-Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets.
- No change to Claim expenses as projected in the 2013 Mid-Year Forecast.
- Other Business Expenses increased due to updated estimates based on actual results through August 2013. The primary reason for the increases is due to additional safety and loss control expenses related to the OCIP programs, as well as additional expenses for the 2012 MTA Risk Management fees.
- The inflation rate for Other Business Expenses is expected to increase 2% per year.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue					
Other Operating Revenue	(1.929)	(1.988)	(2.006)	(2.021)	(2.058)
Investment Income	(13.305)	(13.478)	(13.695)	(13.948)	(14.155)
Capital and Other Reimbursement					
<b>Total Revenue Changes</b>	<b>(\$15.234)</b>	<b>(\$15.466)</b>	<b>(\$15.701)</b>	<b>(\$15.969)</b>	<b>(\$16.214)</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare					
OPEB Current Payment					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
<b>Total Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Non-Labor:</b>					
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel					
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					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses	(2.119)	(2.161)	(2.205)	(2.249)	(2.294)
<b>Total Non-Labor Expense Changes</b>	<b>(\$2.119)</b>	<b>(\$2.161)</b>	<b>(\$2.205)</b>	<b>(\$2.249)</b>	<b>(\$2.294)</b>
<i>Total Expenses before Depreciation and GASB Adjs.</i>					
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation					
Environmental Remediation					
<b>Total Expense Changes</b>	<b>(\$2.119)</b>	<b>(\$2.161)</b>	<b>(\$2.205)</b>	<b>(\$2.249)</b>	<b>(\$2.294)</b>
<b>Cash Adjustment Changes</b>					
<b>Revenue:</b>					
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
<b>Expenses:</b>					
Claims	0.000	0.000	0.000	0.000	0.000
Other Business Expenses					
<b>Total Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Restricted Cash Adjustment	17.353	17.627	17.906	18.218	18.507
<b>Total Cash Adjustment Changes</b>	<b>\$17.353</b>	<b>\$17.627</b>	<b>\$17.906</b>	<b>\$18.218</b>	<b>\$18.507</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**New York City Transit**

**MTA NEW YORK CITY TRANSIT**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**

**FINANCIAL OVERVIEW**

MTA New York City Transit remains committed to providing safe, secure and reliable services despite the lingering impacts of the economy and Sandy on the region's transportation network. The November Financial Plan includes: funding in support of several programmatic requirements; projected additional paratransit savings; several favorable expense re-estimates; adjustments reflecting the impact of inflation, and the projected timing of expenses, payments or reimbursements.

**2013 November Forecast**

MTA NYC Transit's 2013 November Forecast includes total expenses before depreciation and other post-employment benefits of \$7,831.6 million, consisting of \$6,916.7 million of non-reimbursable expenses and \$914.8 million of reimbursable expenses. Total revenues are projected to be \$5,463.1 million, of which \$4,548.2 million are operating revenues and \$914.8 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 46,454 (41,801 non-reimbursable positions and 4,653 reimbursable positions).

The 2013 net operating cash deficit is projected to decrease by \$125.5 million from the 2013 Mid-Year Forecast.

Major operating cash changes include:

- The favorable timing of retroactive salary & wage payments of \$114.9 million, applicable to labor contract resolution, now assumed to be paid in 2014.
- Increased farebox revenue of \$30.7 million, based on higher ridership trends for both subway and bus.
- Paratransit expense savings of \$27.0 million, based on a projected reduction of completed trips.
- A pension re-estimate, resulting in expense savings of \$20.8 million, due mostly to a change in payment method for NYCERS from semi-annual to monthly, significantly reducing interest expense, and lower than expected MaBSTOA pension expense changes, resulting from revised actuarial assumptions.
- The favorable timing of \$19.9 million of expenses, including mostly materials, auto purchases, paratransit vehicles and station painting, to subsequent years.

- The unfavorable timing of \$85.2 million of capital reimbursements, offset in subsequent plan years.

Reimbursable expenses are projected to increase in 2013 by \$22.6 million, due primarily to Sandy Capital Construction labor support requirements, partly offset by lower average wage rate adjustments.

Total baseline positions are projected to decrease by 71, including a non-reimbursable decrease of 105 and a reimbursable increase of 34. The non-reimbursable decrease includes reductions of 66 positions, based on updated budgeted service requirements and 52 positions replaced by overtime. The reimbursable increase is due mostly to Capital Program support requirements.

## **2014 Final Proposed Budget**

MTA New York City Transit's 2014 Final Proposed Budget includes total expenses before depreciation and other post-employment benefits of \$8,032.9 million, consisting of \$7,089.4 million of non-reimbursable expenses and \$943.5 million of reimbursable expenses. Total revenues are projected to be \$5,519.1 million, of which \$4,575.6 million are operating revenues and \$943.5 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,047 including 42,302 non-reimbursable positions and 4,745 reimbursable positions.

The 2014 net operating cash deficit is projected to decrease by \$33.8 million from the July Financial Plan.

Major operating cash variances include:

- The favorable timing of \$68.5 million of capital reimbursements from 2013.
- Increased farebox revenue of \$36.5 million, based on higher ridership trends and improved employment forecasts.
- A pension re-estimate, resulting in expense savings of \$34.8 million, due mostly to a change in payment method for NYCERS from semi-annual to monthly, significantly reducing interest expense, and lower than expected MaBSTOA pension expense changes, resulting from revised actuarial assumptions.
- Paratransit expense savings of \$28.2 million, based on a reduction in the projection of completed trips.
- A re-estimate of health & welfare expenses, resulting in expense savings of \$24.0 million based on projected lower rates.
- Reduced Sandy operating recovery requirements, resulting in expense savings \$18.6 million.

- The unfavorable timing of retroactive salary & wage payments of \$114.9 million, applicable to labor contract resolution, previously assumed to be paid in 2013.
- Programmatic support requirements of \$17.5 million, including support for FasTrack maintenance, bus service traffic/ramp delays, 7 West Extension, bus time location information system, and service platform budget for running time and guideline changes.
- The unfavorable timing of \$14.0 million of expenses, including mostly materials, auto purchases, paratransit vehicles and station painting, previously assumed to be paid in 2013.

Reimbursable expenses are projected to increase in 2014 by \$58.4 million, due primarily to Sandy Capital Construction labor support requirements, and support for subways Capital Program, Car Delivery and Signal Modernizations.

Total baseline positions are projected to increase by 398, including a non-reimbursable increase of 176 and a reimbursable increase of 222. The non-reimbursable increase includes increases of 157 for training float requirements and 60 in support of the 7 West Extension, partly offset by a reduction of 51 positions replaced by overtime. The reimbursable increase is also due to Sandy Capital Construction labor support requirements, and support for subways Capital Program, Car Delivery and Signal Modernizations.

### **2015-2017 Projections**

Net operating cash deficits are projected to decrease by \$110.1 million in 2015, \$70.6 million in 2016 and \$74.1 million in 2017, relative to the July Financial Plan.

Major operating cash changes include:

- Increased farebox revenue of \$41.0 million in 2015, \$44.3 million in 2016 and \$43.4 million in 2017, based on higher ridership trends and improved employment forecasts.
- Paratransit expense savings of \$23.0 million in 2015, \$27.7 million in 2016 and \$38.4 million in 2017, based on a projected reduction of completed trips.
- Re-estimates of health & welfare expenses, resulting in expense savings of \$25.7 million in 2015, \$29.7 million in 2016 and \$35.2 million in 2017, based on projected lower rates.
- Pension re-estimates, resulting in expense savings of \$21.1 million in 2015, \$19.8 million in 2016, and \$18.3 million in 2017, due mostly to a change in payment method for NYCERS from semi-annual to monthly, significantly

reducing interest expense, and lower than expected MaBSTOA pension expense changes, resulting from revised actuarial assumptions.

- Reduced Sandy operating recovery requirements, resulting in expense savings of \$21.6 million in 2015.
- Programmatic support requirements of \$25.8 million in 2015, \$26.2 million in 2016 and \$26.5 million in 2017, including support for FasTrack maintenance, bus service traffic/ramp delays, the 7 West Extension, bus time location information system, and service platform budget for running time and guidelines changes.

Reimbursable expenses are projected to increase by \$34.9 million in 2015, \$21.8 million in 2016 and \$0.7 million in 2017. The 2015 and 2016 increases were due primarily to Sandy Capital Construction labor support requirements, and support for subways Capital Program, Car Delivery and Signal Modernizations.

Total baseline positions are projected to increase by 211 in 2015, 135 in 2016 and 13 in 2017, including non-reimbursable decreases of 3 in 2015, 13 in 2016 and 9 in 2017. Reimbursable positions increase by 214 in 2015, 148 in 2016 and 22 in 2017. The reimbursable increases in 2015 and 2016 were mostly due to Sandy Capital Construction labor support requirements, and support for subways Capital Program and Car Delivery.

**MTA NEW YORK CITY TRANSIT**  
**November Financial Plan 2014 - 2017**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

<b>NON-REIMBURSABLE</b>						
	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Operating Revenue</b>						
<u>Farebox Revenue:</u>						
Subway	\$2,742.049	\$3,021.461	\$3,111.715	\$3,153.695	\$3,196.805	\$3,214.947
Bus	870.480	937.425	962.999	972.209	982.961	982.953
Paratransit	15.086	16.285	18.343	19.810	21.395	23.106
Fare Media Liability	95.366	52.221	41.221	40.221	40.221	40.221
<b>Farebox Revenue</b>	<b>\$3,722.981</b>	<b>\$4,027.392</b>	<b>\$4,134.278</b>	<b>\$4,185.935</b>	<b>\$4,241.382</b>	<b>\$4,261.227</b>
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue:						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	135.510	162.693	176.969	188.079	208.816	236.828
Other	112.166	274.148	180.321	150.573	153.748	157.015
<b>Other Operating Revenue</b>	<b>\$331.692</b>	<b>\$520.857</b>	<b>\$441.306</b>	<b>\$422.668</b>	<b>\$446.580</b>	<b>\$477.859</b>
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$4,054.673</b>	<b>\$4,548.249</b>	<b>\$4,575.584</b>	<b>\$4,608.603</b>	<b>\$4,687.962</b>	<b>\$4,739.086</b>
<b>Expenses</b>						
<b>Labor:</b>						
Payroll	\$2,869.509	\$2,886.565	\$2,922.368	\$2,983.783	\$3,043.216	\$3,115.497
Overtime	345.432	363.153	331.477	325.673	330.017	335.352
<b>Total Salaries &amp; Wages</b>	<b>\$3,214.941</b>	<b>\$3,249.718</b>	<b>\$3,253.845</b>	<b>\$3,309.456</b>	<b>\$3,373.233</b>	<b>\$3,450.849</b>
Health and Welfare	554.422	628.461	702.703	755.464	812.101	874.641
OPEB Current Payment	297.965	322.453	356.612	390.410	427.690	465.289
Pensions	981.908	910.969	943.274	949.435	964.228	961.283
Other Fringe Benefits	361.697	303.323	286.677	302.085	313.471	327.241
Total Fringe Benefits	\$2,195.992	\$2,165.206	\$2,289.266	\$2,397.394	\$2,517.490	\$2,628.454
Reimbursable Overhead	(188.844)	(190.215)	(190.705)	(185.655)	(181.479)	(179.088)
<b>Total Labor Expenses</b>	<b>\$5,222.089</b>	<b>\$5,224.709</b>	<b>\$5,352.406</b>	<b>\$5,521.195</b>	<b>\$5,709.244</b>	<b>\$5,900.215</b>
<b>Non-Labor:</b>						
Electric Power	\$295.202	\$312.679	\$326.243	\$347.173	\$370.791	\$397.037
Fuel	163.697	168.461	165.858	167.418	167.405	171.384
Insurance	53.949	61.725	72.920	85.895	101.600	120.248
Claims	63.790	100.934	91.682	94.590	98.056	100.534
Paratransit Service Contracts	360.500	368.324	394.216	411.506	456.590	525.734
Maintenance and Other Operating Contracts	140.511	183.165	183.000	185.314	197.264	187.130
Professional Service Contracts	136.745	149.927	143.895	139.350	137.901	140.260
Materials & Supplies	246.839	281.836	289.224	306.002	304.221	306.835
Other Business Expenses	63.971	64.987	69.953	71.816	73.517	71.557
<b>Total Non-Labor Expenses</b>	<b>\$1,525.204</b>	<b>\$1,692.038</b>	<b>\$1,736.991</b>	<b>\$1,809.064</b>	<b>\$1,907.345</b>	<b>\$2,020.719</b>
<b>Other Expense Adjustments:</b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before</b>						
<b>Depreciation and GASB Adjustments</b>	<b>\$6,747.293</b>	<b>\$6,916.747</b>	<b>\$7,089.397</b>	<b>\$7,330.259</b>	<b>\$7,616.589</b>	<b>\$7,920.934</b>
Depreciation	\$1,416.063	\$1,433.225	\$1,544.334	\$1,638.144	\$1,688.144	\$1,863.292
OPEB Obligation	1,390.966	1,446.605	1,504.469	1,564.648	1,627.233	1,692.323
Environmental Remediation	15.813	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$9,570.135</b>	<b>\$9,796.577</b>	<b>\$10,138.200</b>	<b>\$10,533.051</b>	<b>\$10,931.966</b>	<b>\$11,476.549</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$5,515.462)</b>	<b>(\$5,248.328)</b>	<b>(\$5,562.616)</b>	<b>(\$5,924.448)</b>	<b>(\$6,244.004)</b>	<b>(\$6,737.463)</b>

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**MTA NEW YORK CITY TRANSIT**  
**November Financial Plan 2014 - 2017**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

<b>NON-REIMBURSABLE/REIMBURSABLE</b>						
	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenue</b>						
<u>Farebox Revenue:</u>						
Subway	\$2,742.049	\$3,021.461	\$3,111.715	\$3,153.695	\$3,196.805	\$3,214.947
Bus	870.480	937.425	962.999	972.209	982.961	982.953
Paratransit	15.086	16.285	18.343	19.810	21.395	23.106
Fare Media Liability	95.366	52.221	41.221	40.221	40.221	40.221
<b>Farebox Revenue</b>	<b>\$3,722.981</b>	<b>\$4,027.392</b>	<b>\$4,134.278</b>	<b>\$4,185.935</b>	<b>\$4,241.382</b>	<b>\$4,261.227</b>
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	135.510	162.693	176.969	188.079	208.816	236.828
Other	112.166	274.148	180.321	150.573	153.748	157.015
<b>Other Operating Revenue</b>	<b>331.692</b>	<b>520.857</b>	<b>441.306</b>	<b>422.668</b>	<b>446.580</b>	<b>477.859</b>
Capital and Other Reimbursements	866.340	914.824	943.492	908.164	894.760	878.483
<b>Total Revenue</b>	<b>\$4,921.013</b>	<b>\$5,463.073</b>	<b>\$5,519.076</b>	<b>\$5,516.767</b>	<b>\$5,582.722</b>	<b>\$5,617.569</b>
<b>Expenses</b>						
<u>Labor:</u>						
Payroll	\$3,205.500	\$3,230.841	\$3,314.968	\$3,364.724	\$3,416.836	\$3,479.770
Overtime	420.286	458.148	400.980	392.156	397.202	401.201
<b>Total Salaries &amp; Wages</b>	<b>\$3,625.786</b>	<b>\$3,688.989</b>	<b>\$3,715.948</b>	<b>\$3,756.880</b>	<b>\$3,814.038</b>	<b>\$3,880.971</b>
Health and Welfare	576.715	653.406	730.223	784.874	842.819	906.456
OPEB Current Payment	297.965	322.453	356.612	390.410	427.690	465.289
Pensions	1,013.595	940.197	973.305	979.995	994.858	991.362
Other Fringe Benefits	462.150	415.364	417.794	427.454	435.850	446.263
Total Fringe Benefits	\$2,350.425	\$2,331.420	\$2,477.934	\$2,582.733	\$2,701.217	\$2,809.370
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$5,976.211</b>	<b>\$6,020.409</b>	<b>\$6,193.882</b>	<b>\$6,339.613</b>	<b>\$6,515.255</b>	<b>\$6,690.341</b>
<u>Non-Labor:</u>						
Electric Power	\$295.509	\$312.931	\$326.495	\$347.425	\$371.043	\$397.289
Fuel	163.718	168.483	165.881	167.441	167.428	171.407
Insurance	53.949	61.725	72.920	85.895	101.600	120.248
Claims	63.790	100.934	91.682	94.588	98.054	100.532
Paratransit Service Contracts	361.993	368.324	394.216	411.506	456.590	525.734
Maintenance and Other Operating Contracts	177.861	213.831	209.841	212.005	223.955	213.947
Professional Service Contracts	155.797	177.386	161.049	155.589	154.493	156.584
Materials & Supplies	297.891	340.305	345.060	350.635	347.504	349.868
Other Business Expenses	66.914	67.243	71.863	73.726	75.427	73.467
<b>Total Non-Labor Expenses</b>	<b>\$1,637.422</b>	<b>\$1,811.162</b>	<b>\$1,839.007</b>	<b>\$1,898.810</b>	<b>\$1,996.094</b>	<b>\$2,109.076</b>
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjustments</b>						
<b>Depreciation and GASB Adjustments</b>	<b>\$7,613.633</b>	<b>\$7,831.571</b>	<b>\$8,032.889</b>	<b>\$8,238.423</b>	<b>\$8,511.349</b>	<b>\$8,799.417</b>
Depreciation	\$1,416.063	\$1,433.225	\$1,544.334	\$1,638.144	\$1,688.144	\$1,863.292
OPEB Obligation	1,390.966	1,446.605	1,504.469	1,564.648	1,627.233	1,692.323
Environmental Remediation	15.813	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$10,436.475</b>	<b>\$10,711.401</b>	<b>\$11,081.692</b>	<b>\$11,441.215</b>	<b>\$11,826.726</b>	<b>\$12,355.032</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$5,515.462)</b>	<b>(\$5,248.328)</b>	<b>(\$5,562.616)</b>	<b>(\$5,924.448)</b>	<b>(\$6,244.004)</b>	<b>(\$6,737.463)</b>

**MTA NEW YORK CITY TRANSIT**  
**November Financial Plan 2014 - 2017**  
**Cash Conversion (Cash Flow Adjustments)**  
**(\$ in millions)**

	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Receipts</b>						
Fare Revenue	(\$31.779)	\$15.831	\$9.231	\$10.231	\$10.231	\$10.231
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<b>Other Operating Revenue:</b>						
Fare Reimbursement	0.036	15.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	(2.109)	1.285	(0.309)	(0.309)	(0.247)	(0.131)
Other	(11.790)	(82.822)	(93.890)	(96.706)	(99.608)	(102.596)
<b>Other Operating Revenue</b>	<b>(\$13.863)</b>	<b>(\$66.537)</b>	<b>(\$94.199)</b>	<b>(\$97.015)</b>	<b>(\$99.855)</b>	<b>(\$102.727)</b>
Capital and Other Reimbursements	15.103	22.349	79.524	16.853	2.285	2.884
<b>Total Receipt Adjustments</b>	<b>(\$30.539)</b>	<b>(\$28.357)</b>	<b>(\$5.444)</b>	<b>(\$69.931)</b>	<b>(\$87.339)</b>	<b>(\$89.612)</b>
<b>Expenditures</b>						
<b>Labor:</b>						
Payroll	\$27.130	\$48.019	(\$175.443)	\$24.245	\$34.459	\$25.350
Overtime	12.903	6.809	(21.222)	2.826	4.006	2.923
<b>Total Salaries &amp; Wages</b>	<b>\$40.033</b>	<b>\$54.828</b>	<b>(\$196.665)</b>	<b>\$27.071</b>	<b>\$38.465</b>	<b>\$28.273</b>
Health and Welfare	10.421	(18.054)	5.959	6.406	6.886	7.403
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(104.685)	157.115	12.309	6.347	9.190	9.491
Other Fringe Benefits	101.448	39.572	23.388	41.862	43.918	44.378
Total Fringe Benefits	\$7.184	\$178.633	\$41.656	\$54.615	\$59.994	\$61.272
GASB Account	(47.641)	(64.473)	(69.488)	(75.731)	(83.187)	(90.706)
Reimbursable Overhead						
<b>Total Labor Expenditures</b>	<b>(\$0.424)</b>	<b>\$168.988</b>	<b>(\$224.497)</b>	<b>\$5.955</b>	<b>\$15.272</b>	<b>(\$1.161)</b>
<b>Non-Labor:</b>						
Electric Power	\$0.667	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	3.683	0.000	0.000	0.000	0.000	0.000
Insurance	(2.711)	(13.642)	(1.898)	(5.498)	(3.479)	(3.480)
Claims	(27.169)	8.247	8.528	10.630	12.786	12.784
Paratransit Service Contracts	7.527	2.000	2.000	2.000	2.000	2.000
Maintenance and Other Operating Contracts	(12.746)	(14.700)	(14.700)	(14.700)	(14.700)	(14.700)
Professional Service Contracts	24.097	6.417	9.000	9.000	9.000	9.000
Materials & Supplies	12.201	4.287	4.437	4.000	4.000	4.000
Other Business Expenditures	3.556	(0.045)	(0.413)	0.000	0.000	0.000
<b>Total Non-Labor Expenditures</b>	<b>\$9.105</b>	<b>(\$7.436)</b>	<b>\$6.954</b>	<b>\$5.432</b>	<b>\$9.607</b>	<b>\$9.604</b>
<b>Other Expenditure Adjustments:</b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditure Adjustments</b>	<b>\$8.681</b>	<b>\$161.552</b>	<b>(\$217.543)</b>	<b>\$11.387</b>	<b>\$24.879</b>	<b>\$8.443</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjustments</b>	<b>(\$21.858)</b>	<b>\$133.195</b>	<b>(\$222.987)</b>	<b>(\$58.544)</b>	<b>(\$62.460)</b>	<b>(\$81.169)</b>
Depreciation Adjustment	\$1,416.063	\$1,433.225	\$1,544.334	\$1,638.144	\$1,688.144	\$1,863.292
OPEB Obligation	1,390.966	1,446.605	1,504.469	1,564.648	1,627.233	1,692.323
Environmental Remediation	15.813	0.000	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$2,800.984</b>	<b>\$3,013.025</b>	<b>\$2,825.816</b>	<b>\$3,144.248</b>	<b>\$3,252.917</b>	<b>\$3,474.446</b>

**MTA NEW YORK CITY TRANSIT**  
**November Financial Plan 2014 - 2017**  
**Cash Receipts & Expenditures**

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Receipts</b>						
Farebox Revenue	\$3,691.202	\$4,043.223	\$4,143.509	\$4,196.166	\$4,251.613	\$4,271.458
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.052	99.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	133.401	163.978	176.660	187.770	208.569	236.697
Other	100.376	191.326	86.431	53.867	54.140	54.419
<b>Other Operating Revenue</b>	<b>\$317.829</b>	<b>\$454.320</b>	<b>\$347.107</b>	<b>\$325.653</b>	<b>\$346.725</b>	<b>\$375.132</b>
Capital and Other Reimbursements	881.443	937.173	1,023.016	925.017	897.045	881.367
<b>Total Receipts</b>	<b>\$4,890.474</b>	<b>\$5,434.716</b>	<b>\$5,513.632</b>	<b>\$5,446.836</b>	<b>\$5,495.383</b>	<b>\$5,527.957</b>
<b>Expenditures</b>						
<u>Labor:</u>						
Payroll	\$3,178.370	\$3,182.822	\$3,490.411	\$3,340.479	\$3,382.377	\$3,454.420
Overtime	407.383	451.339	422.202	389.330	393.196	398.278
<b>Total Salaries &amp; Wages</b>	<b>\$3,585.753</b>	<b>\$3,634.161</b>	<b>\$3,912.613</b>	<b>\$3,729.809</b>	<b>\$3,775.573</b>	<b>\$3,852.698</b>
Health and Welfare	566.294	671.460	724.264	778.468	835.933	899.053
OPEB Current Payment	297.965	322.453	356.612	390.410	427.690	465.289
Pensions	1,118.280	783.082	960.996	973.648	985.668	981.871
Other Fringe Benefits	360.702	375.792	394.406	385.592	391.932	401.885
Total Fringe Benefits	\$2,343.241	\$2,152.787	\$2,436.278	\$2,528.118	\$2,641.223	\$2,748.098
GASB Account	47.641	64.473	69.488	75.731	83.187	90.706
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$5,976.635</b>	<b>\$5,851.421</b>	<b>\$6,418.379</b>	<b>\$6,333.658</b>	<b>\$6,499.983</b>	<b>\$6,691.502</b>
<u>Non-Labor:</u>						
Electric Power	\$294.842	\$312.931	\$326.495	\$347.425	\$371.043	\$397.289
Fuel	160.035	168.483	165.881	167.441	167.428	171.407
Insurance	56.660	75.367	74.818	91.393	105.079	123.728
Claims	90.959	92.687	83.154	83.958	85.268	87.748
Paratransit Service Contracts	354.466	366.324	392.216	409.506	454.590	523.734
Maintenance and Other Operating Contracts	190.607	228.531	224.541	226.705	238.655	228.647
Professional Service Contracts	131.700	170.969	152.049	146.589	145.493	147.584
Materials & Supplies	285.690	336.018	340.623	346.635	343.504	345.868
Other Business Expenditures	63.358	67.288	72.276	73.726	75.427	73.467
<b>Total Non-Labor Expenditures</b>	<b>\$1,628.317</b>	<b>\$1,818.598</b>	<b>\$1,832.053</b>	<b>\$1,893.378</b>	<b>\$1,986.487</b>	<b>\$2,099.472</b>
<u>Other Expenditure Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$7,604.952</b>	<b>\$7,670.019</b>	<b>\$8,250.432</b>	<b>\$8,227.036</b>	<b>\$8,486.470</b>	<b>\$8,790.974</b>
<b>Net Cash Deficit</b>	<b>(\$2,714.478)</b>	<b>(\$2,235.303)</b>	<b>(\$2,736.800)</b>	<b>(\$2,780.200)</b>	<b>(\$2,991.087)</b>	<b>(\$3,263.017)</b>

**MTA NEW YORK CITY TRANSIT**  
**2013 November Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
**(\$ in millions)**

<b>NON-REIMBURSABLE</b>		<b>Total</b>		
		<b>Hours</b>	<b>\$</b>	<b>%</b>
<u>Scheduled Service</u>		3,873,826	\$113.114	31.1%
<u>Unscheduled Service</u>		3,114,370	91.777	25.3%
<u>Programmatic/Routine Maintenance</u>		3,052,356	97.253	26.8%
<u>Unscheduled Maintenance</u>		-	-	0.0%
<u>Vacancy/Absentee Coverage</u>		676,637	21.827	6.0%
<u>Weather Emergencies</u>		968,067	29.429	8.1%
<u>Safety/Security/Law Enforcement</u>		117,220	3.129	0.9%
<u>All Other</u>		155,052	6.623	1.8%
	Subtotal	<b>11,957,528</b>	<b>\$363.153</b>	<b>100.0%</b>
<b>REIMBURSABLE OVERTIME</b>		2,985,933	94.995	
<b>TOTAL OVERTIME</b>		<b>14,943,462</b>	<b>\$458.148</b>	

**MTA NEW YORK CITY TRANSIT**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Year-to-Year Changes by Category-Baseline**

**TOTAL REVENUE/RECEIPTS**

**Farebox Revenue**

- Subway/bus farebox revenue annual growth is based largely on current trends, the regional economy and updated NYC employment projections.
- 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.
- 2013 includes \$10.9 million of receipts not received in 2012.

**Other Operating Revenue**

- NYC paratransit reimbursements include annual increases (based on the lower of 120 percent of the prior calendar year total amounts billed or 33% of the current year net expenses subject to reimbursement) 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. Also included are projected storm insurance recoveries, which can fluctuate significantly year-to-year. The decreases from 2013 to 2014 of \$93.8 million and of \$29.7 million from 2014 to 2015 are due mostly to reduced estimated Sandy recoveries.
- \$15.0 million of student fare reimbursements and \$8.3 million of Transit Adjudication Bureau (TAB) fees, both originally planned to be received in 2012, are now assumed to be received in 2013.

**Capital and Other Reimbursements**

- Annual reimbursement levels fluctuate year-to-year based upon reimbursable expense levels driven mostly by Sandy and capital project requirements.
- Annual cash adjustments are included to recognize changes in the timing of receipts.
- 2013 includes \$93.3 million of reimbursements originally assumed to be received in 2012.

**TOTAL EXPENSES/EXPENDITURES**

**Payroll**

- 2014-2017 projections include a zero wage increase assumption for represented employees for 2012-2014. Salaries for non-represented employees, having gone four consecutive years without raises, are assumed to follow CPI-based increases in 2013. No across-the-board raises have been granted as of the November Plan. Aside from years with zero increases, projections include

primarily CPI-based rate increases as follows: 2014=1.91%; 2015=1.85%; 2016=1.89% and 2017=1.85%.

- Year-to-year, payroll expenses are projected to increase by \$35.8 million in 2014, \$61.4 million in 2015, \$59.4 million in 2016 and \$72.3 million in 2017. These increases include non-reimbursable position changes of an increase of 501 in 2014, a decrease of 122 in 2015, a decrease of 92 in 2016 and an increase of 259 in 2017. More details regarding these position changes are included in the position narrative section. The out year dollar increases are primarily due to the post net-zero increase period with represented employee wage increases based on inflationary assumptions.
- 2014 payroll expenditures now project an increase of \$307.6 million versus 2013, including \$213.6 million from the estimated deferral of labor contract resolution and related retro-wage payments from 2013 to 2014.

### **Overtime**

- 2014-2017 payroll wage rate increase assumptions apply.
- 2014 expenses decrease from 2013 by \$31.7 million, due mostly to non-recurring 2013 vacancy coverage overtime and reduced Sandy requirements. A reduction of \$5.8 million from 2014 to 2015 is due mostly to the elimination of vacancy coverage overtime, as it is assumed that all vacancies are filled by 2015, and a reduction of Sandy overtime requirements. Increases of \$4.3 million in 2016 over 2017 and \$5.3 million in 2017 over 2016 are mostly due to general wage increase assumptions applied also to overtime as noted above.

### **Health & Welfare**

- Inflation assumptions for 2014-2017: Annual employees: 2014 = 5.0%, 2015 = 3.7%, 2016-2017 = 5.5%; hourly employees = 8.5% per year
- 2013 includes \$23.6 million of unfavorable cash timing adjustments from 2012.

### **Pension**

- Projections are consistent with current actuarial information.
- 2013 includes a favorable timing variance of \$150.0 million, inasmuch as NYCERS payments were made in 2012 which were initially planned for 2013.

### **Other Fringe Benefits**

- Projected increases year-to-year reflect staffing levels, programmatic changes, and inflationary payroll rate assumptions.
- Expenses decrease from 2013 to 2014 by \$16.6 million, due mostly to increased overhead credits from higher reimbursable requirements, partly offset by higher Workers' Compensation requirements. Expenses increase from 2014 to 2015 by \$15.4 million, from 2015 to 2016 by \$11.4 million, and from 2016 to 2017 by \$13.8 million, due to higher Workers' Compensation requirements.
- 2013 includes \$8.1 million of unfavorable cash timing adjustments from 2012, based on revised assumptions pertaining to union contract resolution and retro-wage payments.

**Electric Power**

- The financial plan reflects projected New York Power Authority and Con Edison energy rate increases for both traction and non-traction power.

**Fuel**

- The financial plan reflects diesel, CNG and heating fuel price assumptions.

**Insurance**

- Annual expenses reflect revised growth.
- 2013 includes \$11.8 million of unfavorable cash timing adjustments from 2012.

**Paratransit Service Contracts**

- The primary driver of expense increases is projected annual ridership growth of 8.0% effective 2014.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI.
- Paratransit expense increases year-over-year are driven by projected ridership growth.

**Maintenance and Other Operating Contracts**

- 2014-2017 inflation assumptions are as follows: 2014=1.41%, 2015=1.69%, 2016=1.95% and 2017=1.83%.
- Expenses were higher by \$12.0 million in 2016, due to the unfavorable timing of bus shop expenses.
- 2013 includes \$14.9 million of unfavorable cash timing adjustments from 2012.

**Professional Service Contracts**

- 2014-2017 inflation assumptions are as follows: 2014=1.41%, 2015=1.69%, 2016=1.95% and 2017=1.83%.
- Expenses decrease from 2013 to 2014 by \$6.0 million and from 2014 to 2015 by \$4.5 million, due mostly to reduced Information Technology-related expenses.
- 2013 includes an \$8.9 million unfavorable cash timing adjustment from 2012.

**Materials and Supplies**

- 2014-2017 inflation assumptions are as follows: 2014=2.05%, 2015=1.64%, 2016=1.50% and 2017=1.35%.
- 2013 includes a \$13.2 million unfavorable cash timing adjustment from 2012.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance program requirements.

**Other Business Expenses**

- 2014-2017 inflation assumptions are as follows: 2014=1.41%, 2015=1.69%, 2016=1.95% and 2017=1.83%.

- Expenses increase from 2013 to 2014 by \$5.0 million, due to favorable inter-departmental account adjustments in 2013 and increases in fare media credit/debit card fees beginning 2014.
- 2013 includes a \$0.5 million unfavorable cash timing adjustment from 2012.

**Depreciation (non-cash)**

- The 2014 increase of \$111.1 million is due to major projects such as the Fulton Street Transit Center and 7 Line Extension, and estimated additional capital assets reaching beneficial use during 2014. Subsequent year growth is also based on estimated additional capital assets reaching beneficial use. In 2017, it is also estimated that the 2<sup>nd</sup> Avenue Subway project will reach beneficial use.

**MTA New York City Transit**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

NON-REIMBURSABLE	Favorable/(Unfavorable)								
	2013	2014	Change 2014-2013	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016
<b>Revenue</b>									
Farebox Revenue:									
Subway	\$3,021.461	\$3,111.715	\$90.254	\$3,153.695	\$41.980	\$3,196.805	\$43.110	\$3,214.947	\$18.142
Bus	937.425	962.999	25.574	972.209	9.210	982.961	10.752	982.953	(0.008)
Paratransit	16.285	18.343	2.058	19.810	1.467	21.395	1.585	23.106	1.711
Fare Media Liability	52.221	41.221	(11.000)	40.221	(1.000)	40.221	0.000	40.221	0.000
<b>Total Farebox Revenue</b>	<b>\$4,027.392</b>	<b>\$4,134.278</b>	<b>\$106.886</b>	<b>\$4,185.935</b>	<b>\$51.657</b>	<b>\$4,241.382</b>	<b>\$55.447</b>	<b>\$4,261.227</b>	<b>\$19.845</b>
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	84.016	84.016	0.000	84.016	0.000	84.016	0.000	84.016	0.000
Paratransit Reimbursement	162.693	176.969	14.276	188.079	11.110	208.816	20.737	236.828	28.012
Other	274.148	180.321	(93.827)	150.573	(29.748)	153.748	3.175	157.015	3.267
<b>Total Other Operating Revenue</b>	<b>\$520.857</b>	<b>\$441.306</b>	<b>(\$79.551)</b>	<b>\$422.668</b>	<b>(\$18.638)</b>	<b>\$446.580</b>	<b>\$23.912</b>	<b>\$477.859</b>	<b>\$31.279</b>
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$4,548.249</b>	<b>\$4,575.584</b>	<b>\$27.335</b>	<b>\$4,608.603</b>	<b>\$33.019</b>	<b>\$4,687.962</b>	<b>\$79.359</b>	<b>\$4,739.086</b>	<b>\$51.124</b>
<b>Expenses</b>									
Labor:									
Payroll	\$2,886.565	\$2,922.368	(\$35.803)	\$2,983.783	(\$61.415)	\$3,043.216	(\$59.433)	\$3,115.497	(\$72.281)
Overtime	363.153	331.477	31.676	325.673	5.804	330.017	(4.344)	335.352	(5.335)
<b>Total Salaries &amp; Wages</b>	<b>\$3,249.718</b>	<b>\$3,253.845</b>	<b>(\$4.127)</b>	<b>\$3,309.456</b>	<b>(\$55.611)</b>	<b>\$3,373.233</b>	<b>(\$63.777)</b>	<b>\$3,450.849</b>	<b>(\$77.616)</b>
Health and Welfare	628.461	702.703	(74.242)	755.464	(52.761)	812.101	(56.637)	874.641	(62.540)
OPEB Current Payment	322.453	356.612	(34.159)	390.410	(33.798)	427.690	(37.280)	465.289	(37.599)
Pensions	910.969	943.274	(32.305)	949.435	(6.161)	964.228	(14.793)	961.283	2.945
Other Fringe Benefits	303.323	286.677	16.646	302.085	(15.408)	313.471	(11.386)	327.241	(13.770)
Total Fringe Benefits	\$2,165.206	\$2,289.266	(\$124.060)	\$2,397.394	(\$108.128)	\$2,517.490	(\$120.096)	\$2,628.454	(\$110.964)
Reimbursable Overhead	(190.215)	(190.705)	0.490	(185.655)	(5.050)	(181.479)	(4.176)	(179.088)	(2.391)
<b>Total Labor Expenses</b>	<b>\$5,224.709</b>	<b>\$5,352.406</b>	<b>(\$127.697)</b>	<b>\$5,521.195</b>	<b>(\$168.789)</b>	<b>\$5,709.244</b>	<b>(\$188.049)</b>	<b>\$5,900.215</b>	<b>(\$190.971)</b>
Non-Labor:									
Electric Power	\$312.679	\$326.243	(\$13.564)	\$347.173	(\$20.930)	\$370.791	(\$23.618)	\$397.037	(\$26.246)
Fuel	168.461	165.858	2.603	167.418	(1.560)	167.405	0.013	171.384	(3.979)
Insurance	61.725	72.920	(11.195)	85.895	(12.975)	101.600	(15.705)	120.248	(18.648)
Claims	100.934	91.682	9.252	94.590	(2.908)	98.056	(3.466)	100.534	(2.478)
Paratransit Service Contracts	368.324	394.216	(25.892)	411.506	(17.290)	456.590	(45.084)	525.734	(69.144)
Mtce. and Other Operating Contracts	183.165	183.000	0.165	185.314	(2.314)	197.264	(11.950)	187.130	10.134
Professional Service Contracts	149.927	143.895	6.032	139.350	4.545	137.901	1.449	140.260	(2.359)
Materials & Supplies	281.836	289.224	(7.388)	306.002	(16.778)	304.221	1.781	306.835	(2.614)
Other Business Expenses	64.987	69.953	(4.966)	71.816	(1.863)	73.517	(1.701)	71.557	1.960
<b>Total Non-Labor Expenses</b>	<b>\$1,692.038</b>	<b>\$1,736.991</b>	<b>(\$44.953)</b>	<b>\$1,809.064</b>	<b>(\$72.073)</b>	<b>\$1,907.345</b>	<b>(\$98.281)</b>	<b>\$2,020.719</b>	<b>(\$113.374)</b>
Other Expense Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjustments</b>	<b>\$6,916.747</b>	<b>\$7,089.397</b>	<b>(\$172.650)</b>	<b>\$7,330.259</b>	<b>(\$240.862)</b>	<b>\$7,616.589</b>	<b>(\$286.330)</b>	<b>\$7,920.934</b>	<b>(\$304.345)</b>
Depreciation	\$1,433.225	\$1,544.334	(\$111.109)	\$1,638.144	(\$93.810)	\$1,688.144	(\$50.000)	\$1,863.292	(\$175.148)
OPEB Obligation	1,446.605	1,504.469	(57.864)	1,564.648	(60.179)	1,627.233	(62.585)	1,692.323	(65.090)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$9,796.577</b>	<b>\$10,138.200</b>	<b>(\$341.623)</b>	<b>\$10,533.051</b>	<b>(\$394.851)</b>	<b>\$10,931.966</b>	<b>(\$398.915)</b>	<b>\$11,476.549</b>	<b>(\$544.583)</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$5,248.328)</b>	<b>(\$5,562.616)</b>	<b>(\$314.288)</b>	<b>(\$5,924.448)</b>	<b>(\$361.832)</b>	<b>(\$6,244.004)</b>	<b>(\$319.556)</b>	<b>(\$6,737.463)</b>	<b>(\$493.459)</b>

## REIMBURSABLE

REIMBURSABLE	Favorable/(Unfavorable)								
	2013	2014	Change 2014-2013	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	914.824	943.492	28.668	908.164	(35.328)	894.760	(13.404)	878.483	(16.277)
<b>Total Revenue</b>	<b>\$914.824</b>	<b>\$943.492</b>	<b>\$28.668</b>	<b>\$908.164</b>	<b>(\$35.328)</b>	<b>\$894.760</b>	<b>(\$13.404)</b>	<b>\$878.483</b>	<b>(\$16.277)</b>
<b>Expenses</b>									
Labor:									
Payroll	\$344.276	\$392.600	(\$48.324)	\$380.941	\$11.659	\$373.620	\$7.321	\$364.273	\$9.347
Overtime	94.995	69.503	25.492	66.483	3.020	67.185	(0.702)	65.849	1.336
<b>Total Salaries &amp; Wages</b>	<b>\$439.271</b>	<b>\$462.103</b>	<b>(\$22.832)</b>	<b>\$447.424</b>	<b>\$14.679</b>	<b>\$440.805</b>	<b>\$6.619</b>	<b>\$430.122</b>	<b>\$10.683</b>
Health and Welfare	24.945	27.520	(2.575)	29.410	(1.890)	30.718	(1.308)	31.815	(1.097)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	29.228	30.031	(0.803)	30.560	(0.529)	30.630	(0.070)	30.079	0.551
Other Fringe Benefits	112.041	131.117	(19.076)	125.369	5.748	122.379	2.990	119.022	3.357
Total Fringe Benefits	\$166.214	\$188.668	(\$22.454)	\$185.339	\$3.329	\$183.727	\$1.612	\$180.916	\$2.811
Reimbursable Overhead	190.215	190.705	(0.490)	185.655	5.050	181.479	4.176	179.088	2.391
<b>Total Labor Expenses</b>	<b>\$795.700</b>	<b>\$841.476</b>	<b>(\$45.776)</b>	<b>\$818.418</b>	<b>\$23.058</b>	<b>\$806.011</b>	<b>\$12.407</b>	<b>\$790.126</b>	<b>\$15.885</b>
Non-Labor:									
Electric Power	\$0.252	\$0.252	\$0.000	\$0.252	\$0.000	\$0.252	\$0.000	\$0.252	\$0.000
Fuel	0.022	0.023	(0.001)	0.023	0.000	0.023	0.000	0.023	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	(0.002)	0.002	(0.002)	0.000	(0.002)	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	30.666	26.841	3.825	26.691	0.150	26.691	0.000	26.817	(0.126)
Professional Service Contracts	27.459	17.154	10.305	16.239	0.915	16.592	(0.353)	16.324	0.268
Materials & Supplies	58.469	55.836	2.633	44.633	11.203	43.283	1.350	43.033	0.250
Other Business Expenses	2.256	1.910	0.346	1.910	0.000	1.910	0.000	1.910	0.000
<b>Total Non-Labor Expenses</b>	<b>\$119.124</b>	<b>\$102.016</b>	<b>\$17.108</b>	<b>\$89.746</b>	<b>\$12.270</b>	<b>\$88.749</b>	<b>\$0.997</b>	<b>\$88.357</b>	<b>\$0.392</b>
Other Expense Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$914.824</b>	<b>\$943.492</b>	<b>(\$28.668)</b>	<b>\$908.164</b>	<b>\$35.328</b>	<b>\$894.760</b>	<b>\$13.404</b>	<b>\$878.483</b>	<b>\$16.277</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$914.824</b>	<b>\$943.492</b>	<b>(\$28.668)</b>	<b>\$908.164</b>	<b>\$35.328</b>	<b>\$894.760</b>	<b>\$13.404</b>	<b>\$878.483</b>	<b>\$16.277</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>

**MTA New York City Transit**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE**

NON-REIMBURSABLE and REIMBURSABLE		Favorable/(Unfavorable)							
	2013	2014	Change 2014-2013	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016
<b>Revenue</b>									
Farebox Revenue:									
Subway	\$3,021.461	\$3,111.715	\$90.254	\$3,153.695	\$41.980	\$3,196.805	\$43.110	\$3,214.947	\$18.142
Bus	937.425	962.999	25.574	972.209	9.210	982.961	10.752	982.953	(0.008)
Paratransit	16.285	18.343	2.058	19.810	1.467	21.395	1.585	23.106	1.711
Fare Media Liability	52.221	41.221	(11.000)	40.221	(1.000)	40.221	0.000	40.221	0.000
<b>Total Farebox Revenue</b>	<b>\$4,027.392</b>	<b>\$4,134.278</b>	<b>\$106.886</b>	<b>\$4,185.935</b>	<b>\$51.657</b>	<b>\$4,241.382</b>	<b>\$55.447</b>	<b>\$4,261.227</b>	<b>\$19.845</b>
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	84.016	84.016	0.000	84.016	0.000	84.016	0.000	84.016	0.000
Paratransit Reimbursement	162.693	176.969	14.276	188.079	11.110	208.816	20.737	236.828	28.012
Other	274.148	180.321	(93.827)	150.573	(29.748)	153.748	3.175	157.015	3.267
Total Other Operating Revenue	520.857	441.306	(79.551)	422.668	(18.638)	446.580	23.912	477.859	31.279
Capital and Other Reimbursements	914.824	943.492	28.668	908.164	(35.328)	894.760	(13.404)	878.483	(16.277)
<b>Total Revenue</b>	<b>\$5,463.073</b>	<b>\$5,519.076</b>	<b>\$56.003</b>	<b>\$5,516.767</b>	<b>(\$2.309)</b>	<b>\$5,582.722</b>	<b>\$65.955</b>	<b>\$5,617.569</b>	<b>\$34.847</b>
<b>Expenses</b>									
Labor:									
Payroll	\$3,230.841	\$3,314.968	(\$84.127)	\$3,364.724	(\$49.756)	\$3,416.836	(\$52.112)	\$3,479.770	(\$62.934)
Overtime	458.148	400.980	57.168	392.156	8.824	397.202	(5.046)	401.201	(3.999)
<b>Total Salaries &amp; Wages</b>	<b>\$3,688.989</b>	<b>\$3,715.948</b>	<b>(\$26.959)</b>	<b>\$3,756.880</b>	<b>(\$40.932)</b>	<b>\$3,814.038</b>	<b>(\$57.158)</b>	<b>\$3,880.971</b>	<b>(\$66.933)</b>
Health and Welfare	653.406	730.223	(76.817)	784.874	(54.651)	842.819	(57.945)	906.456	(63.637)
OPEB Current Payment	322.453	356.612	(34.159)	390.410	(33.798)	427.690	(37.280)	465.289	(37.599)
Pensions	940.197	973.305	(33.108)	979.995	(6.690)	994.858	(14.863)	991.362	3.496
Other Fringe Benefits	415.364	417.794	(2.430)	427.454	(9.660)	435.850	(8.396)	446.263	(10.413)
Total Fringe Benefits	\$2,331.420	\$2,477.934	(\$146.514)	\$2,582.733	(\$104.799)	\$2,701.217	(\$118.484)	\$2,809.370	(\$108.153)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$6,020.409</b>	<b>\$6,193.882</b>	<b>(\$173.473)</b>	<b>\$6,339.613</b>	<b>(\$145.731)</b>	<b>\$6,515.255</b>	<b>(\$175.642)</b>	<b>\$6,690.341</b>	<b>(\$175.086)</b>
Non-Labor:									
Electric Power	\$312.931	\$326.495	(\$13.564)	\$347.425	(\$20.930)	\$371.043	(\$23.618)	\$397.289	(\$26.246)
Fuel	168.483	165.881	2.602	167.441	(1.560)	167.428	0.013	171.407	(3.979)
Insurance	61.725	72.920	(11.195)	85.895	(12.975)	101.600	(15.705)	120.248	(18.648)
Claims	100.934	91.682	9.252	94.588	(2.906)	98.054	(3.466)	100.532	(2.478)
Paratransit Service Contracts	368.324	394.216	(25.892)	411.506	(17.290)	456.590	(45.084)	525.734	(69.144)
Mtce. and Other Operating Contracts	213.831	209.841	3.990	212.005	(2.164)	223.955	(11.950)	213.947	10.008
Professional Service Contracts	177.386	161.049	16.337	155.589	5.460	154.493	1.096	156.584	(2.091)
Materials & Supplies	340.305	345.060	(4.755)	350.635	(5.575)	347.504	3.131	349.868	(2.364)
Other Business Expenses	67.243	71.863	(4.620)	73.726	(1.863)	75.427	(1.701)	73.467	1.960
<b>Total Non-Labor Expenses</b>	<b>\$1,811.162</b>	<b>\$1,839.007</b>	<b>(\$27.845)</b>	<b>\$1,898.810</b>	<b>(\$59.803)</b>	<b>\$1,996.094</b>	<b>(\$97.284)</b>	<b>\$2,109.076</b>	<b>(\$112.982)</b>
Other Expense Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$7,831.571</b>	<b>\$8,032.889</b>	<b>(\$201.318)</b>	<b>\$8,238.423</b>	<b>(\$205.534)</b>	<b>\$8,511.349</b>	<b>(\$272.926)</b>	<b>\$8,799.417</b>	<b>(\$288.068)</b>
Depreciation	\$1,433.225	\$1,544.334	(\$111.109)	\$1,638.144	(\$93.810)	\$1,688.144	(\$50.000)	\$1,863.292	(\$175.148)
OPEB Obligation	1,446.605	1,504.469	(57.864)	1,564.648	(60.179)	1,627.233	(62.585)	1,692.323	(65.090)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$10,711.401</b>	<b>\$11,081.692</b>	<b>(\$370.291)</b>	<b>\$11,441.215</b>	<b>(\$359.523)</b>	<b>\$11,826.726</b>	<b>(\$385.511)</b>	<b>\$12,355.032</b>	<b>(\$528.306)</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$5,248.328)</b>	<b>(\$5,562.616)</b>	<b>(\$314.288)</b>	<b>(\$5,924.448)</b>	<b>(\$361.832)</b>	<b>(\$6,244.004)</b>	<b>(\$319.556)</b>	<b>(\$6,737.463)</b>	<b>(\$493.459)</b>

MTA New York City Transit  
November Financial Plan 2014 - 2017  
Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)  
(\$ in millions)

	Favorable/(Unfavorable)								
	2013	2014	Change 2014-2013	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016
<b><u>Receipts</u></b>									
Farebox Revenue	\$15.831	\$9.231	(\$6.600)	\$10.231	\$1.000	\$10.231	\$0.000	\$10.231	\$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:									
Fare Reimbursement	15.000	0.000	(15.000)	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	1.285	(0.309)	(1.594)	(0.309)	0.000	(0.247)	0.062	(0.131)	0.116
Other	(82.822)	(93.890)	(11.068)	(96.706)	(2.816)	(99.608)	(2.902)	(102.596)	(2.988)
<b>Total Other Operating Revenue</b>	<b>(\$66.537)</b>	<b>(\$94.199)</b>	<b>(\$27.662)</b>	<b>(\$97.015)</b>	<b>(\$2.816)</b>	<b>(\$99.855)</b>	<b>(\$2.840)</b>	<b>(\$102.727)</b>	<b>(\$2.872)</b>
Capital and Other Reimbursements	22.349	79.524	57.175	16.853	(62.671)	2.285	(14.568)	2.884	0.599
<b>Total Receipt Adjustments</b>	<b>(\$28.357)</b>	<b>(\$5.444)</b>	<b>\$22.913</b>	<b>(\$69.931)</b>	<b>(\$64.487)</b>	<b>(\$87.339)</b>	<b>(\$17.408)</b>	<b>(\$89.612)</b>	<b>(\$2.273)</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$48.019	(\$175.443)	(\$223.462)	\$24.245	\$199.689	\$34.459	\$10.214	\$25.350	(\$9.109)
Overtime	6.809	(21.222)	(28.031)	2.826	24.047	4.006	1.180	2.923	(1.083)
<b>Total Salaries &amp; Wages</b>	<b>\$54.828</b>	<b>(\$196.665)</b>	<b>(\$251.493)</b>	<b>\$27.071</b>	<b>\$223.736</b>	<b>\$38.465</b>	<b>\$11.394</b>	<b>\$28.273</b>	<b>(\$10.192)</b>
Health and Welfare	(18.054)	5.959	24.013	6.406	0.447	6.886	0.480	7.403	0.517
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	157.115	12.309	(144.806)	6.347	(5.962)	9.190	2.843	9.491	0.301
Other Fringe Benefits	39.572	23.388	(16.184)	41.862	18.474	43.918	2.056	44.378	0.460
Total Fringe Benefits	\$178.633	\$41.656	(\$136.977)	\$54.615	\$12.959	\$59.994	\$5.379	\$61.272	\$1.278
GASB Account	(64.473)	(69.488)	(5.015)	(75.731)	(6.243)	(83.187)	(7.456)	(90.706)	(7.519)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$168.988</b>	<b>(\$224.497)</b>	<b>(\$393.485)</b>	<b>\$5.955</b>	<b>\$230.452</b>	<b>\$15.272</b>	<b>\$9.317</b>	<b>(\$1.161)</b>	<b>(\$16.433)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(13.642)	(1.898)	11.744	(5.498)	(3.600)	(3.479)	2.019	(3.480)	(0.001)
Claims	8.247	8.528	0.281	10.630	2.102	12.786	2.156	12.784	(0.002)
Paratransit Service Contracts	2.000	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000
Mtce. and Other Operating Contracts	(14.700)	(14.700)	0.000	(14.700)	0.000	(14.700)	0.000	(14.700)	0.000
Professional Service Contracts	6.417	9.000	2.583	9.000	0.000	9.000	0.000	9.000	0.000
Materials & Supplies	4.287	4.437	0.150	4.000	(0.437)	4.000	0.000	4.000	0.000
Other Business Expenditures	(0.045)	(0.413)	(0.368)	0.000	0.413	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenditures</b>	<b>(\$7.436)</b>	<b>\$6.954</b>	<b>\$14.390</b>	<b>\$5.432</b>	<b>(\$1.522)</b>	<b>\$9.607</b>	<b>\$4.175</b>	<b>\$9.604</b>	<b>(\$0.003)</b>
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditure Adjustments</b>	<b>\$161.552</b>	<b>(\$217.543)</b>	<b>(\$379.095)</b>	<b>\$11.387</b>	<b>\$228.930</b>	<b>\$24.879</b>	<b>\$13.492</b>	<b>\$8.443</b>	<b>(\$16.436)</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>\$133.195</b>	<b>(\$222.987)</b>	<b>(\$356.182)</b>	<b>(\$58.544)</b>	<b>\$164.443</b>	<b>(\$62.460)</b>	<b>(\$3.916)</b>	<b>(\$81.169)</b>	<b>(\$18.709)</b>
Depreciation Adjustment	\$1,433.225	\$1,544.334	\$111.109	\$1,638.144	\$93.810	\$1,688.144	\$50.000	\$1,863.292	\$175.148
OPEB Obligation	1,446.605	1,504.469	57.864	1,564.648	60.179	1,627.233	62.585	1,692.323	65.090
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$3,013.025</b>	<b>\$2,825.816</b>	<b>(\$187.209)</b>	<b>\$3,144.248</b>	<b>\$318.432</b>	<b>\$3,252.917</b>	<b>\$108.669</b>	<b>\$3,474.446</b>	<b>\$221.529</b>

**MTA New York City Transit**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Cash Basis**  
**(\$ in millions)**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014-2013	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016
<b><u>Receipts</u></b>									
Farebox Revenue	\$4,043.223	\$4,143.509	\$100.286	\$4,196.166	\$52.657	\$4,251.613	\$55.447	\$4,271.458	\$19.845
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	99.016	84.016	(15.000)	84.016	0.000	84.016	0.000	84.016	0.000
Paratransit Reimbursement	163.978	176.660	12.682	187.770	11.110	208.569	20.799	236.697	28.128
Other	191.326	86.431	(104.895)	53.867	(32.564)	54.140	0.273	54.419	0.279
<b>Total Other Operating Revenue</b>	<b>\$454.320</b>	<b>\$347.107</b>	<b>(\$107.213)</b>	<b>\$325.653</b>	<b>(\$21.454)</b>	<b>\$346.725</b>	<b>\$21.072</b>	<b>\$375.132</b>	<b>\$28.407</b>
Capital and Other Reimbursements	937.173	1,023.016	85.843	925.017	(97.999)	897.045	(27.972)	881.367	(15.678)
<b>Total Receipts</b>	<b>\$5,434.716</b>	<b>\$5,513.632</b>	<b>\$78.916</b>	<b>\$5,446.836</b>	<b>(\$66.796)</b>	<b>\$5,495.383</b>	<b>\$48.547</b>	<b>\$5,527.957</b>	<b>\$32.574</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$3,182.822	\$3,490.411	(\$307.589)	\$3,340.479	\$149.933	\$3,382.377	(\$41.898)	\$3,454.420	(\$72.043)
Overtime	451.339	422.202	29.137	389.330	32.871	393.196	(3.866)	398.278	(5.082)
<b>Total Salaries &amp; Wages</b>	<b>\$3,634.161</b>	<b>\$3,912.613</b>	<b>(\$278.452)</b>	<b>\$3,729.809</b>	<b>\$182.804</b>	<b>\$3,775.573</b>	<b>(\$45.764)</b>	<b>\$3,852.698</b>	<b>(\$77.125)</b>
Health and Welfare	671.460	724.264	(52.804)	778.468	(54.204)	835.933	(57.465)	899.053	(63.120)
OPEB Current Payment	322.453	356.612	(34.159)	390.410	(33.798)	427.690	(37.280)	465.289	(37.599)
Pensions	783.082	960.996	(177.914)	973.648	(12.652)	985.668	(12.020)	981.871	3.797
Other Fringe Benefits	375.792	394.406	(18.614)	385.592	8.814	391.932	(6.340)	401.885	(9.953)
Total Fringe Benefits	\$2,152.787	\$2,436.278	(\$283.491)	\$2,528.118	(\$91.840)	\$2,641.223	(\$113.105)	\$2,748.098	(\$106.875)
GASB Account	64.473	69.488	(5.015)	75.731	(6.243)	83.187	(7.456)	90.706	(7.519)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$5,851.421</b>	<b>\$6,418.379</b>	<b>(\$566.958)</b>	<b>\$6,333.658</b>	<b>\$84.721</b>	<b>\$6,499.983</b>	<b>(\$166.325)</b>	<b>\$6,691.502</b>	<b>(\$191.519)</b>
Non-Labor:									
Electric Power	\$312.931	\$326.495	(\$13.564)	\$347.425	(\$20.930)	\$371.043	(\$23.618)	\$397.289	(\$26.246)
Fuel	168.483	165.881	2.602	167.441	(1.560)	167.428	0.013	171.407	(3.979)
Insurance	75.367	74.818	0.549	91.393	(16.575)	105.079	(13.686)	123.728	(18.649)
Claims	92.687	83.154	9.533	83.958	(0.804)	85.268	(1.310)	87.748	(2.480)
Paratransit Service Contracts	366.324	392.216	(25.892)	409.506	(17.290)	454.590	(45.084)	523.734	(69.144)
Mtce. and Other Operating Contracts	228.531	224.541	3.990	226.705	(2.164)	238.655	(11.950)	228.647	10.008
Professional Service Contracts	170.969	152.049	18.920	146.589	5.460	145.493	1.096	147.584	(2.091)
Materials & Supplies	336.018	340.623	(4.605)	346.635	(6.012)	343.504	3.131	345.868	(2.364)
Other Business Expenditures	67.288	72.276	(4.988)	73.726	(1.450)	75.427	(1.701)	73.467	1.960
<b>Total Non-Labor Expenditures</b>	<b>\$1,818.598</b>	<b>\$1,832.053</b>	<b>(\$13.455)</b>	<b>\$1,893.378</b>	<b>(\$61.325)</b>	<b>\$1,986.487</b>	<b>(\$93.109)</b>	<b>\$2,099.472</b>	<b>(\$112.985)</b>
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$7,670.019</b>	<b>\$8,250.432</b>	<b>(\$580.413)</b>	<b>\$8,227.036</b>	<b>\$23.396</b>	<b>\$8,486.470</b>	<b>(\$259.434)</b>	<b>\$8,790.974</b>	<b>(\$304.504)</b>
<b>Net Cash Deficit</b>	<b>(\$2,235.303)</b>	<b>(\$2,736.800)</b>	<b>(\$501.497)</b>	<b>(\$2,780.200)</b>	<b>(\$43.400)</b>	<b>(\$2,991.087)</b>	<b>(\$210.887)</b>	<b>(\$3,263.017)</b>	<b>(\$271.930)</b>

**MTA NEW YORK CITY TRANSIT**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Summary of Major Plan-to-Plan Changes by Generic Categories**

**2013: November Financial Plan vs. July Financial Plan**

**Operating Revenue Changes**

Operating revenues are projected to increase from the July Financial Plan by \$31.6 million.

Major generic category changes include:

**Farebox Revenue**

- Revenue increased by \$30.7 million, based on higher ridership trends for both subway and bus.

**Operating Expense Changes**

Excluding a decrease in depreciation expense, operating expenses decreased from the July Financial Plan by \$55.9 million.

Major generic category changes include:

**Payroll**

- Savings of \$19.6 million result, primarily from lower average wage rates and miscellaneous base pay underruns. Non-reimbursable positions decreased by 105. See the position narrative section for more details.

**Overtime**

- An expense increase of \$26.2 million, including expenses related to adverse weather, the impact of additional bus traffic, FasTrack and signals maintenance requirements, facility maintenance and supervisor requirements.

**Health & Welfare/OPEB Current Expenses**

- Expense savings of \$19.7 million, due mostly to lower rates.

**Pension Expenses**

- Expense re-estimates, resulting in savings of \$20.8 million, due mostly to a change in payment method for NYCERS from semi-annual to monthly, significantly reducing interest expense, and lower than expected MaBSTOA pension expense changes, resulting from revised actuarial assumptions.

**Other Fringe Benefits**

- An expense increase of \$7.0 million, due mostly to higher Workers' Compensation requirements.

**Claims**

- Higher public liability claims payouts of \$11.6 million.

**Paratransit Service Contracts**

- Savings of \$23.1 million are projected, based on a reduction of completed trips.

**Maintenance and Other Operating Contracts**

- Savings of \$10.8 million, due mostly to the favorable timing of vehicle purchases and station painting, offset in subsequent years.

**Professional Service Contracts**

- An expense increase of \$11.9 million, due mostly to higher Workers' Compensation Board Administrative requirements.

**Materials & Supplies**

- Expense savings of \$17.9 million, due largely to the favorable timing of subways maintenance material requirements, higher scrap sales, and departmental maintenance material underspending.

**2014-2017: November Financial Plan vs. July Financial Plan****Operating Revenue Changes**

Operating revenues are projected to increase from the July Financial Plan by \$18.9 million in 2014, \$31.3 million in 2015, \$32.2 million in 2016 and \$27.1 million in 2017.

Major generic category changes include:

**Farebox Revenue**

- Increased revenue of \$36.5 million in 2014, \$41.0 million in 2015, \$44.3 million in 2016 and \$43.4 million in 2017, based on higher ridership trends and improved employment forecasts.

**Other Operating Revenue**

- Revenue decreased by \$17.6 million in 2014, due to a projected reduction in NYC paratransit reimbursements and a lower estimate of Sandy operating recoveries. Revenue decreased by \$9.6 million in 2015, \$12.1 million in 2016 and \$16.2 million in 2017, also from lower projections of NYC paratransit reimbursements.

## **Operating Expense Changes**

Excluding changes in depreciation expense, operating expenses decreased from the July Financial Plan by \$58.4 million in 2014, \$52.5 million in 2015, and \$20.9 million in 2016 and \$26.2 million in 2017. Major generic category changes include:

### **Payroll**

- Savings of \$14.9 million in 2014, \$14.9 million in 2015, \$8.4 million in 2016 and \$5.0 million in 2017, primarily from lower average wage rates. In 2014, non-reimbursable positions increased by 176 in 2014 and decreased by 3 in 2015, 13 in 2016 and 9 in 2017. See more details in the position narrative section.

### **Overtime**

- Expense increases of \$35.3 million in 2014, \$27.0 million in 2015, and \$34.6 million in both 2016 and 2017, including expenses related to adverse weather, the impact of additional bus traffic, FasTrack and signals maintenance requirements, facility maintenance and supervisor requirements.

### **Health & Welfare/OPEB Current Expenses**

- Expense savings of \$18.7 million in 2014, \$22.6 million in 2015, \$27.9 million in 2016 and \$36.1 million in 2017, due mostly to projected lower rates.

### **Pension Expenses**

- Expense re-estimates, resulting in savings of \$27.9 million in 2014, \$16.7 million in 2015, \$15.4 million in 2016 and \$14.4 million in 2017, due mostly to a change in payment method for NYCERS from semi-annual to monthly, significantly reducing interest expense, and lower than expected MaBSTOA pension expense changes, resulting from revised actuarial assumptions.

### **Other Fringe Benefits**

- Expense reductions of \$14.4 million in 2014 and \$7.5 million in 2015, and expense increases of \$3.5 million in 2016 and \$8.3 million in 2017. The favorable projections in 2014 and 2015 are due to higher overhead credits from increased reimbursable work, partly offset by higher Workers' Compensation requirements. In the latter two years, the expense increases were due mainly to higher Workers' Compensation requirements.

### **Paratransit Service Contracts**

- Savings of \$22.6 million in 2014, \$17.3 million in 2015, \$22.6 million in 2016 and \$33.6 million in 2017, based on a projected reduction of completed trips.

### **Maintenance and Other Operating Contracts**

- Expense increases of \$10.0 million in 2014, \$5.1 million in 2015, \$8.3 million in 2016 and \$8.4 million in 2017, due mostly to the timing from 2013 of the purchasing of paratransit and other vehicles and station painting requirements.

**Professional Service Contracts**

- Expense increases of \$10.3 million in 2014, \$9.9 million in 2015, \$8.3 million in 2016 and \$8.5 million in 2017, due mostly to higher Workers' Compensation Board Administrative requirements.

**Materials & Supplies**

- Expense savings of \$3.3 million in 2014, \$9.6 million in 2015, \$3.7 million in 2016, and \$4.1 million in 2017, due to lower projected Sandy expenses in 2014 and 2015 and departmental maintenance material underruns.

**MTA New York City Transit**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>July Financial Plan - Cash Deficit (adjusted) *</b>	<b>(\$2,360.829)</b>	<b>(\$2,770.569)</b>	<b>(\$2,890.335)</b>	<b>(\$3,061.668)</b>	<b>(\$3,337.098)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$30.680	\$36.489	\$40.972	\$44.314	\$43.369
Other Operating Revenue	0.892	(17.629)	(9.636)	(12.135)	(16.222)
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$31.572</b>	<b>\$18.860</b>	<b>\$31.336</b>	<b>\$32.179</b>	<b>\$27.147</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$19.598	\$14.860	\$14.923	\$8.354	\$5.031
Overtime	(26.245)	(35.302)	(27.047)	(34.625)	(34.639)
Health and Welfare	9.730	3.889	6.700	9.372	14.187
OPEB Current Payment	10.003	14.838	15.859	18.541	21.901
Pensions	20.777	27.868	16.722	15.435	14.421
Other Fringe Benefits	(7.018)	14.365	7.536	(3.485)	(8.348)
Reimbursable Overhead	3.921	9.950	5.034	(0.299)	(4.890)
<b>Total Labor Expense Changes</b>	<b>\$30.766</b>	<b>\$50.468</b>	<b>\$39.727</b>	<b>\$13.293</b>	<b>\$7.663</b>
<b>Non-Labor:</b>					
Electric Power	(\$0.076)	\$1.164	(\$1.348)	(\$3.975)	(\$3.608)
Fuel	(4.898)	(0.541)	0.589	2.946	4.938
Insurance	(0.155)	3.568	4.187	1.526	(0.991)
Claims	(11.643)	0.000	0.000	0.000	0.000
Paratransit Service Contracts	23.143	22.642	17.330	22.639	33.558
Maintenance and Other Operating Contracts	10.796	(9.990)	(5.142)	(8.255)	(8.433)
Professional Service Contracts	(11.949)	(10.266)	(9.914)	(8.271)	(8.488)
Materials & Supplies	17.887	3.321	9.580	3.668	4.090
Other Business Expenses	1.998	(1.963)	(2.504)	(2.663)	(2.490)
<b>Total Non-Labor Expense Changes</b>	<b>\$25.103</b>	<b>\$7.935</b>	<b>\$12.778</b>	<b>\$7.615</b>	<b>\$18.576</b>
Depreciation	\$86.775	\$50.666	\$31.856	\$59.856	(\$33.692)
<b>Total Expense Changes</b>	<b>\$142.644</b>	<b>\$109.069</b>	<b>\$84.361</b>	<b>\$80.764</b>	<b>(\$7.453)</b>
<b>Cash Adjustment Changes</b>					
Revenue	(\$0.084)	(\$0.007)	(\$0.011)	(\$0.058)	\$0.006
Expense	128.893	(112.026)	11.410	14.819	16.286
Depreciation	(86.775)	(50.666)	(31.856)	(59.856)	33.692
<b>Total Cash Adjustment Changes</b>	<b>\$42.034</b>	<b>(\$162.699)</b>	<b>(\$20.457)</b>	<b>(\$45.095)</b>	<b>\$49.984</b>
<b>Total Baseline Changes</b>	<b>\$216.250</b>	<b>(\$34.770)</b>	<b>\$95.240</b>	<b>\$67.848</b>	<b>\$69.678</b>
<b>November Financial Plan - Cash Deficit</b>	<b>(\$2,144.579)</b>	<b>(\$2,805.339)</b>	<b>(\$2,795.095)</b>	<b>(\$2,993.820)</b>	<b>(\$3,267.420)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA New York City Transit**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>REIMBURSABLE</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>July Financial Plan - Cash Deficit (adjusted) *</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	22.643	58.438	34.942	21.822	0.687
<b>Total Revenue Changes</b>	<b>\$22.643</b>	<b>\$58.438</b>	<b>\$34.942</b>	<b>\$21.822</b>	<b>\$0.687</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	\$27.795	(\$20.123)	(\$12.416)	(\$7.214)	\$2.337
Overtime	(30.840)	(6.232)	(3.507)	(3.063)	(0.553)
Health and Welfare	0.844	1.667	1.410	1.326	1.570
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.417	0.703	0.477	0.384	0.484
Other Fringe Benefits	1.705	(18.695)	(14.381)	(11.543)	(7.529)
Reimbursable Overhead	(3.921)	(9.950)	(5.034)	0.299	4.890
<b>Total Labor Expense Changes</b>	<b>(\$4.000)</b>	<b>(\$52.630)</b>	<b>(\$33.451)</b>	<b>(\$19.811)</b>	<b>\$1.199</b>
<i>Non-Labor:</i>					
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.001	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.002	0.002	0.002
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(9.313)	(4.775)	(4.625)	(4.625)	(4.750)
Professional Service Contracts	(7.084)	1.139	1.334	0.214	0.214
Materials & Supplies	(1.551)	(1.821)	2.150	2.750	3.000
Other Business Expenses	(0.696)	(0.351)	(0.352)	(0.352)	(0.352)
<b>Total Non-Labor Expense Changes</b>	<b>(\$18.643)</b>	<b>(\$5.808)</b>	<b>(\$1.491)</b>	<b>(\$2.011)</b>	<b>(\$1.886)</b>
<b>Total Expense Changes</b>	<b>(\$22.643)</b>	<b>(\$58.438)</b>	<b>(\$34.942)</b>	<b>(\$21.822)</b>	<b>(\$0.687)</b>
<b>Cash Adjustment Changes</b>					
Capital Reimbursement Timing	(90.724)	68.539	14.895	2.733	4.403
<b>Total Cash Adjustment Changes</b>	<b>(\$90.724)</b>	<b>\$68.539</b>	<b>\$14.895</b>	<b>\$2.733</b>	<b>\$4.403</b>
<b>Total Baseline Changes</b>	<b>(\$90.724)</b>	<b>\$68.539</b>	<b>\$14.895</b>	<b>\$2.733</b>	<b>\$4.403</b>
<b>November Financial Plan - Cash Deficit</b>	<b>(\$90.724)</b>	<b>\$68.539</b>	<b>\$14.895</b>	<b>\$2.733</b>	<b>\$4.403</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA New York City Transit**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	2013	2014	2015	2016	2017
July Financial Plan - Cash Deficit (adjusted) *	(\$2,360.829)	(\$2,770.569)	(\$2,890.335)	(\$3,061.668)	(\$3,337.098)
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$30.680	\$36.489	\$40.972	\$44.314	\$43.369
Other Operating Revenue	0.892	(17.629)	(9.636)	(12.135)	(16.222)
Capital and Other Reimbursement	22.643	58.438 #	34.942 #	21.822 #	0.687
<b>Total Revenue Changes</b>	<b>\$54.215</b>	<b>\$77.298</b>	<b>\$66.278</b>	<b>\$54.001</b>	<b>\$27.834</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	\$47.393	(\$5.263)	\$2.507	\$1.140	\$7.368
Overtime	(57.085)	(41.534)	(30.554)	(37.688)	(35.192)
Health and Welfare	10.574	5.556	8.110	10.698	15.757
OPEB Current Payment	10.003	14.838	15.859	18.541	21.901
Pensions	21.194	28.571	17.199	15.819	14.905
Other Fringe Benefits	(5.313)	(4.330)	(6.845)	(15.028)	(15.877)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>\$26.766</b>	<b>(\$2.162)</b>	<b>\$6.276</b>	<b>(\$6.518)</b>	<b>\$8.862</b>
<i>Non-Labor:</i>					
Electric Power	(\$0.076)	\$1.164	(\$1.348)	(\$3.975)	(\$3.608)
Fuel	(4.897)	(0.541)	0.589	2.946	4.938
Insurance	(0.155)	3.568	4.187	1.526	(0.991)
Claims	(11.643)	0.000	0.002	0.002	0.002
Paratransit Service Contracts	23.143	22.642	17.330	22.639	33.558
Maintenance and Other Operating Contracts	1.483	(14.765)	(9.767)	(12.880)	(13.183)
Professional Service Contracts	(19.033)	(9.127)	(8.580)	(8.057)	(8.274)
Materials & Supplies	16.336	1.500	11.730	6.418	7.090
Other Business Expenses	1.302	(2.314)	(2.856)	(3.015)	(2.842)
<b>Total Non-Labor Expense Changes</b>	<b>\$6.460</b>	<b>\$2.127</b>	<b>\$11.287</b>	<b>\$5.604</b>	<b>\$16.690</b>
Depreciation	\$86.775	\$50.666	\$31.856	\$59.856	(\$33.692)
<b>Total Expense Changes</b>	<b>\$120.001</b>	<b>\$50.631</b>	<b>\$49.419</b>	<b>\$58.942</b>	<b>(\$8.140)</b>
<b>Cash Adjustment Changes</b>					
Revenue	(\$0.084)	(\$0.007)	(\$0.011)	(\$0.058)	\$0.006
Expense	128.893	(112.026)	11.410	14.819	16.286
Capital Reimbursement Timing	(90.724)	68.539	14.895	2.733	4.403
Depreciation	(86.775)	(50.666)	(31.856)	(59.856)	33.692
<b>Total Cash Adjustment Changes</b>	<b>(\$48.690)</b>	<b>(\$94.160)</b>	<b>(\$5.562)</b>	<b>(\$42.362)</b>	<b>\$54.387</b>
<b>Total Baseline Changes</b>	<b>\$125.526</b>	<b>\$33.769</b>	<b>\$110.135</b>	<b>\$70.581</b>	<b>\$74.081</b>
<b>November Financial Plan - Cash Deficit</b>	<b>(\$2,235.303)</b>	<b>(\$2,736.800)</b>	<b>(\$2,780.200)</b>	<b>(\$2,991.087)</b>	<b>(\$3,263.017)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA NEW YORK CITY TRANSIT**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Summary of Major Plan-to-Plan Changes**

**2013: November Financial Plan vs. July Financial Plan**

**Revenue Changes**

Total revenue changes from the July Financial Plan increased by \$54.2 million.

Major changes include:

- Increased farebox revenue of \$30.7 million, based on higher ridership trends for both subway and bus.
- Capital reimbursements increase by \$22.6 million to provide for reimbursement of reimbursable expense increases.

**Expense Changes**

Excluding a decrease in depreciation expense, total expenses decreased from the July Financial Plan by a net \$33.2 million.

Major changes include:

- Paratransit expense savings of \$27.0 million, based on a projected reduction of completed trips
- A pension re-estimate, resulting in expense savings of \$20.8 million, due mostly to a change in payment method for NYCERS from semi-annual to monthly, significantly reducing interest expense, and lower than expected MaBSTOA pension expense changes, resulting from revised actuarial assumptions.
- The favorable timing of \$19.9 million of expenses, including mostly materials, auto purchases, paratransit vehicles and station painting, to subsequent years.
- Lower health & welfare/OPEB current expenses of \$13.6 million, due mostly to lower rates.
- Higher public liability claims payouts of \$11.6 million.
- Additional Workers' Compensation Board Administrative requirements of \$2.7 million.
- Adverse weather impacts of \$6.5 million.

- An increase in reimbursable expenses of \$22.6 million, due primarily to Sandy Capital Construction labor support requirements, partly offset by lower average wage rate adjustments.

### **Cash Adjustments** (excluding depreciation)

Cash adjustments are projected to be favorable by \$38.1 million.

Major changes include:

- The favorable timing of retroactive salary & wage payments of \$114.9 million, applicable to labor contract resolution, now assumed to be paid in 2014.
- The unfavorable capital reimbursement timing of \$85.2 million, offset in subsequent plan years.

### **2014-2017: November Financial Plan vs. July Financial Plan**

#### **Revenue Changes**

Total revenue changes from the July Financial Plan result in increases of \$77.3 million in 2014, \$66.3 million in 2015, \$54.0 million in 2016 and \$27.8 million in 2017.

Major changes include:

- Increased farebox revenue of \$36.5 million in 2014, \$41.0 million in 2015, \$44.3 million in 2016 and \$43.4 million in 2017, based on higher ridership trends and improved employment forecasts.
- Other operating revenue decreased by \$17.6 million in 2014, due to a projected reduction in NYC paratransit reimbursements and a lower estimate of Sandy operating recoveries. Other operating revenue also decreased by \$9.6 million in 2015, \$12.1 million in 2016 and \$16.2 million in 2017, also from lower projections of NYC paratransit reimbursements.
- Capital reimbursements are projected to increase by \$58.4 million in 2014, \$34.9 million in 2015, and \$21.8 million in 2016 to provide for reimbursement of reimbursable expense increases.

#### **Expense Changes**

Excluding changes in depreciation expense, total expenses essentially did not change in 2014, decreased by \$17.6 million in 2015, increased by \$0.9 million in 2016, and decreased by \$25.6 million in 2017. Major changes include:

- Pension re-estimates, resulting in expense savings of \$34.8 million in 2014, \$21.1 million in 2015, \$19.8 million in 2016, and \$18.3 million in 2017, due mostly

to a change in payment method for NYCERS from semi-annual to monthly, significantly reducing interest expense, and lower than expected MaBSTOA pension expense changes, resulting from revised actuarial assumptions.

- Paratransit expense savings of \$28.2 million in 2014, \$23.0 million in 2015, \$27.7 million in 2016 and \$38.4 million in 2017, based on a projected reduction of completed trips.
- Re-estimates of health & welfare expenses, resulting in expense savings of \$24.0 million in 2014, \$25.7 million in 2015, \$29.7 million in 2016 and \$35.2 million in 2017, based on projected lower rates.
- Reduced Sandy operating recovery requirements, resulting in expense savings of \$18.6 million in 2014 and \$21.6 million in 2015.
- Programmatic support requirements of \$17.5 million in 2014, \$25.8 million in 2015, \$26.2 million in 2016 and \$26.5 million in 2017, including support for FasTrack maintenance, bus service traffic/ramp delays, 7 West Extension, bus time location information system, and service platform budget for running time and guidelines changes
- Expense rollovers from 2013 of \$14.0 million in 2014, \$4.0 million in 2015 and \$2.0 million in 2015.
- Additional Workers' Compensation Board Administrative requirements of \$6.3 million for each year 2014 through 2017.
- Increases of reimbursable expenses of \$58.4 million in 2014, \$34.9 million in 2015, and \$21.8 million in 2016, due primarily to Sandy Capital Construction labor support requirements, and support for subways Capital Program, Car Delivery and Signal modernizations.

### **Cash Adjustments** (excluding depreciation)

Cash adjustments are projected to be unfavorable by \$43.5 million in 2014, and favorable by \$26.3 million in 2015, \$17.5 million in 2016, and \$20.7 million in 2017. Major changes include:

- The unfavorable timing of retroactive salary & wage payments of \$114.9 million, applicable to labor contract resolution, now assumed to be paid in 2014.
- The favorable capital reimbursement timing of \$68.5 million in 2014 and \$15.0 million in 2015.

**MTA NEW YORK CITY TRANSIT**  
**November Financial Plan 2014 - 2017**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**TOTAL NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>July Financial Plan - Operating Cash Income/(Deficit) (adjusted) *</b>	<b>(\$2,360.829)</b>	<b>(\$2,770.569)</b>	<b>(\$2,890.335)</b>	<b>(\$3,061.668)</b>	<b>(\$3,337.098)</b>
<b>Non-Reimbursable Major Changes</b>					
<b>Revenue</b>					
Farebox	\$30.680	\$36.489	\$40.972	\$44.314	\$43.369
Other Operating Revenue	0.892	(17.629)	(9.636)	(12.135)	(16.222)
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$31.572</b>	<b>\$18.860</b>	<b>\$31.336</b>	<b>\$32.179</b>	<b>\$27.147</b>
<b>Expenses</b>					
<b>Budget Reduction Program:</b>					
Paratransit Expense Savings	\$26.974	\$28.218	\$23.042	\$27.706	\$38.390
<b>Sub-total Budget Reduction Program</b>	<b>\$26.974</b>	<b>\$28.218</b>	<b>\$23.042</b>	<b>\$27.706</b>	<b>\$38.390</b>
<b>Programmatic Changes:</b>					
FasTrack Support	(\$3.975)	(\$7.856)	(\$7.856)	(\$7.856)	(\$7.856)
7 West Extension	0.000	(0.278)	(3.786)	(4.211)	(4.580)
Bus Time Information Location System	0.000	(2.500)	(2.500)	(2.500)	(2.500)
Mother Clara Hale Depot	0.000	(0.941)	(1.956)	(1.956)	(1.956)
Bus Service-Traffic/Ramp Delays	(5.206)	(5.155)	(5.155)	(5.155)	(5.155)
Platform Budget Reforecast	1.058	(0.768)	(4.500)	(4.500)	(4.500)
<b>Sub-total Programmatic Changes</b>	<b>(\$8.123)</b>	<b>(\$17.498)</b>	<b>(\$25.753)</b>	<b>(\$26.178)</b>	<b>(\$26.547)</b>
<b>Inflation-Related:</b>					
Bus/Heating Fuel	(\$5.882)	(\$1.906)	(\$.087)	\$2.107	\$3.887
Electric Power	(0.076)	1.450	(0.197)	(2.824)	(2.457)
Insurance Re-estimate	(0.155)	1.161	0.830	(2.464)	(5.729)
Materials, Rentals and Miscellaneous Expenses	0.000	1.167	1.066	0.178	(0.064)
<b>Sub-total Inflation-Related</b>	<b>(\$6.113)</b>	<b>\$1.872</b>	<b>\$1.612</b>	<b>(\$3.003)</b>	<b>(\$4.363)</b>
<b>Technical Adjustments/Re-estimates:</b>					
Superstorm Sandy-Maintenance Recovery Expense Adjustments	\$7.339	\$18.637	\$21.609	(\$0.008)	(\$.008)
Pension Re-estimate	20.777	34.765	21.148	19.804	18.329
Health & Welfare Re-estimate	13.551	23.958	25.655	\$29.736	\$35.203
Public Liability Claims Payments	(11.643)	0.000	0.000	0.000	0.000
Workers' Compensation Board Administration Expenses	(2.702)	(6.290)	(6.290)	(6.290)	(6.290)
Adverse Weather Impacts	(6.508)	(2.885)	(2.885)	(2.885)	(2.885)
Expense Rollovers	19.928	(13.979)	(4.000)	(1.950)	0.000
All Other	2.389	(8.395)	(1.633)	(16.024)	(25.590)
<b>Sub-total Technical Adjustments/Re-estimates</b>	<b>\$43.131</b>	<b>\$45.811</b>	<b>\$53.604</b>	<b>\$22.383</b>	<b>\$18.759</b>
<b>Sub-Total Non-Reimbursable Expense Changes**</b>	<b>\$55.869</b>	<b>\$58.403</b>	<b>\$52.505</b>	<b>\$20.908</b>	<b>\$26.239</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>\$87.441</b>	<b>\$77.263</b>	<b>\$83.841</b>	<b>\$53.087</b>	<b>\$53.386</b>
<b>Reimbursable Major Changes</b>					
<b>Revenue</b>					
Increased Reimbursements-Higher Expenses	\$22.643	\$58.438	\$34.942	\$21.822	\$.687
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$22.643</b>	<b>\$58.438</b>	<b>\$34.942</b>	<b>\$21.822</b>	<b>\$.687</b>
<b>Expenses</b>					
Expense Growth	(\$22.643)	(\$58.438)	(\$34.942)	(\$21.822)	(\$.687)
<b>Sub-Total Reimbursable Expense Changes</b>	<b>(\$22.643)</b>	<b>(\$58.438)</b>	<b>(\$34.942)</b>	<b>(\$21.822)</b>	<b>(\$.687)</b>
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>\$87.441</b>	<b>\$77.263</b>	<b>\$83.841</b>	<b>\$53.087</b>	<b>\$53.386</b>
<b>Cash Adjustment Changes**</b>					
Salaries & Wages Timing	\$113.244	(\$111.376)	\$0.451	\$0.894	\$4.492
Other Fringe Benefits -FICA Timing/Other	8.575	(5.888)	5.437	7.865	9.064
Capital Reimbursement Timing	(90.724)	68.539	14.895	2.733	4.403
Professional Service Contract Adjustments	4.903	0.000	0.000	0.000	0.000
Other	2.087	5.231	5.511	6.002	6.736
<b>Total Cash Adjustment Changes</b>	<b>\$38.085</b>	<b>(\$43.494)</b>	<b>\$26.294</b>	<b>\$17.494</b>	<b>\$20.695</b>
<b>Total Baseline Changes</b>	<b>\$125.526</b>	<b>\$33.769</b>	<b>\$110.135</b>	<b>\$70.581</b>	<b>\$74.081</b>
<b>November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$2,235.303)</b>	<b>(\$2,736.800)</b>	<b>(\$2,780.200)</b>	<b>(\$2,991.087)</b>	<b>(\$3,263.017)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

\*\*Excludes depreciation expense re-estimates and offsetting cash adjustments

**MTA NEW YORK CITY TRANSIT**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**RIDERSHIP/ (UTILIZATION)**

The 2013 November Financial Plan baseline ridership forecast assumes that the weather-adjusted April-August 2013 subway ridership trend, which was 0.6% above budget, and the weather-adjusted January-August 2013 bus ridership trend, which was 1.7% above budget, will continue for the rest of the year. As a result of higher than expected 2013 subway and bus ridership, projected 2013 baseline ridership is 13.7 million higher than the 2013 July Financial Plan.

2014 subway ridership is projected to increase by approximately 1.5% based on the revised 2014 NYC employment forecast, which was higher than the 1.4% employment growth forecast used in the July Plan. 2014 bus ridership is projected to increase by approximately 0.6%, based on a 40% factor applied to the employment forecast. As a result of the higher than expected 2013 baseline forecast and a higher 2014 employment forecast, projected 2014 baseline ridership is 16.9 million higher than what was projected in the July Plan.

Working off the revised 2014 projection, 2015-2017 subway and bus ridership growth forecasts are based on the August 2013 employment forecast, which projects a larger employment increase in 2015 and 2016 and a slightly lower increase in 2017 than the forecast used in the July Plan.

In addition to the baseline changes summarized above, the November Forecast includes bus ridership increases due to increased fare evasion enforcement on buses. The bus fare evasion enforcement is expected to increase ridership by 1.1 million in September-December 2013, 6.7 million in 2014, 10.0 million in 2015, and 13.3 million annually in 2015, 2016, and 2017, which are the same assumptions as in the July 2013 Plan.

As a result of the baseline and employment changes, total subway and bus ridership is higher than the July Financial Plan by 13.7 million in 2013, 16.9 million in 2014, 19.3 million in 2015, 21.2 million in 2016, and 20.7 million in 2017.

**MTA NEW YORK CITY TRANSIT**  
**November Financial Plan 2014 - 2017**  
**Ridership/(Utilization)**  
(\$ in millions)

	2012 Actual	2013 November Forecast	2014 Proposed Budget	Final 2015	2016	2017
<b>RIDERSHIP</b>						
Subway	1,654.582	1,707.192	1,735.501	1,757.993	1,781.090	1,790.810
Bus	667.911	677.656	688.285	694.686	702.082	702.077
Paratransit	9.343	9.341	10.155	10.967	11.844	12.792
<b>Total Ridership</b>	<b>2,331.836</b>	<b>2,394.189</b>	<b>2,433.941</b>	<b>2,463.646</b>	<b>2,495.016</b>	<b>2,505.679</b>

**FAREBOX REVENUE (Excluding fare media liability)**

Subway	\$ 2,742.049	\$ 3,021.461	\$ 3,111.715	\$ 3,153.695	\$ 3,196.805	\$ 3,214.947
Bus	870.480	937.425	962.999	972.209	982.961	982.953
Paratransit	15.086	16.285	18.343	19.810	21.395	23.106
<b>Total Farebox Revenue</b>	<b>\$ 3,627.615</b>	<b>\$ 3,975.171</b>	<b>\$ 4,093.057</b>	<b>\$ 4,145.714</b>	<b>\$ 4,201.161</b>	<b>\$ 4,221.006</b>

**MTA NEW YORK CITY TRANSIT**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Positions - (Unfav)/Fav**

**POSITION ASSUMPTIONS**

**2013: November Financial Plan vs. July Financial Plan**

Total baseline positions are projected to decrease by 71, including a non-reimbursable decrease of 105 and a reimbursable increase of 34. Specifically:

Non-reimbursable Positions (decrease of 105 positions – all in re-estimates and all other) includes:

- 52 positions – Department of Buses shifter positions replaced with overtime
- (13) positions for “A” Division service management at the Rail Control Center
- 66 positions buses and subways platform/service adjustments

Reimbursable Positions (increase of 34 positions) includes:

- (16) positions platform budget service reforecast
- (23) positions Subways Capital program support
- (1) positions Signals modernizations
- 6 positions other re-estimates

The breakdown of the 71 position decrease by function is as follows:

Operations (total decrease of 97 positions) include:

- 52 positions – Department of Buses shifter positions replaced with overtime
- 58 positions buses and subways platform/service adjustments
- (13) positions for “A” Division service management at the Rail Control Center

Maintenance (total decrease of 26 positions) include:

- (26) positions subway stations adjustments

For further details, please see position tables.

## **2014: November Financial Plan vs. July Financial Plan**

Total baseline positions are projected to increase by 398 positions, including a non-reimbursable increase of 176 and a reimbursable increase of 222. Specifically:

### Non-reimbursable: Re-estimates/All Other (total increase of 176 positions) include:

- (157) positions training float adjustment
- 51 positions for Bus Shifters Headcount for Overtime adjustment
- 57 positions availability/pay hour adjustments
- (36) positions for select bus service – B44
- (20) positions for FasTrack support
- (60) positions for support of 7 West Extension
- 18 positions for pension administration transferred to HQ
- (13) positions all other

### Reimbursable Positions (total increase of 222 positions) includes:

- (100) positions to support Sandy Recovery and Resiliency
- (58) positions for subway car procurement support
- (71) positions Subways Capital program support
- (22) positions Signals modernizations
- (10) positions to extend Second Avenue Subway support
- (6) positions to support various project requirements
- 45 positions projected engineering vacancies

The breakdown of the position increase by function is as follows:

### Administration (total decrease of 34 positions) includes:

- 35 positions provision for Sandy Recovery and Resiliency delay in hiring
- (1) all other

### Operations (total increase of 202 positions) include:

- (207) position increase in Subways Rapid Transit Operations mainly due to Sandy Recovery and Resiliency, 7 West Extension staffing, “A” Division service management at the Rail Control Center, and FasTrack.
- 5 positions all other

### Maintenance (total increase of 248 positions) includes:

- (12) positions SMS
- (40) positions to support reimbursable car procurement and other Subways capital programs
- (50) positions for support of 7 West Extension
- (22) positions Signals modernizations
- (71) positions Subways Capital program support
- (10) positions for training
- (12) positions in EMD for station access/egress and select bus service

- (14) positions to improve track cleaning
- (17) positions all other

Engineering (total decrease of 45 positions) includes:

- (45) positions – projected vacancies

Public Safety (total increase of 27 positions) includes:

- (30) positions for Select Bus Service – B44 Nostrand Avenue
- 3 positions other re-estimates

Position changes by occupational group are: increase of 130 Managers/Supervisors, decrease of 48 Professional, Technical, Clerical, and an increase of 316 Operational Hourlies

### **2015 - 2017: November Financial Plan vs. July Financial Plan**

In 2015, total baseline positions are projected to increase by 211 positions, including a non-reimbursable decrease of 3 positions and a reimbursable increase of 214 positions. In 2016, total baseline positions are projected to increase by 135 positions, including a non-reimbursable decrease of 13 positions and a reimbursable increase of 148 positions. For 2017, total baseline positions are projected to increase by 13 positions, including a 9 position decrease in non-reimbursable positions and a 22 position increase in reimbursable positions. Specifically:

Reimbursable Positions (total increase of 214 positions in 2015, 148 positions in 2016, and 22 in 2017 includes:

- (105) positions to support Sandy Recovery and Resiliency, (120) positions in 2016
- (56) positions for subway car procurement support, (13) positions in 2016, (7) positions in 2017
- (44) positions Subways Capital program support (13) positions in 2016 and 2017
- (22) positions Signals modernizations
- 13 positions other, (2) positions in 2016 and 2017

Re-estimates/All Other (total decrease of 3 positions in 2015, 13 positions in 2016, and 9 positions in 2017 includes:

- 3 positions all other in 2015, 13 in 2016, and 9 in 2017

In 2015, the net increase of positions by function is as follows:

Administration (total decrease of 28 positions in 2015) includes:

- 20 positions provision for Sandy Recovery and Resiliency delay in hiring
- 8 positions all other

Operations (total increase of 22 positions in 2015) include:

- (85) position increase in Subways Rapid Transit Operations mainly due to Sandy Recovery and Resiliency, 7 West Extension staffing, "A" Division service management at the Rail Control Center, and FasTrack.
- 66 position decrease in Buses mainly due to Bus Shifters Headcount for Overtime adjustment
- (3) positions all other

Maintenance (total increase of 210 positions in 2015) includes:

- (16) positions SMS
- (41) positions to support reimbursable car procurement and other Subways capital programs
- (50) positions for support of 7 West Extension
- (22) positions Signals modernizations
- (44) positions Subways Capital program support
- (12) positions in EMD for station access/egress and select bus service
- (14) positions to improve track cleaning
- (11) positions all other

Engineering (total decrease of 20 positions in 2015) includes:

- (20) positions – projected vacancies

Public Safety (total increase of 27 positions in 2015) includes:

- (30) positions for Select Bus Service – B44 Nostrand Avenue
- 3 positions other re-estimates

Position changes by occupational group in 2015 are: an increase of 95 Managers/Supervisors and 137 Operational Hourlies, and a decrease of 21 Professional, Technical, Clericals. In 2016, positions increase by 84 Managers/Supervisors and 58 Operational Hourlies, and decrease by 7 Professional, Technical, Clericals. In 2017, positions increase by 72 Managers/Supervisors and decrease by 52 Operational Hourlies and 7 Professional, Technical, Clericals.

**Year over Year**

**2014 over 2013**

Total positions increase by 593 positions, including a non-reimbursable increase of 501 positions and reimbursable increase of 92 positions. Non-reimbursable increase is due to platform budget – normal budget increases and new needs from the July Financial plan. Increase is due to capital project support requirements.

**2015 over 2014**

Total positions decrease by 273 positions, including a non-reimbursable decrease of 122 and a reimbursable decrease of 151 positions. The non-reimbursable decrease is mostly due to training float adjustments offset by increases in SMS and the operating budget impact of the completion of PA/CIS phase. The reimbursable decrease is mostly attributable to the projected completion of several capital projects, including copper cable upgrade and the connective oriented Ethernet project.

**2016 over 2015**

Total positions decrease by 338 positions, including a non-reimbursable decrease of 92 positions and a reimbursable decrease of 246 positions. The non-reimbursable decrease is due mostly to SMS. Reimbursable decreases are mostly due to Sandy storm-related work, which is budgeted for three years, ending mid-year 2016.

**2017 over 2016**

Total positions increase by 130 positions, including a non-reimbursable increase of 259 positions and a reimbursable decrease of 129 positions. The non-reimbursable increase reflects operating staff requirements for 2<sup>nd</sup> Avenue Subway.

**MTA NEW YORK CITY TRANSIT**  
**November Financial Plan 2014-2017**  
Favorable/(Unfavorable)

**Total Position Changes at a Glance**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2013 July Plan - Total Baseline Positions</b>	<b>46,525</b>	<b>46,649</b>	<b>46,563</b>	<b>46,301</b>	<b>46,553</b>
Total Plan-to-Plan Changes	71	(398)	(211)	(135)	(13)
<b>2013 November Plan - Total Baseline Positions</b>	<b>46,454</b>	<b>47,047</b>	<b>46,774</b>	<b>46,436</b>	<b>46,566</b>
Total Year-to-Year Changes, November Plan		(593)	273	338	(130)

**Total Plan-to-Plan Changes by Reporting Category:**

<i>Non-Reimbursable</i>	105	(176)	3	13	9
<i>Reimbursable</i>	(34)	(222)	(214)	(148)	(22)
<b>Total</b>	<b>71</b>	<b>(398)</b>	<b>(211)</b>	<b>(135)</b>	<b>(13)</b>
<i>Full-Time</i>	71	(397)	(210)	(134)	(12)
<i>Full-Time Equivalents</i>	0	(1)	(1)	(1)	(1)
<b>Total</b>	<b>71</b>	<b>(398)</b>	<b>(211)</b>	<b>(135)</b>	<b>(13)</b>
<i>By Function Category</i>					
- Administration	0	34	28	15	15
- Operations	97	(202)	(22)	(6)	114
- Maintenance	(26)	(248)	(210)	(117)	(115)
- Engineering/Capital	0	45	20	0	0
- Public Safety	0	(27)	(27)	(27)	(27)
<b>Total</b>	<b>71</b>	<b>(398)</b>	<b>(211)</b>	<b>(135)</b>	<b>(13)</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	(31)	(130)	(95)	(84)	(72)
- Professional, Technical, Clerical	(2)	48	21	7	7
- Operational Hourlies	104	(316)	(137)	(58)	52
<b>Total</b>	<b>71</b>	<b>(398)</b>	<b>(211)</b>	<b>(135)</b>	<b>(13)</b>

**Total Plan-to-Plan Changes by Major Category:**

<i>2013 BRPs</i>	0	0	0	0	0
<i>New Needs</i>	0	0	0	0	0
<i>Change in Reimbursable Positions</i>	(34)	(222)	(214)	(148)	(22)
<i>Re-estimates &amp; All Other</i> <sup>1</sup>	105	(176)	3	13	9
<b>Total</b>	<b>71</b>	<b>(398)</b>	<b>(211)</b>	<b>(135)</b>	<b>(13)</b>

<sup>1</sup> Includes Full-time Equivalents

**MTA New York City Transit**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>						
Office of the President	28	59	59	59	56	56
Law	258	267	267	267	267	267
Office of the EVP	37	41	41	41	39	39
Human Resources	237	230	219	215	214	214
Office of Management and Budget	37	39	39	39	39	39
Capital Planning & Budget	30	31	31	31	31	31
Corporate Communications	244	252	253	253	251	251
AFC Program Management & Sales	51	-	-	-	-	-
Technology & Information Services	439	446	446	443	441	441
Non-Departmental	-	84	49	63	84	84
Labor Relations	94	96	96	96	96	96
Material	236	252	253	238	228	227
Controller	136	137	137	137	130	130
<b>Total Administration</b>	<b>1,827</b>	<b>1,934</b>	<b>1,890</b>	<b>1,882</b>	<b>1,876</b>	<b>1,875</b>
<b>Operations</b>						
Subways Rapid Transit Operations	7,382	7,431	7,647	7,534	7,509	7,537
Subways Operation Support /Admin	320	319	319	319	319	319
Subways Stations	2,663	2,617	2,632	2,631	2,631	2,631
<b>Subtotal - Subways</b>	<b>10,365</b>	<b>10,367</b>	<b>10,598</b>	<b>10,484</b>	<b>10,459</b>	<b>10,487</b>
Buses	10,375	10,457	10,548	10,498	10,498	10,498
Paratransit	157	209	208	208	208	208
Operations Planning	368	416	403	376	371	371
Revenue Control	390	461	463	476	476	476
<b>Total Operations</b>	<b>21,655</b>	<b>21,910</b>	<b>22,220</b>	<b>22,042</b>	<b>22,012</b>	<b>22,040</b>
<b>Maintenance</b>						
Subways Operation Support /Admin	158	226	233	216	191	191
Subways Engineering	294	318	311	299	287	285
Subways Car Equipment	4,143	4,214	4,341	4,388	4,269	4,135
Subways Infrastructure	1,320	1,373	1,449	1,420	1,409	1,409
Subways Elevator & Escalators	345	385	394	394	396	396
Subways Stations	3,540	3,535	3,594	3,566	3,571	3,726
Subways Track	2,669	2,730	2,735	2,735	2,735	2,735
Subways Power	614	584	616	596	582	582
Subways Signals	1,403	1,390	1,403	1,384	1,362	1,362
Subways Electronics Maintenance	1,361	1,431	1,445	1,432	1,406	1,406
<b>Subtotal - Subways</b>	<b>15,847</b>	<b>16,186</b>	<b>16,521</b>	<b>16,430</b>	<b>16,208</b>	<b>16,227</b>
Buses	3,754	3,735	3,743	3,725	3,703	3,787
Revenue Control	137	137	137	137	137	137
Supply Logistics	552	558	560	557	557	557
System Safety	83	91	91	91	88	88
<b>Total Maintenance</b>	<b>20,373</b>	<b>20,707</b>	<b>21,052</b>	<b>20,940</b>	<b>20,693</b>	<b>20,796</b>
<b>Engineering/Capital</b>						
Capital Program Management	1,193	1,319	1,274	1,299	1,244	1,244
<b>Total Engineering/Capital</b>	<b>1,193</b>	<b>1,319</b>	<b>1,274</b>	<b>1,299</b>	<b>1,244</b>	<b>1,244</b>
<b>Public Safety</b>						
Security	489	584	611	611	611	611
<b>Total Public Safety</b>	<b>489</b>	<b>584</b>	<b>611</b>	<b>611</b>	<b>611</b>	<b>611</b>
<b>Total Baseline Positions</b>	<b>45,537</b>	<b>46,454</b>	<b>47,047</b>	<b>46,774</b>	<b>46,436</b>	<b>46,566</b>
Non-Reimbursable	40,597	41,801	42,302	42,180	42,088	42,347
Reimbursable	4,940	4,653	4,745	4,594	4,348	4,219
Total Full-Time	45,329	46,290	46,889	46,631	46,293	46,423
Total Full-Time Equivalents	208	164	158	143	143	143

**MTA New York City Transit**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Occupation**

<b>FUNCTION/OCCUPATIONAL GROUP</b>	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Administration</b>						
Managers/Supervisors	577	657	647	635	626	625
Professional, Technical, Clerical	1,225	1,162	1,128	1,132	1,135	1,135
Operational Hourlies	25	115	115	115	115	115
<b>Total Administration</b>	<b>1,827</b>	<b>1,934</b>	<b>1,890</b>	<b>1,882</b>	<b>1,876</b>	<b>1,875</b>
<b>Operations</b>						
Managers/Supervisors	2,407	2,523	2,571	2,561	2,546	2,547
Professional, Technical, Clerical	369	454	452	449	447	447
Operational Hourlies	18,879	18,933	19,197	19,032	19,019	19,046
<b>Total Operations</b>	<b>21,655</b>	<b>21,910</b>	<b>22,220</b>	<b>22,042</b>	<b>22,012</b>	<b>22,040</b>
<b>Maintenance</b>						
Managers/Supervisors	3,650	3,800	3,856	3,816	3,775	3,777
Professional, Technical, Clerical	964	1,069	1,059	1,025	981	979
Operational Hourlies	15,759	15,838	16,137	16,099	15,937	16,040
<b>Total Maintenance</b>	<b>20,373</b>	<b>20,707</b>	<b>21,052</b>	<b>20,940</b>	<b>20,693</b>	<b>20,796</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	255	295	285	290	283	283
Professional, Technical, Clerical	936	1,022	987	1,007	959	959
Operational Hourlies	2	2	2	2	2	2
<b>Total Engineering/Capital</b>	<b>1,193</b>	<b>1,319</b>	<b>1,274</b>	<b>1,299</b>	<b>1,244</b>	<b>1,244</b>
<b>Public Safety</b>						
Managers/Supervisors	128	210	239	239	239	239
Professional, Technical, Clerical	29	37	38	38	38	38
Operational Hourlies	332	337	334	334	334	334
<b>Total Public Safety</b>	<b>489</b>	<b>584</b>	<b>611</b>	<b>611</b>	<b>611</b>	<b>611</b>
<b>Total Baseline Positions</b>						
Managers/Supervisors	7,017	7,485	7,598	7,541	7,469	7,471
Professional, Technical, Clerical	3,523	3,744	3,664	3,651	3,560	3,558
Operational Hourlies	34,997	35,225	35,785	35,582	35,407	35,537
<b>Total Baseline Positions</b>	<b>45,537</b>	<b>46,454</b>	<b>47,047</b>	<b>46,774</b>	<b>46,436</b>	<b>46,566</b>

**MTA Bus Company**

**MTA BUS COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**

**FINANCIAL OVERVIEW**

MTA Bus Company remains committed to providing safe, secure, reliable and cost efficient transportation service that fosters the continued vibrancy and prosperity of the New York region. To that end, the November Financial Plan presents the means to meet those needs and includes funding for several important programmatic initiatives critical to meeting MTA Bus Company's operational and maintenance needs. All other expense/cash changes result from either re-estimates, adjustments reflecting the impact of inflation, or the projected timing of expenses, payments or reimbursements.

**SUPER STORM SANDY RECOVERY**

Included in the November Financial Plan is a total of \$12.7 million recovery of expenses related to Super Storm Sandy. In 2013 MTA Bus recovered \$6.3 million and an additional \$6.4 million is projected to be recovered in 2014.

**Important programmatic initiatives, included in this financial plan, are summarized as follows:**

Based on the projected funding available in the 2015-2019 capital program, MTABC anticipates keeping 247 Motor Coach Industries (MCI) buses that come due for replacement as they reach their 12 year useful life. In order to keep these buses safe, reliable and in a state of good repair past their useful life, vital maintenance will need to be performed. The major maintenance costs associated with this life extension involves rebuilding the engine and upgrading the structural components (frames, beams and undercarriage) of the bus.

A more detailed description of the MCI Bus Life Extension initiative (Engine Rebuild and Structural Upgrade) is presented below.

- **Shop Plan – MCI Engines / ICO Rebuild**

The 2006 to 2008 MCI Coach Express buses are equipped with a Caterpillar C13 engine. In 2013 the seven year engine warranty has begun to expire on the 2006 fleet. These buses will continue to come off engine warranty. Based on the duty cycle, their engines are not expected to perform for 15 years without requiring significant engine work. According to the most recent 2015-2019 Capital Plan projections, these buses are required to be kept until 2021 as follows: 186 MCI'06 buses, 39 MCI'07 buses & 22 MCI'09 for a total of 247 buses. In anticipation of keeping these buses for 15 years, MTABC is investing in a program to overhaul/rebuild the engines on these buses,

beginning in 2015. Although the need is new, the genesis of this investment is the need to extend the useful life from the standard 12 year life for which it was designed to a 15 year bus life. The total cost to replace the engines on the 247 buses is projected to be \$11.2M.

- **Shop Plan – MCI Structure Upgrade**

The current MCI buses have a 12 year structure warranty. MCI has reviewed failures in the past and repaired those on a case by case basis. The anticipated 2015-19 Capital Plan necessitates an extension of the life cycle of 247 MCI buses to 15 years. Therefore, an upgrade to the structural components of these buses is required to maintain a state of good repair as MCI (Manufacturer) has declined to provide an extended warranty for these additional three years. An investment of \$10.0 million is required to increase the service life of these 247 buses (186 MCI'06, 39 MCI'07 & 22 MCI'09).

**Platform Budget** – In order to adhere to board approved guidelines, gaps in scheduling based on increased ridership need to be addressed. These have resulted in routine changes in running time, guideline schedule revision and route conversions from Standard buses to Artic buses requiring investments of \$2.6 million in 2014, \$4.7 million in 2015, and \$4.8 million in both 2016 and 2017.

1. **Running Time** - This running time initiative more accurately reflects traffic and operating conditions. Traffic conditions in New York City continue to worsen and adversely impact the timely delivery of bus service. This initiative will improve reliability and reduce a portion of traffic delay overtime. In the coming years MTABC will continue to review the running times on bus routes based on data from HASTUS, real time bus information, and traffic checkers data. It is estimated that most of the running time will be increases to the Platform budget and will continue to be a driving cost factor as obsolete running times are updated.
2. **Guideline Schedule Revision** – This initiative includes routine changes in scheduled frequency and span of service (both increases and decreases) in response to changing ridership in conformance with board approved loading guidelines. This was identified by the Traffic Checking program; furthermore a number of these routes have not seen a major schedule revision since the MTA assumed operations in 2005.
3. **Route Conversion from Standard to Artic buses** - In anticipation of MTA Bus taking delivery of 75 new articulated buses by the 4<sup>th</sup> quarter of 2014, the Q10 route (operating out of JFK Depot) will be converted from standard to articulated bus operation on a 3:4 basis. This will result in a savings of \$9.7 million over the financial reporting period 2014 – 2017, offsetting some of the service costs noted above.

- **Employee Availability** – MTABC utilized legacy payroll and timekeeping systems inherited from the private bus companies to project an employee availability goal of 221.6 days. This goal was used in the 2013 Adopted Budget to determine the headcount requirement for 2013 to 2016. With the inception of the Unified Timekeeping System (UTS), absences are recorded more accurately. The 2012 actual results were 215.4 workdays for a Bus Operator, which is 6 days worse than goal. In the July Plan a three day improvement was approved which made the goal 218.3 days. This initiative will reduce the three day improvement to a more practical two day improvement thus making the goal 217.3 days. Ten positions and \$1.0 million annual expenses are therefore required.
- **Bus Operator Training Float** – This initiative adds eight bus operator positions with an annual cost of \$0.8 million dollars to provide training float for newly hired bus operators. This funding is required to cover for the anticipation of future revenue bus operator attrition.

### **2013 November Forecast**

MTA Bus Company's 2013 November Forecast includes total expenses before depreciation and other post-employment benefits of \$580.5 million, consisting of \$572.1 million of non-reimbursable expenses and \$8.4 million of reimbursable expenses. Total revenues are projected to be \$233.0 million, of which \$198.0 million is farebox revenues, \$26.6 million is other operating revenue and \$8.4 million is capital and other reimbursements. Total baseline full-time and full-time equivalent positions are 3,657 (3,593 non-reimbursable positions and 64 reimbursable positions).

The 2013 net operating cash deficit is projected to decrease by \$35.9 million from the 2013 Mid-Year Forecast.

Major operating cash changes include:

- A Farebox revenue increase of \$1.9 million due to an increase in ridership.
- Other Operating Revenue increase of \$0.2 million due to Tropical Storm Sandy recoveries.
- Super Storm Sandy payroll expenses of \$2.2 million.
- Increased overtime expenses of \$3.6 million due to traffic, weather and employee availability expenses.
- Health & Welfare re-estimate expenses (including OPEB current payments), resulting in an expense decrease of \$0.8 million based on the net effect of the Affordable Care Act.
- Fuel increased by \$1.0 million due to higher rates.

- A Pension increase of \$0.072 million based on the most current actuarial re-estimate.
- A Claims decrease of \$6.0 million is due to the third party actuarial re-estimate.
- A Real Estate increase of \$0.02 million due to additional space needed for MTABC administration functions at 2 Broadway.
- An insurance increase of \$0.023 million for catastrophic bond insurance previously captured in volume I of the consolidated financial plan.
- Other than personnel services (OTPS) inflation costs of \$0.6 million.

Cash Adjustments include:

- An Insurance adjustment of \$20.0 million dollars to the budget for previous year rollovers.
- An Other Fringe adjustment of \$10.0 million dollars to the budget for previous year rollovers.
- A savings of \$1.2 million due to a re-estimate of various miscellaneous accounts based on a top down review of the OTPS categories.
- A re-estimate of GASB expenses resulting in an increase of \$0.5 million.

Reimbursable expenses are projected to remain the same in 2013.

Total baseline positions are projected to remain the same.

## 2014 Final Proposed Budget

MTA Bus Company's 2014 Final Proposed budget includes total expenses before depreciation and other post-employment benefits of \$588.2 million, consisting of \$579.7 million of non-reimbursable expenses and \$8.6 million of reimbursable expenses. Total revenues are projected to be \$236.3 million, of which \$201.5 million is farebox revenues, \$26.3 million is other operating revenue and \$8.6 million is capital and other reimbursements. Total baseline full-time and full-time equivalent positions are 3,704 (3,640 non-reimbursable positions and 64 reimbursable positions).

The 2014 net operating cash deficit is projected to decrease by \$21.1 million from the Mid-Year Forecast.

Major operating cash changes include:

- A Farebox revenue increase of \$2.9 million due to an increase in ridership.
- Other Operating Revenue increase of \$6.2 million due to Sandy recoveries.
- Investments of \$5.3 million in several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Increased overtime expenses of \$2.5 million due to traffic delays and adverse weather.
- Health & Welfare re-estimate (including OPEB current payments), resulting in an expense decrease of \$0.8 million based on the net effect of the Affordable Care Act.
- Fuel increased by \$1.0 million as a result of higher rates.
- Other Than Personnel Services (OTPS) changes in CPI resulted in a decrease of \$0.2 million.
- A Pension increase of \$0.2 million based on the most current actuarial re-estimate.
- A Claim decrease of \$4.7 million due to third party actuarial re-estimates.
- A Real Estate increase of \$0.3 million due to additional space needed for MTABC administration functions at 2 Broadway.
- An insurance decrease of \$0.1 million for catastrophic bond insurance previously captured in volume I of the consolidated financial plan.
- A BSC Administrator cost increase of \$0.3 million.

- Hiring lag due to hard to fill positions results in a savings of \$2.2 million in 2014 and a delay in hiring an average of 22 positions.

Cash Adjustments include:

- An Other Fringe Benefits adjustment of \$10.0 million dollars for previous year rollovers.
- A BRP savings of \$3.8 million due to a re-estimate of various miscellaneous accounts based on a top down review of the OTPS categories.
- A re-estimate of GASB expenses will result in an increase of \$0.1 million.

Reimbursable expenses are projected to be the same in 2014.

Total baseline positions are projected to increase by 51 from the July Financial Plan. This is in support of the non-reimbursable new programmatic initiatives. The Platform budget initiative will add 24 positions, Employee Availability initiative will add 10 positions, Training Float 8 positions, Far Rockaway/JFK 6 helper positions, 2 positions for 19A Dispatcher training and 1 position to support the new budget system.

## **2015 - 2017 Projections**

Net operating cash deficits are projected to increase by \$11.5 million in 2015 and 2016, and \$2.2 million in 2017, relative to the July Financial Plan.

Major operating cash changes include:

- Revenue increase of \$3.0 million in 2015, \$3.1 million in 2016, and \$3.1 million in 2017, mainly due to an increase in ridership.
- Investments of \$16.9 million in 2015, \$17.1 million in 2016 and \$8.7 million in 2017, for several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Increased overtime expenses of \$2.5 million in 2015 through 2017 due to traffic delays and adverse weather.
- Health & Welfare expense re-estimates (including OPEB current payments), resulting in an expense decrease of approximately \$0.8 million each year from 2015-2017 based on the net effect of the Affordable Care Act.
- Fuel increase of \$0.6 million in 2015, \$0.1 million in 2016 and a decrease of \$0.3 million in 2017 due to changes in rates.
- Other Than Personnel Services (OTPS) inflation increases of \$0.1 million in 2015, \$0.2 million in 2016, and a decrease of \$0.1 million in 2017.

- A Pension increase of \$0.2 million in 2015 through 2017, based on current actuarial re-estimates.
- An Insurance decrease of \$0.046 million in 2015, an increase \$0.029 million in 2016 and \$0.1 million in 2017 due to an adjustment for catastrophic bond insurance previously captured in volume I of the consolidated financial plan.
- A Real Estate increase of \$0.3 million in 2015 and \$0.4 million in 2016 and 2017 due to additional space needed for MTABC administration functions at 2 Broadway.
- A BRP savings of \$3.8 million in 2015 through 2017 due to a re-estimate in various miscellaneous accounts based on a top down review in the OTPS categories.
- Savings of \$2.2 million in 2015 through 2017 in recognition of hiring lags in addressing hard to fill positions. This delay in hiring affects an average of 22 positions per year.

Reimbursable expenses are projected to remain the same in 2015-2017.

Total baseline positions are projected to increase by 67 in 2015, 67 in 2016 and 48 in 2017.

The increases are all non-reimbursable positions and are primarily due to support of new programmatic initiatives and changes to the Shop Overhaul Program.

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Operating Revenue</b>						
Farebox Revenue	\$181.904	\$198.049	\$201.484	\$202.889	\$204.557	\$204.833
Other Operating Revenue	19.313	26.553	26.258	20.169	20.578	20.939
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$201.217</b>	<b>\$224.602</b>	<b>\$227.742</b>	<b>\$223.058</b>	<b>\$225.135</b>	<b>\$225.772</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$235.577	\$229.397	\$226.167	\$239.745	\$246.457	\$248.885
Overtime	47.968	45.364	43.986	45.807	46.716	47.470
Health and Welfare	42.435	48.511	53.065	57.653	62.569	67.342
OPEB Current Payment	18.375	18.576	20.166	21.844	23.679	25.669
Pensions	40.606	45.635	45.694	47.157	47.867	48.460
Other Fringe Benefits	58.326	46.240	48.415	49.487	52.159	51.829
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$443.287</b>	<b>\$433.723</b>	<b>\$437.493</b>	<b>\$461.693</b>	<b>\$479.447</b>	<b>\$489.655</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$1.288	\$1.162	\$1.253	\$1.349	\$1.454	\$1.568
Fuel	26.970	41.116	40.331	39.563	40.019	41.074
Insurance	2.007	2.771	3.413	4.079	4.870	5.820
Claims	10.235	20.000	22.256	28.000	29.000	29.447
Maintenance and Other Operating Contracts	20.133	22.373	19.905	51.110	46.911	32.998
Professional Service Contracts	6.465	17.400	19.801	20.058	20.531	20.797
Materials & Supplies	28.370	29.768	33.246	39.690	40.417	35.845
Other Business Expenses	3.431	3.744	1.960	1.827	1.985	4.090
<b>Total Non-Labor Expenses</b>	<b>\$98.899</b>	<b>\$138.334</b>	<b>\$142.165</b>	<b>\$185.676</b>	<b>\$185.187</b>	<b>\$171.639</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation &amp; GASB Adj.</b>	<b>\$542.186</b>	<b>\$572.057</b>	<b>\$579.658</b>	<b>\$647.369</b>	<b>\$664.634</b>	<b>\$661.294</b>
Depreciation	\$45.792	\$42.234	\$42.235	\$42.236	\$42.236	\$42.887
OPEB Obligation	99.587	56.296	56.919	57.663	58.264	59.162
Environmental Remediation	2.320	-	-	-	-	-
<b>Total Expenses</b>	<b>\$689.885</b>	<b>\$670.587</b>	<b>\$678.812</b>	<b>\$747.268</b>	<b>\$765.134</b>	<b>\$763.343</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$488.668)</b>	<b>(\$445.985)</b>	<b>(\$451.070)</b>	<b>(\$524.210)</b>	<b>(\$539.999)</b>	<b>(\$537.571)</b>

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**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE / REIMBURSABLE</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenue</b>						
Farebox Revenue	\$181.904	\$198.049	\$201.484	\$202.889	\$204.557	\$204.833
Other Operating Revenue	19.313	26.553	26.258	20.169	20.578	20.939
Capital and Other Reimbursements	7.728	8.423	8.551	8.679	8.809	8.877
<b>Total Revenue</b>	<b>\$208.945</b>	<b>\$233.025</b>	<b>\$236.293</b>	<b>\$231.737</b>	<b>\$233.944</b>	<b>\$234.649</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$241.295	\$234.887	\$231.739	\$245.400	\$252.197	\$254.667
Overtime	47.968	45.364	43.986	45.807	46.716	47.470
Health and Welfare	43.487	49.519	54.088	58.691	63.622	68.402
OPEB Current Payment	18.375	18.576	20.166	21.844	23.679	25.669
Pensions	41.098	46.096	46.159	47.627	48.340	48.933
Other Fringe Benefits	58.792	46.688	48.871	49.949	52.628	52.301
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$451.015</b>	<b>\$441.130</b>	<b>\$445.009</b>	<b>\$469.318</b>	<b>\$487.182</b>	<b>\$497.442</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$1.288	\$1.162	\$1.253	\$1.349	\$1.454	\$1.568
Fuel	26.970	41.116	40.331	39.563	40.019	41.074
Insurance	2.007	2.771	3.413	4.079	4.870	5.820
Claims	10.235	20.000	22.256	28.000	29.000	29.447
Maintenance and Other Operating Contracts	20.133	22.592	20.128	51.337	47.142	33.233
Professional Service Contracts	6.465	17.400	19.801	20.058	20.531	20.797
Materials & Supplies	28.370	30.565	34.058	40.517	41.260	36.700
Other Business Expenses	3.431	3.744	1.960	1.827	1.985	4.090
<b>Total Non-Labor Expenses</b>	<b>\$98.899</b>	<b>\$139.350</b>	<b>\$143.200</b>	<b>\$186.730</b>	<b>\$186.261</b>	<b>\$172.729</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation &amp; GASB Adj.</b>	<b>\$549.914</b>	<b>\$580.480</b>	<b>\$588.209</b>	<b>\$656.048</b>	<b>\$673.443</b>	<b>\$670.171</b>
Depreciation	\$45.792	\$42.234	\$42.235	\$42.236	\$42.236	\$42.887
OPEB Obligation	99.587	56.296	56.919	57.663	58.264	59.162
Environmental Remediation	2.320	-	-	-	-	-
<b>Total Expenses</b>	<b>\$697.612</b>	<b>\$679.010</b>	<b>\$687.363</b>	<b>\$755.947</b>	<b>\$773.943</b>	<b>\$772.220</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$488.668)</b>	<b>(\$445.985)</b>	<b>(\$451.070)</b>	<b>(\$524.210)</b>	<b>(\$539.999)</b>	<b>(\$537.571)</b>

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Receipts</b>						
Farebox Revenue	\$178.889	\$198.049	\$201.484	\$202.889	\$204.557	\$204.833
Other Operating Revenue	19.607	26.553	26.257	20.169	20.578	20.939
Capital and Other Reimbursements	3.734	16.013	13.271	13.531	13.897	14.068
<b>Total Receipts</b>	<b>\$202.230</b>	<b>\$240.615</b>	<b>\$241.012</b>	<b>\$236.589</b>	<b>\$239.032</b>	<b>\$239.840</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$224.088	\$259.921	\$229.746	\$243.389	\$250.170	\$252.625
Overtime	47.968	45.364	43.986	45.807	46.716	47.470
Health and Welfare	78.837	49.112	53.677	58.277	63.205	67.982
OPEB Current Payment	18.375	18.576	20.166	21.844	23.679	25.669
Pensions	43.801	45.921	45.986	47.454	48.168	48.763
Other Fringe Benefits	21.026	49.375	38.701	49.778	52.455	52.128
GASB Account	5.862	4.909	4.975	5.094	5.216	5.306
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$439.957</b>	<b>\$473.178</b>	<b>\$437.237</b>	<b>\$471.643</b>	<b>\$489.609</b>	<b>\$499.943</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$1.118	\$1.162	\$1.253	\$1.349	\$1.454	\$1.568
Fuel	40.055	45.616	40.331	39.563	40.019	41.074
Insurance	12.049	3.322	3.413	4.079	4.870	5.820
Claims	15.261	22.574	19.256	24.000	25.000	25.385
Maintenance and Other Operating Contracts	15.282	30.792	20.128	51.337	47.142	33.234
Professional Service Contracts	4.382	19.605	19.801	20.058	20.531	20.797
Materials & Supplies	33.267	33.636	34.058	40.517	41.260	36.700
Other Business Expenses	1.886	3.785	1.961	1.827	1.986	4.090
<b>Total Non-Labor Expenditures</b>	<b>\$123.300</b>	<b>\$160.492</b>	<b>\$140.201</b>	<b>\$182.730</b>	<b>\$182.262</b>	<b>\$168.668</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$563.257</b>	<b>\$633.670</b>	<b>\$577.438</b>	<b>\$654.373</b>	<b>\$671.871</b>	<b>\$668.611</b>
<b>Baseline Cash Deficit</b>	<b>(\$361.027)</b>	<b>(\$393.055)</b>	<b>(\$336.426)</b>	<b>(\$417.784)</b>	<b>(\$432.839)</b>	<b>(\$428.771)</b>

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Receipts</b>						
Farebox Revenue	(\$3.015)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.294	-	(0.001)	-	-	-
Capital and Other Reimbursements	(3.994)	7.590	4.720	4.852	5.088	5.191
<b>Total Receipts</b>	<b>(\$6.715)</b>	<b>\$7.590</b>	<b>\$4.719</b>	<b>\$4.852</b>	<b>\$5.088</b>	<b>\$5.191</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$17.207	(\$25.034)	\$1.993	\$2.011	\$2.027	\$2.042
Overtime	0.000	-	-	-	-	-
Health and Welfare	(35.350)	0.407	0.411	0.414	0.417	0.420
OPEB Current Payment	0.000	-	-	-	-	-
Pensions	(2.703)	0.175	0.173	0.173	0.172	0.170
Other Fringe Benefits	37.766	(2.687)	10.170	0.171	0.173	0.173
GASB Account	(5.862)	(4.909)	(4.975)	(5.094)	(5.216)	(5.306)
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$11.058</b>	<b>(\$32.048)</b>	<b>\$7.772</b>	<b>(\$2.325)</b>	<b>(\$2.427)</b>	<b>(\$2.501)</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.170	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(13.085)	(4.500)	-	-	-	-
Insurance	(10.042)	(0.551)	-	-	-	-
Claims	(5.026)	(2.574)	3.000	4.000	4.000	4.062
Maintenance and Other Operating Contracts	4.851	(8.200)	-	-	-	(0.001)
Professional Service Contracts	2.083	(2.205)	-	-	-	-
Materials & Supplies	(4.897)	(3.071)	-	-	-	-
Other Business Expenses	1.545	(0.041)	(0.001)	-	(0.001)	-
<b>Total Non-Labor Expenditures</b>	<b>(\$24.401)</b>	<b>(\$21.142)</b>	<b>\$2.999</b>	<b>\$4.000</b>	<b>\$3.999</b>	<b>\$4.061</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expenditures Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>(\$20.058)</b>	<b>(\$45.600)</b>	<b>\$15.490</b>	<b>\$6.527</b>	<b>\$6.660</b>	<b>\$6.751</b>
Depreciation Adjustment	\$45.792	\$42.234	\$42.235	\$42.236	\$42.236	\$42.887
OPEB Obligation	99.587	56.296	56.919	57.663	58.264	59.162
Environmental Remediation	2.320	-	-	-	-	-
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$127.641</b>	<b>\$52.930</b>	<b>\$114.644</b>	<b>\$106.426</b>	<b>\$107.160</b>	<b>\$108.800</b>

**MTA Bus Company**  
**2013 November Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
**(\$ in millions)**

		Total		
NON-REIMBURSABLE OVERTIME		Hours	\$	%
<u>Scheduled Service</u>		597,287	\$25.152	55.4%
<u>Unscheduled Service</u>		99,013	4.518	10.0%
<u>Programmatic/Routine Maintenance</u>		145,561	6.199	13.7%
<u>Unscheduled Maintenance</u>		0	0.000	0.0%
<u>Vacancy/Absentee Coverage</u>		161,241	7.328	16.2%
<u>Weather Emergencies</u>		38,260	1.722	3.8%
<u>Safety/Security/Law Enforcement</u>		2,641	0.128	0.3%
<u>Other</u>		3,802	0.316	0.7%
Sub-Total		1,047,804	\$45.364	100.0%
REIMBURSABLE OVERTIME		0	\$0.000	
TOTAL NR & R OVERTIME		1,047,804	\$45.364	

**MTA BUS COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Year-to-Year Changes by Category-Baseline**

**TOTAL REVENUE/RECEIPTS**

**Farebox Revenue**

- MTA Bus farebox revenue is tied to annual growth forecasts based largely on the regional economy and updated NYC employment projections.
- Year to year increases are as follows: 2014=1.7%; 2015=0.7%; 2016=0.8%; 2017=0.1%.
- An increase in farebox revenue is as follows: \$3.4 million in 2014, \$1.4 million in 2015, \$1.7 million in 2016 and \$0.3 million in 2017.

**Other Operating Revenue**

- Other operating revenues increase annually due to advertising revenues, which are based upon current contracts in place and other miscellaneous recoveries.
- The \$0.3 million decrease in 2014 and \$6.1 million decrease in 2015 are due to the full recoveries of Super Storm Sandy.

**Capital and Other Reimbursements**

- Annual reimbursement levels did not change in this financial plan.

**TOTAL EXPENSES/EXPENDITURES**

**Payroll**

- 2014-2017 projections include a zero wage increase assumption for represented employees for 2011-2014 (ATU & TSO 2011 to 2013, TWU 2012 to 2014). Salaries for non-represented employees, having gone four consecutive years without raises, are assumed to follow CPI-based increases in 2013. No across-the-board raises have been granted as of the November Plan. Aside from years with zero increases, projections include primarily CPI-based rate increases as follows: 2013=1.97%; 2014=1.91%; 2015=1.85%; 2016=1.89%; 2017=1.85%.
- Year-to-year, non-reimbursable payroll expenses are projected to decrease by \$3.2 million in 2014, and increase \$13.6 million in 2015, \$6.7 million in 2016 and \$2.4 million in 2017. The increase of \$13.6 million in 2015 and \$6.7 million in 2016 is mainly due to the Shop Overhaul program changes resulting in increased positions, CPI based rate increases for represented employees after three year zero growth in payroll, the impact of annualization of the Platform Budget and the outstanding impact of 2009 – 2011 wage rate adjustments for TSO represented employees. 2016 includes expenses for an additional day for the leap year. The 2017 increase of \$2.4 million is mainly due to the CPI based rate increases and

an offsetting reduction in positions due to changes in the Shop Overhaul program.

### **Overtime**

Year-to-year, non-reimbursable overtime expenses are projected to decrease by \$1.4 million in 2014, increase \$1.8 million in 2015, \$0.9 million in 2016 and \$0.8 million in 2017. The 2014 reduction is mainly due to the elimination of Sandy expenses and investments to mitigate traffic and ramp delays. 2015 - 2017 increases are due to the impact of the annualization of the Platform Budget, Shop Overhaul program changes resulting in increased overtime and CPI based rate increases.

### **Health & Welfare and OPEB Current**

- Inflation assumptions for 2014-2017 are: 2014=9.2%; 2015=8.6%; 2016=8.5%; 2017=7.8%.
- This financial plan includes savings based on the net effect of the Affordable Care Act.

### **Pension**

- Projections are consistent with current actuarial information.

### **Other Fringe Benefits**

- Projected year-to-year increases reflect staffing levels, programmatic changes, inflationary payroll rate assumptions and the annualization of Platform Budget impacts.

### **Electric Power**

- The financial plan reflects projected New York Power Authority rate increases for non-traction power as well as CPI.

### **Fuel**

- Diesel fuel inflation assumptions are as follows: 2014= -5.63%; 2015= -3.45%; 2016= 1.09%; 2017= 2.80%.

### **Insurance**

- On average, insurance premium rates are assumed to increase by 20% per year during 2014 - 2017.

### **Claims**

- Projections are consistent with current actuarial information.

### **Maintenance and Other Operating Contracts**

- The 2014 - 2017 year-to-year decrease in Maintenance & Other Operating Contract is mainly due to a re-estimate of various miscellaneous accounts based on a top down review of OTPS categories. In 2015 these savings were offset by

Shop program changes namely, Hybrid bus conversion, and MCI engine and structural upgrades.

#### **Professional Service Contracts**

- Year-to-year, 2014 increased by \$2.4 million, due to document imaging services, BSC administrative expenses and an MOU with NYCT to manage and maintain MTABC bus electronic equipment.
- 2015 – 2017 increases are mainly due to inflationary changes.

#### **Materials and Supplies**

- Non Reimbursable expenses increase in 2014 primarily due to a reclassification of bus components from Maintenance & Other Operating Contracts to Materials & Supplies. The increase of \$6.4 million in 2015 and \$0.7 million in 2016 is mainly due to an increase in the number of buses to be overhauled and the MCI buses engine upgrades. The annualization of the Platform Budget also contributes to the increase in 2015. In 2017, the reduction of \$4.6 million is due to changes in the Shop Overhaul Program.

#### **Other Business Expenses**

- In 2014 – 2016, year-to-year decrease in Other Business Expenses is mainly due to a re-estimate of various miscellaneous accounts based on a top down review of OTPS categories, which resulted in further savings in miscellaneous accounts.

#### **Depreciation (non-cash)**

- Annual expense increases are due to projections of additional capital assets reaching beneficial use.

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b>Revenue</b>									
Farebox Revenue	\$198.049	\$201.484	\$3.435	\$202.889	\$1.405	\$204.557	\$1.668	\$204.833	\$0.276
Other Operating Revenue	26.553	26.258	(0.295)	20.169	(6.089)	20.578	0.409	20.939	0.361
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$224.602</b>	<b>\$227.742</b>	<b>\$3.140</b>	<b>\$223.058</b>	<b>(\$4.684)</b>	<b>\$225.135</b>	<b>\$2.077</b>	<b>\$225.772</b>	<b>\$0.637</b>
<b>Expenses</b>									
<b>Labor:</b>									
Payroll	\$229.397	\$226.167	\$3.230	\$239.745	(\$13.578)	\$246.457	(\$6.712)	\$248.885	(\$2.428)
Overtime	45.364	43.986	1.378	45.807	(1.821)	46.716	(0.909)	47.470	(0.754)
Health and Welfare	48.511	53.065	(4.554)	57.653	(4.588)	62.569	(4.916)	67.342	(4.773)
OPEB Current Payment	18.576	20.166	(1.590)	21.844	(1.678)	23.679	(1.835)	25.669	(1.990)
Pensions	45.635	45.694	(0.059)	47.157	(1.463)	47.867	(0.710)	48.460	(0.593)
Other Fringe Benefits	46.240	48.415	(2.175)	49.487	(1.072)	52.159	(2.672)	51.829	0.330
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$433.723</b>	<b>\$437.493</b>	<b>(\$3.770)</b>	<b>\$461.693</b>	<b>(\$24.200)</b>	<b>\$479.447</b>	<b>(\$17.754)</b>	<b>\$489.655</b>	<b>(\$10.208)</b>
<b>Non-Labor:</b>									
Electric Power	\$1.162	\$1.253	(0.091)	\$1.349	(\$0.096)	\$1.454	(\$0.105)	\$1.568	(\$0.114)
Fuel	41.116	40.331	0.785	39.563	0.768	40.019	(0.456)	41.074	(1.055)
Insurance	2.771	3.413	(0.642)	4.079	(0.666)	4.870	(0.791)	5.820	(0.950)
Claims	20.000	22.256	(2.256)	28.000	(5.744)	29.000	(1.000)	29.447	(0.447)
Maintenance and Other Operating Contracts	22.373	19.905	2.468	51.110	(31.205)	46.911	4.199	32.998	13.913
Professional Service Contracts	17.400	19.801	(2.401)	20.058	(0.257)	20.531	(0.473)	20.797	(0.266)
Materials & Supplies	29.768	33.246	(3.478)	39.690	(6.444)	40.417	(0.727)	35.845	4.572
Other Business Expenses	3.744	1.960	1.784	1.827	0.133	1.985	(0.158)	4.090	(2.105)
<b>Total Non-Labor Expenses</b>	<b>\$138.334</b>	<b>\$142.165</b>	<b>(\$3.831)</b>	<b>\$185.676</b>	<b>(\$43.511)</b>	<b>\$185.187</b>	<b>\$0.489</b>	<b>\$171.639</b>	<b>\$13.548</b>
<b>Other Expenses Adjustments:</b>									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$572.057</b>	<b>\$579.658</b>	<b>(\$7.601)</b>	<b>\$647.369</b>	<b>(\$67.711)</b>	<b>\$664.634</b>	<b>(\$17.265)</b>	<b>\$661.294</b>	<b>\$3.340</b>
Depreciation	\$42.234	\$42.235	(0.001)	\$42.236	(0.001)	\$42.236	-	\$42.887	(0.651)
OPEB Obligation	56.296	56.919	(0.623)	57.663	(0.744)	58.264	(0.601)	59.162	(0.898)
Environmental Remediation	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$670.587</b>	<b>\$678.812</b>	<b>(\$8.225)</b>	<b>\$747.268</b>	<b>(\$68.456)</b>	<b>\$765.134</b>	<b>(\$17.866)</b>	<b>\$763.343</b>	<b>\$1.791</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$445.985)</b>	<b>(\$451.070)</b>	<b>(\$5.085)</b>	<b>(\$524.210)</b>	<b>(\$73.140)</b>	<b>(\$539.999)</b>	<b>(\$15.789)</b>	<b>(\$537.571)</b>	<b>\$2.428</b>

## REIMBURSABLE

[illegible]

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**CASH RECEIPTS AND EXPENDITURES**

	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b><u>Receipts</u></b>									
Farebox Revenue	\$198.049	\$201.484	\$3.435	\$202.889	\$1.405	\$204.557	\$1.668	\$204.833	\$0.276
Other Operating Revenue	26.553	26.257	(0.296)	20.169	(6.088)	20.578	0.409	20.939	0.361
Capital and Other Reimbursements	16.013	13.271	(2.742)	13.531	0.260	13.897	0.366	14.068	0.171
<b>Total Receipts</b>	<b>\$240.615</b>	<b>\$241.012</b>	<b>\$0.397</b>	<b>\$236.589</b>	<b>(\$4.423)</b>	<b>\$239.032</b>	<b>\$2.443</b>	<b>\$239.840</b>	<b>\$0.808</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$259.921	\$229.746	\$30.175	\$243.389	(\$13.643)	\$250.170	(\$6.781)	\$252.625	(\$2.455)
Overtime	45.364	43.986	1.378	45.807	(1.821)	46.716	(0.909)	47.470	(0.754)
Health and Welfare	49.112	53.677	(4.565)	58.277	(4.600)	63.205	(4.928)	67.982	(4.777)
OPEB Current Payment	18.576	20.166	(1.590)	21.844	(1.678)	23.679	(1.835)	25.669	(1.990)
Pensions	45.921	45.986	(0.065)	47.454	(1.468)	48.168	(0.714)	48.763	(0.595)
Other Fringe Benefits	49.375	38.701	10.674	49.778	(11.077)	52.455	(2.677)	52.128	0.327
GASB Account	4.909	4.975	(0.066)	5.094	(0.119)	5.216	(0.122)	5.306	(0.090)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$473.178</b>	<b>\$437.237</b>	<b>\$35.941</b>	<b>\$471.643</b>	<b>(\$34.406)</b>	<b>\$489.609</b>	<b>(\$17.966)</b>	<b>\$499.943</b>	<b>(\$10.334)</b>
Non-Labor:									
Electric Power	\$1.162	\$1.253	(\$0.091)	\$1.349	(\$0.096)	\$1.454	(\$0.105)	\$1.568	(\$0.114)
Fuel	45.616	40.331	5.285	39.563	0.768	40.019	(0.456)	41.074	(1.055)
Insurance	3.322	3.413	(0.091)	4.079	(0.666)	4.870	(0.791)	5.820	(0.950)
Claims	22.574	19.256	3.318	24.000	(4.744)	25.000	(1.000)	25.385	(0.385)
Maintenance and Other Operating Contracts	30.792	20.128	10.664	51.337	(31.209)	47.142	4.195	33.234	13.908
Professional Service Contracts	19.605	19.801	(0.196)	20.058	(0.257)	20.531	(0.473)	20.797	(0.266)
Materials & Supplies	33.636	34.058	(0.422)	40.517	(6.459)	41.260	(0.743)	36.700	4.560
Other Business Expenses	3.785	1.961	1.824	1.827	0.134	1.986	(0.159)	4.090	(2.104)
<b>Total Non-Labor Expenditures</b>	<b>\$160.492</b>	<b>\$140.201</b>	<b>\$20.291</b>	<b>\$182.730</b>	<b>(\$42.529)</b>	<b>\$182.262</b>	<b>\$0.468</b>	<b>\$168.668</b>	<b>\$13.594</b>
Other Expenditure Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$633.670</b>	<b>\$577.438</b>	<b>\$56.232</b>	<b>\$654.373</b>	<b>(\$76.935)</b>	<b>\$671.871</b>	<b>(\$17.498)</b>	<b>\$668.611</b>	<b>\$3.260</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$393.055)</b>	<b>(\$336.426)</b>	<b>\$56.629</b>	<b>(\$417.784)</b>	<b>(\$81.358)</b>	<b>(\$432.839)</b>	<b>(\$15.055)</b>	<b>(\$428.771)</b>	<b>\$4.068</b>

**MTA BUS COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Summary of Plan-to-Plan Changes by Generic Category**

**2013: November Financial Plan vs. July Financial Plan**

**Operating Revenue Changes**

Operating revenues are projected to increase from the July Financial Plan by \$2.1 million.

Major generic category changes include:

- An increase in Farebox Revenue of \$1.9 million due to better than anticipated ridership levels.
- Other Operating Revenues are projected to increase by \$0.2 million in 2013 due to Super Storm Sandy recoveries.

**Operating Expense Changes**

Operating expenses decreased from the July Plan by \$3.1 million.

Major generic category changes include:

- Payroll is projected to increase by \$2.2 million, due to reduced Super Storm Sandy costs
- Overtime is projected to increase by \$3.6 million, mostly due to traffic delays, adverse weather and lower Bus Operator Availability compared to goal.
- Health & Welfare/OPEB current payment expenses are projected to decrease by a net \$0.8 million due to a re-estimate based on the net effect of the Affordable Care Act.
- Pension expenses are projected to increase by \$0.1 million based on programmatic initiatives outlined earlier.
- Other Fringe Benefits are projected to increase by \$0.1 million based on programmatic initiatives outlined earlier.
- Fuel expenses are projected to increase by \$1.0 million due to rate adjustments.

- Insurance expenses are projected to increase by \$0.02 million due to an adjustment for catastrophic bond insurance previously captured in volume I of the consolidated financial plan.
- Claims expenses are projected to decrease by \$6.0 million in 2013 due to the third party actuarial re-estimate.
- Maintenance and Other Operating contract expenses are projected to decrease by \$3.1 million due to a re-estimate of various miscellaneous accounts based on a top down review of OTPS categories, offset by CPI inflation and 2 Broadway real estate expenses.
- Professional Service Contracts expenses are projected to increase by \$0.1 million, due to CPI inflation.
- Materials and supplies expenses are projected to increase by \$0.2 million due to CPI inflation.
- Other Business expenses are projected to decrease by \$0.5 million due to a re-estimate of various miscellaneous accounts based on a top down review of OTPS categories.

## **2014-2017: November Financial Plan vs. July Financial Plan**

### **Operating Revenue Changes**

Operating revenues are projected to increase from the July Financial Plan by \$9.1 million in 2014, \$3.0 million in 2015 and \$3.1 million in 2016 and 2017.

Major generic category changes include:

- An increase in farebox revenue of \$2.9 million in 2014, \$3.0 million in 2015, and \$3.1 million in 2016 and 2017 due to better than expected ridership.
- An increase in other operating revenue of \$6.2 million in 2014 due to Super Storm Sandy recoveries.

### **Operating Expense Changes**

Operating expenses decrease from the July Plan by \$2.1 million in 2014 and increase by \$14.4 million in 2015, \$14.5 million in 2016, and \$5.1 million in 2017.

Major generic category changes include:

- Payroll is projected to increase by \$1.1 million in 2014, \$3.1 million in 2015, \$3.3 million in 2016, and \$1.8 million in 2017 mainly due to programmatic initiatives offset by the vacancy hiring lag for hard to fill titles.
- Overtime is projected to increase by \$3.2 million in 2014 and \$3.8 million in 2015-2017 mostly due to traffic delays, adverse weather and Platform Budget requirements.
- Health & Welfare/OPEB current payment expenses are projected to decrease between \$0.1 million and \$0.5 million in 2014-2017 based on the net effect of the Affordable Care Act.
- Pension expenses are projected to increase by \$0.6 million in 2014, \$1.1 million in 2015 and 2016, and \$0.9 million in 2017 based on current actuarial information.
- Other Fringe Benefits are projected to increase by \$0.2 million in 2014, \$0.4 million in 2015, \$0.5 million in 2016, and \$0.3 million in 2017 mainly due to the programmatic initiatives described previously.
- Fuel expenses are projected to increase by \$1.2 million in 2014, \$1.1 million in 2015, \$0.6 million in 2016, and \$0.3 million in 2017 due to unfavorable rate adjustments and Platform Budget increases.
- Insurance expenses are projected to decrease by \$0.1 million in 2014 and 2015, and increase by \$0.1 million in 2016 and 2017 due to revised insurance growth assumptions.
- Claims expenses are projected to decrease by \$4.7 million in 2014 due to the third party actuarial re-estimate.
- Maintenance and Other Operating contract expenses are projected to decrease by \$6.2 million in 2014, increase by \$0.4 million in 2015 and \$2.9 million in 2016, and then decrease by \$2.5 million in 2017 mainly due to a reclassification of bus components to Material and Supplies offset by the MCI Engines and Structure upgrade.
- Materials and supplies expenses are projected to increase by \$3.2 million in 2014, \$4.6 million in 2015, \$2.3 million in 2016, and \$0.8 million in 2017 mainly due to a reclassification of bus components from Maintenance & Other Operating Contracts to Material and Supplies.

- Other Business expenses are projected to decrease by \$0.5 million in 2014-2017 mainly due to a re-estimate of various miscellaneous accounts based on a top down review of the OTPS categories.

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

NON-REIMBURSABLE					
	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit) Adjusted*</b>	<b>(\$428.988)</b>	<b>(\$357.509)</b>	<b>(\$406.266)</b>	<b>(\$421.306)</b>	<b>(\$426.570)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$1.921	\$2.889	\$3.039	\$3.131	\$3.096
Other Operating Revenue	0.215	6.187	-	-	-
Capital and Other Reimbursements	-	-	-	-	-
<b>Total Revenue Changes</b>	<b>\$2.136</b>	<b>\$9.076</b>	<b>\$3.039</b>	<b>\$3.131</b>	<b>\$3.096</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	(\$2.157)	(\$1.100)	(\$3.094)	(\$3.327)	(\$1.755)
Overtime	(3.584)	(3.211)	(3.802)	(3.791)	(3.805)
Health and Welfare	0.790	0.500	0.047	0.013	0.270
OPEB Current Payment	0.005	0.006	0.006	0.007	0.007
Pensions	(0.072)	(0.577)	(1.050)	(1.067)	(0.864)
Other Fringe Benefits	(0.052)	(0.194)	(0.444)	(0.451)	(0.340)
Reimbursable Overhead	-	-	-	-	-
<b>Total Labor Expense Changes</b>	<b>(\$5.070)</b>	<b>(\$4.576)</b>	<b>(\$8.337)</b>	<b>(\$8.616)</b>	<b>(\$6.487)</b>
<b>Non-Labor:</b>					
Electric Power	-	-	-	-	-
Fuel	(0.984)	(1.186)	(1.088)	(0.624)	(0.254)
Insurance	(0.023)	0.052	0.046	(0.029)	(0.104)
Claims	6.000	4.744	-	-	-
Maintenance and Other Operating Contracts	3.067	6.212	(0.352)	(2.874)	2.539
Professional Service Contracts	(0.136)	(0.459)	(0.530)	(0.546)	(0.507)
Materials & Supplies	(0.240)	(3.185)	(4.647)	(2.286)	(0.797)
Other Business Expenses	0.467	0.506	0.498	0.496	0.502
<b>Total Non-Labor Expense Changes</b>	<b>\$8.151</b>	<b>\$6.684</b>	<b>(\$6.073)</b>	<b>(\$5.863)</b>	<b>\$1.379</b>
Other Expenditure Adjustments:					
Other	-	-	-	-	-
Total Other Expenditure Adjustments	-	-	-	-	-
<b>Gap Closing Actions:</b>					
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Expenses before Depreciation and GASB Adj</b>	<b>\$3.081</b>	<b>\$2.108</b>	<b>(\$14.410)</b>	<b>(\$14.479)</b>	<b>(\$5.108)</b>
Depreciation	-	-	-	-	-
OPEB Obligation	-	-	-	-	-
Environmental Remediation	-	-	-	-	-
<b>Total Expense Changes</b>	<b>\$3.081</b>	<b>\$2.108</b>	<b>(\$14.410)</b>	<b>(\$14.479)</b>	<b>(\$5.108)</b>
<b>Cash Adjustment Changes</b>					
GASB	(\$ .484)	(\$ .101)	(\$ .147)	(\$ .185)	(\$ .189)
Insurance	20.000				
Other Fringe (Workers Comp)	10.000	10.000			
BRP other business expense	1.200				
<b>Total Cash Adjustment Changes</b>	<b>\$30.716</b>	<b>\$9.899</b>	<b>(\$0.147)</b>	<b>(\$0.185)</b>	<b>(\$0.189)</b>
<b>Total Baseline Changes</b>	<b>\$35.933</b>	<b>\$21.083</b>	<b>(\$11.518)</b>	<b>(\$11.533)</b>	<b>(\$2.201)</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$393.055)</b>	<b>(\$336.426)</b>	<b>(\$417.784)</b>	<b>(\$432.839)</b>	<b>(\$428.771)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

REIMBURSABLE					
	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit) Adjusted*</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-
Capital and Other Reimbursements	-	-	-	-	-
<b>Total Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-
Health and Welfare	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-
Pensions	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-
<b>Total Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Non-Labor:</b>					
Electric Power	-	-	-	-	-
Fuel	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Other Business Expenses	-	-	-	-	-
<b>Total Non-Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>					
Depreciation					
<b>Total Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Adjustment Changes</b>					
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Tota</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA BUS COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**Summary of Major Plan-to-Plan Changes**

**2013: November Financial Plan vs. July Financial Plan**

**Revenue Changes**

**Operating Revenue Changes**

Operating revenues are projected to increase from the July Financial Plan by \$2.1 million.

Major generic category changes include:

- An increase in farebox revenue of \$1.9 million due to better than anticipated ridership.
- Other operating revenues are projected to increase by \$0.2 million in 2013 due to additional Super Storm Sandy recoveries.

**Expense Changes**

Major operating cash changes include:

- Investments of \$0.6 million in several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Payroll is projected to increase by \$2.2 million, due to Super Storm Sandy costs.
- Overtime is projected to increase by \$3.6 million, mostly due to Traffic Delays, adverse Weather and lower Bus Operator Availability compared to goal.
- Health & Welfare/OPEB current payment expenses are projected to decrease by a net \$0.8 million due to a re-estimate based on the net effect of the Affordable Care Act.
- Pension expenses are projected to increase by \$0.1 million based on programmatic initiatives outlines earlier.
- Other Fringe Benefits are projected to increase by \$0.1 million based on programmatic initiatives outlines earlier.
- Fuel expenses are projected to increase by \$1.0 million due to rate adjustments.

- Insurance expenses are projected to increase by \$0.02 million, due to an adjustment for catastrophic bond insurance previously captured in volume I of the consolidated financial plan.
- Claims expenses are projected to decrease by \$6.0 million in 2013 due to the third party actuarial re-estimate.
- Maintenance and Other Operating contract expenses are projected to decrease by \$3.1 million due to a re-estimate of various miscellaneous accounts based on a top down review of the OTPS categories, offset by CPI inflation and 2 Broadway real estate expenses.
- Professional Service Contracts expenses are projected to increase by \$0.1 million due to CPI inflation.
- Materials and supplies expenses are projected to increase by \$0.2 million due to CPI inflation.
- Other Business expenses are projected to decrease by \$0.5 million due to a re-estimate of various miscellaneous accounts based on a top down review of the OTPS categories.

### **Cash Adjustments**

- An adjustment of Insurance payments from prior years' resulting in a decrease of \$20.0 million.
- An adjustment of prior years' Worker's Compensation payments in Other Fringe Benefits which will result in a decrease of \$10.0 million.
- A reduction in Other Business Expenses will result in a decrease of \$1.2 million.
- A re-estimate of GASB expenses will result in an increase of \$0.5 million.

### **2014-2017: November Financial Plan vs. July Financial Plan**

#### **Revenue Changes**

Revenue changes from the July Financial Plan result in increases of \$9.1 million in 2014, \$3.0 million in 2015 and \$3.1 million in 2016 and 2017.

Major operating cash changes include:

- A Re-estimate of farebox revenues, resulting in an increase of \$2.9 million in 2014, \$3.0 million in 2015 and \$3.1 million in 2016 and 2017.
- Other operating revenues are projected to increase by \$6.2 million in 2014 due to Super Storm Sandy recoveries.

## **Expense Changes**

Major operating cash changes include:

Investments of \$5.3 million in 2014, \$16.9 million in 2015, \$17.1 in 2016, and \$8.7 million in 2017 for several important programmatic initiatives (see detailed information at the beginning of this narrative).

- Payroll is projected to increase by \$1.1 million in 2014, \$3.1 million in 2015, \$3.3 million in 2016, and \$1.8 million in 2017 mainly due to programmatic initiatives offset by the vacancy hiring lag for hard to fill titles.
- Overtime is projected to increase by \$3.2 million in 2014 and \$3.8 million in 2015-2017 mostly due to Traffic Delays, adverse Weather and Platform Budget requirements.
- Health & Welfare/OPEB current payment expenses are projected to decrease between \$0.1 million and \$0.5 million in 2014-2017.
- Pension expenses are projected to increase by \$0.6 million in 2014, \$1.1 million in 2015 and 2016, and \$0.9 million in 2017 based on current actuarial information.
- Other Fringe Benefits are projected to increase by \$0.2 million in 2014, \$0.4 million in 2015, \$0.5 million in 2016, and \$0.3 million in 2017 mainly due to the programmatic initiatives described above.
- Fuel expenses are projected to increase by \$1.2 million in 2014, \$1.1 million in 2015, \$0.6 million in 2016, and \$0.3 million in 2017 due to unfavorable rate adjustments and Platform Budget increases.
- Insurance expenses are projected to decrease by \$0.1 million in 2014 and 2015, and increase by \$0.1 million in 2016 and 2017 due to revised insurance growth assumptions.
- Claims expenses are projected to decrease by \$4.7 million in 2014 due to the third party actuarial re-estimate.

- Maintenance and Other Operating Contract expenses are projected to decrease by \$6.2 million in 2014, increase by \$0.4 million in 2015 and \$2.9 million in 2016, and then decrease by \$2.5 million in 2017 mainly due to the reclassification of bus units to Material and Supplies offset by the MCI Engines and Structure program.
- Professional Service Contract expenses are projected to increase by \$0.5 million in 2014-2017 due to BSC administrative expenses and the NYCT Electronic Maintenance Division MOU for maintenance and repairs of electronic assets.
- Materials and supplies expenses are projected to increase by \$3.2 million in 2014, \$4.6 million in 2015, \$2.3 million in 2016, and \$0.8 million in 2017 mainly due to the reclassification of bus units from Maintenance & Other Operating Contracts to Material and Supplies.
- Other Business expenses are projected to decrease by \$0.5 million in 2014-2017 mainly due to a re-estimate of various miscellaneous accounts based on a top down review of the OTPS categories.

### **Cash Adjustments**

- An adjustment of prior years' Worker's Compensation payments in Other Fringe Benefits which will result in a decrease of \$10.0 million in 2014.
- A re-estimate of GASB expenses will result in an increase of \$0.1 million in 2014 and 2015, and \$0.2 million in 2016 and 2017.

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**TOTAL NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit) Adjusted*</b>	<b>(\$428.988)</b>	<b>(\$357.509)</b>	<b>(\$406.266)</b>	<b>(\$421.306)</b>	<b>(\$426.570)</b>
<b>Non-Reimbursable Major Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$1.921	\$2.889	\$3.039	\$3.131	\$3.096
Other Operating Revenue	0.215	6.187	-	-	-
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$2.136</b>	<b>\$9.076</b>	<b>\$3.039</b>	<b>\$3.131</b>	<b>\$3.096</b>
<b>Expenses</b>					
<b>Programs:</b>					
19A Dispatchers	\$0.000	(\$0.199)	(\$0.203)	(\$0.207)	(\$0.225)
Hyperion Pillar PTE	-	(0.104)	(0.106)	(0.109)	(0.117)
Far Rockaway Helper/Shifter	-	(0.497)	-	-	-
Bus Operator Training Float	-	(0.787)	(0.801)	(0.817)	(0.887)
EMD MOU	-	(0.207)	(0.210)	(0.214)	(0.217)
Bus Operator Employee Availability	(0.632)	(0.986)	(1.004)	(1.022)	(1.109)
Platform Budget	-	(2.567)	(4.717)	(4.773)	(4.823)
Shop MCI Engines/ICO	-	-	(5.011)	(5.060)	(1.118)
Shop MCI Structure	-	-	(4.867)	(4.913)	(0.221)
Shop Units Move from Contracts to MM	-	-	-	-	-
<b>Sub-Total Programs</b>	<b>(\$0.632)</b>	<b>(\$5.347)</b>	<b>(\$16.919)</b>	<b>(\$17.115)</b>	<b>(\$8.717)</b>
<b>Major Re-estimates/Technical Adjustments/Other:</b>					
Traffic	(\$2.300)	(\$1.300)	(\$1.300)	(\$1.300)	(\$1.300)
Weather	(0.800)	(1.200)	(1.200)	(1.200)	(1.200)
BSC Admin	\$0.000	(\$0.300)	(\$0.300)	(\$0.300)	(\$0.300)
Insurance	(0.023)	0.052	0.046	(0.029)	(0.104)
Fuel	(0.984)	(0.959)	(0.566)	(0.102)	0.268
Pension	0.024	(0.218)	(0.223)	(0.227)	(0.231)
Superstorm Sandy	(2.157)	-	-	-	-
CPI - Maintenance	(0.203)	0.066	(0.051)	(0.071)	0.018
CPI - Material & Supplies	(0.240)	0.077	(0.036)	(0.062)	0.018
CPI - Professional	(0.136)	0.048	(0.020)	(0.032)	0.010
CPI - Other Business Expenses	(0.033)	0.006	(0.002)	(0.004)	0.002
claims re-estimate	6.000	4.744	-	-	-
workers comp re-estimate	-	-	-	-	-
Labor CPI	-	-	(0.237)	(0.389)	0.124
Real Estate	(0.017)	(0.290)	(0.323)	(0.358)	(0.394)
Health & Welfare	0.790	0.778	0.770	0.758	0.746
opeb	0.005	0.006	0.006	0.007	0.007
BRP	3.787	3.787	3.787	3.787	3.787
Vacancy Hiring Lag 22 mechanics	-	2.158	2.158	2.158	2.158
<b>Sub-Total Major Changes</b>	<b>\$3.713</b>	<b>\$7.455</b>	<b>\$2.509</b>	<b>\$2.636</b>	<b>\$3.609</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>\$5.217</b>	<b>\$11.184</b>	<b>(\$11.371)</b>	<b>(\$11.348)</b>	<b>(\$2.012)</b>
<b>Reimbursable Major Changes</b>					
Revenue	0.000	0.000	0.000	0.000	0.000
Reimbursement of Increased Expense Requirements					
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenses</b>					
<b>Sub-Total Reimbursable Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>\$5.217</b>	<b>\$11.184</b>	<b>(\$11.371)</b>	<b>(\$11.348)</b>	<b>(\$2.012)</b>
<b>Cash Adjustment Changes</b>					
<b>Expenses</b>					
Insurance	20.000	-	-	-	-
Other Fringe (Workers Comp)	10.000	10.000	-	-	-
BRP other business expense	1.200	-	-	-	-
GASB	(0.484)	(0.101)	(0.147)	(0.185)	(0.189)
<b>Total Cash Adjustment Changes</b>	<b>\$30.716</b>	<b>\$9.899</b>	<b>(\$0.147)</b>	<b>(\$0.185)</b>	<b>(\$0.189)</b>
<b>Total Baseline Changes</b>	<b>\$35.933</b>	<b>\$21.083</b>	<b>(\$11.518)</b>	<b>(\$11.533)</b>	<b>(\$2.201)</b>
<b>Baseline 2013 November Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$393.055)</b>	<b>(\$336.426)</b>	<b>(\$417.784)</b>	<b>(\$432.839)</b>	<b>(\$428.771)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA BUS COMPANY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 – 2017**  
**RIDERSHIP/ (UTILIZATION)**

**Ridership**

The 2013 November Financial Plan baseline ridership forecast assumes that the January-August 2013 local bus trend, adjusted for weather and the impact from the suspension of Rockaway A subway service, will continue for the remainder of the year. January-August weather-adjusted local bus ridership was 6.0% above budget. However, after adjusting for higher ridership on bus routes serving the Rockaways during the suspension of Rockaway “A” service through late May, the underlying local bus trend was estimated to be 4.7% above budget. The January-August express bus trend, which was 1.5% above budget, is expected to continue for the rest of the year. The resulting 2013 total local and express ridership is 1.3 million higher than the July Plan.

2014 express bus ridership is projected to increase by approximately 1.5% based on the revised 2014 employment forecast, which was higher than the 2013 April forecast used in the 2013 July Plan. In developing the 2014 local bus forecast, 2013 ridership was adjusted downward to account for the higher Rockaways ridership in early 2013. 2014 local bus ridership is projected to increase by approximately 0.6% from the adjusted 2013 base, based on a 40% factor applied to the employment forecast. The 40% bus factor was also used in the July Plan and is based on an analysis of historical bus ridership showing lower employment elasticity on bus than on subway. The resulting projected 2014 local and express ridership is 1.8 million higher than the July Plan.

Working off the revised 2014 baseline projection, 2015-2017 local and express bus ridership growth forecasts are based on the 2013 August employment forecast (with a 40% factor applied to local bus), which projects a larger employment increase in 2015 and 2016 than the forecast used in the 2013 July Plan, and slightly lower growth in 2017. The resulting ridership is expected to be 1.9 million higher than the July Plan each year from 2015 through 2017.

**Revenue**

Projected farebox revenue is \$1.9 million higher than the July Plan in 2013, \$2.9 million higher in 2014, \$3.0 million higher in 2015, and \$3.1 million higher in 2016 and 2017.

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Ridership/(Utilization)**  
(in millions)

	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b><u>RIDERSHIP</u></b>						
Fixed Route	120.227	124.373	124.674	125.315	126.125	126.180
<b>Baseline Total Ridership</b>	<b>120.227</b>	<b>124.373</b>	<b>124.674</b>	<b>125.315</b>	<b>126.125</b>	<b>126.180</b>
<b><u>FAREBOX REVENUE</u></b>						
Fixed Route	\$181.904	\$198.049	\$201.484	\$202.889	\$204.557	\$204.833
<b>Baseline Total Revenue</b>	<b>\$181.904</b>	<b>\$198.049</b>	<b>\$201.484</b>	<b>\$202.889</b>	<b>\$204.557</b>	<b>\$204.833</b>

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**2013 Budget Reduction Plan Summary**  
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2013	Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017
<u>Administration</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Administration	-	0.000	-	0.000	-	\$0.000	-	\$0.000	-	\$0.000
<u>Customer Convenience/Amenities</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Customer Convenience/Amenities	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Maintenance	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Revenue Enhancement</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
OTPS (July Plan)	-	1.435	-	1.435	-	1.435	-	1.435	-	1.435
OTPS (November Plan)	-	3.787	-	3.787	-	3.787	-	3.787	-	3.787
OTPS (November Plan Cash Only)	-	1.200	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	6.422	-	5.222	-	5.222	-	5.222	-	5.222
<b>Agency Submission</b>	-	<b>\$6.422</b>	-	<b>\$5.222</b>	-	<b>\$5.222</b>	-	<b>\$5.222</b>	-	<b>\$5.222</b>

**MTA BUS COMPANY**  
**November Financial Plan 2014-2017**  
**2013 Budget Reduction Plan Worksheet**

**Category by Function:** Other

**Program:** OTPS

<b>Background Details:</b>	These savings are based on 2012 under runs in facilities maintenance and repair contract costs, water and sewer charges, and real estate charges for additional parking lots that are no longer needed.
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<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	<b>When will savings begin?:</b>	2013	
	<b>Are these savings recurring?:</b>	yes	
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>	\$1.435	\$1.435	\$1.435	\$1.435	\$1.435
Net Cash Savings (in millions)	<b>\$1.435</b>	<b>\$1.435</b>	<b>\$1.435</b>	<b>\$1.435</b>	<b>\$1.435</b>
<i>Total Positions Required:</i>					

**MTA BUS COMPANY**  
**November Financial Plan 2014-2017**  
**2013 Budget Reduction Plan Worksheet**

**Category by Function:** Other

**Program:** OTPS

<b>Background Details:</b>	Various items were identified and aligned in the miscellaneous accounts to generate savings in the Maintenance and Other Operating Contracts and Other Business Expense categories.
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<b>Program Description/ Implementation Plan:</b>
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<b>Program Implementation Date:</b>	<b>When will savings begin?:</b>	2013
	<b>Are these savings recurring?:</b>	yes

**Other Issues:**

	Favorable/(Unfavorable)				
	<u><b>2013</b></u>	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>
<i>Financial Impact (Operating):</i>	\$4.987	\$3.787	\$3.787	\$3.787	\$3.787
<b>Net Cash Savings (in millions)</b>	<b>\$4.987</b>	<b>\$3.787</b>	<b>\$3.787</b>	<b>\$3.787</b>	<b>\$3.787</b>

*Total Positions Required:*

**MTA BUS COMPANY**  
**2014 Final Proposed Budget**  
**November Plan 2014 – 2017**  
**Positions**

**POSITION ASSUMPTIONS**

**2013: November Financial Plan vs July Financial Plan**

The total positions for 2013 in the July Plan were 3,657. There were no additional positions increase to the 2013 November Plan.

**2014: November Financial Plan vs. July Financial Plan**

The total positions for 2014 in the July Plan were 3,653. There is an increase of 51 positions which will result in the sum of 3,704 positions for 2014 in the November Plan. The changes are as follows:

New Needs (total increase of 51 positions) include

- 24 positions net increase in support of the Platform Budget investment
- 1 position in support of the new budget system
- 6 positions in support of Far Rockaway maintenance work at JFK depot
- 2 positions in support of 19A Dispatcher trainers
- 8 positions in support of Bus Operator Training Float
- 10 positions for Bus Operator Employee Availability

**Reimbursable Positions remain the same**

**2015: November Financial Plan vs. July Financial Plan**

The total positions for 2015 in the July Plan were 3,715. There is a net increase of 67 positions which will result in the sum of 3,782 positions for 2015 in the November Plan. The changes are as follows:

- 24 positions net increase in support of the Platform Budget investment
- 1 position in support of the new budget system
- 2 positions in support of 19A Dispatcher trainers
- 8 positions in support of Bus Operator Training Float
- 10 positions for Bus Operator Employee Availability
- 12 positions in support of Shop MCI Engines Overhaul / Repair
- 10 positions in support Shop Structure upgrade

## **2016: November Financial Plan vs. July Financial Plan**

The total positions for 2016 in the July Plan were 3,730. There is a net increase of 67 positions which will result in the sum of 3,797 positions for 2016 in the November 2016 Plan. The changes are as follows:

- 24 positions net increase in support of the Platform Budget investment
- 1 position in support of the new budget system
- 2 positions in support of 19A Dispatcher trainers
- 8 positions in support of Bus Operator Training Float
- 10 positions for Bus Operator Employee Availability
- 12 positions in support of Shop MCI Engines Overhaul / Repair
- 10 positions in support Shop Structure upgrade

## **2017: November Financial Plan vs. July Financial Plan**

The total positions for 2017 in the July Plan were 3,715. There is a net increase of 48 positions which will result in the sum of 3,763 positions for 2017 in the November 2017 Plan. The changes are as follows:

- 24 positions net increase in support of the Platform Budget investment
- 1 position in support of the new budget system
- 2 positions in support of 19A Dispatcher trainers
- 8 positions in support of Bus Operator Training Float
- 10 positions for Bus Operator Employee Availability
- 2 positions in support of Shop MCI Engines Overhaul / Repair
- 1 positions in support Shop Structure upgrade

## **Year-to-Year Changes**

### **2014 Changes Over 2013:**

The total number of positions in 2014 increase by 47, leaving the total number of positions at 3,704. The Changes are as follows:

2014 - Net Change increase of 47 Positions

- 24 positions net increase in support of the Platform Budget investment
- 1 position in support of the new budget system
- 6 positions in support of Far Rockaway maintenance work at JFK depot
- 2 positions in support of 19A Dispatcher trainers
- 8 positions in support of Bus Operator Training Float
- 10 positions for Bus Operator Employee Availability
- 4 positions decrease for Shop Overhaul Program

### **2015 Changes Over 2014:**

The total number of positions in 2015 increase by 78, leaving the number of positions at 3,782. The changes are as follows:

2015 - Net Change increase of 78 Positions

- 82 positions in support of the Shop Overhaul Program
- 6 positions decrease for elimination of Far Rockaway maintenance work at JFK depot
- 2 positions to inspect and monitor Hybrid re-power/diesel bus

### **2016 Changes Over 2015:**

The total number of positions in 2016 increase by 15, leaving the number of positions at 3,797. The changes are as follows:

2016 - Net Change increase of 15 Positions

- 4 positions in support of the BusTime
- 11 positions in support the Shop Overhaul Program

### **2017 Changes Over 2016:**

The total number of positions in 2017 decrease by 34, leaving the number of positions at 3,763. The changes are as follows:

2017 - Net Change decrease of 34 Positions

- 34 positions decrease for Shop Overhaul Program

**MTA BUS COMPANY**  
**November Financial Plan 2014-2017**  
Favorable/(Unfavorable)

**Total Position Changes at a Glance**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>2013 July Plan - Total Baseline Positions</b>	<b>3,657</b>	<b>3,653</b>	<b>3,715</b>	<b>3,730</b>	<b>3,715</b>
Total Plan-to-Plan Changes	0	(51)	(67)	(67)	(48)
<b>2013 November Plan - Total Baseline Positions</b>	<b>3,657</b>	<b>3,704</b>	<b>3,782</b>	<b>3,797</b>	<b>3,763</b>
Total Year-to-Year Changes, November Plan		(47)	(78)	(15)	34

**Total Plan-to-Plan Changes by Reporting Category:**

<i>Non-Reimbursable</i>	0	(51)	(67)	(67)	(48)
<i>Reimbursable</i>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>(51)</b>	<b>(67)</b>	<b>(67)</b>	<b>(48)</b>
<i>Full-Time</i>	0	(51)	(67)	(67)	(48)
<i>Full-Time Equivalents</i>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>(51)</b>	<b>(67)</b>	<b>(67)</b>	<b>(48)</b>
<i>By Function Category</i>					
- Administration	44	39	39	39	39
- Operations	(42)	(82)	(82)	(82)	-82
- Maintenance	0	(6)	(22)	(22)	-3
- Engineering/Capital	0	0	0	0	0
- Public Safety	(2)	(2)	(2)	(2)	-2
<b>Total</b>	<b>0</b>	<b>(51)</b>	<b>(67)</b>	<b>(67)</b>	<b>(48)</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	0	(2)	(2)	(2)	-2
- Professional, Technical, Clerical	0	(1)	(1)	(1)	-1
- Operational Hourlies	0	(48)	(64)	(64)	-45
<b>Total</b>	<b>0</b>	<b>(51)</b>	<b>(67)</b>	<b>(67)</b>	<b>(48)</b>

**Total Plan-to-Plan Changes by Major Category:**

<i>2013 BRPs</i>	0	0	0	0	0
<i>New Needs</i>	0	(51)	(67)	(67)	(48)
<i>Change in Reimbursable Positions</i>	0	0	0	0	0
<i>Re-estimates &amp; All Other</i> <sup>1</sup>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>(51)</b>	<b>(67)</b>	<b>(67)</b>	<b>(48)</b>

<sup>1</sup> Includes Full-time Equivalents

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Total Positions by Function & Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

FUNCTION/DEPARTMENT	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>						
Office of the EVP	4	3	3	3	3	3
Human Resources	8	6	6	6	6	6
Office of Management and Budget	12	14	15	15	15	15
Technology & Information Services	16	16	16	16	16	16
Materiel	16	18	18	18	18	18
Controller	24	15	15	15	15	15
Office of the President	8	6	6	6	6	6
System Safety Administration	2	5	5	5	5	5
Law	23	24	24	24	24	24
Corporate Communications	2	3	3	3	3	3
Strategic Office	6	12	12	12	16	16
Labor Relations	-	4	4	4	4	4
Non Departmental	-	8	17	20	12	16
<b>Total Administration</b>	<b>121</b>	<b>134</b>	<b>144</b>	<b>147</b>	<b>143</b>	<b>147</b>
<b>Operations</b>						
Buses	2,199	2,181	2,211	2,211	2,211	2,211
Office of the Executive Vice President, Regional	2	1	1	1	1	1
Safety & Training	52	18	28	28	28	28
Road Operations	117	116	116	116	116	116
Transportation Support	20	20	20	20	20	20
Operations Planning	30	32	32	32	32	32
Revenue Control	21	21	21	21	21	21
<b>Total Operations</b>	<b>2,441</b>	<b>2,389</b>	<b>2,429</b>	<b>2,429</b>	<b>2,429</b>	<b>2,429</b>
<b>Maintenance</b>						
Buses	741	749	755	751	751	751
Maintenance Support/CMF	160	166	156	235	254	216
Facilities	38	72	73	73	73	73
Supply Logistics	81	92	92	92	92	92
<b>Total Maintenance</b>	<b>1,020</b>	<b>1,079</b>	<b>1,076</b>	<b>1,151</b>	<b>1,170</b>	<b>1,132</b>
<b>Engineering/Capital</b>						
Capital Program Management	34	37	37	37	37	37
<b>Public Safety</b>						
Office of the Senior Vice President	14	18	18	18	18	18
<b>Total Positions</b>	<b>3,630</b>	<b>3,657</b>	<b>3,704</b>	<b>3,782</b>	<b>3,797</b>	<b>3,763</b>
Non-Reimbursable	3,572	3,593	3,640	3,718	3,733	3,699
Reimbursable	58	64	64	64	64	64
Total Full-Time	3,611	3,642	3,689	3,767	3,782	3,748
Total Full-Time Equivalents	19	15	15	15	15	15

**MTA BUS COMPANY**  
**November Financial Plan 2014 - 2017**  
**Total Positions by Function and Occupation**

<b>FUNCTION/OCCUPATIONAL GROUP</b>	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Administration</b>						
Managers/Supervisors	43	56	56	56	56	56
Professional, Technical, Clerical	78	70	71	71	75	75
Operational Hourlies	-	8	17	20	12	16
<b>Total Administration</b>	<b>121</b>	<b>134</b>	<b>144</b>	<b>147</b>	<b>143</b>	<b>147</b>
<b>Operations</b>						
Managers/Supervisors	295	296	298	298	298	298
Professional, Technical, Clerical	55	51	51	51	51	51
Operational Hourlies	2,091	2,042	2,080	2,080	2,080	2,080
<b>Total Operations</b>	<b>2,441</b>	<b>2,389</b>	<b>2,429</b>	<b>2,429</b>	<b>2,429</b>	<b>2,429</b>
<b>Maintenance</b>						
Managers/Supervisors	194	205	205	207	207	207
Professional, Technical, Clerical	13	16	17	17	17	17
Operational Hourlies	813	858	854	927	946	908
<b>Total Maintenance</b>	<b>1,020</b>	<b>1,079</b>	<b>1,076</b>	<b>1,151</b>	<b>1,170</b>	<b>1,132</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	19	21	21	21	21	21
Professional, Technical, Clerical	15	16	16	16	16	16
Operational Hourlies	-	-	-	-	-	-
<b>Total Engineering/Capital</b>	<b>34</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
<b>Public Safety</b>						
Managers/Supervisors	7	14	14	14	14	14
Professional, Technical, Clerical	5	4	4	4	4	4
Operational Hourlies	2	-	-	-	-	-
<b>Total Public Safety</b>	<b>14</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>Total Positions</b>						
Managers/Supervisors	558	592	594	596	596	596
Professional, Technical, Clerical	166	157	159	159	163	163
Operational Hourlies	2,906	2,908	2,951	3,027	3,038	3,004
<b>Total Baseline Positions</b>	<b>3,630</b>	<b>3,657</b>	<b>3,704</b>	<b>3,782</b>	<b>3,797</b>	<b>3,763</b>

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# **Staten Island Railway**

**MTA STATEN ISLAND RAILWAY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2013 - 2016**

**FINANCIAL OVERVIEW**

The 2014 Final Proposed Budget and projections for the years 2015-2017 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.

The two major programmatic changes included in this financial plan represent a significant update in preliminary R44 fleet maintenance assumptions and the addition of 34 reimbursable positions in support of Sandy-related capital construction requirements.

The SIR R44 fleet of 63 cars is now over forty years old, which is considered to be the full useful life of these vehicles. In order to maintain this fleet in a state of good repair to be able to operate safely and reliably towards eventual replacement, it will be necessary for this fleet to undergo a full maintenance program to be performed at MTA New York City Transit's subway's facilities. In the 2012 July Financial Plan, preliminary assumptions then were for a three-year maintenance program from 2014 through 2016, with a total cost of \$12.900 million. A recent evaluation update of two cars indicated that significantly more maintenance would be required, increasing the previous cost estimate by \$12.500 million or an updated total estimate of \$25.400 million, now to be performed over the three year period 2015 through 2017. In the interim, an additional estimate of \$0.500 million of overtime and material expenses for 2014 is also necessary in order to enable SIR to deal directly with more immediate component problems that can be addressed in the Staten Island Shop. It is important to note that these updated assumptions remain preliminary, as management continues to evaluate various options towards final resolution of fleet and related maintenance issues.

In 2012, Tropical Storm Sandy caused estimated damages exceeding \$100 million to Staten Island Railway's infrastructure. Contractors are currently in the process of being hired to perform required repairs and flood mitigation work. SIR proposes to add 34 reimbursable positions to provide labor support to meet functional requirements such as for flagging, power/signal/third rail/electrical maintenance, engineering, switching crews, and train dispatching. The cost of these positions, including related overhead costs, is estimated at \$4.369 million per year, or \$11.035 million for the projected 2.5 year work period assumed in this plan, mostly effective 1/1/14.

## **2013 November Forecast**

MTA Staten Island Railway's 2013 November Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$48.173 million, including \$46.386 million of non-reimbursable expenses and \$1.787 million of reimbursable expenses. Total revenues are projected to be \$11.469 million, of which \$9.682 million are operating revenues and \$1.787 million represent capital reimbursements. Total full-time positions are 276, including 268 non-reimbursable positions and 8 reimbursable positions.

The 2013 November Forecast operating cash deficit is projected to increase by \$1.405 million, based on the following major changes:

- An estimated catch-up of \$1.350 million of residual Sandy operating recovery expenses, not reflected in the July Financial Plan
- Property/liability insurance expense re-estimates, resulting in an increase of \$0.762 million
- The favorable timing of \$0.557 million of non-revenue vehicle replacement, now deferred to 2014
- A re-estimate of ridership, resulting in a farebox revenue increase of \$0.113 million

## **2014 Final Proposed Budget**

MTA Staten Island Railway's 2014 Final Proposed Budget reflects total expenses before depreciation and OPEB of \$48.343 million, including \$42.294 million of non-reimbursable expenses and \$6.049 million of reimbursable expenses. Total revenues are projected to be \$15.925 million, of which \$9.876 million are operating revenues and \$6.049 million represent capital reimbursements. Total full-time positions are 305, including 268 non-reimbursable positions and 37 reimbursable positions.

The 2014 Final Proposed Budget operating cash deficit is projected to decrease by \$1.020 million, based on the following major changes:

- Non-reimbursable overhead credits of \$2.205 million, resulting from Sandy reimbursable capital construction labor support
- The favorable timing of R44 fleet maintenance program requirements of \$2.150 million, deferred to 2017
- Property/liability insurance expense re-estimates, resulting in an increase of \$0.976 million
- An estimated \$1.200 million of residual Sandy operating recovery expenses

- The unfavorable timing of \$0.557 million of non-revenue vehicle replacement, now deferred from 2013
- An increase of \$0.500 million of local SI Shop fleet maintenance expenses to provide fleet coverage in the interim prior to the full maintenance program scheduled to begin in 2015

### **November Financial Plan 2015-2017 Projections**

Operating cash deficits are projected to increase by \$3.015 million in 2015, \$4.568 million in 2016, and \$8.243 million in 2017. Major changes include:

- Additional R44 fleet maintenance requirements of \$4.167 million in 2015, \$4.167 million in 2016, and \$6.316 million in 2017, including the unfavorable timing in 2017 of expenses of \$2.150 million deferred from 2014
- Property/liability insurance expense re-estimates, resulting in increases of \$1.204 million in 2015, \$1.613 million in 2016, and \$2.074 million in 2017
- Non-reimbursable overhead credits of \$2.205 million in 2015 and \$1.102 million in 2016, resulting from Sandy reimbursable capital construction labor support

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>Non-Reimbursable</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November Forecast</b>	<b>Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Operating Revenue</b>						
Farebox Revenue	\$5.389	\$5.517	\$5.727	\$5.806	\$5.877	\$5.911
Toll Revenue						
Other Operating Revenue	2.304	4.165	4.149	2.358	2.379	2.401
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$7.693</b>	<b>\$9.682</b>	<b>\$9.876</b>	<b>\$8.164</b>	<b>\$8.256</b>	<b>\$8.312</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$17.432	\$17.518	\$17.761	\$18.070	\$18.437	\$18.832
Overtime	1.541	2.507	2.269	0.734	0.748	0.761
Health and Welfare	3.206	4.035	4.212	4.353	4.586	4.833
OPEB Current Payment	0.794	0.864	0.859	0.887	0.937	0.988
Pensions	4.900	5.620	5.551	5.651	5.751	5.851
Other Fringe Benefits	3.107	1.650	1.535	1.558	1.584	1.609
Reimbursable Overhead	0.000	(0.057)	(2.205)	(2.205)	(1.102)	0.000
<b>Total Labor Expenses</b>	<b>\$30.980</b>	<b>\$32.137</b>	<b>\$29.982</b>	<b>\$29.048</b>	<b>\$30.941</b>	<b>\$32.874</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$3.101	\$5.042	\$5.643	\$5.917	\$6.287	\$6.642
Fuel	0.318	0.360	0.368	0.350	0.335	0.342
Insurance	0.389	1.180	1.680	1.859	2.174	2.656
Claims	0.148	0.079	0.083	0.088	0.093	0.099
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.695	3.667	2.760	10.816	10.508	10.256
Professional Service Contracts	0.700	0.423	0.420	0.425	0.435	0.444
Materials & Supplies	2.297	3.493	1.528	1.025	1.329	1.637
Other Business Expenses	0.113	0.005	(0.170)	0.005	0.005	0.005
<b>Total Non-Labor Expenses</b>	<b>\$8.761</b>	<b>\$14.249</b>	<b>\$12.312</b>	<b>\$20.485</b>	<b>\$21.166</b>	<b>\$22.081</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Accruals</b>	<b>\$39.741</b>	<b>\$46.386</b>	<b>\$42.294</b>	<b>\$49.533</b>	<b>\$52.107</b>	<b>\$54.955</b>
Depreciation	\$8.880	\$8.600	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.139	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.017)	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$50.743</b>	<b>\$57.286</b>	<b>\$52.894</b>	<b>\$60.133</b>	<b>\$62.707</b>	<b>\$65.555</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$43.050)</b>	<b>(\$47.604)</b>	<b>(\$43.018)</b>	<b>(\$51.969)</b>	<b>(\$54.451)</b>	<b>(\$57.243)</b>

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**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**

	2012 <u>Actual</u>	2013 November <u>Forecast</u>	2014 Final Proposed <u>Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenue</b>						
Farebox Revenue	\$5.389	\$5.517	\$5.727	\$5.806	\$5.877	\$5.911
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.304	4.165	4.149	2.358	2.379	2.401
Capital and Other Reimbursements	0.918	1.787	6.049	6.049	3.864	1.680
<b>Total Revenue</b>	<b>\$8.611</b>	<b>\$11.469</b>	<b>\$15.925</b>	<b>\$14.213</b>	<b>\$12.120</b>	<b>\$9.992</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$17.615	\$17.861	\$20.210	\$20.519	\$19.806	\$19.120
Overtime	1.829	3.211	2.976	1.441	1.453	1.465
Health and Welfare	3.520	4.548	4.729	4.870	5.103	5.350
OPEB Current Payment	0.794	0.864	0.859	0.887	0.937	0.988
Pensions	4.900	5.714	5.645	5.745	5.845	5.945
Other Fringe Benefits	3.111	1.726	1.612	1.635	1.661	1.686
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$31.769</b>	<b>\$33.924</b>	<b>\$36.031</b>	<b>\$35.097</b>	<b>\$34.805</b>	<b>\$34.554</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$3.101	\$5.042	\$5.643	\$5.917	\$6.287	\$6.642
Fuel	0.318	0.360	0.368	0.350	0.335	0.342
Insurance	0.389	1.180	1.680	1.859	2.174	2.656
Claims	0.148	0.079	0.083	0.088	0.093	0.099
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.695	3.667	2.760	10.816	10.508	10.256
Professional Service Contracts	0.700	0.423	0.420	0.425	0.435	0.444
Materials & Supplies	2.426	3.493	1.528	1.025	1.329	1.637
Other Business Expenses	0.113	0.005	(0.170)	0.005	0.005	0.005
<b>Total Non-Labor Expenses</b>	<b>\$8.890</b>	<b>\$14.249</b>	<b>\$12.312</b>	<b>\$20.485</b>	<b>\$21.166</b>	<b>\$22.081</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$40.659</b>	<b>\$48.173</b>	<b>\$48.343</b>	<b>\$55.582</b>	<b>\$55.971</b>	<b>\$56.635</b>
Depreciation	\$8.880	\$8.600	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.139	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.017)	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$51.661</b>	<b>\$59.073</b>	<b>\$58.943</b>	<b>\$66.182</b>	<b>\$66.571</b>	<b>\$67.235</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$43.050)</b>	<b>(\$47.604)</b>	<b>(\$43.018)</b>	<b>(\$51.969)</b>	<b>(\$54.451)</b>	<b>(\$57.243)</b>

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November</b>	<b>Final Proposed</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
		<b>Forecast</b>	<b>Budget</b>			
<b>Receipts</b>						
Farebox Revenue	\$5.827	\$5.097	\$5.727	\$5.805	\$5.877	\$5.911
Vehicle Toll Revenue						
Other Operating Revenue	1.442	4.794	4.149	2.358	2.379	2.401
Capital and Other Reimbursements	0.275	2.430	6.049	6.049	3.864	1.680
<b>Total Receipts</b>	<b>\$7.544</b>	<b>\$12.321</b>	<b>\$15.925</b>	<b>\$14.212</b>	<b>\$12.120</b>	<b>\$9.992</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$19.493	\$17.861	\$20.210	\$20.519	\$19.806	\$19.120
Overtime	1.891	3.211	2.976	1.441	1.453	1.465
Health and Welfare	4.196	4.548	4.729	4.870	5.103	5.350
OPEB Current Payment	0.650	0.864	0.859	0.887	0.937	0.988
Pensions	4.951	5.714	5.645	5.745	5.845	5.945
Other Fringe Benefits	1.555	1.726	1.612	1.635	1.661	1.686
GASB Account	0.137	0.500	0.175	0.180	0.191	0.202
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$32.873</b>	<b>\$34.424</b>	<b>\$36.206</b>	<b>\$35.277</b>	<b>\$34.996</b>	<b>\$34.756</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$4.045	\$5.042	\$5.643	\$5.917	\$6.287	\$6.642
Fuel	0.168	0.360	0.368	0.350	0.335	0.342
Insurance	0.229	1.180	1.680	1.859	2.174	2.656
Claims	0.275	0.079	0.083	0.088	0.093	0.099
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.106	4.067	2.760	10.816	10.508	10.256
Professional Service Contracts	0.352	0.638	0.420	0.425	0.435	0.444
Materials & Supplies	3.405	3.493	1.528	1.025	1.329	1.637
Other Business Expenses	0.047	0.005	(0.170)	0.005	0.005	0.005
<b>Total Non-Labor Expenditures</b>	<b>\$9.627</b>	<b>\$14.864</b>	<b>\$12.312</b>	<b>\$20.485</b>	<b>\$21.166</b>	<b>\$22.081</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$42.500</b>	<b>\$49.288</b>	<b>\$48.518</b>	<b>\$55.762</b>	<b>\$56.162</b>	<b>\$56.837</b>
<b>Baseline Cash Deficit</b>	<b>(\$34.956)</b>	<b>(\$36.967)</b>	<b>(\$32.593)</b>	<b>(\$41.550)</b>	<b>(\$44.042)</b>	<b>(\$46.845)</b>

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

**CASH FLOW ADJUSTMENTS**

	<b>2012</b>	<b>2013</b>	<b>2014</b>			
	<b>Actual</b>	<b>November</b>	<b>Final Proposed</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
		<b>Forecast</b>	<b>Budget</b>			
<b>Receipts</b>						
Farebox Revenue	\$0.438	(\$0.420)	\$0.000	(\$0.001)	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.862)	0.629	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	(0.643)	0.643	0.000	0.000	0.000	0.000
<b>Total Receipts</b>	<b>(\$1.067)</b>	<b>\$0.852</b>	<b>\$0.000</b>	<b>(\$0.001)</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	(\$1.878)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	(0.062)	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(0.676)	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.144	0.000	0.000	0.000	0.000	0.000
Pensions	(0.051)	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	1.556	0.000	0.000	0.000	0.000	0.000
GASB Account	(0.137)	(0.500)	(0.175)	(0.180)	(0.191)	(0.202)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>(\$1.104)</b>	<b>(\$0.500)</b>	<b>(\$0.175)</b>	<b>(\$0.180)</b>	<b>(\$0.191)</b>	<b>(\$0.202)</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	(\$0.944)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.150	0.000	0.000	0.000	0.000	0.000
Insurance	0.160	0.000	0.000	0.000	0.000	0.000
Claims	(0.127)	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.589	(0.400)	0.000	0.000	0.000	0.000
Professional Service Contracts	0.348	(0.215)	0.000	0.000	0.000	0.000
Materials & Supplies	(0.979)	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.066	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenditures</b>	<b>(\$0.737)</b>	<b>(\$0.615)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditures Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b>	<b>(\$2.908)</b>	<b>(\$0.263)</b>	<b>(\$0.175)</b>	<b>(\$0.181)</b>	<b>(\$0.191)</b>	<b>(\$0.202)</b>
Depreciation Adjustment	\$8.880	\$8.600	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.139	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.017)	0.000	0.000	0.000	0.000	0.000
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$8.094</b>	<b>\$10.637</b>	<b>\$10.425</b>	<b>\$10.419</b>	<b>\$10.409</b>	<b>\$10.398</b>
<b>Total Cash Conversion Adjustments</b>	<b>\$8.094</b>	<b>\$10.637</b>	<b>\$10.425</b>	<b>\$10.419</b>	<b>\$10.409</b>	<b>\$10.398</b>

**MTA STATEN ISLAND RAILWAY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014 - 2017**  
**Year-to-Year Changes by Category-Baseline**

**TOTAL REVENUES/RECEIPTS**

**Farebox Revenue**

- Farebox revenue improves by \$0.210 million or 3.8% in 2014, due largely to the annualization of the March 2013 fare increase and a projected increase in employment. Farebox revenue is also projected to increase by \$0.079 million or 1.4% in 2015, \$0.071 million or 1.2% in 2016, and \$0.034 million or 0.6% in 2017 due to updated employment projections. 2013 includes an unfavorable cash timing adjustment of \$0.420 million, due to the timing of farebox receipt settlements with NYCT.

**Other Operating Revenue**

- The major decrease of 2015 from 2014 of \$1.791 million or 43.2% was due to non-recurring Sandy insurance recoveries. 2013 includes a favorable cash timing adjustment of \$0.629 million, due to delays in 2012 of receipt of student fare reimbursements.

**Capital and Other Reimbursements**

- Major increases are for reimbursement of Sandy capital construction labor support costs.
- 2013 includes \$0.643 million of reimbursements delayed from 2012.

**TOTAL EXPENSES/EXPENDITURES**

**Payroll**

- Salaries for non-represented employees, having gone four consecutive years without raises, are assumed to follow CPI-based increases in 2013. No across-the-board raises have been granted as of the November Plan.
- 2014-2017 includes provisions for cost of living increases for non-represented employees of 1.91%, 1.85%, 1.89%, and 1.85%, respectively.
- 2014-2017 includes projected wage inflation increases for represented employees of 1.91%, 1.85%, 1.89% and 1.85%, respectively.

**Overtime**

- Includes projected wage inflation increases as noted above for represented employees.

**Health & Welfare/OPEB Current Payment**

- 2014-2017 includes projected rate increases of 4.9%, 3.4%, 5.5% and 5.5%, respectively.

**Pension**

- Projections are based on current actuarial information.

**Other Fringe Benefits**

- 2014-2017 includes inflation increases of 1.41%, 1.69%, 1.95% and 1.83%, respectively.

**Electric Power (Traction/Non-Traction)**

- 2014-2017 inflation assumptions are based on projected New York Power Authority (NYPA)/Con Edison rate increases provided by MTA.

**Fuel (Heating/Diesel)**

- 2014-2017 reflects inflationary assumptions provided by MTA.

**Insurance**

- 2014-2017 reflects inflationary assumptions provided by MTA.

**Claims**

- 2014-2017 reflects inflationary assumptions of 1.41%, 1.69%, 1.95% and 1.83%, respectively.

**Maintenance and Other Operating Contracts**

- 2014-2017 reflects inflationary increases of 1.41%, 1.69%, 1.95% and 1.83%, respectively. R44 fleet maintenance program costs are included as follows: \$0.500 million in 2014, and \$8.467 million in each year 2015-2017. Non-revenue vehicle replacement purchases, which were just reclassified from materials & supplies, are now included in maintenance contracts as follows: \$2.086 million in 2013, \$0.835 million in 2014, \$0.560 million in 2015 and \$0.284 million in 2016. 2013 includes \$0.400 million of payments, originally assumed to be paid in 2012.

**Professional Service Contracts**

- 2014-2017 reflects inflationary increases of 1.41%, 1.69%, 1.95% and 1.83%, respectively. 2013 includes \$0.215 million of payments, originally assumed to be paid in 2012.

**Materials and Supplies**

- 2014-2017 reflects inflationary increases of 2.05%, 1.64%, 1.50% and 1.35%, respectively. The reduction in 2014 of \$1.965 million was due reduced Sandy requirements.

**Other Business Expenses**

- 2014-2017 reflects inflationary increases of 1.41%, 1.69%, 1.95% and 1.83%, respectively.

**Depreciation**

- Annual expenses decrease in 2014 by \$0.300 million, due to the write-off of impaired assets at year-end 2012 caused by Sandy.

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b>Revenue</b>									
Farebox Revenue	\$5.517	\$5.727	\$0.210	\$5.806	\$0.079	\$5.877	\$0.071	\$5.911	\$0.034
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	4.165	4.149	(0.016)	2.358	(1.791)	2.379	0.021	2.401	0.022
Capital and Other Reimbursements	0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000
<b>Total Revenue</b>	<b>\$9.682</b>	<b>\$9.876</b>	<b>\$0.194</b>	<b>\$8.164</b>	<b>(\$1.712)</b>	<b>\$8.256</b>	<b>\$0.092</b>	<b>\$8.312</b>	<b>\$0.056</b>
<b>Expenses</b>									
Labor:									
Payroll	\$17.518	\$17.761	(0.243)	\$18.070	(0.309)	\$18.437	(0.367)	\$18.832	(0.395)
Overtime	2.507	2.269	0.238	0.734	1.535	0.748	(0.014)	0.761	(0.013)
Health and Welfare	4.035	4.212	(0.177)	4.353	(0.141)	4.586	(0.233)	4.833	(0.247)
OPEB Current Payment	0.864	0.859	0.005	0.887	(0.028)	0.937	(0.050)	0.988	(0.051)
Pensions	5.620	5.551	0.069	5.651	(0.100)	5.751	(0.100)	5.851	(0.100)
Other Fringe Benefits	1.650	1.535	0.115	1.558	(0.023)	1.584	(0.026)	1.609	(0.025)
Reimbursable Overhead	(0.057)	(2.205)	2.148	(2.205)	0.000	(1.102)	(1.103)	0.000	(1.102)
<b>Total Labor Expenses</b>	<b>\$32.137</b>	<b>\$29.982</b>	<b>\$2.155</b>	<b>\$29.048</b>	<b>\$0.934</b>	<b>\$30.941</b>	<b>(\$1.893)</b>	<b>\$32.874</b>	<b>(\$1.933)</b>
Non-Labor:									
Electric Power	5.042	5.643	(0.601)	5.917	(0.274)	6.287	(0.370)	6.642	(0.355)
Fuel	0.360	0.368	(0.008)	0.350	0.018	0.335	0.015	0.342	(0.007)
Insurance	1.180	1.680	(0.500)	1.859	(0.179)	2.174	(0.315)	2.656	(0.482)
Claims	0.079	0.083	(0.004)	0.088	(0.005)	0.093	(0.005)	0.099	(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	3.667	2.760	0.907	10.816	(8.056)	10.508	0.308	10.256	0.252
Professional Service Contracts	0.423	0.420	0.003	0.425	(0.005)	0.435	(0.010)	0.444	(0.009)
Materials & Supplies	3.493	1.528	1.965	1.025	0.503	1.329	(0.304)	1.637	(0.308)
Other Business Expenses	0.005	(0.170)	0.175	0.005	(0.175)	0.005	0.000	0.005	0.000
<b>Total Non-Labor Expenses</b>	<b>\$14.249</b>	<b>\$12.312</b>	<b>\$1.937</b>	<b>\$20.485</b>	<b>(\$8.173)</b>	<b>\$21.166</b>	<b>(\$0.681)</b>	<b>\$22.081</b>	<b>(\$0.915)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$46.386</b>	<b>\$42.294</b>	<b>\$4.092</b>	<b>\$49.533</b>	<b>(\$7.239)</b>	<b>\$52.107</b>	<b>(\$2.574)</b>	<b>\$54.955</b>	<b>(\$2.848)</b>
Depreciation	8.600	8.300	0.300	8.300	0.000	8.300	0.000	8.300	0.000
OPEB Obligation	2.300	2.300	0.000	2.300	0.000	2.300	0.000	2.300	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$57.286</b>	<b>\$52.894</b>	<b>\$4.392</b>	<b>\$60.133</b>	<b>(\$7.239)</b>	<b>\$62.707</b>	<b>(\$2.574)</b>	<b>\$65.555</b>	<b>(\$2.848)</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$47.604)</b>	<b>(\$43.018)</b>	<b>\$4.586</b>	<b>(\$51.969)</b>	<b>(\$8.951)</b>	<b>(\$54.451)</b>	<b>(\$2.482)</b>	<b>(\$57.243)</b>	<b>(\$2.792)</b>

## REIMBURSABLE

[illegible]

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Year-to-Year Changes by Category - Cash Receipts and Expenditures**  
**(\$ in millions)**

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<b><u>Receipts</u></b>									
Farebox Revenue	\$5.097	\$5.727	\$0.630	\$5.805	\$0.078	\$5.877	\$0.072	\$5.911	\$0.034
Other Operating Revenue	4.794	4.149	(0.645)	2.358	(1.791)	2.379	0.021	2.401	0.022
Capital and Other Reimbursements	2.430	6.049	3.619	6.049	0.000	3.864	(2.185)	1.680	(2.184)
<b>Total Receipts</b>	<b>\$12.321</b>	<b>\$15.925</b>	<b>\$3.604</b>	<b>\$14.212</b>	<b>(\$1.713)</b>	<b>\$12.120</b>	<b>(\$2.092)</b>	<b>\$9.992</b>	<b>(\$2.128)</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	17.861	20.210	(2.349)	20.519	(0.309)	19.806	0.713	19.120	0.686
Overtime	3.211	2.976	0.235	1.441	1.535	1.453	(0.012)	1.465	(0.012)
Health and Welfare	4.548	4.729	(0.181)	4.870	(0.141)	5.103	(0.233)	5.350	(0.247)
OPEB Current Payment	0.864	0.859	0.005	0.887	(0.028)	0.937	(0.050)	0.988	(0.051)
Pensions	5.714	5.645	0.069	5.745	(0.100)	5.845	(0.100)	5.945	(0.100)
Other Fringe Benefits	1.726	1.612	0.114	1.635	(0.023)	1.661	(0.026)	1.686	(0.025)
GASB Account	0.500	0.175	0.325	0.180	(0.005)	0.191	(0.011)	0.202	(0.011)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$34.424</b>	<b>\$36.206</b>	<b>(\$1.782)</b>	<b>\$35.277</b>	<b>\$0.929</b>	<b>\$34.996</b>	<b>\$0.281</b>	<b>\$34.756</b>	<b>\$0.240</b>
Non-Labor:									
Electric Power	5.042	5.643	(0.601)	5.917	(0.274)	6.287	(0.370)	6.642	(0.355)
Fuel	0.360	0.368	(0.008)	0.350	0.018	0.335	0.015	0.342	(0.007)
Insurance	1.180	1.680	(0.500)	1.859	(0.179)	2.174	(0.315)	2.656	(0.482)
Claims	0.079	0.083	(0.004)	0.088	(0.005)	0.093	(0.005)	0.099	(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	4.067	2.760	1.307	10.816	(8.056)	10.508	0.308	10.256	0.252
Professional Service Contracts	0.638	0.420	0.218	0.425	(0.005)	0.435	(0.010)	0.444	(0.009)
Materials & Supplies	3.493	1.528	1.965	1.025	0.503	1.329	(0.304)	1.637	(0.308)
Other Business Expenses	0.005	(0.170)	0.175	0.005	(0.175)	0.005	0.000	0.005	0.000
<b>Total Non-Labor Expenditures</b>	<b>\$14.864</b>	<b>\$12.312</b>	<b>\$2.552</b>	<b>\$20.485</b>	<b>(\$8.173)</b>	<b>\$21.166</b>	<b>(\$0.681)</b>	<b>\$22.081</b>	<b>(\$0.915)</b>
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$49.288</b>	<b>\$48.518</b>	<b>\$0.770</b>	<b>\$55.762</b>	<b>(\$7.244)</b>	<b>\$56.162</b>	<b>(\$0.400)</b>	<b>\$56.837</b>	<b>(\$0.675)</b>
<b>Net Cash Deficit</b>	<b>(\$36.967)</b>	<b>(\$32.593)</b>	<b>\$4.374</b>	<b>(\$41.550)</b>	<b>(\$8.957)</b>	<b>(\$44.042)</b>	<b>(\$2.492)</b>	<b>(\$46.845)</b>	<b>(\$2.803)</b>

**MTA STATEN ISLAND RAILWAY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014-2017**  
**Summary of Plan to Plan Changes-Baseline**

**2013: November Financial Plan vs. July Financial Plan**

**Revenue Re-estimates**

- A re-estimate of ridership, resulting in a farebox revenue increase of \$0.113 million.

**Expense Re-estimates**

- An estimated catch-up of \$1.350 million of residual Sandy operating recovery expenses, not reflected in the July Financial Plan.
- Property/liability insurance expense re-estimates, resulting in an increase of \$0.762 million.
- The favorable timing of \$0.557 million of non-revenue vehicle replacement, now deferred to 2014.
- A decrease in depreciation expense of \$0.400 million, due to the write-off at year-end 2012 of assets impaired by the impact of Sandy.

**Cash Adjustments**

- Cash offset of \$0.400 million to the non-cash depreciation expense reduction.

**2014-2017: November Financial Plan vs. July Financial Plan**

**Revenue Re-estimates**

- A re-estimate of ridership, resulting in an increase in farebox revenue of \$0.151 million in 2014, \$0.160 million in 2015, \$0.165 million in 2016 and \$0.167 million in 2017.
- A reduction in other operating revenue in 2014 of \$0.377 million, based on a re-estimate of Sandy residual expense recoveries.
- The addition of Sandy capital construction labor support expense reimbursements of \$4.369 million in both 2014 and 2015 and \$2.184 million in 2016.

## **Expense Re-estimates**

- Additional R44 fleet maintenance requirements of \$0.500 million in 2014, \$4.167 million in 2015, \$4.167 million in 2016, and \$4.166 million in 2017.
- The timing of R44 fleet maintenance program requirements of \$2.150 from 2014 to 2017.
- Property/liability insurance expense re-estimates, resulting in increases of \$0.976 million in 2014, \$1.204 million in 2015, \$1.613 million in 2016, and \$2.074 million in 2017.
- Non-reimbursable overhead credits of \$2.205 million in 2014 and 2015 and \$1.102 million in 2016, resulting from Sandy reimbursable capital construction labor support.
- An estimated \$1.200 million of residual Sandy operating recovery expenses in 2014.
- The unfavorable timing of \$0.557 million of non-revenue vehicle replacement in 2014, now deferred from 2013.
- The addition of Sandy capital construction labor support reimbursable expenses of \$4.369 million in both 2014 and 2015 and \$2.184 million in 2016.
- A decrease in depreciation expense of \$0.700 million per year, due to the write-off at year-end 2012 of assets impaired by the impact of Sandy.

## **Cash Adjustments**

- Cash offset of \$0.700 million per year to the non-cash depreciation expense reduction.

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

<b>NON-REIMBURSABLE</b>					
	2013	2014	2015	2016	2017
<b>July Financial Plan Net Cash Deficit (adjusted)*</b>	<b>(\$35.562)</b>	<b>(\$33.613)</b>	<b>(\$38.535)</b>	<b>(\$39.474)</b>	<b>(\$38.602)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.113	\$0.151	\$0.160	\$0.165	\$0.167
Other Operating Revenue	0.000	(0.377)	0.000	0.000	0.000
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$0.113</b>	<b>(\$0.226)</b>	<b>\$0.160</b>	<b>\$0.165</b>	<b>\$0.167</b>
<b>Expenses</b>					
<b>Labor:</b>					
Payroll	(\$0.009)	(\$0.034)	(\$0.034)	(\$0.034)	(\$0.034)
Overtime	(1.425)	(1.550)	0.000	0.000	0.000
Health and Welfare	(0.001)	0.246	0.228	0.264	0.303
OPEB Current Payment	(0.034)	0.015	0.011	0.016	0.022
Pensions	(0.001)	(0.005)	(0.005)	(0.005)	(0.005)
Other Fringe Benefits	(0.001)	0.000	(0.002)	(0.005)	(0.006)
Reimbursable Overhead	0.057	2.205	2.205	1.102	0.000
<b>Total Labor Expense Changes</b>	<b>(\$1.414)</b>	<b>\$0.877</b>	<b>\$2.403</b>	<b>\$1.338</b>	<b>\$0.280</b>
<b>Non-Labor:</b>					
Traction and Propulsion Power	\$0.069	(\$0.205)	(\$0.246)	(\$0.329)	(\$0.339)
Fuel for Buses and Trains	0.026	0.019	0.026	0.032	0.034
Insurance	(0.762)	(0.976)	(1.204)	(1.613)	(2.074)
Claims	0.000	0.000	(0.001)	(0.001)	(0.001)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(2.086)	1.318	(4.726)	(4.454)	(6.319)
Professional Service Contracts	0.000	0.000	0.001	(0.001)	(0.001)
Materials & Supplies	2.649	0.038	0.572	0.295	0.010
Other Business Expenses	0.000	0.175	0.000	0.000	0.000
<b>Total Non-Labor Expense Changes</b>	<b>(\$1.104)</b>	<b>\$3.69</b>	<b>(\$5.578)</b>	<b>(\$6.071)</b>	<b>(\$8.690)</b>
<b>Total Expense Changes before Depreciation &amp; GASB Adjs.</b>	<b>(\$1.518)</b>	<b>\$1.246</b>	<b>(\$3.175)</b>	<b>(\$4.733)</b>	<b>(\$8.410)</b>
Depreciation	0.400	0.700	0.700	0.700	0.700
OPEB Obligation	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000
<b>Total Depreciation and GASB Adjs. Changes</b>	<b>\$0.400</b>	<b>\$0.700</b>	<b>\$0.700</b>	<b>\$0.700</b>	<b>\$0.700</b>
<b>Cash Adjustment Changes</b>					
Depreciation	(\$0.400)	(\$0.700)	(\$0.700)	(\$0.700)	(\$0.700)
<b>Total Cash Adjustment Changes</b>	<b>(\$0.400)</b>	<b>(\$0.700)</b>	<b>(\$0.700)</b>	<b>(\$0.700)</b>	<b>(\$0.700)</b>
<b>Total Baseline Changes</b>	<b>(\$1.405)</b>	<b>\$1.020</b>	<b>(\$3.015)</b>	<b>(\$4.568)</b>	<b>(\$8.243)</b>
<b>Total Changes</b>	<b>(\$1.405)</b>	<b>\$1.020</b>	<b>(\$3.015)</b>	<b>(\$4.568)</b>	<b>(\$8.243)</b>
<b>November Financial Plan Net Cash Deficit</b>	<b>(\$36.967)</b>	<b>(\$32.593)</b>	<b>(\$41.550)</b>	<b>(\$44.042)</b>	<b>(\$46.845)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

REIMBURSABLE					
	2013	2014	2015	2016	2017
July Financial Plan Net Cash Deficit (adjusted)*	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Baseline Changes</b>					
<b>Revenue</b>					
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	0.113	4.369	4.369	2.184	0.000
<b>Total Revenue Changes</b>	<b>\$0.113</b>	<b>\$4.369</b>	<b>\$4.369</b>	<b>\$2.184</b>	<b>\$0.000</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	(\$0.056)	(\$2.161)	(\$2.161)	(\$1.082)	\$0.000
Overtime	0.000	(0.003)	(0.003)	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	(0.057)	(2.205)	(2.205)	(1.102)	0.000
<b>Total Labor Expense Changes</b>	<b>(\$0.113)</b>	<b>(\$4.369)</b>	<b>(\$4.369)</b>	<b>(\$2.184)</b>	<b>\$0.000</b>
<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
<b>Total Non-Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expense Changes</b>	<b>(\$0.113)</b>	<b>(\$4.369)</b>	<b>(\$4.369)</b>	<b>(\$2.184)</b>	<b>\$0.000</b>
<b>Cash Adjustment Changes</b>					
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>November Financial Plan Net Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA Staten Island Railway**  
**November Financial Plan 2014-2017**  
**Summary of Major Programmatic Changes Between Financial Plans**  
**(\$ in millions)**

**NON-REIMBURSABLE and REIMBURSABLE**

	2013	2014	2015	2016	2017
<b>July Financial Plan Net Cash Deficit (adjusted)*</b>	<b>(\$35.562)</b>	<b>(\$33.613)</b>	<b>(\$38.535)</b>	<b>(\$39.474)</b>	<b>(\$38.602)</b>
<b>Non-Reimbursable Major Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.113	\$0.151	\$0.160	\$0.165	\$0.167
Other Operating Revenue	-	(0.377)	-	-	-
Sub-Total Non-Reimbursable Revenue Changes	0.113	(0.226)	0.160	0.165	0.167
<b>Expenses</b>					
Additional R44 Fleet Maintenance Requirements/Timing	\$0.000	\$1.650	(\$4.167)	(\$4.167)	(\$6.316)
Estimated Sandy Residual Operating Recovery Overtime Expenses	(1.350)	(1.200)	0.000	0.000	0.000
Reimbursable Overhead Credits from Sandy Capital Construction Labor Support	0.057	2.205	2.205	1.102	0.000
Timing of Replacement of Non-Revenue Vehicles	0.557	(0.557)	0.000	0.000	0.000
Insurance Expense Re-estimates	(0.762)	(0.976)	(1.204)	(1.613)	(2.074)
Revised Inflation Assumptions	0.067	0.096	0.038	(0.008)	0.027
Depreciation Re-estimate	0.400	0.700	0.700	0.700	0.700
Other changes	(0.087)	0.028	(0.047)	(0.047)	(0.047)
Sub-Total Non-Reimbursable Expense Changes	(\$1.118)	\$1.946	(\$2.475)	(\$4.033)	(\$7.710)
<b>Total Non-Reimbursable Major Changes</b>	<b>(\$1.005)</b>	<b>\$1.720</b>	<b>(\$2.315)</b>	<b>(\$3.868)</b>	<b>(\$7.543)</b>
<b>Reimbursable Major Changes</b>					
Sub-Total Reimbursable Revenue Changes-Sandy Capital Construction Support	0.113	4.369	4.369	2.184	0.000
Sub-Total Reimbursable Expense Changes-Sandy Capital Construction Support	(0.113)	(4.369)	(4.369)	(2.184)	0.000
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>(\$1.005)</b>	<b>\$1.720</b>	<b>(\$2.315)</b>	<b>(\$3.868)</b>	<b>(\$7.543)</b>
<b>Cash Adjustment Changes</b>					
Depreciation	(\$0.400)	(\$0.700)	(\$0.700)	(\$0.700)	(\$0.700)
<b>Total Cash Adjustment Changes</b>	<b>(\$0.400)</b>	<b>(\$0.700)</b>	<b>(\$0.700)</b>	<b>(\$0.700)</b>	<b>(\$0.700)</b>
<b>Total Baseline Changes</b>	<b>(\$1.405)</b>	<b>\$1.020</b>	<b>(\$3.015)</b>	<b>(\$4.568)</b>	<b>(\$8.243)</b>
<b>Total Changes</b>	<b>(\$1.405)</b>	<b>\$1.020</b>	<b>(\$3.015)</b>	<b>(\$4.568)</b>	<b>(\$8.243)</b>
<b>November Financial Plan Net Cash Deficit</b>	<b>(\$36.967)</b>	<b>(\$32.593)</b>	<b>(\$41.550)</b>	<b>(\$44.042)</b>	<b>(\$46.845)</b>

\*Includes a top-sided adjustment for catastrophic bond insurance previously captured in Volume I of the consolidated July, 2013 Financial Plan

**MTA STATEN ISLAND RAILWAY**  
**2014 Final Proposed Budget**  
**November Financial Plan 2014-2017**  
**Ridership/(Utilization)**

- A re-estimate of non-student ridership is projected to increase ridership above the July Financial Plan by 0.065 million in 2013.
- 2014-2017 ridership growth projects an increase in employment growth in 2014 above the April 2013 forecast used for the July Financial Plan. Employment growth is also higher in 2015 and 2016 but slightly lower in 2017. As a result of the new employment forecast and a slight recovery in ridership post Superstorm Sandy, ridership increases more than 2% from the July Plan each year from 2014 to 2017.
- Annual ridership is projected to be above the July Financial Plan by 0.092 million in 2014, 0.098 million in 2015, 0.101 million in 2016 and 0.102 million in 2017.

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Ridership/(Utilization)**  
**(in millions)**

		2014 Final Proposed Budget	2015	2016	2017
2012 Actual	2013 November Forecast				

**RIDERSHIP**

Fixed Route	4.445	4.238	4.320	4.370	4.415	4.436
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<b>Baseline Total Ridership</b>	<b>4.445</b>	<b>4.238</b>	<b>4.320</b>	<b>4.370</b>	<b>4.415</b>	<b>4.436</b>
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**FAREBOX REVENUE**

Fixed Route	\$5.389	\$5.517	\$5.727	\$5.806	\$5.877	\$5.911
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<b>Baseline Total Revenue</b>	<b>\$5.389</b>	<b>\$5.517</b>	<b>\$5.727</b>	<b>\$5.806</b>	<b>5.877</b>	<b>5.911</b>
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**MTA Staten Island Railway**  
**November Financial Plan 2014-2017**  
**2013 Budget Reduction Plan Summary**  
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2013	Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017
<u>Administration</u>										
Office Equipment and Supplies Savings (July Plan)	—	0.000	—	0.010	—	0.010	—	0.010	—	0.010
Subtotal Administration	-	0.000	-	0.010	-	\$0.010	-	\$0.010	-	\$0.010
<u>Customer Convenience/Amenities</u>										
None	—	0.000	—	0.000	—	0.000	—	0.000	—	0.000
Subtotal Customer Convenience/Amenities	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
Material Efficiency Savings-R44 Fleet, Other (July Plan)	—	0.000	—	0.250	—	0.250	—	0.250	—	0.250
Subtotal Maintenance	-	0.000	-	0.250	-	0.250	-	0.250	-	0.250
<u>Revenue Enhancement</u>										
None	—	0.000	—	0.000	—	0.000	—	0.000	—	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety</u>										
None	—	0.000	—	0.000	—	0.000	—	0.000	—	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
None	—	0.000	—	0.000	—	0.000	—	0.000	—	0.000
Subtotal Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	—	0.000	—	0.000	—	0.000	—	0.000	—	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	—	0.000	—	0.000	—	0.000	—	0.000	—	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
None	—	0.000	—	0.000	—	0.000	—	0.000	—	0.000
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<b>Agency Submission</b>	-	<b>\$0.000</b>	-	<b>\$0.260</b>	-	<b>\$0.260</b>	-	<b>\$0.260</b>	-	<b>\$0.260</b>

**MTA Staten Island Railway  
November Financial Plan 2014-2017  
2013 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Office Equipment and Supplies Savings

<b>Background Details:</b>	A review of current spending levels has resulted in a determination that reductions in the areas of office equipment and supplies are achievable.
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<b>Program Description/ Implementation Plan:</b>	Effective 1/1/14, expense reduction actions will be implemented.
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	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>	<b>\$0.000</b>	<b>\$0.010</b>	<b>\$0.010</b>	<b>\$0.010</b>	<b>\$0.010</b>
Net Cash Savings (in millions)	<b>\$0.000</b>	<b>\$0.010</b>	<b>\$0.010</b>	<b>\$0.010</b>	<b>\$0.010</b>

**MTA Staten Island Railway  
November Financial Plan 2014-2017  
2013 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Material Efficiency Savings-R44 Fleet, Other

<b>Background Details:</b>	In lieu of the planned R44 fleet three year SMS cycle now assumed to begin mid 2014, the material plan includes purchases of fleet parts that are now deemed duplicative and unnecessary. Additionally, a recent review was undertaken as to the age of various parts/supplies inventories with the expectancy that subsequent spending in several areas can be reduced.
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<b>Program Description/ Implementation Plan:</b>	A more detailed review will be undertaken in the fall of 2013 to identify the specific areas where reduced spending would be achievable.
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<b>Program Implementation Date:</b>	<b>When will savings begin?:</b>	Effective 1/1/14
	<b>Are these savings recurring?:</b>	Yes

**Other Issues:**

	Favorable/(Unfavorable)				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Financial Impact (Operating):</i>	\$0.000	\$0.250	\$0.250	\$0.250	\$0.250
Net Cash Savings (in millions)	\$0.000	\$0.250	\$0.250	\$0.250	\$0.250

**MTA STATEN ISLAND RAILWAY  
2014 Final Proposed Budget  
November Financial Plan 2014-2017  
Positions**

**2014-2017: November Financial Plan vs. July Financial Plan**

34 Sandy reimbursable support positions are to be added in 2014 through June 2016 to support Sandy Capital Construction requirements for repair and flood mitigation work.

The 34 positions include 4 managerial/supervisory, 2 professional/technical, and 28 operational hourly titles.

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
Favorable/(Unfavorable)

**Total Position Changes at a Glance**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>2013 July Plan - Total Baseline Positions</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>
Total Plan-to-Plan Changes	(5)	(34)	(34)	0	0
<b>2013 November Plan - Total Baseline Positions</b>	<b>276</b>	<b>305</b>	<b>305</b>	<b>271</b>	<b>271</b>
Total Year-to-Year Changes, November Plan	(5)	(29)	0	34	0

**Total Plan-to-Plan Changes by Reporting Category:**

<i>Non-Reimbursable</i>	0	0	0	0	0
<i>Reimbursable</i>	(5)	(34)	(34)	0	0
<b>Total</b>	<b>(5)</b>	<b>(34)</b>	<b>(34)</b>	<b>0</b>	<b>0</b>
<i>Full-Time</i>	(5)	(34)	(34)	0	0
<i>Full-Time Equivalents</i>	0	0	0	0	0
<b>Total</b>	<b>(5)</b>	<b>(34)</b>	<b>(34)</b>	<b>0</b>	<b>0</b>
<i>By Function Category</i>					
- Administration	0	0	0	0	0
- Operations	0	0	0	0	0
- Maintenance	0	0	0	0	0
- Engineering/Capital	(5)	(34)	(34)	0	0
- Public Safety	0	0	0	0	0
<b>Total</b>	<b>(5)</b>	<b>(34)</b>	<b>(34)</b>	<b>0</b>	<b>0</b>
<i>By Occupational Group</i>					
- Managers/Supervisors	(1)	(4)	(4)	0	0
- Professional, Technical, Clerical	(2)	(2)	(2)	0	0
- Operational Hourlies	(2)	(28)	(28)	0	0
<b>Total</b>	<b>(5)</b>	<b>(34)</b>	<b>(34)</b>	<b>0</b>	<b>0</b>

**Total Plan-to-Plan Changes by Major Category:**

<i>2013 BRPs</i>	0	0	0	0	0
<i>New Needs</i>	0	0	0	0	0
<i>Change in Reimbursable Positions</i>	(5)	(34)	(34)	0	0
<i>Re-estimates &amp; All Other</i> <sup>1</sup>	0	0	0	0	0
<b>Total</b>	<b>(5)</b>	<b>(34)</b>	<b>(34)</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Includes Full-time Equivalents

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents**

FUNCTION/DEPARTMENT	2012 Actual	2013 November Forecast	2014 Final Proposed Budget	2015	2016	2017
<b>Administration</b>						
Executive	14	13	13	13	13	13
General Office	6	6	6	6	6	6
Purchasing/Stores	6	6	6	6	6	6
<b>Total Administration</b>	<b>26</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Operations</b>						
Transportation	100	91	91	91	91	91
<b>Maintenance</b>						
Mechanical	41	43	43	43	43	43
Electronic/Electrical	8	15	15	15	15	15
Power/Signals	25	26	26	26	26	26
Maintenance of Way	45	46	46	46	46	46
Infrastructure	26	25	25	25	25	25
<b>Total Maintenance</b>	<b>145</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>
<b>Engineering/Capital</b>						
Sandy Recovery	-	5	34	34	-	-
<b>Public Safety</b>						
Police						
<b>Baseline Total Positions</b>	<b>271</b>	<b>276</b>	<b>305</b>	<b>305</b>	<b>271</b>	<b>271</b>
Non-Reimbursable	268	268	268	268	268	268
Reimbursable	3	8	37	37	3	3
Total Full-Time	271	276	305	305	271	271
Total Full-Time Equivalents						

**MTA STATEN ISLAND RAILWAY**  
**November Financial Plan 2014-2017**  
**Total Positions by Function and Occupation**

<b>FUNCTION/OCCUPATIONAL GROUP</b>	<b>2012 Actual</b>	<b>2013 November Forecast</b>	<b>2014 Final Proposed Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Administration</b>						
Managers/Supervisors	13	14	14	14	14	14
Professional, Technical, Clerical	13	11	11	11	11	11
Operational Hourlies	-	-	-	-	-	-
<b>Total Administration</b>	<b>26</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Operations</b>						
Managers/Supervisors	4	5	5	5	5	5
Professional, Technical, Clerical	3	3	3	3	3	3
Operational Hourlies	93	83	83	83	83	83
<b>Total Operations</b>	<b>100</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>
<b>Maintenance</b>						
Managers/Supervisors	13	8	8	8	8	8
Professional, Technical, Clerical	1	3	3	3	3	3
Operational Hourlies	131	144	144	144	144	144
<b>Total Maintenance</b>	<b>145</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>
<b>Engineering/Capital (Sandy Recovery)</b>						
Managers/Supervisors	-	1	4	4	-	-
Professional, Technical, Clerical	-	2	2	2	-	-
Operational Hourlies	-	2	28	28	-	-
<b>Total Engineering/Capital</b>	<b>-</b>	<b>5</b>	<b>34</b>	<b>34</b>	<b>-</b>	<b>-</b>
<b>Public Safety</b>						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
<b>Total Public Safety</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Positions</b>						
Managers/Supervisors	30	28	31	31	27	27
Professional, Technical, Clerical	17	19	19	19	17	17
Operational Hourlies	224	229	255	255	227	227
<b>Baseline Total Positions</b>	<b>271</b>	<b>276</b>	<b>305</b>	<b>305</b>	<b>271</b>	<b>271</b>

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