

MTA 2014 Preliminary Budget

July Financial Plan 2014-2017



**Volume 2
July 2013**



Metropolitan Transportation Authority

OVERVIEW

MTA 2014 PRELIMINARY BUDGET JULY FINANCIAL PLAN 2014-2017 VOLUME 2

The MTA's July Plan is divided into two volumes:

Volume 1 consists of financial schedules supporting the complete MTA-Consolidated Financial Plan, including an Executive Summary, 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, 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 Preliminary 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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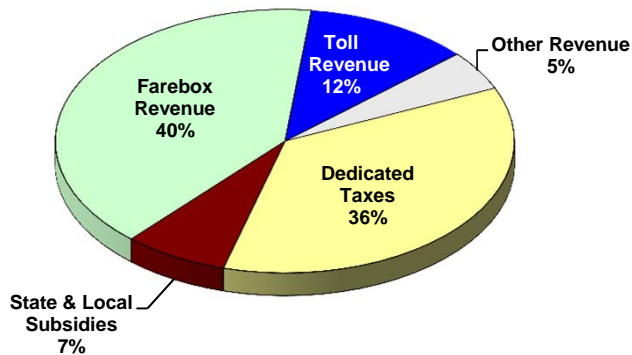
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I. MTA Consolidated 2013-2017 Financial Plan-Baseline

MTA 2014 Preliminary Budget
Baseline Before Below-the-Line Adjustments
Non-Reimbursable

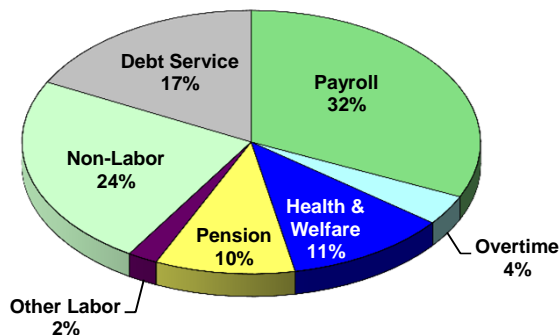
Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$5,606
Toll Revenue	1,634
Other Revenue	681
Dedicated Taxes	5,012
State & Local Subsidies	1,026
Total	\$13,958

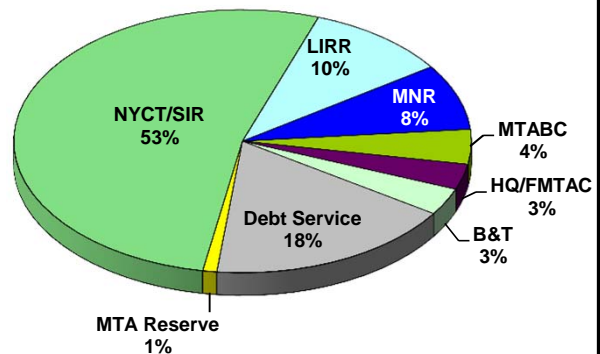
Where the Dollars Go ...

By Expense Category



By Expense Category (\$ in millions)	
Payroll	\$4,352
Overtime	503
Health & Welfare	1,560
Pension	1,351
Other Labor	288
Non-Labor	3,228
Debt Service	2,390
Total	\$13,672

By MTA Agency



By MTA Agency ¹ (\$ in millions)	
NYCT/SIR	\$7,195
LIRR	1,374
MNR	1,112
MTABC	582
HQ/FMTAC	429
B&T	455
Debt Service	2,390
MTA Reserve	135
Total	\$13,672

Expenses exclude Depreciation, OPEB obligation and Environmental Remediation.

¹ 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
July Financial Plan 2014-2017
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.						
7	Non-Reimbursable					
8		2012	2013	2014		
9		Actual	Mid-Year Forecast	Preliminary Budget	2015	2016
10	Operating Revenue					2017
11	Farebox Revenue	\$5,079	\$5,458	\$5,606	\$5,672	\$5,774
12	Toll Revenue	1,491	1,612	1,634	1,637	1,649
13	Other Revenue	564	793	681	643	704
14	Capital and Other Reimbursements	0	0	0	0	0
15	Total Operating Revenue	\$7,134	\$7,863	\$7,920	\$7,951	\$8,127
16						
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$4,194	\$4,274	\$4,352	\$4,463	\$4,695
20	Overtime	574	556	503	509	518
21	Health & Welfare	813	925	1,042	1,116	1,205
22	OPEB Current Payment	413	464	518	560	611
23	Pensions	1,328	1,317	1,351	1,352	1,374
24	Other-Fringe Benefits	650	581	594	613	626
25	Reimbursable Overhead	(309)	(310)	(306)	(301)	(305)
26	Sub-total Labor Expenses	\$7,663	\$7,807	\$8,054	\$8,312	\$8,897
27						
28	Non-Labor Expenses:					
29	Electric Power	\$472	\$515	\$538	\$564	\$594
30	Fuel	252	268	267	268	273
31	Insurance	8	33	59	77	89
32	Claims	136	199	205	210	215
33	Paratransit Service Contracts	361	391	417	429	479
34	Maintenance and Other Operating Contracts	452	571	551	600	614
35	Professional Service Contracts	277	301	301	295	295
36	Materials & Supplies	431	519	527	557	563
37	Other Business Expenses	144	204	180	162	167
38	Sub-total Non-Labor Expenses	\$2,530	\$3,000	\$3,046	\$3,161	\$3,289
39						
40	Other Expense Adjustments:					
41	Other	\$63	\$50	\$47	\$48	\$51
42	General Reserve	0	130	135	140	145
43	Sub-total Other Expense Adjustments	\$63	\$180	\$182	\$188	\$207
44						
45	Total Operating Expense before Non-Cash Liability Adj.	\$10,256	\$10,986	\$11,282	\$11,660	\$12,078
46						
47	Depreciation	\$2,149	\$2,281	\$2,326	\$2,419	\$2,512
48	OPEB Obligation	1,786	1,801	1,877	1,951	2,030
49	Environmental Remediation	25	6	6	6	6
50						
51	Total Operating Expense after Non-Cash Liability Adj.	\$14,216	\$15,075	\$15,491	\$16,036	\$16,626
52						
53	Net Deficit Before Subsidies and Debt Service	(\$7,082)	(\$7,212)	(\$7,571)	(\$8,085)	(\$9,156)
54						
55	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,959	\$4,088	\$4,209	\$4,376	\$4,548
56						
57	Debt Service (excludes Service Contract Bonds)	(2,058)	(2,223)	(2,390)	(2,505)	(2,697)
58						
59	Total Operating Expense with Debt Service	\$12,315	\$13,209	\$13,672	\$14,165	\$15,441
60						
61	Dedicated Taxes and State/Local Subsidies	\$5,490	\$5,895	\$6,038	\$6,324	\$6,565
62						
63	Net Deficit After Subsidies and Debt Service	\$309	\$548	\$286	\$110	(\$101)
64						
65	Conversion to Cash Basis: GASB Account	(90)	(85)	(104)	(112)	(121)
66	Conversion to Cash Basis: All Other	(288)	(281)	(312)	(417)	(343)
67						
68	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$68)	\$182	(\$130)	(\$419)	(\$1,019)

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

Line No.	Non-Reimbursable	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
9	<u>Total Operating Revenue</u>						
10	New York City Transit	\$4,055	\$4,517	\$4,557	\$4,577	\$4,656	\$4,712
11	Bridges and Tunnels	1,509	1,634	1,649	1,652	1,660	1,665
12	Long Island Rail Road	645	703	696	695	700	703
13	Metro-North Railroad	639	699	715	726	739	750
14	MTA Bus Company	201	222	219	220	222	223
15	MTA Headquarters	58	62	58	57	108	50
16	Staten Island Railway	8	10	10	8	8	8
17	First Mutual Transportation Assurance Company	20	15	16	16	16	16
18	Total	\$7,134	\$7,863	\$7,920	\$7,951	\$8,110	\$8,127
20	<u>Total Operating Expenses before Non-Cash Liability Adjs. ¹</u>						
21	New York City Transit	\$6,747	\$6,970	\$7,142	\$7,377	\$7,634	\$7,947
22	Bridges and Tunnels	378	434	455	481	497	515
23	Long Island Rail Road	1,223	1,328	1,372	1,427	1,514	1,618
24	Metro-North Railroad	981	1,054	1,110	1,140	1,177	1,212
25	MTA Bus Company	542	575	582	633	650	656
26	MTA Headquarters	300	390	381	360	369	383
27	Staten Island Railway	40	45	43	46	47	47
28	First Mutual Transportation Assurance Company	(16)	3	1	(6)	(15)	(24)
29	Other	63	187	197	203	204	207
30	Total	\$10,256	\$10,986	\$11,282	\$11,660	\$12,078	\$12,561
32	<u>Depreciation</u>						
33	New York City Transit	\$1,416	\$1,520	\$1,595	\$1,670	\$1,748	\$1,830
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	239	242	240	242	244
37	MTA Bus Company	46	42	42	42	42	43
38	MTA Headquarters	50	54	22	25	27	26
39	Staten Island Railway	9	9	9	9	9	9
40	First Mutual Transportation Assurance Company	0	0	0	0	0	0
41	Total	\$2,149	\$2,281	\$2,326	\$2,419	\$2,512	\$2,607
43	<u>Other Post Employment Benefits</u>						
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	69	71	76	80
48	MTA Bus Company	100	56	57	58	58	59
49	MTA Headquarters	84	75	79	84	88	92
50	Staten Island Railway	2	2	2	2	2	2
51	Total	\$1,786	\$1,801	\$1,877	\$1,951	\$2,030	\$2,109
53	<u>Environmental Remediation</u>						
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	4	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	Total	\$25	\$6	\$6	\$6	\$6	\$6
61	<u>Net Operating Income/(Deficit) ¹</u>						
62	New York City Transit	(\$5,515)	(\$5,420)	(\$5,685)	(\$6,034)	(\$6,354)	(\$6,757)
63	Bridges and Tunnels	970	1,029	1,009	974	954	929
64	Long Island Rail Road	(982)	(1,032)	(1,074)	(1,142)	(1,230)	(1,334)
65	Metro-North Railroad	(621)	(659)	(710)	(729)	(760)	(790)
66	MTA Bus Company	(489)	(451)	(462)	(513)	(529)	(536)
67	MTA Headquarters	(375)	(458)	(424)	(412)	(375)	(451)
68	Staten Island Railway	(43)	(46)	(44)	(49)	(50)	(50)
69	First Mutual Transportation Assurance Company	36	12	15	22	31	41
70	Other	(63)	(187)	(197)	(203)	(204)	(207)
	Total	(\$7,082)	(\$7,212)	(\$7,571)	(\$8,085)	(\$8,516)	(\$9,156)

Note: ¹ Excludes Debt Service

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

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Cash Receipts and Expenditures						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	\$5,077	\$5,505	\$5,646	\$5,714	\$5,783	\$5,818
Other Operating Revenue	536	878	700	663	744	723
Capital and Other Reimbursements	1,434	1,501	1,456	1,435	1,441	1,450
Total Receipts	\$7,047	\$7,884	\$7,803	\$7,812	\$7,969	\$7,991
Expenditures						
<u>Labor:</u>						
Payroll	\$4,499	\$4,749	\$4,831	\$4,825	\$4,910	\$5,044
Overtime	646	638	587	579	578	589
Health and Welfare	872	975	1,076	1,151	1,240	1,339
OPEB Current Payment	399	448	501	542	593	644
Pensions	1,480	1,174	1,372	1,378	1,395	1,396
Other Fringe Benefits	608	706	698	706	718	739
Contribution to GASB Fund	90	85	104	112	121	131
Reimbursable Overhead	0	0	0	0	0	0
Total Labor Expenditures	\$8,594	\$8,777	\$9,168	\$9,293	\$9,555	\$9,882
<u>Non-Labor:</u>						
Electric Power	\$466	\$549	\$533	\$558	\$588	\$625
Fuel	252	266	261	262	266	276
Insurance	33	64	57	75	81	94
Claims	173	186	187	188	189	193
Paratransit Service Contracts	354	389	415	427	477	557
Maintenance and Other Operating Contracts	458	543	530	553	567	567
Professional Service Contracts	254	333	319	313	316	320
Materials & Supplies	537	629	657	664	669	680
Other Business Expenditures	150	185	182	164	168	172
Total Non-Labor Expenditures	\$2,677	\$3,144	\$3,140	\$3,203	\$3,321	\$3,482
<u>Other Expenditure Adjustments:</u>						
Other	\$92	\$96	\$113	\$99	\$113	\$125
General Reserve	0	130	135	140	145	155
Total Other Expenditure Adjustments	\$92	\$226	\$248	\$239	\$258	\$280
Total Expenditures	\$11,364	\$12,146	\$12,557	\$12,734	\$13,134	\$13,644
Net Cash Deficit Before Subsidies and Debt Service	(\$4,317)	(\$4,263)	(\$4,754)	(\$4,922)	(5,165)	(5,653)
Dedicated Taxes and State/Local Subsidies	\$5,691	\$6,057	\$6,376	\$6,355	\$6,624	\$6,812
Debt Service (excludes Service Contract Bonds)	(1,442)	(1,612)	(1,752)	(1,853)	(2,024)	(2,178)
CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$68)	\$182	(\$130)	(\$419)	(\$565)	(\$1,019)

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

Line Number		2012	2013	2014			
		Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
9	<u>Total Receipts</u>						
10	New York City Transit	\$4,890	\$5,471	\$5,368	\$5,366	\$5,439	\$5,496
11	Long Island Rail Road	852	977	953	939	934	936
12	Metro-North Railroad	924	890	937	955	980	994
13	MTA Bus Company	202	238	232	234	236	237
14	MTA Headquarters	124	244	250	258	319	266
15	Staten Island Railway	8	12	12	10	10	10
16	Capital Construction Company	26	35	35	36	36	37
17	First Mutual Transportation Assurance Company	20	15	16	16	16	16
18	Total	\$7,047	\$7,884	\$7,803	\$7,812	\$7,969	\$7,991
20	<u>Total Expenditures</u>						
21	New York City Transit	\$7,605	\$7,829	\$8,132	\$8,250	\$8,497	\$8,833
22	Long Island Rail Road	1,442	1,645	1,670	1,700	1,782	1,889
23	Metro-North Railroad	1,233	1,278	1,412	1,422	1,457	1,498
24	MTA Bus Company	563	667	589	640	657	663
25	MTA Headquarters	408	461	476	439	454	470
26	Staten Island Railway	43	48	45	48	49	48
27	Capital Construction Company	26	35	35	36	36	37
28	First Mutual Transportation Assurance Company	20	15	16	16	16	16
29	Other	23	168	181	184	186	189
30	Total	\$11,364	\$12,146	\$12,557	\$12,734	\$13,134	\$13,644
32	<u>Net Operating Surplus/(Deficit)</u>						
33	New York City Transit	(2,714)	(2,358)	(2,765)	(2,884)	(3,059)	(3,337)
34	Long Island Rail Road	(590)	(668)	(717)	(761)	(848)	(953)
35	Metro-North Railroad	(309)	(388)	(475)	(467)	(477)	(504)
36	MTA Bus Company	(361)	(429)	(357)	(406)	(421)	(427)
37	MTA Headquarters	(285)	(217)	(226)	(182)	(135)	(204)
38	Staten Island Railway	(35)	(35)	(33)	(38)	(39)	(39)
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)	(168)	(181)	(184)	(186)	(189)
42	Total	(\$4,317)	(\$4,263)	(\$4,754)	(\$4,922)	(\$5,165)	(\$5,653)

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

	Favorable/(Unfavorable)			
	2013	2014	2015	2016
FEBRUARY FINANCIAL PLAN 2013-2016				
NET CASH BALANCE BEFORE BTL ADJUSTMENTS	\$1	(\$127)	(\$222)	(\$550)
Savings Programs	\$1	\$19	\$7	\$29
2013 Budget Reduction Program	9	13	13	13
NYCT Paratransit - Additional Savings	12	18	27	27
NYCT Paratransit Zero-Fare Implementation Delay	(16)	(8)	(25)	0
NYCT Bus Fare Evasion Reforecast	(4)	(5)	(8)	(10)
New Needs/Investments	(\$31)	(\$125)	(\$103)	(\$99)
Service - Platform Budget Improvements	(3)	(8)	(12)	(11)
Customer Enhancements	(3)	(11)	(7)	(7)
Operations/Maintenance	(18)	(76)	(70)	(66)
All Other New Needs	(8)	(30)	(15)	(15)
Agency Baseline Adjustments	\$191	\$14	(\$2)	\$141
Farebox/Toll Revenue	(1)	1	(10)	(9)
Other Revenue	9	13	(20)	(46)
Energy	48	57	67	93
Health & Welfare (including OPEB)	68	4	26	46
MTA GASB 45 Contribution	(3)	(18)	(23)	(29)
Pension	50	43	98	110
Superstorm Sandy Agency Impacts	(8)	(59)	(108)	0
Insurance	(1)	(15)	(23)	(24)
Baseline Re-estimates	29	(13)	(9)	1
Changes in Subsidies	\$17	\$85	(\$130)	(\$159)
MMTA	30	(10)	(15)	2
Real Estate Taxes	115	35	34	38
Petroleum Business Tax	(12)	0	3	4
Payroll Mobility Tax and MTA Aid	(39)	2	7	7
CDOT Subsidy	(9)	18	7	6
B&T Surplus Transfer	21	(4)	(1)	15
Other Subsidies	25	38	4	12
Subsidy Adjustments - Repay Interagency Loans	(114)	6	81	6
Committed to Capital - Support of 2015-2019 Capital Program	0	0	(250)	(250)
Debt Service Adjustments	\$3	\$5	\$32	\$74
Debt Service Savings from Refundings/Lower Interest Rates	3	5	32	74
JULY FINANCIAL PLAN 2014-2017				
NET CASH BALANCE BEFORE BTL ADJUSTMENTS	\$182	(\$130)	(\$419)	(\$565)

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

<u>FAREBOX RECOVERY RATIOS</u>					
	2013 Mid-Year Forecast	2014 Preliminary Budget	2015 Plan	2016 Plan	2017 Plan
New York City Transit	37.9%	37.6%	36.7%	35.7%	34.4%
Staten Island Railway	9.8%	10.5%	10.2%	10.1%	10.1%
Long Island Rail Road	31.0%	30.9%	30.0%	28.7%	27.3%
Metro-North Railroad	40.8%	40.7%	40.5%	40.0%	39.2%
Bus Company	<u>30.6%</u>	<u>30.7%</u>	<u>28.8%</u>	<u>28.3%</u>	<u>28.1%</u>
MTA Total Agency Average	36.8%	36.6%	35.7%	34.8%	33.5%

<u>FAREBOX OPERATING RATIOS</u>					
	2013 Mid-Year Forecast	2014 Preliminary Budget	2015 Plan	2016 Plan	2017 Plan
New York City Transit	58.6%	58.6%	57.3%	56.1%	54.1%
Staten Island Railway	16.0%	17.0%	16.1%	15.8%	16.1%
Long Island Rail Road	46.8%	46.3%	45.3%	42.9%	40.3%
Metro-North Railroad	60.6%	60.4%	60.4%	60.2%	59.3%
Bus Company	<u>36.4%</u>	<u>36.5%</u>	<u>33.8%</u>	<u>33.1%</u>	<u>32.9%</u>
MTA Total Agency Average	55.7%	55.7%	54.4%	53.2%	51.3%

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 July Financial Plan consists of the 2013 Mid-Year Forecast, 2014 Preliminary Budget and 2015 to 2017 projections. Plan-to-plan changes compare the July Plan with the February Financial Plan, which included forecasts through 2016.

Volume II of the July Financial Plan captures the Baseline forecast, excluding certain policy and other “below-the-line” adjustments that are highlighted and captured in Volume I of the July Plan. This analysis, therefore, excludes fare and toll increases in 2015 and 2017 and an annualized \$18 million investment to fund additional service and customer enhancements. Agency forecasts include the impacts from projected Superstorm Sandy (Sandy) related expenses and recoveries, and those impacts are described in this Volume. Additional Sandy-related assumptions, including the long-term financing impacts, are described in Volume I.

In developing the July Plan, the MTA Agencies were instructed to adhere to the spending envelope contained in the February Financial Plan. In addition, Agencies were each apportioned a share of the \$25 million in “Unidentified MTA Efficiencies” that were included below-the-line in the February Plan and are now identified and captured within Agency baseline forecasts. Remaining below-the-line (in Volume I) is the remainder of the MTA-wide unidentified MTA Efficiencies target -- \$25 million in 2014 growing to \$95 million in 2016.

The July Plan Baseline captures investments in critical operational and maintenance needs. It also funds additional customer service/quality-of-service initiatives. A summary of these improvements can be found later in this section with details captured in individual Agency sections of the book. This Plan captures the service investments that were approved in 2012 and provides additional funding for “platform” service adjustments needed to maintain loading and headway guidelines with increased demand requirements. For the most part, funding of these investments was provided by each Agency internally through reduced spending, including savings resulting from operating efficiencies. The overall improvement in MTA finances is funding some additional and important investments described later in this Plan.

The July 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 continuous years without raises, are assumed to follow CPI-based increases starting in 2013; no across-the-board raises have been granted as of the July Plan. The savings anticipated from the “net zero” wage assumption for represented employees will need to be accomplished through the collective bargaining process.

The MTA continues to make annual payments to address the escalating OPEB liability, and has accordingly increased its contributions to the OPEB account. This Plan, when compared with February, captures additional contributions of \$3 million in 2013, growing to \$29 million in 2016.

Overall, Agency finances have improved since February, due to the favorable net-re-estimate of operating revenues and expenses and an increase in MTA savings programs. One major factor contributing to the improved MTA finances was the carryover of a cash balance from 2012 of approximately \$175 million more than planned. This “one-shot” cash infusion, primarily due to Agency spending reductions, allowed the MTA to pay back a \$75 million internal loan from the GASB fund sooner than anticipated and helped to eliminate the 2014 deficit projected in the February Financial Plan. These changes are captured in the reconciliation included later in this section and primarily are driven by:

Favorable re-estimates and other changes

- Higher toll revenue
- Lower pension costs
- Reduced health & welfare costs
- Lower energy costs
- Additional paratransit savings (reflects management efforts)
- Reduced 2012 spending that increased the carry-over cash balance

Partially offset by:

Unfavorable re-estimates and other changes

- Lower fare revenue
- Increased insurance costs (premiums impacted by Sandy)
- Metro-North derailment costs
- Operating cost “build up” associated with expansion projects (this Plan offers first look at 2017)

Baseline July Plan Changes from February Plan

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

Savings Programs/Cost Control:

In addition to the net favorable changes described above, the MTA has identified additional savings from new Budget Reduction Programs (BRPs), which are detailed later in this section, and higher net savings from MTA Efficiency initiatives. As a result, the MTA is able to fund important new investments that address safety, maintenance, operational, customer enhancements, and service adjustments.

The MTA continues to focus on cost control. Total spending is expected to grow by 2.7% in 2014 and by 3.4% annually over the Plan period. This growth includes the ramp-up costs of major “mega projects,” including the Fulton Street Transit Center, 7 West Extension, Second Avenue Subway, and East Side Access. It is important to note that spending in discretionary cost categories is expected to be flat in 2014 (growing by only 0.2%) with very modest annual growth of 1.9% over the Plan period.

“Non-discretionary” spending will continue to grow at a faster pace. Categories such as employee and retiree health care, energy, insurance, paratransit and pensions are

dependent on factors that are largely outside the control of the MTA. These expenses are expected to grow by 7.1% in 2014 and by 5.9% annually over the Plan period.

<u>AGENCY BASELINE</u> <u>JULY CHANGES FROM FEBRUARY PLAN</u> Favorable/(Unfavorable) (\$ in millions)				
	2013	2014	2015	2016
Savings Programs	\$1	\$19	\$7	\$29
2013 BRP	9	13	13	13
NYCT Paratransit - Additional Savings	12	18	27	27
NYCT Paratransit Zero-Fare Implementation Delay	(16)	(8)	(25)	0
NYCT Bus Fare Evasion Reforecast	(4)	(5)	(8)	(10)
New Needs/Investments	(\$31)	(\$125)	(\$103)	(\$99)
Service - Platform Budget Improvements	(3)	(8)	(12)	(11)
Customer Enhancements	(3)	(11)	(7)	(7)
Operations/Maintenance	(18)	(76)	(70)	(66)
All Other New Needs	(8)	(30)	(15)	(15)
Agency Baseline Adjustments	\$191	\$14	(\$2)	\$141
Farebox/Toll Revenue	(1)	1	(10)	(9)
Other Revenue	9	13	(20)	(46)
Energy	48	57	67	93
Health & Welfare (includes OPEB)	68	4	26	46
MTA GASB 45 Contribution	(3)	(18)	(23)	(29)
Pensions	50	43	98	110
Superstorm Sandy Agency Impacts	(8)	(59)	(108)	0
Insurance	(1)	(15)	(23)	(24)
Baseline Re-estimates ¹	29	(13)	(9)	1
Net Cash Baseline Changes	\$161	(\$93)	(\$98)	\$71
¹ B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated within the line "Baseline Re-estimates."				

New Needs/Investments:

In addition to the resources allocated to repair, replace or reinforce property that was damaged by Sandy, MTA continues to improve the reliability and performance of its fleet and infrastructure through increased maintenance. The Plan also includes numerous customer service enhancements, platform service adjustments and safety-related investments. Accordingly, the 2014 Preliminary Budget allocates resources to address these priority areas.

NYCT Transit Investments:

- NYCT increases the normal “platform” service provision, adjusting for seasonal schedules, and loading and headway guidelines;
- NYCT is providing resources to 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;
- NYCT is implementing a program that dedicates engineering and operating staff to help support existing forces responsible for inspecting critical structures on a regular and timely basis;
- NYCT plans to procure a management consultant contract to augment the inspection of critical structures such as truss bridges, marine structures, and elevated structures higher than 35 feet, as NYCT lacks in-house expertise to undertake these inspections;
- NYCT is increasing the scope of Scheduled Maintenance System (SMS) for its 752 R46 cars, enabling the cars to remain in good condition for an additional four years due to delays in the delivery of the new R211 cars;
- NYCT is investing in additional track staff to focus on water intrusion remediation, in an effort to prevent damage to track and equipment to protect and preserve recent capital investments in track, signals and tunnel lighting;
- NYCT is investing in additional infrastructure staff to address vent bay maintenance, in an effort to prevent flooding and insulator fires that can result in significant service disruptions;
- NYCT will invest additional resources to improve bus reliability through increased preventive maintenance; and
- NYCT will provide additional funding to the NYC Dept. of Homeless Services (DHS), in order to better manage homeless persons in the subway system.

LIRR Investments:

- LIRR increases its “platform” budget, adjusting for Montauk Summer Service and sports and entertainment events scheduled to be held at the Barclay Center;
- After a successful pilot program, the LIRR will continue to 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;

- The LIRR will begin using Enterprise Asset Management, part of an MTA-wide initiative that will initially focus on two main asset categories: track and signals. This new initiative will enable the LIRR 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;
- To ensure that railroad equipment is operating properly after the effects of Sandy, the LIRR will increase testing and monitoring of power and electrical systems until more permanent repairs and reconstruction can be completed. This will also include the testing of a new federally required “Third Rail Mat and Blanket Testing Procedure” for increased testing, storage and distribution of third rail mats, blankets, and gloves for the entire LIRR;
- The LIRR is investing in additional resources for elevator and escalator maintenance to improve functionality and safety;
- In order to strengthen safety, the LIRR has implemented new Enhanced Third Rail Safety Procedures governing work in the proximity of the third rail;
- The LIRR plans to create a customer-only waiting area in Jamaica Station, modeled after Penn Station;
- The LIRR is increasing 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
- The LIRR is revising its reliability centered maintenance program due to changes in the work scope and is performing modifications on traction motor components on its M-7 fleet.

MNR Investments:

- Metro-North is including in its Plan a \$10 million operating cost to clear derailed equipment and debris, rebuild track, power and signal systems, and repair damaged cars suffered during the May 17 derailment on the New Haven Line. This excludes the cost of the three cars that were completely destroyed which is estimated at an additional \$10 million;
- Metro-North is initiating a short-term strategy to clean up its entire right-of-way (ROW) and a long term strategy to maintain the ROW at an acceptable level of cleanliness, including the removal of all debris, brush and graffiti on all Metro-North-owned structures, walls, cabinets, etc.;
- Metro-North is implementing its mobile ticketing system that will: enable customers to purchase tickets on board trains through a dedicated app on their smart phones and 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;

- Metro-North is purchasing heavy-duty snow fighting equipment to handle the large clean-up and service restoration efforts required at yard locations and along the ROW following major snowstorms;
- Metro-North is implementing GCT maintenance and developmental improvement initiatives that will keep the Terminal infrastructure in good condition and protect previous investments in repair facilities, employee work places and building systems and also grow the business development aspects of the Terminal as a center for commerce and tourism;
- Metro-North plans customer convenience and amenities investments, including adding five positions for Public Announcement (PA) system improvements, and mobile ticket application development and integrated voice response upgrades; and
- Metro-North plans to implement improvements in its procedures and practices governing its Maintenance of Way/Right of Way division that will result in the need for additional labor, contracts, material and equipment.

B&T Investments:

- B&T is increasing headcount for capital and major maintenance programs and increased administrative and procurement support needs associated with the long-term restoration and mitigation work resulting from Sandy;
- B&T is increasing headcount by 11 positions to meet the requirements of the following: Enterprise Asset Management initiative (an MTA driven initiative), the Small Business Mentoring Program and greater project quality assurance associated with its expanding Capital Program; and
- B&T is hiring a manager to lead a team of designated employees and consultants dedicated to monitoring and mitigating cyber security risks.

MTA BC Investments:

- MTA BC is revising its Shop Overhaul Plan to accommodate the conversion of its 389 hybrid electric bus fleet into cleaner and more cost efficient diesel energy. This conversion would extend the life of these buses by at least three years and would enable MTA BC to defer purchasing new buses until the 2020–24 Capital Program, saving almost \$200 million;
- MTA BC is hiring 25 additional bus operators to improve its employee availability, based upon data from its new Unified Timekeeping System;

- MTA BC is upgrading the dispensing meters on its depot diesel and gasoline fuel tanks from mechanical to electronic to improve the monitoring and reliability of fuel delivered, dispensed and stored; and
- MTA BC is hiring four positions beginning in 2016 in anticipation of maintenance requirements needed for a variety of new customer-related technology projects no longer under warranty, including: BusTime, bus security cameras, service management, traffic signal priority and On Board Audio Visual.

SIR Investments:

- SIR is hiring two maintainers and a software technician to meet current electrical and electronic maintenance requirements of its CCTV network, which is reaching beneficial use in the fall of 2013.

MTA Headquarters Investments:

- MTAHQ is providing ongoing funding for consulting engineering and other professional services necessary to preserve its 2 Broadway property in a state of good repair;
- MTAHQ is developing 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;
- MTAHQ will utilize a “cloud” infrastructure to augment the current local web infrastructure and ensure access during unforeseen situations; and
- MTAHQ is investing in two new firearms trailers to keep up with the growth and training needs of MTA Police personnel.

Agency Baseline Adjustments:

Explanations of individual adjustments are captured within 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 to help fund the portion of the Capital Program needed to fund 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 Mid-Year Forecast

The 2013 Mid-Year Forecast projects a Net Operating Deficit before Subsidies and Debt Service of \$7,212 million, that is \$38 million favorable from the Budget, with favorable revenues largely offset by higher expenses, including Non-Cash Liability Adjustments. Excluding Non-Cash Liability Adjustments, the 2013 Mid-Year Forecast would be \$95 million better than the Adopted Budget.

Revenue

Total operating revenue are projected to be \$88 million better than the Adopted Budget, primarily due to higher other operating revenue, the vast majority of which is driven by the recovery of operating losses from Federal sources for Sandy. Toll revenue is also higher than the Adopted Budget, the result of higher than forecasted traffic levels. These favorable results are partially offset by lower farebox revenue at MNR, primarily due to lower ridership.

Expenses

Excluding non-cash adjustments, operating expenses are projected to be \$7 million better than the budget, due to lower costs for health & welfare, pensions and energy. Partially offsetting these expenses are higher costs for overtime, maintenance and other operating contracts, materials & supplies, other fringe benefits, professional service contracts, other business expenses, paratransit service contracts and payroll.

2014 Preliminary Budget

The 2014 Preliminary Baseline Budget projects a Net Operating Deficit before Subsidies and Debt Service of \$7,571 million. Total 2014 operating expenses of \$15,491 million are \$416 million higher than the 2013 Mid-Year Forecast, due mostly to inflation, higher health & welfare, pensions, paratransit costs and Non-Cash Liabilities.

When compared with the 2014 forecast in the February Plan, the 2014 Net Operating Deficit before Subsidies is \$54 million unfavorable, due mostly to higher costs for payroll, other fringe benefits, professional service contracts, insurance, materials & supplies, overtime and other post-employment benefits. These unfavorable results are partially offset by lower costs for energy, pensions and claims litigation. Excluding Non-Cash Liability Adjustments, the 2014 Preliminary Budget is \$20 million higher than the 2014 forecast in the February Plan.

Total operating revenue of \$7,920 million is expected to be \$20 million worse than February, largely reflecting lower ridership levels at MNR, partially offset by higher than forecast traffic levels at B&T. Also contributing to the revenue decrease is lower other operating revenue, due primarily to the timing of the recovery of operating losses from Federal sources for Sandy.

Expenses in 2014 are expected to be \$34 million higher than February, due to unfavorable re-estimates for payroll, other fringe benefits, professional service contracts, insurance, materials & supplies, other post-employment benefits and new investments.

2015 – 2017 Forecast

The July Forecast includes increases to the baseline deficit in 2015 mainly as a result of lower other operating revenue, due primarily to the timing of the recovery of Sandy-related operating losses, partially offset by lower costs for pensions and energy; and a lower baseline deficit in 2016, mainly as a result of lower costs for pension, energy and health & welfare. These are partially offset by lower projections for farebox revenue and other operating revenue and higher costs for payroll, other fringe benefits, insurance, professional service contracts and other post-employment obligations. The projected operating budget impacts of the Fulton Street Transit Center, Phase 1 of the Second Avenue Subway, the 7 West Extension, and the ramp-up for East Side Access are increasing operating expenses in the out years of the Plan.

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

	2013 Mid-Year Forecast		2014 Preliminary Budget		2015		2016		2017	
	<i>Pos.</i>	<i>(\$000)</i>	<i>Pos.</i>	<i>(\$000)</i>	<i>Pos.</i>	<i>(\$000)</i>	<i>Pos.</i>	<i>(\$000)</i>	<i>Pos.</i>	<i>(\$000)</i>
Fulton Street Transit Center										
<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
2nd Avenue Subway										
<i>Revenue Service Date: Phase I - Dec. 2016</i>										
NYCT	-	\$ -	-	\$ -	-	\$ -	-	\$ -	301	\$ 31.493
subtotal	0	\$ -	0	\$ -	0	\$ -	0	\$ -	301	\$ 31.493
7 West Extension										
<i>Revenue Service Date: June 2014</i>										
NYCT	-	\$ -	122	\$ 10.397	122	\$ 13.146	122	\$ 13.146	122	\$ 13.146
subtotal	0	\$ -	122	\$ 10.397	122	\$ 13.146	122	\$ 13.146	122	\$ 13.146
East Side Access										
<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
TOTAL	4	\$ 0.292	192	\$ 16.147	402	\$ 47.440	754	\$ 94.563	1,332	\$189.631

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

PASSENGER & TOLL REVENUE / UTILIZATION¹

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 eleven of the past twelve 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 2013 to 2017—a factor that will positively impact ridership and vehicular crossings—although at a slightly lower rate than projected in the February Plan (6.4% over the Plan period vs. 6.5% in the February Plan).

In addition to regional economic conditions, other factors have an impact on ridership, vehicle traffic and fare and toll revenue levels. The full suspension of MTA operations and the service changes required in Superstorm Sandy's aftermath temporarily disrupted the upward trajectory of utilization growth in the fourth quarter of 2012, with lingering impacts on some MTA operations into 2013. For NYCT, the projections of improved ridership and farebox revenue from its bus fare evasion initiative have been re-estimated downwards, and MNR non-commutation ridership is expected to grow slower than previously projected. Although this revision results in lower ridership than was expected in February for each year of the plan, as part of its 2012 service investments MNR has launched the largest service increase in its history which, together with increased parking availability near its facilities, will contribute to ridership increases in every year of the Plan.

The 2013 Mid-Year Forecast for MTA consolidated ridership is projected to total 2,664 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are expected to reach 280 million. NYCT combined subway and bus ridership forecast is 2,371 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 for LIRR and 82 million for MNR's East-of-Hudson operations. Ridership for MTA Bus (also referred to as MTABC) is projected to be 123 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 Mid-Year Forecast is expected to be \$5,388 million, and toll revenue is expected to be \$1,612 million. NYCT combined subway and bus farebox revenue is forecast at \$3,927 million, while LIRR is projecting \$631 million in farebox revenue and MNR \$628 million in farebox revenue for its East-

¹ 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.

of-Hudson operations. SIR farebox revenue is expected to be \$5 million, and MTABC farebox revenue is expected to be \$196 million.

The 2013 Mid-Year Forecast for MTA consolidated ridership is expected to increase by 54 million trips (2%) compared with 2012, reflecting continued improvement in the regional economy. Ridership at NYCT is expected to increase by 49 million (2%); ridership at MTA Bus is expected to increase by 3 million (2%), while LIRR, and MNR are projecting increases of 2 million (2%) and 1 million (1%), respectively. SIR ridership, however, is forecast to decline 6 percent (270,000 trips) primarily because of continued impacts from Superstorm Sandy; and traffic at B&T facilities are expected to decrease by 3 million crossings (1%) compared with 2012. The 2013 Mid-Year Forecast projects a consolidated farebox revenue increase of \$419 million (8%) in 2013, the result of higher collections at NYCT, MTA Bus, SIR and both of the commuter railroads; and in spite of fewer bridge and tunnel crossings, B&T toll revenue is expected to exceed 2012 toll revenue by \$121 million (8%). In addition to ridership and traffic impacts, the farebox and toll revenue increases reflect fare and toll increases that were effective in March 2013 and were designed to generate an annualized 7.5% yield increase.

MTA consolidated ridership for the 2013 Mid-Year Forecast is expected to fall marginally short of the 2013 Adopted Budget Forecast by 1 million trips (0.05%). MNR ridership is projected to be lower by 2 million trips (2%), largely the result of lower than expected non-commutation ridership and a more conservative forecast than in February of the recovery of commutation ridership after Sandy; and lower ridership compared with the Adopted Budget is projected for NYCT, MNR and SIR. NYCT ridership is expected to be lower by 3 million trips (0.1%) reflecting 15 million fewer Subway trips that are mostly offset by 12 million more Bus trips, paralleling current ridership trends. SIR anticipates a half million (10%) fewer riders compared with the Adopted Budget. While LIRR ridership forecasts remain nearly the same as in February, MTA Bus projects a gain of 5 million (4%) more trips. The Mid-Year forecast expects that vehicle crossings at B&T facilities will improve compared with the Adopted Budget by 3 million trips (1%), the result of mild winter weather and a less traffic falloff from the March toll increase than was expected. MTA consolidated farebox revenue in the 2013 Mid-Year Forecast is expected to be lower than the Adopted Budget Forecast by \$23 million (0.4%), with only MTA Bus exceeding February's expectations. MNR and NYCT make up most of the shortfall, coming in \$18 million and \$5 million below budget, respectively, but fare collections at SIR and LIRR are also expected to be unfavorable by a combined \$1 million. B&T toll revenue is projected to be \$17 million (1%) better than the Adopted Budget forecast.

The 2014 Preliminary Budget forecast for both ridership and farebox revenue improve over the 2013 Mid-Year Forecast, a result of the steadily improving economy and the associated increase in jobs in New York City; B&T traffic and toll revenue are also expected to improve over 2013, notwithstanding the higher-than-expected results from the atypical mild winter in early 2013 that is not expected to repeat in 2014. Year-to-year, MTA consolidated ridership is expected to increase by 38 million trips (1%) compared to 2013, and B&T vehicular crossings are expected to increase by 400 thousand (0.1%). Farebox revenue is projected to increase \$157 million (3%), while toll revenue is forecast to improve by \$22 million (1%). The year-over-year increases in

farebox and toll revenues reflect the fully annualized impact of the March 2013 fare and toll increases.

Annual Utilization Growth Rates – Traffic & Ridership					
	2013	2014	2015	2016	2017
Traffic: Bridges & Tunnels	(1.1)%	0.1%	0.4%	0.6%	0.4%
Long Island Rail Road	2.1%	0.8%	0.7%	0.6%	0.2%
Metro-North Railroad	1.4%	2.1%	1.6%	1.4%	1.0%
MTA Bus Company	2.4%	(0.2%)	0.5%	0.6%	0.1%
New York City Transit	2.1%	1.5%	1.1%	1.2%	0.4%
Staten Island Railway	(6.1%)	1.3%	1.0%	1.0%	0.5%
Ridership	2.1%	1.4%	1.1%	1.1%	0.4%

Annual Utilization Growth Rates – Toll & Farebox Revenue					
	2013	2014	2015	2016	2017
Toll Revenue: Bridges & Tunnels	8.1%	1.4%	0.2%	0.5%	0.3%
Long Island Rail Road	8.6%	2.1%	0.6%	0.6%	0.5%
Metro-North Railroad	6.9%	4.9%	2.0%	1.8%	1.3%
MTA Bus Company	7.8%	1.3%	0.6%	0.8%	0.2%
New York City Transit	8.7%	2.8%	1.2%	1.2%	0.5%
Staten Island Railway	0.3%	3.2%	1.3%	1.2%	0.6%
Farebox Revenue	8.4%	2.6%	1.0%	1.0%	0.5%

MTA consolidated ridership and farebox revenue are both expected to increase each year from 2015 to 2017. By 2017, consolidated ridership is projected to reach 2,774 million passengers, with farebox revenue reaching \$5,709 million. B&T vehicle crossings are also projected to increase each year, reaching 284 million crossings in 2017; toll revenue is forecast to reach \$1,649 million in 2017, increasing in each year.

MTA consolidated ridership for the 2014 Preliminary Budget is expected to exceed the February Plan projection by 5 million (0.2%) trips, and for B&T the traffic projection for the 2014 Preliminary Budget is 3 million (1%) greater than the February Plan forecast. Plan-to-plan, 2014 MTA consolidated farebox revenue is unfavorable by \$11 million (0.2%), reflecting MNR's lower ridership projection, which results in a downward revision of \$19 million; this is partially offset by a favorable farebox revenue forecast at NYCT of \$7 million and smaller favorable revisions at LIRR and MTA Bus. B&T toll revenue for 2012 is projected to be \$18 million (1%) above the February Plan forecast.

Compared with the February Plan, MTA consolidated ridership for 2015 is expected to be unfavorable by 0.3%, but favorable for 2016 by 0.3%. The forecasts of traffic at B&T facilities are higher than in the February Plan for both years (by 1% for both 2015 and 2016). MTA consolidated farebox revenue is expected to be 0.4% lower in 2015 and 0.3% lower in 2016 than was expected in the February Plan, while B&T toll revenue is projected to be 1% higher in both 2015 and 2016.

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

July Financial Plan					
	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Traffic					
Bridges & Tunnels	279.7	280.0	281.2	282.9	284.1
Ridership					
Long Island Rail Road	83.5	84.1	85.1	85.3	85.7
Metro-North Railroad ¹	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 ^{2, 3}	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>
February Financial Plan					
	2013 Adopted Budget	2014	2015	2016	2017
Traffic					
Bridges & Tunnels	277.1	276.9	278.4	280.9	
Ridership					
Long Island Rail Road	83.5	83.9	85.0	85.2	
Metro-North Railroad ¹	84.5	86.3	87.8	89.3	
MTA Bus Company	118.6	118.6	119.3	119.8	
New York City Transit ^{2, 3}	2,374.4	2,404.1	2,435.7	2,462.7	
Staten Island Railway	4.6	4.7	4.8	4.8	
<i>Total Ridership</i>	<i>2,665.6</i>	<i>2,697.7</i>	<i>2,732.5</i>	<i>2,761.8</i>	
Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2013	2014	2015	2016	2017
Traffic					
Bridges & Tunnels	2.6	3.1	2.8	2.0	
Ridership					
Long Island Rail Road	(0.0)	0.1	0.1	0.1	
Metro-North Railroad ¹	(2.0)	(2.0)	(2.2)	(2.5)	
MTA Bus Company	4.5	4.2	4.2	4.3	
New York City Transit ^{2, 3}	(3.3)	2.8	(2.3)	(0.6)	
Staten Island Railway	(0.5)	(0.5)	(0.5)	(0.5)	
<i>Total Ridership</i>	<i>(1.3)</i>	<i>4.6</i>	<i>(0.8)</i>	<i>0.9</i>	

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

² Excludes Paratransit Operations.

³ Excludes Fare Media Liability.

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

July Financial Plan					
	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Toll Revenue					
Bridges & Tunnels	\$1,611.8	\$1,633.9	\$1,636.7	\$1,644.6	\$1,649.4
Fare Revenue					
Long Island Rail Road	631.3	644.7	648.7	652.3	655.3
Metro-North Railroad ¹	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 ^{2, 3}	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>
February Financial Plan					
	2013 Adopted Budget	2014	2015	2016	2017
Toll Revenue					
Bridges & Tunnels	\$1,595.0	\$1,615.7	\$1,620.5	\$1,633.0	
Fare Revenue					
Long Island Rail Road	631.5	642.9	647.6	651.1	
Metro-North Railroad ¹	646.0	678.4	693.4	707.4	
MTA Bus Company	194.6	198.1	199.3	200.4	
New York City Transit ^{2, 3}	3,932.3	4,030.1	4,084.8	4,129.9	
Staten Island Railway	6.0	6.2	6.3	6.4	
<i>Total Farebox Revenue</i>	<i>\$5,410.5</i>	<i>\$5,555.7</i>	<i>\$5,631.3</i>	<i>\$5,695.1</i>	
Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2013	2014	2015	2016	2017
Toll Revenue					
Bridges & Tunnels	\$16.9	\$18.1	\$16.2	\$11.6	
Fare Revenue					
Long Island Rail Road	(0.2)	1.8	1.1	1.3	
Metro-North Railroad ¹	(17.9)	(19.4)	(21.1)	(23.3)	
MTA Bus Company	1.5	0.5	0.6	1.1	
New York City Transit ^{2, 3}	(5.4)	7.3	(0.8)	4.5	
Staten Island Railway	(0.6)	(0.6)	(0.6)	(0.6)	
<i>Total Farebox Revenue</i>	<i>(\$22.6)</i>	<i>(\$10.5)</i>	<i>(\$20.8)</i>	<i>(\$17.1)</i>	

¹ Excludes Paratransit Operations.

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

³ Excludes Fare Media Liability.

OTHER OPERATING REVENUE

The 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.

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 BC 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 341-347 Madison Avenue buildings 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 buildings, thereby avoiding previously anticipated capital costs, approximating \$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 July Plan projections of Other Operating Revenue:

Other Operating Revenue July Financial Plan 2014-2017 (\$ in millions)						
	2012	2013	2014			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Rental Income</i>	\$126	\$108	\$111	\$104	\$106	\$108
<i>Advertising</i>	124	124	129	133	137	141
<i>Paratransit Reimbursement</i>	136	162	186	198	221	253
<i>Fare Reimbursement (students/seniors/disabled)</i>	99	99	99	100	98	100
<i>Concessions</i>	6	7	7	7	7	7
<i>Parking</i>	16	17	17	17	18	18
<i>All Other</i>	56	278	132	84	137	76
Total Other Operating Revenue	\$564	\$793	\$681	\$643	\$724	\$704

Over the course of the Plan, year-to-year changes reflect decreases of \$113 million in 2014 and \$38 million in 2015, an increase of \$82 million in 2016, and a decrease of \$20 million in 2017.

The 2013 Mid-Year Forecast is \$229 million higher than the 2012 year-end actual, the vast majority of which is driven by the recovery of operating losses from the federal government and insurance for Super Storm Sandy and Tropical Storm Irene. This favorable change also reflects re-estimates of \$1 “Green Fee” revenue and paratransit reimbursements.

The overall year-to-year decrease in 2014 mainly reflects changes to the timing of Sandy-related storm recoveries, which impacted most Agencies, as well as further reductions at MTA HQ due to lower projected Two Broadway rental income. By Agency, the decrease in revenue is as follows: NYCT (\$61 million); the LIRR (\$20 million); MNR (\$15 million); B&T (\$7 million); MTA BC (\$6 million); and at MTA HQ (\$4 million).

Similarly, the year-to-year decrease in 2015, derived mostly by NYCT (\$27 million); the LIRR (\$5 million); and MNR (\$3 million), is due to revised Sandy storm-related recovery assumptions.

The general year-to-year increase in 2016 is mainly driven by: MTA HQ (\$51 million) which reflects presumed net revenue resulting from the leasing of the Madison Avenue buildings, and NYCT (\$26 million) from higher NYC reimbursements for paratransit expenses.

The year-over-year decrease in 2017 mostly reflects lower revenue at MTA HQ (\$58 million), reflecting a change from the prior year’s incursion of monies from the leasing of

the Madison Avenue buildings, partially offset by NYCT (\$35 million) due to higher NYC reimbursements for paratransit services.

Compared with the February Plan, Other Operating Revenue increases by \$94 million in 2013, and then decreases in each year thereafter by \$17 million in 2014, \$104 million in 2015, \$46 million in 2016, and \$45 million in 2017. The increase in 2013 primarily reflects earlier than expected receipt of Sandy storm-related recoveries from insurance and the federal government, which consequently resulted in a decrease in 2014. The decrease in 2015 reflects a continuation of the above, plus reduced Madison Avenue rental income at MTA HQ resulting from the presumed leasing of the Madison Avenue buildings, and paratransit reimbursement adjustments (consistent with Plan expense levels). The decrease in 2016 vastly reflects the impact of lower paratransit growth assumptions in ridership to 8% from 11% assumed in the February Plan 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 buildings, 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 decrease by \$5 million in 2014, \$91 million in 2015, and \$34 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 July 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 Consumer Price Index (CPI) 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 contract for MTA’s largest union, the TWU, expired in January 2012, and the July Plan assumes its workers will receive zero wage increases through 2015, followed by CPI-based growth. ATU employees, whose contract expired in January 2012, will similarly receive three years of zero wage growth through 2015, followed by CPI-based growth.

Contracts for represented employees at the commuter railroads expired in the summer of 2010. In the absence of new contracts, the Plan assumes three years of zero wage growth for the subsequent period ending in 2013, followed by CPI-based wage growth. It is further assumed that represented workers at SIR will receive CPI-based increases beginning in 2013.

Wage increase assumptions for represented employees at MTA HQ, B&T, MTA BC, and for non-TWU/ATU employees at NYCT — all of whose contracts expired prior to 2012 — follow only the first two years of the pattern of the last TWU agreement (4%, 4%), followed by three consecutive years of zero wage growth and then CPI-based increases.

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 July Plan.

July Plan expenses are projected at \$4,274 million in 2013, \$4,352 million in 2014, \$4,463 million in 2015, \$4,570 million in 2016, and \$4,695 million in 2017. On a year-to-year basis, expenses increase by \$78 million in 2014, \$112 million in 2015, \$107 million in 2016 and \$125 million in 2017.

The Plan maintains 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 2013 Mid-Year Forecast is \$80 million higher than 2012 year-end actual, most of which results from the assumption that vacancies in 2012 will be filled in 2013, and from CPI based increases.

The year-to-year growth in 2014 is mostly attributable to NYCT (\$31 million), MNR (\$23 million), the LIRR (\$15 million), and B&T (\$11 million). In addition to the inflationary growth factors previously mentioned and reduced vacancy assumptions in 2013, 2014 reflects increases for several new maintenance and customer convenience-related programmatic initiatives at NYCT and MNR; adjustments to the Reliability Centered Maintenance (RCM) program and East Side Access start-up costs at the LIRR; and long-term restoration and mitigation projects resulting from Sandy, implementation of the MTA Enterprise Asset Management initiative, and the expansion of the Small Business Mentoring Program at B&T. (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. Aside from years with zero wage increases, Agency changes are driven primarily by inflation.

On a plan-to-plan basis, expenses increase by \$5 million in 2013, \$46 million in 2014, \$51 million in 2015, \$49 million in 2016, and \$35 million in 2017.

Compared with the February Plan, expenses increase in 2013 as a result of ongoing Sandy storm-related maintenance work, platform budget adjustments, programmatic initiatives, and the reallocation of resources as a means to reduce overtime expenditures at NYCT (\$11 million); and the inclusion of additional resources in order to meet employee availability shortfalls, as well as the conversion of scheduled overtime costs to quota positions at the MTA BC (\$7 million). These increases are partly offset by reductions at MTA HQ (\$5 million), B&T (\$4 million), and MNR (\$3 million) – all mainly due to the timing of filling vacancies.

Plan to plan expense growth from 2014 to 2016 mostly reflects the continued impact of the components noted above at NYCT (averaging \$30 million annually); the staffing of vacant positions at MNR (averaging \$8 million annually); the full-year impact of

additional positions required to meet new needs as noted above at B&T (averaging \$5 million annually); and the impact of additional resources required at the MTA BC (averaging \$4 million annually). It should be noted that MTA HQ expenses fall from 2014 to 2016 (averaging \$4 million annually) due to 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.

Following an extensive review conducted in 2010, the MTA instituted an aggressive program to rein in overtime through a series of management controls that resulted in initial efficiency savings of approximately \$20 million in 2010 that were projected to grow to \$60 million annually thereafter. Since then, severe weather conditions including Sandy and Tropical Storm Irene (Irene), major maintenance programs such as FasTrack, backlog reduction initiatives for signals, track and structures, as well as on-going employee availability and vacancy issues, have prevented the targeted savings from being achieved. In spite of these challenges, the MTA remains committed to identifying new opportunities for improvement.

July Plan expenses are projected at \$556 million in 2013, \$503 million in 2014, \$509 million in 2015 and 2016, and \$518 million in 2017. Expenses decrease by \$53 million in 2014, increase by \$6 million in 2015, remain unchanged in 2016, and increase by \$9 million in 2017.

The 2013 Mid-Year Forecast is \$19 million lower than the 2012 year-end actual, reflecting higher expenses in 2012 related to Sandy, as well as proactive bus maintenance initiatives at the MTA BC and the timing of reimbursements for directed patrol at MTA HQ.

The overall year-to-year decrease in 2014 is mostly attributable to NYCT (\$41 million) and results mainly from an unfavorable timing adjustment in 2013 based on revised assumptions pertaining to union contract resolution and retroactive wage payments, non-recurring Sandy storm-related expenses, reduced overtime for signals inspection/maintenance, and vacancy savings. Reductions at the LIRR and MNR result from the planned aggressive filling of a significant number of vacant positions in 2013. Out-year changes largely reflect payroll wage rate assumptions, as well as reduced expenses in 2016 at NYCT based on a re-estimate of Sandy storm-related needs.

On a plan-to-plan basis, overtime expenses increase by \$49 million in 2013, \$8 million in 2014, \$5 million in 2015, and then decrease by \$4 million in 2016. The bulk of the increase in 2013 to 2015 is attributable to Sandy storm-related maintenance costs, subways maintenance backlog requirements, and vacancy coverage requirements at NYCT. Also, impacting costs was the effect of several winter storms in 2013, vacant craft and foremen positions and lower availability in train operations at the LIRR.

Overtime expenses decrease in each year of the plan for the MTA BC due to a reclassification of scheduled overtime to payroll.

It should be noted that actual overtime spending as of May, 2013 YTD has been higher than budgeted as a result of weather emergencies including Sandy and winter snowstorms. There remain areas where improvement is needed, such as vacancy/absentee coverage, 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: investigate the causes for higher absenteeism and crack down on persistent offenders; 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 high OT in specific categories such as service delays.

HEALTH & WELFARE

Empire Plan premium rates provided in April 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 \$925 million for the 2013 Mid-Year Forecast. In comparison with the 2013 Adopted Budget, expenses are \$52 million favorable due to lower projected costs for premiums. The decrease in the 2013 premium from the February Plan to the July Plan is attributable primarily to improved surplus levels in the Empire Plan, which resulted from lower claims activity and better-than-expected investment returns than projected for 2012. Partially offsetting the favorable premium costs were lower-than-estimated NYCT health re-bid savings, discussed below.

July Plan Health & Welfare expenses in 2014 are projected to be \$1,042 million, \$117 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 February Plan, expenses are less than \$1 million favorable.

MTA Consolidated Health & Welfare expenses are forecast to increase annually by 7.0%, 8.0% and 8.2%, respectively, for 2015 through 2017, when expenses are projected to reach \$1,305 million. July Plan forecasts are lower than expense forecasts in the February Plan, favorable by \$14 million in 2015 and \$31 million in 2016. These favorable changes are attributable to lower projected premiums, partially offset by

reduced savings from the NYCT health care re-bid and the impact of additional positions.

The February Plan contained \$33 million of savings identified from NYCT's completed re-bid of a new medical benefits contract for approximately 150,000 NYC Transit and MTA Bus employees, retirees and their dependents; when fully implemented, savings were expected to surpass \$50 million annually. However, savings have not been realized to the extent projected, and in the July Plan estimated savings from the re-bid were reduced to \$23 million for 2013, modestly growing to \$29 million in 2016.

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 services 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.

After reviewing per capita claims cost for NYCT and MTA Bus, a decrease in the discount rate and other factors, the MTA's actuary increased the annual required contribution (ARC) from \$1,765 million in 2010 to \$2,422 million in 2011 and the value of the above-mentioned unfunded accrued liability from \$13.2 billion to \$17.8 billion—an increase of approximately 35%.

The July 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 February Plan, OPEB current payment expenses are favorable by \$16 million 2013, \$3 million in 2014, \$11 million in 2015 and \$14 million in 2016. The favorable variances are primarily due lower employers 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 has been moved from the GASB Fund Reserve to the OPEB Trust.

Annual projected contributions are \$85 million in 2013, \$104 million in 2014, \$112 million in 2015, \$121 million in 2016 and \$131 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 February Plan, the cash Contribution to GASB Fund expenditures are higher by \$3 million in 2013, \$17 million in 2014, \$22 million in 2015 and \$28 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%² for NYCERS and from 7.5% down to 7.0% for MTA-sponsored Plans beginning in FY2013³. Employer contribution rates for NYSLRS include the continuing impact of the substantial financial market loss of 2008–2009.

Pension expenses total \$1,317 million in 2013 and increase by \$34 million in 2014, \$1 million in 2015, \$22 million in 2016 and \$2 million in 2017, when total pension expenses are projected to be \$1,376 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.

Compared with the February Financial Plan, expenses are favorable by \$50 million in 2013, \$43 million in 2014, \$98 million in 2015 and \$110 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

² 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%).

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

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.

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, which incur similar expenses in the form of Federal Employees Liability Act (FELA) and Railroad Retirement taxes (RRT). Other Fringe Benefits also include miscellaneous employee expenses.

July Plan Expenses are projected at \$581 million in 2013, \$594 million in 2014, \$613 million in 2015, \$626 million in 2016, and \$645 in 2017, reflecting a modest year-to-year annual growth consistent with payroll increases.

The 2013 Mid-Year Forecast is \$69 million lower than the 2012 year-end actuals, most of which results from lower rates and a Worker's Compensation reserve adjustment in 2012 at NYCT (\$65 million), partially offset by higher RRT, as resources needed for critical maintenance work at the LIRR increase.

The year-to-year annual increase in 2014 is consistent with changes in staffing levels, employee injury claims and payroll rate assumptions, reflecting changes by Agency as follows: NYCT (\$5 million), LIRR (\$3 million), MNR (\$3 million), MTA BC (\$2 million), and B&T (\$1 million).

For 2015 through 2017, average annual expenses increase by \$7 million at the LIRR, \$4 million at NYCT, and \$2 million at both MNR and the MTA BC, with minor changes at the other Agencies. By and large, these changes reflect a continuation of the assumptions noted for 2014.

Compared with the February Plan expenses are projected to increase by \$22 million in 2013, and by approximately \$23 million annually from 2014 to 2016. These changes are mostly attributable to the MTA BC (\$15 million in 2013 and approximately \$19 million annually from 2014 to 2016) and reflect the reclassification of Worker's Compensation expenses from Insurance (which reflects a corresponding offset).

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 New York City governmental customers. 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 January and a March 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; 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. Going forward, NYPA intends to analyze its production rates on a biennial 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 of the delivery rate redesign, which began in 2011.

The forecast for NYPA-supplied electricity for the 2013 Mid-Year Forecast is projected to increase 1.4% from 2012 costs; this reflects lower costs for diesel fuel and natural gas, the primary variable costs in the generation of electricity, that are offset by a contractual accounting adjustment for prior year expenses that will be billed to the MTA later in 2013. However, as a result of the production rate reassessment, NYPA tariffs for NYCT electricity usage are about 15 percent lower than 2012 rates. The Adopted Budget 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 the Adopted Budget assumption. The rate for NYPA-supplied electricity for the 2014 Preliminary Budget is projected to decrease 1.1% over 2013 costs, reflecting a projected 0.9% increase in NYPA's cost of service that is offset by the impact of the non-recurring prior-year accounting adjustment that is expected to impact 2013 costs. In the February Plan, 2014 NYPA expenses were projected to increase 4.7%. Con Ed delivery rates are projected to be 12.7% greater than charges incurred in 2013, unchanged from the February Plan assumption. NYPA rates are expected to 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 the February Plan; 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 3.5% in 2013, compared with the 3.3% increase assumed in the Adopted Budget. The LIPA and CL&P rate for electricity is estimated to increase 3.46% in 2014, a bit lower than the 3.53% growth assumption in the February Plan. For 2015, LIPA and CL&P rates are expected to increase 1.8% (compared with 2.4% projected in the February Plan) and increase 1.2% in 2016 (compared with 1.8% in the February Plan). Rates are forecast to increase 2.3% in 2017.

MTA Consolidated Electric Power expenses of \$515 million for the 2013 Mid-Year Forecast are \$43 million (9.1%) lower than 2012 expenses. This estimate is \$46 million (8.3%) favorable compared with the Adopted Budget projection, and reflects not only lower 2013 price assumptions but also lower expenses of \$30 million for 2012 compared with the Final Estimate. About three-quarters of the plan-to-plan favorable variance for 2013 – and for subsequent plan years – is at NYCT and reflects the drastically lower tariffs that resulted from the NYPA production rate reassessment.

Expenses for the 2014 Preliminary Budget are expected to be \$538 million, an increase of \$24 million (4.6%) over 2013 projected expenses, primarily reflecting annual rate changes. Compared with the February Plan, 2014 is favorable by \$58 million (9.7%), due to lower than previously projected electric rates and the residual effect of lower 2012 base electric costs. MTA Consolidated Electric Power expenses are forecast to increase by 4.8% in 2015, 5.3% in 2016 and 6.3% in 2017, reaching \$631 million in 2017. Beginning in 2015, start-up costs associated with the East Side Access project increase consumption levels, raising costs beyond rate impacts. Compared with the February Plan, forecasts are \$71 million (11.2%) favorable in 2015 and \$85 million favorable (12.5%) in 2016.

FUEL

Diesel and natural gas prices for the 2013 July Financial Plan include actual prices through May 6, 2013 and reflect commodity futures prices as of May 13, 2013. Where commodity futures prices are unavailable, price changes are projected using Global Insight forecasts (February 2013) for New York Harbor No. 2 Distillate for heating oil and diesel and PPI (Producer Price Index) Utility for Natural Gas.

Diesel and natural gas prices that are embedded in the 2013 February Financial Plan are carried over from the 2012 November Financial Plan, which include actual prices and reflect commodity futures prices at the beginning of September 2012. Heating oil prices are forecast to be lower than projections used in the February Plan while natural gas prices are forecast to be much higher than projections used in the February Plan.

Revised price projections in the July Plan are relative to conditions that prevailed in the fall of 2012. Since the November Plan, natural gas prices have risen sharply, first as storage levels of liquefied natural gas fell well below capacity; and, secondly, as higher consumption accompanied the cold Northeastern weather in March and April. As a result, the price of natural gas is expected to be much higher in 2013 than anticipated in the February Plan. As U.S. natural gas in storage begins to grow in 2014, its price is

expected stabilize, dropping in 2014 from its elevated 2013 level, while remaining slightly unfavorable compared to February's forecast, and rising moderately afterwards.

For 2012, the trend for prices of crude oil was slightly negative, while prices of its derivatives, including distillate fuel for heating oil, diesel fuel and gasoline, remained virtually flat, reflecting a rather subdued outlook on world economic growth. Toward the end of 2012, the potential "fiscal cliff" acted as a drag on American demand, but recent economic concerns surround the travails of the European economy and the possibility that the U.S. Federal Reserve will abort its quantitative easing program. As a consequence of these economic influences, forecasts of 2013 and 2014 prices for the liquid fuels used by the MTA have remained fairly stable and generally in line with the February Plan. The expectation is that prices will decline through 2015 partly as a result of restrained demand in Europe and Japan--and partly as supplies of crude oil from non-OPEC countries increase; prices are expected to rise thereafter.

On a year-to-year basis, Ultra Low Sulfur Diesel (ULSD) prices are projected to decrease 2.3% and 2.0% in 2014 and 2015, respectively, and then increase 3.0% and 3.8% in 2016 and 2017, respectively. For Compressed Natural Gas (CNG), prices are forecast to decrease 4.2% from 2013 to 2014, but increase by 0.1%, 1.0% 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.⁴ The MTA intends to continue this strategy, with new hedge contracts extending as far as 24 months from execution date, which provides greater price stability over a longer time period. At any point in time, approximately 50% of the projected fuel usage for the forward 12-month period will be hedged.

Fuel expenses of \$268 million for the 2013 Mid-Year Forecast are \$2 million favorable compared with the 2013 Adopted Budget. The 2012 November Forecast price for ULSD is estimated to be \$0.02 per gallon, and CNG prices are estimated to be \$0.79 per MMBTU (million metric British thermal unit) more than price assumptions in the 2013 Adopted Budget. Heating Oil is estimated to be \$0.22 per gallon and Unleaded Diesel is estimated to be \$0.02 per gallon lower than prices incorporated into 2013 Adopted Budget.

July Plan Fuel expenses in 2014 are estimated to be \$267 million, \$1 million more than projected in the February Plan. The price for ULSD is estimated to be \$0.04 per gallon, and CNG prices are estimated to be \$0.33 per MMBTU higher than the February Plan.

July Plan Fuel expenses in 2015 are estimated to be \$268 million, \$4 million more than projected in the February Plan. The price for ULSD is estimated to be \$0.09 per gallon, and CNG prices are estimated to be \$0.12 per MMBTU higher than the February Plan.

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

July Plan Fuel expenses in 2016 are estimated to be \$273 million, \$8 million lower than projected in the February Plan. The price for ULSD is estimated to be \$0.03 per gallon, and CNG prices are estimated to be \$0.03 per MMBTU lower than the February Plan.

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)⁵
- All-Agency Protective Liability (Primary)
- All-Agency Protective Liability (Excess)
- All-Agency Protective Liability (LORAM)
- All-Agency Property Policy⁶
- All-Agency Sabotage & Terrorism⁶
- Comprehensive Automobile Liability⁷
- Paratransit (Access-A-Ride)⁷
- Station Liability – LIRR & MNR
- Force Account – LIRR & MNR
- Premises Liability

The following table measures MTA Consolidated Insurance expenses:

MTA CONSOLIDATED INSURANCE EXPENSES						
Non-Reimbursable						
(\$ in millions)						
Insurance Expenses	2012 <u>Actual</u>	2013 Mid-Year <u>Forecast</u>	2014 Preliminary <u>Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
NYCT	\$54	\$59	\$70	\$84	\$100	\$119
LIRR	16	20	24	28	33	38
MNR	11	14	17	20	23	27
SIR	0	0	0	0	0	1
MTA Bus	2	3	3	4	5	6
B&T	7	10	14	17	20	24
MTAHQ	0	3	4	4	5	6
Other	<u>0</u>	<u>8</u>	<u>15</u>	<u>15</u>	<u>8</u>	<u>0</u>
Total Gross Insurance Expenses	\$90	\$115	\$148	\$173	\$193	\$220
Insurance Credits						
FMTAC	(\$83)	(\$82)	(\$88)	(\$96)	(\$105)	(\$115)
Net Insurance Expenses	\$8	\$33	\$59	\$77	\$89	\$105

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

⁵ A portion is insured through FMTAC and the remainder is insured in the global market.

⁶ These policies are insured through FMTAC and then reinsured in the global market.

⁷ Only the deductible portion of these policies is captured within FMTAC.

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, any premiums paid by an Agency to FMTAC results in offsetting revenue that has to be credited. What is left, and captured in net insurance expenses, are only those costs that exclude a FMTAC component. That would include any 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.

For the policy year 2013-2014 (which commenced May 1, 2013), FMTAC obtained \$500 million of property reinsurance coverage from conventional reinsurers in the global reinsurance marketplace. This was \$300 million less in coverage for catastrophic perils like floods than was obtained in policy year 2012-2013, reflecting the reduced capacity following Sandy offered to FMTAC by many of the companies that had traditionally provided reinsurance to MTA's All-Agency Property Program. Access to an additional \$300 million in coverage, not currently available from conventional reinsurers at competitive prices, may be available through a capital market-based reinsurance program. MTA will continue to evaluate reinsurance options for obtaining such additional coverage. The Financial Plan provides funds to the agency insurance budgets both to reflect increased pricing in the Metropolitan area that is estimated over the next several years for purchases of reinsurance for assets exposed to flood risk and to provide for estimated additional annual costs over the next 3 years that may be associated with acquisition of additional coverage to match coverage limits obtained in past years.

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).

Compared with the February Financial Plan, MTA Consolidated Insurance expenses are unfavorable by \$1 million in 2013, \$15 million 2014, \$23 million in 2015 and \$24 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. Increases in the All-Agency Property Policy on a plan-to-plan basis of \$9 million in 2013, \$22 million in 2014, \$26 million in 2015 and \$31 million in 2016 are expected. 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 July Financial Plan are projected at \$136 million in 2012, \$199 million in 2013, \$205 million in 2014, \$210 million in 2015, \$215 million in 2016 and \$219 million in 2017. In comparison with the February Plan, expenses are unfavorable by \$1 million in 2013, but favorable by \$8 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 costs per trip, improved enforcement of eligibility requirements, and the conversion of contracted trips to fixed route feeder trips (trip shortening).

In 2012, 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, thus further reducing the demand for costly fixed route services. Implementation of this initiative was originally scheduled for March, 2013 with projected savings of \$31 million in 2013, \$46 million in 2014, and \$96 million in 2015 and 2016. However, because of disruptions in operations primarily caused by Sandy, implementation has been delayed six months (until September, 2013) with revised savings projections of \$16M in 2013, \$38M in 2014, \$71M in 2015, and \$96M in both 2016 and 2017.

July Plan expenses are projected to be \$391 million in 2013, \$417 million in 2014, \$429 million in 2015, \$479 million in 2016 and \$559 million in 2017, reflecting year-to-year increases of \$25 million in 2014, \$12 million in 2015, \$50 million in 2016, and \$80 million in 2017. These increases are driven by projected annual trip growth of 8%, and cost-per-trip projections based on the Consumer Price Index, partially offset by savings projected from the zero-fare incentive program. Compared with 2012 year-end actuals, the 2013 Mid-Year Forecast is \$30 million higher, primarily due to a projected growth in trips. In 2012, expenses were considerably lower, due in part to Sandy, which resulted in fewer trips, reduced call center activity, and lower maintenance costs.

Compared with the February Plan, Paratransit Service Contract expenses increase by \$6 million in 2013, decrease by \$3 million in 2014, increase by \$3 million in 2015, and decrease by \$15 million in 2016. Expenses decrease in every year of the plan due to reductions in trip growth assumptions, attributable in part to the zero-fare program, with the exception of 2013 and 2015, where the negative impact of its delayed implementation exceeds projected savings.

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.

July Plan expenses are projected at \$571 million in 2013, \$551 million in 2014, \$600 million in 2015, \$614 million in 2016 and \$617 million in 2017, reflecting a year-to-year decrease of \$20 million in 2014, followed by an increase of \$49 million in 2015, \$15 million in 2016, and \$3 million in 2017. The 2013 Mid-Year Forecast is \$119 million higher than the 2012 year-end actual. Of this amount, \$54 million is attributable to NYCT and reflects vehicle purchases, bus shop plan and SMS materials and a \$30 million timing variance; \$32 million is attributable to B&T, reflecting additional Sandy storm-related work and higher growth in E-ZPass-related expenses; \$11 million for Two Broadway and Integrated Electronic Security System (IESS) costs, a reclassification of steam energy from fuel, and additional Sandy storm-related work at MTA HQ; and \$11 million for higher security related expenses, hazardous waste cleanup and Amtrak joint facilities expenses at the LIRR.

The overall year-to-year decrease in 2014 is mainly attributable to: NYCT (\$21 million), due to bus shop timing adjustments, a revised Paratransit fleet plan and changes to the timing of rail car disposals; and B&T (\$3 million), primarily due to no additional resources required for Sandy storm-related work in 2014. These favorable projections are partially offset by higher expenses at SIR (\$2 million), due to inflationary increases; and the LIRR (\$2 million), due to the elevator maintenance overhaul program.

The overall year-to-year increase in 2015 is mainly driven by: MTA BC (\$25 million), largely for the hybrid re-power initiative; B&T (\$15 million), due to additional major maintenance needs to ensure that key bridge and tunnel components are properly maintained; NYCT (\$7 million), mainly caused by bus shop schedule and paratransit fleet plan adjustments; MNR (\$6 million), mostly for the next cycle of locomotive overhaul programs and inflationary increases. Partially offsetting these unfavorable projections are lower expenses at MTA HQ (\$3 million) related to relocating MTAHQ's

administrative functions to Two Broadway from Madison Avenue; and the LIRR (\$3 million), due to the completion of the elevator/escalator maintenance overhaul program and lower capital project activity.

The overall year-to-year increase in 2016 is mainly attributable to: NYCT (\$9 million), primarily driven by bus shop timing adjustments and paratransit fleet plan adjustments; the LIRR (\$6 million), largely driven by East Side Access start-up costs; B&T (\$5 million), primarily due to increases in major maintenance and preventive maintenance needs and higher E-ZPass expenses. Partially offsetting these unfavorable results are lower expenses at the MTA BC (\$7 million), due to the Shop Overhaul Program schedule, which is based on a 4-year cycle as well as savings from hybrid batteries and other hybrid components, in conjunction with the re-power diesel efforts.

The overall year-to-year increase in 2017 is mainly attributable to: the LIRR (\$19 million) for East Side Access start-up costs; B&T (\$3 million), largely for major maintenance and preventive maintenance needs, higher E-ZPass expenses, and inflationary increases. Partially offsetting these unfavorable results are lower expenses at NYCT (\$10 million), mainly caused by bus shop timing and paratransit fleet plan adjustments; MTA BC (\$9 million), mostly for the Shop Overhaul Program schedule (which is based on a 4-year cycle), as well as savings from hybrid batteries and other changed assumptions for hybrid components.

Compared with the February Plan, expenses increase by \$30 million in 2013, remain virtually unchanged in 2014, and increase in 2015 and 2016 by \$18 million and \$7 million, respectively. In 2013, major plan-to-plan changes include additional requirements for support fleet services, paratransit fleet adjustments, and rail car disposals at NYCT; Sandy storm-related expenses at B&T; 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 facility costs at the LIRR and the hybrid bus fleet conversion to clean diesel propulsion at the MTA BC. Partially offsetting these increases are reductions at NYCT, primarily due to paratransit fleet adjustments and “Green Fee” card stock savings; lower GCT steam usage and rates, greater operating efficiencies resulting from a review of maintenance contracts, and transfers of GCT operating costs to operating capital at MNR; and the presumed leasing of the Madison Avenue buildings at MTA HQ.

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.

July Plan annual expenses are projected at \$301 million in 2013 and 2014, \$295 million in 2015 and 2016, and \$300 million in 2017, reflecting a no-growth budget in 2014,

followed by a year-to-year decrease of \$6 million in 2015, no change in 2016 and an increase of \$5 million in 2017.

The 2013 Mid-Year Forecast is \$24 million higher than the 2012 year-end actual, resulting from a reclassification adjustment from payroll at the MTA BC (\$11 million); increased Surety bond issuance fees based on a new GASB 65 ruling, consulting services related to an MTA-wide Enterprise Asset Management (EAM) initiative and operations planning studies at B&T (\$7 million); and higher consulting services in support of engineering and IT projects at MNR (\$6 million).

Year-to-year average annual reductions from 2014 through 2017 reflect the impact of inflationary adjustments, as well as the timing of various IT projects and a medical standards review at NYCT (\$4 million in both 2014 and 2015); and lower system initiative project costs and Sandy storm-related expenses at the LIRR (\$4 million in 2014 and \$2 million in 2015). Also, an increase of \$6 million in 2014 at MTA HQ reflects a timing change in the relocation of MTA HQ administrative functions to Two Broadway from Madison Avenue.

Compared with the February Plan, expenses increase by approximately \$20 million in 2013 and 2014, \$16 million in 2015, and \$12 million in 2016. The major contributors are:

- NYCT: Increases of \$10 million in 2013, \$6 million in 2014, \$4 million in 2015, and \$2 million in 2016, reflecting an EAM initiative (consulting services), the Homeless Outreach Program, special structures inspections, and enterprise security maintenance costs;
- B&T: Increases of \$4 million in each of the years 2013 through 2015 and \$3 million in 2016, attributable to the new GASB 65 ruling increasing Surety bond issuance fees, an EAM initiative, and a cyber-security initiative;
- HQ: A reduction of \$1 million in 2013 for lower lease and rental expenses, followed by increases averaging \$5 million in each year thereafter for Two Broadway-related expenses.

MATERIALS AND SUPPLIES

Materials & Supplies reflect funding for a variety of expenses including but not limited to parts for trains & buses, electrical supplies, radio equipment, project materials, roadway equipment, paint and plumbing supplies. All Agency increases in Materials and Supplies for 2014 through 2017 are inflated primarily by regional CPI-U forecasts.

July Plan expenses are projected at \$519 million in 2013, \$527 million in 2014, \$557 million in 2015, \$563 million in 2016, and \$573 million in 2017, reflecting year-to-year increases of \$8 million in 2014, \$30 million in 2015, \$7 million in 2016, and \$10 million in 2017.

The 2013 Mid-Year Forecast is \$88 million higher than the 2012 year-end actual, reflecting timing-related impacts resulting from the disruption of operations caused by

Sandy, as well as usually scheduled bus shop plan and Scheduled Maintenance Service (SMS) materials requirements at NYCT, and higher Reliability Centered Maintenance (RCM) activities at the LIRR.

The year-to-year increase in 2014 is mostly attributable to the LIRR (\$13 million) for materials previously captured as operating capital and Reliability Centered Maintenance (RCM) material; and MNR (\$6 million), reflecting mostly inflation increases. These results are partially offset by reductions of \$7 million at NYCT largely due to an unfavorable 2012 year-end timing adjustment in 2013, and \$5 million at SIR due to purchases in 2013 of non-revenue fleet vehicles that are not expected to recur in 2014.

Year-to-year increases in 2015 through 2017 primarily reflect East Side Access start-up costs in 2016 and 2017, the timing of subway and bus fleet maintenance requirements, and inflation.

Compared with the February Plan, expenses increase in 2013 and 2014 by \$24 million and \$14 million, respectively, and decrease in 2015 and 2016 by \$11 million and \$12 million, respectively. 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 maintenance needs for the RCM program, escalator and elevator program, and for additional materials previously captured in operating capital at the LIRR. Also, 2013 reflects 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, reflecting efficiency savings realized from revised equipment replacement programs, 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.

July Plan Expenses are projected at \$204 million in 2013, \$180 million in 2014, \$162 million in 2015, \$167 million in 2016 and \$171 million in 2017, reflecting year-to-year decreases of \$24 million in 2014 and \$18 million in 2015, followed by increases of \$6 million in 2016 and \$4 million in 2017. These changes reflect inflationary growth, programmatic changes, and timing impacts.

The 2013 Mid-Year Forecast is \$60 million higher than the 2012 year-end actual, of which \$66 million results from higher MTA HQ expenses, including \$45 million related to the relocation of administrative offices to Two Broadway from Madison Avenue and \$21 million related to the timing of a 2012 internal subsidy credit for SIR. Other factors include \$11 million in increased expenses at MNR, reflecting higher New Jersey Transit subsidy requirements for West-of-Hudson operations, and a write-off for damaged New Haven Line cars. These variances are partially offset by lower expenses at the LIRR

due to a reclassification of on-going Sandy storm-related expenses to relevant individual expense categories.

The year-to-year reductions in 2014 and 2015 are mostly attributable to MTA HQ (\$23 million in both years), and reflect the move from Madison Avenue. Year-to-year increases in 2016 and 2017 are mainly due to inflationary increases and adjustments to West-of-Hudson subsidies at MNR.

Compared with the February Plan, expenses increase by \$8 million in 2013, remain virtually unchanged in 2014, and decrease by \$1 million annually in 2015 and 2016. Most of the 2013 change is attributable to MNR (\$4 million) for Sandy storm-related expenses and the LIRR (\$3 million) due to a change in the accounting methodology for concrete tie replacement reimbursements.

2013 Budget Reduction Program (BRP)

In December, the Board adopted a financial plan that 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.

METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2014 - 2017

(\$ in millions)

Favorable/(Unfavorable)

2013 Budget Reduction Program by Agency and Category						
	2013		2014		2015	
	Pos	\$	Pos	\$	Pos	\$
Agency:						
New York City Transit/SIR	-	0.0	-	0.3	-	0.3
Metro-North Railroad	-	2.7	-	8.0	-	8.3
MTA Headquarters	-	5.1	-	3.7	-	2.9
Total (Excluding MTA Bus)	-	\$7.8	-	\$12.0	-	\$11.5
MTA Bus	-	1.4	-	1.4	-	1.4
Total	-	\$9.2	-	\$13.4	-	\$12.9
Category:						
Administration	-	5.1	-	3.7	-	2.9
Customer Convenience/Amenities	-	0.0	-	0.0	-	0.0
Maintenance/Inventory	-	1.9	-	6.1	-	5.7
Revenue Enhancement	-	0.8	-	2.2	-	2.9
Safety/Security	-	0.0	-	0.0	-	0.0
Service	-	0.0	-	0.0	-	0.0
Service Support	-	0.0	-	0.0	-	0.0
Other	-	0.0	-	0.0	-	0.0
Total (Excluding MTA Bus)	-	\$7.8	-	\$12.0	-	\$11.5
MTA Bus - Other	-	1.4	-	1.4	-	1.4
Total	-	\$9.2	-	\$13.4	-	\$12.9

Differences in totals are due to rounding.

The BRP's developed for this Plan result in programmatic savings that reduce the deficit by \$9.2 million in 2013, \$13.4 million in 2014, \$12.9 million in 2015, \$12.7 million in 2016 and \$14.6 million in 2017. All BRPs 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—Programmatic are listed below by agency. Specific details can be found in the BRP worksheets located in Agency sections.

NYCT BRP Savings:

- Revised projections of annual paratransit trip growth to 8%, from 11%, and diversion of trips to less-expensive taxis or voucher cars; the projections include corresponding savings in insurance and fuel costs.

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 BC BRP Savings:

- Reduction in costs for facilities maintenance, repair contract costs, and office equipment and supplies savings.

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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 February 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 B&T 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 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. A substantial portion of the growth is due to favorable real estate revenues, which have been trending higher since the Fall of 2010. Real estate tax projections indicate that recent improvements in the regional economy will continue to spur growth in activity. However, these improvements in annual real estate 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 forecast is fifty-six percent lower than actual receipts in 2007.

On an *accrual basis*, the 2013 Mid-Year Forecast of Total Dedicated Taxes and State & Local Subsidies is \$5,895 million. When compared with 2012, the 2013 Mid-Year Forecast is higher by \$404 million (7%). The growth is due primarily to higher appropriations of MTA dedicated tax revenues by the State and to favorable regional economic activity. Compared with the February Plan, the forecast is \$143 million higher. The favorable plan-to-plan variance is primarily the result of higher real estate transaction tax receipts (MRT and Urban Taxes) of \$89 million due to strong mortgage borrowing and commercial real estate activity in New York City, higher City Subsidy for MTA Bus of \$83 million due to re-estimate of revenues and expenses and timing adjustments, and increased Metropolitan Mass Transportation Operating Assistance (MMTOA) of \$30 million due to the State's re-estimate of revenues in its 2013-14 Enacted Budget. This is partially offset by unfavorable Payroll Mobility Tax (PMT) of \$34 million due to lower-than-expected transactions in the early part of the year, lower Petroleum Business Taxes (PBT) of \$11 million and lower Connecticut Department of Transportation reimbursement (CDOT) of \$9 million.

On a *cash basis*, total 2013 MTA Dedicated Taxes and State & Local Subsidies is \$5,490 million. When compared with 2012, the 2013 Mid-Year Forecast is higher by \$298 million (6%) due to higher appropriations of dedicated tax revenues and to favorable regional economic activity. Compared with the February Plan, the 2013 forecast is \$5 million unfavorable. This unfavorable plan-to-plan variance mostly reflects repayment of inter-agency loans for funds advanced to cover Sandy-related costs (\$75 million) and interest rate swap termination fees (\$39 million), lower PMT receipts of \$37 million, lower PBT of \$12 million, lower CDOT of \$9 million, lower net other subsidy adjustment of \$8 million and City Subsidy for SIRTOA of \$4. This is offset

primarily by favorable real estate taxes of \$115 million, City Subsidy to MTA Bus of \$36 million, and MMTOA of \$30 million, details of which are described in the related sections of this report.

On an *accrual basis*, Total Dedicated Taxes and State & Local Subsidies are expected to increase from the prior year by \$143 million (2%) in 2014, \$286 million (5%) in 2015, \$241 million (4%) in 2016 and \$195 (3%) in 2017. Compared with the February Plan, the Mid-Year forecasts are increased by \$48 million in 2014, \$61 million in 2015, and \$68 million in 2016, due primarily to favorable Urban Taxes as a result of strong commercial real estate activity, favorable City Subsidy to MTA Bus and CDOT subsidy both reflecting re-estimates of revenues and expenses and timing adjustments.

On a *cash basis*, Total Dedicated Taxes and State and Local Subsidies are expected to increase from the prior year by \$353 million (6%) in 2014, \$17 million (0.3%) in 2015, \$302 million (5%) in 2016 and \$195 (4%) in 2017. Compared with the February Plan, these are projected to increase by \$90 million in 2014 and decrease by \$129 million in 2015 and \$174 million in 2016, due primarily to unfavorable net other subsidy adjustments offset by favorable real estate transactions.

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

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
<u>Subsidies</u>						
Dedicated Taxes						
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	620.0	636.1	640.8	644.1	645.6
Mortgage Recording Tax (MRT)	271.0	337.2	365.2	398.2	419.1	423.9
MRT Transfer to Suburban Counties	(2.4)	(3.0)	(4.1)	(4.8)	(4.9)	(4.9)
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	514.7	518.3	572.5	624.5	657.8
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>
	\$2,657.4	\$2,982.6	\$3,069.6	\$3,228.3	\$3,371.6	\$3,484.9
New State Taxes and Fees						
Payroll Mobility Tax	\$1,263.8	\$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>
	\$1,824.3	\$1,829.6	\$1,942.7	\$2,022.0	\$2,094.6	\$2,164.2
State and Local Subsidies						
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	86.8	101.1	93.0	99.0	104.0
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>
	\$616.9	\$623.0	\$639.7	\$634.3	\$642.8	\$650.5
Subtotal Dedicated Taxes & State and Local Subsidies	\$5,098.7	\$5,435.2	\$5,652.0	\$5,884.5	\$6,109.0	\$6,299.6
City Subsidy for MTA Bus	\$361.0	\$428.9	\$357.4	\$406.1	\$421.2	\$426.6
City Subsidy for SIRT OA	<u>30.7</u>	<u>30.8</u>	<u>28.6</u>	<u>33.3</u>	<u>34.3</u>	<u>33.4</u>
	\$391.7	\$459.7	\$385.9	\$439.5	\$455.5	\$459.9
Total Dedicated Taxes & State and Local Subsidies	\$5,490.4	\$5,894.9	\$6,038.0	\$6,324.0	\$6,564.5	\$6,759.5
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	\$497.6	\$563.9	\$530.4	\$491.2	\$458.8	\$416.6
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>
	\$476.6	\$563.9	\$530.4	\$491.2	\$458.8	\$416.6
GROSS SUBSIDIES	\$5,967.0	\$6,458.8	\$6,568.4	\$6,815.1	\$7,023.3	\$7,176.2

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

	2012	2013	2014	2015	2016
<u>Subsidies</u>					
Dedicated Taxes					
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$10.8	\$30.0	(\$9.6)	(\$14.6)	\$1.9
Petroleum Business Tax (PBT) Receipts	(7.0)	(11.3)	0.4	2.7	4.4
Mortgage Recording Tax (MRT)	(13.7)	9.8	(7.1)	(17.5)	(20.1)
MRT Transfer to Suburban Counties	(0.0)	0.1	0.0	0.2	(0.1)
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	51.1	79.4	42.2	52.2	58.4
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$41.1	\$108.1	\$25.9	\$22.9	\$44.5
New State Taxes and Fees					
Payroll Mobility Tax	\$2.5	(\$33.8)	\$0.0	\$0.0	\$0.0
Payroll Mobility Tax Replacement Funds	(0.1)	(2.8)	(2.8)	(2.8)	(2.8)
MTA Aid	<u>(0.6)</u>	<u>(2.5)</u>	<u>5.0</u>	<u>10.0</u>	<u>10.0</u>
	\$1.8	(\$39.1)	\$2.2	\$7.2	\$7.2
State and Local Subsidies					
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	(6.4)	(9.4)	18.2	6.5	6.4
Station Maintenance	<u>3.0</u>	<u>0.3</u>	<u>(0.3)</u>	<u>(0.7)</u>	<u>(0.8)</u>
	(\$3.4)	(\$9.1)	\$17.9	\$5.9	\$5.6
Subtotal Dedicated Taxes & State and Local Subsidies	\$39.5	\$59.9	\$46.0	\$36.0	\$57.3
City Subsidy for MTA Bus	(\$61.5)	\$82.7	\$0.7	\$23.3	\$14.4
City Subsidy for SIRTOA Recovery	<u>(3.9)</u>	<u>0.7</u>	<u>0.9</u>	<u>2.2</u>	<u>(4.0)</u>
	(\$65.4)	\$83.5	\$1.6	\$25.5	\$10.4
Total Dedicated Taxes & State and Local Subsidies	(\$25.9)	\$143.3	\$47.5	\$61.5	\$67.6
Inter-agency Subsidy Transactions					
B&T Operating Surplus Transfer	\$51.7	\$6.9	(\$5.6)	(\$0.2)	\$16.6
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$51.7	\$6.9	(\$5.6)	(\$0.2)	\$16.6
GROSS SUBSIDIES	\$25.8	\$150.2	\$41.9	\$61.2	\$84.2

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

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Subsidies						
Dedicated Taxes						
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	618.6	635.7	640.6	644.0	645.6
Mortgage Recording Tax (MRT)	279.8	335.5	362.4	396.4	418.7	423.5
MRT Transfer to Suburban Counties	(1.8)	(2.4)	(3.0)	(4.1)	(4.8)	(4.9)
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	535.2	513.8	568.1	621.6	655.7
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>
	\$2,609.6	\$2,975.6	\$3,038.0	\$3,197.5	\$3,343.4	\$3,457.5
PMT and MTA Aid						
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>
	\$1,825.8	\$1,829.6	\$1,942.7	\$2,022.0	\$2,094.6	\$2,164.2
State and Local Subsidies						
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	86.8	101.1	93.0	99.0	104.0
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>
	\$613.4	\$621.2	\$637.9	\$632.2	\$640.9	\$648.6
Other Subsidy Adjustments						
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	(0.7)	(1.2)	(0.1)	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>
	(\$168.0)	(\$362.4)	(\$200.0)	(\$402.1)	(\$363.9)	(\$336.9)
Subtotal Dedicated Taxes & State and Local Subsidies	\$4,880.8	\$5,064.0	\$5,418.6	\$5,449.5	\$5,715.0	\$5,933.3
City Subsidy for MTA Bus	\$290.0	\$395.0	\$393.1	\$381.7	\$413.7	\$423.9
City Subsidy for SIRTTOA	<u>21.1</u>	<u>30.7</u>	<u>30.8</u>	<u>28.6</u>	<u>33.3</u>	<u>34.3</u>
	\$311.0	\$425.7	\$423.9	\$410.3	\$447.0	\$458.2
Total Dedicated Taxes & State and Local Subsidies	\$5,191.8	\$5,489.7	\$5,842.5	\$5,859.8	\$6,162.0	\$6,391.5
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	\$509.3	\$567.2	\$533.8	\$495.1	\$462.1	\$420.9
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>
	\$499.2	\$567.2	\$533.8	\$495.1	\$462.1	\$420.9
GROSS SUBSIDIES	\$5,691.0	\$6,057.0	\$6,376.3	\$6,354.9	\$6,624.1	\$6,812.3

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

	2012	2013	2014	2015	2016
<u>Subsidies</u>					
Dedicated Taxes					
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$10.8	\$30.0	(\$9.6)	(\$14.6)	\$1.9
Petroleum Business Tax (PBT) Receipts	(5.6)	(12.3)	0.2	2.6	4.3
Mortgage Recording Tax (MRT)	1.4	11.8	(6.1)	(17.3)	(20.4)
MRT Transfer to Suburban Counties	0.0	(0.0)	0.1	0.0	0.2
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	23.6	103.4	41.3	51.7	58.0
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$30.2	\$132.9	\$25.9	\$22.4	\$44.0
New State Taxes and Fees					
Payroll Mobility Tax	\$3.9	(\$33.8)	\$0.0	\$0.0	\$0.0
Payroll Mobility Tax Replacement Funds	(0.1)	(2.8)	(2.8)	(2.8)	(2.8)
MTA Aid	<u>(0.6)</u>	<u>(2.5)</u>	<u>5.0</u>	<u>10.0</u>	<u>10.0</u>
	\$3.3	(\$39.1)	\$2.2	\$7.2	\$7.2
State and Local Subsidies					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	(0.5)	0.0	0.0	0.0	0.0
CDOT Subsidy	(6.4)	(9.4)	18.2	6.5	6.4
Station Maintenance	<u>1.6</u>	<u>0.6</u>	<u>0.2</u>	<u>(0.4)</u>	<u>(0.8)</u>
	(\$5.2)	(\$8.8)	\$18.3	\$6.1	\$5.6
Other Subsidy Adjustments					
Inter-Agency Loan	\$0.0	(\$114.2)	\$6.0	\$81.0	\$6.0
NYCT Charge Back of MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	(0.1)	(3.8)	(1.6)	(0.1)	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	(3.9)	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>(250.0)</u>	<u>(250.0)</u>
	(\$0.1)	(\$121.9)	\$4.4	(\$169.1)	(\$244.0)
Subtotal Dedicated Taxes & State and Local Subsidies	\$28.2	(\$36.9)	\$50.8	(\$133.4)	(\$187.2)
City Subsidy for MTA Bus	(\$106.2)	\$36.1	\$38.2	\$3.3	\$10.9
City Subsidy for SIRTOA	<u>0.0</u>	<u>(3.9)</u>	<u>0.7</u>	<u>0.9</u>	<u>2.2</u>
	(\$106.2)	\$32.2	\$38.9	\$4.1	\$13.0
Total Dedicated Taxes & State and Local Subsidies	(\$78.0)	(\$4.8)	\$89.8	(\$129.2)	(\$174.2)
Inter-agency Subsidy Transactions					
B&T Operating Surplus Transfer	\$36.6	\$21.3	(\$4.4)	(\$0.8)	\$14.9
MTA Subsidy to Subsidiaries	<u>(0.3)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$36.3	\$21.3	(\$4.4)	(\$0.8)	\$14.9
GROSS SUBSIDIES	(\$41.7)	\$16.6	\$85.4	(\$130.0)	(\$159.3)

METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)

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

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

The estimate of total taxes in the Statewide Mass Transportation Operating Assistance Fund for 2013 is \$2,055 million, of which \$1,972 million is allotted for Downstate transit properties. Of the Downstate allotment, \$1,003 million in non-18b funds is appropriated for the benefit of MTA NYCT/SIR and \$511 million for the Commuter Railroads. The combined MTA Share is \$164 million higher than the 2012 level and \$30 million higher than the February Plan forecast. In addition, \$190 million, which includes \$154 million for NYCT/SIR and \$21 million for the Commuter Railroads, is earmarked to fund the State's 18-b obligation. 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.

2013 Mid-Year Forecast

The 2013 Mid-Year Forecast reflects New York State 2013-14 Enacted Budget appropriation of \$1,518 million. When compared with 2012, the 2013 appropriation for NYCT/SIR and the commuter railroads combined is higher by \$164 million (12%). This is \$30 million above the February Plan's MTA MMTOA forecast. Of the total estimated MMTOA receipts for 2013, \$1,003 million is appropriated for NYCT/SIR and \$511 million for the Commuter Railroads. 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 Sandy.

The 2013 percentage allocations of MTA's share of downstate MMTOA, 59% for NYCT/SIR and 27.0% for the CRRs, are derived from the actual amounts appropriated by the State.

The 2013 Mid-Year Forecast assumes that the State's funding of its 18-b obligations to

the MTA remains at the 2012 level of \$175 million, which is consistent with the February Plan.

2014 Preliminary Budget

For 2014, total estimated MTA MMTOA revenue is \$1,558 million, which is \$40 million (3%) more than the 2013 estimate. Compared with February, the July estimate decreased by \$10 million (1%). Of the total, \$1,034 million is earmarked for NYCT and SIR and \$525 million is earmarked for the Commuter Railroads. These forecasts reflect NYS' latest reforecast of revenues in the 2013-14 Enacted Budget.

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 Preliminary Budget 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 February Plan.

Revenues from 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, which remains flat through the Plan period. (See the table at the end of this section).

2015 – 2017

For 2015 through 2017, the July Plan projections 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. Compared with the February Plan, the MTA MMTOA revenues are expected to decrease by \$15 million in 2015, and increase by \$2 million in 2016. These forecasts are based on New York State's projections of revenues from sales taxes, petroleum business taxes, corporate franchise taxes and corporate tax surcharge in its 2013-14 Enacted Budget.

For 2014 through 2017, the Plan assumes the following growth rates from the prior year levels for the component taxes of MMTOA:

Growth Rate for the Individual Components of MMTOA (from prior year level)					
		2014	2015	2016	2017
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
July Financial Plan 2014-2017
(\$ in millions)

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<u>Forecast of MMTOA Gross Receipts (\$FY):</u>						
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
Total Gross Receipts Available for Allocation	\$1,975.6	\$2,054.9	\$2,139.9	\$2,219.9	\$2,299.9	\$2,386.9

Allocation of Total Gross Receipts to DownState:

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: 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
Total Net DownState Share Available for Allocation	\$1,791.9	\$1,971.9	\$2,055.1	\$2,134.7	\$2,214.2	\$2,301.2
Less: 18-B Adjustment	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)
Adjusted Total Net DownState Share for Allocation	\$1,602.4	\$1,782.4	\$1,865.6	\$1,945.1	\$2,024.7	\$2,111.7
Add: NYS Reimbursement	0.0	3.9	0.0	0.0	0.0	0.0
Adjusted Total Net DownState Share + Other	\$1,602.4	\$1,786.3	\$1,865.6	\$1,945.1	\$2,024.7	\$2,111.7

Allocation of Total Net DownState Share to NYCT/SIR:

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
Total NYCT/SIR Share of Net DownState Share	\$895.6	\$1,002.9	\$1,033.7	\$1,079.7	\$1,125.6	\$1,175.9
Total SIR Share (Cash)	3.134	3.510	3.618	3.779	3.940	4.116
Total NYCT Share of Net DownState Share	\$892.4	\$999.4	\$1,030.1	\$1,075.9	\$1,121.7	\$1,171.8

Allocation of Total Net DownState Share to MTA:

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
Total MTA Share of Net DownState Share	\$458.6	\$511.4	\$524.7	\$545.8	\$566.9	\$590.0

NYS Reimbursement

NYS Reimbursement	\$0.0	\$3.9	\$0.0	\$0.0	\$0.0	\$0.0
Total NYS Reimbursement	\$0.0	\$3.9	\$0.0	\$0.0	\$0.0	\$0.0

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 as PBT Receipts by the MTA for purposes of budget presentation. 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 MTTF Receipts (PBT) to pay debt service on MTA's Dedicated Tax Fund Bonds (DTF Bonds). Debt service on DTF Bonds is payable first from PBT Receipts and then, to the extent of any deficiency, from MMTOA Taxes. On an annual basis to date, PBT Receipts have 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 MTA Mid-Year PBT estimate, on a cash basis, is \$619 million. This is \$19 million higher than the 2012 level and \$12 million lower than the February Plan forecast. Of the total, NYCT's share is \$526 million and Commuter Railroads' share is \$93 million.

The PBT estimates are provided on a cash basis. This does not vary very much from the accrual estimates, which are based on a one-month lag in the booking and collection of PBT proceeds.

2013 Mid-Year Forecast

The PBT forecast in the 2013 MTA July Plan reflects the most recent revenue projections included in the New York State 2013-14 Enacted Budget. The 2013 MTA Mid-Year PBT estimate is \$619 million or \$19 million higher than 2012. This is \$12

million below the February Plan estimate, which is revised downward to reflect the State's latest forecasts of PBT revenues. Of the total PBT allocation, 85% or \$526 million is earmarked for New York City Transit and 15% or \$93 million for the commuter railroads.

2014 Preliminary Budget

The 2014 Preliminary Budget for MTA PBT is \$636 million, which is \$17 million (3%) greater than the 2013 estimate. This is slightly (\$0.2 million) higher than the February Plan estimate, reflecting NYS' Enacted Budget re-estimates of PBT revenues.

2015 - 2017

For 2015 through 2017, PBT cash estimates are \$641 million, \$644 million and \$646 million, respectively. These PBT estimates are higher than the previous year by \$5 million (1%) in 2015, \$4 million (1%) in 2016 and \$2 million (0.3%) in 2017. Compared with the February Plan, these PBT estimates are higher by \$2.6 million in 2015 and \$4.3 million in 2016.

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

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
Total Net PBT Collections Available for Distribution	\$1,763.2	\$1,819.4	\$1,869.8	\$1,884.0	\$1,894.1	\$1,898.9

Distribution Shares:

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

Amount of Total Net Collections Available for the MTA:

MTA Total	\$599.5	\$618.6	\$635.7	\$640.6	\$644.0	\$645.6
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Accrued

NYCT/SIR Share of MTA Total	\$510.2	\$527.0	\$540.7	\$544.7	\$547.5	\$548.8
Commuter Railroad Share of MTA Total	90.0	93.0	95.4	96.1	96.6	96.8
MTA Total of Net Collections	\$600.2	\$620.0	\$636.1	\$640.8	\$644.1	\$645.6

Cash

NYCT/SIR Share of MTA Total	\$509.6	\$525.8	\$540.4	\$544.5	\$547.4	\$548.8
Commuter Railroad Share of MTA Total	89.9	92.8	95.4	96.1	96.6	96.8
MTA Total of Net Collections	\$599.5	\$618.6	\$635.7	\$640.6	\$644.0	\$645.6

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 June. With the exception of MRT collections from New York City, receipts for the second half of 2013 reflect average collections over the prior twelve-month period, and for the remainder of the Plan period, forecasts 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-1 receipts for the second half of 2013 and for the remainder of the Plan period are based on consultations with real estate tax analysts at New York City's Office of Management and Budget and are consistent with projections in the City's May 2013 Executive Budget. NYC MRT-2 receipts for the second half of 2013 reflect average collections over the past twelve months, and beginning with 2014 are consistent with the projections in the City's May 2013 Executive Budget.

2013 Mid-Year Forecast

MRT receipts are forecast to be \$335 million in 2013, \$56 million (20%) more than 2012 MRT receipts. This projected increase would be the third annual increase after four years of declines from 2007 to 2010. MRT-1, which is collected on mortgages for both commercial and residential properties, is projected to increase \$49 million (26%) while MRT-2, which is paid only on residential properties with fewer than seven units in the structure, is forecast to increase \$7 million (7%) compared with 2012 receipts.

The 2013 Mid-Year Forecast for MRT is \$12 million (4%) more than the Adopted Budget, reflecting stronger recovery in mortgage borrowing than anticipated in the February Plan. MRT-1 is estimated to be \$22 million (10%) more than the Adopted Budget, while MRT-2 is projected to be \$11 million (10%) less than the Adopted Budget. This disparity reflects stronger than anticipated mortgage activity for commercial transactions, while mortgage activity for residential transactions is weaker than was expected in the Adopted Budget.

2014 Preliminary Budget

Projections indicate that recent improvements in the regional economy will continue to spur growth in mortgage recordings, but at rates slower than those projected in the February Plan. MRT receipts are forecast to be \$362 million in 2014, \$27 million (8%) greater than estimated in the February Plan. This projected 2014 MRT increase, coupled with increases in 2011 through 2013, will still leave MRT receipts 52 percent lower than when MRT receipts peaked in 2006. About two-thirds of the MRT increase in 2014 is expected to come from MRT-1 receipts, which is projected to increase \$18 million (7%); MRT-2 receipts are forecast to increase \$9 million (9%).

The 2014 Preliminary Budget for MRT is \$6 million (2%) less than the February Plan forecast, reflecting a weaker year-over-year increase (8% vs. 14% in February). MRT-1 is estimated to be \$12 million (5%) more than the February Plan forecast, while MRT-2 is projected to be \$18 million (14%) less than the February Plan forecast, continuing the trend from 2013 when commercial mortgage filings were stronger than residential mortgage filings.

2015 - 2017

MRT receipts are expected to improve annually, increasing \$34 million in 2015, \$22 million in 2016, and \$5 million in 2017. The projected growth in MRT receipts reflects annual improvements 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 \$423 million, will still be 45 percent below receipts from ten years earlier, when MRT receipts peaked in 2006.

For 2015, projected MRT receipts in the November Plan are \$17 million (4%) lower than the February Plan forecast while 2016 MRT receipts are expected to be \$20 million (5%) lower than was forecast in the February Plan. The lower forecast reflects slower year-to-year growth throughout the financial plan period compared with growth projected in the February Plan (25% cumulative growth from 2013 to 2016 vs. 36% in the February Plan).

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

	2013	2014	2015	2016	2017
MRT-1	26%	7%	10%	6%	2%
MRT-2	7%	9%	9%	4%	0%
TOTAL	20%	8%	9%	6%	1%

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 the February Plan, an annual amount of \$10 million has been earmarked in the July 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 capital projects, until such amounts are paid in full, which would require payments through the Plan period and beyond. The July Plan estimates of the required amounts are \$25 million annually beginning in 2013 and continuing for the duration of the Plan period. This reflects no changes from the February Plan.

MORTGAGE RECORDING TAX PROJECTIONS

July Financial Plan 2014-2017

(\$ in millions)

Cash Basis

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
MORTGAGE RECORDING TAX #261-1						

Receipts Available for Transfer to NYCT and CRs:

Total Gross Receipts	\$187.4	\$236.3	\$254.0	\$278.3	\$295.9	\$301.2
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	(316.4)	(411.0)	(369.2)	(358.8)	(368.6)	(381.5)
Receipts Available for Transfer	(\$129.0)	(\$174.7)	(\$115.2)	(\$80.5)	(\$72.8)	(\$80.3)
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	129.0	174.7	115.2	80.5	72.8	80.3
Adjusted Receipts Available for Transfer	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Allocation of Net Receipts to NYCT/SIR Account:

Opening Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NYCT/SIR Share	55%	55%	55%	55%	55%	55%
From Current Year Net Receipts	0.0	0.0	0.0	0.0	0.0	0.0
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
Total NYCT/SIR Net Cash Share	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total SIR Net Cash Share	0.0	0.0	0.0	0.0	0.0	0.0
Total NYCT Net Cash Share	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Allocation of Net Receipts to Commuter Railroad Account:

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

MORTGAGE RECORDING TAX #261-2

Receipts Available

Total Receipts to Corporate Account	\$92.5	\$99.2	\$108.4	\$118.1	\$122.8	\$122.2
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	(130.0)	(135.0)	(140.0)	(145.0)	(155.0)
Investment Income	4.3	4.5	4.7	4.9	5.1	5.3
Total Receipts Available for Transfer	\$61.9	(\$61.3)	(\$56.8)	(\$52.0)	(\$52.0)	(\$62.3)

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)	(7.5)	(8.5)	(9.3)	(9.4)
Less: Transfer to MTAHQ Funds	(129.0)	(174.7)	(115.2)	(80.5)	(72.8)	(80.3)
Net Receipts Available	(\$68.9)	(\$238.4)	(\$175.1)	(\$136.5)	(\$129.5)	(\$147.5)

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 June. MTA consulted with real estate tax analysts at New York City's Office of Management and Budget prior to the preparation of the Urban Tax forecasts, and receipts for the second half of 2013 and for subsequent years are consistent with projections in the City's May 2013 Executive Budget. Additionally, the 2013 forecast includes projected receipts from two large real estate transactions that have been reported in news outlets but have yet to be formally recorded with the New York City Department of Finance.

The favorable year-to-date variance, the projected growth during the second half of 2013 and the expected receipts from those two large real estate transactions result in a favorable 2013 variance, compared with the Adopted Budget, of \$103 million. Of this \$103 million variance, however, \$56 million is attributed to the aforementioned two large transactions as well as three significantly large transactions that occurred during the first half of 2013; the receipts from these large transactions are not included in the base that is used to project Urban Tax receipts for 2014 and subsequent Financial Plan years.

2013 Mid-Year Forecast

Urban Tax receipts are forecast to be \$535 million in 2013, \$129 million (32%) 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 53% of the 2007 to 2009 decline. Two-thirds of the annual Urban Tax growth is from RPTT receipts, which are projected to increase \$84 million (29%) while MRT receipts are forecast to be \$44 million (38%) above 2012 receipts.

The 2012 Mid-Year Forecast for the Urban Taxes is \$104 million more than the Adopted Budget forecast, a 24% improvement that reflects both favorable year-to-date variances for RPTT and MRT and projections of sustained improvement for the rest of 2013.

Compared with the Adopted Budget, RPTT is estimated to be \$71 million (23%) favorable while MRT is projected to be \$33 million (25%) favorable, reflecting stronger commercial real estate activity in New York City than was anticipated in the Adopted Budget forecasts.

2014 Preliminary Budget

Recent improvements in the region's economy are expected to continue and to sustain growth in New York City commercial real estate activity. Urban Tax receipts are forecast to be \$514 million in 2014. While this is a \$21 million (4%) decline from the 2013 Mid-Year 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 \$34 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 6% over the 2013 Mid-Year Forecast.

The 2014 Preliminary Budget for the Urban Taxes is \$41 million more than the February Plan forecast (9%), reflecting stronger growth in 2013 that is slightly offset by marginally slower year-over-year growth from 2013 to 2014 than projected in the February Plan (7% exclusive of the large 2013 transactions vs. 9% in February). RPTT is estimated to be \$16 million more (5%) than the February Plan forecast, while MRT is projected to be \$25 million more (18%) than the February Plan forecast.

2015 - 2017

Urban Tax receipts are expected to improve annually, increasing by \$54 million in 2015, \$54 million in 2016 and \$34 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 25 percent below receipts from ten years earlier, when Urban Tax receipts peaked in 2007.

For 2015 and 2016, Urban Tax receipts in the July Plan exceed the projections in the February Plan. Receipts are projected to be above the February Plan by \$52 million (10%) for 2015 and by \$58 million (10%) for 2016.

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

	2013	2014	2015	2016	2017
Real Property Transfer Tax	29%	(7)%	10%	9%	5%
Mortgage Recording Tax	38%	3%	11%	10%	6%
TOTAL	32%	(4)%	11%	9%	5%

PAYROLL MOBILITY TAX

The Payroll Mobility Tax (PMT), also referred to interchangeably as the Metropolitan Commuter Transportation Mobility Tax (MCTMT), was enacted in 2009¹ 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".

The MTA July Plan forecasts for PMT receipts, on a year-to-year basis, are expected to increase by 8% in 2014 and by 5% in 2015, 2016, and 2017. Compared with the February Plan, the 2013 July estimate of MTA PMT revenues are expected to decrease

¹ 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.

in 2013 and remain at the February Plan levels in 2014 through 2016. Details of this are discussed in the sections that follow.

The MTA July Plan also includes PMT Replacement Funds of \$307 million annually for the duration of the plan period, which is \$3 million below the February plan in each year reflecting the State's updated forecast.

2013 Mid-Year Forecast

The 2013 Mid-Year forecast of PMT revenues of \$1,214 is \$34 million below the February Plan estimate, reflecting year-to-date actual collections through June. At this juncture, February Plan monthly projections for the remainder of 2013 are consistent with current activity. Therefore, the 2013 Mid-Year Forecast is being reduced from the Adopted Budget level only to reflect the year-to-date variance through June.

Total PMT revenues for 2013 including the replacement funds are \$1,521 million, which is \$37 million below the February Plan estimate.

2014 Preliminary Budget

The 2014 Preliminary Budget forecast for PMT is \$1,315 million, which is \$101 million higher than the 2013 estimate. This is unchanged from the February Plan. When combined with the PMT replacement funds of \$307 million, Total PMT revenues in 2014 are \$1,622 million.

2015 - 2017

The July 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 February Plan. Consistent with the February Plan, the July Plan continues to assume 5 percent growth per annum from the prior year's level.

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. The MTA July Plan estimates of additional Taxicab Tax revenues are \$2.5 million in 2013, \$10 million in 2014, and \$15 million in 2015, 2016 and 2017.

2013 Mid-Year Forecast

The 2013 Mid-Year forecast of total MTA Aid taxes is \$308 million, which is \$3 million higher than 2012. This is lower than the February Plan estimate by \$2.5 million (1%). The decrease is due to projected revenues from the new Taxicab Tax that are unrealized as a result of the delayed implementation of the HAIL program. It was assumed in the MTA February Plan that the new tax would generate an additional \$5 million in revenues during 2013; however, revenues from this new tax did not flow to the MTA in the first half of the year as expected.

2014 Preliminary Budget

The MTA Aid forecast for the 2014 Preliminary Budget is \$320 million, which is \$12 million higher than 2013. This is \$5 million higher than the February Plan, due to a 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 July Plan assumes annual growth of 1.5 percent per annum, which is consistent with the February Plan, and is attributable to anticipated moderate favorable economic activity over the years covered by the Plan. In addition, 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 Mid-Year Forecast

In the July Plan, the 2013 State and Local cash subsidy estimate (excluding New York City Subsidy for MTA Bus and SIR) is \$621 million, or \$8 million higher than 2012. This estimate is \$9 million lower than the February Plan forecast. The change is primarily due to lower CDOT subsidies.

For 2013, the July Plan cash forecast of City Subsidy to MTA Bus of \$395 million, is \$105 million higher than the previous year. It is \$36 million higher than the February

Plan estimate. This was primarily due to favorable cash timing adjustments. The 2013 cash forecast for City Subsidy to Staten Island Railroad is \$31 million. This is \$9 million higher than the 2012 forecast. Compared with February, the estimate decreased by \$4 million due to favorable re-estimates 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 \$17 million above the 2013 estimate. It is \$18 million above the February Plan estimate, primarily due to favorable re-estimates of CDOT subsidies to MNR, reflecting lower revenues and higher expenses at MNR.

2015 – 2017

Total State and Local Subsidy in the MTA's July Plan is below the prior year's estimate by \$6 million in 2015 and above the prior year's estimate by \$9 million in 2016 and \$8 million in 2017. Compared with February Plan estimates, the July estimates are higher by \$6 million in 2015 and 2016. This was due primarily to favorable re-estimates of CDOT subsidies to MNR, reflecting lower revenues and higher expenses.

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 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, the July Plan reflects the MTA's agreement with the City of New York to fund a portion of MTA Bus' debt service from New York City Transit subsidies each year, which is \$12 million 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 greater price stability over a longer time period. 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 July Plan incorporates the repayment of this loan in the amount of \$2.4 million annually from 2013 through 2017. This is consistent with the February Plan.
- *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.
- *Repayment of Loan to Capital Financing Fund* - The July Plan, similar to the February Plan, anticipates the repayment of a Board-authorized \$500 million interagency loan, from the "Capital Financing Fund" (non-bond related funds dedicated to capital programs) to the operating budget, in five equal installments

of \$100 million annually beginning in 2012. After satisfaction of loan in 2016, the \$100 million will be diverted to committed to capital.

- *Committed to Capital* – Consistent with the February Plan, the July Plan assumes that a portion of the new tax revenues authorized by New York State in May 2009 will be used for the MTA Capital Program. The July Plan, like the February Plan, assumes payment 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 July Plan includes 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. Note that this was included in the February Plan as a below-the-line item and is now incorporated into the July Plan baseline.

MTA NEW YORK CITY TRANSIT SUBSIDY ALLOCATION

July Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Subsidies						
Dedicated Taxes						
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	525.8	540.4	544.5	547.4	548.8
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Urban Tax	<u>407.5</u>	<u>535.2</u>	<u>513.8</u>	<u>568.1</u>	<u>621.6</u>	<u>655.7</u>
	\$1,809.5	\$2,060.4	\$2,084.2	\$2,188.4	\$2,290.7	\$2,376.3
New State Taxes and Fees						
Payroll Mobility Tax	\$936.3	\$1,075.8	\$971.9	\$970.2	\$1,008.0	\$1,080.7
Payroll Mobility Tax Replacement Funds	188.7	272.2	227.0	215.2	213.2	218.1
MTA Aid	<u>197.4</u>	<u>193.9</u>	<u>201.5</u>	<u>207.7</u>	<u>210.7</u>	<u>210.7</u>
	\$1,322.4	\$1,541.8	\$1,400.4	\$1,393.1	\$1,431.9	\$1,509.5
State and Local Subsidies						
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>
	\$316.2	\$316.2	\$316.2	\$316.2	\$316.2	\$316.2
Other Subsidy Adjustments						
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	(0.5)	(0.8)	(0.0)	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>
	(\$23.5)	(\$173.4)	(\$71.0)	(\$158.1)	(\$126.5)	(\$143.5)
Total Dedicated Taxes & State and Local Subsidies	\$3,424.6	\$3,745.1	\$3,729.8	\$3,739.8	\$3,912.3	\$4,058.5
Inter-agency Subsidy Transactions						
Bridges and Tunnels Operating Surplus Transfer	<u>\$193.6</u>	<u>\$222.4</u>	<u>\$210.3</u>	<u>\$191.1</u>	<u>\$174.4</u>	<u>\$153.2</u>
	\$193.6	\$222.4	\$210.3	\$191.1	\$174.4	\$153.2
GROSS SUBSIDIES	\$3,618.2	\$3,967.5	\$3,940.1	\$3,930.8	\$4,086.7	\$4,211.7

MTA COMMUTER RAILROAD SUBSIDY ALLOCATION

July Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
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	92.8	95.4	96.1	96.6	96.8
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>
	\$549.5	\$605.2	\$621.1	\$643.0	\$664.7	\$688.1
<i>New State Taxes and Fees</i>						
Payroll Mobility Tax	\$329.0	\$138.4	\$343.3	\$414.4	\$444.4	\$441.4
Payroll Mobility Tax Replacement Funds	66.3	35.0	80.2	91.9	94.0	89.1
MTA Aid	<u>108.2</u>	<u>114.4</u>	<u>118.9</u>	<u>122.5</u>	<u>124.3</u>	<u>124.3</u>
	\$503.4	\$287.8	\$542.3	\$628.9	\$662.7	\$654.7
<i>State and Local Subsidies</i>						
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	86.8	101.1	93.0	99.0	104.0
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>
	\$296.0	\$303.8	\$320.5	\$314.8	\$323.6	\$331.2
<i>Other Subsidy Adjustments</i>						
Inter-agency Loan	\$23.0	(\$30.7)	\$0.0	\$0.0	\$0.0	\$0.0
Forward Energy Contracts Program - Gain/(Loss)	0.9	(0.2)	(0.4)	(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>
	(\$144.5)	(\$185.1)	(\$128.9)	(\$244.1)	(\$237.4)	(\$193.4)
Total Dedicated Taxes & State and Local Subsidies	\$1,204.5	\$1,011.7	\$1,354.9	\$1,342.6	\$1,413.5	\$1,480.6
<i>Inter-agency Subsidy Transactions</i>						
Bridges and Tunnels Operating Surplus Transfer	<u>\$315.7</u>	<u>\$344.8</u>	<u>\$323.5</u>	<u>\$304.0</u>	<u>\$287.6</u>	<u>\$267.6</u>
	\$315.7	\$344.8	\$323.5	\$304.0	\$287.6	\$267.6
GROSS SUBSIDIES	\$1,520.2	\$1,356.5	\$1,678.4	\$1,646.6	\$1,701.2	\$1,748.3

MTA STATEN ISLAND RAILWAY SUBSIDY ALLOCATION

July Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
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
<i>State and Local Subsidies</i>						
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>30.8</u>	<u>28.6</u>	<u>33.3</u>	<u>34.3</u>
	\$22.2	\$31.8	\$31.9	\$29.7	\$34.5	\$35.4
Total Dedicated Taxes & State and Local Subsidies	\$25.3	\$35.3	\$35.5	\$33.5	\$38.4	\$39.5
<i>Inter-agency Subsidy Transactions</i>						
MTA Subsidy to Subsidiaries	(\$21.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
GROSS SUBSIDIES	\$4.2	\$35.3	\$35.5	\$33.5	\$38.4	\$39.5

MTA HEADQUARTERS SUBSIDY ALLOCATION

July Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Subsidies						
Dedicated Taxes						
<u>Mortgage Recording Tax-1</u>						
Net Receipts After Agency Transfers	\$187.4	\$236.3	\$254.0	\$278.3	\$295.9	\$301.2
<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>129.0</u>	<u>174.7</u>	<u>115.2</u>	<u>80.5</u>	<u>72.8</u>	<u>80.3</u>
Adjustments to MRT-1	\$129.0	\$174.7	\$115.2	\$80.5	\$72.8	\$80.3
Net Available MRT-1 Funds for MTA HQ	\$316.4	\$411.0	\$369.2	\$358.8	\$368.6	\$381.5
Net Funding of MTA Headquarters	\$316.4	\$411.0	\$369.2	\$358.8	\$368.6	\$381.5
<u>Mortgage Recording Tax - 2</u>						
Net Receipts	\$92.5	\$99.2	\$108.4	\$118.1	\$122.8	\$122.2
<u>Adjustments to MRT-2</u>						
Funding of General Reserve	\$0.0	(\$130.0)	(\$135.0)	(\$140.0)	(\$145.0)	(\$155.0)
Diversion of MRT to Suburban Counties	(1.8)	(2.4)	(3.0)	(4.1)	(4.8)	(4.9)
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>(129.0)</u>	<u>(174.7)</u>	<u>(115.2)</u>	<u>(80.5)</u>	<u>(72.8)</u>	<u>(80.3)</u>
	(\$161.4)	(\$337.6)	(\$283.5)	(\$254.6)	(\$252.4)	(\$269.8)
Unallocated MRT-2 Receipts	(\$68.9)	(\$238.4)	(\$175.1)	(\$136.5)	(\$129.5)	(\$147.5)

MTA BUS COMPANY SUBSIDY ALLOCATION

July Financial Plan 2014-2017

Cash Basis

(\$ in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
<u>Subsidies</u>						
City Subsidy to MTA Bus Company	\$290.0	\$395.0	\$393.1	\$381.7	\$413.7	\$423.9

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

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
Net Surplus/(Deficit)	\$1,130.757	\$1,200.262	\$1,194.566	\$1,172.079	\$1,165.695	\$1,153.018

Deductions from Net Operating Income:

Total Debt Service	591.453	586.551	616.698	631.698	652.617	680.808
Capitalized Assets	11.251	21.165	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	3.431	3.537	3.763	4.004
Total Deductions from Net Operating Income	\$632.978	\$636.207	\$663.868	\$679.466	\$703.895	\$733.205
Net Income Available for Transfer to MTA and NYCT	\$497.779	\$564.055	\$530.698	\$492.613	\$461.800	\$419.813

Distribution of Funds to MTA:

Investment Income in Current Year	\$0.136	\$0.110	\$0.294	\$1.457	\$2.975	\$3.179
Accrued Current Year Allocation	308.424	339.882	321.625	302.029	286.036	265.603
Total Accrued Amount Distributed to MTA	\$308.560	\$339.992	\$321.919	\$303.486	\$289.011	\$268.782

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	200.063	184.779	165.128	148.789	128.031
Total Accrued Amount Distributed to NYCT	\$189.219	\$224.063	\$208.779	\$189.128	\$172.789	\$152.031

Actual Cash Transfer to MTA and NYCT:

From Current Year Surplus	\$315.723	\$344.825	\$323.451	\$303.988	\$287.636	\$267.646
Investment Income in Prior Year	0.085	0.136	0.110	0.294	1.457	2.975
Total Cash Amount Distributed to MTA	\$315.808	\$344.961	\$323.561	\$304.282	\$289.092	\$270.621
Total Cash Amount Distributed to NYCT	\$193.604	\$222.413	\$210.308	\$191.093	\$174.422	\$153.207

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

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<u>Debt Service Detail by Agency:</u>						
B&T Own Purpose Debt Service	\$196.526	\$213.800	\$245.624	\$260.441	\$280.469	\$305.150
NYCT Transportation Debt Service	269.066	256.285	253.960	254.079	254.698	257.115
MTA Transportation Debt Service	125.861	116.466	117.114	117.178	117.450	118.543
Total Debt Service by Agency	\$591.453	\$586.551	\$616.698	\$631.698	\$652.617	\$680.808

Total Accrued Amount for Transfer to MTA and NYCT:

Total Adjusted Net Income Available for Transfer	\$1,089.096	\$1,150.495	\$1,147.103	\$1,122.854	\$1,111.442	\$1,097.442
Less: B&T Total Debt Service	(196.526)	(213.800)	(245.624)	(260.441)	(280.469)	(305.150)
Less: first \$24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
Remainder of Total Accrued Amount for Transfer	\$868.570	\$912.695	\$877.479	\$838.413	\$806.972	\$768.291

Calculation of Actual Cash Transfer to MTA:

<u>Distribution of Remainder to MTA</u>						
Fifty Percent of Total Accrued Amount for Transfer	\$434.285	\$456.348	\$438.739	\$419.207	\$403.486	\$384.146
Less: MTA Total Debt Service	(125.861)	(116.466)	(117.114)	(117.178)	(117.450)	(118.543)
MTA's Accrued Current Year Allocation	\$308.424	\$339.882	\$321.625	\$302.029	\$286.036	\$265.603
<u>Cash Conversion of MTA's Accrued Amount</u>						
Current Year Amount	\$269.493	\$305.894	\$289.463	\$271.826	\$257.433	\$239.043
Balance of Prior Year	46.231	38.931	33.988	32.163	30.203	28.604
Cash Transfer to MTA	\$315.723	\$344.825	\$323.451	\$303.988	\$287.636	\$267.646

Calculation of Actual Cash Transfer to NYCT:

<u>Distribution of Remainder to NYCT</u>						
Fifty Percent of Total Accrued Amount for Transfer	\$434.285	\$456.348	\$438.739	\$419.207	\$403.486	\$384.146
Less: NYCT Total Debt Service	(269.066)	(256.285)	(253.960)	(254.079)	(254.698)	(257.115)
Plus: first \$24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000	25.000
NYCT's Accrued Current Year Allocation	\$189.219	\$224.063	\$208.779	\$189.128	\$172.789	\$152.031
<u>Cash Conversion of NYCT's Accrued Amount</u>						
Current Year Amount	\$168.462	\$201.657	\$187.901	\$170.215	\$155.510	\$135.928
Balance of Prior Year	25.142	20.756	22.406	20.878	18.913	17.279
Cash Transfer to NYCT	\$193.604	\$222.413	\$210.308	\$191.093	\$174.422	\$153.207

SUMMARY
MTA STATEN ISLAND RAILWAY
MULTI-YEAR FINANCIAL PLAN
2014-2017
(\$ in millions)

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<u>Revenue Summary:</u>						
Farebox Revenue	\$5.4	\$5.4	\$5.6	\$5.6	\$5.7	\$5.7
Other Revenue	2.3	4.2	4.5	2.4	2.4	2.4
State/City Subsidies	4.2	4.6	4.7	4.9	5.1	5.2
Total Revenue Before MTA Subsidy	\$11.9	\$14.2	\$14.8	\$12.9	\$13.1	\$13.4
<u>Non-Reimbursable Expense Summary:</u>						
Labor Expenses	\$31.0	\$30.7	\$30.9	\$31.5	\$32.3	\$33.2
Non-Labor Expenses	8.8	14.0	12.4	14.6	14.9	13.4
Depreciation	8.9	9.0	9.0	9.0	9.0	9.0
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
Total Non-Reimbursable Expenses	\$50.7	\$56.0	\$54.5	\$57.4	\$58.5	\$57.8
Total Net Revenue/(Deficit)	(\$38.8)	(\$41.8)	(\$39.7)	(\$44.5)	(\$45.4)	(\$44.5)
<u>Cash Adjustment Summary:</u>						
Operating Cash Adjustments	\$8.2	\$11.5	\$11.3	\$11.3	\$11.3	\$11.3
GASB Cash Adjustments	(0.1)	(0.5)	(0.2)	(0.2)	(0.2)	(0.2)
Total Cash Adjustments	\$8.1	\$11.0	\$11.1	\$11.1	\$11.1	\$11.1
Gross Cash Balance	(\$30.7)	(\$30.8)	(\$28.6)	(\$33.3)	(\$34.3)	(\$33.4)
<u>City Subsidy Cash Adjustments:</u>						
Cash Balance Due from the City of New York	30.7	30.8	28.6	33.3	34.3	33.4
Cash Subsidy Received from City of New York for SIRT OA	<u>21.1</u>	<u>30.7</u>	<u>30.8</u>	<u>28.6</u>	<u>33.3</u>	<u>34.3</u>
Subsidy Cash Timing	(\$9.6)	(\$0.1)	\$2.2	(\$4.8)	(\$0.9)	\$0.9
Net Cash Balance from Previous Year	(21.1)	(30.7)	(30.8)	(28.6)	(33.3)	(34.3)
Baseline Net Cash Surplus/(Deficit)	(\$30.7)	(\$30.8)	(\$28.6)	(\$33.3)	(\$34.3)	(\$33.4)
<u>MTA Internal Subsidy:</u>						
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
Baseline Net Cash Surplus/(Deficit)	(\$48.9)	(\$30.8)	(\$28.6)	(\$33.3)	(\$34.3)	(\$33.4)

<p style="text-align: center;">SUMMARY MTA BUS COMPANY MULTI-YEAR FINANCIAL PLAN 2014-2017 (\$ in millions)</p>

	ACTUAL	FORECAST				
	2012	2013	2014	2015	2016	2017
<u>Revenue Summary:</u>						
Farebox Revenue	\$181.9	\$196.1	\$198.6	\$199.9	\$201.4	\$201.7
Other Revenue	19.3	26.3	20.1	20.2	20.6	20.9
Total Revenue Before MTA Subsidy	\$201.2	\$222.5	\$218.7	\$220.0	\$222.0	\$222.7
<u>Non-Reimbursable Expense Summary:</u>						
Labor Expenses	\$443.3	\$428.7	\$432.9	\$453.4	\$470.8	\$483.2
Non-Labor Expenses	98.9	146.4	148.7	179.5	179.2	173.0
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
Total Non-Reimbursable Expenses	\$689.9	\$673.6	\$680.8	\$732.7	\$750.6	\$758.2
Total Net Revenue/(Deficit)	(\$488.7)	(\$451.1)	(\$462.1)	(\$512.7)	(\$528.6)	(\$535.6)
<u>Cash Adjustment Summary:</u>						
Operating Cash Adjustments	\$133.5	\$26.6	\$109.6	\$111.5	\$112.4	\$114.1
GASB Cash Adjustments	(5.9)	(4.4)	(4.9)	(4.9)	(5.0)	(5.1)
Total Cash Adjustment	\$127.6	\$22.2	\$104.7	\$106.6	\$107.3	\$109.0
Gross Cash Balance	(\$361.0)	(\$428.9)	(\$357.4)	(\$406.1)	(\$421.2)	(\$426.6)
<u>City Subsidy Cash Adjustments:</u>						
Cash Balance Due from the City of New York	\$361.0	\$428.9	\$357.4	\$406.1	\$421.2	\$426.6
Cash Subsidy Received from City of New York for MTA Bus	<u>290.0</u>	<u>395.0</u>	<u>393.1</u>	<u>381.7</u>	<u>413.7</u>	<u>423.9</u>
Subsidy Cash Timing	(71.1)	(33.9)	35.8	(24.4)	(7.6)	(2.7)
Net Cash Balance from Previous Year	(\$28.4)	(\$99.5)	(\$133.4)	(\$97.6)	(\$122.0)	(\$129.6)
Baseline Net Cash Surplus/(Deficit)	(\$99.5)	(\$133.4)	(\$97.6)	(\$122.0)	(\$129.6)	(\$132.2)

MTA New York City Transit
July Financial Plan 2014 - 2017
Paratransit Operations
(\$ in thousands)

	2013	2014	2015	2016	2017
ADA Trips:	7,170,375	7,744,005	8,363,526	9,032,608	9,755,217
<i>Pct Change from Previous Year</i>	3.5%	8.0%	8.0%	8.0%	8.0%

Revenue:

Fares	\$ 17,523	\$ 19,242	\$ 20,781	\$ 22,444	\$ 24,239
Urban Tax	34,312	34,552	38,170	41,631	43,853
<i>Sub-total</i>	<u>\$ 51,835</u>	<u>\$ 53,794</u>	<u>\$ 58,951</u>	<u>\$ 64,075</u>	<u>\$ 68,092</u>
City Reimbursements	127,489	151,850	159,545	179,320	209,197
Total Revenue	\$ 179,324	\$ 205,644	\$ 218,496	\$ 243,395	\$ 277,289

Expenses:

Operating Expenses:					
Salaries & Benefits	\$ 20,434	\$ 21,377	\$ 21,377	\$ 21,377	\$ 21,377
Rental & Miscellaneous	471,496	493,803	520,893	582,547	673,718
Total Expenses	\$ 491,930	\$ 515,180	\$ 542,270	\$ 603,924	\$ 695,095

Net Paratransit Surplus/(Deficit)	\$ (312,606)	\$ (309,537)	\$ (323,774)	\$ (360,530)	\$ (417,806)
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	Paratransit Details				
Total Paratransit Reimbursement:	\$ 161,801	\$ 186,402	\$ 197,715	\$ 220,951	\$ 253,050
Urban Tax	\$ 34,312	\$ 34,552	\$ 38,170	\$ 41,631	\$ 43,853
City Reimbursements	127,489	151,850	159,545	179,320	209,197

Rental & Miscellaneous Expense:

Paratransit Service Contracts

Carrier Services	\$ 357,797	\$ 381,102	\$ 389,979	\$ 436,987	\$ 513,363
Command Center	25,307	27,023	29,725	32,661	35,847
Eligibility Certification	3,330	3,701	4,100	4,550	5,050
Other	5,033	5,031	5,031	5,031	5,031
Subtotal	\$ 391,467	\$ 416,858	\$ 428,836	\$ 479,229	\$ 559,292

Other Than Personnel Service:

Insurance	34,903	39,857	47,349	56,255	66,821
Fuel	22,613	23,871	25,294	28,083	31,507
Other	21,302	12,006	18,204	17,771	14,890
Subtotal	\$ 78,818	\$ 75,734	\$ 90,847	\$ 102,109	\$ 113,218

<i>Non-City Reimbursable OTPS:</i>	\$ 1,211	\$ 1,212	\$ 1,210	\$ 1,209	\$ 1,209
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Total Rental & Miscellaneous Expense	\$ 471,496	\$ 493,803	\$ 520,893	\$ 582,547	\$ 673,718
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Annual Growth in Total Expenses	12.4%	4.7%	5.3%	11.4%	15.1%
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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. The favorable debt service variance for the 2013 through 2016 period against the February 2013 Financial Plan is largely reflective of the projected capital cash flow timing, refunding savings, as well as favorable interest rates on the new money bonds issued to date in 2013 and low short-term rates on outstanding variable rate debt.

Debt Service Forecast (in millions)*			
Year	February Plan Debt Service	July Plan Debt Service	Difference Favorable (Unfavorable)
2013	\$2,246	\$2,223	\$24
2014	2,401	2,390	11
2015	2,547	2,505	43
2016	2,785	2,697	88
2017	N/A	2,880	N/A
Total 2013-2016	\$9,980	\$9,815	\$165

*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	\$1,911	\$2,083	\$2,491	\$2,350	\$1,938
TBTA New Money Bonds	<u>200</u>	<u>167</u>	<u>268</u>	<u>336</u>	<u>340</u>
Total New Money Bonds	\$2,111	\$2,250	\$2,759	\$2,687	\$2,278
Assumed Fixed-Rates					
Transportation Revenue Bonds	5.20%	5.37%	5.52%	5.65%	5.72%
Dedicated Tax Fund Bonds	4.89%	5.05%	5.20%	5.31%	5.38%
Triborough Bridge & Tunnel Authority	4.89%	5.05%	5.20%	5.31%	5.38%
Assumed Variable Rates					
	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates ¹					
Transportation Revenue Bonds	5.08%	5.23%	5.37%	5.48%	5.55%
Dedicated Tax Fund Bonds	4.80%	4.94%	5.08%	5.18%	5.24%
Triborough Bridge & Tunnel Authority	4.80%	4.94%	5.08%	5.18%	5.24%

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

¹ 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 June 26, 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 \$378 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.
- No reserve funds.

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METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2014-2017
Summary of Total Budgeted Debt Service
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2012	2013	2014	2015	2016	2017
<u>New York City Transit:</u>							
9	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$688.894	\$756.289	\$799.350	\$771.446	\$774.675	\$776.565
10	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	9.998	48.377	103.798	164.893	233.880
11	2 Broadway Certificates of Participation - NYCT Lease Portion	4.648	12.465	17.727	19.775	18.602	21.180
12	Transportation Resolution Commercial Paper	0.851	13.001	21.697	21.697	21.697	21.697
13	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	318.492	312.243	322.873	314.575	317.038	318.105
14	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	9.157	27.031	46.723	68.951
15	Sub-Total MTA Paid Debt Service	\$1,012.885	\$1,103.995	\$1,219.180	\$1,258.322	\$1,343.628	\$1,440.378
16							
17							
18	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$193.100	\$184.783	\$180.413	\$180.789	\$180.796	\$181.806
19	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	81.085	71.502	73.580	73.323	73.936	75.343
20	Sub-Total B&T Paid Debt Service	\$274.185	\$256.285	\$253.992	\$254.112	\$254.731	\$257.150
21							
22							
23							
24	Total NYCT Debt Service	\$1,287.070	\$1,360.280	\$1,473.173	\$1,512.433	\$1,598.360	\$1,697.528
25							
26	<u>Commuter Railroads:</u>						
27							
28	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$445.835	\$471.589	\$496.628	\$479.291	\$481.297	\$482.471
29	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	3.477	38.618	118.676	202.367	258.098
30	Transportation Resolution Commercial Paper	0.453	8.368	14.032	14.032	14.032	14.032
31	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	68.393	66.184	67.525	65.789	66.305	66.528
32	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	0.000	0.000	0.000	0.000
33	Sub-Total MTA Paid Debt Service	\$514.681	\$549.618	\$616.802	\$677.788	\$764.000	\$821.129
34							
35	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$86.431	\$85.051	\$84.801	\$84.978	\$84.981	\$85.456
36	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	35.625	31.415	32.328	32.215	32.484	33.103
37	Sub-Total B&T Paid Debt Service	\$122.056	\$116.466	\$117.129	\$117.193	\$117.465	\$118.559
38							
39	Total CRR Debt Service	\$636.738	\$666.084	\$733.931	\$794.981	\$881.466	\$939.688
40							
41	<u>Bridges and Tunnels:</u>						
42							
43	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$168.730	\$192.462	\$217.749	\$218.204	\$218.211	\$219.432
44	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	32.030	28.245	29.065	28.964	29.206	29.762
45	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	5.400	19.576	39.521	62.063
46	2 Broadway Certificates of Participation - TBTA Lease Portion	0.657	1.763	2.507	2.796	2.631	2.995
47							
48							
49	Total B&T Debt Service	\$201.417	\$222.469	\$254.721	\$269.539	\$289.569	\$314.252
50							
51	<u>MTA Bus:</u>						
52	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$28.454	\$24.297	\$22.004	\$21.236	\$21.325	\$21.377
53	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.032	0.089	0.174	0.232	0.232
54	Transportation Resolution Commercial Paper	0.214	0.245	0.272	0.272	0.272	0.272
55							
56	Total MTA Bus Debt Service	\$28.668	\$24.574	\$22.365	\$21.681	\$21.829	\$21.881
57							
58	Total MTA HQ Debt Service for 2 Broadway Certificates of Participation	\$0.638	\$1.710	\$2.432	\$2.713	\$2.552	\$2.906

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

(\$ in millions)

Line Number		FORECAST				
		ACTUAL	2012	2013	2014	2015
59	MTA Total:					
60						
61	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$1,163.183	\$1,252.174	\$1,317.982	\$1,271.972	\$1,277.297
62	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	386.885	378.427	390.397	380.364	383.343
63	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	448.261	462.296	482.963	483.971	483.988
64	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	148.740	131.161	134.973	134.501	135.626
65	2 Broadway Certificates of Participation	5.942	15.938	22.666	25.285	23.785
66	Transportation Resolution Commercial Paper					
67	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	1.519	21.614	36.000	36.000	36.000
68	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	13.507	87.085	222.648	367.492
69	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	9.157	27.031	46.723
70		0.000	0.000	5.400	19.576	39.521
71	Total Debt Service	\$2,154.530	\$2,275.117	\$2,486.622	\$2,601.348	\$2,793.775
72						
73	MTA Investment Income by Resolution					
74						
75	Investment Income from Transportation Debt Service Fund	\$0.000	\$0.000	(\$0.176)	(\$0.187)	(\$0.206)
76	Investment Income from Dedicated Tax Fund Debt Service Fund	0.000	0.000	(0.050)	(0.051)	(0.057)
77	Investment Income from TBTA (B&T) General Revenue Debt Service Fund	0.000	0.000	(0.061)	(0.063)	(0.065)
78	Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund	0.000	0.000	(0.017)	(0.017)	(0.017)
79	Investment Income from 2 Broadway Certificates of Participation Debt Service Fund	0.000	0.000	(0.003)	(0.003)	(0.003)
80						
81	Total MTA Investment Income	\$0.000	\$0.000	(\$0.306)	(\$0.321)	(\$0.345)
82						
83	MTA Net Total					
84						
85	Net Transportation Revenue Bonds Debt Service	\$1,163.183	\$1,265.681	\$1,404.891	\$1,494.433	\$1,644.584
86	Transportation Resolution Commercial Paper	1.519	21.614	36.000	36.000	36.000
87	Net Dedicated Tax Fund Bonds Debt Service	386.885	378.427	399.504	407.344	430.012
88	Net TBTA (B&T) General Revenue Bonds Debt Service	448.261	462.296	488.302	503.483	523.443
89	Net TBTA (B&T) Subordinate Revenue Bonds Debt Service	148.740	131.161	134.956	134.485	135.609
90	Net 2 Broadway Certificates of Participation Debt Service	5.942	15.938	22.663	25.281	23.782
91	BAB Subsidy Transportation Revenue Bonds	(58.703)	(29.352)	(58.703)	(58.703)	(58.545)
92	BAB Subsidy Dedicated Tax Fund Bonds	(28.369)	(14.184)	(28.369)	(28.369)	(28.369)
93	BAB Subsidy TBTA General Revenue Bonds	(9.063)	(8.669)	(9.063)	(9.063)	(9.063)
94						
95	Total MTA Net Debt Service	\$2,058.395	\$2,222.912	\$2,390.180	\$2,504.892	\$2,697.295
						\$2,879.910

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Debt Service Affordability Statement

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METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2014-2017
Debt Affordability Statement ⁽¹⁾
\$ 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	\$2,207.0	\$2,367.5	\$2,479.6	\$2,673.5	\$2,852.8
	Forecasted New Money Bonds Issued	4	2,184.9	2,111.4	2,249.9	2,758.9	2,686.9	2,278.5
Forecasted Debt Service by Credit ⁹		Notes	2012 ACTL	2013	2014	2015	2016	2017
Transportation Revenue Bonds	Pledged Revenues	5	\$10,776.4	\$11,911.8	\$11,986.1	\$12,155.2	\$12,436.4	\$12,635.4
	Debt Service		1,106.0	1,257.9	1,382.2	1,471.7	1,621.9	1,749.9
	Debt Service as a % of Pledged Revenues		10%	11%	12%	12%	13%	14%
Dedicated Tax Fund Bonds	Pledged Revenues	6	\$599.5	\$618.6	\$635.7	\$640.6	\$644.0	\$645.6
	Debt Service		358.5	364.2	371.1	379.0	401.6	425.2
	Debt Service as a % of Pledged Revenues		60%	59%	58%	59%	62%	66%
Triborough Bridge and Tunnel Authority General Revenue Bonds	Pledged Revenues	7	\$1,089.1	\$1,150.5	\$1,147.1	\$1,122.9	\$1,111.4	\$1,097.4
	Debt Service		439.2	453.6	479.2	494.4	514.4	539.6
	Debt Service as a % of Total Pledged Revenues		40%	39%	42%	44%	46%	49%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds	Pledged Revenues	8	\$649.9	\$696.9	\$667.9	\$628.4	\$597.1	\$557.8
	Debt Service		148.7	131.2	135.0	134.5	135.6	138.2
	Debt Service as a % of Total Pledged Revenues		23%	19%	20%	21%	23%	25%
Cumulative Debt Service (Excluding State Service Contract Bonds)		Notes	2012 ACTL	2013	2014	2015	2016	2017
Total Debt Service			\$2,052.5	\$2,207.0	\$2,367.5	\$2,479.6	\$2,673.5	\$2,852.8
	Total Debt Service after Below the Line Adjustments		\$2,052.5	\$2,208.2	\$2,374.0	\$2,496.8	\$2,717.7	\$2,925.1
Fare and Toll Revenues			\$6,570.1	\$7,069.5	\$7,239.5	\$7,308.2	\$7,385.3	\$7,423.3
	Total Debt Service as a % of Fare and Toll Revenue		31%	31%	33%	34%	36%	38%
Fare and Toll Revenues after Below the Line Adjustments			\$6,570.1	\$7,069.5	\$7,239.5	\$7,732.3	\$7,900.9	\$8,412.2
	Total Debt Service as a % of Fare and Toll Revenue after BTL Adj.		31%	31%	33%	32%	34%	34%
Operating Revenues (including Fare and Toll Revenues) and Subsidies			\$12,624.4	\$13,757.8	\$13,958.1	\$14,275.0	\$14,674.2	\$14,886.7
	Total Debt Service as a % of Operating Revenues and Subsidies		16%	16%	17%	17%	18%	19%
Operating Revenues and Subsidies after Below the Line Adjustments			\$12,624.4	\$13,574.1	\$13,947.0	\$14,619.1	\$15,109.8	\$15,795.6
	Total Debt Service as a % of Operating Rev/Subsidies after BTL Adj.		16%	16%	17%	17%	18%	18%
Non-reimbursable Expenses with Non-Cash Liabilities			\$14,215.9	\$15,074.7	\$15,491.3	\$16,036.5	\$16,625.7	\$17,283.3
	Total Debt Service as % of Non-reimbursable Expenses		14%	15%	15%	15%	16%	17%
Non-reimbursable Expenses after Below the Line Adjustments			\$14,215.9	\$15,159.7	\$15,478.7	\$15,998.9	\$16,543.1	\$17,200.7
	Total Debt Service as a % of Non-Reimbursable Exp after BTL Adj.		14%	15%	15%	15%	16%	17%

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 SIRTDA.
- 7 Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.
- 8 Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.
- 9 Debt service schedules for each credit are attached as addendum hereto.

Special Notes

- (1) 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 June 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	1,244.4	13.5	1,257.9	364.2	-	364.2	453.6	-	453.6	131.2	-	131.2	2,193.5	13.5	2,207.0
2014	1,295.3	87.1	1,382.4	362.0	9.2	371.2	473.9	5.4	479.3	135.0	-	135.0	2,266.2	101.6	2,367.8
2015	1,249.3	222.6	1,471.9	352.0	27.0	379.0	474.9	19.6	494.5	134.5	-	134.5	2,210.7	289.3	2,479.9
2016	1,254.6	367.5	1,622.1	355.0	46.7	401.7	474.9	39.5	514.4	135.6	-	135.6	2,220.1	453.7	2,673.9
2017	1,257.9	492.2	1,750.1	356.3	69.0	425.2	477.6	62.1	539.7	138.2	-	138.2	2,230.0	623.2	2,853.2
2018	1,259.4	556.3	1,815.7	355.2	83.0	438.2	474.9	83.2	558.1	136.5	-	136.5	2,226.0	722.5	2,948.5
2019	1,255.7	565.0	1,820.7	349.0	85.8	434.8	471.5	99.4	570.9	136.5	-	136.5	2,212.7	750.3	2,962.9
2020	1,254.3	565.0	1,819.3	350.8	85.8	436.6	472.0	109.8	581.8	135.8	-	135.8	2,212.9	760.6	2,973.5
2021	1,253.2	565.0	1,818.2	349.4	85.8	435.2	469.4	115.1	584.4	136.5	-	136.5	2,208.5	765.9	2,974.4
2022	1,247.2	565.0	1,812.2	346.2	85.8	432.0	473.3	116.8	590.1	136.0	-	136.0	2,202.7	767.6	2,970.3
2023	1,262.8	565.0	1,827.8	349.2	85.8	435.0	466.8	117.2	584.0	136.6	-	136.6	2,215.4	768.1	2,983.4
2024	1,264.5	565.0	1,829.5	348.6	85.8	434.4	461.8	117.3	579.1	136.7	-	136.7	2,211.6	768.1	2,979.7
2025	1,269.7	565.0	1,834.7	348.5	85.8	434.3	461.5	117.3	578.8	136.7	-	136.7	2,216.3	768.1	2,984.5
2026	1,309.7	565.0	1,874.7	346.2	85.8	432.0	460.7	117.3	578.0	136.9	-	136.9	2,253.4	768.1	3,021.5
2027	1,309.1	565.0	1,874.2	339.5	85.8	425.3	464.0	117.3	581.3	136.9	-	136.9	2,249.6	768.1	3,017.7
2028	1,303.4	565.0	1,868.4	348.2	85.8	434.0	475.8	117.3	593.1	137.2	-	137.2	2,264.6	768.1	3,032.7
2029	1,288.5	565.0	1,853.6	346.1	85.8	431.9	474.9	117.3	592.2	137.1	-	137.1	2,246.7	768.1	3,014.8
2030	1,291.8	565.0	1,856.9	344.9	85.8	430.7	477.1	117.3	594.4	137.3	-	137.3	2,251.2	768.1	3,019.3
2031	1,303.3	565.0	1,868.3	342.1	85.8	427.9	494.6	117.3	611.9	130.6	-	130.6	2,270.5	768.1	3,038.7
2032	1,231.4	565.0	1,796.4	347.2	85.8	433.0	419.5	117.3	536.8	77.4	-	77.4	2,075.6	768.1	2,843.7
2033	947.8	565.0	1,512.8	333.8	85.8	419.6	220.0	117.3	337.4	-	-	-	1,501.6	768.1	2,269.8
2034	948.6	565.0	1,513.6	182.7	85.8	268.5	230.9	117.3	348.2	-	-	-	1,362.1	768.1	2,130.3
2035	921.8	565.0	1,486.9	131.3	85.8	217.1	260.8	117.3	378.1	-	-	-	1,313.9	768.1	2,082.0
2036	739.4	565.0	1,304.4	146.0	85.8	231.9	254.6	117.3	371.9	-	-	-	1,140.1	768.1	1,908.2
2037	708.5	565.0	1,273.5	334.1	85.8	419.9	255.5	117.3	372.8	-	-	-	1,298.1	768.1	2,066.3
2038	654.4	565.0	1,219.4	322.8	85.8	408.6	234.2	117.3	351.5	-	-	-	1,211.3	768.1	1,979.5
2039	587.9	565.0	1,152.9	271.3	85.8	357.2	79.8	117.3	197.1	-	-	-	939.0	768.1	1,707.2
2040	484.9	565.0	1,050.0	29.9	85.8	115.7	37.0	117.3	154.3	-	-	-	551.8	768.1	1,320.0
2041	336.4	565.0	901.4	-	85.8	85.8	17.1	117.3	134.4	-	-	-	353.5	768.1	1,121.6
2042	273.7	565.0	838.7	-	85.8	85.8	15.4	117.3	132.7	-	-	-	289.1	768.1	1,057.2
2043	139.7	551.5	691.2	-	85.8	85.8	2.9	117.3	120.2	-	-	-	142.7	754.6	897.3
2044	56.8	477.9	534.8	-	76.7	76.7	-	111.9	111.9	-	-	-	56.8	666.5	723.3
2045	56.8	342.4	399.2	-	58.8	58.8	-	97.7	97.7	-	-	-	56.8	498.9	555.7
2046	55.4	197.5	252.9	-	39.1	39.1	-	77.8	77.8	-	-	-	55.4	314.4	369.8
2047	43.9	72.8	116.7	-	16.9	16.9	-	55.2	55.2	-	-	-	43.9	144.9	188.8

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.

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 below are reflective of the MTA-wide commitment to improve service as well as maintain, expand and integrate the MTA Network. To that end, the July 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 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.

METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2014-2017 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2013	2014	2015	2016
2013 February Plan - Total Baseline Positions	66,606	66,585	66,809	67,033
Total Plan-to-Plan Changes	(834)	(1,066)	(1,000)	(818)
2013 July Plan - Total Baseline Positions	67,440	67,651	67,809	67,851
Total Year-to-Year Changes, July Plan		(211)	(158)	(42)
Total Plan-to-Plan Changes by Reporting Category:				
Non-Reimbursable	(385)	(635)	(637)	(662)
Reimbursable	(449)	(431)	(363)	(156)
Total	(834)	(1,066)	(1,000)	(818)
Full-Time	(826)	(1,057)	(1,006)	(824)
Full-Time Equivalents	(8)	(9)	6	6
Total	(834)	(1,066)	(1,000)	(818)
By Function Category				
- Administration	(47)	(46)	(35)	(18)
- Operations	(336)	(417)	(392)	(377)
- Maintenance	(254)	(396)	(366)	(291)
- Engineering/Capital	(180)	(180)	(180)	(105)
- Public Safety	(17)	(27)	(27)	(27)
Total	(834)	(1,066)	(1,000)	(818)
By Occupational Group				
- Managers/Supervisors	(36)	(62)	(49)	(2)
- Professional, Technical, Clerical	(318)	(315)	(299)	(199)
- Operational Hourlies	(480)	(689)	(652)	(617)
Total	(834)	(1,066)	(1,000)	(818)
Total Plan-to-Plan Changes by Major Category:				
2013 BRPs	0	0	0	0
New Needs	(198)	(447)	(487)	(509)
Change in Reimbursable Positions	(449)	(431)	(363)	(156)
Re-estimates & All Other ¹	(187)	(188)	(150)	(153)
Total	(834)	(1,066)	(1,000)	(818)

Year-to-Year Position Changes

2014 vs. 2013

Consolidated 2014 baseline positions are 67,651, an increase of 211 positions from the 2013 level. This is primarily due to:

- NYCT - total positions increase by 124 positions, reflecting a non-reimbursable increase of 220 positions, partly offset by a decrease of 96 reimbursable positions. The non-reimbursable increase is due mostly to platform budget adjustments and critical programmatic initiatives, such as Scheduled Maintenance Service (SMS) R46 life extension, and MOW structural inspection. The reimbursable decrease is due to capital project support requirements.
- MNR – net increases of 45 positions, including 31 non-reimbursable positions mainly reflecting the addition of MOE and MOW positions, and 14 reimbursable Operation Services positions resulting from ongoing Sandy storm-related work.
- LIRR - net increases of 36 positions, reflecting an increase of 52 non-reimbursable positions primarily related to Reliability Centered Maintenance (RCM) activities, partly offset by a decrease of 16 reimbursable positions, indicating revised project activity assumptions.

Positions by Function increase between 2013 and 2014 mainly for the following reasons:

- Maintenance increases of 180 positions attributable to: NYCT – an additional 123 positions mainly for Sandy storm-related recovery and resiliency efforts, and increased subway-related New Needs; the LIRR by 41 positions supporting RCM activities; and MNR by 25 additional positions needed for the new M-8 car fleet and New Haven shop.
- Operations increases by 24 positions, primarily due to MNR adding 20 positions for on-going Sandy storm-related work.

2015 - 2017

Total forecasted positions are 67,809 for 2015, an increase of 158 positions from 2014. Non-reimbursable positions increase by 321, while reimbursable positions decrease by 163. At the LIRR, non-reimbursable position increases of 186 attributable to the East Side Access ramp-up are partially offset by reimbursable decreases of 20 due to changes in project activity. MTA Bus increases of 62 non-reimbursable positions are mainly for Platform Budget and Employee Availability. NYCT's headcount reduction of 86 positions includes a reimbursable decrease of 143 positions partly offset by a non-reimbursable increase of 57 positions. Reimbursable position reductions are mostly attributable to the completion of several capital projects, including the copper cable upgrade and the connective oriented Ethernet project, while non-reimbursable position increases are mostly due to SMS and the operating budget impact of the completion of the Public Address Customer Information Screen (PA/CIS) phase.

Total forecasted positions are 67,851 in 2016, an increase of 42 positions from 2015. This is primarily due to LIRR increases of 253 positions, including non-reimbursable position increases of 318 attributable to the East Side Access ramp-up, partially offset by reimbursable decreases of 65 due to changes in project activity. MTA Headquarters' positions increase by 30 non-reimbursable MTAPD positions, reflecting the hiring plan for East Side Access in anticipation of its opening. NYCT headcount is reduced by 262 positions and includes decreases of 180 reimbursable positions and 82 non-reimbursable positions. Reimbursable position reductions are mostly due to completion of Sandy storm-related work, which is projected for three years, ending in mid-year 2016, while non-reimbursable position reductions reflect completion of SMS work.

In 2017, total forecasted positions of 68,362 are an increase of 511 positions from 2016. This is primarily due to increases of 255 non-reimbursable operating staff positions for the 2nd Avenue Subway at NYCT, and 218 non-reimbursable positions for the East Side Access ramp-up at the LIRR.

July Plan vs. February Plan Position Changes

2013

Headcount of 67,440 positions reflects an increase of 834 positions from the February Plan, primarily due to:

- NYCT - increases by 462 positions comprised of 287 reimbursable positions, including 165 in support of Sandy storm-related recovery and resiliency efforts, 35 positions to support various project requirements, and 30 positions for Small Business Mentoring. Increases also include 160 re-estimated positions mainly for 52 Bus Shifters, 38 Paratransit Call Center Schedulers, 20 positions to support SBS BX41, and 20 positions for business/platform budget changes;
- LIRR - increases by 177 positions at LIRR, reflecting 94 reimbursable positions and 83 non-reimbursable engineering positions mostly allocated to maintenance activities, an asset management initiative, new safety procedures for third rail, an electrolysis unit to monitor post Sandy-related damage, and On-Board Ticket Issuing Machines (OBTIMs) testing and rollout.
- B&T - increases by 94 positions, mainly from 90 positions needed to carry out long-term restoration and mitigation projects resulting from Sandy, an asset management initiative, and expansion of the Small Business Mentoring Program.
- MNR - increases by 64 positions, primarily due to 40 non-reimbursable positions including 15 right of way track clean-up positions and 15 Information Technology positions, and 24 reimbursable positions to support Sandy storm-related cleanup efforts, and
- MTA Bus - increases by 58 non-reimbursable positions, mostly for 26 Platform Budget positions and 25 positions to improve employee availability.

- MTA Headquarters decreases by 21 positions, resulting primarily from the reassignment of 23 non-reimbursable Procurement positions to B&T. These “lift and shift” type changes result in a zero change to total positions.

2014

Headcount of 67,651 positions reflects an increase of 1,066 positions from the February Plan, mainly the result of:

- NYCT - increases of 735 positions comprised mostly of 283 reimbursable positions, including 176 in support of Sandy storm-related recovery and resiliency work, 36 positions to support various project requirements, and 30 positions for Small Business Mentoring. Increases also include 231 positions reflecting re-estimates; mainly: 84 normal business/platform budget positions, 52 Bus Shifters (offset in overtime), 38 Paratransit Call Center Schedulers, 20 positions to support SBS BX41, and 17 positions for SMS. New Needs of 221 positions include 98 positions for SMS–R46 Life Extension, 35 positions for Water Intrusion Remediation, 29 positions for MOW Structural Inspections, and Buses-Safety and Reliability.
- LIRR - increases by 117 positions, which include 51 non-reimbursable positions, primarily for an asset management initiative, new safety procedures for third rail, an electrolysis unit to monitor for post Sandy storm-related damage and OBTIMs. A net increase of 66 reimbursable positions is driven by project activity, M9 procurement, and Sandy storm-related remediation work.
- Increases of 94 positions at B&T, mainly from 90 positions needed to carry out long-term restoration and mitigation projects resulting from Sandy, implementation of an asset management initiative, reassigned procurement positions from HQ, and expansion of the Small Business Mentoring Program.
- Increases of 66 positions at MNR include 28 non-reimbursable positions including the 40 non-reimbursable positions that were added in 2013, partly offset by a reduction of 12 Grand Central Terminal positions resulting from revised assumptions for the GCT Fire Brigade and Escalator Maintenance initiatives. An increase of 38 reimbursable positions results from the 24 reimbursable positions added in 2013 plus 14 Train & Engine positions for Sandy storm-related clean-up projects.
- Increases of 65 non-reimbursable positions at MTA Bus reflect the 26 Platform Budget positions and 25 Employee Availability positions added in 2013, in addition to an increase of six Shop Plan positions.
- MTA Headquarters decreases 11 positions, resulting primarily from by the reassignment of 23 non-reimbursable Procurement positions to B&T, partly offset by nine additional MTA Police officers to provide greater coverage based on projected regional growth on the MNR New Haven Line.

2015 and 2016

Headcount increases to 67,809 positions in 2015, and 67,851 positions in 2016, reflecting increases of 1,000 and 818 positions, respectively, from the February Plan. These unfavorable variances are mainly due to:

- NYCT increases by 705 positions and 551 positions in 2015 and 2016, respectively. These increases are primarily due to New Needs of 281 positions in 2015 and 293 positions in 2016, which include 158 positions in 2015 and 188 positions in 2016 for SMS–R46 Life Extension, 35 positions for Water Intrusion Remediation, and 29 positions for MOW Structural Inspections. Re-estimates also result in increases of 204 positions in 2015 and 205 positions in 2016, mainly due to business/platform budget changes of 100 positions, 52 Bus Shifters (offset in overtime), and 38 Paratransit Call Center Schedulers. Reimbursable positions increase by 220 positions in 2015 and by 53 positions in 2016, including 160 positions in support of Sandy storm-related recovery and resiliency initiatives in 2015 only, and 30 positions for Small Business Mentoring, and 17 positions and 10 positions in 2015 and 2016, respectively, to support various project requirements.
- Increases of 94 positions at B&T in 2015 and 2016 result mainly from 90 positions needed to carry out long-term restoration and mitigation projects resulting from Sandy, implementation of an asset management initiative, and expansion of the Small Business Mentoring Program.
- Increases of 87 and 49 positions in 2015 and 2016, respectively, at LIRR are primarily due to non-reimbursable increases in initiatives begun in 2013 and continuing through 2016. Reimbursable positions increase by 61 in 2015 and 21 in 2016 due to increased project activity.
- Increases of 66 positions at MNR in both 2015 and 2016 include the 28 non-reimbursable and 38 reimbursable changes from prior years.
- Increases of 59 reimbursable positions in 2015 and 69 non-reimbursable positions in 2016 at MTA Bus include the addition of 26 Platform Budget positions, 25 Employee Availability positions, and six Shop Plan positions.
- MTA Headquarters decreases of 11 positions in 2015 and 2016 were due to the reassignment of 23 non-reimbursable Procurement positions to B&T, offset by 12 non-reimbursable positions, mainly for MTA Police officers required for increased coverage based on projected regional growth on the MNR New Haven Line.

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, safety and operational needs, 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 198 positions in 2013, 447 positions in 2014, 487 positions in 2015, and 509 positions in 2016. Major New Needs are listed in the following table:

METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2014-2017 Favorable/(Unfavorable)				
Position Impacts of New Needs				
	2013	2014	2015	2016
NYCT				
- Enterprise Asset Management project	(10)	(10)	(10)	(10)
- EEO office support	(4)	(4)	(4)	(4)
- Rodent Eradication Program	(1)	(1)	(1)	(1)
- SMS - R46 Life Extension	0	(98)	(158)	(188)
- MOW Structural Inspections	0	(29)	(29)	(29)
- RCC Staffing - ATS Expansion	0	(6)	(6)	(6)
- Vent Bay Maintenance	0	(12)	(12)	(12)
- Water Intrusion Remediation	0	(35)	(35)	(35)
- Buses - Safety and Reliability	0	(18)	(18)	0
- Manhole Security	0	(8)	(8)	(8)
Total NYCT	(15)	(221)	(281)	(293)
MNR				
- Payroll/Employee Relations/Compliance	(5)	(5)	(5)	(5)
- PA System Improvements	(5)	(5)	(5)	(5)
- Right of Way Clean-Up Program	0	(15)	(15)	(15)
Total MNR	(10)	(25)	(25)	(25)
B&T				
- Procurement Staff Reassignment	(24)	(24)	(24)	(24)
- Disaster Recovery and Mitigation Contract Management	(5)	(5)	(5)	(5)
- Const. and Major Maint.-Capital Program/ Sandy	(32)	(32)	(32)	(32)
- Const. and Major Maint.-EAM, SBMP. Qual. Assurance	(11)	(11)	(11)	(11)
- Budget and Grant Admin- Capital Program/Sandy	(7)	(7)	(7)	(7)
- B&T Other	(11)	(11)	(11)	(11)
Total B&T	(90)	(90)	(90)	(90)
Headquarters				
- Administration - Marketing and Arts for Transit	(2)	(2)	(2)	(2)
- MTAPD officers for New Haven Line and 1 civilian	0	(10)	(10)	(10)
Total Headquarters	(2)	(12)	(12)	(12)
Staten Island Railway				
- Electronics Maintenance requirements	(3)	(3)	(3)	(3)
LIRR				
- New Fare Payment System	(16)	(16)	(2)	(2)
- Enterprise Asset Management	(4)	(11)	(11)	(11)
- Post Sandy Maintenance	0	(4)	(4)	(4)
Total LIRR	(20)	(31)	(17)	(17)
MTA Bus Co				
- Dispatcher - UTS	(2)	(2)	(2)	(2)
- Bus Time/Service Manager	0	0	0	(4)
- Platform Budget	(26)	(26)	(26)	(26)
- Hastus	(1)	(1)	(1)	(1)
- Employee Availability	(25)	(25)	(25)	(25)
- Inventory Accountability	(2)	(2)	(2)	(2)
- Farebox Maintenance Supervisor	(2)	(2)	(2)	(2)
- Shop Plan	0	(6)	0	(6)
- Miscellaneous OTPS	0	(1)	(1)	(1)
Total MTA Bus Co	(58)	(65)	(59)	(69)
Total New Needs	(198)	(447)	(487)	(509)

Changes in Reimbursable Positions

Efficiencies in the last two years, primarily in the management of the Capital Program, are reversed in the July Plan, mostly to carry out long-term restoration and mitigation projects resulting from Sandy. Major reimbursable positions are listed below.

METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2014-2017 Favorable/(Unfavorable)				
Position Impacts of Reimbursable				
	2013	2014	2015	2016
NYCT				
- Sandy Recovery and Resiliency	(165)	(176)	(160)	0
- Small Business Mentoring	(30)	(30)	(30)	(30)
- ICC Lighting support	(21)	(21)	0	0
- Bus Technology and NFPS support	(20)	(20)	(13)	(13)
- PS LAN support	(11)	0	0	0
- Help Point project support	(5)	0	0	0
- Other	(35)	(36)	(17)	(10)
Total NYCT	(287)	(283)	(220)	(53)
LIRR				
- Project Activity	0	0	(59)	(19)
- Reimb. Headcount and O/T Adjustments	(112)	(2)	(2)	(2)
- West Side Shop Temp Closure/Relocation	(13)	(13)	0	0
- Other	31	(51)	0	0
Total LIRR	(94)	(66)	(61)	(21)
MNR				
- Sandy clean-up - Engineering	(9)	(9)	(9)	(9)
- Sandy clean-up - Maint. of Way	(11)	(11)	(11)	(11)
- Sandy clean-up - Procurement	(3)	(3)	(3)	(3)
- Sandy clean-up - T&E	0	(14)	(14)	(14)
- Other	(1)	(1)	(1)	(1)
Total MNR	(24)	(38)	(38)	(38)
B&T				
- Other	(44)	(44)	(44)	(44)
Total Reimbursable	(449)	(431)	(363)	(156)

Re-Estimates & All Other

Combined, agencies show a net increase of 187 positions in 2013, 188 in 2014, 150 in 2015, and 153 in 2016, resulting from their re-estimates and other changes. Major drivers of the change are captured in the table below with more information contained in Agency sections:

METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2014-2017 Favorable/(Unfavorable)				
Position Impacts of Re-Estimates				
	2013	2014	2015	2016
NYCT				
- Bus Shifters Headcount for Overtime adjustment	(52)	(52)	(52)	(52)
- Reclass of NFPS and Bus Tech. to reimbursable	20	20	13	13
- Business/platform budget changes	(20)	(84)	(100)	(100)
- SBS BX41 support	(20)	(20)	(20)	(20)
- Paratransit Call Center Schedulers	(38)	(38)	(38)	(38)
- Sandy backlog maintenance timing adjustment	(16)	(16)	0	0
- SMS	0	(17)	(11)	(6)
- All other	(34)	(24)	4	(2)
Total NYCT	(160)	(231)	(204)	(205)
LIRR				
- Enhanced Third Rail Safety Procedures	(15)	(15)	(15)	(15)
- New Hire Training Needs	(16)	0	0	0
- All other	(32)	(5)	6	4
Total LIRR	(63)	(20)	(9)	(11)
MNR				
- IT Unionization	(15)	(15)	(15)	(15)
- GCT Fire Brigade	0	6	6	6
- GCT Escalator Maintenance	0	6	6	6
- All Other	(15)	0	0	0
Total MNR	(30)	(3)	(3)	(3)
B&T				
- Headcount Correction	40	40	40	40
MTA Headquarters				
- Procurement Staff Reassignment	23	23	23	23
Staten Island Railway				
- Administrative functions reassigned to NYCT	3	3	3	3
Total Re-Estimates	(187)	(188)	(150)	(153)

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

Category	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Baseline Total Positions	65,489	67,440	67,651	67,809	67,851	68,362
NYC Transit	45,537	46,525	46,649	46,563	46,301	46,553
Long Island Rail Road	6,414	6,908	6,944	7,110	7,363	7,581
Metro-North Railroad	6,340	6,482	6,527	6,538	6,544	6,556
Bridges & Tunnels	1,545	1,746	1,746	1,746	1,746	1,746
Headquarters	1,623	1,711	1,721	1,726	1,756	1,800
Staten Island Railway	271	271	271	271	271	271
Capital Construction Company	129	140	140	140	140	140
Bus Company	3,630	3,657	3,653	3,715	3,730	3,715
Non-Reimbursable	59,254	61,117	61,426	61,747	62,034	62,548
NYC Transit	40,597	41,906	42,126	42,183	42,101	42,356
Long Island Rail Road	5,960	6,141	6,193	6,379	6,697	6,915
Metro-North Railroad	5,773	5,890	5,921	5,932	5,938	5,950
Bridges & Tunnels	1,501	1,658	1,658	1,658	1,658	1,658
Headquarters	1,583	1,661	1,671	1,676	1,706	1,750
Staten Island Railway	268	268	268	268	268	268
Capital Construction Company	-	-	-	-	-	-
Bus Company	3,572	3,593	3,589	3,651	3,666	3,651
Reimbursable	6,235	6,323	6,225	6,062	5,817	5,814
NYC Transit	4,940	4,619	4,523	4,380	4,200	4,197
Long Island Rail Road	454	767	751	731	666	666
Metro-North Railroad	567	592	606	606	606	606
Bridges & Tunnels	44	88	88	88	88	88
Headquarters	40	50	50	50	50	50
Staten Island Railway	3	3	3	3	3	3
Capital Construction Company	129	140	140	140	140	140
Bus Company	58	64	64	64	64	64
Total Full-Time	65,261	67,260	67,478	67,651	67,693	68,204
NYC Transit	45,329	46,361	46,492	46,421	46,159	46,411
Long Island Rail Road	6,414	6,908	6,944	7,110	7,363	7,581
Metro-North Railroad	6,339	6,481	6,526	6,537	6,543	6,555
Bridges & Tunnels	1,545	1,746	1,746	1,746	1,746	1,746
Headquarters	1,623	1,711	1,721	1,726	1,756	1,800
Staten Island Railway	271	271	271	271	271	271
Capital Construction Company	129	140	140	140	140	140
Bus Company	3,611	3,642	3,638	3,700	3,715	3,700
Total Full-Time-Equivalents	228	180	173	158	158	158
NYC Transit	208	164	157	142	142	142
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
July Financial Plan 2014-2017
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

Function	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration	4,046	4,352	4,349	4,340	4,322	4,336
NYC Transit	1,827	1,934	1,924	1,910	1,891	1,890
Long Island Rail Road	584	647	649	654	659	670
Metro-North Railroad	532	566	566	563	563	563
Bridges & Tunnels	62	68	68	68	68	68
Headquarters	880	918	918	918	918	918
Staten Island Railway	26	25	25	25	25	25
Capital Construction Company	14	16	16	16	16	16
Bus Company	121	178	183	186	182	186
Operations	29,168	29,694	29,718	29,865	29,946	30,260
NYC Transit	21,655	22,007	22,018	22,020	22,006	22,154
Long Island Rail Road	2,154	2,285	2,278	2,409	2,498	2,652
Metro-North Railroad	2,140	2,177	2,197	2,211	2,217	2,229
Bridges & Tunnels	678	787	787	787	787	787
Headquarters	-	-	-	-	-	-
Staten Island Railway	100	91	91	91	91	91
Capital Construction Company	-	-	-	-	-	-
Bus Company	2,441	2,347	2,347	2,347	2,347	2,347
Maintenance	29,057	29,783	29,963	29,978	30,002	30,141
NYC Transit	20,373	20,681	20,804	20,730	20,576	20,681
Long Island Rail Road	3,555	3,834	3,875	3,905	4,064	4,117
Metro-North Railroad	3,568	3,629	3,654	3,654	3,654	3,654
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	1,070	1,129	1,148	1,129
Engineering/Capital	1,704	1,949	1,949	1,949	1,874	1,874
NYC Transit	1,193	1,319	1,319	1,319	1,244	1,244
Long Island Rail Road	121	142	142	142	142	142
Metro-North Railroad	100	110	110	110	110	110
Bridges & Tunnels	141	217	217	217	217	217
Headquarters	-	-	-	-	-	-
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	115	124	124	124	124	124
Bus Company	34	37	37	37	37	37
Public Safety	1,514	1,662	1,672	1,677	1,707	1,751
NYC Transit	489	584	584	584	584	584
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-	-
Bridges & Tunnels	268	269	269	269	269	269
Headquarters	743	793	803	808	838	882
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	14	16	16	16	16	16

Metropolitan Transportation Authority
July 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 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration							
	Managers/Supervisors	1,532	1,703	1,699	1,698	1,691	1,701
	Professional, Technical, Clerical	2,489	2,484	2,480	2,469	2,466	2,466
	Operational Hourlies	25	165	170	173	165	169
	Total Administration	4,046	4,352	4,349	4,340	4,322	4,336
Operations							
	Managers/Supervisors	3,208	3,352	3,353	3,352	3,341	3,374
	Professional, Technical, Clerical	867	965	962	959	953	953
	Operational Hourlies	25,093	25,378	25,404	25,555	25,653	25,934
	Total Operations	29,168	29,694	29,718	29,865	29,946	30,260
Maintenance							
	Managers/Supervisors	5,060	5,302	5,307	5,330	5,350	5,352
	Professional, Technical, Clerical	1,774	1,911	1,877	1,849	1,814	1,812
	Operational Hourlies	22,223	22,571	22,780	22,800	22,839	22,978
	Total Maintenance	29,057	29,783	29,963	29,978	30,002	30,141
Engineering/Capital							
	Managers/Supervisors	450	523	521	521	509	509
	Professional, Technical, Clerical	1,252	1,424	1,426	1,426	1,363	1,363
	Operational Hourlies	2	2	2	2	2	2
	Total Engineering/Capital	1,704	1,949	1,949	1,949	1,874	1,874
Public Safety							
	Managers/Supervisors	178	267	267	267	267	268
	Professional, Technical, Clerical	125	144	145	145	145	145
	Operational Hourlies	1,211	1,251	1,260	1,265	1,295	1,338
	Total Public Safety	1,514	1,662	1,672	1,677	1,707	1,751
Baseline Total Positions							
	Managers/Supervisors	10,428	11,147	11,147	11,168	11,158	11,204
	Professional, Technical, Clerical	6,507	6,927	6,889	6,847	6,740	6,738
	Operational Hourlies	48,553	49,366	49,615	49,794	49,953	50,420
	Baseline Total Positions	65,489	67,440	67,651	67,809	67,851	68,362

METROPOLITAN TRANSPORTATION AUTHORITY
July 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
Baseline Total Positions	(1,951)	(211)	(158)	(42)	(511)
NYC Transit	(988)	(124)	86	262	(252)
Long Island Rail Road	(494)	(36)	(166)	(253)	(218)
Metro-North Railroad	(142)	(45)	(11)	(6)	(12)
Bridges & Tunnels	(201)	-	-	-	-
Headquarters	(88)	(10)	(5)	(30)	(44)
Staten Island Railway	-	-	-	-	-
Capital Construction Company	(11)	-	-	-	-
Bus Company	(27)	4	(62)	(15)	15
Non-Reimbursable	(1,863)	(309)	(321)	(287)	(514)
NYC Transit	(1,309)	(220)	(57)	82	(255)
Long Island Rail Road	(181)	(52)	(186)	(318)	(218)
Metro-North Railroad	(117)	(31)	(11)	(6)	(12)
Bridges & Tunnels	(157)	-	-	-	-
Headquarters	(78)	(10)	(5)	(30)	(44)
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(21)	4	(62)	(15)	15
Reimbursable	(88)	98	163	245	3
NYC Transit	321	96	143	180	3
Long Island Rail Road	(313)	16	20	65	-
Metro-North Railroad	(25)	(14)	-	-	-
Bridges & Tunnels	(44)	-	-	-	-
Headquarters	(10)	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	(11)	-	-	-	-
Bus Company	(6)	-	-	-	-
Total Full-Time	(1,999)	(218)	(173)	(42)	(511)
NYC Transit	(1,032)	(131)	71	262	(252)
Long Island Rail Road	(494)	(36)	(166)	(253)	(218)
Metro-North Railroad	(142)	(45)	(11)	(6)	(12)
Bridges & Tunnels	(201)	-	-	-	-
Headquarters	(88)	(10)	(5)	(30)	(44)
Staten Island Railway	-	-	-	-	-
Capital Construction Company	(11)	-	-	-	-
Bus Company	(31)	4	(62)	(15)	15
Total Full-Time-Equivalents	48	7	15	-	-
NYC Transit	44	7	15	-	-
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	4	-	-	-	-

METROPOLITAN TRANSPORTATION AUTHORITY
July 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/DEPARTMENT	Change 2012-2013	Change 2013-2014	Change 2014-2015	Change 2015-2016	Change 2016-2017
<i>Administration</i>	(306)	3	9	18	(14)
NYC Transit	(107)	10	14	19	1
Long Island Rail Road	(63)	(2)	(5)	(5)	(11)
Metro-North Railroad	(34)	-	3	-	-
Bridges & Tunnels	(6)	-	-	-	-
Headquarters	(38)	-	-	-	-
Staten Island Railway	1	-	-	-	-
Capital Construction Company	(2)	-	-	-	-
Bus Company	(57)	(5)	(3)	4	(4)
<i>Operations</i>	(526)	(24)	(147)	(81)	(314)
NYC Transit	(352)	(11)	(2)	14	(148)
Long Island Rail Road	(131)	7	(131)	(89)	(154)
Metro-North Railroad	(37)	(20)	(14)	(6)	(12)
Bridges & Tunnels	(109)	-	-	-	-
Headquarters	-	-	-	-	-
Staten Island Railway	9	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	94	-	-	-	-
<i>Maintenance</i>	(726)	(180)	(15)	(24)	(139)
NYC Transit	(308)	(123)	74	154	(105)
Long Island Rail Road	(279)	(41)	(30)	(159)	(53)
Metro-North Railroad	(61)	(25)	-	-	-
Bridges & Tunnels	(9)	-	-	-	-
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	(10)	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(59)	9	(59)	(19)	19
<i>Engineering/Capital</i>	(245)	-	-	75	-
NYC Transit	(126)	-	-	75	-
Long Island Rail Road	(21)	-	-	-	-
Metro-North Railroad	(10)	-	-	-	-
Bridges & Tunnels	(76)	-	-	-	-
Headquarters	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	(9)	-	-	-	-
Bus Company	(3)	-	-	-	-
<i>Public Safety</i>	(148)	(10)	(5)	(30)	(44)
NYC Transit	(95)	-	-	-	-
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	(1)	-	-	-	-
Headquarters	(50)	(10)	(5)	(30)	(44)
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	(2)	-	-	-	-

Metropolitan Transportation Authority
July 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)

FUNCTION/OCCUPATIONAL GROUP	Change 2013-2014	Change 2014-2015	Change 2015-2016	Change 2016-2017
Administration				
Managers/Supervisors	4	1	7	(10)
Professional, Technical, Clerical	4	11	3	-
Operational Hourlies	(5)	(3)	8	(4)
Total Administration	3	9	18	(14)
Operations				
Managers/Supervisors	(1)	1	11	(33)
Professional, Technical, Clerical	3	3	6	-
Operational Hourlies	(26)	(151)	(98)	(281)
Total Operations	(24)	(147)	(81)	(314)
Maintenance				
Managers/Supervisors	(5)	(23)	(20)	(2)
Professional, Technical, Clerical	34	28	35	2
Operational Hourlies	(209)	(20)	(39)	(139)
Total Maintenance	(180)	(15)	(24)	(139)
Engineering/Capital				
Managers/Supervisors	2	-	12	-
Professional, Technical, Clerical	(2)	-	63	-
Operational Hourlies	-	-	-	-
Total Engineering/Capital	-	-	75	-
Public Safety				
Managers/Supervisors	-	-	-	(1)
Professional, Technical, Clerical	(1)	-	-	-
Operational Hourlies	(9)	(5)	(30)	(43)
Total Public Safety	(10)	(5)	(30)	(44)
Baseline Total Positions				
Managers/Supervisors	-	(21)	10	(46)
Professional, Technical, Clerical	38	42	107	2
Operational Hourlies	(249)	(179)	(159)	(467)
Baseline Total Positions	(211)	(158)	(42)	(511)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2014-2017
Baseline Change Between 2013 July Financial Plan vs. 2013 February 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
<i>Baseline Total Positions</i>	(834)	(1,066)	(1,000)	(818)
NYC Transit	(462)	(735)	(705)	(551)
Long Island Rail Road	(177)	(117)	(87)	(49)
Metro-North Railroad	(64)	(66)	(66)	(66)
Bridges & Tunnels	(94)	(94)	(94)	(94)
Headquarters	21	11	11	11
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(58)	(65)	(59)	(69)
<i>Non-Reimbursable</i>	(385)	(635)	(637)	(662)
NYC Transit	(175)	(452)	(485)	(498)
Long Island Rail Road	(83)	(51)	(26)	(28)
Metro-North Railroad	(40)	(28)	(28)	(28)
Bridges & Tunnels	(50)	(50)	(50)	(50)
Headquarters	21	11	11	11
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(58)	(65)	(59)	(69)
<i>Reimbursable</i>	(449)	(431)	(363)	(156)
NYC Transit	(287)	(283)	(220)	(53)
Long Island Rail Road	(94)	(66)	(61)	(21)
Metro-North Railroad	(24)	(38)	(38)	(38)
Bridges & Tunnels	(44)	(44)	(44)	(44)
Headquarters	-	-	-	-
Long Island Bus	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
<i>Total Full-Time</i>	(826)	(1,057)	(1,006)	(824)
NYC Transit	(454)	(726)	(711)	(557)
Long Island Rail Road	(177)	(117)	(87)	(49)
Metro-North Railroad	(64)	(66)	(66)	(66)
Bridges & Tunnels	(94)	(94)	(94)	(94)
Headquarters	21	11	11	11
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(58)	(65)	(59)	(69)
<i>Total Full-Time-Equivalents</i>	(8)	(9)	6	6
NYC Transit	(8)	(9)	6	6
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-

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

Function	2013	2014	2015	2016
<i>Administration</i>	(47)	(46)	(35)	(18)
NYC Transit	(20)	(19)	(9)	9
Long Island Rail Road	(19)	(19)	(18)	(15)
Metro-North Railroad	(26)	(26)	(26)	(26)
Bridges & Tunnels	(16)	(16)	(16)	(16)
Headquarters	21	21	21	21
Staten Island Railway	3	3	3	3
Capital Construction Company	2	2	2	2
Bus Company	8	8	8	4
<i>Operations</i>	(336)	(417)	(392)	(377)
NYC Transit	(232)	(304)	(306)	(295)
Long Island Rail Road	(41)	(36)	(9)	(5)
Metro-North Railroad	(2)	(16)	(16)	(16)
Bridges & Tunnels	(19)	(19)	(19)	(19)
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(42)	(42)	(42)	(42)
<i>Maintenance</i>	(254)	(396)	(366)	(291)
NYC Transit	(93)	(295)	(273)	(223)
Long Island Rail Road	(119)	(64)	(62)	(31)
Metro-North Railroad	(26)	(14)	(14)	(14)
Bridges & Tunnels	10	10	10	10
Headquarters	-	-	-	-
Staten Island Railway	(3)	(3)	(3)	(3)
Capital Construction Company	-	-	-	-
Bus Company	(23)	(30)	(24)	(30)
<i>Engineering/Capital</i>	(180)	(180)	(180)	(105)
NYC Transit	(101)	(101)	(101)	(26)
Long Island Rail Road	2	2	2	2
Metro-North Railroad	(10)	(10)	(10)	(10)
Bridges & Tunnels	(70)	(70)	(70)	(70)
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	(2)	(2)	(2)	(2)
Bus Company	1	1	1	1
<i>Public Safety</i>	(17)	(27)	(27)	(27)
NYC Transit	(16)	(16)	(16)	(16)
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	1	1	1	1
Headquarters	-	(10)	(10)	(10)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(2)	(2)	(2)	(2)
<i>Baseline Total Positions</i>	(834)	(1,066)	(1,000)	(818)

Metropolitan Transportation Authority
July Financial Plan 2014-2017
Baseline Change Between 2013 July Financial Plan vs. 2013 February Financial Plan
Non-Reimbursable and Reimbursable
Full-time Positions and Full-time Equivalents by Occupational Group and Agency
Favorable/(Unfavorable)

		Change			
FUNCTION/OCCUPATIONAL GROUP		2013	2014	2015	2016
Administration					
	Managers/Supervisors	(29)	(31)	(27)	(12)
	Professional, Technical, Clerical	(32)	(29)	(22)	(20)
	Operational Hourlies	14	14	14	14
	Total Administration	(47)	(46)	(35)	(18)
Operations					
	Managers/Supervisors	(73)	(77)	(76)	(67)
	Professional, Technical, Clerical	(102)	(102)	(99)	(93)
	Operational Hourlies	(161)	(238)	(217)	(217)
	Total Operations	(336)	(417)	(392)	(377)
Maintenance					
	Managers/Supervisors	119	97	105	116
	Professional, Technical, Clerical	(40)	(37)	(31)	(2)
	Operational Hourlies	(333)	(456)	(440)	(405)
	Total Maintenance	(254)	(396)	(366)	(291)
Engineering/Capital					
	Managers/Supervisors	(37)	(35)	(35)	(23)
	Professional, Technical, Clerical	(143)	(145)	(145)	(82)
	Operational Hourlies	-	-	-	-
	Total Engineering/Capital	(180)	(180)	(180)	(105)
Public Safety					
	Managers/Supervisors	(16)	(16)	(16)	(16)
	Professional, Technical, Clerical	(1)	(2)	(2)	(2)
	Operational Hourlies	-	(9)	(9)	(9)
	Total Public Safety	(17)	(27)	(27)	(27)
Baseline Total Positions					
	Managers/Supervisors	(36)	(62)	(49)	(2)
	Professional, Technical, Clerical	(318)	(315)	(299)	(199)
	Operational Hourlies	(480)	(689)	(652)	(617)
	Baseline Total Positions	(834)	(1,066)	(1,000)	(818)

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III. Other MTA Consolidated Materials-Baseline

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

Line No.						
7	Non-Reimbursable					
8		2012	2013	2014		
9		Actual	Mid-Year Forecast	Preliminary Budget	2015	2016
10	Operating Revenue					2017
11	Farebox Revenue	\$5,079	\$5,458	\$5,606	\$5,672	\$5,774
12	Toll Revenue	1,491	1,612	1,634	1,637	1,649
13	Other Revenue	564	793	681	643	704
14	Capital and Other Reimbursements	0	0	0	0	0
15	Total Operating Revenue	\$7,134	\$7,863	\$7,920	\$7,951	\$8,127
16						
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$4,194	\$4,274	\$4,352	\$4,463	\$4,695
20	Overtime	574	556	503	509	518
21	Health & Welfare	813	925	1,042	1,116	1,205
22	OPEB Current Payment	413	464	518	560	611
23	Pensions	1,328	1,317	1,351	1,352	1,374
24	Other-Fringe Benefits	650	581	594	613	626
25	Reimbursable Overhead	(309)	(310)	(306)	(301)	(305)
26	Sub-total Labor Expenses	\$7,663	\$7,807	\$8,054	\$8,312	\$8,897
27						
28	Non-Labor Expenses:					
29	Electric Power	\$472	\$515	\$538	\$564	\$594
30	Fuel	252	268	267	268	273
31	Insurance	8	33	59	77	89
32	Claims	136	199	205	210	215
33	Paratransit Service Contracts	361	391	417	429	479
34	Maintenance and Other Operating Contracts	452	571	551	600	614
35	Professional Service Contracts	277	301	301	295	295
36	Materials & Supplies	431	519	527	557	563
37	Other Business Expenses	144	204	180	162	167
38	Sub-total Non-Labor Expenses	\$2,530	\$3,000	\$3,046	\$3,161	\$3,289
39						
40	Other Expense Adjustments:					
41	Other	\$63	\$50	\$47	\$48	\$51
42	General Reserve	0	130	135	140	145
43	Sub-total Other Expense Adjustments	\$63	\$180	\$182	\$188	\$207
44						
45	Total Operating Expense before Non-Cash Liability Adj.	\$10,256	\$10,986	\$11,282	\$11,660	\$12,078
46						
47	Depreciation	\$2,149	\$2,281	\$2,326	\$2,419	\$2,512
48	OPEB Obligation	1,786	1,801	1,877	1,951	2,030
49	Environmental Remediation	25	6	6	6	6
50						
51	Total Operating Expense after Non-Cash Liability Adj.	\$14,216	\$15,075	\$15,491	\$16,036	\$16,626
52						
53	Net Deficit Before Subsidies and Debt Service	(\$7,082)	(\$7,212)	(\$7,571)	(\$8,085)	(\$9,156)
54						
55	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,959	\$4,088	\$4,209	\$4,376	\$4,548
56						
57	Debt Service (excludes Service Contract Bonds)	(2,058)	(2,223)	(2,390)	(2,505)	(2,697)
58						
59	Total Operating Expense with Debt Service	\$12,315	\$13,209	\$13,672	\$14,165	\$15,441
60						
61	Dedicated Taxes and State/Local Subsidies	\$5,490	\$5,895	\$6,038	\$6,324	\$6,565
62						
63	Net Deficit After Subsidies and Debt Service	\$309	\$548	\$286	\$110	(\$101)
64						
65	Conversion to Cash Basis: GASB Account	(90)	(85)	(104)	(112)	(121)
66	Conversion to Cash Basis: All Other	(288)	(281)	(312)	(417)	(343)
67						
68	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$68)	\$182	(\$130)	(\$419)	(\$1,019)

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

Line						
No						
7	Reimbursable					
8		2012	2013	2014		
9		Actual	Mid-Year	Preliminary	2015	2016
10			Forecast	Budget		2017
11	Operating Revenue					
12	Farebox Revenue	\$0	\$0	\$0	\$0	\$0
13	Toll Revenue	0	0	0	0	0
14	Other Revenue	0	0	0	0	0
15	Capital and Other Reimbursements	1,348	1,432	1,489	1,468	1,476
16	Total Operating Revenue	\$1,348	\$1,432	\$1,489	\$1,468	\$1,476
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$467	\$522	\$540	\$537	\$533
20	Overtime	107	97	95	94	95
21	Health & Welfare	51	60	67	70	71
22	OPEB Current Payment	0	0	0	0	0
23	Pensions	65	63	68	68	68
24	Other-Fringe Benefits	131	148	150	149	148
25	Reimbursable Overhead	311	308	304	299	301
26	Sub-total Labor Expenses	\$1,131	\$1,198	\$1,223	\$1,217	\$1,215
27	Non-Labor Expenses:					
28	Electric Power	\$1	\$0	\$0	\$0	\$0
29	Fuel	0	0	0	0	0
30	Insurance	8	8	9	9	9
31	Claims	0	0	0	0	0
32	Paratransit Service Contracts	1	0	0	0	0
33	Maintenance and Other Operating Contracts	69	50	60	64	69
34	Professional Service Contracts	37	50	59	62	67
35	Materials & Supplies	95	119	131	110	110
36	Other Business Expenses	5	6	7	5	5
37	Sub-total Non-Labor Expenses	\$216	\$234	\$266	\$251	\$261
38	Other Expense Adjustments:					
39	Other	\$0	\$0	\$0	\$0	\$0
40	Sub-total Other Expense Adjustments	\$0	\$0	\$0	\$0	\$0
41	Environmental Remediation	0	0	0	0	0
42	Total Operating Expense	\$1,348	\$1,432	\$1,489	\$1,468	\$1,476
43	Baseline Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0

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

Line Number						
7	Non-Reimbursable / Reimbursable					
8		2012	2013	2014		
9		Actual	Mid-Year Forecast	Preliminary Budget	2015	2016
10	Operating Revenue				2017	
11	Farebox Revenue	\$5,079	\$5,458	\$5,606	\$5,672	\$5,741
12	Toll Revenue	1,491	1,612	1,634	1,637	1,645
13	Other Revenue	564	793	681	643	724
14	Capital and Other Reimbursements	1,348	1,432	1,489	1,468	1,476
15	Total Operating Revenue	\$8,482	\$9,295	\$9,409	\$9,419	\$9,585
16						
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$4,661	\$4,796	\$4,891	\$5,000	\$5,103
20	Overtime	681	652	598	603	603
21	Health & Welfare	864	985	1,109	1,185	1,276
22	OPEB Current Payment	413	464	518	560	611
23	Pensions	1,393	1,380	1,419	1,421	1,442
24	Other-Fringe Benefits	782	729	744	761	774
25	Reimbursable Overhead	1	(2)	(2)	(2)	(2)
26	Sub-total Labor Expenses	\$8,795	\$9,005	\$9,277	\$9,529	\$9,808
27						
28	Non-Labor Expenses:					
29	Electric Power	\$472	\$515	\$538	\$564	\$594
30	Fuel	252	268	267	268	273
31	Insurance	16	41	69	86	98
32	Claims	136	199	205	210	215
33	Paratransit Service Contracts	362	391	417	429	479
34	Maintenance and Other Operating Contracts	521	621	611	664	683
35	Professional Service Contracts	314	352	360	357	362
36	Materials & Supplies	526	638	658	667	673
37	Other Business Expenses	149	209	187	167	173
38	Sub-total Non-Labor Expenses	\$2,747	\$3,234	\$3,312	\$3,412	\$3,550
39						
40	Other Expense Adjustments:					
41	Other	\$63	\$50	\$47	\$48	\$51
42	General Reserve	0	130	135	140	145
43	Sub-total Other Expense Adjustments	\$63	\$180	\$182	\$188	\$196
44						
45	Total Operating Expense before Non-Cash Liability Adj.	\$11,604	\$12,419	\$12,771	\$13,128	\$13,554
46						
47	Depreciation	\$2,149	\$2,281	\$2,326	\$2,419	\$2,512
48	OPEB Obligation	1,786	1,801	1,877	1,951	2,030
49	Environmental Remediation	25	6	6	6	6
50						
51	Total Operating Expense	\$15,564	\$16,507	\$16,980	\$17,505	\$18,101
52						
53	Net Operating Deficit Before Subsidies and Debt Service	(\$7,082)	(\$7,212)	(\$7,571)	(\$8,085)	(\$8,516)
54						
55	Conversion to Cash Basis: Non-Cash Liability Adj.	\$3,959	\$4,088	\$4,209	\$4,376	\$4,548
56						
57	Debt Service (excludes Service Contract Bonds)	(2,058)	(2,223)	(2,390)	(2,505)	(2,697)
58						
59	Total Operating Expense with Debt Service	\$13,663	\$14,641	\$15,161	\$15,633	\$16,251
60						
61	Dedicated Taxes and State/Local Subsidies	\$5,490	\$5,895	\$6,038	\$6,324	\$6,565
62						
63	Net Deficit After Subsidies and Debt Service	\$309	\$548	\$286	\$110	(\$101)
64						
65	Conversion to Cash Basis: GASB Account	(90)	(85)	(104)	(112)	(121)
66	Conversion to Cash Basis: All Other	(288)	(281)	(312)	(417)	(343)
67						
68	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$68)	\$182	(\$130)	(\$419)	(\$565)

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

Line

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Cash Receipts and Expenditures						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	\$5,077	\$5,505	\$5,646	\$5,714	\$5,783	\$5,818
Other Operating Revenue	536	878	700	663	744	723
Capital and Other Reimbursements	1,434	1,501	1,456	1,435	1,441	1,450
Total Receipts	\$7,047	\$7,884	\$7,803	\$7,812	\$7,969	\$7,991
Expenditures						
Labor:						
Payroll	\$4,499	\$4,749	\$4,831	\$4,825	\$4,910	\$5,044
Overtime	646	638	587	579	578	589
Health and Welfare	872	975	1,076	1,151	1,240	1,339
OPEB Current Payment	399	448	501	542	593	644
Pensions	1,480	1,174	1,372	1,378	1,395	1,396
Other Fringe Benefits	608	706	698	706	718	739
Contribution to GASB Fund	90	85	104	112	121	131
Reimbursable Overhead	0	0	0	0	0	0
Total Labor Expenditures	\$8,594	\$8,777	\$9,168	\$9,293	\$9,555	\$9,882
Non-Labor:						
Electric Power	\$466	\$549	\$533	\$558	\$588	\$625
Fuel	252	266	261	262	266	276
Insurance	33	64	57	75	81	94
Claims	173	186	187	188	189	193
Paratransit Service Contracts	354	389	415	427	477	557
Maintenance and Other Operating Contracts	458	543	530	553	567	567
Professional Service Contracts	254	333	319	313	316	320
Materials & Supplies	537	629	657	664	669	680
Other Business Expenditures	150	185	182	164	168	172
Total Non-Labor Expenditures	\$2,677	\$3,144	\$3,140	\$3,203	\$3,321	\$3,482
Other Expenditure Adjustments:						
Other	\$92	\$96	\$113	\$99	\$113	\$125
General Reserve	0	130	135	140	145	155
Total Other Expenditure Adjustments	\$92	\$226	\$248	\$239	\$258	\$280
Total Expenditures	\$11,364	\$12,146	\$12,557	\$12,734	\$13,134	\$13,644
Net Cash Deficit Before Subsidies and Debt Service	(\$4,317)	(\$4,263)	(\$4,754)	(\$4,922)	(5,165)	(5,653)
Dedicated Taxes and State/Local Subsidies	\$5,691	\$6,057	\$6,376	\$6,355	\$6,624	\$6,812
Debt Service (excludes Service Contract Bonds)	(1,442)	(1,612)	(1,752)	(1,853)	(2,024)	(2,178)
CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$68)	\$182	(\$130)	(\$419)	(\$565)	(\$1,019)

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2014-2017

Cash Conversion Detail

(\$ in millions)

	2012	2013	2014			
	Actual	Mid-Year	Preliminary	2015	2016	2017
		Forecast	Budget			
<u>Depreciation</u>						
New York City Transit	\$1,416	\$1,520	\$1,595	\$1,670	\$1,748	\$1,830
Long Island Rail Road	317	323	312	321	324	327
Metro-North Railroad	223	239	242	240	242	244
MTA Bus Company	46	42	42	42	42	43
MTA Headquarters	50	54	22	25	27	26
Staten Island Railway	9	9	9	9	9	9
Bridges & Tunnels	88	94	104	112	120	128
<i>Sub-Total</i>	<i>2,149</i>	<i>2,281</i>	<i>2,326</i>	<i>2,419</i>	<i>2,512</i>	<i>2,607</i>
<u>Other Post Employment Benefits</u>						
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	69	71	76	80
MTA Bus Company	100	56	57	58	58	59
MTA Headquarters	84	75	79	84	88	92
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>1,801</i>	<i>1,877</i>	<i>1,951</i>	<i>2,030</i>	<i>2,109</i>
<u>Environmental Remediation</u>						
New York City Transit	16	0	0	0	0	0
Long Island Rail Road	6	2	2	2	2	2
Metro-North Railroad	0	4	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>6</i>	<i>6</i>	<i>6</i>	<i>6</i>	<i>6</i>
<u>Operating</u>						
New York City Transit	(22)	95	(179)	(85)	(80)	(102)
Long Island Rail Road	(12)	(43)	(41)	(29)	(34)	(38)
Metro-North Railroad	33	(33)	(81)	(53)	(38)	(43)
MTA Bus Company	(20)	(76)	6	7	7	7
MTA Headquarters	(43)	112	97	121	125	129
Staten Island Railway	(3)	(0)	(0)	(0)	(0)	(0)
First Mutual Transportation Assurance Company	(36)	(12)	(15)	(22)	(31)	(41)
Other	38	24	21	21	21	21
<i>Sub-Total</i>	<i>(66)</i>	<i>66</i>	<i>(193)</i>	<i>(40)</i>	<i>(31)</i>	<i>(66)</i>
<u>Subsidies</u>						
New York City Transit	(47)	(156)	(74)	(161)	(128)	(143)
Commuter Railroads	(147)	(182)	(129)	(244)	(238)	(193)
MTA Bus Company	(71)	(34)	36	(24)	(8)	(3)
MTA Headquarters	(15)	(26)	(27)	(26)	(25)	(25)
Staten Island Railway	(28)	(31)	(29)	(33)	(34)	(33)
Long Island Bus	(4)	0	0	0	0	0
Other	0	(4)	0	0	0	0
<i>Sub-Total</i>	<i>(312)</i>	<i>(433)</i>	<i>(223)</i>	<i>(489)</i>	<i>(433)</i>	<i>(398)</i>
Total Cash Conversion	\$3,582	\$3,722	\$3,794	\$3,847	\$4,084	\$4,258

METROPOLITAN TRANSPORTATION AUTHORITY
July 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
		Mid-Year Forecast	Preliminary Budget									
	Non-Reimbursable											
12	Operating Revenue											
13	Farebox Revenue	\$5,458	\$5,606	\$148	\$5,672	\$66	\$5,741	\$69	\$5,774	\$33		
14	Toll Revenue	1,612	1,634	22	1,637	3	1,645	8	1,649	5		
15	Other Revenue	793	681	(113)	643	(38)	724	82	704	(20)		
16	Capital and Other Reimbursements	0	0	0	0	0	0	0	0	0		
17	Total Operating Revenue	\$7,863	\$7,920	\$57	\$7,951	\$31	\$8,110	\$159	\$8,127	\$18		
18	Operating Expense											
19	Labor Expenses:											
20	Payroll	\$4,274	\$4,352	(\$78)	\$4,463	(\$112)	\$4,570	(\$107)	\$4,695	(\$125)		
21	Overtime	556	503	52	509	(6)	509	0	518	(9)		
22	Health & Welfare	925	1,042	(117)	1,116	(73)	1,205	(90)	1,305	(99)		
23	OPEB Current Payment	464	518	(64)	560	(42)	611	(51)	664	(53)		
24	Pensions	1,317	1,351	(34)	1,352	(1)	1,374	(22)	1,376	(2)		
25	Other-Fringe Benefits	581	594	(13)	613	(18)	626	(14)	645	(18)		
26	Reimbursable Overhead	(310)	(306)	(4)	(301)	(5)	(303)	2	(305)	2		
27	Sub-total Labor Expenses	\$7,807	\$8,054	(\$247)	\$8,312	(\$258)	\$8,593	(\$281)	\$8,897	(\$304)		
28	Non-Labor Expenses:											
29	Traction and Propulsion Power	\$515	\$538	(\$24)	\$564	(\$26)	\$594	(\$30)	\$631	(\$37)		
30	Fuel for Buses and Trains	268	267	1	268	(1)	273	(5)	282	(9)		
31	Insurance	33	59	(26)	77	(17)	105	(12)	105	(16)		
32	Claims	199	205	(7)	210	(5)	215	(4)	219	(4)		
33	Paratransit Service Contracts	391	417	(25)	429	(12)	479	(50)	559	(80)		
34	Maintenance and Other Operating Contracts	571	551	20	600	(49)	614	(15)	617	(3)		
35	Professional Service Contracts	301	301	0	295	6	295	(0)	300	(5)		
36	Materials & Supplies	519	527	(8)	557	(30)	563	(7)	573	(10)		
37	Other Business Expenses	204	180	24	162	18	167	(6)	171	(4)		
38	Sub-total Non-Labor Expenses	\$3,000	\$3,046	(\$46)	\$3,161	(\$115)	\$3,289	(\$128)	\$3,457	(\$168)		
39	Other Expense Adjustments:											
40	Other	\$50	\$47	2	\$48	(1)	\$51	(4)	\$52	(1)		
41	General Reserve	130	135	(5)	140	(5)	145	(5)	155	(10)		
42	Sub-total Other Expense Adjustments	\$180	\$182	(\$3)	\$188	(\$6)	\$196	(\$9)	\$207	(\$11)		
43	Total Operating Expense before Non-Cash Liability Adj's.	\$10,986	\$11,282	(\$295)	\$11,660	(\$378)	\$12,078	(\$418)	\$12,561	(\$483)		
44	Depreciation	2,281	2,326	(45)	2,419	(93)	2,512	(93)	2,607	(95)		
45	OPEB Obligation	1,801	1,877	(76)	1,951	(74)	2,030	(79)	2,109	(79)		
46	Environmental Remediation	6	6	0	6	0	6	0	6	0		
47	Total Operating Expense	\$15,075	\$15,491	(\$417)	\$16,036	(\$545)	\$16,626	(\$589)	\$17,283	(\$658)		
48	Less B&T Depreciation	94	104	(10.0)	112	(7.3)	120	(7.9)	128	(8.3)		
49	Net Operating Deficit Before Subsidies and Debt Service	(\$7,212)	(\$7,571)	(\$359)	(\$8,085)	(\$514)	(\$8,516)	(\$431)	(\$9,156)	(\$640)		
50	Conversion to Cash Basis: Non-Cash Liability Adj's.	\$4,088	\$4,209	(\$121)	\$4,376	(\$167)	\$4,548	(\$192)	\$4,722	(\$183)		
51	Debt Service (excludes Service Contract Bonds)	(2,223)	(2,390)	(167)	(2,505)	(115)	(2,697)	(192)	(2,880)	(183)		
52	Total Operating Expense with Debt Service	\$13,209	\$13,672	(\$463)	\$14,165	(\$493)	\$14,775	\$610	\$15,441	\$666		
53	Dedicated Taxes and State/Local Subsidies	\$5,895	\$6,038	\$143	\$6,324	\$286	\$6,565	\$241	\$6,760	\$195		
54	Net Deficit After Subsidies and Debt Service	\$548	\$286	(\$262)	\$110	(\$176)	(\$101)	(\$211)	(\$555)	(\$453)		
55	Conversion to Cash Basis: GASB Account	(85)	(104)	18	(112)	8	(121)	(146)	(131)	(454)		
56	Conversion to Cash Basis: All Other	(281)	(312)	31	(417)	106	(343)	0	(334)	0		
57	CASH BALANCE BEFORE PRIOR YEAR CARRYOVER	\$182	(\$130)	(\$312)	(\$419)	(\$290)	(\$565)	0	(\$1,019)	0		

Metropolitan Transportation Authority
July Financial Plan 2013-2017
Non-Recurring Revenue and Savings
(\$ in millions)

		2013 Preliminary Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan
		Explanation	Explanation	Explanation	Explanation	Explanation
Multi-Agency	2011 Tropical Storm Irene Reimb.	\$ 29.5 Insurance/FEMA reimbursement for expenses incurred as a results of Tropical Storm Irene (August 2011)				
Multi-Agency	2012 Super Storm Sandy Reimb.	\$ 174.6 Insurance/FEMA reimbursement for expenses incurred as a results of Super Storm Sandy (October 2012)	\$ 54.1 Insurance/FEMA reimbursement for expenses incurred as a results of Super Storm Sandy (October 2012)	\$ -	\$ -	\$ -
MTAHQ	Lower HQ Salary	\$ 3.0 Vacancy savings	\$ -	\$ -	\$ -	\$ -
MTAHQ	Recovery of Relocation Costs	\$ -	\$ -	\$ 8.3 Reimbursement of HQ move to 2 B'way	\$ 59.0 Reimbursement of HQ move to 2 B'way	\$ -
LIRR	Sale of Finance and Accounting Building	\$ -	\$ 2.4 Proposed sale of Finance and Accounting Building to Jamaica Economic Development Corporation			
LIRR	Bayridge Real Estate Sale	\$ 3.0 Currently the Transit Oriented Development (TOD Group) is doing an engineering study & an appraisal for the air rights. They are projecting phase I to go out towards the end of 2013 and phase II in 2014.				
NYCT	CNG Fuel Tax Credits	\$ 6.0 CNG Fuel Tax Credits	\$ 3.0 CNG Fuel Tax Credits	\$ -	\$ -	\$ -
Total Non-Recurring Resources (> or = \$1 million)		\$ 216.1	\$ 59.5	\$ 8.3	\$ 59.0	\$ -

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

	2013 Mid-Year <u>Forecast</u>	2014 Preliminary <u>Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
MTA General Reserve (annual)	\$130.0	\$135.0	\$140.0	\$145.0	\$155.0
GASB Fund Reserve ^{1,2,3}	\$399.4	\$506.7	\$621.9	\$746.8	\$881.5
MTA Retiree Welfare Benefits Trust ¹	\$250.0	\$250.0	\$250.0	\$250.0	\$250.0

¹ Cumulative balances

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

³ This schedule includes the impact of two loans issued in 2012:

(1) \$75.0 million captured in Volume 1 of the February Plan book as an inter-agency loan to temporarily fund short-term Sandy losses, which was to be paid back in 2015 with insurance/government proceeds; and

(2) \$45.2 million for swap termination fees that was to be paid back over seven years beginning in 2013.

Both of these loans are being repaid early and are reflected as such in the GASB Fund Reserve.

IV. MTA Capital Program Information

NYCT
2013 Commitment Goals
All \$ in Millions

ACEP	Project Description	Commitment Value
2005-2009		
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
	Element Total	\$83.55
T51204/08	BRT: Traffic Signal Priority Hardware	\$3.63
	Element Total	\$3.63
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
	Element Total	\$26.92
2010-2014		
T60302/24	Purchase 600 Standard Buses	\$311.02
T60302/25	Purchase 285 Express Buses	\$187.28
	Element Total	\$498.30
T60404/06	Passenger Station LAN: 31 Stations	\$30.00
T60404/07	Passenger Station LAN: 11 Stations - Partial Systems	\$2.00
	Element Total	\$32.00
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
	Element Total	\$60.93
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
	Element Total	\$267.85
T60413/12	ADA: Ozone Park-Lefferts Blvd / Liberty	\$31.40
T60413/10	ADA: 23 Street / Lexington	\$26.30
	Element Total	\$57.70
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
	Element Total	\$11.70
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
	Element Total	\$212.91
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
	Element Total	\$44.32
T60602/03	Tunnel Lighting Rehabilitation: 36 St To Jackson-Roosevelt / Queens Blvd	\$59.67
	Element Total	\$59.67
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
	Element Total	\$99.93
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
	Element Total	\$36.92
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
	Element Total	\$77.04
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
	Element Total	\$591.80
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
	Element Total	\$71.54
T60902/03	Substation Hatchways: 6 Locations	\$4.46
T60902/04	Central Substation / 6th Av - Phase 2	\$17.65
	Element Total	\$22.11
T60904/06	CBH 146 Prospect Park / Brighton	\$5.87
T60904/05	Rehab CBH 403 Vanderbilt / Flushing	\$12.64
	Element Total	\$18.50
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
	Element Total	\$57.43
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
	Element Total	\$15.38
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
	Element Total	\$30.42
T61604/02	Enterprise-Wide San/Disaster Recovery Phase 2	\$11.68
T61604/04	WAN And Legacy Systems Replacement	\$9.61
	Element Total	\$21.29
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
	Element Total	\$17.64
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
	Element Total	\$16.89
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

ACEP	Project Description	Commitment Value
	Element Total	\$37.71
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
	Element Total	\$29.62
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
	Element Total	\$66.69
	NYCT's Total 2013 Commitment Plan	\$2,569.37

MNR
2013 Commitment Goals
All \$ in Millions

ACEP	Project Description	Commitment Value
2000-2004		
M402-03-13	North White Plains Parking Garage	\$37.23
	Element Total	\$37.23
2005-2009		
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
	Element Total	\$4.17
M505-01-03	HRLB Replace Breaker Houses	\$15.24
	Element Total	\$15.24
G514-03-05	GCT Lexington Avenue Bollards	\$.11
	Element Total	\$.11
2010-2014		
M602-01-01	GCT Trainshed/Tunnel Structure	\$2.55
M602-01-08	GCT Utilities	\$1.50
	Element Total	\$4.05
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
	Element Total	\$18.60
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
	Element Total	\$32.73
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
	Element Total	\$14.53
M603-03-01	West of Hudson Track Program	\$1.00
M603-03-03	Moodna/Woodbury Viaduct	\$2.15

ACEP	Project Description	Commitment Value
	Element Total	\$3.15
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
	Element Total	\$33.52
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
	Element Total	\$40.26
M606-01-01	Harmon Shop Improvements	\$3.48
M606-01-02	Wassaic Yard Expansion-D/C	\$.50
	Element Total	\$3.98
M608-01-01	Systemwide Lead/Asbestos Abatement	\$.50
M608-01-06	Program Administration	\$6.44
M608-01-07	Program Scope Development	\$2.32
	Element Total	\$9.26
E614-03-01	11TSG Harlem River Lift Brg Security Study&Design	\$.64
	Element Total	\$.64
	MNR's Total 2013 Commitment Plan	\$217.50

LIRR
2013 Commitment Goals
All \$ in Millions

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

ACEP	Project Description	Commitment Value
L60501L4	IMPROVED RADIO COVERAGE INITIATIVE	\$0.00
L60501L6	PENN STATION RADIO RETROFIT/ERT ANTENNA	\$1.50
	Element Total	\$1.50
L60502LA	POSITIVE TRAIN CONTROL	\$38.58
L60502LC	SPEONK - MONTAUK SIGNALIZATION	\$24.62
L60502LF	CENTRALIZED TRAFFIC CONTROL	\$0.50
	Element Total	\$63.70
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
	Element Total	\$6.86
L60604YT	REHAB OF EMPLOYEE FACILITIES	\$0.02
	Element Total	\$0.02
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
	Element Total	\$22.64
	LIRR's Total 2013 Commitment Plan	\$573.72

MTA CC
2013 Commitment Goals
All \$ in Millions

ACEP	Project Description	Commitment Value
2000-2004		
G4140203	Penn Station 31st & 33rd at 7th Ave (Design)	\$1.95
	Element Total	\$1.95
G4140401	Integrgraph upgrade (Construction)	\$0.42
	Element Total	\$0.42
2005-2009		
G5140417	Brighton LineColumn - Atlantic Ave - Repackaging (Design)	\$6.04
	Element Total	\$6.04
2010-2014		
G6100102	4C: Station Finishes/MEP 72 St	\$280.27
G6100104	5C: Station Finishes/MEP 86 St	\$265.91
	Element Total	\$546.18
G61401 tbd	Harold Structures (Part 3)	\$71.25
G41401tbd	Manhattan Southern Structures (CM005) - <u>Added 03/2013</u>	\$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
	Element Total	\$1,147.56
	MTACC's Total 2013 Commitment Plan	\$1,702.15

B&T
2013 Commitment Goals
All \$ in Millions

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

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

MTA Bus
 2013 Commitment Goals
 All \$ in Millions

ACEP	Project Description	Commitment Value
2005-2009		
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
	Element Total	\$26.99
2010-2014		
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
	Element Total	\$46.60
	MTA Bus' 2013 Commitment Plan	\$73.59

MTA PD
 2013 Commitment Goals
 All \$ in Millions

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

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-Tottntl/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

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

MTACC 2013 - 2016 Completions

Project #	Project	Project Amount (\$ in Mil)	Planned Completion Date
G5090148	Northern Blvd Crossing	\$103.29	May-13
G4090119	MH Tunnel Excavation	\$415.85	May-13
G5090114	GCT Concourse Civil&Structural	\$556.04	May-13
G6090130	GCT Concourse Civil&Structural	\$254.70	May-13
G5110108	Construction (Site J)	\$129.19	May-13
G4090143	44th St and 245 Park Ave Entr	\$55.70	Jun-13
G5100101	Cntract 2A 96 St Stn Structure	\$381.61	Jul-13
G6100107	Cntract 2A 96 St Stn Structure	\$8.00	Jul-13
G5090115	50th St. Vent Plant Facility	\$99.80	Jul-13
G4090126	Harold Structures (Part 2A)	\$27.07	Nov-13
G5090155	Harold Structures (Part 2A)	\$19.13	Nov-13
G5090119	Harold & Point CIL	\$8.09	Dec-13
G5100102	Cntract 4B 72 St Stn Structure	\$481.16	Jan-14
G5090117	Harold Structures (Part 1)	\$204.87	Apr-14
G6090122	Harold Structures (Part 1)	\$62.93	Apr-14
G4120107	FSTC 4F-Transit Center Enclosure	\$224.92	Jun-14
G5110106	Site A Fac; Finishes and Systems	\$578.79	Jun-14
G5100107	Cnt 5B 86St Stn Mining&Lining	\$76.90	Sep-14
G6100103	Cnt 5B 86St Stn Mining&Lining	\$260.88	Sep-14
G5100108	Contract 3: 63rd St Stn Rehab	\$201.74	Oct-14
G6090112	55th St. Ventilation Facility	\$58.85	Apr-15
G6090120	Plaza Substation & Structures	\$177.20	May-15
G5090119	Harold & Point CIL	\$30.75	Jul-15
G6100102	4C: Station Finishes/MEP 72 St	\$272.29	Nov-15
G5090118	Harold Interlocking Stage 1-4	\$122.06	Dec-15
G6100101	2B/C: Shell/Finishes/MEP 96 St	\$363.74	Dec-15
G5110112	Construction: Core&Shell (Site P)	\$96.48	Apr-16
G6100104	5C: Station Finishes/MEP 86 St	\$265.91	May-16
G5100104	Cntract 6: SAS Systems	\$324.37	Aug-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

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
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

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
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. The current financial plan does not include funding. NYCT is evaluating options regarding the operating impacts of this depot for the November Plan cycle.

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, included in the July 2013 Financial Plan).

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 \$13.1 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 the November 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 \$2.9 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 2012, 168 Cars have been conditionally accepted and were 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.

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.

V. Agency Financial Plans

Bridges and Tunnels

MTA BRIDGES AND TUNNELS
2014 Preliminary Budget
July 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 will contribute over \$1.8 billion in Support to Mass Transit.

This July Financial Plan includes new needs to help address the challenges of recovering from 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. The resulting damage at each of these two tunnels was caused by the unprecedented tidal surge in New York Harbor, the lower Hudson River and the East River regions. The storm surge was measured at approximately 14 feet and caused severe flooding in lower Manhattan, including at the HLC. The storm surge at the East River and the Newtown Creek was measured at approximately 12 feet and resulted in widespread flooding of the Long Island City areas of Queens, including at the QMT. The influx of millions of gallons of sea water in such a short span of time easily overwhelmed existing pumping systems at both tunnels. As a result of this flooding, both tubes at the QMT and at the BBT were rendered completely impassable and unusable for traffic purposes until the water was removed, the tunnels inspected, and necessary temporary repairs to critical life safety systems required for the safe operation of the tunnels were made. 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 \$33 million in repairs from the operating budget are also being made. The cost of infrastructure restoration is expected to be covered by a combination of insurance, federal programs (FEMA), and B&T resources. Such funding diversity is new to B&T and necessitates a need for additional project, financial and contract management expertise. Meeting these challenges requires additional resources to maintain the close coordination among engineering, budget and procurement staffs.

In 2013, B&T will also begin the MTA-wide Enterprise Asset Management (EAM) initiative. EAM is aimed at identifying a structured sequence of maintenance, preservation, repair, rehabilitation, and replacement actions that will achieve and sustain a desired state of good repair over the lifecycle of B&T's assets at minimal cost.

The plan will cover all capital needs, as well as maintenance and security requirements and requires additional resources to carry out.

The Small Business Mentoring Program (SBMP) is an integral part of the MTA's effort to increase, facilitate and encourage the participation of small businesses, including Minority and Women-Owned Business Enterprises (M/W/BEs), by providing a supportive framework for eligible firms to develop and grow within the construction industry and to establish stable, long-term business relationships with the MTA. SBMP began in July 2010 and B&T's participation has been very successful to date. B&T has awarded over \$5.2 million in contracts so far, which exceeds the goal of \$4.8 million for the first three years of the program. Beginning in July of 2014, a second and larger program will be initiated for the more experienced contractors and contracts will increase substantially in scope and size. SBMP will be extended to architectural and engineering firms and the contract award goal is expected to grow to over \$9 million per year, necessitating the need for additional B&T resources.

Together, these organizational changes require additional headcount of 46 positions in Engineering and Construction, Maintenance and Health and Safety, 10 positions in Planning and Budget and 29 positions in Procurement and Contract Management. Of the 85 total positions, 44 full-time equivalents are expected to be reimbursable through the capital program. In addition, 24 of the 29 positions in Procurement and Contract Management are lines that have been transferred from the MTA HQ and will therefore net no additional cost to the MTA's Consolidated Financial Plan. Although the current operating environment requires headcount increases, staffing levels remain less than what was in place before the 2010 organizational reassessment was undertaken as part of the 2010 Budget Reduction Program, when a total of 117 positions were eliminated and the capital program was less than 40% of the current size.

B&T is able to fund these new needs and provide substantial support to mass transit by carrying out its operations in an efficient way, while providing high levels of customer service to travelers utilizing its facilities and maintaining a strong safety focus for both employees and customers.

The July Plan maintains initiatives to make E-ZPass (which is the least expensive means of collecting tolls) more available to all B&T customers. These efforts have helped increase E-ZPass usage to the current level of 83.7% of total traffic, which is 2.7% points greater than last year at this time.

- 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 May 2013, more than 178,000 tags have 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 through a self-service kiosk or through a sales clerk, eliminating the need to travel to one of three walk-in centers in Yonkers, Queens, or Staten Island to add cash to their E-ZPass accounts. The card is designed for people who want greater cash control and either do not have or do not want to use a credit card or a bank account for E-ZPass. To date, nearly 59,000 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, more than 9,000 account holders have signed up for this initiative.

B&T is also continuing its effort to replace E-ZPass tags that are approaching the end of their service lives. Customers are being notified in advance that their tags are due to be replaced and a new tag is being mailed to them along with a prepaid return envelope to send back the old tag. Nearly 1.3 million tags have been swapped to date.

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. In the first phase (implemented in January 2011) toll gates were removed at the Henry Hudson, enabling peak hour throughput to increase from approximately 800 to 1,000 vehicles per hour. The implementation of 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 April, 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.

Cybersecurity has become an ever more important issue for complex public and private organizations. To address these issues, B&T will form a team, which will be led by a new managerial position, charged with the design, implementation and monitoring of a systems security infrastructure to counter cyber threats, thereby focusing on providing continual access to critical systems, networks and data. The team will address new and emerging cybersecurity risks and implement sophisticated intrusion detection and response capabilities to counter advanced persistent threats.

B&T also monitors its facility operations by tracking key customer service oriented performance statistics at the bridges and tunnels. Through April, nearly 2,000 potholes were repaired and 3,718 miles of roadway were swept across all facilities. Traffic mobility at all facilities was consistently smooth, with 93% of vehicle crossings at

bridges during weekday peak periods traveling above 30 mph, and 74% 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 April 2013, there were 18 lost time injuries in the agency, compared to 20 for the same period last year. The present rate of injuries per 200,000 hours is 3.7, the same rate as last year at this time.

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 April 2013, the collision rate was 4.69 per million vehicles, which was the same rate over the comparable period last year.

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.

- The first phase of a major toll plaza improvement project at the Verrazano-Narrows Bridge that included demolition of the unused Brooklyn-bound toll booths and removing various components such as concrete islands, utilities, canopy structures, was completed in 2011. The next phase of construction (\$51 million) was awarded in late 2011 and includes removing the remaining three unused eastbound toll booths, improvements to the entrance and exit ramps and rehabilitation of the eastbound toll plaza. This project is expected to be completed by summer 2015.
- In June of this year, a new entrance ramp from Narrows Road South, leading onto the bridge was opened. This new ramp will provide a smoother transition from the service road onto the upper level of the bridge.
- 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 VN 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, 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 reconstruction of the Queens approach to the bridge which was awarded in July 2011. The work will include reconstruction and widening of the 1,010-foot long Queens Approach roadway and new safety shoulders. Completion is scheduled for 2015.

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 April 2013, more than 65,000 trucks have been interdicted. In addition, B&T assists the NYC Department of Transportation with inspections and violation assessments of commuter buses.

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

2013 Mid-Year Forecast

In the 2013 Mid-Year Forecast, a total of \$1,200.3 million is projected in Baseline Operating Income compared to \$1,213.5 million in the 2013 Adopted Budget, a decrease of \$13.2 million.

Total revenues are \$1,651.5 million, which is \$8.1 million more than the Adopted Budget. Toll revenue accounts for 98% of all revenues and is projected at \$1,611.8 million, which is \$16.9 million greater than the original estimate primarily due to higher than forecast traffic levels following the toll increase implemented on March 3, 2013. Capital reimbursements are projected at \$17.2 million, which is \$2.8 million higher than the Adopted Budget due to the previously discussed addition of 44 reimbursable full-time equivalents which will be dedicated primarily to projects related to Sandy. These gains are partially offset by a downward revision to Other Operating Revenue of \$11.5 million due to revised storm recovery assumptions of estimated reimbursements from insurance and FEMA for operating costs and revenue losses attributable to Sandy.

2013 Mid-Year Forecast expenses before depreciation and GASB adjustments are \$451.2 million, which consists of \$245.5 million in labor costs and \$205.7 million in non-labor expenses. Total expenses are \$21.4 million higher than the Adopted Budget.

Labor expenses are lower by \$2.4 million. Payroll expenses are \$1.8 million favorable primarily due to vacancies for Bridges & Tunnel Officers (BTOs) and managerial/professional staff (\$6.2 million), partially offset by new needs beginning in August for the previously discussed increase of 85 positions (\$4.1 million). Additional payroll needs totaling \$0.2 million include 2 new positions to meet the greater demands of administering the E-ZPass program that have resulted from the successful implementation of all the initiatives outlined earlier, 2 positions to perform payroll functions as part of an office system reorganization, and 1 new position to implement and manage the cybersecurity initiative. Fringe benefits are favorable by a net \$0.6

million primarily due to actual favorable results for OPEB Current Payment through April, a trend which is expected to continue through the end of the year.

Non-labor expenses are higher by \$23.7 million, largely due to the timing of \$22.4 million in estimated costs associated with Sandy restoration efforts that had been included in the 2012 Final Estimate but are now expected to be expended in full this year. Of the \$22.4 million, \$19.0 million will fall primarily within the Maintenance and Other Operating Contracts category and \$3.4 million will be used for projects budgeted in capitalized assets. In addition, GASB 65 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. This will add an estimated \$3.0 million in bond issuance costs per year to the operating budget. Partially offsetting these increases are favorable re-estimates for credit/debit card fees (\$0.5 million), E-ZPass related expenses (\$0.2 million), and occupancy costs (\$0.1 million).

Total Support to Mass Transit is \$936.8 million, approximately the same level as in the 2013 Adopted Budget. Lower B&T debt service of \$17.3 million is offset by a decrease of \$13.3 million in Baseline Operating Income (\$8.1 million in revenue gains offset by \$21.4 million in higher expenses), higher capitalized assets expenditures for Sandy-related projects (\$3.4 million), and an increase to the GASB Health and Welfare Reserve (\$0.6 million).

In 2013, total planned year-end headcount is 1,746, which is 94 positions more than the Adopted Budget, including the 90 new positions discussed above plus a technical adjustment for 4 positions (2 in Accounting, 1 in Human Resources and 1 in Technology) that have been funded in prior financial plans but were mistakenly excluded from headcount (and which therefore have no budgetary impact). Also included in the total headcount are 88 capital reimbursable full-time equivalents, which is a plan-to-plan increase of 44.

Details regarding the reconciliation of the 2013 Mid-Year Forecast to the Adopted Budget and the assumptions for traffic and headcount are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions sections.

2014 Preliminary Budget - Baseline

In the 2014 Preliminary Budget, a total of \$1,194.6 million is projected in Baseline Operating Income compared to \$1,206.6 million in the February Financial Plan, a decrease of \$12.0 million.

Total revenues are \$1,670.6 million, which is \$7.0 million higher than the February Financial Plan. Toll revenue is projected to rise by \$18.1 million based on the continuation of traffic trends observed in 2013. Capital reimbursements are increased by \$6.7 million due to the reimbursable expectations of the new staffing plan previously discussed. These gains are partially offset by a \$17.8 million reduction to Other Operating Revenue primarily due to revised storm recovery assumptions of estimated

reimbursements from insurance and FEMA for operating costs and revenue losses attributable to Sandy.

Expenses are \$476.1 million, which are comprised of \$267.9 million in labor costs and \$208.2 million in non-labor expenses. Overall expenses are \$19.0 million higher than the February Financial Plan.

Labor costs are projected to be higher by \$12.2 million primarily due to a full year's impact of the 90 positions added as part of the previously discussed re-organization effort. Payroll and associated fringe costs for the new staffing plan total \$13.6 million, though \$6.7 million of this is expected to be reimbursed through the capital program. Baseline Health and Welfare/OPEB Current Payment growth assumptions have gone up compared to those included in the February Plan, which adds a total of \$2.0 million to these costs. Partially offsetting these increases is a \$3.4 million re-estimate for baseline pension expenses based on recent billing from NYCERS.

Non-labor expenses are higher by \$6.7 million. The main drivers for the additional costs are the previously described GASB 65 ruling on the new accounting requirements for bond issuance costs (\$3.0 million) and higher insurance policy estimates (\$3.9 million).

Total Support to Mass Transit is \$901.8 million compared to \$917.2 million in the February Financial Plan, a decrease of \$15.4 million resulting from a \$12.0 million drop in Baseline Operating Income (\$7.0 million in revenue gains less \$19.0 million in higher expenses), higher B&T Debt Service (\$2.5 million) and an increase to the GASB Health and Welfare Reserve (\$0.9 million).

In 2014, total headcount is budgeted at 1,746, which is 94 positions more than the February Plan for the same reasons cited in the 2013 Mid-Year Forecast. Included in the total headcount are 88 capital reimbursable full-time equivalents, which is a plan-to-plan increase of 44 positions.

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

2015-2017 Projections

The 2015 projection for Baseline Operating Income is \$1,172.1 million compared to \$1,183.5 million in the February Financial Plan. This consists of \$1,674.9 million in revenues, less \$502.8 million in expenses. The expenses are comprised of \$274.7 million in labor costs and \$228.1 million in non-labor expenses.

The 2016 projection for Baseline Operating Income is \$1,165.7 million compared to \$1,163.1 million in the February Financial Plan. This consists of nearly \$1,685.0 million in revenues, offset by \$519.3 million in expenses. The expenses are comprised of over \$282.1 million in labor costs and over \$237.1 million in non-labor expenses.

In 2017, the projection for Baseline Operating Income is \$1,153.1 million. This consists of nearly \$1,690.9 million in revenues, offset by over \$537.8 million in expenses. The expenses are comprised of \$291.4 million in labor costs and \$246.4 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 the reconciliations of the July Financial Plan to the February Financial Plan are discussed in the Plan-to-Plan Summary of Changes, and the assumptions guiding traffic and headcount projections are discussed in the Other Assumptions section.

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

NON-REIMBURSABLE

	2012	2013	2014			
	Actual	Mid-Year	Preliminary	2015	2016	2017
		Forecast	Budget			
Operating Revenue						
Vehicle Toll Revenue	\$1,490.982	\$1,611.827	\$1,633.870	\$1,636.701	\$1,644.622	\$1,649.434
Other Operating Revenue	17.679	22.344	15.249	15.072	15.240	15.404
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.136	0.110	0.294	1.457	2.975	3.179
Total Revenue	\$1,508.797	\$1,634.282	\$1,649.413	\$1,653.230	\$1,662.837	\$1,668.017
Operating Expenses						
<u>Labor:</u>						
Payroll	\$114.911	\$122.283	\$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	25.522	29.003	30.023	31.931	34.153
OPEB Current Payment	13.988	15.384	17.153	17.685	18.817	20.021
Pensions	35.117	32.745	33.849	34.661	35.481	36.163
Other Fringe Benefits	18.226	16.593	17.595	17.902	18.158	18.386
Reimbursable Overhead	(4.758)	(5.114)	(5.095)	(5.145)	(5.196)	(5.442)
Total Labor Expenses	\$220.576	\$228.295	\$246.632	\$253.095	\$260.034	\$268.550
<u>Non-Labor:</u>						
Electric Power	\$5.706	\$7.480	\$7.693	\$7.901	\$8.199	\$8.580
Fuel	3.198	2.894	2.907	2.814	2.749	2.819
Insurance	7.020	9.680	13.703	17.002	20.085	23.783
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	124.316	121.408	136.758	142.029	145.141
Professional Service Contracts	22.194	29.438	29.480	29.840	29.504	30.737
Materials & Supplies	2.413	4.062	4.307	4.382	4.526	4.652
Other Business Expenses	24.649	27.853	28.718	29.359	30.017	30.736
Total Non-Labor Expenses	\$157.409	\$205.724	\$208.215	\$228.055	\$237.108	\$246.449
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$377.985	\$434.019	\$454.847	\$481.150	\$497.142	\$514.999
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
Total Expenses After Depreciation and GASB Adjs.	\$538.966	\$605.098	\$639.719	\$677.324	\$705.395	\$736.020
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
Total Expenses	\$378.040	\$434.019	\$454.847	\$481.150	\$497.142	\$514.999
Baseline Income/(Deficit)	\$1,130.757	\$1,200.262	\$1,194.566	\$1,172.079	\$1,165.695	\$1,153.018

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

NON-REIMBURSABLE / REIMBURSABLE
Page 1 of 2

	2012 <u>Actual</u>	2013 <u>Mid-Year Forecast</u>	2014 <u>Preliminary Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue						
Vehicle Toll Revenue	\$1,490.982	\$1,611.827	\$1,633.870	\$1,636.701	\$1,644.622	\$1,649.434
Other Operating Revenue	17.679	22.344	15.249	15.072	15.240	15.404
Capital and Other Reimbursements	14.152	17.228	21.230	21.628	22.108	22.809
Investment Income	0.136	0.110	0.294	1.457	2.975	3.179
Total Revenue	\$1,522.949	\$1,651.509	\$1,670.643	\$1,674.858	\$1,684.945	\$1,690.825
Expenses						
<u>Labor:</u>						
Payroll	\$120.920	\$129.604	\$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	27.100	31.180	32.310	34.377	36.760
OPEB Current Payment	13.988	15.384	17.153	17.685	18.817	20.021
Pensions	36.184	34.636	36.420	37.363	38.342	39.185
Other Fringe Benefits	18.909	17.517	18.840	19.171	19.449	19.722
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$234.728	\$245.523	\$267.862	\$274.723	\$282.142	\$291.359
<u>Non-Labor:</u>						
Electric Power	\$5.706	\$7.480	\$7.693	\$7.901	\$8.199	\$8.580
Fuel	3.198	2.894	2.907	2.814	2.749	2.819
Insurance	7.020	9.680	13.703	17.002	20.085	23.783
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	124.316	121.408	136.758	142.029	145.141
Professional Service Contracts	22.194	29.438	29.480	29.840	29.504	30.737
Materials & Supplies	2.413	4.062	4.307	4.382	4.526	4.652
Other Business Expenses	24.649	27.853	28.718	29.359	30.017	30.736
Total Non-Labor Expenses	\$157.409	\$205.724	\$208.215	\$228.055	\$237.108	\$246.449
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$392.137	\$451.247	\$476.077	\$502.778	\$519.250	\$537.807
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
Total Expenses After Depreciation and GASB Adjs.	\$553.118	\$622.326	\$660.948	\$698.952	\$727.503	\$758.829
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
Total Expenses	\$392.192	\$451.247	\$476.077	\$502.778	\$519.250	\$537.807
Baseline Income/(Deficit)	\$1,130.757	\$1,200.262	\$1,194.566	\$1,172.079	\$1,165.695	\$1,153.018

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

NON-REIMBURSABLE / REIMBURSABLE
Page 2 of 2

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Baseline Income/(Deficit)	\$1,130.757	\$1,200.262	\$1,194.566	\$1,172.079	\$1,165.695	\$1,153.018
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$11.251	\$21.165	\$17.843	\$17.849	\$20.635	\$21.056
Reserves	27.965	25.415	25.895	26.382	26.881	27.338
GASB 45 Reserves	2.309	3.077	3.431	3.537	3.763	4.004
Adjusted Baseline Income/(Deficit)	\$1,089.232	\$1,150.606	\$1,147.396	\$1,124.311	\$1,114.417	\$1,100.621
Less: Debt Service	591.453	586.551	616.698	631.698	652.617	680.808
Income Available for Distribution	\$497.779	\$564.055	\$530.698	\$492.613	\$461.800	\$419.813
<u>Distributable To:</u>						
MTA - Investment Income	\$0.136	\$0.110	\$0.294	\$1.457	\$2.975	\$3.179
MTA - Distributable Income	308.424	339.882	321.625	302.029	286.036	265.603
NYCT - Distributable Income	189.219	224.063	208.779	189.128	172.789	151.031
Total Distributable Income:	\$497.779	\$564.055	\$530.698	\$492.613	\$461.800	\$419.813
<u>Actual Cash Transfers:</u>						
MTA - Investment Income	\$0.085	\$0.136	\$0.110	\$0.294	\$1.457	\$2.975
MTA - Transfers	315.723	344.826	323.451	303.988	287.636	267.646
NYCT - Transfers	193.604	222.414	210.308	191.093	174.422	153.207
Total Cash Transfers:	\$509.412	\$567.375	\$533.869	\$495.375	\$463.515	\$423.828
<u>SUPPORT TO MASS TRANSIT:</u>						
Total Revenues	\$1,522.949	\$1,651.509	\$1,670.643	\$1,674.858	\$1,684.945	\$1,690.825
Less: Net Operating Expenses	392.192	451.247	476.077	502.778	519.250	537.807
Net Operating Income:	\$1,130.757	\$1,200.262	\$1,194.566	\$1,172.079	\$1,165.695	\$1,153.018
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$196.526	\$213.800	\$245.624	\$260.441	\$280.469	\$305.150
Capitalized Assets	11.251	21.165	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	3.431	3.537	3.763	4.004
Total Deductions from Operating Income:	\$238.051	\$263.457	\$292.793	\$308.209	\$331.748	\$357.548
Total Support to Mass Transit:	\$892.706	\$936.805	\$901.772	\$863.870	\$833.947	\$795.470

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

NON-REIMBURSABLE OVERTIME	Total		
	Hours	\$	%
OPERATIONS & MAINTENANCE			
<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 Accruals¹</u>	-	1.772	8.5%
Subtotal	322,143	\$20.882	100%
REIMBURSABLE OVERTIME	7,200	0.400	
TOTAL OVERTIME	329,343	\$21.282	

¹ 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 Preliminary Budget
July Financial Plan 2014–2017
Year-to-Year Changes by Category - Baseline

Toll Revenue

- At current crossing charges, toll revenue is estimated at \$1,611.8 million in 2013 and \$1,633.9 million in 2014, an increase of over \$22.0 million primarily based on a full year's impact of the toll increase implemented on March 3, 2013. Traffic estimates increase from 279.7 million vehicles in 2013 to 280.0 million in 2014, reflecting growth of 1.4% in regional employment, partially offset by a weather adjustment for below normal snowfall in January 2013.
- Toll revenue increases to \$1,636.7 in 2015, \$1,644.6 in 2016 and \$1,649.4 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 281.2 million vehicles in 2015, 282.9 million in 2016, and 284.1 million in 2017.

Other Operating Revenue

- Other Operating Revenue is estimated at \$22.3 million in 2013 and \$15.2 million in 2014, a year-to-year drop of \$7.1 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 Irene. Due to the uncertainty of future reimbursements and costs, no reimbursement projections are included in B&T's 2014 Preliminary Budget. Revenue declines by another \$0.4 million in 2014 primarily due to anticipated reductions in E-ZPass administrative fees.
- Other Operating Revenue decreases by \$0.2 million in 2015 primarily due to anticipated reductions 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 reimbursable expectations of the new headcount that will be primarily dedicated to projects related to Sandy. Reimbursements grow \$0.5 million in 2015, \$0.4 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 \$0.3 million in 2014.
- Short-term interest rates are forecast to grow each year from 2015 on. Income projections are \$1.5 million in 2015, \$3.0 million in 2016 and \$3.2 million in 2017.

Payroll

- In 2014, expenses increase by \$13.0 million, primarily reflecting contractual step-up increases, the filling of 2013 vacancies and inflationary adjustments (\$8.7 million), and a full year's impact of the additional staffing discussed in the Financial Overview (\$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 employees is 1.91% in 2014, 1.85% in 2015, and 1.89% in 2016 and 1.89% in 2017, and for represented employees, wage inflation averages 1.02% in 2014 and 1.89% each year from 2015 through 2017.

Overtime

- Inflationary adjustments are the primary reason for increases of approximately \$0.4 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 \$5.8 million from 2013 primarily due to forecast inflation for defined medical programs (\$4.9 million), and the new staffing needs discussed in the Financial Overview (\$0.9 million).
- The year-over-year net increases from 2015 to 2017 are \$1.7 million, \$3.2 million, and \$3.6 million, respectively, and are the result of forecast inflation for defined medical programs.
- Inflation rates for defined medical programs are 11.5% in 2014, 3.1% in 2015, and 6.4% 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 the new staffing needs outlined in the Financial Overview (\$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 \$1.3 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 to payroll and overtime.

Electric Power

- Expenses for Electric Power increase between \$0.2 million and \$0.4 million annually due to inflationary adjustments.

Fuel

- The small year-to-year annual changes, all less than \$0.1 million, from 2014 through 2017 are the result of incorporating the most recent projections for heating fuel.

Insurance

- Insurance expenses increase between \$3.1 million and \$4.0 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 \$2.9 million lower in 2014, which is primarily the result of no costs being associated with Sandy in 2014, partially offset by an increase in regular major maintenance needs. An estimated \$19.1 million in non-capital work related to Sandy is expected to be completed in 2013, and subsequently no further costs have been budgeted for 2014. Partially offsetting this favorable year-to-year change are additional other major maintenance needs totaling \$13.2 million 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 resulting net favorable year-to-year change in this area is \$5.9 million. Additional expense increases include \$0.9 million in inflationary adjustments and higher E-ZPass expenses totaling \$2.1 million to cover account processing and transponder costs for new accounts and the tag replacement program.
- Expenses grow by \$15.4 million in 2015, \$5.3 million in 2016, and \$3.1 million in 2017. Most of the growth (\$15.0 million in 2015, \$1.2 million in 2016 and \$1.3 million in 2017) is driven by anticipated increases in major maintenance and preventive maintenance needs for the aforementioned reasons. Outside of

inflationary adjustments, the E-ZPass Tag Replacement Program accounts for other significant year-to-year shifts, with \$1.6 million less needed in 2015, \$1.9 more required for 2016, and \$0.4 million less needed in 2017.

- Inflationary adjustments are based on a national CPI-U forecast of 1.58% in 2014, 1.60% in 2015, 1.73% in 2016 and 1.82% 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 essentially flat compared to 2013 due to inflationary increases offset by favorable re-estimates across a variety of areas.
- Expenses grow by \$0.4 million in 2015 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 expenses increase between \$0.1 million and \$0.2 million annually due to inflationary adjustments.

Other Business Expenses

- Expenses from 2014 through 2017 are between \$0.6 and \$0.9 greater each year due to inflationary adjustments.

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

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
			Change			Change			Change
	2013	2014	2014 -	2015	2015 -	2016	2016 -	2017	2017 -
			2013		2014		2015		2016
Revenue									
Vehicle Toll Revenue	\$ 1,611.827	\$ 1,633.870	\$ 22.043	\$ 1,636.701	\$ 2.831	\$ 1,644.622	\$ 7.921	\$ 1,649.434	\$ 4.812
Other Operating Revenue	22.344	15.249	(7.095)	15.072	(0.177)	15.240	0.168	15.404	0.164
Capital and Other Reimbursements	0.000	0.000	-	0.000	-	0.000	-	0.000	-
Investment Income	0.110	0.294	0.183	1.457	1.163	2.975	1.518	3.179	0.204
Total Revenue	\$ 1,634.282	\$ 1,649.413	\$ 15.131	\$ 1,653.230	\$ 3.817	\$ 1,662.837	\$ 9.607	\$ 1,668.017	\$ 5.180
Expenses									
Labor:									
Payroll	\$ 122.283	\$ 132.900	\$ (10.616)	\$ 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	25.522	29.003	(3.481)	30.023	(1.020)	31.931	(1.908)	34.153	(2.222)
OPEB Current Payment	15.384	17.153	(1.769)	17.685	(0.532)	18.817	(1.132)	20.021	(1.204)
Pensions	32.745	33.849	(1.104)	34.661	(0.812)	35.481	(0.820)	36.163	(0.682)
Other Fringe Benefits	16.593	17.595	(1.002)	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
Total Labor Expenses	\$ 228.295	\$ 246.632	\$ (18.337)	\$ 253.095	\$ (6.463)	\$ 260.034	\$ (6.938)	\$ 268.550	\$ (8.516)
Non-Labor:									
Electric Power	\$ 7.480	\$ 7.693	\$ (0.213)	\$ 7.901	\$ (0.208)	\$ 8.199	\$ (0.298)	\$ 8.580	\$ (0.381)
Fuel	2.894	2.907	(0.012)	2.814	0.093	2.749	0.064	2.819	(0.070)
Insurance	9.680	13.703	(4.023)	17.002	(3.299)	20.085	(3.083)	23.783	(3.698)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	124.316	121.408	2.908	136.758	(15.350)	142.029	(5.271)	145.141	(3.112)
Professional Service Contracts	29.438	29.480	(0.041)	29.840	(0.360)	29.504	0.336	30.737	(1.234)
Materials & Supplies	4.062	4.307	(0.245)	4.382	(0.075)	4.526	(0.144)	4.652	(0.127)
Other Business Expenses	27.853	28.718	(0.864)	29.359	(0.641)	30.017	(0.658)	30.736	(0.719)
Total Non-Labor Expenses	\$ 205.724	\$ 208.215	\$ (2.491)	\$ 228.055	\$ (19.840)	\$ 237.108	\$ (9.053)	\$ 246.449	\$ (9.341)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation and GASB Adjs.	\$ 434.019	\$ 454.847	\$ (20.828)	\$ 481.150	\$ (26.303)	\$ 497.142	\$ (15.991)	\$ 514.999	\$ (17.857)
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	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	\$ 605.098	\$ 639.719	\$ (34.621)	\$ 677.324	\$ (37.605)	\$ 705.395	\$ (28.071)	\$ 736.020	\$ (30.625)
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)
Total Expenses	\$ 434.019	\$ 454.847	\$ (20.828)	\$ 481.150	\$ (26.303)	\$ 497.142	\$ (15.991)	\$ 514.999	\$ (17.857)
Baseline Income/(Deficit)	\$ 1,200.262	\$ 1,194.566	\$ (5.697)	\$ 1,172.079	\$ (22.486)	\$ 1,165.695	\$ (6.384)	\$ 1,153.018	\$ (12.677)

REIMBURSABLE

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

NON-REIMBURSABLE and REIMBURSABLE
(Page 1 of 2)

	Favorable/(Unfavorable)								
	Change		Change		Change		Change		Change
	2013	2014	2014 - 2013	2015	2015 - 2014	2016	2016 - 2015	2017	2017 - 2016
Revenue									
Vehicle Toll Revenue	\$ 1,611.827	\$ 1,633.870	\$ 22.043	\$ 1,636.701	\$ 2.831	\$ 1,644.622	\$ 7.921	\$ 1,649.434	\$ 4.812
Other Operating Revenue	22.344	15.249	(7.095)	15.072	(0.177)	15.240	0.168	15.404	0.164
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	0.294	0.183	1.457	1.163	2.975	1.518	3.179	0.204
Total Revenue	\$ 1,651.509	\$ 1,670.643	\$ 19.133	\$ 1,674.858	\$ 4.215	\$ 1,684.945	\$ 10.087	\$ 1,690.825	\$ 5.881
Expenses									
Labor:									
Payroll	\$ 129.604	\$ 142.635	\$ (13.030)	\$ 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	27.100	31.180	(4.080)	32.310	(1.130)	34.377	(2.067)	36.760	(2.383)
OPEB Current Payment	15.384	17.153	(1.769)	17.685	(0.532)	18.817	(1.132)	20.021	(1.204)
Pensions	34.636	36.420	(1.784)	37.363	(0.943)	38.342	(0.979)	39.185	(0.843)
Other Fringe Benefits	17.517	18.840	(1.323)	19.171	(0.331)	19.449	(0.278)	19.722	(0.273)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$ 245.523	\$ 267.862	\$ (22.339)	\$ 274.723	\$ (6.861)	\$ 282.142	\$ (7.418)	\$ 291.359	\$ (9.217)
Non-Labor:									
Electric Power	\$ 7.480	\$ 7.693	\$ (0.213)	\$ 7.901	\$ (0.208)	\$ 8.199	\$ (0.298)	\$ 8.580	\$ (0.381)
Fuel	2.894	2.907	(0.012)	2.814	0.093	2.749	0.064	2.819	(0.070)
Insurance	9.680	13.703	(4.023)	17.002	(3.299)	20.085	(3.083)	23.783	(3.698)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	124.316	121.408	2.908	136.758	(15.350)	142.029	(5.271)	145.141	(3.112)
Professional Service Contracts	29.438	29.480	(0.041)	29.840	(0.360)	29.504	0.336	30.737	(1.234)
Materials & Supplies	4.062	4.307	(0.245)	4.382	(0.075)	4.526	(0.144)	4.652	(0.127)
Other Business Expenses	27.853	28.718	(0.864)	29.359	(0.641)	30.017	(0.658)	30.736	(0.719)
Total Non-Labor Expenses	\$ 205.724	\$ 208.215	\$ (2.491)	\$ 228.055	\$ (19.840)	\$ 237.108	\$ (9.053)	\$ 246.449	\$ (9.341)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation and GASB Adjs.	\$ 451.247	\$ 476.077	\$ (24.830)	\$ 502.778	\$ (26.701)	\$ 519.250	\$ (16.471)	\$ 537.807	\$ (18.558)
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	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	\$ 622.326	\$ 660.948	\$ (38.623)	\$ 698.952	\$ (38.003)	\$ 727.503	\$ (28.551)	\$ 758.829	\$ (31.326)
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)
Total Expenses	\$ 451.247	\$ 476.077	\$ (24.830)	\$ 502.778	\$ (26.701)	\$ 519.250	\$ (16.471)	\$ 537.807	\$ (18.558)
Baseline Income/(Deficit)	\$ 1,200.262	\$ 1,194.566	\$ (5.697)	\$ 1,172.079	\$ (22.486)	\$ 1,165.695	\$ (6.384)	\$ 1,153.018	\$ (12.677)

MTA BRIDGES AND TUNNELS
July 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 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	
Baseline Net Income/(Deficit)	\$ 1,200.262	\$ 1,194.566	\$ (5.697)	\$ 1,172.079	\$ (22.486)	\$ 1,165.695	\$ (6.384)	\$ 1,153.018	\$ (12.677)	
<u>Deductions from Income:</u>										
Less: Capitalized Assets	\$ 21.165	\$ 17.843	\$ 3.322	\$ 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	3.431	(0.354)	3.537	(0.106)	3.763	(0.226)	4.004	(0.241)	
Adjusted Baseline Net Income/(Deficit)	\$ 1,150.606	\$ 1,147.396	\$ (3.209)	\$ 1,124.311	\$ (23.085)	\$ 1,114.417	\$ (9.894)	\$ 1,100.621	\$ (13.796)	
Less: Debt Service	586.551	616.698	(30.148)	631.698	(14.999)	652.617	(20.919)	680.808	(28.191)	
Income Available for Distribution	\$ 564.055	\$ 530.698	\$ (33.357)	\$ 492.613	\$ (38.085)	\$ 461.800	\$ (30.814)	\$ 419.813	\$ (41.987)	
Distributable To:										
MTA - Investment Income	\$ 0.110	\$ 0.294	\$ 0.183	\$ 1.457	\$ 1.163	\$ 2.975	\$ 1.518	\$ 3.179	\$ 0.204	
MTA - Distributable Income	339.882	321.625	(18.257)	302.029	(19.596)	286.036	(15.993)	265.603	(20.433)	
NYCT - Distributable Income	224.063	208.779	(15.284)	189.128	(19.652)	172.789	(16.339)	151.031	(21.758)	
Total Distributable Income:	\$ 564.055	\$ 530.698	\$ (33.357)	\$ 492.613	\$ (38.085)	\$ 461.800	\$ (30.814)	\$ 419.813	\$ (41.987)	
Actual Cash Transfers:										
MTA - Investment Income	\$ 0.136	\$ 0.110	\$ (0.026)	\$ 0.294	\$ 0.183	\$ 1.457	\$ 1.163	\$ 2.975	\$ 1.518	
MTA - Transfers	344.826	323.451	(21.375)	303.988	(19.462)	287.636	(16.353)	267.646	(19.989)	
NYCT - Transfers	222.414	210.308	(12.106)	191.093	(19.215)	174.422	(16.670)	153.207	(21.216)	
Total Cash Transfers:	\$ 567.375	\$ 533.869	\$ (33.507)	\$ 495.375	\$ (38.494)	\$ 463.515	\$ (31.860)	\$ 423.828	\$ (39.687)	
SUPPORT TO MASS TRANSIT:										
Total Revenues	\$1,651.509	\$1,670.643	\$19.133	\$1,674.858	\$4.215	\$1,684.945	\$10.087	\$1,690.825	\$5.881	
Less: Net Operating Expenses	451.247	476.077	(24.830)	502.778	(26.701)	519.250	(16.471)	537.807	(18.558)	
Net Operating Income:	\$ 1,200.262	\$ 1,194.566	\$ (5.697)	\$ 1,172.079	\$ (22.486)	\$ 1,165.695	\$ (6.384)	\$ 1,153.018	\$ (12.677)	
Deductions from Operating Income:										
B&T Debt Service	\$213.800	\$245.624	(\$31.824)	\$260.441	(\$14.817)	\$280.469	(\$20.028)	\$305.150	(\$24.681)	
Capitalized Assets	21.165	17.843	3.322	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	3.431	(0.354)	3.537	(0.106)	3.763	(0.226)	4.004	(0.241)	
Total Deductions from Operating Inc:	\$ 263.457	\$ 292.793	\$ (29.336)	\$ 308.209	\$ (15.416)	\$ 331.748	\$ (23.539)	\$ 357.548	\$ (25.800)	
Total Support to Mass Transit:	\$ 936.805	\$ 901.772	\$ (35.033)	\$ 863.870	\$ (37.902)	\$ 833.947	\$ (29.923)	\$ 795.470	\$ (38.477)	

MTA BRIDGES AND TUNNELS
2014 Preliminary Budget
July Financial Plan 2014–2017
Summary of Major Plan-to-Plan Changes

Non-Reimbursable

2013: July Financial Plan vs. February Financial Plan

Revenues

Revenue adjustments from the February Plan generate an increase of \$5.3 million. The major changes include:

- Additional toll revenues (\$16.9 million) primarily due to higher than forecast traffic levels following the toll increase implemented on March 3, 2013.
- Decrease in Other Operating Revenues (\$11.5 million) due to revised assumptions for storm insurance and FEMA recoveries of operating costs and revenue losses attributable to Sandy (\$12.5 million), partially offset by favorable re-estimates for receipts from the Battery Parking Garage (\$1.0 million).

Expenses

Non-reimbursable expenses are projected to be \$18.6 million higher than the February Plan. Labor costs are \$5.1 million lower, and non-labor expenses are \$23.7 million higher primarily due to the timing of costs related to Sandy. The major variances include:

Labor

- Lower Payroll costs (\$3.6 million) consisting of \$6.2 million due to vacancies for Bridges & Tunnel Officers (BTOs) and managerial employees, partially offset by the new needs discussed in the Financial Overview, which require 46 additional non-reimbursable positions beginning in August (\$2.6 million).
- Net decrease in Fringe Benefits (Health and Welfare, OPEB Current Payment and Other Fringe Benefits) of \$1.5 million resulting primarily from actual favorable results through April.

Non-Labor

- Higher electricity costs (\$0.3 million) due to retroactive adjustments charged by the New York Power Authority for 2012 usage.
- Higher Insurance expenses (\$1.6 million) reflecting the latest estimates.
- Increased expenses in Maintenance and Other Operating Contracts (\$18.2 million) due to the timing of \$19.0 million in estimated costs associated with Sandy restoration efforts that had been included in the 2012 Final Estimate but are now expected to be expended this year, partially offset by favorable re-estimates across a variety of areas including occupancy costs (\$0.3 million), E-ZPass related expenses (\$0.2 million), and others.
- Increase in Professional Service Contracts (\$4.3 million) due to the implementation of GASB 65 (\$3.0 million), engineering consulting needs related

to the implementation of the Enterprise Asset Management initiative (\$0.2 million), higher IT consulting costs related to the previously discussed cybersecurity initiative (\$0.2 million), and small upward re-estimates in various other areas.

- Lower Materials and Supplies (\$0.1 million) due to minor expense re-estimates based on actual results through April.
- Lower Other Business Expenses (\$0.5 million) primarily due to re-estimated credit/debit card fees.

Total Deductions from Income

- Higher Capitalized Assets of \$3.4 million due to the timing of restoration projects related to Sandy.
- GASB Reserves have been adjusted upward by \$0.6 million as an additional contribution to help offset the increases that are projected for future retiree health benefit costs.

2014-2016: July Financial Plan vs. February Financial Plan

Revenues

- In 2014, total revenues are being increased by \$0.3 million. Toll revenue is \$18.1 million greater than the February Financial Plan, reflecting the higher baseline traffic trends from 2013. Offsetting this gain is a net \$17.8 million drop in Other Operating Revenues, which incorporates revised assumptions for storm insurance and FEMA recoveries of costs and revenue losses attributable to Sandy. The February Financial Plan had assumed reimbursements totaling \$18.8 million in 2014. Due to the uncertainty of future reimbursements and costs, this amount has been removed from the July Financial Plan. Partially offsetting this impact to Other Operating Revenues is an additional \$1.0 million in projected receipts from the Battery Parking Garage.
- Total revenues decrease by \$1.6 million in 2015. Toll revenues grow by \$16.2 million, reflecting higher baseline traffic trends, partially offset by weaker growth in regional (New York, Long Island and Westchester) employment compared to the projections used for the February Financial Plan. As in 2014, a shift in the timing of capturing anticipated reimbursements from insurance and FEMA for costs and revenue losses associated with Sandy impacts B&T's Other Operating Revenue unfavorably by \$18.8 million, which is partially offset by a projected \$1.0 million in higher receipts from the Battery Parking Garage.
- In 2016, total revenues are \$12.6 million greater, with toll revenues \$11.6 million higher, reflecting similar plan-to-plan trends as in 2015, and Other Operating Revenues greater by \$1.0 million, reflecting the continuation of projected favorable results at the Battery Parking Garage.

Expenses

Non-reimbursable expenses are being increased by \$12.3 million in 2014, \$9.8 million in 2015 and \$10.0 million in 2016.

Labor

Labor expenses will increase by \$5.6 million in 2014, \$2.0 million in 2015, and \$2.9 million in 2016, based primarily on the following major changes:

- Higher Payroll expenses resulting from the 46 additional non-reimbursable positions required to meet the new needs discussed in the Financial Overview;
- Higher expenses for Health & Welfare/OPEB Current Payment based on the additional headcount, partially offset by favorable inflationary adjustments;
- Lower pension costs reflecting the most recent growth factors suggested by the New York City Office of the Actuary, partially offset by additional costs associated with the additional headcount.

Non-Labor

Non-Labor expenses will increase by \$6.7 million in 2014, \$7.8 million in 2015, and \$7.1 million in 2016, based on the following major changes:

- Increased Insurance expenses of \$3.9 million in 2014, \$5.6 million in 2015 and \$6.7 million in 2016, reflecting the latest growth assumptions;
- Lower expenses of \$0.7 million in 2014, \$0.9 million in 2015 and \$1.2 million in 2016, for Maintenance and Other Operating Contracts based on favorable re-estimates for E-ZPass related expenses and occupancy costs, and lower inflationary adjustments;
- Higher costs for Professional Service Contracts of \$4.0 million in 2014 and 2015 and \$3.1 million in 2016, primarily due to the previously discussed GASB 65 ruling and IT consulting fees for the cybersecurity initiative;
- Lower Other Business Expenses of \$0.5 million annually mainly reflect favorable re-estimates for credit/debit card fees.

Total Deductions from Income

- Higher deductions range between \$0.9 million and \$1.1 million per year to cover additional contributions to the GASB reserve for future retiree health benefit costs.

Reimbursable

The July Financial Plan includes higher plan-to-plan Capital Reimbursements and labor expenses to fund the salaries and fringe benefits of the 44 additional FTEs largely dedicated to projects primarily related to Sandy. The positions are expected to be filled beginning August 2013. Costs are offset in full by corresponding increases to Capital Reimbursements. The revenue and cost adjustments are \$2.8 million in 2013, \$6.7 million in 2014, \$6.8 million in 2015 and \$7.0 million in 2016.

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

NON-REIMBURSABLE

	2013	2014	2015	2016
2013 February Financial Plan - Adjusted Baseline Income	\$1,167.883	\$1,160.332	\$1,136.652	\$1,112.944
Baseline Changes				
Revenue				
Vehicle Toll Revenue	\$16.861	\$18.140	\$16.244	\$11.619
Other Operating Revenue	(11.529)	(17.825)	(17.831)	1.000
Investment Income	-	-	-	-
Total Revenue Changes	\$5.332	\$0.315	(\$1.587)	\$12.619
Expenses				
Labor:				
Payroll	\$3.579	(\$4.425)	(\$4.511)	(\$4.593)
Overtime	0.000	0.000	0.000	0.000
Health and Welfare	0.372	(2.528)	(1.609)	(1.436)
OPEB Current Payment	0.965	(0.412)	0.228	0.350
Pensions	0.078	2.375	4.457	3.348
Other Fringe Benefits	0.138	(0.572)	(0.584)	(0.594)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$5.132	(\$5.562)	(\$2.019)	(\$2.925)
Non-Labor:				
Electric Power	(\$0.300)	\$0.007	\$0.382	\$0.732
Fuel	0.000	(0.110)	(0.076)	0.183
Insurance	(1.625)	(3.920)	(5.572)	(6.673)
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(18.198)	0.732	0.919	1.239
Professional Service Contracts	(4.254)	(3.986)	(3.967)	(3.124)
Materials & Supplies	0.147	0.022	0.028	0.041
Other Business Expenses	0.496	0.508	0.512	0.520
Total Non-Labor Expense Changes	(\$23.734)	(\$6.747)	(\$7.773)	(\$7.081)
Total Expenses before Depreciation and GASB Adjs.	(\$18.602)	(\$12.309)	(\$9.792)	(\$10.006)
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expenses after Depreciation and GASB Adjs.	(\$18.602)	(\$12.309)	(\$9.792)	(\$10.006)
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$18.602)	(\$12.309)	(\$9.792)	(\$10.006)
Total Baseline Changes	(\$13.270)	(\$11.994)	(\$11.379)	\$2.613
Deductions from Income				
Capitalized Assets	(\$3.384)	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	(0.623)	(0.941)	(0.962)	(1.140)
Total Deductions from Income	(\$4.007)	(\$0.941)	(\$0.962)	(\$1.140)
Total Adjusted Baseline Changes	(\$17.277)	(\$12.935)	(\$12.341)	\$1.473
2013 July Financial Plan - Adjusted Baseline Income	\$1,150.606	\$1,147.396	\$1,124.311	\$1,114.417

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

REIMBURSABLE

	2013	2014	2015	2016
2013 February Financial Plan - Adjusted Baseline Income	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	2.774	6.655	6.795	6.976
Investment Income	0.000	0.000	0.000	0.000
Total Revenue Changes	\$2.774	\$6.655	\$6.795	\$6.976
Expenses				
Labor:				
Payroll	(\$1.755)	(\$4.213)	(\$4.288)	(\$4.372)
Overtime	0.000	0.000	0.000	0.000
Health and Welfare	(0.376)	(0.901)	(0.929)	(0.988)
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	(0.416)	(0.997)	(1.023)	(1.050)
Other Fringe Benefits	(0.227)	(0.544)	(0.555)	(0.566)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$2.774)	(\$6.655)	(\$6.795)	(\$6.976)
Non-Labor:				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	(\$2.774)	(\$6.655)	(\$6.795)	(\$6.976)
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expenses after Depreciation and GASB Adjs.	(\$2.774)	(\$6.655)	(\$6.795)	(\$6.976)
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$2.774)	(\$6.655)	(\$6.795)	(\$6.976)
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
Deductions from Income				
Capitalized Assets	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.000	0.000	0.000
Total Deductions from Income	\$0.000	\$0.000	\$0.000	\$0.000
Total Adjusted Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
2013 July Financial Plan - Adjusted Baseline Income	\$0.000	\$0.000	\$0.000	\$0.000

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

NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
2013 February Financial Plan - Adjusted Baseline Income	\$1,167.883	\$1,160.332	\$1,136.652	\$1,112.944
Baseline Changes				
Revenue				
Vehicle Toll Revenue	\$16.861	\$18.140	\$16.244	\$11.619
Other Operating Revenue	(11.529)	(17.825)	(17.831)	1.000
Capital and Other Reimbursement	2.774	6.655	6.795	6.976
Investment Income	-	-	-	-
Total Revenue Changes	\$8.106	\$6.970	\$5.208	\$19.595
Expenses				
<i>Labor:</i>				
Payroll	\$1.824	(\$8.638)	(\$8.799)	(\$8.965)
Overtime	-	-	-	-
Health and Welfare	(0.004)	(3.429)	(2.538)	(2.424)
OPEB Current Payment	0.965	(0.412)	0.228	0.350
Pensions	(0.338)	1.378	3.434	2.298
Other Fringe Benefits	(0.089)	(1.116)	(1.139)	(1.160)
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	\$2.358	(\$12.217)	(\$8.814)	(\$9.901)
<i>Non-Labor:</i>				
Electric Power	(\$0.300)	\$0.007	\$0.382	\$0.732
Fuel	\$0.000	(\$0.110)	(\$0.076)	\$0.183
Insurance	(1.625)	(3.920)	(5.572)	(6.673)
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	(18.198)	0.732	0.919	1.239
Professional Service Contracts	(4.254)	(3.986)	(3.967)	(3.124)
Materials & Supplies	0.147	0.022	0.028	0.041
Other Business Expenses	0.496	0.508	0.512	0.520
Total Non-Labor Expense Changes	(\$23.734)	(\$6.747)	(\$7.773)	(\$7.081)
Total Expenses before Depreciation and GASB Adjs.	(\$21.376)	(\$18.964)	(\$16.587)	(\$16.982)
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	-	-	-	-
Environmental Remediation	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	(\$21.376)	(\$18.964)	(\$16.587)	(\$16.982)
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$21.376)	(\$18.964)	(\$16.587)	(\$16.982)
Total Baseline Changes	(\$13.270)	(\$11.994)	(\$11.379)	\$2.613
Deductions from Income				
Capitalized Assets	(\$3.384)	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	(0.623)	(0.941)	(0.962)	(1.140)
Total Deductions from Income	(\$4.007)	(\$0.941)	(\$0.962)	(\$1.140)
Total Adjusted Baseline Changes	(\$17.277)	(\$12.935)	(\$12.341)	\$1.473
2013 July Financial Plan - Adjusted Baseline Income	\$1,150.606	\$1,147.396	\$1,124.311	\$1,114.417

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

NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Adj Net Operating Income	\$1,167.883	\$1,160.332	\$1,136.652	\$1,112.944
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Vehicle Toll Revenue	\$16.861	\$18.140	\$16.244	\$11.619
Recovery From Tropical Storm Sandy Re-estimates	(12.529)	(18.825)	(18.831)	0.000
Other Operating Income-Battery Parking Garage	1.000	1.000	1.000	1.000
Sub-Total Non-Reimbursable Revenue Changes	\$5.332	\$0.315	(\$1.587)	\$12.619
Expenses				
New Needs:	(\$4.018)	(\$6.991)	(\$7.145)	(\$7.328)
Inflation-Related:				
Pensions	\$0.680	\$3.423	\$5.532	\$4.451
Health and Welfare/OPEB Current Payment	1.882	(1.992)	(0.404)	(0.048)
Electric Power	(0.300)	0.007	0.382	0.732
Fuel		(0.076)	(0.024)	0.247
Other Non-Labor		0.367	0.600	0.977
Sub-Total Inflation Related	2.262	1.729	6.086	6.359
Re-Estimates				
Labor Vacancies	\$6.588	\$0.000	\$0.000	\$0.000
E-ZPass Related Expenses	0.721	(0.021)	(0.055)	0.742
Occupancy Costs	0.135	0.135	0.135	0.135
IT Consulting-Cyber Security		(0.241)	(0.241)	(0.241)
GASB 65 Ruling-Bond Issuance Costs	(3.000)	(3.000)	(3.000)	(3.000)
GASB Health and Welfare Reserve	(0.623)	(0.941)	(0.962)	(1.140)
Insurance	(1.625)	(3.920)	(5.572)	(6.673)
Tropical Storm Sandy Re-estimates	(22.448)			
Other	(0.601)			
Sub-Total Re-Estimates	(20.853)	(7.988)	(9.695)	(10.177)
Sub-Total Non-Reimbursable Expense Changes	(\$22.609)	(\$13.250)	(\$10.754)	(\$11.146)
Total Non-Reimbursable Major Changes	(\$17.277)	(\$12.935)	(\$12.341)	\$1.473
<i>Reimbursable Major Changes</i>				
Revenue				
Capital Reimbursements	\$2.774	\$6.655	\$6.795	\$6.976
Expenses				
New Needs	(\$2.774)	(\$6.655)	(\$6.795)	(\$6.976)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$17.277)	(\$12.935)	(\$12.341)	\$1.473
Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$17.277)	(\$12.935)	(\$12.341)	\$1.473
Baseline 2013 July Financial Plan - Adj Net Operating Income	\$1,150.606	\$1,147.396	\$1,124.311	\$1,114.417

MTA BRIDGES AND TUNNELS
2014 Preliminary Budget
July Financial Plan 2014–2017
Traffic Volume/Utilization

Year-to-Year

Paid traffic is forecast at 279.7 million vehicles in 2013 and increases by 0.4 million vehicles, or 0.1% in 2014, reflecting regional (New York City, Long Island and Westchester) employment growth of 1.4%, partially offset by a weather adjustment for below normal snowfall in January 2013. The traffic forecast developed for the July 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 281.2 million vehicles in 2015, 282.9 million in 2016, and 284.1 million in 2017.

Plan-to-Plan

Paid traffic volume is projected to reach 279.7 million vehicles in 2013, which is 2.6 million vehicles above the Adopted Budget level. Actual traffic exceeded the original forecast through February by 0.6 million vehicles due to below normal snowfall in January. Actual volumes from March through May showed less elasticity to the toll increase that was implemented on March 3, 2013 than originally forecast, and traffic subsequently came in above plan by 1.9 million vehicles in total. The forecast for 2014 through 2017 reflects this higher baseline traffic trend and also incorporates the growth rate projections for regional employment cited above, which, compared to the assumptions used in the February Financial Plan, are slightly weaker during each year of the plan period. Traffic levels forecast in the July Plan are greater than the February Plan by 3.1 million vehicles in 2014, 2.8 million in 2015, and 2.0 million in 2016.

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

	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
<u>Traffic Volume</u>	282.754	279.659	280.027	281.216	282.945	284.142
<u>Toll Revenue</u>	\$ 1,490.982	\$ 1,611.827	\$ 1,633.870	\$ 1,636.701	\$ 1,644.622	\$ 1,649.434

MTA BRIDGES AND TUNNELS
2014 Preliminary Budget
July Financial Plan 2014–2017
Positions

Position Assumptions

Year-to-Year

In 2013 through 2017, total headcount is planned at 1,746, which includes 88 reimbursable positions.

Plan-to-Plan

Total headcount in the 2013 Mid-Year Forecast and the July Financial Plan 2014-2017 is 1,746, an increase of 50 non-reimbursable and 44 reimbursable positions over the Adopted Budget. These additional positions will begin in August and are required to meet the new needs and adjustments outlined in the Financial Overview, which include:

- 85 positions to fulfill the organizational changes required for carrying out long-term restoration and mitigation projects resulting primarily from Sandy, implementation of the MTA-wide Enterprise Asset Management initiative, and expansion of the Small Business Mentoring Program;
- 2 positions to meet the greater demands of administering the E-ZPass program that have resulted from the successful implementation of all the initiatives outlined in the Financial Overview;
- 2 positions to perform payroll functions as part of an office system reorganization;
- 1 new position to implement and manage the cybersecurity initiative;
- 4 technical adjustments for positions that have been consistently funded but mistakenly excluded from headcount calculations.

All of the additional 94 positions are either managerial or professional. The function/department breakdown is as follows:

- Administration: 12 in Law-Procurement, 5 in CFO Departments (1 in Planning & Budget, 2 in Finance and 2 in Payroll), and 1 in Staff Services-Human Resources.
- Operations: 2 in CFO-Revenue Management.
- Maintenance: 1 in Maintenance and 2 in Technology.
- Engineering/Capital: 43 in Engineering & Construction, 17 in Law-Procurement, 2 in Health & Safety and 9 in Planning & Budget-Capital Planning.

MTA BRIDGES & TUNNELS July Financial Plan 2014-2017 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2013	2014	2015	2016
2013 February Plan - Total Baseline Positions	1,652	1,652	1,652	1,652
Total Plan-to-Plan Changes	(94)	(94)	(94)	(94)
2013 July Plan - Total Baseline Positions	1,746	1,746	1,746	1,746
Total Year-to-Year Changes, July Plan		0	0	0
Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(50)	(50)	(50)	(50)
<i>Reimbursable</i>	(44)	(44)	(44)	(44)
Total	(94)	(94)	(94)	(94)
<i>Full-Time</i>	(94)	(94)	(94)	(94)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(94)	(94)	(94)	(94)
<i>By Function Category</i>				
- Administration	(16)	(16)	(16)	(16)
- Operations	(19)	(19)	(19)	(19)
- Maintenance	10	10	10	10
- Engineering/Capital	(70)	(70)	(70)	(70)
- Public Safety	1	1	1	1
Total	(94)	(94)	(94)	(94)
<i>By Occupational Group</i>				
- Managers/Supervisors	(29)	(29)	(29)	(29)
- Professional, Technical, Clerical	(65)	(65)	(65)	(65)
- Operational Hourlies	0	0	0	0
Total	(94)	(94)	(94)	(94)
Total Plan-to-Plan Changes by Major Category:				
2013 BRPs	0	0	0	0
New Needs	(46)	(46)	(46)	(46)
Change in Reimbursable Positions	(44)	(44)	(44)	(44)
Re-estimates & All Other ¹	(4)	(4)	(4)	(4)
Total	(94)	(94)	(94)	(94)

¹ Includes Full-time Equivalents

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

FUNCTION/DEPARTMENT	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
Executive	2	2	2	2	2	2
Law ⁽¹⁾	8	19	19	19	19	19
CFO ⁽²⁾	26	25	25	25	25	25
Labor Relations	4	5	5	5	5	5
Staff Services ⁽³⁾	21	16	16	16	16	16
EEO	1	1	1	1	1	1
Total Administration	62	68	68	68	68	68
Operations						
Revenue Management	36	40	40	40	40	40
Operations (Non-Security)	642	747	747	747	747	747
Total Operations	678	787	787	787	787	787
Maintenance						
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
Total Maintenance	396	405	405	405	405	405
Engineering/Capital						
Engineering & Construction	120	169	169	169	169	169
Health & Safety	8	10	10	10	10	10
Law ⁽¹⁾	0	17	17	17	17	17
Planning & Budget Capital	13	21	21	21	21	21
Total Engineering/Capital	141	217	217	217	217	217
Public Safety						
Operations (Security)	232	232	232	232	232	232
Internal Security - Operations	36	37	37	37	37	37
Total Public Safety	268	269	269	269	269	269
Total Baseline Positions	1,545	1,746	1,746	1,746	1,746	1,746
<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
July Financial Plan 2014-2017
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
Managers/Supervisors	24	21	21	21	21	21
Professional, Technical, Clerical	38	47	47	47	47	47
Operational Hourlies	-	-	-	-	-	-
Total Administration	62	68	68	68	68	68
Operations						
Managers/Supervisors	51	56	56	56	56	56
Professional, Technical, Clerical	49	52	52	52	52	52
Operational Hourlies ⁽¹⁾	578	679	679	679	679	679
Total Operations	678	787	787	787	787	787
Maintenance						
Managers/Supervisors	33	38	38	38	38	38
Professional, Technical, Clerical	50	48	48	48	48	48
Operational Hourlies ⁽²⁾	313	319	319	319	319	319
Total Maintenance	396	405	405	405	405	405
Engineering/Capital						
Managers/Supervisors	31	52	52	52	52	52
Professional, Technical, Clerical	110	165	165	165	165	165
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	141	217	217	217	217	217
Public Safety						
Managers/Supervisors	7	7	7	7	7	7
Professional, Technical, Clerical	27	28	28	28	28	28
Operational Hourlies ⁽³⁾	234	234	234	234	234	234
Total Public Safety	268	269	269	269	269	269
Total Positions						
Managers/Supervisors	146	174	174	174	174	174
Professional, Technical, Clerical	274	340	340	340	340	340
Operational Hourlies	1,125	1,232	1,232	1,232	1,232	1,232
Total Positions	1,545	1,746	1,746	1,746	1,746	1,746

(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.

Capital Construction Company

MTA CAPITAL CONSTRUCTION COMPANY
2014 Preliminary Budget
July Financial Plan 2014-2017

Overview

In order to respond to the large volume of construction being managed by MTACC, as well as the strict oversight by multiple parties, MTACC continues to develop its organization and refine staffing requirements. MTACC will utilize dedicated resources to efficiently address the challenges related to the planning, design, construction, regulatory framework, and community participation requirements of large complex capital projects. The “Mega” Projects include:

- Second Avenue Subway
- East Side Access
- 7 Line Extension
- Fulton Center
- Security Program

MTACC is committed to quality and safety in the work place and at its construction sites.

MTACC participated in the MTA-wide initiative to reduce reimbursable positions and will continue to maintain a cost efficient program management structure. MTACC’s core staff directly manages the design and construction of over \$13 billion in capital projects. MTACC continues to draw from the expertise and support services available in other MTA agencies to supplement the core staff and support design and construction management.

2013 Mid-Year Forecast

MTACC’s 2013 Mid-Year Forecast is \$34.7 million reflecting a \$0.5 million decrease from the 2013 Adopted Budget. Labor Costs are projected at \$26.8 million, with a staffing level of 140 by year end.

Administrative expenses are comprised of administrative staff and non-project specific costs. The remainder of the expenses, predominantly labor, will be reimbursed by each of the “mega” projects.

Staff includes 16 MTACC positions that support the system expansion projects and cannot charge directly to a specific project. The remaining 124 positions will be charged to the “mega” projects. There are 40 technical employees who are not assigned to a specific project but charge their time to projects based on work assignments. Position breakdowns for each of the “mega” projects are as follows: East Side Access - 22, Second Avenue Subway - 20, Fulton Center - 20, 7 Line Extension - 10, Security

Program - 12. Since its creation, MTACC has developed and implemented strategies to recruit staff with the experience and technical skills required for our complex construction projects on an as needed basis only. Matrixed employees (employees of other agencies under temporary management by MTACC) and consultants will continue to support MTACC in lieu of hiring full time staff. These expenses will be funded directly from specific project capital programs.

Non-Labor costs are projected at \$7.9 million, a decrease of 2.5% from 2013 Adopted Budget. These costs are non-project specific and are for the provision of company-wide construction support from specialty contractors and oversight agencies. Such expenditures may not be eligible for reimbursement by the Federal Transit Administration. Independent engineer and legal expenses will be funded through the Administrative 2010-2014 Capital Program and will be tracked independently of the administrative professional services forecasts and expenditures. Non-Labor costs are projected to decrease primarily due to a revised estimate of occupancy expense at 2 Broadway. 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 computer equipment and mobile communications device upgrades and supplies.

2014 Preliminary Budget – Baseline

In 2013, Second Avenue Subway and East Side Access estimate an additional \$1.0 billion in awarded contracts. Total commitments for all system expansion projects will be approximately \$14 billion. MTACC projects 2014 expenses of \$35.1 million, a decrease of 1.7% (\$0.6 million) from the 2013 Adopted Budget, and 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 \$27.8 million, an increase of 0.7% (\$0.2 million) from the 2013 Adopted Budget. Labor costs increase due to higher fringe and escalation rates and a full year of staffing levels of 140. Staff includes 16 MTACC positions that support the system expansion projects and cannot charge directly to a specific project. The remaining 124 positions will be charged to the “mega” projects. There are 40 technical employees who are not assigned to a specific project but charge their time fully to projects based on work assignments. Position breakdowns for each of the mega projects are as follows: East Side Access - 22, Second Avenue Subway - 20, Fulton Center - 20, 7 Line Extension - 10, Security Program - 12.

Non-Labor costs are projected at \$7.3 million, a 9.7% decrease from the 2013 Adopted Budget. This decrease of \$0.7 million is primarily due to revised occupancy expenses for office space at 2 Broadway. MTA Audit quarterly chargebacks and All Agency Protective Liability insurance are included within the MTACC Administrative July Plan and the forecasts are on par with the Adopted Budget. Additional projections include

the reimbursement of NYCT for administrative support staff and services, temporary expert services (such as indefinite quantity consultants and firms to support project controls, change order and claims management), legal and engineering services, workforce development through employee training, federal mentoring program and other office costs such as communications and computer equipment. Independent engineering and legal expenses of approximately \$11 million will be funded through the Administrative 2010-2014 Capital Program.

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

2015 - 2017 Projections

MTACC expenses are projected to decrease by 2.0%, 0.8% and 0.9%, respectively, in 2015, 2016 and 2017 against the February Financial Plan. Other business expenses have decreased by more than \$1.0 million, annually, through 2017, due to a revised estimate of rental space at 2 Broadway. Professional services expenses are anticipated to increase from the Adopted Budget by \$0.4 million in 2015 due to the federal mentoring program and internal audit chargebacks. By 2016 and 2017, professional services will significantly drop to \$3.5 million, as a result of a decrease in engineering consulting services and the allocation of audit expenses directly back to mega projects from Administration. Maintaining a tight control of administrative spending and continuing to charge the mega projects for direct costs will allow MTACC to remain on par with previous financial plans. Year-end staffing levels of 140 employees remain constant through 2017.

In comparison to the February Financial Plan, non-labor expenses decrease from 2015 through 2017 due to revised occupancy estimates, fewer professional services required, and a decrease in computer equipment, materials and supplies. Non-labor expenses decrease in 2015 by 8.8% and continue to decrease by 3.1% and 3.2% in 2016 and 2017, respectively.

The administrative contribution will be approximately 25% through 2017 (average of \$9.0 million). The remainder of the expenses will be reimbursed by each of the mega projects.

[illegible]

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MTA CAPITAL CONSTRUCTION COMPANY
2014 Preliminary Budget
July Financial Plan 2014-2017
Year-to-Year Changes by Category - Baseline

Revenue

Capital and Other Reimbursements:

- 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:

- 2014 payroll costs reflect a full year of staffing levels of 140.
- As a result of inflation, payroll expenditures will increase by 1.85%, 1.89% and 1.85% from 2015 to 2017. Annual staffing level will continue to remain at 140 throughout the years.

Other Fringe Benefits:

- In 2014, Health and Welfare, Pension and Other Fringe Benefits costs will increase by 7.8%, 12.2% and 2.1% respectively, due to revised projections directed by NYCT and MTAHQ.
- Overall, benefit expenditures will continue to increase in 2015, 2016 and 2017 by 2.8%, 3.3% and 3.3% respectively, due to inflation escalation rates.

Insurance:

- 2014 premium rates are expected to increase by 12.4% due to market conditions.
- For 2015 to 2017, insurance cost will increase approximately by 20% each year.

Professional Service Contracts:

- 2014 costs will decrease by \$0.5 million, 10.2%, due to the full payment of the federal mentoring program, for small businesses, in 2013.
- As MTACC capital projects approach the completion stage, fewer audit, technical experts and IQ consultants are anticipated; resulting in a slight decrease of 3.4% in 2015 and a sharp decline of 13.8% in 2016.

Materials and Supplies:

- 2014 through 2017 reflect inflationary increases.

Other Business Expenses:

- Expenditures remain relatively constant from 2014 through 2017 due to the timing of agency-wide initiatives.

REIMBURSABLE

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MTA CAPITAL CONSTRUCTION
July Financial Plan 2014 - 2017
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

[illegible]

MTA CAPITAL CONSTRUCTION COMPANY
2014 Preliminary Budget
July Financial Plan 2014-2017
Summary of Major Plan-to-Plan Changes

2013: July Financial Plan vs. February Financial Plan

The July Financial Plan is \$0.5 million (1.5%) lower than the February Financial Plan. This decrease is due to a revised estimate of rental expenses of MTACC's space at 2 Broadway and maintaining a staffing level of 140. Labor expenses are \$0.3 million lower than the Adopted Budget. Non-Labor costs are also expected to decrease by \$0.2 million. 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: July Financial Plan vs. February Financial Plan

Expenses for 2014 decrease by \$0.6 million from the February Financial Plan primarily due to anticipated occupancy expenses and a decrease in labor expenses. Expenses are expected to decrease, from the Adopted Budget, through 2017, by an average of \$0.4 million (1.2%). In 2014, staffing levels assume 140 and will remain constant through 2017. Labor expenses are lower than the Adopted Budget, including a decrease of approximately \$0.3 million, annually, in payroll expenses. Non-labor expenditures are \$0.7 million lower in 2015 and approximately \$0.2 million in 2016 and 2017. The Professional Services budget has increased by \$0.2 million, in 2014, with an increase of internal audit chargebacks. These costs are expected to decrease in 2016 and 2017. Miscellaneous engineering, environmental and temporary expert services (hiring indefinite quantity consultant firms and individuals to support project controls, claims and change orders) for project needs are projected in the July Plan as are All Agency Protective Liability insurance expenses.

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

REIMBURSABLE

	2013	2014	2015	2016
February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
<i>Baseline Changes</i>				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue				
Capital and Other Reimbursement	(\$0.534)	(\$0.590)	(\$0.717)	(\$0.286)
<i>Total Revenue Changes</i>	(\$0.534)	(\$0.590)	(\$0.717)	(\$0.286)
Expenses				
<i>Labor:</i>				
Payroll	\$0.323	\$0.316	\$0.310	\$0.296
Health and Welfare	0.246	(0.038)	0.223	0.313
OPEB Current Payment				
Pensions	(0.010)	(0.272)	(0.298)	(0.331)
Other Fringe Benefits	(0.224)	(0.208)	(0.213)	(0.212)
Reimbursable Overhead				
<i>Total Labor Expense Changes</i>	\$0.334	(\$0.201)	\$0.021	\$0.066
<i>Non-Labor:</i>				
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains				
Insurance	(0.015)	(0.022)	(0.053)	(0.092)
Claims				
Paratransit Service Contracts				
Professional Service Contracts	(0.688)	(0.227)	(0.379)	(0.770)
Maintenance and Other Operating Contracts				
Materials & Supplies	0.026	0.027	0.027	0.028
Other Business Expenses	0.876	1.013	1.099	1.054
<i>Total Non-Labor Expense Changes</i>	\$0.200	\$0.791	\$0.695	\$0.220
<i>Total Expense Changes</i>	\$0.534	\$0.590	\$0.717	\$0.286
<i>Other Expense Adjustments/Gap Closing Actions</i>				
Other - Restricted Cash Adjustment				
<i>Total Other Expenditure AdjustmentsChanges</i>	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000
July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000

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

REIMBURSABLE

	2013	2014	2015	2016
February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Sub-Total Non-Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
Sub-Total Non-Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Non-Reimbursable Major Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
<i>Reimbursable Major Changes</i>				
Revenue	(\$0.534)	(\$0.590)	(\$0.717)	(\$0.286)
Sub-Total Reimbursable Revenue Changes	(\$0.534)	(\$0.590)	(\$0.717)	(\$0.286)
Expenses	\$0.534	\$0.590	\$0.717	\$0.286
Sub-Total Reimbursable Expense Changes	\$0.534	\$0.590	\$0.717	\$0.286
<i>Total Reimbursable Major Changes</i>	<i>(\$0.000)</i>	<i>(\$0.000)</i>	<i>(\$0.000)</i>	<i>\$0.000</i>
Total Accrual Changes	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	<i>(\$0.000)</i>	<i>(\$0.000)</i>	<i>(\$0.000)</i>	<i>\$0.000</i>
July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000

MTA CAPITAL CONSTRUCTION COMPANY
2014 Preliminary Budget
July Financial Plan 2014-2017
Positions

Position Assumptions

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

Staffing needs are also 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 Adopted Budget of 140.

The breakdown of the year-end staffing level of 140 is as follows: 16 MTACC administrative positions and 124 positions implementing 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. This breakdown comprised of 55 administrative positions and 85 project positions. In the July Plan, there has been a reclassification of positions but the 140 quota remains constant. Of the 55 administrative positions, 40 of those are engineering/capital MTACC technical employees who will be directly charged to the mega projects, based on work assignments, rather than the Administrative budget.

*Employees of other agencies under temporary management by MTACC

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

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	0	0	0	0
<i>Reimbursable</i>	0	0	0	0
Total	0	0	0	0
<i>Full-Time</i>	0	0	0	0
<i>Full-Time Equivalents</i>	0	0	0	0
Total	0	0	0	0
<i>By Function Category</i>				
- Administration	2	2	2	2
- Operations	0	0	0	0
- Maintenance	0	0	0	0
- Engineering/Capital	(2)	(2)	(2)	(2)
- Public Safety	0	0	0	0
Total	0	0	0	0
<i>By Occupational Group</i>				
- Managers/Supervisors	0	0	0	0
- Professional, Technical, Clerical	0	0	0	0
- Operational Hourlies	0	0	0	0
Total	0	0	0	0

Total Plan-to-Plan Changes by Major Category:				
<i>2013 BRPs</i>	0	0	0	0
<i>New Needs</i>	0	0	0	0
<i>Change in Reimbursable Positions</i>	0	0	0	0
<i>Re-estimates & All Other¹</i>	0	0	0	0
Total	0	0	0	0

¹ Includes Full-time Equivalents

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

FUNCTION/DEPARTMENT	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
MTACC	14	16	16	16	16	16
Engineering/Capital						
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 Project	18	20	20	20	20	20
7 Line Extension	11	10	10	10	10	10
Total Engineering/Capital	115	124	124	124	124	124
Total Baseline Positions	129	140	140	140	140	140
<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
July Financial Plan 2014-2017
Total Positions by Function and Occupation

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

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Long Island Rail Road

MTA LONG ISLAND RAIL ROAD

2014 Preliminary Budget

July Financial Plan 2014 - 2017

FINANCIAL OVERVIEW

The 2013 July Financial Plan maintains LIRR's 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.

Infrastructure Investments

Sandy hit the New York metropolitan area on Monday, October 29, 2012 and caused widespread damage and service disruptions, in particular, coastal areas were extremely hard hit. While the Rail Road resumed limited service by late Wednesday (October 31st) and normal service started by the end of November of that year, residual damage in especially hard hit areas such as the Long Beach Branch and Yard, West Side Yard, and Long Island City Yard - areas critical to overall LIRR operations – endured significant damage to its infrastructure, compromised by salt water. To ensure the LIRR and Long Island recover from Sandy, the financial plan reflects additional resources for Engineering positions to both commence the long-term repairs to bring the damaged assets back to a state-of-good repair and test and maintain fragile assets until repairs are fully completed. This is especially good news for LIRR customers who were hard hit by Sandy.

Another major customer-oriented investment, the Massapequa Pocket Track, is scheduled to achieve beneficial use during 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 around more trains during weekday rush hours and provide a location to start westbound trains into Penn and Grand Central Terminal.

In addition, several other major Capital funded initiatives are scheduled to come on line during the financial plan horizon. This includes Positive Train Control, Centralized Train

Control and the Main Line Double Track. As such, the financial plan reflects the necessary resources to ensure the benefits of all these assets are fully realized and properly maintained.

Technology Investments

The two commuter railroads are collaborating on another major MTA-wide customer 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 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 third quarter of 2013.

The LIRR is participating in a MTA-wide initiative, by investing in the development of an enterprise asset management 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 in riders were lost. Though ridership has since stabilized, it is still down 0.9 percent when compared to the same period last year. Another contributing factor was the March 2013 fare increase, which had a greater than anticipated elasticity impact on ridership. However, 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 July Financial Plan. The 2013 Mid-Year Forecast ridership is projected to be 83.5 million, essentially unchanged from the Adopted Budget level. The 2014 ridership is now projected to be 84.1 million or 0.2% over the 2013 Adopted Budget estimate for 2014 based on projected improvements in the 2013 forecast. 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 Mid-Year Forecast Budget 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 drill into overtime and inventory.

The LIRR considers overtime management to be one of its highest priorities. The 2013 Mid-Year Forecast targets a 1% reduction in non-reimbursable overtime spending from the 2012 actual spending. Further, 2014 non-reimbursable overtime level is 9% below the 2013 Mid-Year 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 2013, the LIRR is projecting an approximate additional \$9 million in savings, building on savings achieved in 2009 through 2012.

Still, uncontrollable expenses such as health benefits, insurance and fuel continue to rise more rapidly than the rate of inflation. 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 \$70.6 million per year.

2013 Mid-Year Forecast

The LIRR's 2013 Mid-Year Forecast is comprised of non-reimbursable revenue totaling \$702.9 million and non-reimbursable expenses including depreciation, other post-employment benefits and environmental remediation of \$1,734.5 million that generate an operating deficit of (\$1,031.6) million. The 2013 Mid-Year Forecast reimbursable revenue and expenses each total \$236.8 million.

Total Non-Reimbursable revenue is \$20.4 million higher than the 2013 Adopted Budget. Farebox Revenue is \$0.2 million lower due to lower overall ridership, partially offset by

higher ridership to Barclay's Center. Other Operating Revenue is \$20.6 million higher due to the timing of federal reimbursement for Sandy and a revised leased line revenue agreement.

Total Non-Reimbursable expenses (excluding depreciation and OPEB) are higher by \$10.6 million. The unfavorable variance is primarily due to higher vacancy/absentee coverage, weather-related overtime and expenses due to Sandy, this is partially offset by lower average headcount. A significant number of vacant craft positions are expected to be filled by the end of 2013.

The major cash adjustments from the Adopted Budget are timing of capital, other reimbursements and non-labor expenditures.

Full-time positions total 6,908 in the 2013 Mid-Year Forecast, with 6,141 non-reimbursable positions and 767 reimbursable positions. This reflects an increase of 494 positions from 2012 Year-end Actual and 177 positions from the 2013 Adopted Budget. Most of the year-over-year increase over the 2012 actual level is associated with filling vacant positions and reimbursable activity. The change from the Adopted Budget is primarily related to reimbursable activity driven in part by Sandy-related reconstruction.

2014 Preliminary 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 reconciliation to the Preliminary Budget.

The 2014 Revenue totals \$966.6 million, of which \$695.9 million is Non-reimbursable revenue and \$270.7 million is Reimbursable revenue. The total expense budget is \$2,040.7 million, of which \$1,642.6 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 \$1,372.0 million in 2014, while Reimbursable expenses are \$270.7 million in the accrued statements.

The cash budget for 2014 incorporates \$952.9 million in cash receipts and \$1,669.9 million in cash disbursements. The baseline cash requirement is (\$717.0) million, as driven by operating expenses and revenues received in 2014 and other adjustments to cash flow.

On an accrued basis, revenues and expenses are higher in the 2014 Preliminary Budget than the 2013 Mid-Year Forecast. Total revenues for 2014 are \$966.6 million, \$26.9 million higher than in the current 2013 Forecast with non-reimbursable revenues

declining by \$7.0 million and Reimbursable revenues rising by \$33.9 million. Ridership in 2014 increases over the 2013 Mid-Year Forecast by 0.6 million rides, or 0.8%. Total operating expenses before depreciation of \$1,642.6 million reflect growth of \$78.1 million over the 2013 Mid-Year Forecast. Non-reimbursable expenses increase by \$44.2 million and reimbursable expenses increase by \$33.9 million. While the resulting total operating baseline deficit increases by \$42.5 million to (\$1,074.1) million in 2014, the projected baseline cash deficit (or subsidy requirement) of (\$717.0) million in 2014 is higher by \$49.2 million.

Full-time positions total 6,944 in the 2014 Preliminary Budget, with 6,193 non-reimbursable positions and 751 reimbursable positions. Compared to the 2013 Mid-Year Forecast, this reflects a total increase of 36 positions, an increase of 52 non-reimbursable positions and a decrease of 16 reimbursable positions. The major driver of the non-reimbursable headcount change are due to open positions in the Maintenance of Equipment department in 2013 which are projected to be filled by the 2014 Preliminary Budget. The LIRR has an aggressive hiring plan to fill these vacant positions in 2013.

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 2016 and 2017, the LIRR financial plan reflects the ramp-up costs for East Side Access.

The baseline projections for 2015-2017 reflect these various impacts. Non-reimbursable revenues grow by less than 1% in each year, while Reimbursable revenues decreases by 9.4% in 2015, 3.8% in 2016 and increases by 0.1% 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 4.0% from \$1,372.0 million in 2014 to \$1,426.9 million in 2015. They continue to rise by 6.1% in 2016 and 6.9% in 2017, reaching \$1,618.3 million. The higher rate of growth in the out-years is primarily due to East Side Access readiness efforts. Reimbursable expenses decrease by 9.4% in 2015, 3.8% in 2016 and increase by 0.1% in 2017.

On a year-to-year basis, Baseline positions increase by 166 positions in 2015, 253 positions in 2016 and 218 positions in 2017. These increases are primarily related to East Side Access. For the period 2015 to 2017, reimbursable positions decrease by 20 in 2015, 65 in 2016 and remain unchanged in 2017, reflecting the anticipated level of Capital activity and the completion of Sandy reconstruction projects.

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

NON-REIMBURSABLE						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Operating Revenue						
Farebox Revenue	\$581.371	\$631.274	\$644.690	\$648.735	\$652.341	\$655.253
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	63.718	71.647	51.229	46.355	47.637	47.534
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$645.089	\$702.921	\$695.919	\$695.090	\$699.978	\$702.787
Operating Expenses						
<u>Labor:</u>						
Payroll	\$407.904	\$432.389	\$447.845	\$472.342	\$504.250	\$537.284
Overtime	90.276	89.223	81.193	82.571	83.224	84.194
Health and Welfare	85.795	94.679	109.071	115.475	128.884	142.405
OPEB Current Payment	54.845	62.966	70.618	73.391	78.676	84.333
Pensions	164.459	183.770	177.219	179.222	183.608	185.077
Other Fringe Benefits	98.779	111.487	114.659	120.897	128.752	135.525
Reimbursable Overhead	(22.511)	(24.056)	(26.330)	(19.758)	(18.871)	(16.670)
Total Labor Expenses	\$879.546	\$950.458	\$974.275	\$1,024.140	\$1,088.523	\$1,152.148
<u>Non-Labor:</u>						
Electric Power	\$89.144	\$101.265	\$104.340	\$107.889	\$111.598	\$115.909
Fuel	26.374	31.355	30.662	30.151	30.849	31.813
Insurance	15.617	19.613	23.951	27.903	32.536	38.010
Claims	5.665	4.085	4.156	4.229	4.303	4.370
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	53.026	63.598	66.027	63.268	69.507	88.257
Professional Service Contracts	30.497	34.638	30.958	29.598	29.420	30.465
Materials & Supplies	88.365	109.185	122.146	123.934	131.001	140.454
Other Business Expenses	34.465	13.533	15.447	15.767	16.453	16.870
Total Non-Labor Expenses	\$343.154	\$377.272	\$397.687	\$402.739	\$425.667	\$466.148
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjts.	\$1,222.700	\$1,327.730	\$1,371.962	\$1,426.879	\$1,514.190	\$1,618.296
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
Total Expenses	\$1,626.667	\$1,734.525	\$1,770.024	\$1,836.776	\$1,929.892	\$2,037.223
Baseline Surplus/(Deficit)	(\$981.578)	(\$1,031.604)	(\$1,074.105)	(\$1,141.686)	(\$1,229.914)	(\$1,334.436)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$317.340	\$322.744	\$311.549	\$320.849	\$324.042	\$327.267
Operating/Capital	(4.840)	(27.569)	(24.654)	(11.964)	(12.134)	(12.345)
Other Cash Adjustment	77.446	68.580	70.189	72.160	69.668	66.490
Total Cash Conversion Adjustments	\$389.945	\$363.755	\$357.084	\$381.045	\$381.576	\$381.412
Net Cash Surplus/(Deficit)	(\$591.633)	(\$667.849)	(\$717.021)	(\$760.641)	(\$848.338)	(\$953.024)

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

NON-REIMBURSABLE / REIMBURSABLE						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Revenue						
Farebox Revenue	\$581.371	\$631.274	\$644.690	\$648.735	\$652.341	\$655.253
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	63.718	71.647	51.229	46.355	47.637	47.534
Capital and Other Reimbursements	190.936	236.819	270.686	245.164	235.781	235.989
Total Revenue	\$836.025	\$939.740	\$966.605	\$940.254	\$935.759	\$938.776
Expenses						
<u>Labor:</u>						
Payroll	\$469.859	\$510.157	\$538.920	\$563.691	\$592.006	\$626.020
Overtime	103.515	104.427	95.012	95.706	95.505	96.705
Health and Welfare	97.577	108.884	125.319	131.682	144.244	157.944
OPEB Current Payment	54.845	62.966	70.618	73.391	78.676	84.333
Pensions	186.501	203.006	198.858	200.788	204.194	205.904
Other Fringe Benefits	112.318	128.091	134.227	140.416	147.251	154.239
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$1,024.615	\$1,117.531	\$1,162.954	\$1,205.674	\$1,261.876	\$1,325.145
<u>Non-Labor:</u>						
Electric Power	\$89.337	\$101.265	\$104.340	\$107.889	\$111.598	\$115.909
Fuel	26.374	31.355	30.662	30.151	30.849	31.813
Insurance	19.263	24.265	29.642	33.674	37.897	43.432
Claims	5.665	4.085	4.156	4.229	4.303	4.370
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	65.371	75.867	78.309	73.592	79.793	98.575
Professional Service Contracts	31.967	41.947	34.609	32.921	32.594	33.553
Materials & Supplies	116.010	154.416	181.122	168.043	174.510	184.519
Other Business Expenses	35.033	13.818	16.854	15.870	16.551	16.969
Total Non-Labor Expenses	\$389.020	\$447.018	\$479.694	\$466.369	\$488.095	\$529.140
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjts.	\$1,413.636	\$1,564.549	\$1,642.648	\$1,672.043	\$1,749.971	\$1,854.285
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
Total Expenses	\$1,817.603	\$1,971.344	\$2,040.710	\$2,081.940	\$2,165.673	\$2,273.212
Baseline Surplus/(Deficit)	(\$981.578)	(\$1,031.604)	(\$1,074.105)	(\$1,141.686)	(\$1,229.914)	(\$1,334.436)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$317.340	\$322.744	\$311.549	\$320.849	\$324.042	\$327.267
Operating/Capital	(4.840)	(27.569)	(24.654)	(11.964)	(12.134)	(12.345)
Other Cash Adjustment	77.446	68.580	70.189	72.160	69.668	66.490
Total Cash Conversion Adjustments	\$389.945	\$363.755	\$357.084	\$381.045	\$381.576	\$381.412
Net Cash Surplus/(Deficit)	(\$591.633)	(\$667.849)	(\$717.021)	(\$760.641)	(\$848.338)	(\$953.024)

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

CASH RECEIPTS AND EXPENDITURES						
	2012	2013	2014			
	Actual	Mid-Year	Preliminary	2015	2016	2017
		Forecast	Budget			
Receipts						
Farebox Revenue	\$606.767	\$656.997	\$669.690	\$673.735	\$677.341	\$680.253
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	41.670	114.345	43.564	38.429	39.443	39.034
Capital and Other Reimbursements	203.686	205.931	239.653	226.698	216.786	216.682
Total Receipts	\$852.122	\$977.273	\$952.907	\$938.862	\$933.570	\$935.969
Expenditures						
<u>Labor:</u>						
Payroll	\$476.980	\$510.404	\$536.285	\$561.000	\$589.254	\$623.275
Overtime	102.957	104.427	95.012	95.706	95.505	96.705
Health and Welfare	99.888	108.884	125.319	131.682	144.244	157.944
OPEB Current Payment	54.752	62.966	70.618	73.391	78.676	84.333
Pensions	187.173	203.701	198.858	200.788	204.194	205.904
Other Fringe Benefits	103.975	140.491	134.227	140.416	147.251	154.239
GASB Account	10.010	12.593	14.124	14.678	15.735	16.867
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$1,035.734	\$1,143.466	\$1,174.443	\$1,217.661	\$1,274.859	\$1,339.267
<u>Non-Labor:</u>						
Electric Power	\$84.058	\$140.636	\$104.340	\$107.889	\$111.598	\$115.909
Fuel	27.475	31.703	30.662	30.151	30.849	31.813
Insurance	26.528	22.079	30.309	33.453	37.690	44.204
Claims	7.142	2.425	2.346	2.400	2.455	2.505
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	77.095	83.810	78.309	73.592	79.793	98.575
Professional Service Contracts	23.406	43.209	31.259	29.414	28.921	29.706
Materials & Supplies	123.795	134.838	176.838	164.520	174.654	185.520
Other Business Expenses	11.038	17.956	16.422	15.423	16.089	16.494
Total Non-Labor Expenditures	\$380.537	\$476.656	\$470.485	\$456.842	\$482.049	\$524.726
<u>Other Expenditure Adjustments:</u>						
Other	25.684	25.000	25.000	25.000	25.000	25.000
Total Other Expenditure Adjustments	\$25.684	\$25.000	\$25.000	\$25.000	\$25.000	\$25.000
Total Expenditures	\$1,441.955	\$1,645.122	\$1,669.928	\$1,699.503	\$1,781.908	\$1,888.993
Cash Timing and Availability Adjustment	(1.799)	-	-	-	-	-
Baseline Cash Surplus/(Deficit)	(\$591.632)	(\$667.849)	(\$717.021)	(\$760.641)	(\$848.338)	(\$953.024)

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

CASH FLOW ADJUSTMENTS						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	\$25.396	\$25.723	\$25.000	\$25.000	\$25.000	\$25.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(22.048)	42.698	(7.665)	(7.926)	(8.194)	(8.500)
Capital and Other Reimbursements	12.750	(30.888)	(31.033)	(18.466)	(18.995)	(19.307)
Total Receipts	\$16.097	\$37.533	(\$13.698)	(\$1.392)	(\$2.189)	(\$2.807)
Expenditures						
<u>Labor:</u>						
Payroll	(\$7.121)	(\$0.247)	\$2.635	\$2.691	\$2.752	\$2.745
Overtime	0.558	-	-	-	-	-
Health and Welfare	(2.311)	-	-	-	-	-
OPEB Current Payment	0.093	-	-	-	-	-
Pensions	(0.672)	(0.695)	-	-	-	-
Other Fringe Benefits	8.343	(12.400)	-	-	-	-
GASB Account	(10.010)	(12.593)	(14.124)	(14.678)	(15.735)	(16.867)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$11.119)	(\$25.935)	(\$11.489)	(\$11.987)	(\$12.983)	(\$14.122)
<u>Non-Labor:</u>						
Electric Power	\$5.279	(\$39.371)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(1.101)	(0.348)	-	-	-	-
Insurance	(7.265)	2.186	(0.667)	0.221	0.207	(0.772)
Claims	(1.477)	1.660	1.810	1.829	1.848	1.865
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(11.724)	(7.943)	-	-	-	-
Professional Service Contracts	8.561	(1.262)	3.350	3.507	3.673	3.847
Materials & Supplies	(7.784)	19.578	4.284	3.523	(0.144)	(1.001)
Other Business Expenditures	23.995	(4.138)	0.432	0.447	0.462	0.475
Total Non-Labor Expenditures	\$8.483	(\$29.638)	\$9.209	\$9.527	\$6.046	\$4.414
<u>Other Expenditures Adjustments:</u>						
Other	(25.684)	(25.000)	(25.000)	(25.000)	(25.000)	(25.000)
Total Other Expenditures Adjustments	(\$25.684)	(\$25.000)	(\$25.000)	(\$25.000)	(\$25.000)	(\$25.000)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$12.222)	(\$43.040)	(\$40.978)	(\$28.852)	(\$34.126)	(\$37.515)
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)	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$389.945	\$363.755	\$357.084	\$381.045	\$381.576	\$381.412

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

		Total		
NON-REIMBURSABLE OVERTIME		Hours	\$	%
<u>Scheduled Service</u>		361,327	\$18.5	20.7%
<u>Unscheduled Service</u>		123,597	6.4	7.2%
<u>Programmatic/Routine Maintenance</u>		506,151	23.6	26.4%
<u>Unscheduled Maintenance</u>		15,074	0.7	0.8%
<u>Vacancy/Absentee Coverage</u>		671,219	33.1	37.1%
<u>Weather Emergencies</u>		105,513	5.5	6.1%
<u>Safety/Security/Law Enforcement</u>		0	0.0	0.0%
<u>Other</u>		18,707	1.5	1.7%
	Subtotal	1,801,588	\$89.2	100.0%
REIMBURSABLE OVERTIME		300,549	\$15.2	
TOTAL OVERTIME		2,102,137	\$104.4	

MTA LONG ISLAND RAIL ROAD
2014 Preliminary Budget
July 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 0.6% 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 Mid-Year Forecast due to timing of Federal Transportation Administration (FTA) reimbursement for Sandy.
- Excluding real estate sales in 2013 and 2014 and timing of reimbursements for 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

- 2013 - 2017 includes increases for non-represented employees of 1.97%, 1.91%, 1.85%, 1.85% and 1.89% respectively.
- 2013 - 2017 includes increases for represented employees of 1.97%, 1.91%, 1.85%, 1.85% and 1.89% respectively (all increases effective July 1 of each year).
- 2013 - 2014 increase is due to projected wage assumptions and position increases pertaining to the RCM and East Side Access readiness efforts.
- Almost all the headcount increases from 2015 – 2017 are related to East Side Access.

Overtime

- 2013 - 2014 decrease of \$9.4 million or 9.0% is primarily associated with the assumption that a significant number of vacant craft positions will be filled by 2013, resulting in improved availability and lower weather-related overtime.
- 2015 - 2017 changes primarily reflect normal wage growth and changes in project activity.

Health & Welfare

- 2013 – 2017 reflects an annual NYSHIP rate increase of approximately 2.3% (2013), 10.9%, 2.0%, 5.3% and 5.3% (2017) for individual coverage and 5.2% (2013), 11.5%, 3.1% and 6.4% (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 bases 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 assumed to increase by CPI.

Electric Power

- 2013 is based on actuals through March 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 March and reflects the latest LIRR consumption estimates 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 March 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 Elevator Maintenance major overhaul program.
- 2014 – 2015 reduction due to completion of elevator maintenance overhaul program and capital project activity.
- 2016 - 2017 includes East Side Access readiness efforts.

Professional Service Contracts

- 2013 – 2014 decrease reflects lower system initiative costs and lower Sandy related expenses.
- 2015 – 2016 decreases due to lower system initiative costs, 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 – 2016 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 concrete tie reimbursement and normal inflationary increases.
- 2016-2017 include 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.

MTA LONG ISLAND RAILROAD
July 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
Revenue									
Farebox Revenue	\$631.274	\$644.690	\$13.416	\$648.735	\$4.045	\$652.341	\$3.606	\$655.253	\$2.912
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	71.647	51.229	(20.418)	46.355	(4.874)	47.637	1.282	47.534	(0.103)
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$702.921	\$695.919	(\$7.002)	\$695.090	(\$0.829)	\$699.978	\$4.888	\$702.787	\$2.809
Expenses									
Labor:									
Payroll	\$432.389	\$447.845	(15.456)	\$472.342	(\$24.497)	\$504.250	(\$31.908)	\$537.284	(\$33.034)
Overtime	89.223	81.193	8.030	82.571	(1.378)	83.224	(0.653)	84.194	(0.970)
Health and Welfare	94.679	109.071	(14.392)	115.475	(6.404)	128.884	(13.409)	142.405	(13.521)
OPEB Current Payment	62.966	70.618	(7.652)	73.391	(2.773)	78.676	(5.285)	84.333	(5.657)
Pensions	183.770	177.219	6.551	179.222	(2.003)	183.608	(4.386)	185.077	(1.469)
Other Fringe Benefits	111.487	114.659	(3.172)	120.897	(6.238)	128.752	(7.855)	135.525	(6.773)
Reimbursable Overhead	(24.056)	(26.330)	2.274	(19.758)	(6.572)	(18.871)	(0.887)	(16.670)	(2.201)
Total Labor Expenses	\$950.458	\$974.275	(\$23.817)	\$1,024.140	(\$49.865)	\$1,088.523	(\$64.383)	\$1,152.148	(\$63.625)
Non-Labor:									
Electric Power	\$101.265	\$104.340	(\$3.075)	\$107.889	(\$3.549)	\$111.598	(\$3.709)	\$115.909	(\$4.311)
Fuel	31.355	30.662	0.693	30.151	0.511	30.849	(0.698)	31.813	(0.964)
Insurance	19.613	23.951	(4.338)	27.903	(3.952)	32.536	(4.633)	38.010	(5.474)
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	63.598	66.027	(2.429)	63.268	2.759	69.507	(6.239)	88.257	(18.750)
Professional Service Contracts	34.638	30.958	3.680	29.598	1.360	29.420	0.178	30.465	(1.045)
Materials & Supplies	109.185	122.146	(12.961)	123.934	(1.788)	131.001	(7.067)	140.454	(9.453)
Other Business Expenses	13.533	15.447	(1.914)	15.767	(0.320)	16.453	(0.686)	16.870	(0.417)
Total Non-Labor Expenses	\$377.272	\$397.687	(\$20.415)	\$402.739	(\$5.052)	\$425.667	(\$22.928)	\$466.148	(\$40.481)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adj.	\$1,327.730	\$1,371.962	(\$44.232)	\$1,426.879	(\$54.917)	\$1,514.190	(\$87.311)	\$1,618.296	(\$104.106)
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
Total Expenses	\$1,734.525	\$1,770.024	(\$35.499)	\$1,836.776	(\$66.752)	\$1,929.892	(\$93.116)	\$2,037.223	(\$107.331)
Baseline Net Surplus/(Deficit)	(\$1,031.604)	(\$1,074.105)	(\$42.501)	(\$1,141.686)	(\$67.581)	(\$1,229.914)	(\$88.228)	(\$1,334.436)	(\$104.522)

REIMBURSABLE

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MTA LONG ISLAND RAILROAD
July 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
Revenue									
Farebox Revenue	\$631.274	\$644.690	\$13.416	\$648.735	\$4.045	\$652.341	\$3.606	\$655.253	\$2.912
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	71.647	51.229	(20.418)	46.355	(4.874)	47.637	1.282	47.534	(0.103)
Capital and Other Reimbursements	236.819	270.686	33.867	245.164	(25.522)	235.781	(9.383)	235.989	0.208
Total Revenue	\$939.740	\$966.605	\$26.865	\$940.254	(\$26.351)	\$935.759	(\$4.495)	\$938.776	\$3.017
Expenses									
Labor:									
Payroll	\$510.157	\$538.920	(\$28.763)	\$563.691	(\$24.771)	\$592.006	(\$28.315)	\$626.020	(\$34.014)
Overtime	104.427	95.012	9.415	95.706	(0.694)	95.505	0.201	96.705	(1.200)
Health and Welfare	108.884	125.319	(16.435)	131.682	(6.363)	144.244	(12.562)	157.944	(13.700)
OPEB Current Payment	62.966	70.618	(7.652)	73.391	(2.773)	78.676	(5.285)	84.333	(5.657)
Pensions	203.006	198.858	4.148	200.788	(1.930)	204.194	(3.406)	205.904	(1.710)
Other Fringe Benefits	128.091	134.227	(6.136)	140.416	(6.189)	147.251	(6.835)	154.239	(6.988)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$1,117.531	\$1,162.954	(\$45.423)	\$1,205.674	(\$42.720)	\$1,261.876	(\$56.202)	\$1,325.145	(\$63.269)
Non-Labor:									
Electric Power	\$101.265	\$104.340	(\$3.075)	\$107.889	(\$3.549)	\$111.598	(\$3.709)	\$115.909	(\$4.311)
Fuel	31.355	30.662	0.693	30.151	0.511	30.849	(0.698)	31.813	(0.964)
Insurance	24.265	29.642	(5.377)	33.674	(4.032)	37.897	(4.223)	43.432	(5.535)
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	75.867	78.309	(2.442)	73.592	4.717	79.793	(6.201)	98.575	(18.782)
Professional Service Contracts	41.947	34.609	7.338	32.921	1.688	32.594	0.327	33.553	(0.959)
Materials & Supplies	154.416	181.122	(26.706)	168.043	13.079	174.510	(6.467)	184.519	(10.009)
Other Business Expenses	13.818	16.854	(3.036)	15.870	0.984	16.551	(0.681)	16.969	(0.418)
Total Non-Labor Expenses	\$447.018	\$479.694	(\$32.676)	\$466.369	\$13.325	\$488.095	(\$21.726)	\$529.140	(\$41.045)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,564.549	\$1,642.648	(\$78.099)	\$1,672.043	(\$29.395)	\$1,749.971	(\$77.928)	\$1,854.285	(\$104.314)
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
Total Expenses	\$1,971.344	\$2,040.710	(\$69.366)	\$2,081.940	(\$41.230)	\$2,165.673	(\$83.733)	\$2,273.212	(\$107.539)
Baseline Net Surplus/(Deficit)	(\$1,031.604)	(\$1,074.105)	(\$42.501)	(\$1,141.686)	(\$67.581)	(\$1,229.914)	(\$88.228)	(\$1,334.436)	(\$104.522)

MTA LONG ISLAND RAILROAD
July 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
Receipts									
Farebox Revenue	\$656.997	\$669.690	\$12.693	\$673.735	\$4.045	\$677.341	\$3.606	\$680.253	\$2.912
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	114.345	43.564	(70.781)	38.429	(5.135)	39.443	1.014	39.034	(0.409)
Capital and Other Reimbursements	205.931	239.653	33.722	226.698	(12.955)	216.786	(9.912)	216.682	(0.104)
Total Receipts	\$977.273	\$952.907	(\$24.366)	\$938.862	(\$14.045)	\$933.570	(\$5.292)	\$935.969	\$2.399
Expenditures									
Labor:									
Payroll	\$510.404	\$536.285	(\$25.881)	\$561.000	(\$24.715)	\$589.254	(\$28.254)	\$623.275	(\$34.021)
Overtime	104.427	95.012	9.415	95.706	(0.694)	95.505	0.201	96.705	(1.200)
Health and Welfare	108.884	125.319	(16.435)	131.682	(6.363)	144.244	(12.562)	157.944	(13.700)
OPEB Current Payment	62.966	70.618	(7.652)	73.391	(2.773)	78.676	(5.285)	84.333	(5.657)
Pensions	203.701	198.858	4.843	200.788	(1.930)	204.194	(3.406)	205.904	(1.710)
Other Fringe Benefits	140.491	134.227	6.264	140.416	(6.189)	147.251	(6.835)	154.239	(6.988)
GASB Account	12.593	14.124	(1.531)	14.678	(0.554)	15.735	(1.057)	16.867	(1.132)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1,143.466	\$1,174.443	(\$30.977)	\$1,217.661	(\$43.218)	\$1,274.859	(\$57.198)	\$1,339.267	(\$64.408)
Non-Labor:									
Electric Power	\$140.636	\$104.340	\$36.296	\$107.889	(\$3.549)	\$111.598	(\$3.709)	\$115.909	(\$4.311)
Fuel	31.703	30.662	1.041	30.151	0.511	30.849	(0.698)	31.813	(0.964)
Insurance	22.079	30.309	(8.230)	33.453	(3.144)	37.690	(4.237)	44.204	(6.514)
Claims	2.425	2.346	0.079	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	83.810	78.309	5.501	73.592	4.717	79.793	(6.201)	98.575	(18.782)
Professional Service Contracts	43.209	31.259	11.950	29.414	1.845	28.921	0.493	29.706	(0.785)
Materials & Supplies	134.838	176.838	(42.000)	164.520	12.318	174.654	(10.134)	185.520	(10.866)
Other Business Expenses	17.956	16.422	1.534	15.423	0.999	16.089	(0.666)	16.494	(0.405)
Total Non-Labor Expenditures	\$476.656	\$470.485	\$6.171	\$456.842	\$13.643	\$482.049	(\$25.207)	\$524.726	(\$42.677)
Other Expenditure Adjustments:									
Other	\$25.000	\$25.000	0.000	\$25.000	0.000	\$25.000	0.000	\$25.000	0.000
Total Other Expenditure Adjustments	\$25.000	\$25.000	\$0.000	\$25.000	\$0.000	\$25.000	\$0.000	\$25.000	\$0.000
Total Expenditures	\$1,645.122	\$1,669.928	(\$24.806)	\$1,699.503	(\$29.575)	\$1,781.908	(\$82.405)	\$1,888.993	(\$107.085)
Cash Timing and Availability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Baseline Net Cash Deficit	(\$667.849)	(\$717.021)	(\$49.172)	(\$760.641)	(\$43.620)	(\$848.338)	(\$87.697)	(\$953.024)	(\$104.686)

MTA LONG ISLAND RAIL ROAD
2014 Preliminary Budget
July Financial Plan 2014 - 2017
Summary of Major Plan-To-Plan Changes

2013: Mid-Year Forecast vs. Adopted Budget

2013 Mid-Year Forecast is based on actual performance through March with projections for April through December based on current trends and known activities.

Revenue

- Passenger Revenue is slightly unfavorable to plan primarily due to overall lower ridership, partially offset by higher than anticipated ridership to Barclay's Arena.
- Other Operating Revenue is favorable due to timing of Sandy reimbursement and a new leased line revenue agreement.
- 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 and lower projected sick/retiree payments, partially offset by increased headcount associated with reimbursable activity.
- Overtime - increased as a result of inclement weather, 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 Maintenance of Equipment department positions by end of 2013.
- Health and Welfare costs are lower due to lower rates and average number of vacant positions.
- OPEB Current Payment costs are lower due to lower rates.
- Pension is higher due to latest actuarial estimate and Sandy-related expenses.
- Lower Electric Power is due to lower inflationary growth assumptions.
- Higher Maintenance and other Operating Contracts are due to a re-estimate of various maintenance and other operating contracts, partially offset by timing of elevator maintenance and expenses associated with the concrete tie replacement program.
- Higher Professional Services primarily due to Sandy-related expenses.
- Other Business Expense is unfavorable as a result of a change in methodology for accounting for the concrete tie replacement reimbursement.

2014 - 2017: July Financial Plan vs. February Financial Plan

Revenue

- Passenger Revenue is higher than the February Financial Plan due to higher ridership to Barclay's Arena, partially offset by lower ridership overall.
- Other Operating Revenue is favorable due to higher Sandy-related reimbursements and a new leased line revenue agreement.
- Capital and Other Reimbursements are higher primarily resulting from higher project activity.

Expense

- Payroll - increases from the Adopted Budget due to higher headcount.
- Overtime - increases primarily driven by Montauk seasonal service, additional support in the Public Information Office, West Side Yard shop displacement, rolling stock production plan revisions, traction motor rebuilds and project activity.
- Health and Welfare costs increase due to higher rates and headcount in 2014, and decrease in 2015 and 2016 due to lower rates partially offset by higher headcount.
- OPEB Current Payment costs increase in 2014 due to higher rates and decrease in 2015 and 2016 due to lower rates.
- Pension costs decrease based on latest actuarial estimates.
- Electric Power decreases, reflecting lower rates.
- Insurance increases and is related to higher property insurance, partially offset by lower liability insurance and a reduction in the Force Account Insurance rate from 16% to 12%.
- Higher Maintenance and other Operating Contracts are due to a re-estimate of various maintenance and other operating contracts, higher elevator/escalator maintenance and higher joint facility costs.
- Professional Services are higher each year due to various IT initiatives.
- Material & Supplies change each year due to a re-estimate of material needs associated with the RCM program and operating funded capital.
- Other Business Expense is unfavorable as a result of a change in methodology for accounting for the concrete tie replacement reimbursement.

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

NON-REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash Income/(Deficit)	(\$647.213)	(\$692.280)	(\$748.307)	(\$844.909)
Baseline Changes				
Revenue				
Farebox Revenue	(\$0.202)	\$1.760	\$1.121	\$1.263
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	20.578	5.888	0.160	7.048
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	\$20.376	\$7.648	\$1.281	\$8.311
Expenses				
Labor:				
Payroll and Overtime	(\$10.309)	(\$4.584)	(\$3.477)	(\$3.840)
Health and Welfare	8.280	(2.586)	2.438	3.630
OPEB Current Payment	3.881	(1.514)	1.066	1.602
Pensions	(1.814)	1.546	2.291	2.064
Other Fringe Benefits	(2.071)	(1.501)	(1.203)	(1.311)
Reimbursable Overhead	0.920	1.666	1.570	0.112
Total Labor Expense Changes	(\$1.113)	(\$6.973)	\$2.686	\$2.257
Non-Labor:				
Electric Power	\$2.630	\$4.495	\$6.089	\$8.032
Fuel	(0.184)	(0.028)	(0.251)	0.794
Insurance	(1.952)	(3.524)	(4.195)	(4.982)
Claims	(0.684)	(0.700)	(0.716)	(0.733)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(3.282)	(9.147)	(6.380)	(6.416)
Professional Service Contracts	(2.249)	(1.158)	(1.296)	(0.113)
Materials & Supplies	(0.713)	(3.402)	(3.695)	(5.068)
Other Business Expenses	(3.079)	(1.606)	(0.409)	(0.401)
Total Non-Labor Expense Changes	(\$9.513)	(\$15.070)	(\$10.853)	(\$8.887)
Total Expense Changes before Depreciation and GASB Adjs.	(\$10.626)	(\$22.043)	(\$8.168)	(\$6.631)
Depreciation	(\$13.095)	(\$12.900)	(\$13.200)	(\$7.210)
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$23.721)	(\$34.943)	(\$21.368)	(\$13.841)
Cash Adjustment Changes				
Timing from 2012	(\$31.588)			
GASB	(1.897)	(1.712)	(1.706)	(1.353)
Insurance	0.093	(0.125)	(0.139)	(0.168)
LIPA Settlement annual cash adjustments removed	(3.543)	(3.357)	(3.158)	(2.946)
Environmental Contingency now in Operating Budget/Forecast	0.500	0.500	0.500	0.500
Sandy Material Replenishment	(0.985)			
Advertising Revenue	(0.208)			
Claims Reserve	(0.132)			
Concrete Tie	4.952	1.414	0.333	0.333
Vendor Settlement	1.300			
Depreciation/OPEB/Environmental Remediation	13.095	12.900	13.200	7.210
Other Misc	(0.874)	0.137	0.034	(0.066)
Total Cash Adjustment Changes	(\$19.288)	\$9.757	\$9.064	\$3.510
Total Baseline Changes	(\$22.633)	(\$17.538)	(\$11.022)	(\$2.019)
Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)	(\$669.846)	(\$709.818)	(\$759.329)	(\$846.928)

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

REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	(6.750)	14.451	8.484	0.186
Total Revenue Changes	(\$6.750)	\$14.451	\$8.484	\$0.186
Expenses				
<i>Labor:</i>				
Payroll and Overtime	\$1.058	(\$4.236)	(\$4.120)	(\$0.100)
Health and Welfare	0.073	(0.700)	(0.722)	(0.046)
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	(0.192)	(0.946)	(0.891)	(0.064)
Other Fringe Benefits	0.592	(0.843)	(0.870)	(0.055)
Reimbursable Overhead	(0.920)	(1.666)	(1.570)	(0.112)
Total Labor Expense Changes	\$0.611	(\$8.391)	(\$8.173)	(\$0.377)
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	2.030	1.775	1.642	1.959
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.365	(0.514)	(0.530)	(0.390)
Professional Service Contracts	(0.800)	(1.093)	(1.293)	(1.368)
Materials & Supplies	2.470	(6.222)	(0.127)	(0.008)
Other Business Expenses	1.076	(0.004)	(0.004)	0.000
Total Non-Labor Expense Changes	\$6.139	(\$6.059)	(\$0.311)	\$0.191
Total Expense Changes	\$6.750	(\$14.451)	(\$8.484)	(\$0.186)
Cash Adjustment Changes				
Timing from 2012	3.160			
Operating Funded Capital	(1.164)	(7.203)	(1.311)	(1.410)
Total Cash Adjustment Changes	\$1.996	(\$7.203)	(\$1.311)	(\$1.410)
Total Baseline Changes	\$1.996	(\$7.203)	(\$1.311)	(\$1.410)
Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)	\$1.996	(\$7.203)	(\$1.311)	(\$1.410)

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

NON-REIMBURSABLE/REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash Income/(Deficit)	(\$647.213)	(\$692.280)	(\$748.307)	(\$844.909)
Baseline Changes				
Revenue				
Farebox Revenue	(\$0.202)	\$1.760	\$1.121	\$1.263
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	20.578	5.888	0.160	7.048
Capital and Other Reimbursement	(6.750)	14.451	8.484	0.186
Total Revenue Changes	\$13.626	\$22.099	\$9.765	\$8.497
Expenses				
Labor:				
Payroll and Overtime	(\$9.251)	(\$8.820)	(\$7.597)	(\$3.940)
Health and Welfare	8.353	(3.286)	1.716	3.584
OPEB Current Payment	3.881	(1.514)	1.066	1.602
Pensions	(2.006)	0.600	1.400	2.000
Other Fringe Benefits	(1.479)	(2.344)	(2.073)	(1.366)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$0.502)	(\$15.364)	(\$5.487)	\$1.880
Non-Labor:				
Electric Power	\$2.630	\$4.495	\$6.089	\$8.032
Fuel	(0.184)	(0.028)	(0.251)	0.794
Insurance	0.078	(1.749)	(2.553)	(3.023)
Claims	(0.684)	(0.700)	(0.716)	(0.733)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(1.917)	(9.661)	(6.910)	(6.806)
Professional Service Contracts	(3.049)	(2.251)	(2.589)	(1.481)
Materials & Supplies	1.757	(9.624)	(3.822)	(5.076)
Other Business Expenses	(2.003)	(1.610)	(0.413)	(0.401)
Total Non-Labor Expense Changes	(\$3.374)	(\$21.130)	(\$11.165)	(\$8.696)
Total Expense Changes before Depreciation and GASB Adjs.	(\$3.876)	(\$36.494)	(\$16.652)	(\$6.816)
Depreciation	(\$13.095)	(\$12.900)	(\$13.200)	(\$7.210)
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$16.971)	(\$49.394)	(\$29.852)	(\$14.027)
Cash Adjustment Changes				
Timing from 2012	(\$28.428)	\$0.000	\$0.000	\$0.000
GASB	(1.897)	(1.712)	(1.706)	(1.353)
Operating Funded Capital	(1.164)	(7.203)	(1.311)	(1.410)
Insurance	0.093	(0.125)	(0.139)	(0.168)
LIPA Settlement annual cash adjustments removed	(3.543)	(3.357)	(3.158)	(2.946)
Environmental Contingency now in Operating Budget/Forecast	0.500	0.500	0.500	0.500
Sandy Material Replenishment	(0.985)	0.000	0.000	0.000
Advertising Revenue	(0.208)	0.000	0.000	0.000
Claims Reserve	(0.132)	0.000	0.000	0.000
Concrete Tie	4.952	1.414	0.333	0.333
Vendor Settlement	1.300	0.000	0.000	0.000
Depreciation/OPEB/Environmental Remediation	13.095	12.900	13.200	7.210
Other Misc	(0.874)	0.137	0.034	(0.066)
Total Cash Adjustment Changes	(\$17.292)	\$2.554	\$7.753	\$2.100
Total Baseline Changes	(\$20.636)	(\$24.741)	(\$12.334)	(\$3.429)
Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)	(\$667.849)	(\$717.021)	(\$760.641)	(\$848.338)

MTA LONG ISLAND RAILROAD
July Financial Plan 2014-2017
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash Income/(Deficit)	(\$647.213)	(\$692.280)	(\$748.307)	(\$844.909)
Non-Reimbursable Major Changes				
Revenue				
Farebox Revenue	(\$4.327)	(\$2.365)	(\$3.004)	(\$2.862)
Farebox Revenue - Increased Ridership to Atlantic Terminal	4.125	4.125	4.125	4.125
Other Operating Revenue	(0.012)	0.110	0.106	0.101
Property Sale		2.400		
Superstorm Sandy Reimbursement	14.072	(3.569)	(6.894)	
Leased line revenue Settlement	6.518	6.947	6.948	6.947
Sub-Total Non-Reimbursable Revenue Changes	\$20.376	\$7.648	\$1.281	\$8.311
Expenses				
Overtime (Crew book, Availability, Maintenance, & Training)	(\$0.975)	\$0.000	\$0.000	\$0.000
PSNY Joint Facility Agreement (Amtrak)	(0.462)	(0.462)	(0.462)	(0.462)
Reliability Centered Maintenance and Rolling Stock Modification Updates	(1.287)	(5.312)	(5.282)	(2.574)
Weather Related Overtime	(3.276)	0.000	0.000	0.000
Montauk Summer Service: Ridership Demands and Crowding	(1.349)	(1.440)	(1.434)	(1.470)
Sports & Special Events	(0.311)	(0.142)	(0.140)	(0.049)
Elevators and Escalators Maintenance	1.141	(3.308)	(1.543)	(1.635)
Real estate/Facility Consolidation	0.000	(6.100)	0.476	0.491
Non-payroll Adjustments - Miscellaneous	(4.406)	(5.605)	(5.228)	(5.136)
All Agency EVPL Network Savings	0.129	0.129	0.129	0.129
Payroll Rates, Open Positions and Vacancy Rate Adjustments	(1.408)	3.774	3.266	1.010
Revised Projection for Retiree Sick Payouts	2.000	2.000	2.000	2.000
Concrete Tie Replacement	(3.834)	(1.510)	(0.333)	(0.333)
Health and Welfare Rate Adjustment	10.424	(3.903)	3.063	4.638
Utility Rate Adjustment - Fuel	(0.062)	0.225	0.000	1.051
Utility Rate Adjustment - Power	5.228	7.787	9.381	11.310
West Side Shop Temporary Closure/Relocation	0.272	0.645	0.324	-
Insurance	(1.951)	(3.524)	(4.202)	(4.982)
Rail Road Retirement Tier 2 Tax Increase	(2.635)	(2.803)	(2.965)	(3.154)
Superstorm Sandy Residual Initial Response Costs	(5.284)			(3.000)
Operating Budget Impact of Major Capital Investments				(3.000)
New Fare Payment System	(0.698)	(2.641)	(1.587)	(1.694)
Enterprise Asset Management System	(0.273)	(1.043)	(1.080)	(1.108)
Increased Maintenance Post-Superstorm Sandy	-	(0.428)	(0.437)	(0.448)
Other Misc.	(1.609)	1.619	(2.113)	(1.214)
Depreciation, OPEB, Environmental Remediation	(13.095)	(12.900)	(13.200)	(7.210)
Sub-Total Non-Reimbursable Expense Changes	(\$23.721)	(\$34.943)	(\$21.368)	(\$13.841)
Total Non-Reimbursable Major Changes	(\$3.345)	(\$27.295)	(\$20.087)	(\$5.530)
Reimbursable Major Changes				
Revenue				
Capital and Other Reimbursement	(6.750)	14.451	8.484	0.186
Sub-Total Reimbursable Revenue Changes	(\$6.750)	\$14.451	\$8.484	\$1.186
Expenses				
Other Misc	6.750	(14.451)	(8.484)	(0.186)
Sub-Total Reimbursable Expense Changes	\$6.750	(\$14.451)	(\$8.484)	(\$0.186)
Total Reimbursable Major Changes	\$0.000	\$0.000	(\$0.000)	\$0.000
Total Accrual Changes	(\$3.345)	(\$27.295)	(\$20.087)	(\$5.529)
Cash Adjustment Changes				
Timing from 2012	(\$28.428)	\$0.000	\$0.000	\$0.000
GASB	(1.897)	(1.712)	(1.706)	(1.353)
Operating Funded Capital	(1.164)	(7.203)	(1.311)	(1.410)
Insurance	0.093	(0.125)	(0.139)	(0.168)
LIPA Settlement annual cash adjustments removed	(3.543)	(3.357)	(3.158)	(2.946)
Environmental Contingency now in Operating Budget/Forecast	0.500	0.500	0.500	0.500
Sandy Material Replenishment	(0.985)	-	-	-
Advertising Revenue	(0.208)	-	-	-
Claims Reserve	(0.132)	-	-	-
Concrete Tie Replacement	4.952	1.414	0.333	0.333
Vendor Settlement	1.300	-	-	-
Depreciation/OPEB/Environmental Remediation	13.095	12.900	13.200	7.210
Other Misc	(0.874)	0.137	0.034	(0.066)
Total Cash Adjustment Changes	(\$17.292)	\$2.554	\$7.753	\$2.100
Total Baseline Changes	(\$20.636)	(\$24.741)	(\$12.334)	(\$3.429)
Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)	(\$667.849)	(\$717.021)	(\$760.641)	(\$848.338)

**MTA LONG ISLAND RAIL ROAD
2014 Preliminary Budget
July 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 April was essentially on budget but was below the 2012 levels by 0.9% (adjusted for the same number of work days). A contributing factor was the March 2013 fare increase, which had a greater elasticity impact than projected on ridership. However, 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. The Mid-Year Forecast projects 2013 ridership to be 83.5 million, which is a slight decrease over the Adopted Budget. 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
July Financial Plan 2014-2017
Ridership/(Utilization)
(\$ in millions)

	2012	2013	2014			
	Actual	Mid-Year	Preliminary	2015	2016	2017
		Forecast	Budget			
<u>RIDERSHIP</u>						
Monthly	44.965	46.316	46.628	46.934	47.209	47.245
Weekly	1.823	1.725	1.736	1.747	1.756	1.764
Total Commutation	46.788	48.042	48.364	48.680	48.965	49.009
One-Way Full Fare	7.904	7.933	7.990	8.042	8.086	8.123
One-Way Off Peak	17.514	17.970	18.126	18.243	18.344	18.427
All Other	9.548	9.509	9.600	9.689	9.741	9.782
Total Commutation	34.966	35.411	35.716	35.973	36.172	36.332
Total Ridership	81.753	83.452	84.080	84.653	85.137	85.340
<u>FAREBOX REVENUE</u>						
Total Passenger Revenue	\$581.371	\$631.274	\$644.690	\$648.735	\$652.341	\$655.253

MTA LONG ISLAND RAIL ROAD
2014 Preliminary Budget
July 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 the seasonal, as well as other fluctuations in staffing requirements for capital projects.

2013 Changes

Total Positions of 6,908 in 2013 represents an increase of 177 positions from the Adopted Budget. The increase of 177 positions is comprised of 83 non-reimbursable positions and 94 reimbursable positions. The non-reimbursable increase in positions is primarily due to Engineering workforce allocated to maintenance activity instead of project activity, Asset Management, new safety procedures for third rail, an electrolysis unit to monitor for post Sandy damage and On Board Ticket Issuing Machines (OBTIMs) testing and rollout.

2014 Changes

The 2014 Preliminary Budget totals 6,944 positions, an increase of 117 positions from the February Financial Plan. The net increase of 51 non-reimbursable positions results primarily from Asset Management, new safety procedures for third rail, an electrolysis unit to monitor for post Sandy damage and OBTIMs. The net increase of 66 reimbursable positions is driven by project activity, M9 procurement and Superstorm Sandy remediation work.

2015 – 2016 Changes

The 2015 - 2016 Preliminary Budget reflects increases of 87 and 49 positions respectively. Non-reimbursable positions increased by 26 positions in 2015 and by 28 positions in 2016. This assumes the initiatives begun in 2013 continue through 2016. Reimbursable positions increase by 61 in 2015 and 21 in 2016 due to project activity.

MTA LONG ISLAND RAIL ROAD
2014 Preliminary Budget
July 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 Preliminary Budget totals 6,944 positions, an increase of 36 positions from the 2013 Mid-Year Forecast. This includes an increase of 52 non-reimbursable positions and a decrease of 16 reimbursable positions. The non-reimbursable increase is primarily related to RCM activities.

2015 – 2017 Changes

Annual staffing levels increase by 166 in 2015, 253 in 2016 and 218 in 2017. Non-reimbursable positions increase by 186 in 2015, 318 in 2016 and 218 in 2017. These increases are primarily related to East Side Access readiness efforts (increases of 19, 210, 322, and 233 positions, respectively). Reimbursable positions decreased by 20 in 2015, and 65 in 2016 due to changes in project activity.

MTA LONG ISLAND RAIL ROAD				
July Financial Plan 2014-2017				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2013	2014	2015	2016
2013 February Plan - Total Baseline Positions	6,731	6,827	7,023	7,314
Total Plan-to-Plan Changes	(177)	(117)	(87)	(49)
2013 July Plan - Total Baseline Positions	6,908	6,944	7,110	7,363
Total Year-to-Year Changes, July Plan		(36)	(166)	(253)

Total Plan-to-Plan Changes by Reporting Category:				
Non-Reimbursable	(83)	(51)	(26)	(28)
Reimbursable	(94)	(66)	(61)	(21)
Total	(177)	(117)	(87)	(49)
Full-Time	(177)	(117)	(87)	(49)
Full-Time Equivalents				
Total	(177)	(117)	(87)	(49)
By Function Category				
- Administration	(19)	(19)	(18)	(15)
- Operations	(41)	(36)	(9)	(5)
- Maintenance	(119)	(64)	(62)	(31)
- Engineering/Capital	2	2	2	2
- Public Safety				
Total	(177)	(117)	(87)	(49)
By Occupational Group				
- Managers/Supervisors	(21)	(16)	(15)	(14)
- Professional, Technical, Clerical	(27)	(19)	(18)	(12)
- Operational Hourlies	(129)	(82)	(54)	(23)
Total	(177)	(117)	(87)	(49)

Total Plan-to-Plan Changes by Major Category:				
2013 BRPs				
New Needs	(20)	(31)	(17)	(17)
Change in Reimbursable Positions	(94)	(66)	(61)	(21)
Re-estimates & All Other ¹	(63)	(20)	(9)	(11)
Total	(177)	(117)	(87)	(49)

¹ Includes Full-time Equivalents

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2014-2017
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
Executive VP	5	5	5	5	5	5
Labor Relations	11	18	18	18	18	18
Procurement & Logistics (excl. Stores)	79	88	88	88	85	86
Human Resources	29	32	32	38	48	51
Sr VP Administration	2	2	2	2	2	2
Strategic Investments	26	35	35	35	35	35
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	45	45	45	45
Management and Budget	18	18	18	18	18	18
Process Re-Engineering	6	7	7	7	7	7
VP - East Side Access & Special Projects	23	34	34	34	34	34
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	74	74	72	72	72
Security	6	6	6	6	6	6
Sr VP Operations/ Serv. Planning	18	24	24	24	22	22
Total Administration	584	647	649	654	659	670
Operations						
Train Operations	1,868	1,986	1,979	2,110	2,202	2,350
Customer Service	286	299	299	299	296	302
Total Operations	2,154	2,285	2,278	2,409	2,498	2,652
Maintenance						
Engineering	1,516	1,722	1,728	1,746	1,739	1,739
Equipment	1,948	2,019	2,054	2,066	2,232	2,285
Procurement (Stores)	91	93	93	93	93	93
Total Maintenance	3,555	3,834	3,875	3,905	4,064	4,117
Engineering/Capital						
Department of Project Management	121	142	142	142	142	142
Total Engineering/Capital	121	142	142	142	142	142
Total Baseline Positions	6,414	6,908	6,944	7,110	7,363	7,581
<i>Non-Reimbursable</i>	5,960	6,141	6,193	6,379	6,697	6,915
<i>Reimbursable</i>	454	767	751	731	666	666
<i>Total Full-Time</i>	6,414	6,908	6,944	7,110	7,363	7,581
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2014-2017
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration							
	Managers/Supervisors	281	335	337	343	350	361
	Professional, Technical, Clerical	303	312	312	311	309	309
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	584	647	649	654	659	670
Operations							
	Managers/Supervisors	298	325	325	324	325	345
	Professional, Technical, Clerical	160	167	167	167	163	163
	Operational Hourlies	1,696	1,793	1,786	1,918	2,010	2,144
	Total Operations	2,154	2,285	2,278	2,409	2,498	2,652
Maintenance							
	Managers/Supervisors	639	737	723	759	802	802
	Professional, Technical, Clerical	255	277	265	267	267	267
	Operational Hourlies	2,661	2,820	2,887	2,879	2,995	3,048
	Total Maintenance	3,555	3,834	3,875	3,905	4,064	4,117
Engineering/Capital							
	Managers/Supervisors	97	106	104	104	104	104
	Professional, Technical, Clerical	24	36	38	38	38	38
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	121	142	142	142	142	142
Public Safety							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors	1,315	1,503	1,489	1,530	1,581	1,612
	Professional, Technical, Clerical	742	792	782	783	777	777
	Operational Hourlies	4,357	4,613	4,673	4,797	5,005	5,192
	Total Baseline Positions	6,414	6,908	6,944	7,110	7,363	7,581

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Metro-North Railroad

MTA METRO-NORTH RAILROAD
2014 Preliminary Budget
July Financial Plan 2014 - 2017

FINANCIAL OVERVIEW

Metro-North ended 2012 exceeding many of its goals including On-Time Performance of over 97%; one the lowest years ever in employee and customer injuries; ridership of 83 million, the second highest level in Metro-North's history; a customer satisfaction rating of 93%; and the initiation (approved by the MTA Board in 2012) of the largest service increase in Metro-North history. As 2013 began, the railroad celebrated its 30th anniversary on January 1, 2013 as well as the GCT centennial on February 1st.

These accomplishments reflect the culmination of three decades of hard work by the railroad's employees, continuity in management leadership, and the effective use of capital program and operating resources, all of which have enabled Metro-North to make consistent progress toward meeting its Vision 2013 goal to become a brand name for excellence.

The derailment and sideswipe of two trains on the New Haven Line and the tragic death of an experienced Track Foreman this past May has resulted in a re-evaluation of the railroad's safety and maintenance processes and procedures in an effort to seize opportunities for further performance improvements.

The July Financial Plan 2014-2017 incorporates the resources to achieve several of these immediate priorities, while maintaining initiatives and programs that continue to support the Railroad's long-term goals as defined by its Vision 2013 strategic plan. The financial plan update reflects the continuation of the positive financial trends that Metro-North experienced during 2012. These trends include increasing non-passenger revenue from Grand Central Terminal (GCT) retail operations, controlled overtime, and more efficient use of materials and equipment. In addition, the July Financial Plan also sustains the hard earned savings achieved from previous cost reduction measures and incorporates further savings through a budget reduction plan which reduces operating subsidies by \$2.7 million in 2013 and approximately \$9 million annually over the 2014-2017 period. Favorable cost adjustments such as these provide opportunities for Metro-North to re-invest in programs and new initiatives that improve safety and maintenance practices, meet regulatory requirements, and address organizational and infrastructure needs.

Emerging new needs included in the July Financial Plan are described below.

Safety

As a result of the tragic events over the last several months, Metro-North conducted a Safety Stand-down Day whereby all non-essential work was suspended and employees were required to attend job-site safety briefings. In addition to a review of basic safety requirements, one of the most important components of this session was to also obtain employee feedback as a means to help shape future actions to promote a safe work environment. In the event that results from these discussions, future briefings and other reviews, drive new safety-related initiatives, they will be included in future financial plan updates as funding needs are determined.

NHL Derailment

Repair and Recovery – The May 17th derailment and sideswipe of two trains on the New Haven Line was one of the worst days in Metro-North history. Customers and employees were injured, two tracks were damaged for over 2,000 feet, and a number of M-8 railcars were damaged – some significantly. An effective alternate service plan, which included bussing passengers around the derailment site, was provided as a round-the-clock effort was made to restore normal train service. Restoration work was completed earlier than expected due to the perseverance and dedication of the Metro-North workforce and cooperation from a host of government agencies and private companies. The overall operating cost to clear derailed equipment and debris, rebuild track, power and signal systems, and repair damaged cars is estimated at over \$10 million. This excludes the cost of the three cars that were significantly damaged and not repairable, which is estimated at an additional \$10 million.

Right-of-Way Maintenance Improvements - Metro-North is currently assessing the condition of its track and roadway infrastructure and related maintenance practices to determine where there are opportunities for improvement and to minimize operating risks. Upon completion of this review, it is anticipated that additional resources will be required to further strengthen on-going inspection, maintenance and repair practices. To support this need an annual provision of \$5 million has been added in 2014. In the shorter-term, an accelerated level of track maintenance is underway to address the impact of poor drainage that has caused mud spots along the right-of-way and a precautionary program to weld compromise rail joints. These efforts will require additional overtime expenditures to expedite the completion of this work and minimize track outages that will be required.

Maintenance & Reliability

Right-of-Way Clean-up Program - This program addresses a short-term strategy to clean-up the entire right-of-way and a long-term strategy 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. The project consists of four phases totaling \$15.0 million for 2013 -2017 which includes the addition of 15

positions to supplement existing forces (reduced to 10 positions by 2017) and the leasing of a slot train to pick-up and remove debris. This program will begin later in 2013 with a goal to complete a system-wide clean-up and initiate an annual cyclical program by 2017.

Snow Fighting Equipment - Metro-North does not have sufficient heavy duty snow fighting equipment to handle the large clean-up and service restoration efforts that have been required at yard locations and along the right-of-way following major snowstorms. 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.

Hot Bearing Detector/Wheel Impact Detector - To improve rolling stock reliability, prevent equipment and right-of-way track damage and outages, and to determine the cause of infrastructure and equipment damage/failures, Metro-North will install Hot Bearing Detection and Wheel Impact Load Detection systems on the New Haven Line. This equipment will enable Metro-North to proactively identify possible brake and wheel defects which will enable preventive action prior to a failure that would likely damage rolling stock and infrastructure. 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 - Based on the experience of Sandy, there is a need for additional generators to provide a source of power to stations and facilities during power outages, thereby reducing adverse impacts to operations, customers and employees. This program consists of procuring one 350KW large capacity generator to power AC distribution systems and smaller portable generators for use at stations. The total cost of this program is \$0.3 million in 2014.

Customer Communications

Public Address System Improvements – Metro-North will foster improvements in the reliability and the quality of its Public Address system.

- The *Penta Public Address System* that services outlying stations is 20 years old and susceptible to outages due to the age and condition of the equipment. Supporting hardware and software has exceeded its useful life, and is experiencing daily failures. In addition, some of the component hardware is no longer manufactured and Metro-North has exhausted its inventory of spare parts. As a result, upgrades to the current PA system are required to stabilize the system and increase the reliability and life expectancy of this vital customer service until a new system is designed, procured, and installed. Costs include \$0.6 million for system upgrades in 2013.
- *New Haven Station Public Address System* - in concert with Connecticut Department of Transportation (CDOT), Metro-North will implement a new Public Address system at New Haven station to improve the reliability and quality of

customer information regarding train arrivals, departures, track changes, and other customer information. To support this system additional PA Operators and information system support staff will be required starting in July 2013 at annual cost of \$0.7 million.

Improvements to the Customer Call-in System (Interactive Voice Response (IVR) system) - Software upgrades to the customer call-in system are required to correct issues that adversely impact customer communication. Improvements include the addition of new advanced call routing to increase customer convenience and allow for a seamless navigation through the interactive voice response system. The cost of this project is \$.2 million in 2013 and \$.1 million in 2014.

Customer Service

GCT Maintenance and Development Improvements – as GCT has evolved as not only the heart of Metro-North's train operations but also as a center for commerce and tourism, greater emphasis will be placed on two key aspects of the Terminal's operation:

- Grand Central's public areas and the growing business development aspects of the Terminal.
- Maintenance initiatives that keep the Terminal infrastructure in good condition and protect previous investments in repair facilities, employee work places and building systems.

As the planning and implementation of these changes unfold, it is anticipated that additional resources will be required to support maintenance and customer service improvements, and an annual cost provision of \$4 million has been added in 2014 for this purpose.

Mobile Ticketing Application - is a joint project with the LIRR to develop and implement a Mobile Ticketing system that includes: 1) Mobile App for ticket purchases on customers' phones; 2) Web ticket purchase with option to print at home; 3) Host back-end server for managing all aspects of the app; and 4) ticket validation and cancellation functionality. The current preliminary cost estimate to develop the system is estimated at \$2.8 million, with an annual maintenance cost of \$.8 million, and one-time staff training of \$.6 million.

Employee Development

Locomotive Simulator Upgrade - This initiative reflects the need to upgrade and modernize Metro-North's four locomotive simulators. This essential equipment is used for initial and refresher training and certification of Locomotive Engineers. Training requirements are essential for the safe operation of rolling stock, are FRA mandated, and carry penalties for non-compliance. The cost of this project is estimated at \$2.9 million in 2014 and includes software development and replacement of obsolete

hardware, including conversion of graphic images from obsolete videodiscs to Computer Generated Image (CGI) technology.

Technology

IT Infrastructure System Resiliency/Redundancy - This initiative provides improvements to information system infrastructure components to ensure uninterrupted availability of Metro-North information systems/applications that support railroad business functions and real-time information to Metro-North customers. Failure to implement these changes could result in unacceptable information system outages or the loss of IT services. The cost for this project is \$0.9 million in 2014.

In addition to these new needs, on-going programs and other financial plan highlights are described below:

Ridership

- The 2013 Mid-Year Forecast estimates 84 million riders, an increase of 1.3% over 2012.
- Compared to the Adopted Budget, ridership is 2.6% lower primarily due to lower than projected growth in non-commutation ridership and unforeseen events including the lingering effects of Sandy, snowstorm Nemo, and the recent NHL derailment all of which have further dampened ridership growth.
- In 2014-2017 ridership is projected to grow approximately 1.5% annually with growth occurring across all commuter lines.
- Financial plan projections assume no fare increases in New York State, and fare increases in Connecticut of 5.04% in 2014, and annual increases of 1.0% in 2015 through 2018.
- Efforts to promote ridership growth continue with increases in parking and promotional advertising, as well as a projected continuation of regional employment growth.

Additional Train Service

Over the past nine months, Metro-North launched the largest service increase in its history. These improvements are part of the MTA's service investment program that expands service by more than 5%. The final phase of this plan is targeted for November 2013. The overall service investment plan results in:

- Increased frequency during the off-peak and on weekends, resulting in half-hour service at a majority of our stations and 20-minute service at major stations – White Plains and Stamford.
- Faster travel times.
- Improved comfort by adding cars - and seats - on the weekends.
- West of Hudson improvements that include additional AM and PM peak express service on the Port Jervis Line.

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 received 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 the 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 enjoyed 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

- 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.
- Resources continue to be included for locomotive overhaul programs that maintain equipment reliability, improve their mean distance between failures, and reduce out-of-service rates which avoid 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 outlying stations to improve the quality of information communicated to customers.
- Ticket Vending Machines will be added in GCT and several outlying stations to improve customer convenience.
- Handheld computers 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, 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

- Development of an application for Electronic Hours of Service (EHOS) tracking will enable Metro-North to more efficiently monitor Train and Engine employee work hours and their availability for service to ensure compliance with federal guidelines.
- Integrated scheduling systems will be developed and implemented over the next three years to replace outdated train scheduling applications and provide a link with crew scheduling, crew management, and customer communication systems.
- To improve customer convenience and enhance revenue collection efforts, Ticket Issuing Machines will be replaced starting in late 2014 with units that support debit, credit, smartcard, and barcode scanning technology.
- The Crew Management System (CMS) that is used to process Train and Engine payroll requires a platform upgrade to web-based technology that will replace outdated technology supporting this system.

2013 MID-YEAR FORECAST

The 2013 Non-Reimbursable Mid-Year Forecast reflects revenue projections totaling \$699.5 million and expenses, including non-cash liability adjustments, of \$1,359.0 million that result in an operating deficit of \$659.5 million. Operating revenues of \$699.5 million reflect passenger revenues of \$628.1 million that are \$17.9 million unfavorable versus the adopted budget due to lower than anticipated non-commutation ridership and a slower downtown business district recovery after the damaging effect of Sandy. Non-passenger revenues of \$71.4 million are \$3.2 million better than the adopted budget. Excluding storm reimbursements of \$2.4 million, baseline revenues are \$0.8 million better resulting from lower revenue-funded GCT maintenance projects. Non-reimbursable operating expenses of \$1,359.0 million reflect the reduction of \$26.0 million compared to the adopted budget. Savings include lower labor expense due to vacancies,

lower health and welfare premiums, and reduced pension estimates. Non-labor expenditures reflect lower energy costs and material usage efficiencies partially offset by repair and recovery costs related to Sandy and the recent NHL derailment.

The 2013 Mid-Year Reimbursable Forecast of expenditures (and receipts) total \$173.4 million, which is \$25.4 million lower than the 2013 Adopted Budget. This reduction reflects the re-calendarization of various projects and also includes lower 2013 costs for the Cyclical Track Program as well as the rescheduling of workflows for the Positive Train Control (PTC) project.

2014 PRELIMINARY BUDGET-BASELINE

The 2014 Preliminary Non-Reimbursable Budget-Baseline reflects revenue projections totaling \$715.4 million and expenses, including non-cash liability adjustments of \$1,425.0 million that generate an operating deficit of \$709.5 million. Non-reimbursable fare-box revenue of \$659.0 million is \$30.9 million or 4.9% higher than the 2013 Mid-Year Forecast due to ridership growth projected at 2.1%, as well as a 5.04% Connecticut fare increase effective January 2014, and the full year effect of the March 2013 New York State fare increase. Non-passenger revenue is projected to be \$15.0 million lower than 2013 reflecting reduced recoveries for Sandy offset by higher advertising and GCT retail revenue. Operating expenses of \$1,425.0 million reflect higher employee benefit costs, anticipated increases in electric power costs and insurance as well as inflation-based increases for material. Labor costs reflect CPI-based wage increase assumptions, fewer vacancies and several new initiatives. New initiatives include staffing to meet regulatory requirements for employee training and monitoring, right-of-way clean-up activities, strategic staffing initiatives for train operations that reduce overtime, enhance revenue collection, address succession planning needs and provide for service improvements.

The 2014 Proposed Reimbursable revenues and expenses total \$193.7 million, an increase of \$20.3 million from the 2013 mid-year forecast mostly due to increased maintenance and professional service contract expenditures due to the ramp-up of the PTC project.

2015-2017 PROJECTIONS

The 2015-2017 expenditure projections will allow Metro-North to continue initiatives that maintain or enhance train service levels, continue service reliability programs that maintain rolling stock and the right-of-way and incorporate 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 February Plan is furnished later in this document.

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

MTA Metro-North Railroad
July Financial Plan 2014 - 2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Operating Revenue						
Farebox Revenue	\$587.493	\$628.124	\$659.013	\$672.309	\$684.115	\$693.256
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	51.428	71.370	56.419	53.675	55.205	56.874
MNR - MTA	0.000	0.000	0.000	0.000	0.000	0.000
MNR - CDOT	0.000	0.000	0.000	0.000	0.000	0.000
MNR - Other	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$638.921	\$699.494	\$715.432	\$725.984	\$739.321	\$750.130
Operating Expenses						
Labor:						
Payroll	\$393.854	\$410.059	\$432.701	\$441.426	\$450.502	\$459.349
Overtime	55.224	56.623	53.704	54.329	55.346	56.393
Health and Welfare	81.664	90.956	113.063	118.005	125.738	134.079
OPEB Current Payment	19.456	22.000	24.497	25.224	26.805	28.487
Pensions	67.126	74.745	75.569	76.996	78.245	79.413
Other Fringe Benefits	92.904	94.975	97.612	99.357	101.347	103.282
Reimbursable Overhead	(33.434)	(42.794)	(43.802)	(44.618)	(45.460)	(46.320)
Total Labor	\$676.793	\$706.564	\$753.343	\$770.719	\$792.523	\$814.682
Non-Labor:						
Electric Power	\$69.985	\$80.766	\$85.121	\$88.909	\$93.111	\$98.202
Fuel	28.789	27.742	27.350	26.980	27.638	28.645
Insurance	10.790	13.946	16.951	19.752	22.847	26.500
Claims	0.356	0.535	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	95.600	94.159	99.842	100.116	100.937
Professional Service Contracts	24.083	30.230	30.593	29.627	30.788	30.594
Materials & Supplies	62.520	70.470	76.092	76.111	80.014	80.254
Other Business Expenses	17.957	28.485	25.764	27.644	29.885	31.671
Total Non-Labor	\$303.742	\$347.773	\$356.565	\$369.400	\$384.934	\$397.338
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$980.535	\$1,054.337	\$1,109.908	\$1,140.120	\$1,177.458	\$1,212.020
Depreciation	\$223.143	\$238.589	\$241.989	\$240.239	\$242.239	\$244.239
OPEB Obligation	56.244	62.070	69.106	71.155	75.611	80.350
Environmental Remediation	0.130	3.955	3.955	3.955	3.955	3.955
Total Expenses	\$1,260.052	\$1,358.951	\$1,424.958	\$1,455.469	\$1,499.263	\$1,540.565
Baseline Surplus/(Deficit)	(\$621.131)	(\$659.457)	(\$709.526)	(\$729.484)	(\$759.942)	(\$790.435)
Cash Conversion Adjustments:						
Depreciation	\$223.143	\$238.589	\$241.989	\$240.239	\$242.239	\$244.239
Operating/Capital	(16.264)	(35.244)	(36.346)	(28.558)	(17.000)	(17.000)
Other Cash Adjustments	105.224	68.331	28.722	50.770	58.117	58.736
Total Cash Conversion Adjustments	\$312.103	\$271.676	\$234.365	\$262.451	\$283.356	\$285.976
Baseline Cash Surplus/(Deficit)	(\$309.028)	(\$387.781)	(\$475.161)	(\$467.033)	(\$476.586)	(\$504.459)

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MTA Metro-North Railroad
July Financial Plan 2014 - 2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Revenue						
Farebox Revenue	\$587.493	\$628.124	\$659.013	\$672.309	\$684.115	\$693.256
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	51.428	71.370	56.419	53.675	55.205	56.874
MNR - MTA	83.828	104.619	108.205	110.845	113.415	115.998
MNR - CDOT	77.499	54.446	71.283	78.990	86.281	87.412
MNR - Other	10.870	14.346	14.174	14.488	14.818	15.161
Capital and Other Reimbursements	172.197	173.411	193.663	204.323	214.514	218.571
Total Revenue	\$811.118	\$872.905	\$909.094	\$930.307	\$953.835	\$968.702
Expenses						
Labor:						
Payroll	\$433.573	\$450.288	\$473.705	\$483.195	\$493.056	\$502.708
Overtime	73.229	72.727	70.121	71.055	72.384	73.753
Health and Welfare	93.421	104.400	126.940	132.742	141.177	150.281
OPEB Current Payment	19.456	22.000	24.497	25.224	26.805	28.487
Pensions	73.857	82.872	83.217	84.514	85.611	86.608
Other Fringe Benefits	103.873	104.863	107.465	109.393	111.570	113.698
Reimbursable Overhead	1.381	(1.665)	(1.885)	(1.920)	(1.957)	(1.994)
Total Labor	\$798.790	\$835.485	\$884.059	\$904.202	\$928.647	\$953.540
Non-Labor:						
Electric Power	\$70.285	\$80.766	\$85.121	\$88.909	\$93.111	\$98.202
Fuel	28.791	27.742	27.350	26.980	27.638	28.645
Insurance	14.666	17.129	20.260	23.123	26.281	29.999
Claims	0.356	0.535	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	112.064	119.318	131.504	136.653	137.718
Professional Service Contracts	33.189	38.098	46.993	46.435	49.347	49.357
Materials & Supplies	79.085	86.770	93.484	94.411	99.161	100.198
Other Business Expenses	18.929	29.159	26.451	28.344	30.599	32.398
Total Non-Labor	\$353.942	\$392.262	\$419.512	\$440.241	\$463.325	\$477.051
Other Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,152.732	\$1,227.748	\$1,303.571	\$1,344.442	\$1,391.972	\$1,430.591
Depreciation	\$223.143	\$238.589	\$241.989	\$240.239	\$242.239	\$244.239
OPEB Obligation	56.244	62.070	69.106	71.155	75.611	80.350
Environmental Remediation	0.130	3.955	3.955	3.955	3.955	3.955
Total Expenses	\$1,432.249	\$1,532.362	\$1,618.621	\$1,659.791	\$1,713.776	\$1,759.136
Baseline Surplus/(Deficit)	(\$621.131)	(\$659.457)	(\$709.526)	(\$729.484)	(\$759.942)	(\$790.435)
Cash Conversion Adjustments:						
Depreciation	\$223.143	\$238.589	\$241.989	\$240.239	\$242.239	\$244.239
Operating/Capital	(16.264)	(35.244)	(36.346)	(28.558)	(17.000)	(17.000)
Other Cash Adjustments	105.224	68.331	28.722	50.770	58.117	58.736
Total Cash Conversion Adjustments	\$312.103	\$271.676	\$234.365	\$262.451	\$283.356	\$285.976
Baseline Cash Surplus/(Deficit)	(\$309.028)	(\$387.781)	(\$475.161)	(\$467.033)	(\$476.586)	(\$504.459)

**MTA Metro-North Railroad
July Financial Plan 2014 - 2017
Cash Receipts & Expenditures
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	\$593.830	\$634.051	\$665.315	\$679.309	\$691.615	\$701.756
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	77.864	87.255	74.024	71.109	72.016	72.401
MNR - MTA	135.587	95.123	110.333	111.096	114.642	117.210
MNR - CDOT	97.795	54.080	73.174	79.479	86.270	87.401
MNR - Other	19.269	19.985	14.296	14.406	15.732	15.072
Capital and Other Reimbursements	252.651	169.188	197.803	204.981	216.644	219.683
Total Receipts	\$924.345	\$890.494	\$937.142	\$955.399	\$980.275	\$993.840
Expenditures						
Labor:						
Payroll	\$432.215	\$458.579	\$489.850	\$489.085	\$494.819	\$506.316
Overtime	73.162	73.500	72.974	71.750	73.088	74.842
Health and Welfare	98.906	105.003	132.707	138.800	147.382	156.640
OPEB Current Payment	19.456	22.000	24.497	25.224	26.805	28.487
Pensions	76.168	67.708	84.811	85.982	86.586	87.588
Other Fringe Benefits	98.524	105.179	109.790	109.431	111.101	113.695
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
Total Labor	\$823.300	\$831.969	\$923.546	\$929.377	\$949.072	\$977.042
Non-Labor:						
Electric Power	\$75.243	\$82.779	\$87.115	\$90.705	\$94.961	\$100.108
Fuel	22.004	24.142	23.750	23.380	24.038	25.045
Insurance	17.221	17.680	20.340	24.022	26.256	30.013
Claims	1.434	0.681	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	129.218	147.533	144.627	149.885	150.876
Professional Service Contracts	36.013	41.217	52.948	50.992	51.348	51.353
Materials & Supplies	90.334	101.749	104.975	103.130	103.730	103.477
Other Business Expenses	49.315	48.841	51.415	55.518	56.889	59.704
Total Non-Labor	\$410.073	\$446.307	\$488.757	\$493.055	\$507.788	\$521.257
Other Adjustments:						
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
Total Other Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,233.373	\$1,278.276	\$1,412.303	\$1,422.432	\$1,456.860	\$1,498.299
Baseline Cash Deficit	(\$309.028)	(\$387.782)	(\$475.161)	(\$467.033)	(\$476.585)	(\$504.459)
Subsidies						
MTA	\$229.158	\$300.947	\$374.054	\$374.029	\$377.633	\$400.415
CDOT	80.718	86.835	101.107	93.004	98.952	104.044
Total Subsidies	\$309.876	\$387.782	\$475.161	\$467.033	\$476.585	\$504.459

MTA Metro-North Railroad
July Financial Plan 2014 - 2017
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Receipts						
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	15.885	17.605	17.434	16.811	15.527
MNR - MTA	51.759	(9.496)	2.128	0.251	1.227	1.212
MNR - CDOT	20.296	(0.366)	1.891	0.489	(0.011)	(0.011)
MNR - Other	8.399	5.639	0.122	(0.082)	0.914	(0.089)
Capital and Other Reimbursements	80.454	(4.223)	4.140	0.658	2.130	1.112
Total Receipts	\$113.227	\$17.589	\$28.048	\$25.092	\$26.440	\$25.138
Expenditures						
Labor:						
Labor:						
Payroll	\$1.358	(\$8.291)	(\$16.145)	(\$5.889)	(\$1.763)	(\$3.608)
Overtime	0.067	(0.773)	(2.853)	(0.696)	(0.703)	(1.089)
Health and Welfare	(5.485)	(0.603)	(5.767)	(6.059)	(6.205)	(6.360)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(2.311)	15.164	(1.594)	(1.468)	(0.975)	(0.980)
Other Fringe Benefits	5.349	(0.316)	(2.325)	(0.038)	0.469	0.003
GASB Account	(24.869)	0.000	(8.917)	(9.105)	(9.291)	(9.474)
Reimbursable Overhead	1.381	(1.665)	(1.885)	(1.920)	(1.957)	(1.994)
Total Labor	(\$24.510)	\$3.516	(\$39.487)	(\$25.175)	(\$20.425)	(\$23.502)
Non-Labor:						
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)	(0.551)	(0.080)	(0.899)	0.025	(0.014)
Claims	(1.078)	(0.146)	(0.146)	(0.146)	(0.146)	(0.146)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(9.867)	(17.154)	(28.215)	(13.123)	(13.232)	(13.158)
Professional Service Contracts	(2.824)	(3.119)	(5.955)	(4.557)	(2.001)	(1.996)
Materials & Supplies	(11.249)	(14.979)	(11.491)	(8.719)	(4.569)	(3.279)
Other Business Expenditures	(30.386)	(19.682)	(24.964)	(27.174)	(26.290)	(27.306)
Total Non-Labor	(\$56.131)	(\$54.045)	(\$69.245)	(\$52.814)	(\$44.463)	(\$44.206)
Other Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.						
	\$32.586	(\$32.939)	(\$80.685)	(\$52.898)	(\$38.448)	(\$42.569)
Depreciation Adjustment	\$223.143	\$238.589	\$241.989	\$240.239	\$242.239	\$244.239
OPEB Obligation	56.244	62.070	69.106	71.155	75.611	80.350
Environmental Remediation	0.130	3.955	3.955	3.955	3.955	3.955
Baseline Total Cash Conversion Adjustments	\$312.103	\$271.675	\$234.365	\$262.451	\$283.357	\$285.976

MTA METRO-NORTH RAILROAD
2013 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE OVERTIME	Total		
	Hours	\$	%
<u>Scheduled Service</u>	506,978	\$27.647	48.8%
<u>Unscheduled Service</u>	0	0.000	0.0%
<u>Programmatic/Routine Maintenance</u>	225,606	10.511	18.6%
<u>Unscheduled Maintenance</u>	10,405	0.485	0.9%
<u>Vacancy/Absentee Coverage</u>	188,756	8.270	14.6%
<u>Weather Emergencies</u>	143,556	6.868	12.1%
<u>Safety/Security/Law Enforcement</u>	0	0.000	0.0%
<u>Other</u>	65,391	2.842	5.0%
Subtotal	1,140,690	\$56.623	100.0%
REIMBURSABLE OVERTIME	322,090	\$16.104	
TOTAL OVERTIME	1,462,780	\$72.727	

¹ Other & reimbursable budget includes PTE \$'s only. Does not include hours.

REIMBURSABLE OVERTIME Hours still under review

MTA METRO-NORTH RAILROAD
2014 Preliminary Budget
July Financial Plan 2014 - 2017

Year-to-Year Changes by Category - Baseline

REVENUE

FAREBOX REVENUE

Non-Reimbursable

- 2013 assumes the following impacts:
 - 2.4% reduction in ridership growth than previously anticipated;
 - March 1st implementation of a 7.5% NYS fare revenue increase;
 - Opening of West Haven Station late in the year; and
 - the November 2013 Service Investment implementation.
- East of Hudson revenue growth is projected to be 4.9% in 2014, 2.0% in 2015, 1.8% in 2016 and 1.3% in 2017.
- 2014 reflects the full year impact of the changes noted above, as well as a Connecticut fare increase of 5.04% in 2014, and annual increases of 1.0% from 1/1/2015 thru 1/1/2017.
- 2014-2017 reflects an increase in ridership in both commutation and non-commutation in response to the resumption of modest employment and economic growth, as well as the impacts of service initiatives.

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.
- Reimbursements for Sandy and Irene total \$22.3 million in 2013 and \$5 million in 2014.

Reimbursable

- Not applicable

Cash

- 2013-2017 adjustments include normal reclassifications of Amtrak and other railroad reimbursements, revenue offsets for GCT revenue funded projects, reimbursements from CDOT, reimbursements for settlements, scrap material sales and other miscellaneous items. 2013-2017 cash receipts are decreased (-\$10.3 million, -\$10.8 million, -\$11.4 million, -\$11.8 million and -\$12.1 million,

respectively) by the Harlem/Hudson portion of advertising revenue that has been reassigned to 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 \$173.4 million and are based upon the latest projections of capital project activity. Lower reimbursements in 2013 are primarily attributable to: the re-calendarized PTC project, the Bronx Stations project, and the Turnouts Mainline project.
- 2014-2017 increases in accrued reimbursable receipts are higher based upon the latest projections of capital project activity and include the rescheduling of PTC project costs in addition to the impact of inflation.

Cash

- 2012-2017 includes adjustments for receipt timing differences.

EXPENSES

PAYROLL

Management Labor

- Non-Agreement (NA) salaries include provisions for cost of living increases in 2013 - 2017 of 1.97%, 1.91%, 1.85%, 1.89% and 1.85% respectively.
- In 2013, the lower NA salary expense of \$5.6 million is driven by the mid-year effect of the unionization of IT staff from management (\$4.5 million), as well as vacancies.
- In 2014, salary expense is up by \$5.6 million primarily due to the impact of filling vacant positions, and cost of living increases.
- In 2015, staffing costs are higher by \$.9 million due to the impact of cost of living increases partially offset by the attrition associated with the succession planning efforts and a Training Department staff decrease.
- 2016 and 2017 costs are driven by increases related to cost of living adjustments.

Agreement Labor

- Agreement salaries assume no wage increases for the three years, July 16, 2010 through July 15, 2013. For 2014–2017 increases are applied starting July 16th of each year at annual CPI-driven rates of 1.91% in 2014, 1.85% in 2015, 1.89% in 2016, and 1.85% in 2017.
- 2013 Mid-Year Forecast increase of \$2.1 million compared to the 2013 Adopted Budget reflects the transfer of staff from agreement to non-agreement in IT (\$2.6 million), the reallocation of positions from capital to operating assignments, costs associated with the right-of-way cleanup and derailment. These were partly offset by timing changes in the service investment plan, and lower T&E labor costs than projected.

- 2014 increase of \$17.4 million includes the full year impact of 2013 hiring (including the IT staff migration) plus additional staffing to meet service quality and succession planning for on-board train crews, the Conductor Certification plan, the New Haven facility, Right of Way clean-up activities, West of Hudson signal improvements and CPI wage increases. These were partially offset by one-time restoration costs for Sandy and the NHL derailment from 2013.
- 2015 increase of \$7.9 million is driven primarily by the CPI wage increase as well as service plan improvements.
- 2016 and 2017 cost increases of \$7.4 million and \$7.1 million, respectively, are driven primarily by the CPI wage increases.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above.
- 2013 costs are lower due to overall decreases in OT&E staffing partially offset by increased T&E staff requirements.

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

- Overtime is inflated at the same rate as agreement salaries.
- The 2013 Mid-Year Forecast is \$1.7 million higher than Adopted Budget due to Sandy (\$1.5 million) and derailment costs (\$.3 million), on-board coverage of revenue collections due to vacancies (\$1.1 million), additional GCT repairs (\$.9 million) and the impact of IT unionization (\$.5 million). These are offset by lower M of E overtime requirements (\$3.7 million).
- 2014 – The \$2.9 million improvement is driven primarily by the 2013 temporary coverage for the service investment plan until staff is hired and trained.
- 2015 – 2017 increases are driven primarily by inflationary factors.

Reimbursable

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

HEALTH AND WELFARE

Non-Reimbursable and Reimbursable

- 2013 Mid-Year Forecast reflects premium increases of 4.9%. 2014-2017 include estimated annual rate increases of 11.35% in 2014, 2.97% in 2015 and 6.27% for 2016-2017.

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 2013 provision increases by \$3.0 million due to an increasing level of retirees. The estimated annual costs are \$24.5 million in 2014, \$25.2 million in 2015, \$26.8 million in 2016 and \$28.5 million in 2017.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2013-2017 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 12.1%, 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 in 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 (\$8.5 million in 2013, \$8.5 million in 2014, \$8.5 million in 2015, \$8.6 million in 2016 and \$8.8 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 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 inflation-based increases in labor costs.
- Material handling and equipment recovery increases are predicated on CPI-based inflation rates.

ELECTRIC POWER

Traction Power - Revenue

Non-Reimbursable

- 2013 – The cost reduction of \$5.0 million is due to lower rates, in addition to lower consumption primarily driven by the delayed implementation of the service plan.
- 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 3.0% in 2014, 3.8% in 2015, 4.1% in 2016 and 4.8% in 2017.

Non-Traction Power – Non-Revenue

Non-Reimbursable

- 2013 – Increases related primarily to facilities (mostly GCT).
- 2014-2017 costs reflect inflationary changes that include a decrease of 1.1% in 2014 and increases of 2.7% in 2015, 3.8% in 2016 and 4.7% in 2017.

FUEL

Revenue Vehicle Fuel

Non-Reimbursable

- 2013 – The \$.6 million improvement is due to a lower rate than budgeted on the Hudson Harlem line.
- 2014-2017 prices are projected to decrease by 2.3% in 2014 and 2.0% in 2015. In 2016 and 2017 prices are expected to increase by 3.0% and 3.8%, 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

- 2013 – A minor increase of \$.3 million is expected due to increased M of W costs related to Sandy and other maintenance projects.
- 2014-2017 prices are projected to increase by .4% in 2014, decrease by 3.2% in 2015 and 2.3% in 2016 and then increase by 2.5% 2017.

INSURANCE

Non-Reimbursable and Reimbursable

- Increases in 2013-2017 reflect revised insurance premium estimates.

Cash

- 2013-2017 reflects 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

- 2013 - 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 1.52%, 1.52%, 1.71%, and 1.53% respectively.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Non-Reimbursable

- 2013 Mid-Year Forecast decrease of \$.9 million vs. the adopted budget reflects the transfer of operating expense to operating capital of several projects (\$1.6 million), a delay in implementing the TIMS mobile ticketing system (\$.4 million), lower security expense (\$.4 million) and lower GCT steam and electric charges (\$.4 million). These were partially offset by increases caused by the Right of Way project (\$1.0 million) and busing and MTA police costs related to the derailment (\$.9 million).
- 2014 includes decreases for the completion of the 2013 office space renovation (\$2.3 million) partially offset by the Right of Way clean-up expense (\$.7 million).
- 2015 includes increases for the next cycle of locomotive overhaul programs (\$9.1 million) and inflationary impacts (\$1.1 million) partially offset by the completion of the Genesis Locomotive Overhaul (\$4.3 million).
- 2016 reflects inflationary increases (\$1.1 million) partially offset by a reduction in NHL car disposal costs (\$.9 million).
- 2017 reflects inflationary increases (\$1.0 million) partially offset by a reduction in Right of Way costs (\$.2 million).

Reimbursable

- CPI increases in 2014-2017 follow the same pattern as non-reimbursable costs noted above.
- In 2013, net expenditures decreased by \$7.1 million (\$16.5 million from an original budget of \$23.6 million) and reflect rescheduled workflows for PTC as well as the NHL relay Power Substation and the Stamford/Bridgeport Guard Booths partially offset by increases due to Cos Cob West Substation project, Danbury Branch Signal System, The New Haven Wheel Shop, and the West of Hudson track program.
- 2014 costs increased relative to original budget primarily due to the impact of PTC and its re-calendarized workflows from 2013 into 2014.
- 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

- 2013 Mid-Year Forecast increase of \$1.4 million reflects the impact of a M of W maintenance process study (\$.8 million), and other engineering and safety services (\$.6 million).
- 2014 includes increases due to the MNR Market share study (\$.6 million) and MofW/C&S training (\$.7 million) partially offset by the prior year M of W process study (\$.8 million).
- 2015 includes reductions in information technology projects (\$0.6 million) and the MNR Market share study (\$.6 million), partially offset by miscellaneous cost increases (\$.2 million).
- 2016 includes another MNR Market share study (\$.6 million) and IT consulting/hardware expense (\$.2 million).
- 2017 is lower due to prior year's MNR Market share study (\$.6 million) partially offset by additional IT consulting/hardware expense (\$.2 million).

Reimbursable

- 2013 decreased by \$2.1 million (\$7.9 million from an originally budgeted \$10 million) and is primarily attributable to the rescheduling of the NHL Signal system project costs.
- In 2014, the increase 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 (6.70% in 2014, 5.22% in 2015, 4.63% in 2016, and 4.16% in 2017).
- 2013 Mid-Year Forecast increase of \$3.9 million vs. the Adopted Budget reflects primarily New Haven line derailment repairs (\$3.7 million) and Sandy costs (\$2.1 million). These are partly offset by a rescheduling of the car-seat replacement plan to 2014.
- 2014 is higher due to inflation (\$4.9 million), the start of the M-7 Seat Change-Out program (\$1.5 million) and the NHL Equipment Replacement Plan (\$1.0). These are partially offset by the drop off in costs for Sandy (\$2.1 million).
- 2015 is essentially flat compared to 2014, reflecting the impact of inflationary growth (\$2.3 million) and M-7 Seat Change-Out program costs (\$1.5 million) offset by the end of the New Haven line derailment repairs (\$3.7 million).
- 2016 includes inflationary increases (\$3.5 million), H&H 3rd rail sectioning switches (\$.7 million), the Equipment Replacement Plan (\$.5), the NH signal MOD change-out (\$.4 million) and the power reliability expense initiative (\$.3 million) partially offset by reduced M7 seat change-out expense (\$1.5 million).
- 2017 reflects primarily inflationary increases (\$2.4 million) partially offset by decreases for M7 seat change-out expense (\$1.5 million), the NH signal MOD change-out (\$.4 million) and the power reliability expense initiative (\$.3 million).

Reimbursable

- CPI increases in 2013-2016 follow the same assumptions as non-reimbursable costs noted above.
- In 2013, the \$10.3 million decrease to \$16.3 million from an original budget of \$26.6 million is primarily due to the Turnouts Mainline/Yard project, the Bronx Stations project and lower requirements for the GCT switch renewal and PBX equipment projects partially offset by increased requirements to replace Fiber/C&S cables.
- 2014 primarily reflects re-calendarized workflows for the PTC project.
- 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 M8 spare part inventory build-up (\$8.3 million in 2013, \$2.0 million in 2014, \$2.3 million in 2015 and \$1.2 million in 2016).
- 2013-2017 includes adjustment for obsolete material reserve (\$0.6 million per year).

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2013 increase of \$3.8 million in the Mid-Year forecast versus the adopted budget is primarily due to the recognized loss on the write-off of two M-8s destroyed in the NHL derailment (\$4.8 million) partially offset by the West of Hudson reduction in NJT subsidy payments (\$1.0 million).
- 2014 is lower due the damaged M-8 write-offs (\$4.8 million) in 2013.
- 2014 – 2017 includes the impact of inflation and adjustments to West of Hudson subsidy requirements.

Reimbursable

- CPI increases in 2013-2017 follow the same assumptions as non-reimbursable costs noted above.

Cash

- 2013-2017 cash adjustments include payments for receipt of Metro Cards, 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. 2013 also includes a reduction to disbursements for the non-cash write-off of the NHL derailment equipment loss.

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

ENVIRONMENTAL REMEDIATION (GASB 49)

Non-Reimbursable

- 2013-2017 costs reflect the estimated liability for pollution remediation costs associated with capital projects.

MTA METRO-NORTH RAILROAD
July 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
Revenue									
Farebox Revenue	\$628.124	\$659.013	\$30.889	\$672.309	\$13.296	\$684.115	\$11.806	\$693.256	\$9.141
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	71.370	56.419	(14.951)	53.675	(2.744)	55.205	1.530	56.874	1.668
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$699.494	\$715.432	\$15.938	\$725.984	\$10.553	\$739.321	\$13.336	\$750.130	\$10.810
Expenses									
Labor:									
Payroll	\$410.059	\$432.701	(\$22.642)	\$441.426	(\$8.725)	\$450.502	(\$9.076)	\$459.349	(\$8.847)
Overtime	56.623	53.704	2.919	54.329	(0.625)	55.346	(1.017)	56.393	(1.047)
Health and Welfare	90.956	113.063	(22.107)	118.005	(4.942)	125.738	(7.733)	134.079	(8.340)
OPEB Current Payment	22.000	24.497	(2.497)	25.224	(0.727)	26.805	(1.581)	28.487	(1.682)
Pensions	74.745	75.569	(0.824)	76.996	(1.427)	78.245	(1.249)	79.413	(1.168)
Other Fringe Benefits	94.975	97.612	(2.638)	99.357	(1.745)	101.347	(1.990)	103.282	(1.935)
Reimbursable Overhead	(42.794)	(43.802)	1.009	(44.618)	0.815	(45.460)	0.842	(46.320)	0.861
Total Labor Expenses	\$706.564	\$753.343	(\$46.779)	\$770.719	(\$17.376)	\$792.523	(\$21.804)	\$814.682	(\$22.159)
Non-Labor:									
Electric Power	\$80.766	\$85.121	(\$4.355)	\$88.909	(\$3.788)	\$93.111	(\$4.202)	\$98.202	(\$5.091)
Fuel	27.742	27.350	0.392	26.980	0.370	27.638	(0.658)	28.645	(1.007)
Insurance	13.946	16.951	(3.005)	19.752	(2.801)	22.847	(3.095)	26.500	(3.653)
Claims	0.535	0.535	(0.000)	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	95.600	94.159	1.441	99.842	(5.683)	100.116	(0.274)	100.937	(0.821)
Professional Service Contracts	30.230	30.593	(0.363)	29.627	0.966	30.788	(1.161)	30.594	0.194
Materials & Supplies	70.470	76.092	(5.622)	76.111	(0.019)	80.014	(3.903)	80.254	(0.240)
Other Business Expenses	28.485	25.764	2.721	27.644	(1.880)	29.885	(2.241)	31.671	(1.785)
Total Non-Labor Expenses	\$347.773	\$356.565	(\$8.792)	\$369.400	(\$12.835)	\$384.934	(\$15.534)	\$397.338	(\$12.403)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,054.337	\$1,109.908	(\$55.571)	\$1,140.120	(\$30.212)	\$1,177.458	(\$37.338)	\$1,212.020	(\$34.562)
Depreciation	238.589	241.989	(3.400)	240.239	1.750	242.239	(2.000)	244.239	(2.000)
OPEB Obligation	62.070	69.106	(7.036)	71.155	(2.049)	75.611	(4.456)	80.350	(4.740)
Environmental Remediation	3.955	3.955	0.000	3.955	0.000	3.955	0.000	3.955	0.000
Total Expenses	\$1,358.951	\$1,424.958	(\$66.007)	\$1,455.469	(\$30.511)	\$1,499.263	(\$43.794)	\$1,540.565	(\$41.302)
Baseline Net Surplus/(Deficit)	(\$659.457)	(\$709.526)	(\$50.069)	(\$729.484)	(\$19.958)	(\$759.942)	(\$30.458)	(\$790.435)	(\$30.493)

REIMBURSABLE

[illegible]

MTA METRO-NORTH RAILROAD
July Financial Plan 2014 - 2017
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<u>Revenue</u>									
Farebox Revenue	\$628.124	\$659.013	\$30.889	\$672.309	\$13.296	\$684.115	\$11.806	\$693.256	\$9.141
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	71.370	56.419	(14.951)	53.675	(2.744)	55.205	1.530	56.874	1.668
Capital and Other Reimbursements	173.411	193.663	20.252	204.323	10.660	214.514	10.191	218.571	4.057
Total Revenue	\$872.905	\$909.094	\$36.190	\$930.307	\$21.213	\$953.835	\$23.527	\$968.702	\$14.867
<u>Expenses</u>									
Labor:									
Payroll	\$450.288	\$473.705	(\$23.417)	\$483.195	(\$9.490)	\$493.056	(\$9.861)	\$502.708	(\$9.651)
Overtime	72.727	70.121	2.606	71.055	(0.934)	72.384	(1.330)	73.753	(1.369)
Health and Welfare	104.400	126.940	(22.540)	132.742	(5.802)	141.177	(8.435)	150.281	(9.104)
OPEB Current Payment	22.000	24.497	(2.497)	25.224	(0.727)	26.805	(1.581)	28.487	(1.682)
Pensions	82.872	83.217	(0.344)	84.514	(1.297)	85.611	(1.097)	86.608	(0.997)
Other Fringe Benefits	104.863	107.465	(2.602)	109.393	(1.928)	111.570	(2.178)	113.698	(2.127)
Reimbursable Overhead	(1.665)	(1.885)	0.220	(1.920)	0.036	(1.957)	0.036	(1.994)	0.037
Total Labor Expenses	\$835.485	\$884.059	(\$48.574)	\$904.202	(\$20.143)	\$928.647	(\$24.445)	\$953.540	(\$24.893)
Non-Labor:									
Electric Power	\$80.766	\$85.121	(\$4.355)	\$88.909	(\$3.788)	\$93.111	(\$4.202)	\$98.202	(\$5.091)
Fuel	27.742	27.350	0.392	26.980	0.370	27.638	(0.658)	28.645	(1.007)
Insurance	17.129	20.260	(3.131)	23.123	(2.863)	26.281	(3.158)	29.999	(3.718)
Claims	0.535	0.535	(0.000)	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	112.064	119.318	(7.254)	131.504	(12.186)	136.653	(5.149)	137.718	(1.065)
Professional Service Contracts	38.098	46.993	(8.895)	46.435	0.558	49.347	(2.912)	49.357	(0.010)
Materials & Supplies	86.770	93.484	(6.714)	94.411	(0.927)	99.161	(4.750)	100.198	(1.037)
Other Business Expenses	29.159	26.451	2.708	28.344	(1.892)	30.599	(2.255)	32.398	(1.799)
Total Non-Labor Expenses	\$392.262	\$419.512	(\$27.250)	\$440.241	(\$20.729)	\$463.325	(\$23.084)	\$477.051	(\$13.727)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1,227.748	\$1,303.571	(\$75.823)	\$1,344.442	(\$40.872)	\$1,391.972	(\$47.529)	\$1,430.591	(\$38.620)
Depreciation	\$238.589	\$241.989	(3.400)	\$240.239	\$1.750	\$242.239	(\$2.000)	\$244.239	(\$2.000)
OPEB Obligation	62.070	69.106	(7.036)	71.155	(2.049)	75.611	(4.456)	80.350	(4.740)
Environmental Remediation	3.955	3.955	0.000	3.955	0.000	3.955	0.000	3.955	0.000
Total Expenses	\$1,532.362	\$1,618.621	(\$86.259)	\$1,659.791	(\$41.171)	\$1,713.776	(\$53.985)	\$1,759.136	(\$45.360)
Baseline Net Surplus/(Deficit)	(\$659.457)	(\$709.526)	(\$50.069)	(\$729.484)	(\$19.958)	(\$759.942)	(\$30.458)	(\$790.435)	(\$30.493)

MTA METRO-NORTH RAILROAD
July 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
<u>Receipts</u>									
Farebox Revenue	\$634.051	\$665.315	\$31.264	\$679.309	\$13.994	\$691.615	\$12.306	\$701.756	\$10.141
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	87.255	74.024	(13.231)	71.109	(2.915)	72.016	0.907	72.401	0.385
Capital and Other Reimbursements	169.188	197.803	28.615	204.981	7.178	216.644	11.663	219.683	3.039
Total Receipts	\$890.494	\$937.142	\$46.648	\$955.399	\$18.257	\$980.275	\$24.876	\$993.840	\$13.565
<u>Expenditures</u>									
Labor:									
Payroll	\$458.579	\$489.850	(\$31.271)	\$489.085	\$0.765	\$494.819	(\$5.735)	\$506.316	(\$11.497)
Overtime	73.500	72.974	0.526	71.750	1.224	73.088	(1.337)	74.842	(1.754)
Health and Welfare	105.003	132.707	(27.704)	138.800	(6.093)	147.382	(8.582)	156.640	(9.258)
OPEB Current Payment	22.000	24.497	(2.497)	25.224	(0.727)	26.805	(1.581)	28.487	(1.682)
Pensions	67.708	84.811	(17.103)	85.982	(1.171)	86.586	(0.604)	87.588	(1.002)
Other Fringe Benefits	105.179	109.790	(4.611)	109.431	0.359	111.101	(1.670)	113.695	(2.594)
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
Total Labor Expenditures	\$831.969	\$923.546	(\$91.577)	\$929.377	(\$5.831)	\$949.072	(\$19.695)	\$977.042	(\$27.970)
Non-Labor:									
Electric Power	\$82.779	\$87.115	(\$4.336)	\$90.705	(\$3.590)	\$94.961	(\$4.256)	\$100.108	(\$5.147)
Fuel	24.142	23.750	0.392	23.380	0.370	24.038	(0.658)	25.045	(1.007)
Insurance	17.680	20.340	(2.660)	24.022	(3.682)	26.256	(2.234)	30.013	(3.757)
Claims	0.681	0.681	0.000	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	129.218	147.533	(18.315)	144.627	2.906	149.885	(5.258)	150.876	(0.991)
Professional Service Contracts	41.217	52.948	(11.731)	50.992	1.956	51.348	(0.356)	51.353	(0.005)
Materials & Supplies	101.749	104.975	(3.226)	103.130	1.845	103.730	(0.600)	103.477	0.253
Other Business Expenses	48.841	51.415	(2.574)	55.518	(4.103)	56.889	(1.371)	59.704	(2.815)
Total Non-Labor Expenditures	\$446.307	\$488.757	(\$42.450)	\$493.055	(\$4.298)	\$507.788	(\$14.733)	\$521.257	(\$13.469)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,278.276	\$1,412.303	(\$134.027)	\$1,422.432	(\$10.129)	\$1,456.860	(\$34.428)	\$1,498.299	(\$41.439)
Baseline Net Cash Deficit	(\$387.782)	(\$475.161)	(\$87.379)	(\$467.033)	\$8.128	(\$476.585)	(\$9.552)	(\$504.459)	(\$27.874)
<u>Subsidies</u>									
MTA	\$300.947	\$374.054	\$73.107	\$374.029	(\$0.025)	\$377.633	\$3.604	\$400.415	\$22.782
CDOT	86.835	101.107	14.272	93.004	(8.103)	98.952	5.948	104.044	5.092
Total Subsidies	\$387.782	\$475.161	\$87.379	\$467.033	(\$8.128)	\$476.585	\$9.552	\$504.459	\$27.874

MTA METRO-NORTH RAILROAD
2014 Preliminary Budget
July Financial Plan 2014 - 2017
Summary of Major Plan-to-Plan Changes

Revisions to Metro-North's financial plan for the 2013-2016 periods reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of recently implemented cost reduction plans.

2013: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN

The 2013 Mid-Year Forecast cash subsidy requirement of \$387.8 million for non-reimbursable operations is \$49.2 million lower than the 2013 Adopted Budget. This reflects \$13.6 million in lower total revenue in addition to a forecast reduction of \$26.0 million in cash expenses. Operating revenues of \$699.5 million reflect passenger revenues of \$628.1 million that are \$17.9 million unfavorable versus the Adopted Budget resulting from a lower than anticipated non-commutation ridership and a slower NYC downtown business district recovery after the damaging effect of Sandy. Non-passenger revenues of \$71.4 million are \$3.2 million better than the adopted budget. Excluding the storm reimbursements of \$2.4 million, baseline revenues are \$0.8 million better resulting from lower revenue-funded GCT maintenance projects. Non-reimbursable operating expenses of \$1,359.0 million reflect the reduction of \$26.0 million compared to the adopted budget. Savings include lower labor expense due to vacancies, lower health and welfare premiums, and reduced pension estimates. Non-labor expenditures reflect lower energy costs and material usage efficiencies partially offset by repair and recovery costs related to Sandy and the recent NHL derailment.

The 2013 Mid-Year Reimbursable revenue and expense projections total \$173.4 million which is \$25.4 million lower than the 2013 Adopted Budget. This reduction reflects the re-calendarization of various projects and also includes lower 2013 costs for the Cyclical Track Program as well as the rescheduling of workflows for the PTC project.

2014: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN

The 2014 Preliminary Budget cash subsidy requirement of \$475.2 million is \$63.4 million higher than the February Financial Plan. This reflects a \$21.1 million decrease in revenues primarily driven by the lower farebox revenue due to slower ridership growth than had been projected. Expense increases of \$10.7 million are due to higher employee health & welfare and pension costs, a reduced vacancy assumption, and higher insurance premiums. These increases are offset by lower traction-power rates and consumption, material usage due to efficiencies, and lower maintenance service contracts. Additional cost provisions are included to support anticipated maintenance improvements for the right-of-way infrastructure and GCT as well as purchases of maintenance and safety equipment.

Reimbursable project costs (and receipts) for 2014 are \$193.7 million, which is \$32.0 million lower than the February Plan, reflecting new project assessments and revised resource requirements primarily for Materials & Supplies.

2015 - 2016: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN

The 2015-2016 July Financial Plan subsidy requirements are lower than the February Financial Plan by \$56.4 million in 2015 and \$37.7 million in 2016. Lower revenue reflects reduced farebox growth assumptions from growing ridership and lower recoveries from Sandy offset by higher advertising GCT retail revenue. Increased expenses are due to higher employee health & welfare and pension costs, a reduced vacancy assumption, and higher insurance premiums. These increases are offset by lower traction-power rates and consumption, material usage due to efficiencies, and lower maintenance service contracts.

Reimbursable project costs (and receipts) for 2015-2016 compared to the February Plan are lower by \$12.2 million in 2015 and \$5.7 million in 2016, reflecting a continuation of revised baseline project levels from 2014 forward as well as select project cost and scheduling refinements.

MTA METRO-NORTH RAILROAD
2014 Preliminary Budget
July Financial Plan 2014 - 2017
Summary of Plan-to-Plan Changes by Generic Category

REVENUE

FAREBOX REVENUE

Non-Reimbursable

- 2013 – 2017 reflects lower ridership growth that has been evidenced in our actuals since the February plan, and results in lower revenue of \$17.9 million in 2013, \$19.4 million in 2014, \$21.1 million in 2015, and \$23.3 million in 2016.

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 \$4.9 million for Sandy in 2014, based on revised recovery assumptions.
- 2013 changes from the February Plan include higher Sandy reimbursements and the rescheduling of GCT revenue funded projects.
- 2014 - 2016 reflects reduced storm recoveries, offset by continuing improvement in GCT retail and advertising revenues.

Reimbursable

- Not applicable

Cash

- 2013-2017 adjustments primarily reflect increases vs. the February Plan (-\$0.9 million, -\$2.4 million, -\$2.6 million, -\$2.5 million and -\$2.4 million, respectively) for the Harlem/Hudson portion of advertising revenue that has been reassigned to MTAHQ.

CAPITAL AND OTHER REIMBURSEMENTS

Reimbursable

- Lower reimbursements in 2013 are primarily attributable to the rescheduled PTC project along with revised project requirements for several technology and system projects on the NHL.
- 2014-2016 reimbursable project costs (and receipts) reflect a continuation of new baseline project levels from 2013 and 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 2013-2017 of 1.97%, 1.91%, 1.85% 1.89% and 1.85% respectively.
- In 2014 - 2016 salary expense is lower by approximately \$2.0 million annually as a result of the shift in IT staff from management to agreement as well as the elimination of the GCT Fire Brigade staff additions partially offset by a reduced vacancy assumption.

Agreement Labor

- 2013 Mid-Year Forecast increase of \$2.1 million compared to the 2013 Adopted Budget reflects the transfer of staff from agreement to non-agreement in IT, the accelerated impact of new hires, costs associated with the Right of Way clean-up program and NHL derailment repairs as well as the FRA Emergency Preparedness training activities partially offset by savings due to the delayed service improvements and rightsizing of the T&E staffing levels.
- 2014 increase of \$10.3 million includes the transfer of staff from agreement to non-agreement in IT (\$5.9 million), a reduced vacancy assumption (\$4.5 million), reallocation of staffing from capital to operating assignments (\$1.4 million) and Right of Way clean-up activities (\$1.0 million) partially offset by lower T&E labor costs (\$2.6 million) and the elimination of FRA Emergency Preparedness training costs (\$.3 million).
- The years 2015 – 2016 are up \$11.2 million and \$10.9 million respectively, and largely reflect a continuation of 2014 expense levels.

Reimbursable

- 2013 costs are lower primarily due to lower OT&E staff requirements partially offset by increased requirements for T&E staff.
- 2014-2016 reimbursable project costs reflect a continuation of new baseline project levels from 2013.

OVERTIME

Non-Reimbursable

- 2014 – 2016 reflect minor changes based upon improvements due to M of E operating efficiencies partially offset by Sandy costs, the rightsizing in Operations Services between straight time and overtime, GCT repairs and the unionization of the IT staff.

HEALTH AND WELFARE

Non-Reimbursable and Reimbursable

- 2013 Mid-Year Forecast changes generally reflect lower premium growth rates compared to February Adopted Budget.
- 2014 – 2016 reflect higher retirees and changes in premiums.

OPEB CURRENT PAYMENT (GASB 45)

Non-Reimbursable

- 2013 – 2016 changes in Other Post Employment Benefit (OPEB) payments are due to an increasing level of retirees.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2013-2016 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

- 2013–2016 reflect changes in Railroad Retirement taxes and adjustments to employee claims.

REIMBURSABLE OVERHEAD

Non-Reimbursable and Reimbursable

- 2013–2016 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

- 2014–2016 incorporates the impact of revised inflation factors and service plan changes.

Non-Traction Power – Non-Revenue

Non-Reimbursable

- 2014–2016 incorporates the impact of revised inflation rates.

FUEL

Revenue Vehicle Fuel

Non-Reimbursable

- 2014-2016 incorporates the impact of revised inflation assumptions.

Cash

- 2013-2016 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

- 2014-2016 incorporates the impact of revised inflation assumptions.

INSURANCE

Non-Reimbursable and Reimbursable

- 2013-2016 incorporates the impact of revised premiums.

Cash

- 2013-2016 includes an adjustment for the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2013 – 2016 reflect current claim trends.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Non-Reimbursable

- 2014 – 2016 reflects continued review of maintenance contracts generating operating efficiencies, transfer of operating costs to operating capital in GCT and lower steam usage and rate improvements in GCT partially offset by Right of Way clean-up costs.

Reimbursable

- In 2013, decreased expenditures largely reflect the impact of the re-calendarized PTC project.
- 2014-2016 reimbursable project costs reflect a continuation of new baseline project levels from 2013 and select minor project cost and scheduling refinements.

Cash

- 2013-2016 cash adjustments include timing differences and reallocations to accrued expenses.

PROFESSIONAL SERVICES CONTRACTS

Non-Reimbursable

- 2014 reflects primarily costs associated with the MofW/C&S training (\$.7 million), the MNR Market Share study (\$.6 million) and GCT customer service handheld devices and support (\$.5 million).
- 2015 reflects primarily costs associated with the MofW/C&S training (\$.7 million) and GCT customer service handheld devices and support (\$.5 million).
- 2016 reflects primarily costs associated with the MofW/C&S training (\$.7 million), the MNR Market Share study (\$.6 million) and GCT customer service handheld devices and support (\$.5 million).

Reimbursable

- In 2013, the decrease is primarily attributable to the NHL Signal System project, the Overhead Bridge Program and the PTC project.
- 2014-2016 reimbursable project costs reflect a continuation of new baseline project levels from 2014 forward along with select minor project cost and scheduling refinements.

MATERIAL AND SUPPLIES

Non-Reimbursable

- 2014 reflects costs associated with the NHL derailment repairs (\$3.7 million) partially offset by savings from the reduction in rolling stock material requirements (\$3.3 million), reductions in the Harlem & Hudson (H&H) 3rd rail sectionalized switch project (\$.7 million), NHL signal modification change-out (\$.4 million) and 3rd rail power reliability project (\$.3 million).
- 2015 reflects savings due to the reduction in rolling stock material requirements (\$3.2 million) and the H&H 3rd rail sectionalized switch project (\$.7 million) partially offset by costs associated with the M7 seat change-out (\$1.5).
- 2016 reflects savings due to the reduction in rolling stock material requirements (\$3.1 million) partially offset by costs associated with the NHL signal modification change-out (\$.4 million) and the 3rd rail power reliability project (\$.3 million).

Reimbursable

- In 2013, the decrease is primarily attributable to the following projects: Mainline Turnouts, Bronx Stations and PTC.
- 2014-2016 reflects lower project requirements (primarily the PTC project).

Cash

- 2013-2016 reflects cash adjustments for the difference between expenses accruals and cash payments.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2014 – 2016 costs improve by \$1.4 million, \$1.0 million, \$1.1 million and \$.9 million, respectively, due primarily to a reduction in the West of Hudson New Jersey Transit (NJT) subsidy payment (\$1.0 million each year) and a slight reduction in Credit Card fees and ticket printing expense (\$.2 million each year).

DEPRECIATION

Non-Reimbursable

2013-2016 includes provisions for changes in Metro-North's capital assets.

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2013-2016 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

- 2014 – 2016 costs reflect the estimated liability for pollution remediation costs associated with capital projects. It is assumed to hold constant.

MTA METRO-NORTH RAILROAD
July Financial Plan 2014 - 2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2013	2014	2015	2016
2013 February Financial Plan Baseline - Operating Cash Income/(Deficit)	(\$436.996)	(\$411.789)	(\$410.630)	(\$438.883)
Baseline Changes				
Revenue				
Farebox Revenue	(\$17.864)	(\$19.426)	(\$21.078)	(\$23.317)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	3.249	(1.703)	(5.914)	2.613
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$14.615)	(\$21.130)	(\$26.992)	(\$20.705)
Expenses				
Labor:				
Payroll	\$3.463	(\$8.153)	(\$8.688)	(\$8.307)
Overtime	(1.706)	0.186	0.572	0.582
Health and Welfare	13.506	(7.247)	(3.831)	(2.556)
OPEB Current Payment	(3.000)	(3.497)	(3.724)	(4.805)
Pensions	(1.475)	(3.311)	(3.779)	(3.602)
Other Fringe Benefits	(0.281)	1.563	1.480	1.530
Reimbursable Overhead	3.127	3.458	3.534	3.613
Total Labor Expense Changes	\$13.634	(\$17.001)	(\$14.437)	(\$13.544)
Non-Labor:				
Electric Power	\$4.057	\$5.345	\$6.853	\$8.253
Fuel	0.257	0.163	(0.056)	0.974
Insurance	(1.395)	(2.555)	(3.188)	(3.791)
Claims	0.000	(0.025)	(0.025)	(0.025)
Paratransit Service Contracts				
Maintenance and Other Operating Contracts	0.872	3.167	3.741	4.160
Professional Service Contracts	(1.418)	(2.085)	(1.443)	(2.037)
Materials & Supplies	(3.869)	0.930	2.366	2.389
Other Business Expenses	(3.779)	1.409	0.979	1.060
Total Non-Labor Expense Changes	(\$5.275)	\$6.348	\$9.227	\$10.983
Total Expenses before Depreciation and GASB Adjustments	\$8.359	(\$10.653)	(\$5.210)	(\$2.561)
Depreciation	\$3.600	\$5.200	\$11.950	\$15.019
OPEB Obligation	14.003	8.793	12.197	13.576
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	\$25.962	\$3.340	\$18.937	\$26.034
Cash Conversion Adjustment Changes				
Depreciation	(\$3.600)	(\$5.200)	(\$11.950)	(\$15.019)
Operating/Capital	1.307	(9.880)	(11.558)	0.000
Other Cash Adjustments	40.161	(30.503)	(24.841)	(28.014)
Total Cash Conversion Adjustments	\$37.868	(\$45.583)	(\$48.349)	(\$43.033)
Total Baseline Changes	\$49.216	(\$63.372)	(\$56.403)	(\$37.704)
2013 July Financial Plan Baseline-Operating Cash Income/(Deficit)	(\$387.781)	(\$475.161)	(\$467.033)	(\$476.586)

MTA METRO-NORTH RAILROAD
July Financial Plan 2014 - 2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2013	2014	2015	2016
2013 February Financial Plan Baseline - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	(25.440)	(31.993)	(12.244)	(5.658)
Total Revenue Changes	(\$25.440)	(\$31.993)	(\$12.244)	(\$5.658)
Expenses				
Labor:				
Payroll	\$3.551	\$3.620	\$3.689	\$3.758
Overtime	(0.112)	(0.114)	(0.116)	(0.118)
Health and Welfare	1.646	1.533	1.764	2.197
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	0.722	1.050	1.307	1.618
Other Fringe Benefits	0.105	0.720	0.734	0.747
Reimbursable Overhead	(1.583)	(1.608)	(1.636)	(1.669)
Total Labor Expense Changes	\$4.329	\$5.201	\$5.742	\$6.533
Non-Labor:				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	0.962	0.946	0.964	0.982
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	7.170	6.701	(2.596)	(4.847)
Professional Service Contracts	2.099	(2.025)	(6.956)	(12.731)
Materials & Supplies	10.318	20.598	14.508	15.127
Other Business Expenses	0.561	0.572	0.582	0.594
Total Non-Labor Expense Changes	\$21.111	\$26.792	\$6.502	(\$0.875)
Total Expense Changes	\$25.440	\$31.993	\$12.244	\$5.658
2013 July Financial Plan Baseline-Operating Cash Income/(Deficit)	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)

MTA METRO-NORTH RAILROAD
July Financial Plan 2014 - 2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
2013 February Financial Plan Baseline - Operating Cash Income/(Deficit)	(\$436.996)	(\$411.789)	(\$410.630)	(\$438.883)
Baseline Changes				
Revenue				
Farebox Revenue	(\$17.864)	(\$19.426)	(\$21.078)	(\$23.317)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	3.249	(1.703)	(5.914)	2.613
Capital and Other Reimbursement	(25.440)	(31.993)	(12.244)	(5.658)
Total Revenue Changes	(\$40.054)	(\$53.122)	(\$39.236)	(\$26.362)
Expenses				
Labor:				
Payroll	\$7.014	(\$4.533)	(\$4.999)	(\$4.549)
Overtime	(1.818)	0.072	0.456	0.464
Health and Welfare	15.152	(5.714)	(2.067)	(0.358)
OPEB Current Payment	(3.000)	(3.497)	(3.724)	(4.805)
Pensions	(0.753)	(2.261)	(2.472)	(1.984)
Other Fringe Benefits	(0.176)	2.283	2.214	2.278
Reimbursable Overhead	1.544	1.850	1.897	1.944
Total Labor Expense Changes	\$17.963	(\$11.800)	(\$8.695)	(\$7.012)
Non-Labor:				
Electric Power	\$4.057	\$5.345	\$6.853	\$8.253
Fuel	0.257	0.163	(0.056)	0.974
Insurance	(0.433)	(1.609)	(2.224)	(2.809)
Claims	0.000	(0.025)	(0.025)	(0.025)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	8.042	9.867	1.145	(0.687)
Professional Service Contracts	0.681	(4.110)	(8.399)	(14.768)
Materials & Supplies	6.449	21.528	16.874	17.516
Other Business Expenses	(3.218)	1.981	1.561	1.654
Total Non-Labor Expense Changes	\$15.836	\$33.140	\$15.729	\$10.109
Total Expenses before Non-Cash Liability Adjs.	\$33.799	\$21.340	\$7.034	\$3.097
Depreciation	\$3.600	\$5.200	\$11.950	\$15.019
OPEB Obligation	14.003	8.793	12.197	13.576
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	\$51.401	\$35.333	\$31.181	\$31.691
Baseline Net Surplus/(Deficit) Changes	\$11.347	(\$17.789)	(\$8.055)	\$5.329
Cash Conversion Adjustment Changes				
Depreciation	(\$3.600)	(\$5.200)	(\$11.950)	(\$15.019)
Operating/Capital	1.307	(9.880)	(11.558)	0.000
Other Cash Adjustments	40.161	(30.503)	(24.841)	(28.014)
Total Cash Conversion Adjustments	\$37.868	(\$45.583)	(\$48.349)	(\$43.033)
Total Baseline Changes	\$49.216	(\$63.372)	(\$56.403)	(\$37.704)
2013 July Financial Plan Baseline-Operating Cash Income/(Deficit)	(\$387.781)	(\$475.161)	(\$467.033)	(\$476.586)

MTA Metro-North Railroad
July Financial Plan 2014 - 2017
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
2013 February Financial Plan Baseline - Operating Cash Income/(Deficit)	(\$436.996)	(\$411.789)	(\$410.630)	(\$438.883)
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Passenger Revenue	(\$17.864)	(\$19.426)	(\$21.078)	(\$23.317)
Non-Passenger Revenue	3.249	(1.703)	(5.914)	2.613
Sub-Total Non-Reimbursable Revenue Changes	(\$14.615)	(\$21.130)	(\$26.992)	(\$20.705)
Expenses				
New Haven Line Derailment Repair	(\$7.081)	(\$3.714)	\$0.000	\$0.000
Right-of-Way Clean-up	0.000	(3.512)	(3.542)	(3.573)
IT Unionization	(0.798)	(1.627)	(1.657)	(1.688)
Health & Welfare	10.732	(9.948)	(6.745)	(6.535)
Pension	(1.475)	(3.311)	(3.779)	(3.602)
Other Fringe Benefits	(0.126)	2.102	2.030	2.090
Insurance Premium Increase	(1.395)	(2.555)	(3.188)	(3.791)
Overhead Recovery	3.127	3.458	3.534	3.613
Contractual Service Changes	4.368	6.198	5.367	5.823
Material Usage Efficiencies	0.459	4.449	4.001	4.112
M-7 Seat Change-Out Plan	1.495	0.000	(1.495)	0.000
Service Plan Changes	2.696	(0.140)	(0.140)	(0.140)
Other	1.170	(2.053)	0.406	1.130
Sub-Total Non-Reimbursable Expense Changes	\$13.171	(\$10.653)	(\$5.210)	(\$2.561)
Total Non-Reimbursable Major Changes	(\$1.444)	(\$31.782)	(\$32.201)	(\$23.266)
<i>Reimbursable Major Changes</i>				
Revenue				
Projections for 2014-2017 assume capital project activity levels similar to 2013 MYF adjusted for the winding down / completion / addition of projects	(14.615)	(21.130)	(26.992)	(20.705)
Sub-Total Reimbursable Revenue Changes	(\$14.615)	(\$21.130)	(\$26.992)	(\$20.705)
Expenses				
Projections for 2014-2017 assume capital project activity levels similar to 2013 MYF adjusted for the winding down / completion / addition of projects	14.615	21.130	26.992	20.705
Sub-Total Reimbursable Expense Changes	\$14.615	\$21.130	\$26.992	\$20.705
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$1.444)	(\$31.782)	(\$32.201)	(\$23.266)
<i>Cash Adjustment Changes</i>				
Snow Fighting Equipment	\$0.000	(\$4.934)	\$0.000	\$0.000
Trackside Wheel and Axle Sensing System	-	(1.918)	-	-
Change in Force Account Lag	0.148	(0.470)	(4.374)	(1.872)
Retiree Final Payments	(0.500)	(3.300)	(2.000)	-
GCT Structure and Building Maintenance	(0.964)	(4.000)	(4.000)	(4.000)
M of W Process Improvements	-	(5.000)	(5.000)	(5.000)
Increased in Advertising Revenue	(0.848)	(2.378)	(2.594)	(2.495)
Payment Timing for Operating Capital	7.000	3.000	(11.558)	(3.000)
Advance Payment for 2013 Pension	16.725	-	-	-
Lower OPEB Contribution	16.620	5.302	6.265	7.387
RCM Materials Scheduling Adjustment	5.000	(7.250)	(2.350)	-
Other (Timing)	7.478	(10.642)	1.409	(5.458)
Total Cash Adjustment Changes	\$50.659	(\$31.590)	(\$24.202)	(\$14.438)
Total Baseline Changes	\$49.216	(\$63.372)	(\$56.403)	(\$37.704)
2013 July Financial Plan Baseline-Operating Cash Income/(Deficit)	(\$387.781)	(\$475.161)	(\$467.033)	(\$476.586)

MTA METRO-NORTH RAILROAD
2014 Preliminary Budget
July 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 82.5 million in 2013. This is among the highest ridership in the history of Metro-North and could have been higher for not the detrimental effects of the Sandy and the February 2013 blizzard service outages. Ridership losses were tempered somewhat by the Railroad's high quality service and an improving regional economy.

The 2013 Mid-Year Forecast for East of Hudson ridership is 1.4% higher than 2012. Compared to the adopted budget, 2013 ridership is 2.4% lower, reflecting the impact of several days of lost service due to the February snow storm, continued business office dislocations in lower Manhattan caused by Sandy, and slower than projected growth in non-commutation sales. In 2014 through 2017, ridership is projected to grow 2.1%, 1.6%, 1.4%, and 1.0%, respectively, with growth occurring across all three commuter lines. Projections over this period assume no fare increases in New York State and fare increases in Connecticut of 5.04% in 2014 with annual increases of 1.0% in 2015 through 2018. 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 2.7% lower than 2012, reflecting a lower than anticipated recovery from the 2011 Port Jervis Line service outage that resulted from Irene infrastructure damages. In 2014-2017, West of Hudson ridership is projected to grow 1.3%, 1.9%, 2.0% and 1.2%, respectively. 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
July Financial Plan 2014 - 2017
Ridership (Utilization) *
(in millions)**

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
<u>Ridership</u>						
Harlem Line	26.648	27.020	27.745	28.293	28.778	29.123
Hudson Line	15.853	16.050	16.452	16.743	17.019	17.237
New Haven Line	38.840	39.411	40.043	40.561	40.989	41.276
Baseline Total Ridership - East of Hudson	81.341	82.481	84.241	85.597	86.786	87.636
West of Hudson	1.612	1.569	1.590	1.620	1.652	1.672
Total Ridership - All MNR Lines	82.954	84.049	85.831	87.217	88.437	89.308
<u>Farebox Revenue</u>						
Harlem Line	\$174.946	\$188.903	\$197.168	\$201.407	\$205.112	\$207.718
Hudson Line	127.698	138.190	143.778	146.523	149.167	151.279
New Haven Line	284.313	300.558	317.582	323.886	329.331	333.749
West of Hudson Mail & Ride	0.536	0.472	0.485	0.494	0.505	0.511
Baseline Total Farebox Revenue	\$587.493	\$628.124	\$659.013	\$672.309	\$684.115	\$693.256

* Reflects East of Hudson Service

MTA Metro-North Railroad
July 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
Agency Submission	-	\$2.661	-	\$8.017	-	\$8.310	-	\$8.125	-	\$10.028

**MTA Metro-North Railroad
July Financial Plan 2014 - 2017
2013 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Review and Monitor Contract Services

Background Details:	Reduce provisional budget amounts for various service costs and repairs.
----------------------------	--------------------------------------------------------------------------

Program Description/ Implementation Plan:	Manage Operating Contracts - The reduction \$0.6 million annually and is part of the 2013 unspecified deficit reduction target.
------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------

Program Implementation Date:	JUNE 2013	When will savings begin?:	JUNE 2013
		Are these savings recurring?:	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	\$0.600	\$0.600	\$0.600	\$0.600	\$0.600
Net Cash Savings (in millions)	\$0.600	\$0.600	\$0.600	\$0.600	\$0.600

Total Positions Required:

**MTA Metro-North Railroad
July Financial Plan 2014 - 2017
2013 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Reduce Rolling Stock Material Usage

Background Details:	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.
----------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Program Description/ Implementation Plan:	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.
------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Program Implementation Date:	JUNE 2013	When will savings begin?:	JUNE 2013
		Are these savings recurring?:	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)	\$1.259	\$5.249	\$4.801	\$4.912	\$6.512

Total Positions Required:

**MTA Metro-North Railroad
July Financial Plan 2014 - 2017
2013 Budget Reduction Plan Worksheet**

Category by Function:

Revenue Enhancement

Program:

Increase Non-Passenger Revenue

Background Details:	Continue favorable growth trend on realization of higher GCT retail revenues and percentage rent receipts, and maintain control on tenant service costs.
----------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------

Program Description/ Implementation Plan:	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.
------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Program Implementation Date:	JUNE 2013	When will savings begin?:	JUNE 2013
		Are these savings recurring?:	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)	\$0.802	\$2.168	\$2.909	\$2.613	\$2.916

Total Positions Required:

MTA METRO-NORTH RAILROAD
2014 Preliminary Budget
July 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 Preliminary Budget includes programmatic additions of 31 non-reimbursable positions versus 2013 reflecting 14 Maintenance of Equipment positions for the new M-8 cars and the New Haven Maintenance Facility Shop Complex. West of Hudson signal improvements will require the addition of seven Maintenance of Way positions 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. Finally, six T&E positions in support of the service plan will be added.

The 2014 Preliminary Budget includes the addition of 14 reimbursable Operation Services positions resulting from the Sandy project.

2014 - 2015

The increase of 11 non-reimbursable positions reflects the addition of 14 T&E positions to support the train service plan, partially offset by a reduction of three training positions.

2015 - 2016

2016 includes an increase of 6 non-reimbursable T&E positions to support the train service plan.

2016 - 2017

2017 includes an increase of 12 non-reimbursable T&E positions to support the train service plan.

MTA METRO-NORTH RAILROAD
2014 Preliminary Budget
July Financial Plan 2014 - 2017
Positions Plan-to-Plan Changes

PLAN TO PLAN CHANGES

2013

The 2013 Mid-Year Forecast reflects an increase of 40 non-reimbursable positions versus the 2013 Adopted Budget. To support the right of way clean-up efforts 15 track positions have been added. To mitigate overtime risk 15 Information Technology positions have been added. To support the New Haven communication system project three Customer Service and two Information Technology positions have been added. To implement the payroll reorganization two Controller positions have been added. To ensure compliance with Title VI regulations one Capital Planning position has been added. In addition, two support staff positions have been added for human resource functions.

The 2013 Mid-Year Forecast reflects an increase of 24 reimbursable positions versus the 2013 Adopted Budget. To support the Sandy clean-up efforts 23 positions have been added: nine engineering positions, 11 Maintenance of Way and three procurement positions.

2014

The 2014 Preliminary Budget shows a net increase of 28 non-reimbursable positions over the Adopted Budget. All of the positions from 2013 changes noted above carry forward to 2014 (40 positions). There is also a reduction of 12 GCT positions resulting from eliminating the GCT Fire Brigade and Escalator Maintenance initiatives. The 2014 Preliminary Budget also shows a net increase of 38 reimbursable positions over the Adopted Budget - 24 of these positions carry forward from the 2013 changes noted above. The incremental 14 positions are T&E positions that have been added for the Sandy clean-up project.

2015 - 2016

The July Forecast for 2015 and 2016 show a net increase of 28 non-reimbursable positions over the Adopted Budget. All of these positions carry forward from the 2014 changes noted above. The 2015 Preliminary Budget also shows a net increase of 38 reimbursable positions over the Adopted Budget. All of these positions carry forward from the 2014 changes noted above.

MTA METRO-NORTH RAILROAD July Financial Plan 2014 - 2017 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2013	2014	2015	2016
2013 February Plan - Total Baseline Positions	6,418	6,461	6,472	6,478
Total Plan-to-Plan Changes	(64)	(66)	(66)	(66)
2013 July Plan - Total Baseline Positions	6,482	6,527	6,538	6,544
Total Year-to-Year Changes, July Plan		(45)	(11)	(6)
Total Plan-to-Plan Changes by Reporting Category:				
Non-Reimbursable	(40)	(28)	(28)	(28)
Reimbursable	(24)	(38)	(38)	(38)
Total	(64)	(66)	(66)	(66)
Full-Time	(64)	(66)	(66)	(66)
Full-Time Equivalents	0	0	0	0
Total	(64)	(66)	(66)	(66)
By Function Category				
- Administration	(26)	(26)	(26)	(26)
- Operations	(2)	(16)	(16)	(16)
- Maintenance	(26)	(14)	(14)	(14)
- Engineering/Capital	(10)	(10)	(10)	(10)
- Public Safety	0	0	0	0
Total	(64)	(66)	(66)	(66)
By Occupational Group				
- Managers/Supervisors	(1)	(1)	(1)	(1)
- Professional, Technical, Clerical	(41)	(41)	(41)	(41)
- Operational Hourlies	(22)	(24)	(24)	(24)
Total	(64)	(66)	(66)	(66)
Total Plan-to-Plan Changes by Major Category:				
2013 BRPs	0	0	0	0
New Needs	(10)	(25)	(25)	(25)
Change in Reimbursable Positions	(24)	(38)	(38)	(38)
Re-estimates & All Other ¹	(30)	(3)	(3)	(3)
Total	(64)	(66)	(66)	(66)

MTA METRO-NORTH RAILROAD
July Financial Plan 2014 - 2017
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2012 Actual	2012 Mid-Year Forecast	2013 Preliminary Budget	2014	2015	2016
Administration						
President	3	3	3	3	3	3
Labor Relations	9	9	9	9	9	9
Safety	22	22	22	22	22	22
COS/ Corporate & Public Affairs	16	16	16	16	16	16
Customer Service	48	48	48	48	48	48
Legal	18	18	18	18	18	18
Claims	14	14	14	14	14	14
Environmental Compliance & Svce	7	7	7	7	7	7
VP Administration	3	3	3	3	3	3
VP Human Resources	4	3	3	3	3	3
Human Resources & Diversity	29	32	32	32	32	32
Training	51	50	50	47	47	47
Employee Relations & Diversity	4	5	5	5	5	5
VP Planning	2	2	2	2	2	2
Operations Planning & Analysis	17	18	18	18	18	18
Capital Planning & Programming	13	16	16	16	16	16
Business Development Facilities & Mktg	22	22	22	22	22	22
Long Range Planning	8	8	8	8	8	8
VP Finance & Info Systems	2	1	1	1	1	1
Controller	78	80	80	80	80	80
Information Technology & Project Mgmt	101	123	123	123	123	123
Budget	20	20	20	20	20	20
Procurement & Material Management	41	46	46	46	46	46
Corporate	0	0	0	0	0	0
Total Administration	532	566	566	563	563	563
Operations						
Operations Administration	55	59	59	59	59	59
Operations Services	1,783	1,814	1,834	1,848	1,854	1,866
Customer Service	236	239	239	239	239	239
Business Development Facilities & Mktg	38	38	38	38	38	38
Metro-North West	28	27	27	27	27	27
Total Operations	2,140	2,177	2,197	2,211	2,217	2,229
Maintenance						
GCT	372	384	384	384	384	384
Maintenance of Equipment	1,338	1,350	1,364	1,364	1,364	1,364
Maintenance of Way	1,738	1,775	1,786	1,786	1,786	1,786
Procurement & Material Management	120	120	120	120	120	120
Total Maintenance	3,568	3,629	3,654	3,654	3,654	3,654
Engineering/Capital						
Construction Management	40	40	40	40	40	40
Engineering & Design	60	70	70	70	70	70
Total Engineering/Capital	100	110	110	110	110	110
Baseline Total Positions	6,340	6,482	6,527	6,538	6,544	6,556
<i>Non-Reimbursable</i>	5,773	5,890	5,921	5,932	5,938	5,950
<i>Reimbursable</i>	567	592	606	606	606	606
<i>Total Full-Time</i>	6,339	6,481	6,526	6,537	6,543	6,555
<i>Total Full-Time-Equivalents</i>	1	1	1	1	1	1

MTA METRO-NORTH RAILROAD
July Financial Plan 2014 - 2017
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration							
	Managers/Supervisors	187	190	190	190	190	190
	Professional, Technical, Clerical	345	376	376	373	373	373
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	532	566	566	563	563	563
Operations							
	Managers/Supervisors	153	155	155	155	155	155
	Professional, Technical, Clerical	231	238	238	238	238	238
	Operational Hourlies	1,756	1,785	1,805	1,819	1,825	1,837
	Total Operations	2,140	2,177	2,197	2,211	2,217	2,229
Maintenance							
	Managers/Supervisors	531	537	537	537	537	537
	Professional, Technical, Clerical	491	500	500	500	500	500
	Operational Hourlies	2,546	2,593	2,618	2,618	2,618	2,618
	Total Maintenance	3,568	3,629	3,654	3,654	3,654	3,654
Engineering/Capital							
	Managers/Supervisors	48	49	49	49	49	49
	Professional, Technical, Clerical	52	61	61	61	61	61
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	100	110	110	110	110	110
Public Safety							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors	919	931	931	931	931	931
	Professional, Technical, Clerical	1,119	1,174	1,174	1,171	1,171	1,171
	Operational Hourlies	4,301	4,377	4,422	4,436	4,442	4,454
	Total Baseline Positions	6,340	6,482	6,527	6,538	6,544	6,556

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MTA Headquarters

MTA HEADQUARTERS
2014 Preliminary Budget
July 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' July 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 captured in the Plan, and are discussed more fully in the Budget Reductions Program (BRPs) section.

The MTA Headquarters' July 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. Information Technology initiatives 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. 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. Because workers compensation benefit costs have escalated rapidly, funding is included to engage 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.

Currently underway are efforts that will consolidate both the pension and treasury functions at Headquarters. The impacts, including efficiencies, are expected to be disclosed in the November Plan. 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 Preliminary Budget 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 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 2017, 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, MTA Bus and B&T Human Resources functions into the BSC.

Funding is provided for cost savings projects in such areas as strategic sourcing, benefits billing, electronic invoicing, and continuous clean-up of benefits records. The BSC is also implementing the Employer Group Waiver Plan which enables employees to enroll in federal programs thereby reducing health and welfare costs in Medicare Part D. Consequently, the BSC anticipates significant savings based on rebates to be received from MTA health insurance providers.

2013 Mid-Year Forecast

The MTA Headquarters Baseline Deficit of \$457.6 million in the July Plan includes total Non-Reimbursable Operating Revenues of \$62.2 million and total expenses before depreciation and other post-employment benefits of \$390.5 million, consisting of \$206.4 million in labor expenses and \$184.0 million in non-labor expenses. Total capital and other reimbursements are projected to be \$67.7 million. Total reimbursable labor expenses are \$57.4 million and non-labor expenses are \$10.3 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$111.6 million primarily reflecting advertising revenue receipts reassigned from the Agencies to MTA Headquarters.

The Baseline Cash Deficit is projected to be \$216.7 million, a \$3.1 million favorable variance from the February Adopted Budget of \$219.8 million.

Major operating cash changes include:

Unfavorable

- Increased operating budget New Needs of \$0.8 million mainly for telecom expenses for a new Ethernet Virtual Private Line network (EVPL) which results in corresponding cost savings throughout the agencies.
- Increased Sandy repair costs of \$0.9 million at Two Broadway.
- Increased projected GASB Account contributions of \$1.9 million to help offset projected steep increases in future retiree health benefit costs.
- The timing of 2012 expenses paid in the current year of \$9.9 million is an unfavorable variance.

Favorable

- BRP Programmatic Reductions of \$5.1 million (details are furnished later in this document).
- Lower salaries of \$4.5 million mainly due to vacancies, MTAPD salary mix, and this is applicable on an MTA basis, the transfer of Procurement positions to B&T.
- Revised recoveries of \$4.0 million from Sandy.
- Revised electric and fuel costs of \$0.9 million and \$0.5 million, respectively, reflecting more accurate assignment of costs.
- Increased tenant rental and Transit Museum revenues of \$0.8 million.
- Revised favorable Two Broadway expenses of \$0.8 million.

Reimbursable expenses are projected to increase by \$0.9 million in 2013 mainly as a result of higher reimbursable overhead due to prior year recovery of MTAPD Directed Patrol overtime.

Total baseline positions are projected to decrease by 21 positions to 1,711 positions, resulting from the transfer of 23 Procurement positions to B&T, partly offset by the addition of two New Needs positions in the Arts for Transit and in Marketing departments. This is discussed more thoroughly in the Positions section.

2014 Preliminary Budget - Baseline

The MTA Headquarters Baseline Deficit of \$423.7 million in the July Plan includes total Non-Reimbursable Operating Revenues of \$58.5 million and total expenses before depreciation and other post-employment benefits of \$380.8 million, consisting of \$213.0 million in labor expenses and \$167.7 million in non-labor expenses. Total capital and other reimbursements are projected to be \$72.9 million. Total reimbursable labor expenses are \$56.5 million and non-labor expenses are \$16.4 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$96.8 million primarily reflecting advertising revenue receipts reassigned to MTA Headquarters from NYCT and the Commuter Railroads.

The Baseline Cash Deficit is projected to be \$225.5 million, a \$25.4 million unfavorable variance from the February Adopted Budget of \$200.1 million.

Major operating cash changes include:

Unfavorable

- Higher operating capital of \$20.0 million including, \$11.5 million for upgrading Two Broadway facilities for the relocation of MTA Headquarters administration offices, \$2.5 million for the purchase of an the MTAPD firearms training trailer, and \$6.0 million for projects deferred from previous years.
- Operating budget New Needs of \$8.8 million including \$5.6 million in engineering and other professional services for the Two Broadway facility; \$0.8 million to utilize a cloud infrastructure to ensure uptime of mta.info during business disruptions such as Sandy; telecom expenses of \$0.6 million for a new EVPL network which results in corresponding cost savings throughout the agencies; first year payroll costs of \$0.5 million related to the hiring of MTAPD officers for the MNR New Haven Line; and \$0.4 million for increased MTAPD coverage related to Super Bowl XLVIII at the MetLife Stadium.
- Higher fringe benefits of \$4.3 million mainly due to revised forecasting methodology and increased headcount.
- Increased projected GASB Account contributions of \$2.2 million to help offset projected steep increases in future retiree health benefit costs.
- Unfavorable revised insurance costs of \$0.6 million.
- Unfavorable revision of Two Broadway rental revenues of \$0.5 million.

Favorable

- Revised electric and fuel costs of \$0.9 million and \$0.5 million, respectively, reflecting more accurate assignment of costs.
- Revised advertising revenue of \$1.8 million reassigned to MTA Headquarters from NYCT and the Commuter Rails.
- Lower salaries of \$3.8 million mainly due to vacancies, MTAPD salary mix, and the net impact of the transfer of Procurement positions to B&T.
- Programmatic reductions of \$3.7 million.

Reimbursable expenses are projected to decrease by \$3.9 million mainly due to revisions to the West Side Yard development schedule.

Total baseline positions are projected to decrease by 11 positions to 1,721 positions, resulting from the transfer of 23 Procurement positions to B&T, partly offset by the addition of 12 New Needs positions. This is discussed more thoroughly in the Positions section.

2015-2017 Projections

Operating cash deficits are projected to increase by \$10.2 million in 2015 and \$15.2 million relative to the February Adopted Budget.

Major operating cash changes include:

Unfavorable

- Revised unfavorable recovery of relocation expenses of \$1.7 million in 2015 and \$12.1 million in 2016.
- Reduced rental revenues of \$8.9 million and \$9.2 million from the Madison Avenue properties in 2015 and 2016.
- New Needs of \$7.5 million and \$7.6 million in 2015 and 2016, respectively. Included are \$5.7 million and \$5.8 million in 2015 and 2016, respectively, for engineering and other professional services for the Two Broadway facility; \$0.8 million per year to utilize a cloud infrastructure to ensure uptime of mta.info during business disruptions, such as Sandy; and telecom expenses of \$0.6 million per year for a new EVPL network which results in corresponding cost savings throughout the agencies.
- Higher fringe benefits of \$4.7 million and \$4.6 million in 2015 and 2016, respectively, mainly due to revised forecasting methodology and increased headcount.
- Increased projected GASB Account contributions of \$2.4 million in 2015 and \$2.7 million in 2016 to help offset projected steep increases in future retiree health benefit costs.
- Revised unfavorable Sandy recoveries in 2015 of \$2.0 million.
- Increased insurance expense of \$0.7 million in 2015 and \$0.8 million in 2016.

Favorable

- Revised electric costs of \$0.9 million and \$1.0 million in 2015 and 2016 respectively, and fuel costs of \$0.5 million in each year, reflecting more accurate assignment of costs.
- Revised advertising revenue of \$3.6 million and \$5.1 million in 2015 and 2016, respectively, reassigned from NYCT and the Commuter Rails to MTA Headquarters.
- Lower payroll of \$3.7 million in 2015 and \$3.9 million in 2016 mainly results from salary mix due to MTAPD retirements and net transferred positions at Headquarters.
- Lower Madison Avenue facilities expenses of \$5.8 million and \$6.7 million in 2015 and 2016, respectively, due to the disposition of the buildings.
- Programmatic reductions of \$2.9 million per year.

Reimbursable expenses are projected to decrease by \$5.2 million in 2015 mainly due to revisions to the West Side Yard development schedule. In 2016, reimbursable expenses are projected to decrease by \$0.4 million.

Total baseline positions are projected to decrease by 11 positions to 1,726 positions in 2015 and 1,756 positions in 2016. The decreases are due to the transfer of 23 Procurement positions to B&T partly offset by the addition of 12 New Needs positions which is discussed more thoroughly in the Positions section.

The MTA Headquarters Baseline Deficit of \$451.1 million in 2017 includes total Non-Reimbursable Operating Revenues of \$50.3 million and total expenses before depreciation and other post-employment benefits of \$383.2 million, consisting of \$237.7 million in labor expenses and \$145.5 million in non-labor expenses. Total capital and other reimbursements are projected to be \$85.0 million. Total reimbursable labor expenses are \$59.4 million and non-labor expenses are \$25.6 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$128.9 million primarily reflecting advertising revenue receipts reassigned from NYCT and the Commuter Rails to MTA Headquarters. Total headcount is projected to be 1,800 positions in 2017.

Budget Reduction Program (BRPs)

The July Plan includes BRPs of \$5.1 million in 2013, \$4.4 million of which is due to administrative reductions. Part of the MTAHQ savings is recurring 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 in both 2016 and 2017 are inflated at the CPI-Urban rates of 1.71%, and 1.53%, respectively.

MTA HEADQUARTERS
July Financial Plan 2014-2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2012	2013	2014			
	Actuals	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Operating Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.535	53.357	53.288	45.746	46.528	47.240
Advertising	0.000	0.000	0.000	0.000	0.000	0.000
Other	5.130	8.843	5.208	11.265	61.951	3.029
Total Other Operating Revenue	57.665	62.199	58.496	57.011	108.479	50.269
Capital and Other Reimbursements						
Total Revenue	\$57.665	\$62.199	\$58.496	\$57.011	\$108.479	\$50.269
Operating Expenses						
<u>Labor:</u>						
Payroll	\$154.472	\$158.007	\$158.066	\$159.737	\$163.306	\$168.722
Overtime	12.954	9.090	9.403	9.092	9.121	9.293
Health and Welfare	23.164	22.453	26.452	27.707	29.794	32.426
OPEB Current Payment	7.741	11.520	13.080	14.640	16.200	17.760
Pensions	34.326	42.823	42.255	43.327	44.560	46.256
Other Fringe Benefits	17.391	14.130	13.554	14.195	14.742	15.417
Reimbursable Overhead	(59.852)	(51.591)	(49.765)	(50.522)	(51.386)	(52.172)
Total Labor Expenses	\$190.196	\$206.433	\$213.044	\$218.176	\$226.338	\$237.703
<u>Non-Labor:</u>						
Electric Power	\$7.087	\$6.122	\$6.969	\$6.583	\$6.652	\$6.962
Fuel	2.417	1.848	1.235	1.183	1.193	1.238
Insurance	0.347	3.033	3.952	4.491	5.183	6.051
Claims	(0.015)	1.099	1.209	1.330	1.463	1.610
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	54.910	66.334	66.279	62.907	63.559	64.532
Professional Service Contracts	56.314	51.227	56.746	56.231	55.250	56.095
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	4.000	4.000	4.000	4.000
Other	5.553	50.156	27.354	4.834	4.919	5.005
Total Other Business Expenses	(11.615)	54.356	31.354	8.834	8.919	9.005
Total Non-Labor Expenses	\$109.445	\$184.019	\$167.746	\$141.561	\$142.222	\$145.493
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$299.641	\$390.452	\$380.790	\$359.737	\$368.560	\$383.197
Depreciation	49.676	54.328	22.113	25.212	27.011	26.002
OPEB Obligation	83.759	75.000	79.300	83.600	87.900	92.200
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$433.076	\$519.780	\$482.203	\$468.549	\$483.471	\$501.399
Baseline Surplus/(Deficit)	(\$375.411)	(\$457.580)	(\$423.707)	(\$411.538)	(\$374.991)	(\$451.130)

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MTA HEADQUARTERS
July Financial Plan 2014-2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2012	2013	2014			
	Actuals	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.535	53.357	53.288	45.746	46.528	47.240
Other	5.130	8.843	5.208	11.265	61.951	3.029
Total Other Operating Revenue	57.665	62.199	58.496	57.011	108.479	50.269
Capital and Other Reimbursements	69.293	67.654	72.898	77.747	83.958	85.006
Total Revenue	\$126.958	\$129.853	\$131.394	\$134.757	\$192.437	\$135.275
Expenses						
<u>Labor:</u>						
Payroll	\$157.955	\$161.869	\$162.136	\$163.874	\$167.526	\$173.013
Overtime	12.961	9.090	9.403	9.092	9.121	9.293
Health and Welfare	23.684	23.007	27.139	28.403	30.546	33.233
OPEB Current Payment	7.741	11.520	13.080	14.640	16.200	17.760
Pensions	35.009	43.834	43.886	44.997	46.278	48.018
Other Fringe Benefits	17.983	14.513	13.931	14.552	15.113	15.800
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$255.333	\$263.834	\$269.574	\$275.559	\$284.784	\$297.117
<u>Non-Labor:</u>						
Electric Power	\$7.087	\$6.122	\$6.969	\$6.583	\$6.652	\$6.962
Fuel	2.417	1.848	1.235	1.183	1.193	1.238
Insurance	0.347	3.033	3.952	4.491	5.183	6.051
Claims	(0.015)	1.099	1.209	1.330	1.463	1.610
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	54.910	66.343	66.299	62.927	63.580	64.553
Professional Service Contracts	60.435	61.405	72.981	76.460	80.625	81.549
Materials & Supplies	-	-	0.002	0.002	0.002	0.002
<u>Other Business Expenses</u>						
MTA Internal Subsidy	(17.168)	4.200	4.000	4.000	4.000	4.000
Other Business Expenses	5.588	50.223	27.467	4.948	5.035	5.123
Total Other Business Expenses	(11.580)	54.423	31.467	8.948	9.035	9.123
Total Non-Labor Expenses	\$113.601	\$194.272	\$184.113	\$161.925	\$167.734	\$171.086
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$368.934	\$458.106	\$453.688	\$437.484	\$452.518	\$468.203
Depreciation	49.676	54.328	22.113	25.212	27.011	26.002
OPEB Obligation	83.759	75.000	79.300	83.600	87.900	92.200
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$502.369	\$587.434	\$555.101	\$546.296	\$567.429	\$586.405
Baseline Surplus/(Deficit)	(\$375.411)	(\$457.580)	(\$423.707)	(\$411.538)	(\$374.991)	(\$451.130)

MTA HEADQUARTERS
July Financial Plan 2014-2017
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2012	2013	2014			
	Actuals	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.457	53.357	53.288	45.746	46.528	47.240
Advertising	0.000	114.025	118.946	122.782	126.420	130.168
Other	<u>4.688</u>	<u>8.940</u>	<u>5.307</u>	<u>11.366</u>	<u>62.053</u>	<u>3.132</u>
Total Other Operating Revenue	57.145	176.322	177.541	179.893	235.002	180.540
Capital and Other Reimbursements	66.477	67.654	72.898	77.747	83.958	85.006
Total Receipts	\$123.622	\$243.976	\$250.439	\$257.640	\$318.960	\$265.546
Expenditures						
<u>Labor:</u>						
Payroll	\$154.364	\$159.251	\$155.607	\$157.228	\$160.821	\$166.250
Overtime	12.975	9.090	9.403	9.092	9.121	9.293
Health and Welfare	22.164	21.978	26.066	27.286	29.405	32.068
OPEB Current Payment	7.741	11.520	13.080	14.640	16.200	17.760
Pensions	47.679	44.010	43.996	45.110	46.396	48.147
Other Fringe Benefits	17.376	14.709	13.869	14.488	15.048	15.735
GASB Account	1.029	1.451	1.512	1.542	1.575	1.606
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$263.328	\$262.009	\$263.532	\$269.386	\$278.566	\$290.860
<u>Non-Labor:</u>						
Electric Power	\$6.473	\$6.122	\$6.969	\$6.583	\$6.652	\$6.962
Fuel	2.122	1.848	1.235	1.183	1.193	1.238
Insurance	2.622	2.765	3.657	4.168	4.827	5.659
Claims	2.426	1.099	1.209	1.330	1.463	1.610
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	55.541	63.623	63.581	60.347	60.973	61.906
Professional Service Contracts	54.930	66.770	67.508	70.726	74.578	75.433
Materials & Supplies	0.025	-	0.002	0.002	0.002	0.002
<u>Other Business Expenses</u>						
MTA Internal Subsidy	(6.239)	4.200	4.000	4.000	4.000	4.000
Other Business Expenses	<u>19.661</u>	<u>29.282</u>	<u>26.936</u>	<u>4.408</u>	<u>4.480</u>	<u>4.556</u>
Total Other Business Expenses	13.422	33.48	30.94	8.408	8.480	8.556
Total Non-Labor Expenditures	\$137.561	\$175.708	\$175.096	\$152.746	\$158.169	\$161.365
<u>Other Expenditure Adjustments:</u>						
Capital	7.572	22.952	37.312	17.316	17.316	17.316
Unallocated Service Enhancement Policy Action	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$7.572	\$22.952	\$37.312	\$17.316	\$17.316	\$17.316
Total Expenditures	\$408.461	\$460.669	\$475.940	\$439.448	\$454.051	\$469.541
Baseline Cash Deficit	(\$284.839)	(\$216.693)	(\$225.501)	(\$181.808)	(\$135.092)	(\$203.994)

MTA HEADQUARTERS
July Financial Plan 2014-2017
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2012	2013	2014			
	Actuals	Mid-Year	Preliminary	2015	2016	2017
		Forecast	Budget			
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	(0.078)	0.000	0.000	0.000	0.000	0.000
Advertising Revenue	-	114.025	118.946	122.782	126.420	130.168
Other Operating Revenue	(0.442)	0.097	0.099	0.101	0.102	0.104
Capital and Other Reimbursements	(2.816)	-	-	-	-	-
Total Receipts	(\$3.336)	\$114.123	\$119.045	\$122.882	\$126.523	\$130.272
Expenditures						
<u>Labor:</u>						
Payroll	\$3.591	\$2.618	\$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)	(0.176)	(0.110)	(0.113)	(0.118)	(0.129)
Other Fringe Benefits	0.607	(0.196)	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
Total Labor Expenditures	(\$7.995)	\$1.825	\$6.042	\$6.173	\$6.217	\$6.257
<u>Non-Labor:</u>						
Electric Power	\$0.614	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.295	(0.000)	-	-	-	-
Insurance	(2.275)	0.268	0.294	0.324	0.356	0.392
Claims	(2.441)	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.631)	2.720	2.718	2.580	2.607	2.647
Professional Service Contracts	5.505	(5.365)	5.474	5.735	6.047	6.116
Materials & Supplies	(0.025)	0.000	0.000	0.000	0.000	0.000
<u>Other Business Expenses</u>						
MTA Internal Subsidy	(10.929)	-	-	-	-	-
Other Business Expenses	(14.073)	20.941	0.531	0.541	0.555	0.566
Total Other Business Expenses	(25.002)	20.941	0.531	0.541	0.555	0.566
Total Non-Labor Expenditures	(\$23.960)	\$18.564	\$9.017	\$9.179	\$9.565	\$9.721
<u>Other Expenditure Adjustments:</u>						
Capital	(\$7.572)	(\$22.952)	(\$37.312)	(\$17.316)	(\$17.316)	(\$17.316)
Total Other Expenditure Adjustments	(\$7.572)	(\$22.952)	(\$37.312)	(\$17.316)	(\$17.316)	(\$17.316)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$42.863)	\$111.559	\$96.793	\$120.918	\$124.989	\$128.934
Depreciation Adjustment	49.676	54.328	22.113	25.212	27.011	26.002
OPEB Obligation	83.759	75.000	79.300	83.600	87.900	92.200
Environmental Remediation	-	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$90.572	\$240.887	\$198.206	\$229.730	\$239.900	\$247.136

MTA Headquarters
2013 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

		Total		
NON-REIMBURSABLE OVERTIME		Hours	\$	%
<u>Scheduled Service</u>		0	\$0.000	0%
<u>Unscheduled Service</u>		0	\$0.000	0%
<u>Programmatic/Routine Maintenance</u>		0	\$0.000	0%
<u>Unscheduled Maintenance</u>		0	\$0.000	0%
<u>Vacancy/Absentee Coverage</u>		104,213	\$4.641	51%
<u>Weather Emergencies</u>		0	\$0.000	0%
<u>Safety/Security/Law Enforcement</u>		89,677	\$4.010	44%
<u>Other</u>		12,390	\$0.439	5%
	Subtotal	206,280	\$9.090	100%
REIMBURSABLE OVERTIME				
TOTAL OVERTIME		206,280	\$9.090	

¹ Other & reimbursable budget includes PTE \$'s only. Does not include hours.

MTA HEADQUARTERS
JULY FINANCIAL PLAN 2014-2016
Year-to-Year Changes by Category - Baseline

Receipts:

Rental and Other Income and Reimbursements

- The July Financial Plan for 2013 reflects advertising revenue receipts reassigned to MTA Headquarters from NYCT and the Commuter Rails 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 these 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 2015 and 2016, increased total revenue reflects reimbursement of consolidation/relocation expenses from the disposition of the Madison Avenue buildings, partly offset by lost rental revenues as a result of the buildings' disposal.
- Revenues in 2017 are inflated by the CPI-Urban rate of 1.53%.

Expenditures:

Payroll

- Payroll changes in the July Financial Plan in 2013 primarily reflect re-estimated departmental costs, the reduction of BSC salaries due to the transfer of 23 Procurement positions to B&T. Payroll also reflects an increase of two Administrative New Needs positions.
- Payroll in 2014 is virtually unchanged from 2013 and reflects the reduction of the vacation accrual partly offset by the impact of a projected full-year of staffing, and the addition of MTAPD positions for increased security on the New Haven Line.
- 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 July Financial Plan are primarily related to MTA Police operations.

- In 2013, overtime expenses are higher than the February Adopted Budget by \$0.2 million mainly due to increased coverage requirements by MTAPD.
- Increased expenses in 2014 primarily reflect MTAPD coverage anticipate for Super Bowl XLVIII at the MetLife Stadium.
- Expenses in 2015, 2016, and 2017 are inflated by prevailing inflator assumptions.

Health and Welfare

- Based on revised Empire Plan cost assumptions provided by the NYS Department of Civil Service, Health and Welfare premium rates in 2013 are projected to increase at a rate of 4.5%, 11.1% in 2014, 2.8% in 2015 and 6.1% in each year thereafter.

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

- The July Financial Plan reflects a revision to the rate of return on investments to 7%.
- Reduced pension costs in 2014 primarily reflect revised MTA Defined Benefits contributions.
- Rates are inflated by CPI of 2.59% in 2015 and 2016, and 2.65% 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.

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 increase by \$11.4 million over 2012 mainly due to costs related to Sandy, higher IESS maintenance expenses, and steam costs previously budgeted as Fuel expense.
- 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 are inflated by the CPI-Urban rates of 1.71%, and 1.53%, respectively.

Professional Service Contracts

- In 2013 expenses decrease by \$5.1 million from 2012 which included consulting costs for services that identified significant Paratransit cost savings and strategic cost savings throughout the MTA, and higher BSC temporary services.
- The July Plan includes reductions to projected 2013 expense levels mainly due to a review of YTD expenses that resulted in lower expenses, primarily for hardware and software purchases, partially offset by a transfer from operating capital for an Inspector General IT project.
- Expenses beginning in 2014 are projected to increase primarily due to Two Broadway for engineering and relocation of Headquarters administration functions.
- In 2015, 2016, and 2017 the majority of expenses are inflated by the CPI-Urban rates of 1.52%, 1.71%, and 1.53%, respectively, with adjustments corresponding to the needs of the West Side Yards development.

Materials & Supplies

- Materials and Supplies expenses, while negligible, are inflated at the CPI-Urban rate of 1.52%, 1.52%, 1.71%, and 1.53% in 2014 - 2017.

MTA Internal Subsidy

- The MTA Internal Subsidy increases by \$21.4 million over 2012 which reflected a \$21.1 million timing adjustment credit for SIRT OA support.
- Support requirements for the Rockaway Resident Discount Program are \$4.2 million in 2013 decreasing to \$4.0 million per year thereafter. Reimbursement assumptions are addressed within the MTA Consolidated Subsidies section.

Other Business Expenses

- Expenses in 2013 increase by \$44.6 million over 2012 primarily reflecting costs related to the move from Madison Avenue and consolidation/relocation of administrative offices to Two Broadway.
- Expenses are reduced in 2014 but still reflect costs of \$22.4 million related to the move from Madison Avenue and consolidation/relocation of administrative offices to Two Broadway.
- In 2015, 2016 and 2017 expenses are normalized and are inflated by the CPI-Urban rates of 1.52%, 1.71%, and 1.53%, respectively.

Other Expenditure Adjustments:

Capital Expenditures

- Capital expenditures of \$23.0 million in 2013 are \$0.3 million favorable from the February Adopted Budget reflecting a transfer to Professional Services for an Inspector General IT project.
- Capital expenditures of \$37.3 million in 2014 are \$20.0 million higher than the February Adopted Budget and reflect Two Broadway New 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 firearms training trailer for the MTAPD; and \$6.0 million for projects deferred from previous years.

- Capital expenditures in 2015-2017 remain constant at \$17.3 million.

MTA HEADQUARTERS
July 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
Revenue									
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	53.357	53.288	(0.069)	45.746	(7.542)	46.528	0.782	47.240	0.712
Other	8.843	5.208	(3.635)	11.265	6.057	61.951	50.686	3.029	(58.922)
Capital and Other Reimbursements									
Total Revenue	\$62.199	\$58.496	(\$3.704)	\$57.011	(\$1.485)	\$108.479	\$51.468	\$50.269	(\$58.210)
Expenses									
Labor:									
Payroll	\$158.007	\$158.066	(\$0.059)	\$159.737	(\$1.670)	\$163.306	(\$3.569)	\$168.722	(\$5.417)
Overtime	9.090	9.403	(0.312)	9.092	0.311	9.121	(0.029)	9.293	(0.172)
Health and Welfare	22.453	26.452	(3.999)	27.707	(1.255)	29.794	(2.087)	32.426	(2.631)
OPEB Current Payment	11.520	13.080	(1.560)	14.640	(1.560)	16.200	(1.560)	17.760	(1.560)
Pensions	42.823	42.255	0.568	43.327	(1.072)	44.560	(1.233)	46.256	(1.697)
Other Fringe Benefits	14.130	13.554	0.576	14.195	(0.641)	14.742	(0.547)	15.417	(0.675)
Reimbursable Overhead	(51.591)	(49.765)	(1.826)	(50.522)	0.756	(51.386)	0.864	(52.172)	0.786
Total Labor Expenses	\$206.433	\$213.044	(\$6.611)	\$218.176	(\$5.132)	\$226.338	(\$8.162)	\$237.703	(\$11.366)
Non-Labor:									
Electric Power	\$6.122	\$6.969	(\$0.847)	\$6.583	\$0.386	\$6.652	(\$0.069)	\$6.962	(\$0.309)
Fuel	1.848	1.235	0.613	1.183	0.052	1.193	(0.010)	1.238	(0.045)
Insurance	3.033	3.952	(0.919)	4.491	(0.540)	5.183	(0.692)	6.051	(0.868)
Claims	1.099	1.209	(0.110)	1.330	(0.121)	1.463	(0.133)	1.610	(0.146)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.334	66.279	0.055	62.907	3.373	63.559	(0.653)	64.532	(0.972)
Professional Service Contracts	51.227	56.746	(5.519)	56.231	0.515	55.250	0.981	56.095	(0.845)
Materials & Supplies	-	0.002	(0.002)	0.002	(0.000)	0.002	(0.000)	0.002	(0.000)
MTA Internal Subsidy	4.200	4.000	0.200	4.000	-	4.000	-	4.000	-
Other Business Expenses	50.156	27.354	22.802	4.834	22.520	4.919	(0.085)	5.005	(0.085)
Total Non-Labor Expenses	\$184.019	\$167.746	\$16.273	\$141.561	\$26.184	\$142.222	(\$0.661)	\$145.493	(\$3.271)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$390.452	\$380.790	\$9.662	\$359.737	\$21.053	\$368.560	(\$8.823)	\$383.197	(\$14.637)
Depreciation	54.328	22.113	32.215	25.212	(3.099)	27.011	(1.799)	26.002	1.009
OPEB Obligation	75.000	79.300	(4.300)	83.600	(4.300)	87.900	(4.300)	92.200	(4.300)
Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses	\$519.780	\$482.203	\$37.577	\$468.549	\$13.654	\$483.471	(\$14.922)	\$501.399	(\$17.928)
Baseline Net Surplus/(Deficit)	(\$457.580)	(\$423.707)	\$33.874	(\$411.538)	\$12.168	(\$374.991)	\$36.547	(\$451.130)	(\$76.139)

REIMBURSABLE

[illegible]

MTA HEADQUARTERS
July 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
Revenue									
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	53.357	53.288	(0.069)	45.746	(7.542)	46.528	0.782	47.240	0.712
Other	8.940	5.307	(3.634)	11.366	6.059	62.053	50.688	3.132	(58.921)
Capital and Other Reimbursements	67.654	72.898	5.244	77.747	4.849	83.958	6.211	85.006	1.048
Total Revenue	\$129.951	\$131.493	\$1.542	\$257.640	\$126.147	\$192.539	(\$65.100)	\$265.546	\$73.007
Expenses									
Labor:									
Payroll	\$159.251	\$155.607	\$3.644	\$157.228	(\$1.621)	\$160.821	(\$3.593)	\$166.250	(\$5.429)
Overtime	9.090	9.403	(0.312)	9.092	0.311	9.121	(0.029)	9.293	(0.172)
Health and Welfare	21.978	26.066	(4.088)	27.286	(1.220)	29.405	(2.119)	32.068	(2.663)
OPEB Current Payment	11.520	13.080	(1.560)	14.640	(1.560)	16.200	(1.560)	17.760	(1.560)
Pensions	44.010	43.996	0.014	45.110	(1.115)	46.396	(1.286)	48.147	(1.751)
Other Fringe Benefits	14.709	13.869	0.840	14.488	(0.619)	15.048	(0.560)	15.735	(0.687)
GASB Account	1.451	1.512	(0.061)	1.542	(0.031)	1.575	(0.033)	1.606	(0.031)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$262.009	\$263.532	(\$1.523)	\$269.386	(\$5.854)	\$278.566	(\$9.180)	\$290.860	(\$12.293)
Non-Labor:									
Electric Power	\$6.122	\$6.969	(\$0.847)	\$6.583	\$0.386	\$6.652	(\$0.069)	\$6.962	(\$0.309)
Fuel	1.848	1.235	0.613	1.183	0.052	1.193	(0.010)	1.238	(0.045)
Insurance	2.765	3.657	(0.892)	4.168	(0.510)	4.827	(0.659)	5.659	(0.832)
Claims	1.099	1.209	(0.110)	1.330	(0.121)	1.463	(0.133)	1.610	(0.146)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	63.623	63.581	0.042	60.347	3.234	60.973	(0.626)	61.906	(0.933)
Professional Service Contracts	66.770	67.508	(0.738)	70.726	(3.218)	74.578	(3.853)	75.433	(0.855)
Materials & Supplies	-	0.002	(0.002)	0.002	(0.000)	0.002	(0.000)	0.002	(0.000)
MTA Internal Subsidy	4.200	4.000	0.200	4.000	-	4.000	-	4.000	-
Other Business Expenses	29.282	26.936	2.346	4.408	22.528	4.480	(0.073)	4.556	(0.076)
Total Non-Labor Expenditures	\$175.708	\$175.096	\$0.612	\$152.746	\$22.350	\$158.169	(\$5.423)	\$161.365	(\$3.196)
Other Expenditure Adjustments:									
Capital	22.952	37.312	(14.360)	17.316	19.996	17.316	-	17.316	-
Total Other Expenditure Adjustments	\$22.952	\$37.312	(\$14.360)	\$17.316	\$19.996	\$17.316	\$0.000	\$17.316	\$0.000
Total Expenditures	\$460.669	\$475.940	(\$15.271)	\$439.448	\$36.492	\$454.051	(\$14.604)	\$469.541	(\$15.489)
Baseline Net Cash Deficit	(\$330.719)	(\$344.447)	(\$13.728)	(\$181.808)	\$162.639	(\$261.512)	(\$79.704)	(\$203.994)	\$57.518

MTA HEADQUARTERS
JULY FINANCIAL PLAN 2014-2017
Summary of Plan-to-Plan Changes by Generic Category

2013: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Other operating revenues are projected to increase from the February Adopted Budget by \$4.3 million.

Major generic category changes include:

- Rental income is projected to increase by \$0.5 million due to increased Two Broadway rentals and Transit Museum revenues.
- Other revenues are projected to increase by \$3.8 million mainly due to recoveries of losses incurred from Sandy.

Operating Expense Changes

Excluding depreciation and post-employment benefits, increase by \$20.0 million, operating expenses decreased by \$8.4 million.

Major generic category changes include:

- Payroll is projected to decrease by \$4.5 million mainly due to vacancies.
- Electric power costs of \$2.5 million and fuel costs of \$1.0 million are lower and reflect a more accurate assignment of costs to MTAHQ units.
- Reimbursable overhead is favorable by \$2.1 million due to prior year recovery of MTAPD Directed Patrol overtime.
- Professional service contracts of \$1.0 million are lower and result from a review of expenses that significantly reduced the use of leases and rentals, IT Software purchases and other outside service costs, partially offset by a transfer from operating capital for an Inspector General IT project.
- Pension payments are \$0.5 million lower mainly reflecting revised Defined Benefits contributions.
- Other post-employment benefits are \$1.9 million higher reflecting higher GASB Account contributions to help offset projected steep increases in future retiree health benefit costs.
- Higher other business expenses of \$0.6 million are mainly due to revised expenses related to the Headquarters relocation to Two Broadway.

2014: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Other operating revenues are projected to decrease from the February Adopted Budget by \$0.4 million.

Major generic category changes include:

- Rental income is projected to decrease by \$0.5 million due to lower Two Broadway rentals.
- Other revenues are projected to increase by \$0.1 million mainly due to revised recoveries of losses incurred from Sandy.

Operating Expense Changes

Excluding depreciation and post-employment benefits decreases of \$10.9 million, operating expenses increased by \$6.9 million.

Major generic category changes include:

- Professional service contracts increase by \$5.6 million mainly as a result of higher Two Broadway engineering consulting and other costs necessary to keep the building in a state of good repair.
- Health and welfare costs are \$4.1 million higher than the February Plan mainly due to revised forecasting methodology and increased headcount.
- Other post-employment benefits are \$2.2 million higher reflecting higher GASB Account contributions to help offset projected steep increases in future retiree health benefit costs.
- Maintenance increases of \$0.9 million primarily reflect increased facility maintenance including steam charges.
- Insurance increases of \$0.6 million reflect revised insurance premiums.
- Reimbursable overhead of \$0.6 million is lower mainly due to revised levels of expenses incurred on behalf of the Agencies.
- Payroll is projected to decrease by \$3.7 million mainly due to a lower vacation accrual, the transfer of 23 Procurement positions to B&T, and a favorable MTAPD salary mix due to retirements, partly offset by 12 New Need headcount positions.
- Pension costs are \$0.6 million lower and reflect revised Defined Benefits contributions.
- Electric costs are \$1.6 million lower and fuel costs are \$1.5 million lower and reflect a more accurate assignment of costs to MTAHQ units.

2015 and 2016: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Other operating revenues are projected to decrease from the February Adopted Budget by \$12.8 million in 2015 and \$21.5 million in 2016.

Major generic category changes include:

- Rental income is projected to decrease by \$8.9 million in 2015 and \$9.2 million mainly due to reduced Madison Avenue rentals resulting from the disposition of the buildings.
- Other revenues are projected to increase by \$3.9 million in 2015 and \$12.2 million in 2016 mainly due to revised recoveries of losses incurred from Sandy in 2015 and revised projected reimbursements from the sale of the Madison Avenue buildings in 2015 and 2016.

Operating Expense Changes

Excluding depreciation and post-employment benefits decreases of \$7.3 million in 2015 and \$5.1 million in 2016, operating expenses are unfavorable by \$0.7 million in 2015, but favorable by \$1.1 million in 2016.

Major generic category changes include:

- Payroll is projected to decrease by \$3.7 million in 2015 and \$3.9 million in 2016 mainly due to a lower vacation accrual, the transfer of 23 Procurement positions to B&T, and a favorable MTAPD salary mix due to retirements, partly offset by 12 New Need headcount positions.
- Maintenance costs are lower by \$3.5 million in 2015 and \$4.2 million in 2016 resulting from the disposition of the Madison Avenue buildings.
- Electric costs decrease by \$2.5 million in 2015 and \$3.0 million in 2016, and fuel costs decrease by \$1.4 million in 2015, and \$1.6 million in 2016 reflecting a more accurate assignment of costs to MTAHQ units as well as the disposition of the Madison Avenue buildings.
- Pension costs are \$0.6 million lower in 2015 and \$0.9 million lower in 2016 and reflect revised Defined Benefits contributions.
- Other business expenses are lower by \$0.6 million in 2015 and \$0.7 million in 2016, mainly due to Programmatic Reductions.
- Reimbursable overhead is \$0.7 million lower in 2015 and \$0.9 million in 2016 mainly due to revised levels of expenses incurred on behalf of the Agencies.
- Higher insurance of \$0.7 million in 2015 and \$0.8 million in 2016 due to revised rates.
- Health and welfare costs increase by \$3.8 million in 2015 and \$3.7 million in 2016, mainly due to revised forecasting methodology and increased headcount.

- Other post-employment benefits increase by \$2.4 million in 2015 and \$2.7 million in 2016, reflecting higher GASB Account contributions to help offset projected steep increases in future retiree health benefit costs.
- Professional service contracts are higher by \$5.1 million in 2015 and \$4.7 million in 2016 mainly due to higher Two Broadway engineering consulting and other costs necessary to keep the building in a state of good repair.

MTA HEADQUARTERS
July Financial Plan 2014-2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash Income/(Deficit)	(\$219.778)	(\$200.114)	(\$171.629)	(\$119.885)
Baseline Changes				
Revenue				
Farebox Revenue				
Vehicle Toll Revenue				
Rental Income	\$0.483	(\$0.500)	(\$8.930)	(\$9.247)
Advertising Revenue	-	-	-	-
Other	3.800	0.127	(3.903)	(12.238)
Capital and Other Reimbursement				
Total Revenue Changes	\$4.283	(\$.374)	(\$12.833)	(\$21.485)
Expenses				
Labor:				
Payroll	\$4.511	\$3.744	\$3.726	\$3.884
Overtime	(0.158)	(0.311)	(0.000)	0.013
Health and Welfare	0.276	(4.139)	(3.762)	(3.663)
OPEB Current Payment	(1.920)	(2.180)	(2.440)	(2.700)
Pensions	0.516	0.644	0.589	0.915
Other Fringe Benefits	(0.003)	(0.160)	(0.426)	(0.398)
<u>Reimbursable Overhead</u>	2.063	(0.620)	(0.696)	(0.862)
Total Labor Expense Changes	5.284	(3.022)	(3.009)	(2.812)
Non-Labor:				
Electric Power	2.544	1.591	2.495	3.013
Fuel	0.957	1.450	1.427	1.588
Insurance	(0.098)	(0.556)	(0.666)	(0.802)
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	(0.411)	(0.887)	3.486	4.169
Professional Service Contracts	0.950	(5.571)	(5.056)	(4.744)
Materials & Supplies	0.005	0.003	0.003	0.003
MTA Internal Subsidy	(0.200)	-	-	-
<u>Other Business Expenses</u>	(0.630)	0.129	0.643	0.719
Total Non-Labor Expense Changes	\$3.118	(\$3.841)	\$2.334	\$3.946
Gap Closing Expenses :				
Total Gap Closing Expenses	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.				
Depreciation	(\$19.983)	\$10.857	\$7.261	\$5.074
OPEB Obligation	-	-	-	-
Environmental Remediation				
Total Expense Changes	(\$11.581)	\$3.994	\$6.585	\$6.208
Cash Adjustment Changes				
Revenue Adjustments	0.541	1.848	3.558	5.053
Expense Adjustments	9.842	(30.856)	(7.489)	(4.983)
Total Cash Adjustment Changes	\$10.383	(\$29.007)	(\$3.932)	\$0.070
Total Baseline Changes	\$3.085	(\$25.387)	(\$10.179)	(\$15.207)
Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)	(\$216.693)	(\$225.501)	(\$181.808)	(\$135.092)

MTA HEADQUARTERS
July Financial Plan 2014-2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue				
Vehicle Toll Revenue				
Rental Income				
Other				
<u>Capital and Other Reimbursement</u>	<u>0.894</u>	<u>(3.948)</u>	<u>(5.241)</u>	<u>(0.355)</u>
Total Revenue Changes	\$0.894	(\$3.948)	(\$5.241)	(\$0.355)
Expenses				
Labor:				
Payroll	\$0.238	\$0.100	\$0.102	\$0.104
Overtime	-	-	-	-
Health and Welfare	(0.027)	(0.109)	(0.071)	(0.073)
OPEB Current Payment	-	-	-	-
Pensions	(0.255)	(0.837)	(0.855)	(0.881)
Other Fringe Benefits	(0.041)	(0.044)	(0.012)	(0.012)
<u>Reimbursable Overhead</u>	<u>(2.063)</u>	<u>0.620</u>	<u>0.696</u>	<u>0.862</u>
Total Labor Expense Changes	(\$2.148)	(\$0.269)	(\$0.140)	\$0.000
Non-Labor:				
Electric Power	0.014	0.013	0.014	0.015
Fuel				
Insurance	0.112	0.124	0.136	0.149
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	0.084	0.074	0.076	0.077
Professional Services	0.997	4.004	5.154	0.111
Materials & Supplies	-	-	-	-
MTA Internal Subsidy	-	-	-	-
<u>Other Business Expenses</u>	<u>0.046</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>
Total Non-Labor Expense Changes	\$1.254	\$4.217	\$5.381	\$0.355
Gap Closing Expenses :				
Total Gap Closing Expenses	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	(\$0.894)	\$3.948	\$5.241	\$0.355
Depreciation				
Total Expense Changes	(\$0.894)	\$3.948	\$5.241	\$0.355
Cash Adjustment Changes	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	(\$0.000)
Baseline 2013 July Financial Plan - Operating Cash	\$0.000	\$0.000	\$0.000	(\$0.000)

**MTA HEADQUARTERS
JULY FINANCIAL PLAN 2014-2017
Summary of Major Plan-to-Plan Changes**

2013: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue is projected to increase from the February Adopted Budget by \$5.2 million.

Major changes include:

- Revised other revenues projected to increase by \$4.0 million mainly due to recoveries of losses resulting from Sandy.
- Capital reimbursements increase by \$0.9 million mainly due to prior year recovery of MTAPD Directed Patrol overtime.
- Revised rental revenues projected to increase by \$0.5 million due to increase Two Broadway rentals.

Expense Changes

Total expenses increased by \$12.5 million in 2013.

Major changes include:

Unfavorable

- Higher depreciation of \$20.0 million mainly due to higher IT equipment put into service and BSC project depreciation timing.
- Increased other post-employment benefits of \$1.9 million reflecting higher GASB Account contributions to help offset projected steep increases in future retiree health benefit costs.
- Higher Sandy-related repair costs at 2 Broadway of \$0.9 million.
- Higher operating budget New Needs of \$0.8 million mainly for telecom expenses for a new EVPL network which results in corresponding cost savings throughout the agencies.
- Revised unfavorable MTA relocation expenses to Two Broadway of \$0.7 million.

Favorable

- Reduced salaries of \$6.5 million mainly due to vacancies, MTAPD salary mix, and the net impact of the transfer of Procurement positions to B&T.
- BRP programmatic reductions of \$5.1 million (see BRP section at the beginning of the introductory narrative).

Cash Adjustments

- Cash adjustments are projected to be favorable by \$10.4 million mainly due to revised depreciation adjustments of \$20.0 million and revised advertising revenue reassigned to MTA Headquarters from NYCT and the Commuter Rails of \$0.5 million, partly offset by the timing of 2012 expense payments of \$9.9 million.

2014: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenues are projected to decrease from the February Adopted Budget by \$4.3 million.

Major changes include:

- Rental income is projected to decrease by \$0.5 million due to lower Two Broadway rentals.
- Capital and other reimbursements are projected to decrease by \$3.9 million mainly due to revised West Side Yard development schedules.

Expense Changes

Total expenses are projected to decrease by \$7.9 million.

Major changes include:

Unfavorable

- Operating budget New Needs of \$8.8 million including \$5.6 million in engineering and other professional services for the Two Broadway facility; \$0.8 million to utilize a cloud infrastructure to ensure uptime of mta.info during business disruption such as caused by Sandy; telecom expenses of \$0.6 million for a new EVPL network which results in corresponding cost savings throughout the agencies; first year payroll costs of \$0.5 million related to the hiring of MTAPD officers for the MNR New Haven Line; and \$0.4 million for MTAPD increased coverage related to Super Bowl XLVIII at the MetLife Stadium.
- Revised health and welfare costs of \$4.3 million result from revised forecasting methodology and increased headcount.
- Increased other post-employment benefits of \$2.2 million reflect higher GASB Account contributions to help offset projected steep increases in future retiree health benefit costs.

Favorable

- Lower depreciation of \$10.9 million mainly due to BSC project depreciation timing.
- Favorable revision of \$3.9 for the West Side Yards development work schedule.

- Reduced salaries of \$3.8 million mainly due to MTAPD salary mix, and the net impact of the transfer of Procurement positions to B&T.
- BRP programmatic reductions of \$3.7 million.
- Revised electric and fuel costs of \$0.6 million and \$0.5 million, respectively, reflecting more accurate assignment of costs.

Cash Adjustments

- Cash adjustments are projected to be unfavorable by \$29.0 million primarily due to higher operating capital spending of \$20.0 million reflecting Two Broadway New 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 an outdated firearms training trailer for the MTAPD; and \$6.0 million reflecting a catch-up of operating capital under-spending in previous years. In addition, depreciation adjustments of \$10.9 million mainly due to BSC project depreciation timing are partly offset by revised advertising revenue reassigned from the Agencies to MTA Headquarters of \$1.8 million.

2015 and 2016: July Financial Plan vs. February Financial Plan

Revenue Changes

Other operating revenues are projected to decrease from the February Adopted Budget by \$18.1 million in 2015 and \$21.8 million in 2016.

Major changes include:

- Rental income is projected to decrease by \$8.9 million in 2015 and \$9.2 million mainly due to reduced Madison Avenue rentals resulting from the disposal of the buildings.
- Other revenues are projected to decrease by \$1.7 million in 2015 and by \$12.2 million in 2016 mainly due to revised projected reimbursements from the disposition of the Madison Avenue buildings.
- Revised recoveries of losses incurred from Sandy are projected to decrease by \$2.0 million in 2015.
- Capital and other reimbursements lower by \$5.2 million in 2015 and by \$0.4 million in 2016 mainly due to revised West Side Yard development schedules.

Expense Changes

Expenses decrease by \$11.8 million in 2015 and \$6.6 million in 2016.

Major changes include:

Favorable

- Lower depreciation of \$7.3 million in 2015 and \$5.1 million in 2016 is mainly due to BSC project depreciation timing.
- Lower Madison Avenue facilities expenses of \$5.8 million and \$6.7 million in 2015 and 2016, respectively due to the disposition of the buildings.
- Favorable revisions to the West Side Yard development schedule of \$5.1 million in 2015.
- Reduced salaries of \$3.8 million in 2015 and \$4.0 million in 2016 are mainly due to MTAPD salary mix, and the net impact of the transfer of Procurement positions to B&T.
- Programmatic reductions of \$2.9 million per year (see BRP section at the beginning of the introductory narrative).
- Revised electric costs of \$0.9 million and \$1.2 million in 2015 and 2016 respectively and fuel costs of \$0.7 million in each year, reflecting more accurate assignment of costs.

Unfavorable

- New Needs of \$7.5 million and \$7.6 million in 2015 and 2016, respectively. Included are \$5.7 million and \$5.8 million in 2015 and 2016, respectively, for engineering and other professional services for the Two Broadway facility; \$0.8 million per year to utilize a cloud infrastructure to ensure uptime of mta.info during business disruptions, such as what occurred with Sandy; and telecom expenses of \$0.6 million per year for a new EVPL network which results in corresponding cost savings throughout the agencies.
- Higher health and welfare costs of \$4.7 million in 2015 and \$4.6 million in 2016 mainly due to revised forecasting methodology and increased headcount.
- Increased other post-employment benefits of \$2.4 million in 2015 and \$2.7 million in 2016 reflect higher GASB Account contributions to help offset projected steep increases in future retiree health benefit costs.

Cash Adjustments

Cash adjustments are projected to be unfavorable by \$3.9 million in 2015 and \$0.1 million favorable in 2016 primarily reflecting BSC project depreciation timing partly offset by revised advertising revenue reassigned to MTA Headquarters.

MTA HEADQUARTERS
July Financial Plan 2014-2017
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash Income/(Deficit)	(\$219.778)	(\$200.114)	(\$171.629)	(\$119.885)
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Transit Museum Revenue	\$0.273	\$0.088	\$0.089	\$0.091
Revised Rental Revenues	0.483	(0.500)	(8.930)	(9.247)
Revised Hurricane Sandy Recovery	3.997	0.289	(2.031)	-
Revised Recovery of MTA relocation expenses	-	-	(1.703)	(12.057)
Inflation Effect	-	(0.130)	(0.206)	(0.383)
All Other	(0.470)	(0.120)	(0.052)	0.111
Sub-Total Non-Reimbursable Revenue Changes	\$4.283	(\$.374)	(\$12.833)	(\$21.485)
Expenses				
July 2013 BRP - Programmatic Reductions	5.140	3.736	2.929	2.850
Operating Budget New Needs	(0.830)	(8.817)	(7.484)	(7.622)
Higher Super Storm Sandy Related Repair costs at 2 Broadway	(0.909)	-	-	-
Revised HQ 2013 Salary	3.004	-	-	-
Lower MTAPD Salary Mix	1.590	1.249	1.248	1.382
Revised MTA Relocation Expenses	(0.652)	(0.326)	-	-
Reduced Facility Expenses: Disposal of Madison Ave Bldgs.	-	-	5.829	6.675
Lower 2013 2 Broadway Expenses	0.762	-	-	-
Transfer of Procurement Personnel to B&T	1.910	2.505	2.555	2.616
MTA Internal Subsidy	(0.200)	-	-	-
Revised Fringe Benefits	(0.420)	(4.301)	(4.722)	(4.629)
Increased Mainframe Software and CPU costs	(0.275)	(0.050)	(0.051)	(0.052)
Reduced Electric Expenses	0.923	0.629	0.937	1.215
Reduced Fuel Expenses	0.547	0.483	0.491	0.674
Change in Depreciation	(19.983)	10.857	7.261	5.074
Higher OPEB Current payments	(1.920)	(2.180)	(2.440)	(2.700)
Inflation Effect	-	0.249	0.407	0.778
Change in Insurance	(0.098)	(0.556)	(0.666)	(0.802)
<u>Transfer of IG operating Capital Funding to Operating</u>	<u>(0.386)</u>			
Other Miscellaneous Changes and Adjustments	0.216	0.517	0.290	0.751
Sub-Total Non-Reimbursable Expense Changes	(\$11.580)	\$3.994	\$6.585	\$6.209
Total Non-Reimbursable Major Changes	(\$7.298)	\$3.621	(\$6.248)	(\$15.276)
<i>Reimbursable Major Changes</i>				
Revised Reimbursable Revenue	0.894	(3.948)	(5.241)	(0.355)
Sub-Total Reimbursable Revenue Changes	\$0.894	(\$3.948)	(\$5.241)	(\$0.355)
Expenses				
Change in West Side Yard Development Schedule	0.892	3.918	5.060	-
Change in Recoverable Overhead	(2.063)	0.620	0.696	0.862
All Other	0.276	(0.590)	(0.514)	(0.508)
Sub-Total Reimbursable Expense Changes	(\$.895)	\$3.948	\$5.242	\$3.54
Total Reimbursable Major Changes	(\$0.000)	\$0.001	\$0.001	(\$0.001)
Total Accrual Changes	(\$7.298)	\$3.621	(\$6.247)	(\$15.277)
<i>Cash Adjustment Changes</i>				
Depreciation Adjustment	\$19.983	(\$10.857)	(\$7.261)	(\$5.074)
Operating Capital adjustments	\$0.386	(\$6.033)	\$0.000	\$0.000
Operating Capital New Needs	\$0.000	(\$13.963)	\$0.000	\$0.000
Revenue Cash Adjustments	\$0.541	\$1.848	\$3.558	\$5.053
Timing of 2012 Expenses	(\$9.900)	\$0.000	\$0.000	\$0.000
All Other Cash Adjustments	(\$0.627)	(\$0.003)	(\$0.228)	\$0.090
Total Cash Adjustment Changes	\$10.383	(\$29.008)	(\$3.932)	\$0.069
Total Baseline Changes	\$3.085	(\$25.386)	(\$10.179)	(\$15.207)
Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)	(\$216.693)	(\$225.500)	(\$181.808)	(\$135.092)

MTA HEADQUARTERS
July Financial Plan 2014-2017
2013 Budget Reduction Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2013	Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017
<u>Administration</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		0.434		0.472		0.479		0.488		0.495
<i>Subtotal Administration</i>	-	5.140	-	3.736	-	2.929	-	2.850	-	2.894
<u>Customer Convenience/Amenities</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Customer Convenience/Amenities</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
None										
<i>Subtotal Maintenance</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Revenue Enhancement</u>										
None										
<i>Subtotal Revenue Enhancement</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Security</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None										
<i>Subtotal Service Support</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Other</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Total	-	\$5.140	-	\$3.736	-	\$2.929	-	\$2.850	-	\$2.894

**MTA HEADQUARTERS
July Financial Plan 2014-2017
2013 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Reduction of IESS Maintenance Expenses

Background Details:	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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Program Description/ Implementation Plan:			
Program Implementation Date:	1/1/2013	When will savings begin?:	1/1/2013
		Are these savings recurring?:	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>					
Net Cash Savings (in millions)	\$2.834	\$0.976	\$0.126	\$0.000	\$0.000
<i>Total Positions Required:</i>					

MTA HEADQUARTERS
July Financial Plan 2014-2017
2013 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: Reduction in Maintenance & Other Operating Expenses

Background Details:	Headquarters 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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Program Description/ Implementation Plan:			
Program Implementation Date:	1/1/2013	When will savings begin?:	1/1/2013
		Are these savings recurring?:	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>					
Net Cash Savings (in millions)	\$0.825	\$0.951	\$0.965	\$0.982	\$0.997
<i>Total Positions Required:</i>					

MTA HEADQUARTERS
July Financial Plan 2014-2017
2013 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: Professional Service Reduction

Background Details:	MTAHQ has reduced the use of leases and rentals, IT Software purchases and other outside services.
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Program Description/ Implementation Plan:			
Program Implementation Date:	1/1/2013	When will savings begin?:	1/1/2013
		Are these savings recurring?:	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>					
Net Cash Savings (in millions)	\$0.299	\$0.610	\$0.619	\$0.629	\$0.639

Total Positions Required:

**MTA HEADQUARTERS
July Financial Plan 2014-2017
2013 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: MTAPD Miscellaneous Reductions

MTAPD has reduced other business expenses such as office supplies and reduced other contracts with outside vendors for IT hardware and software, and legal fees.

**Program Description/
Implementation Plan:**

Program Implementation Date: 1/1/2013 **When will savings begin?:** 1/1/2013

Are these savings recurring?: 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>					
Net Cash Savings (in millions)	\$0.748	\$0.728	\$0.739	\$0.751	\$0.763

Total Positions Required:

MTA HEADQUARTERS
July Financial Plan 2014-2017
2013 Budget Reduction Plan Worksheet

Category by Function: **Administration**

Program: **HQ Miscellaneous Reductions**

Background Details:	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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Program Description/ Implementation Plan:			
Program Implementation Date:	1/1/2013	When will savings begin?:	1/1/2013
		Are these savings recurring?:	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>					
Net Cash Savings (in millions)	\$0.434	\$0.472	\$0.479	\$0.488	\$0.495
<i>Total Positions Required:</i>					

**MTA HEADQUARTERS
2014 Preliminary Budget
July Financial Plan 2014-2017
Positions**

POSITION ASSUMPTIONS

2012 Actual Incumbents vs. July 2013 Financial Plan Positions

Total 2013 positions of 1,711 positions represent an increase of 88 positions from the 2012 actual incumbent level of 1,623, primarily due to vacancies in 2012 assumed to be filled in 2013.

2013: July Financial Plan vs. February Plan

Total baseline positions are projected to decrease by 21 positions, due to non-reimbursable decreases of 21 positions. Specifically:

Transfers of Non-Reimbursable Positions (total decrease of 23 positions):

- 23 BSC Procurement positions transferred to B&T.

New Needs (total increase of 2 Non-Reimbursable positions) include:

- Two Administration positions include an upgrade of a contingent to full-time Arts for Transit position, and a Marketing Administrative Assistant.

The decrease of 21 positions by function was in Administration as follows:

Administration (total decrease of 21 positions):

- 23 BSC Procurement positions transferred to B&T.
- Two New Needs positions include an upgrade of a contingent to full-time Arts for Transit position, and a Marketing Administrative Assistant.

Position changes by occupational group are: Managers/Supervisors decrease by 16 positions, Professional, Technical, Clerical positions decrease by 5 positions.

2014: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to decrease by 11 positions, due to non-reimbursable decreases of 11 positions. Specifically:

Transfers of Non-Reimbursable Positions (total decrease of 23 positions):

- 23 BSC Procurement positions transferred to B&T.

New Needs (total increase of 12 Non-Reimbursable positions) include:

- Nine MTA Police additions due to regional growth in MNR New Haven Line responsibilities.
- Two Administration positions include an upgrade of a contingent to full-time Arts for Transit position, and a Marketing Administrative Assistant position.
- One MTAPD civilian to assist in oversight of MTAPD facilities.

The breakdown of the 11 position decreases by function is as follows:

Administration (total decrease of 21 positions):

- 23 BSC Procurement positions transferred to B&T.
- Two Administration positions include an upgrade of a contingent to full-time Arts for Transit position, and a Marketing Administrative Assistant position.

Public Safety (total increase of 10 positions):

- Nine MTA Police additions due to regional growth in the MNR New Haven Line responsibilities.
- One MTAPD civilian to assist in oversight of MTAPD facilities.

Position changes by occupational group are: Managers/Supervisors decrease by 16 positions, Professional, Technical, Clerical positions decrease by 4, and Operational Hourlies increase by 9.

2015-2016: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to decrease by 11 positions in both 2015 and 2016, due to non-reimbursable decreases of 11 positions. Specifically:

Transfers of Non-Reimbursable Positions (total decrease of 23 positions):

- 23 BSC Procurement positions transferred to B&T.

New Needs (total increase of 12 Non-Reimbursable positions) include:

- Nine MTA Police additions due to regional growth in the MNR New Haven Line responsibilities.
- Two Administration positions including an upgrade of a contingent to full-time Arts for Transit position, and a Marketing Administrative Assistant position.
- One MTAPD civilian to assist in oversight of MTAPD facilities.

The breakdown of the 11 position decreases by function is as follows:

Administration (total decrease of 21 positions):

- 23 BSC Procurement positions transferred to B&T.

- Two Administration positions including an upgrade from a contingent to full-time Arts for Transit position, and a Marketing Administrative Assistant position.

Public Safety (total increase of 10 positions):

- Nine MTA Police additions due to regional growth in the MNR New Haven Line responsibilities.
- One MTAPD civilian to assist in oversight of MTAPD facilities.

Position changes by occupational group in each year are: Operational Hourlies increase by 9 and Professional, Technical, Clerical positions increase by 1.

Year over Year

2014 over 2013

Total headcount increases by 10 positions to 1,721 positions due to non-reimbursable increases in Public Safety for nine MTA Police additions due to regional growth in the MNR New Haven Line and one MTAPD civilian to assist in oversight of MTAPD facilities. Total non-reimbursable positions increase to 1,671 positions, and reimbursable positions remain unchanged at 50 positions. Position increases by occupational group include one position for Professional, Technical, Clerical position and nine Operational Hourlies.

2015 over 2014

Total headcount increases by 5 positions to 1,726 positions due to non-reimbursable MTAPD increases for the Moynihan project at Penn Station. Total non-reimbursable positions increase to 1,676 positions and reimbursable positions remain unchanged at 50 positions. Position increases by occupational group are five Operational Hourlies positions.

2016 over 2015, and 2017 over 2016

In 2016, headcount increases by 30 non-reimbursable MTAPD positions and by 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 reimbursable headcount increases to 1,706 positions in 2016 and 1,750 in 2017. Reimbursable positions remain unchanged in 2016 and 2017 at 50 positions. Position increases by occupational group are 30 Operational Hourlies positions in 2016 over 2015, and 43 in 2017. Managers/Supervisors remain unchanged at 466 positions in 2016 and increases to 467 positions in 2017.

MTA HEADQUARTERS				
July Financial Plan 2014-2017				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2013	2014	2015	2016
2013 February Plan - Total Baseline Positions	1,732	1,732	1,737	1,767
Total Plan-to-Plan Changes	21	11	11	11
2013 July Plan - Total Baseline Positions	1,711	1,721	1,726	1,756
Total Year-to-Year Changes, July Plan		(10)	(5)	(30)

Total Plan-to-Plan Changes by Reporting Category:				
Non-Reimbursable	21	11	11	11
Reimbursable				
Total	21	11	11	11
Full-Time	21	11	11	11
Full-Time Equivalents				
Total	21	11	11	11
By Function Category				
- Administration	21	21	21	21
- Operations				
- Maintenance				
- Engineering/Capital				
- Public Safety		(10)	(10)	(10)
Total	21	11	11	11
By Occupational Group				
- Managers/Supervisors	16	16	16	16
- Professional, Technical, Clerical	5	4	4	4
- Operational Hourlies		(9)	(9)	(9)
Total	21	11	11	11

Total Plan-to-Plan Changes by Major Category:				
2013 BRPs				
New Needs	(2)	(12)	(12)	(12)
Change in Reimbursable Positions				
Re-estimates & All Other (Xfer to B & T)	23	23	23	23
Total	21	11	11	11

¹ Includes Full-time Equivalents

MTA HEADQUARTERS
July Financial Plan 2014-2017
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
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	3	3	3	3	3
General Counsel	52	56	56	56	56	56
Office of Diversity	23	28	28	28	28	28
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	66	66	66	66
Corporate and Internal Communications	34	40	40	40	40	40
Human Resources	11	13	13	13	13	13
Pensions	0	27	27	27	27	27
Capital Programs	26	27	27	27	27	27
Business Service Center	417	394	394	394	394	394
Total Administration	880	918	918	918	918	918
Public Safety	743	793	803	808	838	882
 Baseline Total Positions	 1,623	 1,711	 1,721	 1,726	 1,756	 1,800
 <i>Non-Reimbursable</i>	 1,583	 1,661	 1,671	 1,676	 1,706	 1,750
<i>Reimbursable</i>	40	50	50	50	50	50
 <i>Full-Time</i>	 1,623	 1,711	 1,721	 1,726	 1,756	 1,800
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

MTA HEADQUARTERS
July Financial Plan 2014-2017
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration							
	Managers/Supervisors	407	428	428	428	428	428
	Professional, Technical, Clerical	473	490	490	490	490	490
	Operational Hourlies						
	Total Administration	880	918	918	918	918	918
Operations							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Operations	-	-	-	-	-	-
Maintenance							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Maintenance	-	-	-	-	-	-
Engineering/Capital							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Engineering/Capital	-	-	-	-	-	-
Public Safety							
	Managers/Supervisors	36	38	38	38	38	39
	Professional, Technical, Clerical	64	75	76	76	76	76
	Operational Hourlies (Uniformed)	643	680	689	694	724	767
	Total Public Safety	743	793	803	808	838	882
Total Positions							
	Managers/Supervisors	443	466	466	466	466	467
	Professional, Technical, Clerical	537	565	566	566	566	566
	Operational Hourlies	643	680	689	694	724	767
	Total Baseline Positions	1,623	1,711	1,721	1,726	1,756	1,800

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
July Financial Plan 2014 - 2017
Accrual Statement of Operations by Major Function
(\$ in millions)

NON-REIMBURSABLE	2013	2014	2015	2016	2017
<u>MTA Consolidated Functions</u>					
Operating Revenue	\$15.291	\$15.447	\$7.330	\$7.455	\$7.569
Labor Expenses	\$10.222	\$11.105	\$11.764	\$12.307	\$12.802
Non-Labor Expenses	17.917	19.259	14.225	14.356	15.371
Depreciation / OPEB Obligation	1.193	1.109	1.126	1.145	1.162
Total Expenses	\$29.332	\$31.473	\$27.115	\$27.808	\$29.335
Baseline Deficit	(\$14.041)	(\$16.025)	(\$19.784)	(\$20.353)	(\$21.766)
<u>MTA HQ, Policy & Oversight</u>					
Operating Revenue	\$46.909	\$43.049	\$49.681	\$101.024	\$42.699
Labor Expenses	\$47.227	\$49.028	\$50.986	\$53.641	\$55.925
Non-Labor Expenses	140.722	124.316	103.884	105.931	107.777
Depreciation / OPEB Obligation	124.880	97.453	104.792	110.822	114.051
Total Expenses	\$312.829	\$270.797	\$259.662	\$270.394	\$277.753
Baseline Deficit	(\$265.920)	(\$227.748)	(\$209.981)	(\$169.371)	(\$235.054)
<u>Business Service Center</u>					
Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	\$37.180	\$38.370	\$39.283	\$40.348	\$41.352
Non-Labor Expenses	16.766	15.450	14.805	13.131	13.348
Depreciation / OPEB Obligation	-	-	-	-	-
Total Expenses	\$53.946	\$53.820	\$54.088	\$53.480	\$54.700
Baseline Deficit	(\$53.946)	(\$53.820)	(\$54.088)	(\$53.480)	(\$54.700)
<u>Public Safety</u>					
Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	\$111.804	\$114.541	\$116.143	\$120.041	\$127.624
Non-Labor Expenses	8.613	8.721	8.647	8.803	8.997
Depreciation / OPEB Obligation	3.254	2.851	2.895	2.944	2.989
Total Expenses	\$123.672	\$126.113	\$127.685	\$131.788	\$139.610
Baseline Deficit	(\$123.672)	(\$126.113)	(\$127.685)	(\$131.788)	(\$139.610)

MTA HEADQUARTERS
July Financial Plan 2014-2017
Total Positions by Function
Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents

FUNCTION	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
MTA Consolidated Functions	244	284	284	284	284	284
MTA HQ, Policy & Oversight	219	240	240	240	240	240
Business Service Center	417	394	394	394	394	394
Public Safety	743	793	803	808	838	882
Baseline Total Positions	1,623	1,711	1,721	1,726	1,756	1,800
Non-Reimbursable	1,583	1,661	1,671	1,676	1,706	1,750
MTA Consolidated Functions	223	234	234	234	234	234
MTA HQ, Policy & Oversight	219	240	240	240	240	240
Business Service Center	398	394	394	394	394	394
Public Safety	743	793	803	808	838	882
	-	-	-	-	-	-
Reimbursable	40	50	50	50	50	50
MTA Consolidated Functions	21	50	50	50	50	50
MTA HQ, Policy & Oversight	-	-	-	-	-	-
Business Service Center	19	-	-	-	-	-
Public Safety	-	-	-	-	-	-
	-	-	-	-	-	-
<i>Full-Time</i>	<i>1,623</i>	<i>1,711</i>	<i>1,721</i>	<i>1,726</i>	<i>1,756</i>	<i>1,800</i>
<i>Full-Time Equivalents</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

Note: Actuals reflect headcount vacancies.

MTA INSPECTOR GENERAL
2014 Preliminary Budget
July Financial Plan 2014-2017

Financial Overview

The forecast for the Office of Inspector General for the years 2014-2017 reflect 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 Mid-Year Forecast

In the 2013 Mid-Year Forecast a total of \$13.9 million is projected in baseline expenses, compared to \$13.6 million in the Adopted Budget. The variance is primarily the result of the transfer of the IT Refresh Project funding from the MTA Headquarters' capital operating budget to the IT hardware operating budget due to the reclassification of expenditures. The project includes the replacement of the Office of the Inspector General's servers, storage and other Local Area Network (LAN) equipment that will reach the end of their 5-year life-cycle and can no longer be covered under existing hardware maintenance. In addition to the hardware replacement, there will be a migration of the LAN operating system software and e-mail application from Novell to Microsoft, which is consistent with MTA migration efforts in progress.

2014 Preliminary Budget – Baseline

In the 2014 Preliminary Budget, a total of \$13.8 million is projected in baseline expenses compared to \$13.9 million in the Adopted Budget, due to a reclassification of IT expenses and the recalculation of depreciation expenses.

2015-2017 Projections

The forecast for the Office of Inspector General for the years 2015-2017 reflects inflationary growth according to the prevailing guidelines and assumptions.

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CASH FLOW ADJUSTMENTS	
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MTA INSPECTOR GENERAL
July Financial Plan 2014 - 2017
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2013	2014	Change 2014 - 2013	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	13.886	13.800	(0.086)	14.011	0.211	14.386	0.375	14.728	0.342
Total Revenue	\$13.886	\$13.800	(\$0.086)	\$14.011	\$0.211	\$14.386	\$0.375	\$14.728	\$0.342
<u>Expenses</u>									
Labor:									
Payroll	\$7.197	\$7.510	(0.313)	\$7.634	(0.124)	\$7.787	(0.153)	\$7.916	(0.129)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.997	1.238	(0.241)	1.285	(0.047)	1.386	(0.101)	1.490	(0.104)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	1.357	1.423	(0.066)	1.458	(0.035)	1.499	(0.041)	1.537	(0.038)
Other Fringe Benefits	0.593	0.604	(0.011)	0.654	(0.050)	0.679	(0.025)	0.700	(0.021)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$10.144	\$10.775	(\$0.631)	\$11.031	(\$0.256)	\$11.351	(\$0.320)	\$11.643	(\$0.292)
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	0.061	0.003	0.058	0.003	0.059	(0.001)	0.061	(0.002)
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	2.475	(0.037)	2.518	(0.043)	2.556	(0.038)
Professional Service Contracts	1.023	0.279	0.744	0.283	(0.004)	0.288	(0.005)	0.293	(0.005)
Materials & Supplies	-	-	-	-	-	-	-	-	-
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.121	0.134	(0.013)	0.136	(0.002)	0.139	(0.003)	0.141	(0.002)
Total Non-Labor Expenses	\$3.670	\$2.937	\$0.733	\$2.980	(\$0.043)	\$3.035	(\$0.055)	\$3.085	(\$0.050)
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$13.814	\$13.712	\$0.102	\$14.011	(\$0.299)	\$14.386	(\$0.375)	\$14.728	(\$0.342)
Depreciation	0.072	0.088	(0.016)	0.000	0.088	0.000	0.000	0.000	0.000
Total Expenses	\$13.886	\$13.800	\$0.086	\$14.011	(\$0.211)	\$14.386	(\$0.375)	\$14.728	(\$0.342)
Baseline Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July 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
<u>Receipts</u>									
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	13.814	13.712	(0.102)	14.011	0.299	14.386	0.375	14.728	0.342
Total Receipts	\$13.814	\$13.712	(\$0.102)	\$14.011	\$0.299	\$14.386	\$0.375	\$14.728	\$0.342
<u>Expenditures</u>									
Labor:									
Payroll	7.197	7.510	(0.313)	7.634	(0.124)	7.787	(0.153)	7.916	(0.129)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.997	1.238	(0.241)	1.285	(0.047)	1.386	(0.101)	1.490	(0.104)
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	1.357	1.423	(0.066)	1.458	(0.035)	1.499	(0.041)	1.537	(0.038)
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	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$10.144	\$10.775	(\$0.631)	\$11.031	(\$0.256)	\$11.351	(\$0.320)	\$11.643	(\$0.292)
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	0.061	0.003	0.058	0.003	0.059	(0.001)	0.061	(0.002)
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	2.475	(0.037)	2.518	(0.043)	2.556	(0.038)
Professional Service Contracts	1.023	0.279	0.744	0.283	(0.004)	0.288	(0.005)	0.293	(0.005)
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)
Total Non-Labor Expenditures	\$3.670	\$2.937	\$0.733	\$2.980	(\$0.043)	\$3.035	(\$0.055)	\$3.085	(\$0.050)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$13.814	\$13.712	\$0.102	\$14.011	(\$0.299)	\$14.386	(\$0.375)	\$14.728	(\$0.342)
Baseline Cash Deficit	\$0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000

MTA INSPECTOR GENERAL
July Financial Plan 2014 - 2017
Summary of Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2013	2014	2015	2016
2013 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline:				
Changes				
Revenue:				
Capital and Other Reimbursements	0.332	(0.078)	(0.210)	(0.138)
Sub-Total Revenue Changes	\$0.332	(\$0.078)	(\$0.210)	(\$0.138)
Expenses:				
Payroll	\$0.173	(\$0.009)	\$0.008	\$0.002
Overtime	-	-	-	-
Health and Welfare	(0.030)	(0.197)	(0.158)	(0.165)
OPEB Current Payment	-	-	-	-
Pensions	(0.088)	0.004	0.013	0.009
Other Fringe Benefits	(0.012)	(0.013)	(0.041)	(0.042)
Reimbursable Overhead	-	-	-	-
Fuel	(0.023)	(0.022)	(0.021)	(0.020)
Insurance	0.004	0.005	0.005	0.005
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other				
Operating Contracts	(0.001)	0.158	0.170	0.178
Professional Service Contracts	(0.385)	0.099	0.102	0.105
Materials & Supplies	-	-	-	-
Other Business Expenses	0.013	0.002	0.003	0.002
Depreciation	0.017	0.051	0.129	0.064
Sub-Total Expense Changes	(\$0.332)	\$0.078	\$0.210	\$0.138
Cash Adjustments:				
Revenue				
Expense				
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$0.000)	(\$0.000)	\$0.000	(\$0.000)
Total Changes	(\$0.000)	(\$0.000)	\$0.000	(\$0.000)
2013 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	(\$0.000)	\$0.000	(\$0.000)

MTA INSPECTOR GENERAL
July Financial Plan 2014 - 2017
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents

FUNCTION/DEPARTMENT	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
Office of the Inspector General	67	86	86	86	86	86
Total Administration	67	86	86	86	86	86
 Baseline Total Positions	 67	 86	 86	 86	 86	 86
 Non-Reimbursable						
Reimbursable	67	86	86	86	86	86
Total	67	86	86	86	86	86
 Total Full-Time	 67	 86	 86	 86	 86	 86
Total Full-Time Equivalents	0	0	0	0	0	0

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**First Mutual Transportation Assurance Co.
(FMTAC)**

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2014 Preliminary Budget
July 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.

Additional expenses consist primarily of Claims and Other Business Expenses.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2014 Preliminary Budget
July Financial Plan 2014-2017

2013 Mid-Year Forecast

In the 2013 Mid-Year Forecast, a total of \$12.1 million is projected in Baseline Surplus compared to the \$27.8 million Baseline Surplus in the 2013 Adopted Budget. This consists of a \$10.0 million decrease in revenues and \$5.9 million increase in expenses. The unfavorable outcome is a result of lower Investment Income (change in net unrealized gains and losses from investments) and decreased Insurance premium revenue (recorded as credits to the Insurance expense line) than projected in the 2013 Adopted Budget. Claims are based on actuarial analysis of claim activity on an estimated basis. Revenue and Other Business Expenses are based on trending actual results through April 2013.

2014 Preliminary Budget

In the 2014 Preliminary Budget, a total of \$15.0 million is projected in Baseline Surplus compared to the \$27.5 million Baseline Surplus in the February Plan. This consists of a \$10.0 million decrease in revenues and \$2.5 million increase in expenses. The unfavorable outcome is a result of lower Investment Income (change in net unrealized gains and losses from investments) and decreased Insurance premium revenue (recorded as credits to the Insurance expense line) than projected in the 2013 Adopted 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
July Financial Plan 2014-2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2012	2013	2014			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	12.473	13.782	13.991	14.204	14.447	14.668
Investment Income	7.567	1.632	1.657	1.682	1.711	1.737
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$20.040	\$15.414	\$15.648	\$15.886	\$16.158	\$16.405
Operating Expenses						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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	8.154	8.317	8.483	8.653	8.826
Total Non-Labor Expenses	(\$16.193)	\$3.361	\$0.619	(\$5.892)	(\$14.932)	(\$24.482)
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	(\$16.193)	\$3.361	\$0.619	(\$5.892)	(\$14.932)	(\$24.482)
Depreciation	-	-	-	-	-	-
Total Expenses	(\$16.193)	\$3.361	\$0.619	(\$5.892)	(\$14.932)	(\$24.482)
Baseline Surplus/(Deficit)	\$36.233	\$12.053	\$15.029	\$21.778	\$31.090	\$40.887

CASH RECEIPTS AND EXPENDITURES

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MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2014-2017
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	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	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$5.077	\$5.281	\$6.033	\$6.698	\$7.448
<u>Other Expenditures Adjustments:</u>						
Other	(\$36.233)	(\$17.130)	(\$20.310)	(\$27.811)	(\$37.788)	(\$48.335)
Total Other Expenditures Adjustments	(\$36.233)	(\$17.130)	(\$20.310)	(\$27.811)	(\$37.788)	(\$48.335)
Total Cash Conversion Adjustments before Depreciation	(\$36.233)	(\$12.053)	(\$15.029)	(\$21.778)	(\$31.090)	(\$40.887)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$36.233)	(\$12.053)	(\$15.029)	(\$21.778)	(\$31.090)	(\$40.887)

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2014-2017
Year-to-Year Changes by Category Baseline Narrative

Revenue

Investment Income

- A majority of Investment income is derived through FMTAC based on the managed investments managed.
- Investment income is projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts, dated April 5, 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.

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
July 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
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	13.782	13.991	0.209	14.204	0.213	14.447	0.243	14.668	0.221
Investment Income	1.632	1.657	0.025	1.682	0.025	1.711	0.029	1.737	0.026
Capital and Other Reimbursement									
Total Revenue	\$15.414	\$15.648	\$0.234	\$15.886	\$0.238	\$16.158	\$0.272	\$16.405	\$0.247
Expenses									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	-	-	0.000	-	0.000	-	0.000	-	0.000
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Fringe Benefits	-	-	0.000	-	0.000	-	0.000	-	0.000
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$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	8.154	8.317	(0.163)	8.483	(0.166)	8.653	(0.170)	8.826	(0.173)
Total Non-Labor Expenses	\$3.361	\$0.619	\$2.742	(\$5.892)	\$6.511	(\$14.932)	\$9.040	(\$24.482)	\$9.550
Other Expenses Adjustments:									
Other	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$3.361	\$0.619	\$2.742	(\$5.892)	\$6.511	(\$14.932)	\$9.040	(\$24.482)	\$9.550
Depreciation	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Expenses	\$3.361	\$0.619	\$2.742	(\$5.892)	\$6.511	(\$14.932)	\$9.040	(\$24.482)	\$9.550
Baseline Surplus/(Deficit)	\$12.053	\$15.029	\$2.976	\$21.778	\$6.749	\$31.090	\$9.312	\$40.887	\$9.797

CASH RECEIPTS & EXPENDITURES

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MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2014-2017
Summary of Changes Between Financial Plans by Category

2013 – 2016 July Financial Plan vs February Financial Plan

Revenue

Revenue changes from the February Plan over the 2013 – 2016 periods include:

- A decreased baseline estimate for 2013 is due to decrease investment income (change in net unrealized gains and losses from investments) for the first four months of 2013. For 2014 – 2016, 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 April 5, 2013.

Expenses

Expense changes from the February Plan over the 2013 – 2016 periods include:

- A decrease in Insurance (premium revenue) as projected in the 2013 Mid-Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets.
- Claim expenses resulted in favorable developments due to updated loss projections from actuarial projections.
- Other Business Expenses decreased due to updated estimates based on actual results through April 2013. The inflation rate for Other Business Expenses is expected to increase 2% per year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2014-2017
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>				
Revenue	(\$9.774)	(\$9.975)	(\$10.160)	(\$10.412)
Sub-Total Non-Reimbursable Revenue Changes	(\$9.774)	(\$9.975)	(\$10.160)	(\$10.412)
Expenses	(\$5.944)	(\$2.493)	(\$7.151)	(\$9.246)
Sub-Total Non-Reimbursable Expense Changes	(\$5.944)	(\$2.493)	(\$7.151)	(\$9.246)
<i>Total Non-Reimbursable Major Changes</i>	(\$15.718)	(\$12.468)	(\$17.312)	(\$19.658)
<i>Reimbursable Major Changes</i>				
Revenue				
Sub-Total Reimbursable Revenue Changes				
Expenses				
Sub-Total Reimbursable Expense Changes				
<i>Total Reimbursable Major Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$15.718)	(\$12.468)	(\$17.312)	(\$19.658)
Cash Adjustment Changes	\$15.718	\$12.468	\$17.312	\$19.658
Total Cash Adjustment Changes	\$15.718	\$12.468	\$17.312	\$19.658
<i>Total Baseline Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2014-2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2013	2014	2015	2016
Baseline 2013 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	1.894	1.898	1.911	1.907
Investment Income	(11.668)	(11.873)	(12.071)	(12.319)
Capital and Other Reimbursement	-	-	-	-
Total Revenue Changes	(\$9.774)	(\$9.975)	(\$10.160)	(\$10.412)
Expenses				
<i>Labor:</i>				
Payroll	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare	-	-	-	-
OPEB Current Payment	-	-	-	-
Pensions	-	-	-	-
Other Fringe Benefits	-	-	-	-
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(5.188)	(10.226)	(17.757)	(28.016)
Claims	(0.355)	8.142	11.023	19.196
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-
Materials & Supplies	-	-	-	-
Other Business Expenses	(0.401)	(0.409)	(0.417)	(0.426)
Total Non-Labor Expense Changes	(\$5.944)	(\$2.493)	(\$7.151)	(\$9.246)
<i>Total Expenses before Depreciation and GASB Adjs.</i>				
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	-	-	-	-
Environmental Remediation	-	-	-	-
Total Expense Changes	(\$5.944)	(\$2.493)	(\$7.151)	(\$9.246)
Cash Adjustment Changes				
<i>Revenue:</i>				
Other Operating Revenue	0.000	0.000	0.000	0.000
<i>Expenses:</i>				
Claims	0.022	(4.942)	(6.027)	(7.878)
Other Business Expenses	0.000	0.000	0.000	0.000
Total Expense Changes	0.022	(4.942)	(6.027)	(7.878)
Restricted Cash Adjustment	15.696	17.410	23.339	27.536
Total Cash Adjustment Changes	\$15.718	\$12.468	\$17.312	\$19.658
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2013 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

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New York City Transit

MTA NEW YORK CITY TRANSIT
2014 Preliminary Budget
July 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 July Financial Plan includes funding of \$47.3 million in 2013, \$30.0 million in 2014 and \$25.0 million in 2015 in support of Sandy continuing maintenance recovery efforts. Funding is also provided for several important programmatic initiatives critical to meeting NYCT's operational and maintenance needs. All other expense/cash changes are either from re-estimates, adjustments reflecting the impact of inflation, or the projected timing of expenses, payments or reimbursements.

Important programmatic initiatives, included in this financial plan, are summarized as follows:

- **R46 Fleet Life Extension.** Due to a delay in delivery of new cars to replace this nearly 40 year-old fleet, it is now necessary to extend the fleet's useful life by the fleet undergoing a scheduled three-year maintenance cycle. To enable this, an additional 98 positions will be required in 2014, growing to 188 positions in 2016. Incremental costs are projected at \$11.7 million in 2014, \$10.7 million in 2015 and \$15.7 million in 2016.
- **Structural and Special Structure Inspections.** A recent MTA Inspector General's audit found that NYCT has not inspected some critical structures on a regular and timely basis and has not conducted inspections of special structures, such as viaducts over water, high elevated structures, bridges and structural ceilings concealed by other structural elements, inasmuch as NYCT lacks the in-house capability. This plan includes adding 29 positions beginning 2014 with additional costs of \$4.0 million in 2014 and \$3.2 million in subsequent years to remedy this critical structure inspection deficiency, including the establishment of dedicated engineering and operating staff. It is anticipated that any identified structural defects would be addressed by a planned structure component program as part of the 2015-2019 Capital Program. Regarding the special structure deficiency, this plan includes \$1.7 million of cost in 2013 and \$2.2 million in 2014 and 2015 for a contract which will provide specialized expertise to conduct inspections of the special structures.
- **Water Intrusion Remediation.** Water intrusion into the subways is a primary source for base corroded rail, rail breaks, and track circuit and insulator fires. Leaks also jeopardize costly capital investments in track, signals and lighting. This plan adds 35 positions effective 2014, with annual costs of \$3.5 million to address water leaks by injecting grout into subway tunnel walls and ceilings.

- **Homeless Outreach.** Based on an agreement between MTA and the Department of Homeless Services (DHS), whereby DHS assumes responsibility for dealing with homeless persons in the subway system, NYCT will increase annual funding for this service from the current \$0.8 million level to a capped maximum level of \$3.0 million, an increase of \$2.2 million.
- **Vent Bay Maintenance.** Vent Bay cleaning & maintenance is a critical element in the effort to prevent flooding and insulator fires that can cause significant service disruptions. Clogs in these areas result in flooded tracks which contribute to base corroded rail and result in broken rail and track fires. Falling concrete can also result, disrupting service. To respond to these problems, 12 positions are being added representing 2 dedicated teams, with incremental annual costs of \$1.3 million, to enter through grates at street level to clear out debris and flush leader lines.
- **Rodent Eradication Program.** This action represents an aggressive extermination program, to be implemented in July 2013. Inasmuch as station refuse rooms have been identified as the primary source of rodents in the subway system, this implementation will address 347 refuse rooms, including the sealing of foundations and wall openings, replacement of refuse room doors and installation of door sweeps. Additionally, all 347 refuse rooms will be aggressively baited on a monthly exterminating schedule by contractors. This action will require 1 position with additional costs of \$0.5 million in 2013, \$1.1 million in 2014, and \$0.8 million in subsequent years.
- **Manhole Security.** There are over 11,000 cable manholes system-wide, varying in size, shape and type. Growing instances of copper cable theft from manholes present an urgent need to inspect all manholes on a regular basis to assure security and avoid the serious service disruptions caused by such theft. Presently, there is no schedule for manhole inspections, which are currently performed based on the availability of personnel. In response to this need, 8 positions will need to be added with an annual cost effective 2014 of \$0.8 million to establish a dedicated inspection program for cable manholes.

2013 Mid-Year Forecast

MTA NYC Transit's 2013 Mid-Year-Forecast includes total expenses before depreciation and other post-employment benefits of \$7,861.8 million, consisting of \$6,969.6 million of non-reimbursable expenses and \$892.2 million of reimbursable expenses. Total revenues are projected to be \$5,408.9 million, of which \$4,516.7 million are operating revenues and \$892.2 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 46,525 (41,906 non-reimbursable positions and 4,619 reimbursable positions).

The 2013 net operating cash deficit is projected to decrease by \$239.1 million from the 2013 Adopted Budget.

Major operating cash changes include:

- The net favorable timing of results in 2013 arising from 2012 of \$119.6 million, due mostly to the favorable timing of NYCERS pension payments.
- An update of inflation assumptions, resulting in reduced expenses of \$85.9 million, primarily affecting health & welfare rates and electric power prices.
- A re-estimate of pension costs, based on current actuarial information, resulting in savings of \$48.8 million.
- A net Sandy favorable impact of \$28.3 million, including increased estimated recoveries of \$75.6 million, applicable mostly to 2012 incurred expenses, partly offset by \$47.3 million of 2013 maintenance recovery expenses.
- The unfavorable timing in 2013 of capital reimbursements of \$17.4 million, mostly offset in subsequent plan years.

Reimbursable expenses are projected to increase in 2013 by \$31.9 million, due primarily to estimated increases in Sandy recovery and resiliency (reconstruction) costs and additional requirements for several capital projects.

Total baseline positions are projected to increase by 462, including a non-reimbursable increase of 175 and a reimbursable increase of 287. The non-reimbursable increase includes 52 additional bus shifter positions offset in overtime, 38 paratransit call center schedulers required in order to insource the function, 20 positions in support of Select Bus Service (expenses were previously planned), 20 positions required due to platform budget adjustments, and 15 positions required for new programmatic initiatives, primarily for the Enterprise Asset management Project. The reimbursable increase is due to 165 positions in support of Sandy recovery and resiliency (reconstruction) requirements, 30 positions to administer the Small Business Mentoring Program, with the remainder in support of additional requirements for several capital projects.

2014 Preliminary Budget

MTA New York City Transit's 2014 Preliminary Budget includes total expenses before depreciation and other post-employment benefits of \$8,026.9 million, consisting of \$7,141.8 million of non-reimbursable expenses and \$885.1 million of reimbursable expenses. Total revenues are projected to be \$5,441.8 million, of which \$4,556.7 million are operating revenues and \$885.1 million are capital reimbursements. Total

baseline full-time and full-time equivalent positions are 46,649, including 42,126 non-reimbursable positions and 4,523 reimbursable positions.

The 2014 net operating cash deficit is projected to decrease by \$55.4 million from the February Financial Plan.

Major operating cash variances include:

- An update of inflation assumptions, resulting in reduced expenses of \$84.7 million, primarily affecting health & welfare rates and electric power prices.
- A re-estimate of pension costs, based on current actuarial information, resulting in savings of \$46.2 million.
- New programmatic initiatives costing \$32.0 million (see beginning of this narrative for detailed information).
- Continued Sandy estimated maintenance recovery expenses of \$30.0 million.

Reimbursable expenses are projected to increase in 2014 by \$40.6 million, due primarily to estimated increases in Sandy recovery and resiliency (reconstruction) costs and additional requirements for several capital projects.

Total baseline positions are projected to increase by 735, including a non-reimbursable increase of 452 and a reimbursable increase of 283. The non-reimbursable increase includes 221 positions required for new programmatic initiatives (see beginning of this narrative for detailed information), 84 positions required due to platform budget adjustments, 52 additional bus shifter positions offset in overtime, 38 paratransit call center schedulers required in order to insource the function, and 20 positions in support of Select Bus Service (expenses were previously planned). The reimbursable increase is due to 176 positions in support of Sandy recovery and resiliency (reconstruction) requirements, 30 positions to administer the Small Business Mentoring Program, with the remainder in support of additional requirements for several capital projects.

2015-2016 Projections

Net operating cash deficits are projected to decrease by \$49.6 million in 2015 and \$173.7 million in 2016, relative to the February Financial Plan.

Major operating cash changes include:

- An update of inflation assumptions, resulting in reduced expenses of \$108.8 million in 2015 and \$139.3 million in 2016, primarily affecting health & welfare rates and electric power prices.

- A re-estimate of pension costs, based on current actuarial information, resulting in savings of \$92.5 million in 2015 and \$108.3 million in 2016.
- New programmatic initiatives costing \$27.4 million in 2015 and \$28.7 million in 2016 (see beginning of this narrative for detailed information).
- Continued Sandy estimated maintenance recovery expenses of \$25.0 million in 2015.
- The unfavorable timing of Sandy maintenance recovery reimbursements of \$46.5 million in 2015.
- Re-estimates of OPEB GASB funding resulting in increased expenditures of \$30.6 million in 2015 and \$37.5 million in 2016.

Reimbursable expenses are projected to increase in 2015 by \$32.4 million and by \$20.2 million in 2016, due primarily to estimated increases in Sandy recovery and resiliency (reconstruction) costs and additional requirements for several capital projects.

Total baseline positions are projected to increase by 705 in 2015 and 551 in 2016, including non-reimbursable increases of 485 in 2015 and 498 in 2016. Reimbursable increases are 220 in 2015 and 53 in 2016. The non-reimbursable increases include 281 positions in 2015 and 293 positions in 2016 required for new programmatic initiatives (see beginning of this narrative for detailed information), 100 positions for both years required due to platform budget adjustments, 52 additional bus shifter positions for both years offset in overtime, 38 paratransit call center schedulers in both years required in order to insource the function, and 20 positions in both years in support of Select Bus Service (expenses were previously planned). The reimbursable increases are due to 160 positions in 2015 in support of Sandy recovery and resiliency (reconstruction) requirements, 30 positions to administer the Small Business Mentoring Program, with the remainder in support of additional requirements for several capital projects.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2014 - 2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Operating Revenue						
<u>Farebox Revenue:</u>						
Subway	\$2,742.049	\$2,988.759	\$3,072.850	\$3,110.793	\$3,150.697	\$3,169.590
Bus	870.480	938.209	964.476	973.168	983.706	983.808
Paratransit	15.086	17.523	19.242	20.781	22.444	24.239
Fare Media Liability	95.366	52.221	41.221	40.221	40.221	40.221
Farebox Revenue	\$3,722.981	\$3,996.712	\$4,097.789	\$4,144.963	\$4,197.068	\$4,217.858
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	161.801	186.402	197.715	220.951	253.050
Other	112.166	274.148	188.517	150.573	153.748	157.015
Other Operating Revenue	\$331.692	\$519.965	\$458.935	\$432.304	\$458.715	\$494.081
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4,054.673	\$4,516.677	\$4,556.724	\$4,577.267	\$4,655.783	\$4,711.939
Expenses						
Labor:						
Payroll	\$2,869.509	\$2,906.163	\$2,937.228	\$2,998.706	\$3,051.570	\$3,120.528
Overtime	345.432	336.908	296.175	298.626	295.392	300.713
Total Salaries & Wages	\$3,214.941	\$3,243.071	\$3,233.403	\$3,297.332	\$3,346.962	\$3,421.241
Health and Welfare	554.422	638.191	706.592	762.164	821.473	888.828
OPEB Current Payment	297.965	332.456	371.450	406.269	446.231	487.190
Pensions	981.908	931.746	971.142	966.157	979.663	975.704
Other Fringe Benefits	361.697	296.305	301.042	309.621	309.986	318.893
Total Fringe Benefits	\$2,195.992	\$2,198.698	\$2,350.226	\$2,444.211	\$2,557.353	\$2,670.615
Reimbursable Overhead	(188.844)	(186.294)	(180.755)	(180.621)	(181.778)	(183.978)
Total Labor Expenses	\$5,222.089	\$5,255.475	\$5,402.874	\$5,560.922	\$5,722.537	\$5,907.878
Non-Labor:						
Electric Power	\$295.202	\$312.603	\$327.407	\$345.825	\$366.816	\$393.429
Fuel	163.697	163.563	165.317	168.007	170.351	176.322
Insurance	53.949	58.570	70.488	84.082	100.126	119.257
Claims	63.790	89.291	91.682	94.590	98.056	100.534
Paratransit Service Contracts	360.500	391.467	416.858	428.836	479.229	559.292
Maintenance and Other Operating Contracts	140.511	193.961	173.010	180.172	189.009	178.697
Professional Service Contracts	136.745	137.978	133.629	129.436	129.630	131.772
Materials & Supplies	246.839	299.723	292.545	315.582	307.889	310.925
Other Business Expenses	63.971	66.985	67.990	69.312	70.854	69.067
Total Non-Labor Expenses	\$1,525.204	\$1,714.141	\$1,738.926	\$1,815.842	\$1,911.960	\$2,039.295
Other Expense Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before						
Depreciation and GASB Adjustments	\$6,747.293	\$6,969.616	\$7,141.800	\$7,376.764	\$7,634.497	\$7,947.173
Depreciation	\$1,416.063	\$1,520.000	\$1,595.000	\$1,670.000	\$1,748.000	\$1,829.600
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
Total Expenses	\$9,570.135	\$9,936.221	\$10,241.269	\$10,611.412	\$11,009.730	\$11,469.096
Net Surplus/(Deficit)	(\$5,515.462)	(\$5,419.544)	(\$5,684.545)	(\$6,034.145)	(\$6,353.947)	(\$6,757.157)

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MTA NEW YORK CITY TRANSIT
July Financial Plan 2014 - 2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE						
	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Revenue						
<u>Farebox Revenue:</u>						
Subway	\$2,742.049	\$2,988.759	\$3,072.850	\$3,110.793	\$3,150.697	\$3,169.590
Bus	870.480	938.209	964.476	973.168	983.706	983.808
Paratransit	15.086	17.523	19.242	20.781	22.444	24.239
Fare Media Liability	95.366	52.221	41.221	40.221	40.221	40.221
Farebox Revenue	\$3,722.981	\$3,996.712	\$4,097.789	\$4,144.963	\$4,197.068	\$4,217.858
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	161.801	186.402	197.715	220.951	253.050
Other	112.166	274.148	188.517	150.573	153.748	157.015
Other Operating Revenue	331.692	519.965	458.935	432.304	458.715	494.081
Capital and Other Reimbursements	866.340	892.181	885.054	873.222	872.938	877.796
Total Revenue	\$4,921.013	\$5,408.858	\$5,441.778	\$5,450.489	\$5,528.721	\$5,589.735
Expenses						
<u>Labor:</u>						
Payroll	\$3,205.500	\$3,278.234	\$3,309.705	\$3,367.231	\$3,417.976	\$3,487.138
Overtime	420.286	401.063	359.446	361.602	359.514	366.009
Total Salaries & Wages	\$3,625.786	\$3,679.297	\$3,669.151	\$3,728.833	\$3,777.490	\$3,853.147
Health and Welfare	576.715	663.980	735.779	792.984	853.517	922.213
OPEB Current Payment	297.965	332.456	371.450	406.269	446.231	487.190
Pensions	1,013.595	961.391	1,001.876	997.194	1,010.677	1,006.267
Other Fringe Benefits	462.150	410.051	413.464	420.609	420.822	430.386
Total Fringe Benefits	\$2,350.425	\$2,367.878	\$2,522.569	\$2,617.056	\$2,731.247	\$2,846.056
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$5,976.211	\$6,047.175	\$6,191.720	\$6,345.889	\$6,508.737	\$6,699.203
<u>Non-Labor:</u>						
Electric Power	\$295.509	\$312.855	\$327.659	\$346.077	\$367.068	\$393.681
Fuel	163.718	163.586	165.340	168.030	170.374	176.345
Insurance	53.949	58.570	70.488	84.082	100.126	119.257
Claims	63.790	89.291	91.682	94.590	98.056	100.534
Paratransit Service Contracts	361.993	391.467	416.858	428.836	479.229	559.292
Maintenance and Other Operating Contracts	177.861	215.314	195.076	202.238	211.075	200.764
Professional Service Contracts	155.797	158.353	151.922	147.009	146.436	148.310
Materials & Supplies	297.891	356.641	346.560	362.365	353.922	356.958
Other Business Expenses	66.914	68.545	69.549	70.870	72.412	70.625
Total Non-Labor Expenses	\$1,637.422	\$1,814.622	\$1,835.134	\$1,904.097	\$1,998.698	\$2,125.766
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	\$7,613.633	\$7,861.797	\$8,026.854	\$8,249.986	\$8,507.435	\$8,824.969
Depreciation	\$1,416.063	\$1,520.000	\$1,595.000	\$1,670.000	\$1,748.000	\$1,829.600
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
Total Expenses	\$10,436.475	\$10,828.402	\$11,126.323	\$11,484.634	\$11,882.668	\$12,346.892
Net Surplus/(Deficit)	(\$5,515.462)	(\$5,419.544)	(\$5,684.545)	(\$6,034.145)	(\$6,353.947)	(\$6,757.157)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2014 - 2017
Cash Receipts & Expenditures

CASH RECEIPTS AND EXPENDITURES						
	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	\$3,691.202	\$4,012.543	\$4,107.020	\$4,155.194	\$4,207.299	\$4,228.089
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	163.170	186.100	197.417	220.762	252.913
Other	100.376	191.326	94.627	53.867	54.140	54.419
Other Operating Revenue	\$317.829	\$453.512	\$364.743	\$335.300	\$358.918	\$391.348
Capital and Other Reimbursements	881.443	1,005.254	896.039	875.180	872.490	876.277
Total Receipts	\$4,890.474	\$5,471.309	\$5,367.802	\$5,365.674	\$5,438.707	\$5,495.714
Expenditures						
<u>Labor:</u>						
Payroll	\$3,178.370	\$3,330.282	\$3,386.639	\$3,343.192	\$3,383.981	\$3,461.996
Overtime	407.383	407.431	367.801	359.021	355.938	363.370
Total Salaries & Wages	\$3,585.753	\$3,737.713	\$3,754.440	\$3,702.213	\$3,739.919	\$3,825.366
Health and Welfare	566.294	682.034	729.820	786.578	846.631	914.810
OPEB Current Payment	297.965	332.456	371.450	406.269	446.231	487.190
Pensions	1,118.280	804.276	989.567	990.847	1,001.487	996.776
Other Fringe Benefits	360.702	379.054	384.188	384.184	384.769	395.072
Total Fringe Benefits	\$2,343.241	\$2,197.820	\$2,475.025	\$2,567.878	\$2,679.118	\$2,793.848
GASB Account	47.641	66.491	74.290	81.254	89.246	97.438
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$5,976.635	\$6,002.024	\$6,303.755	\$6,351.345	\$6,508.283	\$6,716.652
<u>Non-Labor:</u>						
Electric Power	\$294.842	\$312.855	\$327.659	\$346.077	\$367.068	\$393.681
Fuel	160.035	163.586	165.340	168.030	170.374	176.345
Insurance	56.660	72.212	72.386	89.580	103.606	122.735
Claims	90.959	81.044	83.154	83.959	85.270	87.750
Paratransit Service Contracts	354.466	389.467	414.858	426.836	477.229	557.292
Maintenance and Other Operating Contracts	190.607	230.014	209.776	216.938	225.775	215.464
Professional Service Contracts	131.700	156.839	142.922	138.009	137.436	139.310
Materials & Supplies	285.690	352.507	342.560	358.365	349.922	352.958
Other Business Expenditures	63.358	68.590	69.961	70.870	72.412	70.625
Total Non-Labor Expenditures	\$1,628.317	\$1,827.114	\$1,828.616	\$1,898.664	\$1,989.092	\$2,116.160
<u>Other Expenditure Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$7,604.952	\$7,829.138	\$8,132.371	\$8,250.009	\$8,497.375	\$8,832.812
Net Cash Deficit	(\$2,714.478)	(\$2,357.829)	(\$2,764.569)	(\$2,884.335)	(\$3,058.668)	(\$3,337.098)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2014 - 2017
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Receipts						
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
Other Operating Revenue:						
Fare Reimbursement	0.036	15.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	(2.109)	1.369	(0.302)	(0.298)	(0.189)	(0.137)
Other	(11.790)	(82.822)	(93.890)	(96.706)	(99.608)	(102.596)
Other Operating Revenue	(\$13.863)	(\$66.453)	(\$94.192)	(\$97.004)	(\$99.797)	(\$102.733)
Capital and Other Reimbursements	15.103	113.073	10.985	1.958	(0.448)	(1.519)
Total Receipt Adjustments	(\$30.539)	\$62.451	(\$73.976)	(\$84.815)	(\$90.014)	(\$94.021)
Expenditures						
Labor:						
Payroll	\$27.130	(\$52.048)	(\$76.934)	\$24.039	\$33.995	\$25.142
Overtime	12.903	(6.368)	(8.355)	2.581	3.576	2.639
Total Salaries & Wages	\$40.033	(\$58.416)	(\$85.289)	\$26.620	\$37.571	\$27.781
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	30.997	29.276	36.425	36.053	35.314
Total Fringe Benefits	\$7.184	\$170.058	\$47.544	\$49.178	\$52.129	\$52.208
GASB Account	(47.641)	(66.491)	(74.290)	(81.254)	(89.246)	(97.438)
Reimbursable Overhead						
Total Labor Expenditures	(\$0.424)	\$45.151	(\$112.035)	(\$5.456)	\$0.454	(\$17.449)
Non-Labor:						
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)	(3.480)	(3.478)
Claims	(27.169)	8.247	8.528	10.631	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	1.514	9.000	9.000	9.000	9.000
Materials & Supplies	12.201	4.134	4.000	4.000	4.000	4.000
Other Business Expenditures	3.556	(0.045)	(0.412)	0.000	0.000	0.000
Total Non-Labor Expenditures	\$9.105	(\$12.492)	\$6.518	\$5.433	\$9.606	\$9.606
Other Expenditure Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$8.681	\$32.659	(\$105.517)	(\$0.023)	\$10.060	(\$7.843)
Total Cash Conversion Adjustments before Depreciation and GASB Adjustments	(\$21.858)	\$95.110	(\$179.493)	(\$84.838)	(\$79.954)	(\$101.864)
Depreciation Adjustment	\$1,416.063	\$1,520.000	\$1,595.000	\$1,670.000	\$1,748.000	\$1,829.600
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
Total Cash Conversion Adjustments	\$2,800.984	\$3,061.715	\$2,919.976	\$3,149.810	\$3,295.279	\$3,420.059

MTA NEW YORK CITY TRANSIT
July 2013 Financial Plan - Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE		Total	
		Hours	\$
<u>Schedule Service</u>		3,987,766	\$116.441
<u>Unschedule Service</u>		2,613,570	\$77.019
<u>Programatic/Routine Maintenance</u>		3,062,494	\$97.576
<u>Unschedule Maintenance</u>			\$0.000
<u>Vacancy/Absentee Coverage</u>		421,259	\$13.589
<u>Weather Emergencies</u>		769,054	\$23.379
<u>Safety/Security/Law Enforcement</u>		123,550	\$3.298
<u>All Other</u>		131,218	\$5.605
	Subtotal	11,108,911	\$336.908
REIMBURSABLE		2,016,554	\$64.155
TOTAL OVERTIME		13,125,465	\$401.063

NOTE-HOURS AND DOLLARS SHOWN ABOVE ARE ESTIMATED

MTA NEW YORK CITY TRANSIT
2014 Preliminary Budget
July Financial Plan 2014 – 2017
Year-to-Year Changes by Category-Baseline

TOTAL REVENUE/RECEIPTS

Farebox Revenue

- Subway/bus farebox revenue annual growth based largely on 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 \$61.0 million and of \$26.6 million from 2014 to 2015 are due to reduced Sandy recoveries. The increases in the next two years of \$26.4 million and \$35.4 million were due to increases in paratransit NYC reimbursements and urban taxes.
- \$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 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 (Non-represented employees received zero wage increases for 2009-2012). 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 \$31.1 million in 2014, \$61.5 million in 2015, \$52.9 million in 2016 and \$69.0 million in 2017. The out year increases are primarily due to the post net-zero increase period with represented employee wage increases based on inflationary assumptions.
- 2013 includes \$71.6 million of unfavorable cash timing adjustments from 2012, based on revised assumptions pertaining to union contract resolution and retro-wage payments.

Overtime

- 2014-2017 payroll wage rate increase assumptions apply.
- 2013 includes \$11.2 million of unfavorable cash timing adjustments from 2012, based on revised assumptions pertaining to union contract resolution and retro-wage payments.
- 2014 expenses decrease from 2013 by \$40.7 million, including non-recurring Sandy expenses of \$10M, a vacancy savings adjustment of \$7.5 million, and reduced overtime for signals inspection/maintenance backlog.

Health & Welfare

- Inflation assumptions for 2014-2017: Annual employees: 2014 = 11.4%, 2015 = 3.0%, 2016-2017 = 6.1%; 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.
- 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

- Generally, premium rates are assumed to increase by 10% per year during 2014 – 2017.
- 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% 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 the projected rider ship growth, partly offset through 2015 by delays in zero-fare implementation.

Maintenance and Other Operating Contracts

- 2014-2017 inflation assumptions are as follows: 2014=1.58%, 2015=1.60%, 2016=1.73% and 2017=1.82%.
- The year-to-year decrease in 2014 of \$21.0 million is due to the timing of bus shop requirements, paratransit fleet adjustments, and the timing of rail car disposals. Expenses were higher in 2015 by \$7.2 million, due primarily to paratransit fleet adjustments. Expenses were higher by \$8.8 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=1.58%, 2015=1.60%, 2016=1.73% and 2017=1.82%.
- 2013 includes an \$8.9 million unfavorable cash timing adjustment from 2012.

Materials and Supplies

- 2014-2017 inflation assumptions are as follows: 2014=2.27%, 2015=1.70%, 2016=1.44% and 2017=1.28%.
- 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=1.58%, 2015=1.60%, 2016=1.73% and 2017=1.82%.
- 2013 includes a \$0.5 million unfavorable cash timing adjustment from 2012.
- Year-to-year increases are primarily due to the above inflationary increases.

Depreciation (non-cash)

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include subway station rehabilitations, track & switches, and new subway cars and buses.

MTA New York City Transit
July 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
Revenue									
Farebox Revenue:									
Subway	\$2,988.759	\$3,072.850	\$84.091	\$3,110.793	\$37.943	\$3,150.697	\$39.904	\$3,169.590	\$18.893
Bus	938.209	964.476	26.267	973.168	8.692	983.706	10.538	983.808	0.102
Paratransit	17.523	19.242	1.719	20.781	1.539	22.444	1.663	24.239	1.795
Fare Media Liability	52.221	41.221	(11.000)	40.221	(1.000)	40.221	0.000	40.221	0.000
Total Farebox Revenue	\$3,996.712	\$4,097.789	\$101.077	\$4,144.963	\$47.174	\$4,197.068	\$52.105	\$4,217.858	\$20.790
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	161.801	186.402	24.601	197.715	11.313	220.951	23.236	253.050	32.099
Other	274.148	188.517	(85.631)	150.573	(37.944)	153.748	3.175	157.015	3.267
Total Other Operating Revenue	\$519.965	\$458.935	(\$61.030)	\$432.304	(\$26.631)	\$458.715	\$26.411	\$494.081	\$35.366
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4,516.677	\$4,556.724	\$40.047	\$4,577.267	\$20.543	\$4,655.783	\$78.516	\$4,711.939	\$56.156
Expenses									
Labor:									
Payroll	\$2,906.163	\$2,937.228	(\$31.065)	\$2,998.706	(\$61.478)	\$3,051.570	(\$52.864)	\$3,120.528	(\$68.958)
Overtime	336.908	296.175	40.733	298.626	(2.451)	295.392	3.234	300.713	(5.321)
Total Salaries & Wages	\$3,243.071	\$3,233.403	\$9.668	\$3,297.332	(\$63.929)	\$3,346.962	(\$49.630)	\$3,421.241	(\$74.279)
Health and Welfare	638.191	706.592	(68.401)	762.164	(55.572)	821.473	(59.309)	888.828	(67.355)
OPEB Current Payment	332.456	371.450	(38.994)	406.269	(34.819)	446.231	(39.962)	487.190	(40.959)
Pensions	931.746	971.142	(39.396)	966.157	4.985	979.663	(13.506)	975.704	3.959
Other Fringe Benefits	296.305	301.042	(4.737)	309.621	(8.579)	309.986	(0.365)	318.893	(8.907)
Total Fringe Benefits	\$2,198.698	\$2,350.226	(\$151.528)	\$2,444.211	(\$93.985)	\$2,557.353	(\$113.142)	\$2,670.615	(\$113.262)
Reimbursable Overhead	(186.294)	(180.755)	(5.539)	(180.621)	(0.134)	(181.778)	1.157	(183.978)	2.200
Total Labor Expenses	\$5,255.475	\$5,402.874	(\$147.399)	\$5,560.922	(\$158.048)	\$5,722.537	(\$161.615)	\$5,907.878	(\$185.341)
Non-Labor:									
Electric Power	\$312.603	\$327.407	(\$14.804)	\$345.825	(\$18.418)	\$366.816	(\$20.991)	\$393.429	(\$26.613)
Fuel	163.563	165.317	(1.754)	168.007	(2.690)	170.351	(2.344)	176.322	(5.971)
Insurance	58.570	70.488	(11.918)	84.082	(13.594)	100.126	(16.044)	119.257	(19.131)
Claims	89.291	91.682	(2.391)	94.590	(2.908)	98.056	(3.466)	100.534	(2.478)
Paratransit Service Contracts	391.467	416.858	(25.391)	428.836	(11.978)	479.229	(50.393)	559.292	(80.063)
Mtce. and Other Operating Contracts	193.961	173.010	20.951	180.172	(7.162)	189.009	(8.837)	178.697	10.312
Professional Service Contracts	137.978	133.629	4.349	129.436	4.193	129.630	(0.194)	131.772	(2.142)
Materials & Supplies	299.723	292.545	7.178	315.582	(23.037)	307.889	7.693	310.925	(3.036)
Other Business Expenses	66.985	67.990	(1.005)	69.312	(1.322)	70.854	(1.542)	69.067	1.787
Total Non-Labor Expenses	\$1,714.141	\$1,738.926	(\$24.785)	\$1,815.842	(\$76.916)	\$1,911.960	(\$96.118)	\$2,039.295	(\$127.335)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	\$6,969.616	\$7,141.800	(\$172.184)	\$7,376.764	(\$234.964)	\$7,634.497	(\$257.733)	\$7,947.173	(\$312.676)
Depreciation	\$1,520.000	\$1,595.000	(\$75.000)	\$1,670.000	(\$75.000)	\$1,748.000	(\$78.000)	\$1,829.600	(\$81.600)
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
Total Expenses	\$9,936.221	\$10,241.269	(\$305.048)	\$10,611.412	(\$370.143)	\$11,009.730	(\$398.318)	\$11,469.096	(\$459.366)
Net Surplus/(Deficit)	(\$5,419.544)	(\$5,684.545)	(\$265.001)	(\$6,034.145)	(\$349.600)	(\$6,353.947)	(\$319.802)	(\$6,757.157)	(\$403.210)

REIMBURSABLE

REIMBURSABLE	Favorable/(Unfavorable)								
	2013	2014	Change 2014-2013	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	892.181	885.054	(7.127)	873.222	(11.832)	872.938	(0.284)	877.796	4.858
Total Revenue	\$892.181	\$885.054	(\$7.127)	\$873.222	(\$11.832)	\$872.938	(\$0.284)	\$877.796	\$4.858
Expenses									
Labor:									
Payroll	\$372.071	\$372.477	(\$0.406)	\$368.525	\$3.952	\$366.406	\$2.119	\$366.610	(\$0.204)
Overtime	64.155	63.271	0.884	62.976	0.295	64.122	(1.146)	65.296	(1.174)
Total Salaries & Wages	\$436.226	\$435.748	\$0.478	\$431.501	\$4.247	\$430.528	\$0.973	\$431.906	(\$1.378)
Health and Welfare	25.789	29.187	(3.398)	30.820	(1.633)	32.044	(1.224)	33.385	(1.341)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	29.645	30.734	(1.089)	31.037	(0.303)	31.014	0.023	30.563	0.451
Other Fringe Benefits	113.746	112.422	1.324	110.988	1.434	110.836	0.152	111.493	(0.657)
Total Fringe Benefits	\$169.180	\$172.343	(\$3.163)	\$172.845	(\$0.502)	\$173.894	(\$1.049)	\$175.441	(\$1.547)
Reimbursable Overhead	186.294	180.755	5.539	180.621	0.134	181.778	(1.157)	183.978	(2.200)
Total Labor Expenses	\$791.700	\$788.846	\$2.854	\$784.967	\$3.879	\$786.200	(\$1.233)	\$791.325	(\$5.125)
Non-Labor:									
Electric Power	\$0.252	\$0.252	\$0.000	\$0.252	\$0.000	\$0.252	\$0.000	\$0.252	\$0.000
Fuel	0.023	0.023	0.000	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	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	21.353	22.066	(0.713)	22.066	0.000	22.066	0.000	22.067	(0.001)
Professional Service Contracts	20.375	18.293	2.082	17.573	0.720	16.806	0.767	16.538	0.268
Materials & Supplies	56.918	54.015	2.903	46.783	7.232	46.033	0.750	46.033	0.000
Other Business Expenses	1.560	1.559	0.001	1.558	0.001	1.553	0.000	1.558	0.000
Total Non-Labor Expenses	\$100.481	\$96.208	\$4.273	\$88.255	\$7.953	\$86.738	\$1.517	\$86.471	\$0.267
Other Expense Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$892.181	\$885.054	\$7.127	\$873.222	\$11.832	\$872.938	\$0.284	\$877.796	(\$4.858)
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$892.181	\$885.054	\$7.127	\$873.222	\$11.832	\$872.938	\$0.284	\$877.796	(\$4.858)
Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)

MTA New York City Transit
July 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
Revenue									
Farebox Revenue:									
Subway	\$2,988.759	\$3,072.850	\$84.091	\$3,110.793	\$37.943	\$3,150.697	\$39.904	\$3,169.590	\$18.893
Bus	938.209	964.476	26.267	973.168	8.692	983.706	10.538	983.808	0.102
Paratransit	17.523	19.242	1.719	20.781	1.539	22.444	1.663	24.239	1.795
Fare Media Liability	52.221	41.221	(11.000)	40.221	(1.000)	40.221	0.000	40.221	0.000
Total Farebox Revenue	\$3,996.712	\$4,097.789	\$101.077	\$4,144.963	\$47.174	\$4,197.068	\$52.105	\$4,217.858	\$20.790
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	161.801	186.402	24.601	197.715	11.313	220.951	23.236	253.050	32.099
Other	274.148	188.517	(85.631)	150.573	(37.944)	153.748	3.175	157.015	3.267
Total Other Operating Revenue	519.965	458.935	(61.030)	432.304	(26.631)	458.715	26.411	494.081	35.366
Capital and Other Reimbursements	892.181	885.054	(7.127)	873.222	(11.832)	872.938	(0.284)	877.796	4.858
Total Revenue	\$5,408.858	\$5,441.778	\$32.920	\$5,450.489	\$8.711	\$5,528.721	\$78.232	\$5,589.735	\$61.014
Expenses									
Labor:									
Payroll	\$3,278.234	\$3,309.705	(\$31.471)	\$3,367.231	(\$57.526)	\$3,417.976	(\$50.745)	\$3,487.138	(\$69.162)
Overtime	401.063	359.446	41.617	361.602	(2.156)	359.514	2.088	366.009	(6.495)
Total Salaries & Wages	\$3,679.297	\$3,669.151	\$10.146	\$3,728.833	(\$59.682)	\$3,777.490	(\$48.657)	\$3,853.147	(\$75.657)
Health and Welfare	663.980	735.779	(71.799)	792.984	(57.205)	853.517	(60.533)	922.213	(68.696)
OPEB Current Payment	332.456	371.450	(38.994)	406.269	(34.819)	446.231	(39.962)	487.190	(40.959)
Pensions	961.391	1,001.876	(40.485)	997.194	4.682	1,010.677	(13.483)	1,006.267	4.410
Other Fringe Benefits	410.051	413.464	(3.413)	420.609	(7.145)	420.822	(0.213)	430.386	(9.564)
Total Fringe Benefits	\$2,367.878	\$2,522.569	(\$154.691)	\$2,617.056	(\$94.487)	\$2,731.247	(\$114.191)	\$2,846.056	(\$114.809)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$6,047.175	\$6,191.720	(\$144.545)	\$6,345.889	(\$154.169)	\$6,508.737	(\$162.848)	\$6,699.203	(\$190.466)
Non-Labor:									
Electric Power	\$312.855	\$327.659	(\$14.804)	\$346.077	(\$18.418)	\$367.068	(\$20.991)	\$393.681	(\$26.613)
Fuel	163.586	165.340	(1.754)	168.030	(2.690)	170.374	(2.344)	176.345	(5.971)
Insurance	58.570	70.488	(11.918)	84.082	(13.594)	100.126	(16.044)	119.257	(19.131)
Claims	89.291	91.682	(2.391)	94.590	(2.908)	98.056	(3.466)	100.534	(2.478)
Paratransit Service Contracts	391.467	416.858	(25.391)	428.836	(11.978)	479.229	(50.393)	559.292	(80.063)
Mtce. and Other Operating Contracts	215.314	195.076	20.238	202.238	(7.162)	211.075	(8.837)	200.764	10.311
Professional Service Contracts	158.353	151.922	6.431	147.009	4.913	146.436	0.573	148.310	(1.874)
Materials & Supplies	356.641	346.560	10.081	362.365	(15.805)	353.922	8.443	356.958	(3.036)
Other Business Expenses	68.545	69.549	(1.004)	70.870	(1.321)	72.412	(1.542)	70.625	1.787
Total Non-Labor Expenses	\$1,814.622	\$1,835.134	(\$20.512)	\$1,904.097	(\$68.963)	\$1,998.698	(\$94.601)	\$2,125.766	(\$127.068)
Other Expense Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$7,861.797	\$8,026.854	(\$165.057)	\$8,249.986	(\$223.132)	\$8,507.435	(\$257.449)	\$8,824.969	(\$317.534)
Depreciation	\$1,520.000	\$1,595.000	(\$75.000)	\$1,670.000	(\$75.000)	\$1,748.000	(\$78.000)	\$1,829.600	(\$81.600)
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
Total Expenses	\$10,828.402	\$11,126.323	(\$297.921)	\$11,484.634	(\$358.311)	\$11,882.668	(\$398.034)	\$12,346.892	(\$464.224)
Net Surplus/(Deficit)	(\$5,419.544)	(\$5,684.545)	(\$265.001)	(\$6,034.145)	(\$349.600)	(\$6,353.947)	(\$319.802)	(\$6,757.157)	(\$403.210)

MTA New York City Transit
July 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
<u>Receipts</u>									
Farebox Revenue	\$4,012.543	\$4,107.020	\$94.477	\$4,155.194	\$48.174	\$4,207.299	\$52.105	\$4,228.089	\$20.790
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	163.170	186.100	22.930	197.417	11.317	220.762	23.345	252.913	32.151
Other	191.326	94.627	(96.699)	53.867	(40.760)	54.140	0.273	54.419	0.279
Total Other Operating Revenue	\$453.512	\$364.743	(\$88.769)	\$335.300	(\$29.443)	\$358.918	\$23.618	\$391.348	\$32.430
Capital and Other Reimbursements	1,005.254	896.039	(109.215)	875.180	(20.859)	872.490	(2.690)	876.277	3.787
Total Receipts	\$5,471.309	\$5,367.802	(\$103.507)	\$5,365.674	(\$2.128)	\$5,438.707	\$73.033	\$5,495.714	\$57.007
<u>Expenditures</u>									
Labor:									
Payroll	\$3,330.282	\$3,386.639	(\$56.356)	\$3,343.192	\$43.446	\$3,383.981	(\$40.788)	\$3,461.996	(\$78.015)
Overtime	407.431	367.801	39.629	359.021	8.781	355.938	3.082	363.370	(7.432)
Total Salaries & Wages	\$3,737.713	\$3,754.440	(\$16.727)	\$3,702.213	\$52.227	\$3,739.919	(\$37.706)	\$3,825.366	(\$85.447)
Health and Welfare	682.034	729.820	(47.786)	786.578	(56.758)	846.631	(60.053)	914.810	(68.179)
OPEB Current Payment	332.456	371.450	(38.994)	406.269	(34.819)	446.231	(39.962)	487.190	(40.959)
Pensions	804.276	989.567	(185.291)	990.847	(1.280)	1,001.487	(10.640)	996.776	4.711
Other Fringe Benefits	379.054	384.188	(5.134)	384.184	0.004	384.769	(0.585)	395.072	(10.303)
Total Fringe Benefits	\$2,197.820	\$2,475.025	(\$277.205)	\$2,567.878	(\$92.853)	\$2,679.118	(\$111.240)	\$2,793.848	(\$114.730)
GASB Account	66.491	74.290	(7.799)	81.254	(6.964)	89.246	(7.992)	97.438	(8.192)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$6,002.024	\$6,303.755	(\$301.731)	\$6,351.345	(\$47.590)	\$6,508.283	(\$156.938)	\$6,716.652	(\$208.369)
Non-Labor:									
Electric Power	\$312.855	\$327.659	(\$14.804)	\$346.077	(\$18.418)	\$367.068	(\$20.991)	\$393.681	(\$26.613)
Fuel	163.586	165.340	(1.754)	168.030	(2.690)	170.374	(2.344)	176.345	(5.971)
Insurance	72.212	72.386	(0.174)	89.580	(17.194)	103.606	(14.026)	122.735	(19.129)
Claims	81.044	83.154	(2.110)	83.959	(0.805)	85.270	(1.311)	87.750	(2.480)
Paratransit Service Contracts	389.467	414.858	(25.391)	426.836	(11.978)	477.229	(50.393)	557.292	(80.063)
Mtce. and Other Operating Contracts	230.014	209.776	20.238	216.938	(7.162)	225.775	(8.837)	215.464	10.311
Professional Service Contracts	156.839	142.922	13.917	138.009	4.913	137.436	0.573	139.310	(1.874)
Materials & Supplies	352.507	342.560	9.947	358.365	(15.805)	349.922	8.443	352.958	(3.036)
Other Business Expenditures	68.590	69.961	(1.371)	70.870	(0.909)	72.412	(1.542)	70.625	1.787
Total Non-Labor Expenditures	\$1,827.114	\$1,828.616	(\$1.502)	\$1,898.664	(\$70.048)	\$1,989.092	(\$90.428)	\$2,116.160	(\$127.068)
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$7,829.138	\$8,132.371	(\$303.233)	\$8,250.009	(\$117.638)	\$8,497.375	(\$247.366)	\$8,832.812	(\$335.437)
Net Cash Deficit	(\$2,357.829)	(\$2,764.569)	(\$406.740)	(\$2,884.335)	(\$119.766)	(\$3,058.668)	(\$174.333)	(\$3,337.098)	(\$278.430)

MTA New York City Transit
July 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
Receipts									
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	1.369	(0.302)	(1.671)	(0.298)	0.004	(0.189)	0.109	(0.137)	0.052
Other	(82.822)	(93.890)	(11.068)	(96.706)	(2.816)	(99.608)	(2.902)	(102.596)	(2.988)
Total Other Operating Revenue	(\$66.453)	(\$94.192)	(\$27.739)	(\$97.004)	(\$2.812)	(\$99.797)	(\$2.793)	(\$102.733)	(\$2.936)
Capital and Other Reimbursements	113.073	10.985	(102.088)	1.958	(9.027)	(0.448)	(2.406)	(1.519)	(1.071)
Total Receipt Adjustments	\$62.451	(\$73.976)	(\$136.427)	(\$84.815)	(\$10.839)	(\$90.014)	(\$5.199)	(\$94.021)	(\$4.007)
Expenditures									
Labor:									
Payroll	(\$52.048)	(\$76.934)	(\$24.885)	\$24.039	\$100.972	\$33.995	\$9.957	\$25.142	(\$8.853)
Overtime	(6.368)	(8.355)	(1.988)	2.581	10.937	3.576	0.994	2.639	(0.937)
Total Salaries & Wages	(\$58.416)	(\$85.289)	(\$26.873)	\$26.620	\$111.909	\$37.571	\$10.951	\$27.781	(\$9.790)
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	30.997	29.276	(1.721)	36.425	7.149	36.053	(0.372)	35.314	(0.739)
Total Fringe Benefits	\$170.058	\$47.544	(\$122.514)	\$49.178	\$1.634	\$52.129	\$2.951	\$52.208	\$0.079
GASB Account	(66.491)	(74.290)	(7.799)	(81.254)	(6.964)	(89.246)	(7.992)	(97.438)	(8.192)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$45.151	(\$112.035)	(\$157.186)	(\$5.456)	\$106.579	\$0.454	\$5.910	(\$17.449)	(\$17.903)
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)	(3.480)	2.018	(3.478)	0.002
Claims	8.247	8.528	0.281	10.631	2.103	12.786	2.155	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	1.514	9.000	7.486	9.000	0.000	9.000	0.000	9.000	0.000
Materials & Supplies	4.134	4.000	(0.134)	4.000	0.000	4.000	0.000	4.000	0.000
Other Business Expenditures	(0.045)	(0.412)	(0.367)	0.000	0.412	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	(\$12.492)	\$6.518	\$19.010	\$5.433	(\$1.085)	\$9.606	\$4.173	\$9.606	\$0.000
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$32.659	(\$105.517)	(\$138.176)	(\$0.023)	\$105.494	\$10.060	\$10.083	(\$7.843)	(\$17.903)
Total Cash Conversion Adjustments before Depreciation	\$95.110	(\$179.493)	(\$274.603)	(\$84.838)	\$94.655	(\$79.954)	\$4.884	(\$101.864)	(\$21.910)
Depreciation Adjustment	\$1,520.000	\$1,595.000	\$75.000	\$1,670.000	\$75.000	\$1,748.000	\$78.000	\$1,829.600	\$81.600
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
Total Cash Conversion Adjustments	\$3,061.715	\$2,919.976	(\$141.739)	\$3,149.810	\$229.834	\$3,295.279	\$145.469	\$3,420.059	\$124.780

MTA NEW YORK CITY TRANSIT
2014 Preliminary Budget
July Financial Plan 2014 – 2017
Summary of Major Plan-to-Plan Changes by Generic Categories

2013: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to increase from the February Financial Plan by \$79.8 million.

Major generic category changes include:

- Other operating revenue improves by \$85.3 million, including \$75.6 million due primarily to the favorable timing of Sandy maintenance recovery reimbursements and an increase of \$5.3 million in paratransit Urban Tax revenue.
- Decreased farebox revenue of \$5.5 million, based on a more conservative forecast of bus fare evasion recoveries.

Operating Expense Changes

Excluding an increase in other post-employment benefit expenses, operating expenses decreased from the February Financial Plan by \$51.1 million.

Major generic category changes include:

- Payroll is projected to increase by \$11.2 million, due mostly to the impact of Sandy maintenance recovery costs, platform budget adjustments, programmatic initiatives, and the filling of vacancies which will result in lower overtime spending.
- Overtime is projected to increase by \$35.6 million, mostly due to Sandy maintenance recovery costs, subways maintenance backlog requirements, and vacancy coverage requirements.
- Health & welfare/OPEB current payment expenses are projected to decrease by \$48.6 million, due mostly to lower rates.
- Pension expenses are projected to decrease by \$49.9 million, based on current actuarial information.

- Other fringe benefits are projected to increase by \$3.5 million, due mainly to payroll increases.
- Electric power expenses are projected to decrease by \$37.1 million, due mostly to updated inflationary assumptions indicating lower prices.
- Paratransit service contracts are projected to increase by \$6.3 million, as the impact of a delay in zero-fare implementation is mostly offset by lower expenses due to reduced ridership.
- Maintenance contract expenses are projected to increase by \$7.7 million, due to additional requirements for support fleet services, paratransit fleet adjustments, and rail car disposals.
- Professional service contract expenses are projected to increase by \$10.8 million, mostly due to the timing of TIS expenses, Sandy maintenance recovery costs, and costs in support of programmatic initiatives.
- Materials and supplies expenses are projected to increase by \$17.5 million, due primarily to Sandy maintenance recovery costs, and the unfavorable timing of subways scheduled maintenance and signals material costs.

2014-2016: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to increase from the February Financial Plan by \$0.8 million in 2014, and to decrease by \$70.7 million in 2015 and \$34.5 million in 2016.

Major generic category changes include:

- Other operating revenue improves by \$4.8 million in 2014 and decreases by \$56.9 million in 2015 and \$25.3 million in 2016. The reduction in 2015 represents the unfavorable timing of Sandy maintenance recovery reimbursements and paratransit reimbursement adjustments consistent with current paratransit expense levels. The 2016 reduction was also mostly due to paratransit reimbursement adjustments.
- Decreased farebox revenue of \$4.1 million in 2014, \$13.8 million in 2015 and \$9.2 million in 2016, based mostly on a more conservative forecast of bus fare evasion recoveries.

Operating Expense Changes

Excluding increases in other post-employment benefit expenses, operating expenses decreased from the February Financial Plan by \$69.2 million in 2014, \$153.6 million in 2015 and \$244.5 million in 2016.

Major generic category changes include:

- Payroll is projected to increase by \$30.8 million in 2014, \$35.8 million in 2015, and \$32.5 million in 2016, due mostly to programmatic initiatives, the impact of Sandy maintenance recovery costs in 2014 and 2015, platform budget adjustments, and the filling of vacancies which will result in lower overtime spending.
- Overtime is projected to increase by \$6.8 million in 2014 and \$5.2 million in 2015, mostly due to Sandy maintenance recovery costs.
- Health & welfare/OPEB current payment expenses are projected to decrease by \$30.7 million in 2014, \$44.7 million in 2015 and \$57.5 million in 2016, due mostly to lower rates.
- Pension expenses are projected to decrease by \$38.6 million in 2014, \$91.0 million in 2015 and \$103.5 million in 2016, based on current actuarial information.
- Other fringe benefits are projected to increase by \$3.6 million in 2014 and \$4.8 million in 2015, due mainly to payroll increases.
- Electric power expenses are projected to decrease by \$46.1 million in 2014, \$55.3 million in 2015 and \$64.6 million in 2016, due mostly to updated inflationary assumptions indicating lower prices.
- Paratransit service contracts are projected to decrease by \$2.8 million in 2014, as lower expenses due to reduced ridership are mostly offset by the impact of a delay in zero-fare implementation. In 2015, an expense increase of \$3.2 million was due to a delay in zero-fare implementation, mostly offset by lower expenses due to reduced ridership. The projected 2016 savings of \$14.5 million was due to reduced ridership.
- Maintenance and other contract expenses decrease in 2016 by \$7.0 million, due mostly to paratransit fleet adjustments and card stock savings.
- Professional service contract expenses are projected to increase by \$6.1 million in 2014 and \$3.8 million in 2015, mostly due to costs in support of programmatic initiatives.
- Materials and supplies expenses are projected to increase by \$10.8 million in 2014, due primarily to Sandy maintenance recovery costs, and subways scheduled maintenance requirements. Favorable results in 2015 of \$10.9 million and 2016 of \$13.9 million are due mainly to the timing of subways scheduled maintenance requirements.

MTA New York City Transit
July Financial Plan 2014 - 2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE				
	2013	2014	2015	2016
February Financial Plan - Cash Deficit	(\$2,596.903)	(\$2,820.005)	(\$2,933.940)	(\$3,232.410)
Baseline Changes				
Revenue				
Farebox Revenue	(\$5.500)	(\$4.079)	(\$13.795)	(\$9.188)
Other Operating Revenue	85.257	4.831	(56.920)	(25.343)
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	\$79.757	\$0.752	(\$70.715)	(\$34.531)
Expenses				
Labor:				
Payroll	(\$11.192)	(\$30.761)	(\$35.756)	(\$32.455)
Overtime	(35.631)	(6.776)	(5.174)	3.804
Health and Welfare	29.241	15.646	23.572	31.450
OPEB Current Payment	19.391	15.108	21.149	25.995
Pensions	49.938	38.595	91.042	103.452
Other Fringe Benefits	(3.544)	(3.559)	(4.750)	(1.071)
Reimbursable Overhead	2.734	2.720	3.129	1.713
Total Labor Expense Changes	\$50.937	\$30.973	\$93.212	\$132.888
Non-Labor:				
Electric Power	\$37.134	\$46.082	\$55.266	\$64.621
Fuel	3.119	(0.668)	(3.078)	4.592
Insurance	2.332	3.154	5.504	8.715
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	(6.284)	2.763	(3.225)	14.524
Maintenance and Other Operating Contracts	(7.679)	3.940	(1.012)	7.020
Professional Service Contracts	(10.838)	(6.065)	(3.798)	(1.535)
Materials & Supplies	(17.465)	(10.771)	10.926	13.867
Other Business Expenses	(0.159)	(0.204)	(0.195)	(0.177)
Total Non-Labor Expense Changes	\$0.160	\$38.231	\$60.388	\$111.627
Other Post-Employment Benefits	(\$41.274)	(\$40.969)	(\$43.814)	(\$47.589)
Total Expense Changes	\$9.823	\$28.235	\$109.786	\$196.926
Cash Adjustment Changes				
Revenue	24.342	(1.527)	(2.000)	(3.580)
Expense	13.197	(21.168)	(32.994)	(35.204)
Other Post-Employment Benefits	41.274	40.969	43.814	47.589
Total Cash Adjustment Changes	\$78.813	\$18.274	\$8.820	\$8.805
Total Baseline Changes	\$168.393	\$47.261	\$47.891	\$171.200
July Financial Plan - Cash Deficit	(\$2,428.510)	(\$2,772.744)	(\$2,886.049)	(\$3,061.210)

MTA New York City Transit
July Financial Plan 2014 - 2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE	2013	2014	2015	2016
February Financial Plan - Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue				
Other Operating Revenue				
Capital and Other Reimbursement	31.870	40.648	32.421	20.220
Total Revenue Changes	\$31.870	\$40.648	\$32.421	\$20.220
Expenses				
Labor:				
Payroll	(\$14.200)	(\$21.652)	(\$17.796)	(\$10.542)
Overtime	(0.717)	(0.729)	0.031	0.031
Health and Welfare	0.219	(1.717)	(1.419)	(0.575)
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	(4.615)	(5.594)	(5.556)	(5.303)
Other Fringe Benefits	(3.850)	(4.588)	(3.514)	(1.848)
Reimbursable Overhead	(2.734)	(2.720)	(3.129)	(1.713)
Total Labor Expense Changes	(\$25.897)	(\$37.000)	(\$31.383)	(\$19.950)
Non-Labor:				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	(0.001)	(0.001)	(0.001)
Insurance				
Claims				
Paratransit Service Contracts				
Maintenance and Other Operating Contracts	(0.178)			
Professional Service Contracts	(2.237)	(1.135)	(1.035)	(0.268)
Materials & Supplies	(3.557)	(2.513)	(0.001)	(0.001)
Other Business Expenses	(0.001)	\$0.001	(0.001)	
Total Non-Labor Expense Changes	(\$5.973)	(\$3.648)	(\$1.038)	(\$0.270)
Total Expense Changes	(\$31.870)	(\$40.648)	(\$32.421)	(\$20.220)
Cash Adjustment Changes				
Capital Reimbursement Timing	70.681	8.175	1.714	2.542
Total Cash Adjustment Changes	\$70.681	\$8.175	\$1.714	\$2.542
Total Baseline Changes	\$70.681	\$8.175	\$1.714	\$2.542
July Financial Plan - Cash Deficit	\$70.681	\$8.175	\$1.714	\$2.542

MTA New York City Transit
July Financial Plan 2014 - 2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE				
	2013	2014	2015	2016
February Financial Plan - Cash Deficit	(\$2,596.903)	(\$2,820.005)	(\$2,933.940)	(\$3,232.410)
Baseline Changes				
Revenue				
Farebox Revenue	(\$5.500)	(\$4.079)	(\$13.795)	(\$9.188)
Other Operating Revenue	85.257	4.831	(56.920)	(25.343)
Capital and Other Reimbursement	31.870	40.648 #	32.421 #	20.220
Total Revenue Changes	\$111.627	\$41.400	(\$38.294)	(\$14.311)
Expenses				
<i>Labor:</i>				
Payroll	(\$25.392)	(\$52.413)	(\$53.552)	(\$42.997)
Overtime	(36.348)	(7.505)	(5.143)	3.835
Health and Welfare	29.460	13.929	22.153	30.875
OPEB Current Payment	19.391	15.108	21.149	25.995
Pensions	45.323	33.001	85.486	98.149
Other Fringe Benefits	(7.394)	(8.147)	(8.264)	(2.919)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$25.040	(\$6.027)	\$61.829	\$112.938
<i>Non-Labor:</i>				
Electric Power	\$37.134	\$46.082	\$55.266	\$64.621
Fuel	3.119	(0.669)	(3.079)	4.591
Insurance	2.332	3.154	5.504	8.715
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	(6.284)	2.763	(3.225)	14.524
Maintenance and Other Operating Contracts	(7.857)	3.940	(1.012)	7.020
Professional Service Contracts	(13.075)	(7.200)	(4.833)	(1.803)
Materials & Supplies	(21.022)	(13.284)	10.925	13.866
Other Business Expenses	(0.160)	(0.203)	(0.196)	(0.177)
Total Non-Labor Expense Changes	(\$5.813)	\$34.583	\$59.350	\$111.357
Other Post-Employment Benefits	(\$41.274)	(\$40.969)	(\$43.814)	(\$47.589)
Total Expense Changes	(\$22.047)	(\$12.413)	\$77.365	\$176.706
Cash Adjustment Changes				
Revenue	24.342	(1.527)	(2.000)	(3.580)
Expense	13.197	(21.168)	(32.994)	(35.204)
Capital Reimbursement Timing	70.681	8.175	1.714	2.542
Other Post-Employment Benefits	41.274	40.969	43.814	47.589
Total Cash Adjustment Changes	\$149.494	\$26.449	\$10.534	\$11.347
Total Baseline Changes	\$239.074	\$55.436	\$49.605	\$173.742
July Financial Plan - Cash Deficit	(\$2,357.829)	(\$2,764.569)	(\$2,884.335)	(\$3,058.668)

MTA NEW YORK CITY TRANSIT
2014 Preliminary Budget
July Financial Plan 2014 – 2017
Summary of Major Plan-to-Plan Changes

2013: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue changes from the February Financial Plan increased by \$111.6 million.

Major changes include:

- Other operating revenue improves by \$85.3 million, including \$75.6 million due primarily to the favorable timing of Sandy maintenance recovery reimbursements and an increase of \$5.3 million in paratransit Urban Tax revenue.
- Capital reimbursements increase by \$31.9 million to provide for reimbursement of reimbursable expense increases.
- Decreased farebox revenue of \$5.5 million, based on a more conservative forecast of bus fare evasion recoveries.

Expense Changes

Excluding an increase in other post-employment benefit expenses, total expenses decreased from the February Financial Plan by \$19.2 million.

Major changes include:

- An update of inflation assumptions, resulting in reduced expenses of \$85.9 million, primarily affecting health & welfare rates and electric power prices.
- A re-estimate of pension costs, based on current actuarial information, resulting in savings of \$48.8 million.
- Continued Sandy estimated maintenance recovery expenses of \$47.3 million.
- The unfavorable timing of expenses of \$39.1 million in 2013 from 2012.

- An increase in reimbursable expenses of \$31.9 million, due primarily to estimated increases in Sandy recovery and resiliency (reconstruction) costs and additional requirements for several capital projects.

Cash Adjustments

Cash adjustments are projected to be favorable by \$108.2 million.

Major changes include:

- Favorable cash timing of \$158.7 million from 2012 impacting 2013. This is due mainly to NYCERS pension payments made in 2012 but originally planned for 2013.
- The unfavorable capital reimbursement cash timing of \$17.4 million, mostly offset in subsequent years.
- A re-estimate of OPEB GASB cash payments, resulting in an increase of \$16.6 million.

2014-2016: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue changes from the February Financial Plan result in an increase of \$41.4 million in 2014 and decreases of \$38.3 million in 2015 and \$14.3 million in 2016.

Major changes include:

- Capital reimbursements increase by \$40.6 million in 2014, \$32.4 million in 2015 and \$20.2 million in 2016 to provide for reimbursements of reimbursable expense increases.
- Other operating revenue improves by \$4.8 million in 2014 and decreases by \$56.9 million in 2015 and \$25.3 million in 2016. The reduction in 2015 represents the unfavorable timing of Sandy maintenance recovery reimbursements and paratransit reimbursement adjustments consistent with current paratransit expense levels. The 2016 reduction was also mostly due to paratransit reimbursement adjustments.
- Decreased farebox revenue of \$4.1 million in 2014, \$13.8 million in 2015 and \$9.2 million in 2016, based mostly on a more conservative forecast of bus fare evasion recoveries.

Expense Changes

Excluding increases in other post-employment benefit expenses, total expenses decreased by \$28.6 million in 2014, \$121.2 million in 2015 and \$224.3 million in 2016.

Major changes include:

- An update of inflation assumptions, resulting in reduced expenses of \$84.7 million in 2014, \$108.8 million in 2015 and \$139.3 million in 2016, primarily affecting health & welfare rates and electric power prices.
- A re-estimate of pension costs, based on current actuarial information, resulting in savings of \$46.2 million in 2014, \$92.5 million in 2015 and \$108.3 million in 2016.
- Additional paratransit Budget Reduction Program savings of \$26.7 million in 2016.
- New programmatic initiatives costing \$32.0 million in 2014, \$27.4 million in 2015 and \$28.7 million in 2016 (see beginning of the introductory narrative for detailed information).
- Continued Sandy estimated maintenance recovery expenses of \$30.0 million in 2014 and \$25.0 million in 2015.
- Increased reimbursable expenses of \$40.6 million in 2014, \$32.4 million in 2015 and \$20.2 million in 2016, due primarily to estimated increases in Sandy recovery and resiliency (reconstruction) costs and additional requirements for several capital projects.

Cash Adjustments

Cash adjustments are projected to be unfavorable by \$14.5 million in 2014, \$33.3 million in 2015, and \$36.2 million in 2016, due largely to the re-estimates of OPEB GASB cash payments.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2014- 2017
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
February Financial Plan - Operating Cash Income/(Deficit)	(\$2,596.903)	(\$2,820.005)	(\$2,933.940)	(\$3,232.410)
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Farebox	(\$5.500)	(\$4.079)	(\$13.795)	(\$9.188)
Paratransit Urban Tax	5.296	2.813	3.480	3.890
Other Operating Revenue	4.340	7.460	(13.916)	(29.233)
Sandy Estimated Maintenance Recovery Reimbursement	75.621	(5.442)	(46.484)	0.000
Sub-Total Non-Reimbursable Revenue Changes	\$79.757	\$.752	(\$70.715)	(\$34.531)
Expenses				
Inflation-Related:				
Electric Power	\$37.135	\$46.339	\$55.779	\$65.134
Health & Welfare Rates	51.794	41.452	55.389	67.893
Bus/Heating Fuel	(4.212)	(4.477)	(5.715)	0.591
Property/Liability Insurance	1.196	0.350	0.500	0.706
Materials, Rentals and Miscellaneous Expenses	0.000	1.083	2.829	5.015
Sub-total Inflation-Related	\$85.913	\$84.747	\$108.782	\$139.339
Programmatic Initiatives:				
R46-Life Extension-SMS (Subways Scheduled Maintenance)	0.000	(11.674)	(10.677)	(15.692)
Structural and Special Structure Inspections	(\$1.700)	(\$6.131)	(\$5.340)	(\$3.190)
Water Intrusion Remediation	0.000	(3.462)	(3.462)	(3.462)
Homeless Outreach	(0.550)	(2.196)	(2.196)	(2.196)
Vent Bay Maintenance	0.000	(1.264)	(1.264)	(1.264)
Rodent Eradication Program	(0.494)	(1.137)	(0.793)	(0.793)
Manhole Security	0.000	(0.778)	(0.778)	(0.778)
Other New Needs	(2.346)	(5.318)	(2.925)	(1.284)
Sub-total Programmatic Initiatives	(\$5.090)	(\$31.960)	(\$27.435)	(\$28.659)
Budget Reduction Program:				
Additional Paratransit Expense Savings	12.094	17.957	26.737	26.717
Paratransit Zero-Fare Implementation Timing	(15.500)	(7.500)	(25.000)	0.000
Sub-total Budget Reduction Program	(\$3.406)	\$10.457	\$1.737	\$26.717
Technical Adjustments/Re-estimates:				
Sandy Maintenance Recovery Expenses	(\$47.254)	(\$30.000)	(\$25.000)	\$0.000
Pension	48.780	46.236	92.493	108.276
Timing of 2012 Expense Results Impacting Subsequent Years	(39.084)	(3.678)	(1.711)	0.000
All Other	11.238	(6.598)	4.734	(1.159)
Sub-total Technical Adjustments/Re-estimates	(26.320)	5.960	70.516	107.117
Sub-Total Non-Reimbursable Expense Changes*	\$51.097	\$69.204	\$153.600	\$244.514
Total Non-Reimbursable Major Changes	\$130.854	\$69.956	\$82.885	\$209.983
<i>Reimbursable Major Changes</i>				
Revenue				
Revised Reimbursements-Expense Changes	31.870	40.648	32.421	20.220
Sub-Total Reimbursable Revenue Changes	\$31.870	\$40.648	\$32.421	\$20.220
Expenses				
Change in Expenses	(31.870)	(40.648)	(32.421)	(20.220)
Sub-Total Reimbursable Expense Changes	(\$31.870)	(\$40.648)	(\$32.421)	(\$20.220)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$130.854	\$69.956	\$82.885	\$209.983
<i>Cash Adjustment Changes</i>				
Timing of 2012 Results Impacting 2013:				
Revenue Receipts	\$34.233	\$0.000	\$0.000	\$0.000
Expenditures	36.264	(0.412)	0.000	0.000
Capital Reimbursements	\$88.153	\$0.000	\$0.000	\$0.000
Sub-Total	\$158.650	(\$0.412)	\$0.000	\$0.000
Capital Reimbursement Timing-Current Plan	(\$17.435)	\$8.137	\$1.714	\$2.541
GASB Account Revised Funding Formula	(16.644)	(24.478)	(30.638)	(37.533)
Projected Reduction in MetroCard Expiration Cash	(10.800)	0.000	0.000	0.000
Other	(5.551)	2.233	(4.356)	(1.249)
Total Cash Adjustment Changes*	\$108.220	(\$14.520)	(\$33.280)	(\$36.241)
Total Baseline Changes	\$239.074	\$55.436	\$49.605	\$173.742
July Financial Plan - Operating Cash Income/(Deficit)	(\$2,357.829)	(\$2,764.569)	(\$2,884.335)	(\$3,058.668)

*Excluding Other Post-Employment Benefit Changes

MTA NEW YORK CITY TRANSIT
2014 Preliminary Budget
July Financial Plan 2014 – 2017

RIDERSHIP/ (UTILIZATION)

The July 2013 Financial Plan baseline ridership forecast assumes that the weather adjusted January-April 2013 trend, which was 0.8% below budget for subway and 1.7% above budget for bus, will continue for the rest of the year. The February 2013 Plan included a 5.6 million bus ridership increase resulting from increased fare evasion enforcement. As a result of a delay in the start of the program, and a re-estimate of recoverable ridership, the 2013 bus ridership increase due to fare evasion enforcement is 3.7 million lower than the February Plan. As a result of lower than expected 2013 subway ridership, higher than expected bus ridership, and a lower estimate of bus ridership recovered through fare evasion enforcement, projected 2013 ridership is 3.3 million lower than the February 2013 Plan.

In developing the 2014 ridership forecast, 2013 ridership was adjusted upward to account for the blizzard in February 2013. 2014 subway ridership is projected to increase by approximately 1.4% based on the revised 2014 employment forecast, which was higher than the August 2012 forecast used in the February 2013 Plan. 2014 bus ridership is projected to increase by approximately 0.6%, based on a 40% factor applied to the employment forecast. The 40% bus factor was also used in the February Plan and is based on an analysis of historical bus ridership showing a lower employment elasticity on bus than on subway. The revised 2014 forecast also includes a 4.6 million reduction in bus ridership recovered through fare evasion enforcement. As a result of adjustments for the February 2013 blizzard and a higher 2014 employment forecast, partially offset by a lower estimate of recoverable ridership from fare evasion enforcement, projected 2014 ridership is 2.8 million higher than the February Plan.

Working off the revised 2014 baseline projection, 2015-2017 subway and bus ridership growth forecasts are based on the April 2013 employment forecast, which projects a smaller employment increase in 2015 than the forecast used in the February 2013 Plan, and virtually the same growth in 2016 and 2017. The bus ridership increase due to fare evasion enforcement is projected to be lower than the February Plan by 6.9 million in 2015 and 9.2 million in 2016 and 2017. The resulting ridership is expected to be 2.3 million lower than the February Plan in 2015, 0.6 million lower in 2016, and 1.2 million lower in 2017.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2014 - 2017
Ridership/Traffic Volume (Utilization)
(\$ in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
RIDERSHIP						
Subway	1,654.582	1,692.829	1,718.409	1,738.784	1,760.211	1,770.355
Bus	667.911	678.329	688.498	694.559	701.811	701.877
Paratransit	9.343	9.895	10.686	11.541	12.465	13.462
Total Ridership	2,331.836	2,381.053	2,417.593	2,444.884	2,474.487	2,485.694

FAREBOX REVENUE (Excluding fare media liability)

Subway	2,742.049	2,988.759	3,072.850	3,110.793	3,150.697	3,169.590
Bus	870.480	938.209	964.476	973.168	983.706	983.808
Paratransit	15.086	17.523	19.242	20.781	22.444	24.239
Total Farebox Revenue	3,627.615	3,944.491	4,056.568	4,104.742	4,156.847	4,177.637

MTA NEW YORK CITY TRANSIT
2014 Preliminary Budget
July Financial Plan 2014 – 2017
Positions

POSITION ASSUMPTIONS

2013: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to increase by 462, including a non-reimbursable increase of 175 and a reimbursable increase of 287. Specifically:

New Needs (total increase of 15 positions) includes:

- 10 positions for Enterprise Asset Management (EAM) project
- 4 positions to support EEO Office
- 1 position for Rodent Eradication Program

(These initiatives are summarized at the beginning of the introductory narrative.)

Reimbursable Positions (increase of 287 positions) includes:

- 165 positions to support Sandy Recovery and Resiliency
- 30 positions to support the Small Business Mentoring program
- 21 positions to support ICC Lighting
- 20 positions to support Bus technology projects and New Fare Payments System project
- 11 positions to support PS LAN project
- 5 positions to support Help Point project
- 35 positions to support various project requirements

Re-estimates/All Other (total increase of 160 positions) includes:

- 20 positions for normal business/platform budget changes
- 52 positions for Bus Shifters Headcount for Overtime adjustment
- -20 positions reclassification of New Fare Payment and Bus Technology projects to reimbursable
- 38 positions for Paratransit Call Center Schedulers
- 20 positions to support SBS BX41
- 5 positions for BSC Headcount adjustment
- 16 positions for Sandy backlog maintenance timing adjustment
- 29 positions – All Other and Other Re-Estimates

The breakdown of the 462 position increase by function is as follows:

Administration (total increase of 20 positions) includes:

- 18 Positions to support Sandy Recovery and Resiliency (EVP – Government & Community Relations, Human Resources, Corporate Communications and Material)
- Increase of 2 net positions for miscellaneous other

Operations (total increase of 232 positions) include:

- 111 Positions in Buses mainly due to platform budget changes (20 positions), bus shifters headcount for overtime (52 positions), miscellaneous shift of positions between service and maintenance
- 39 positions for Paratransit Call Center schedulers
- 28 positions for Operations Planning mainly due to Sandy Recovery and Resiliency (5 positions), and traffic checking support (23 positions, include part-time FTEs)
- 40 positions mainly due to transfer of AFC Program Management & Sales staff from administration to Revenue Control, categorized as operations.

Maintenance (total increase of 93 positions) includes:

- 125 positions in Subways mainly due to Sandy Recovery and Resiliency (64 positions), 57 positions for capital project requirements
- 37 position reduction in Buses due to miscellaneous shift of positions between service and maintenance.

Engineering (total increase of 101 positions) includes:

- 75 positions in Capital Program Management for Sandy Recovery and Resiliency
- 26 positions in Capital Program Management for Small Business Mentoring Program

Position increases by occupational group are: Managers/Supervisors -4, Professional, Technical, Clerical +191, and Operational Hourlies +275.

For further details, please see position tables.

2014: July Financial Plan vs. February Financial Plan

New Needs (total increase of 221 positions) includes:

- 98 positions for SMS – R46 Life Extension
- 29 positions for MOW Structural Inspections
- 6 positions for RCC Staffing – ATS Expansion
- 12 positions for Vent Bay Maintenance
- 35 positions for Water Intrusion Remediation
- 8 positions for Manhole Security
- 18 positions for Buses – Safety and Reliability
- 10 positions for Enterprise Asset Management (EAM) project
- 4 positions for EEO Office
- 1 positions for Rodent Eradication Program

Reimbursable Positions (total increase of 283 positions) includes:

- 176 positions to support Sandy Recovery and Resiliency
- 30 positions to support the Small Business Mentoring program
- 21 positions to support ICC Lighting
- 20 positions to support Bus technology projects and New Fare Payments System project
- 36 positions to support various project requirements

Re-estimates/All Other (total increase of 231 positions) include:

- 84 positions for normal business/platform budget changes
- 52 positions for Bus Shifters Headcount for Overtime adjustment
- -20 positions reclassification of New Fare Payment and Bus Technology projects to reimbursable
- 38 positions for Paratransit Call Center Schedulers
- 20 positions to support SBS BX41
- 4 positions for BSC Headcount adjustment
- 16 positions for Sandy backlog maintenance timing adjustment
- 17 positions for SMS
- 20 positions – All Other and Other Re-Estimates

The breakdown of the 735 position increase by function is as follows:

Administration (total increase of 19 positions) includes:

- 18 Positions to support Sandy Recovery and Resiliency (EVP – Government & Community Relations, Human Resources, Corporate Communications and Material)

Operations (total increase of 304 positions) include:

- 150 Positions in Buses mainly due to platform budget changes (50 positions), bus shifters headcount for overtime (52 positions), miscellaneous shift of positions between service and maintenance
- 34 Positions for Subways platform budget changes
- 39 positions for Paratransit Call Center schedulers
- 29 positions for Operations Planning mainly due to Sandy Recovery and Resiliency (5 positions), and traffic checking support (23 positions, include part-time FTEs)
- 40 positions mainly due to transfer of AFC Program Management & Sales staff from administration to Revenue Control, categorized as operations.

Maintenance (total increase of 295 positions) includes:

- 319 position increase in Subways mainly due to Sandy Recovery and Resiliency (75 positions), Subways New Needs described in detail above (189 positions), capital project requirements (39 positions)
- 28 position reduction in Buses due to miscellaneous shift of positions between service and maintenance.

Engineering (total increase of 101 positions) includes:

- 75 positions in Capital Program Management for Sandy Recovery and Resiliency
- 26 positions in Capital Program Management for Small Business Mentoring Program

Position increases by occupational group are: Managers/Supervisors +27, Professional, Technical, Clerical +194, and Operational Hourlies +514

2015 - 2016: July Financial Plan vs. February Financial Plan

New Needs (total increase of 281 positions in 2015, 293 positions in 2016) include:

- 158 positions for SMS – R46 Life Extension in 2015, 188 positions in 2016
- 29 positions for MOW Structural Inspections
- 6 positions for RCC Staffing – ATS Expansion
- 12 positions for Vent Bay Maintenance
- 35 positions for Water Intrusion Remediation
- 8 positions for Manhole Security
- 18 positions for Buses – Safety and Reliability for 2015 only
- 10 positions for Enterprise Asset Management (EAM) project
- 4 positions for EEO Office
- 1 positions for Rodent Eradication Program

Reimbursable Positions (total increase of 220 in 2015, 53 positions in 2016 positions) includes:

- 160 positions to support Sandy Recovery and Resiliency for 2015 only
- 30 positions to support the Small Business Mentoring program
- 13 positions to support Bus technology projects and New Fare Payments System project
- 17 positions to support various project requirements in 2015, 10 positions in 2016

Re-estimates/All Other (total increase of 204 positions in 2015, 205 positions in 2016) include:

- 100 positions for normal business/platform budget changes
- 52 positions for Bus Shifters Headcount for Overtime adjustment
- -13 positions reclassification of New Fare Payment and Bus Technology projects to reimbursable
- 38 positions for Paratransit Call Center Schedulers
- 20 positions to support SBS BX41
- 3 positions for BSC Headcount adjustment
- 11 positions for SMS in 2015, 6 positions in 2016
- -7 positions – All Other and Other Re-Estimates, -1 position in 2016

In 2015, the net increase of 705 positions by function is as follows:

Administration (total increase of 9 positions) includes:

- 18 Positions to support Sandy Recovery and Resiliency (EVP – Government & Community Relations, Human Resources, Corporate Communications and Material)

Operations (total increase of 306 positions) include:

- 166 Positions in Buses mainly due to platform budget changes (66 positions), bus shifters headcount for overtime (52 positions), miscellaneous shift of positions between service and maintenance
- 34 Positions for Subways platform budget changes
- 39 positions for Paratransit Call Center schedulers
- 40 positions mainly due to transfer of AFC Program Management & Sales staff from administration to Revenue Control, categorized as operations.

Maintenance (total increase of 273 positions) includes:

- 310 position increase in Subways mainly due to Sandy Recovery and Resiliency (63 positions), Subways New Needs described in detail above (249 positions)
- 28 position reduction in Buses due to a shift of positions between service and maintenance.

Engineering (total increase of 101 positions) includes:

- 75 positions in Capital Program Management for Sandy Recovery and Resiliency
- 26 positions in Capital Program Management for Small Business Mentoring Program

In 2016, the major change in functional headcount is due to the removal of Sandy Recovery and Resiliency positions which are only budgeted through mid-year 2016.

Position increases by occupational group in 2015 are: Managers/Supervisors +13, Professional, Technical, Clerical +179, and Operational Hourlies +513. In 2015, positions increase among Managers/Supervisors -33, and Professional, Technical, Clerical +81 and Operational Hourlies +503.

Year over Year

2013 over 2012

Total positions increase of 988, including a non-reimbursable increase of 1,309 and reimbursable decrease of 321 positions. The overall increase is a comparison of 2012 year-end actuals versus July Financial Plan, and is due mainly to Sandy Recovery and Resiliency efforts, vacancies in 2012, platform budget – normal business adjustments, and capital project support requirements.

2014 over 2013

Total positions increase by 124, including a non-reimbursable increase of 220 and reimbursable decrease of 96 positions. Non-reimbursable increase is due to platform budget – normal budget increases and new needs. Reimbursable decrease is due to capital project support requirements.

2015 over 2014

Total positions decrease by 86 positions, including a non-reimbursable increase of 57 and a reimbursable decrease of 143. The non-reimbursable increase is mostly due to 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 262 positions, including a non-reimbursable decrease of 82 positions and a reimbursable decrease of 180 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 252 positions, including a non-reimbursable increase of 255 positions and a reimbursable decrease of 3 positions. The non-reimbursable increase reflects operating staff requirements for 2nd Avenue Subway.

MTA NEW YORK CITY TRANSIT July Financial Plan 2014-2017 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2013	2014	2015	2016
2013 February Plan - Total Baseline Positions	46,063	45,914	45,858	45,750
Total Plan-to-Plan Changes	(462)	(735)	(705)	(551)
2013 July Plan - Total Baseline Positions	46,525	46,649	46,563	46,301
Total Year-to-Year Changes, July Plan	(988)	(124)	86	262

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(175)	(452)	(485)	(498)
<i>Reimbursable</i>	(287)	(283)	(220)	(53)
Total	(462)	(735)	(705)	(551)
<i>Full-Time</i>	(454)	(726)	(711)	(557)
<i>Full-Time Equivalents</i>	(8)	(9)	6	6
Total	(462)	(735)	(705)	(551)
<i>By Function Category</i>				
- Administration	(20)	(19)	(9)	9
- Operations	(232)	(304)	(306)	(295)
- Maintenance	(93)	(295)	(273)	(223)
- Engineering/Capital	(101)	(101)	(101)	(26)
- Public Safety	(16)	(16)	(16)	(16)
Total	(462)	(735)	(705)	(551)
<i>By Occupational Group</i>				
- Managers/Supervisors	4	(27)	(13)	33
- Professional, Technical, Clerical	(191)	(194)	(179)	(81)
- Operational Hourlies	(275)	(514)	(513)	(503)
Total	(462)	(735)	(705)	(551)

Total Plan-to-Plan Changes by Major Category:				
<i>2013 BRPs</i>	0	0	0	0
<i>New Needs</i>	(15)	(221)	(281)	(293)
<i>Change in Reimbursable Positions</i>	(287)	(283)	(220)	(53)
<i>Re-estimates & All Other¹</i>	(160)	(231)	(204)	(205)
Total	(462)	(735)	(705)	(551)

¹ Includes Full-time Equivalents

MTA New York City Transit
July Financial Plan 2014-2017
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
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	230	226	225	225
Office of Management and Budget	37	39	39	39	39	39
Capital Planning & Budget	30	31	31	31	31	31
Corporate Communications	244	252	252	252	250	250
AFC Program Management & Sales	51	-	-	-	-	-
Technology & Information Services	439	446	443	440	439	439
Non-Departmental	-	84	84	84	84	84
Labor Relations	94	96	96	96	96	96
Materiel	236	252	246	239	229	228
Controller	136	137	136	136	136	136
Total Administration	1,827	1,934	1,924	1,910	1,891	1,890
Operations						
Subways Rapid Transit Operations	7,382	7,441	7,440	7,440	7,431	7,579
Subways Operation Support /Admin	320	319	319	319	319	319
Subways Stations	2,663	2,634	2,640	2,640	2,640	2,640
Subtotal - Subways	10,365	10,394	10,399	10,399	10,390	10,538
Buses	10,375	10,527	10,548	10,564	10,564	10,564
Paratransit	157	209	208	208	208	208
Operations Planning	368	416	402	375	370	370
Revenue Control	390	461	461	474	474	474
Total Operations	21,655	22,007	22,018	22,020	22,006	22,154
Maintenance						
Subways Operation Support /Admin	158	224	221	214	189	189
Subways Engineering	294	315	306	295	285	283
Subways Car Equipment	4,143	4,220	4,264	4,312	4,236	4,106
Subways Infrastructure	1,320	1,367	1,409	1,386	1,375	1,375
Subways Elevator & Escalators	345	385	382	382	382	382
Subways Stations	3,540	3,509	3,620	3,604	3,608	3,761
Subways Track	2,669	2,730	2,728	2,728	2,728	2,728
Subways Power	614	581	592	572	572	572
Subways Signals	1,403	1,390	1,366	1,347	1,347	1,347
Subways Electronics Maintenance	1,361	1,431	1,407	1,397	1,386	1,386
Subtotal - Subways	15,847	16,152	16,295	16,237	16,108	16,129
Buses	3,754	3,743	3,724	3,708	3,686	3,770
Revenue Control	137	137	137	137	137	137
Supply Logistics	552	558	557	557	557	557
System Safety	83	91	91	91	88	88
Total Maintenance	20,373	20,681	20,804	20,730	20,576	20,681
Engineering/Capital						
Capital Program Management	1,193	1,319	1,319	1,319	1,244	1,244
Total Engineering/Capital	1,193	1,319	1,319	1,319	1,244	1,244
Public Safety						
Security	489	584	584	584	584	584
Total Public Safety	489	584	584	584	584	584
Total Baseline Positions	45,537	46,525	46,649	46,563	46,301	46,553
Non-Reimbursable	40,597	41,906	42,126	42,183	42,101	42,356
Reimbursable	4,940	4,619	4,523	4,380	4,200	4,197
Total Full-Time	45,329	46,361	46,492	46,421	46,159	46,411
Total Full-Time Equivalents	208	164	157	142	142	142

MTA New York City Transit
July Financial Plan 2014-2017
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
Managers/Supervisors	577	657	651	644	630	629
Professional, Technical, Clerical	1,225	1,162	1,158	1,151	1,146	1,146
Operational Hourlies	25	115	115	115	115	115
Total Administration	1,827	1,934	1,924	1,910	1,891	1,890
Operations						
Managers/Supervisors	2,407	2,515	2,516	2,516	2,504	2,517
Professional, Technical, Clerical	369	454	451	448	446	446
Operational Hourlies	18,879	19,038	19,051	19,056	19,056	19,191
Total Operations	21,655	22,007	22,018	22,020	22,006	22,154
Maintenance						
Managers/Supervisors	3,650	3,777	3,796	3,781	3,758	3,760
Professional, Technical, Clerical	964	1,067	1,044	1,014	979	977
Operational Hourlies	15,759	15,837	15,964	15,935	15,839	15,944
Total Maintenance	20,373	20,681	20,804	20,730	20,576	20,681
Engineering/Capital						
Managers/Supervisors	255	295	295	295	283	283
Professional, Technical, Clerical	936	1,022	1,022	1,022	959	959
Operational Hourlies	2	2	2	2	2	2
Total Engineering/Capital	1,193	1,319	1,319	1,319	1,244	1,244
Public Safety						
Managers/Supervisors	128	210	210	210	210	210
Professional, Technical, Clerical	29	37	37	37	37	37
Operational Hourlies	332	337	337	337	337	337
Total Public Safety	489	584	584	584	584	584
Total Baseline Positions						
Managers/Supervisors	7,017	7,454	7,468	7,446	7,385	7,399
Professional, Technical, Clerical	3,523	3,742	3,712	3,672	3,567	3,565
Operational Hourlies	34,997	35,329	35,469	35,445	35,349	35,589
Total Baseline Positions	45,537	46,525	46,649	46,563	46,301	46,553

MTA Bus Company

MTA BUS COMPANY
2014 Preliminary Budget
July Financial Plan 2014 – 2017

FINANCIAL OVERVIEW

MTA Bus Company remains committed to providing safe, secure and reliable services despite the lingering impact of the economy on the region's transportation network. The July Financial Plan includes savings from the 2013 Budget Reduction Program (BRP) and 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.

The 2013 Budget Reduction Program (BRP) is based on projected expense savings of \$1.4 million each year from 2013 – 2017. These savings are based on a continued top down review of controllable non-labor categories, specifically maintenance and other operating contracts resulting in recurring savings of \$1.4 million.

Important programmatic initiatives, included in this financial plan, are summarized as follows:

- **Shop Plan** - Hybrid fleet re-powering/conversion to diesel. MTA Bus has a fleet of hybrid electric buses that are exhibiting a steep downward trend in MDBF and a significant level of component failures compared to other fleets, due to the higher speed of operation for these buses. In 2012, the Board approved a procurement to convert one hybrid bus to clean diesel propulsion. Based on the successful conversion, MTA Bus is seeking to convert the remaining 283 hybrid buses placed in service in 2006 and 2007, as well as the remaining 105 hybrid buses in the MTA Bus fleet that were placed in service during 2009 and 2010. The conversion will extend the useful life of all 389 buses by three years and will defer bus replacement expenses by almost \$200 million from the 2015 - 2019 Capital Program to the 2020 - 2024 Capital Program for the 2006 and 2007 models. The conversion cost is projected to be \$19.1 million in 2015 and \$19.7 million in 2016. The total cost of converting the entire MTA Bus hybrid fleet of 389 buses (including 105 buses placed in service during 2009 and 2010) is \$52.0 million, but the net cost of the conversion will be \$26.7 million, since there will be offsets from the elimination of budgeted cost for hybrid component replacement that will be avoided by fleet conversion. These costs primarily represent vendor contract expenses.
- **Employee Availability** – Since its inception, MTA Bus has utilized legacy timekeeping systems inherited from the private bus companies to project employee availability goals for operating employees. In 2012, MTA Bus

Company's actual availability from the recently implemented Unified Timekeeping System (UTS), showed actual results of 215.4 workdays for a bus operator against a projected goal of 221.6 days that was based on incomplete legacy data. As a result of accurate reporting of workdays, MTA Bus is revising the goal from 221.6 days to 218.3 days, to reflect the lower and more realistic availability goal for this service-driven title. This represents a three day improvement over 2012 actuals, but translates into a need of 25 additional bus operators at a cost of approximately \$2.5 million annually.

- **BusTime/Service Management** - MTA Bus Company and NYCT/DOB are implementing a variety of customer related technology projects including BusTime and Service Management. Operating costs (mostly non-labor) for hardware and software maintenance, server hosting, mobile data equipment, wireless services, text messaging, data management and equipment replacement/repairs due to useful life expiration or vandalism for on-bus components will result in expenses of \$0.6 million in 2014, \$1.0 million in 2015, \$1.7 million in 2016 and \$2.1 million in 2017. These costs include expenses for four positions starting in 2016 when systems will no longer be covered by warranty.
- **Automated Fuel Inventory** - An investment of \$0.5 million per year in 2014-2017 is needed for MTA Bus to upgrade its mechanical meters on fuel tanks to electronic diesel and gasoline dispensing meters. This is required to meet the New York State Department of Environmental Conservation's regulations. With this upgrade an electronic Business Inventory Reconciliation system is established that will have the ability to electronically monitor fuel delivered and dispensed, as well as the balance of fuel left in the tanks.
- **Miscellaneous OTPS** – An investment of \$0.6 million is needed for the following items: new regulations regarding underground storage tanks testing, storage of historical legacy personnel and payroll data required by the Business Service Center (BSC) and transcription of auto recorded statutory hearings for public liability claims. One position is included in this cost.
- **Platform Budget/HASTUS** - In the 2012 November Financial Plan, MTA Bus Company received funding to address scheduling gaps identified by the newly implemented HASTUS program when developing bus schedules for the 2013 service plan/platform budget. In the November Plan submission, weekend service mileage costs for Yonkers depot were inadvertently excluded. In order to eliminate this shortfall in the service requirement, an annual operating cost of \$0.8 million is necessary to reflect weekend service mileage costs from Yonkers depot. In addition, the current 2008 HASTUS module needs to be upgraded to the 2013 module in accordance with the contractual requirement when the system was installed. This will result in an additional total investment of \$0.8 million over 2013-2017 planned periods. A total of three positions are included in these costs.

2013 Mid-Year Forecast

MTA Bus Company 2013 Mid-Year Forecast includes total expenses before depreciation and other post-employment benefits of \$583.5 million, consisting of \$575.1 million of non-reimbursable expenses and \$8.4 million of reimbursable expenses. Total revenues are projected to be \$230.9 million, of which \$196.1 million is farebox revenues, \$26.3 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 increase by \$82.7 million from the 2013 Adopted Budget.

Major operating cash changes include:

- The unfavorable 2012 timing adjustment of \$75.2 million impacting 2013.
- Investments of \$5.4 million in several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Health & Welfare re-estimate expenses (including OPEB current payments), resulting in an expense increase of \$1.9 million. An updated analysis provided by New York City Transit's benefits consultant indicates that the previous savings based on the 2011 re-bid will not be achieved.
- Fuel increased by \$1.7 million due to higher than anticipated rates.
- A re-estimate of Sandy expenses that impacted MTA Bus Company operations is estimated to be an unfavorable \$7.7 million.
- Other than personnel services (OTPS) savings of \$1.4 million (see BRP section).
- A Pension decrease of \$3.4 million based on the most current actuarial re-estimate.
- A farebox revenue increase of \$1.5 million due to an increase in ridership.
- A re-estimate of GASB expenses will result in a decrease of \$2.8 million.
- As part of a top down review of OTPS accounts, an additional recurring savings of \$0.7 million has been identified.
- A reclassification of workers' compensation expenses from the Insurance to Other Fringe Benefits category, resulting in a net zero dollar impact.

Reimbursable expenses are projected to remain the same in 2013.

Total baseline positions are projected to increase by 58. This is in support of the non-reimbursable new programmatic initiatives. The Employee Availability shortfall will add 25 positions and the conversion of scheduled overtime dollars into quota positions not reflected in the February Plan adds 24 positions at no net cost. The Yonkers “mileage gap”, UTS support, Inventory Accountability, Farebox Maintenance Supervision initiatives and HASTUS programming requirements also adds a total of nine positions.

2014 Preliminary Budget

MTA Bus Company 2014 Preliminary budget includes total expenses before depreciation and other post-employment benefits of \$590.2 million, consisting of \$581.6 million of non-reimbursable expenses and \$8.6 million of reimbursable expenses. Total revenues are projected to be \$227.2 million, of which \$198.6 million is farebox revenues, \$20.1 million is other operating revenue and \$8.6 million is capital and other reimbursements. Total baseline full-time and full-time equivalent positions are 3,653 (3,589 non-reimbursable positions and 64 reimbursable positions).

The 2014 net operating cash deficit is projected to increase by \$0.7 million from the February Financial Plan.

Major operating cash changes include:

- Investments of \$8.1 million in several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Health & Welfare re-estimate expenses (including OPEB current payments), resulting in an expense increase of \$1.4 million. An updated analysis provided by New York City Transit’s benefit consultant indicates that the previous savings based on the 2011 re-bid will not be achieved and offset by favorable inflation adjustments.
- Fuel increased by \$1.4 million higher than anticipated rates.
- A re-estimate of Sandy recovery resulted in a favorable variance of \$0.3 million.
- Other Than Personnel Services (OTPS) savings of \$1.4 million (see BRP section)
- A Pension decrease of \$3.7 million based on the most current actuarial re-estimate.
- A farebox revenue increase of \$0.5 million due to an increase in ridership.

- A re-estimate of GASB will result in a decrease of \$3.7 million.
- As part of a top down review of OTPS accounts, an additional recurring savings of \$0.7 million has been identified.
- A reclassification of workers' compensation expenses from the Insurance to Other Fringe Benefits category resulting in a net zero dollar impact.

Reimbursable expenses are projected to remain the same in 2014.

Total baseline positions are projected to increase by 65. This is in support of the non-reimbursable new programmatic initiatives. The Employee Availability initiative will add 25 positions and the conversion of scheduled overtime will also contribute 24 positions. Changes in the Shop Overhaul Program adds six positions. The Yonkers "mileage gap", UTS support, Inventory Accountability, Farebox Maintenance Supervision, HASTUS programming requirements and a contract manager for underground storage tank testing adds a total of 10 positions for these initiatives.

2015-2017 Projections

Net operating cash deficits are projected to increase by \$23.3 million in 2015, \$14.4 million in 2016 and decreased \$3.5 million in 2017, relative to the February Financial Plan.

Major operating cash changes include:

- Investments of \$24.8 million in 2015, \$24.0 million in 2016 and \$8.3 million in 2017, for several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Health & Welfare re-estimate expenses (including OPEB current payments), resulting in an expense increase of \$6.4 million 2015, \$0.8 million in 2016 and \$0.1 million in 2017. An updated analysis provided by New York City Transit's benefit consultant indicates that the previous savings based on the 2011 re-bid will not be achieved.
- Fuel increased by \$1.7 million in 2015, \$0.2 million in 2016 and decreased by \$0.2 million in 2017, due to changes in rates.
- Other Than Personnel Services (OTPS) savings of \$1.4 million (see BRP section)
- A Pension decrease of \$3.2 million in 2015, \$3.8 million in 2016 and \$4.7 million in 2017, based on current actuarial re-estimate.

- Revenue increase \$0.6 million in 2015, \$1.1 million in 2016, and \$1.1 million in 2017 mainly due to an increase in ridership.
- A re-estimate of GASB will result in a decrease of \$3.6 million in 2015, and \$3.5 million in both 2016 and 2017.
- As part of a top down review of OTPS accounts, an additional recurring savings of \$0.7 million has been identified.
- A reclassification of workers' compensation expenses from Insurance to Other Fringe Benefits category resulting in a net zero dollar impact.

Reimbursable expenses are projected to remain the same in 2015-2017.

Total baseline positions are projected to increase by 59 in 2015, 69 in 2016 and 55 in 2017.

The increases are all non-reimbursable positions and are primarily due to support of new programmatic initiatives and changes to the Shop Plan, including the Overhaul Program.

MTA BUS COMPANY
July Financial Plan 2014 - 2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Operating Revenue						
Farebox Revenue	\$181.904	\$196.128	\$198.595	\$199.850	\$201.426	\$201.737
Other Operating Revenue	19.313	26.338	20.071	20.169	20.578	20.939
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$201.217	\$222.466	\$218.666	\$220.019	\$222.004	\$222.676
Operating Expenses						
Labor:						
Payroll	\$235.577	\$227.240	\$225.067	\$236.651	\$243.130	\$247.130
Overtime	47.968	41.780	40.775	42.005	42.925	43.665
Health and Welfare	42.435	49.301	53.565	57.700	62.582	67.612
OPEB Current Payment	18.375	18.581	20.172	21.850	23.686	25.676
Pensions	40.606	45.563	45.117	46.107	46.800	47.596
Other Fringe Benefits	58.326	46.188	48.221	49.043	51.708	51.489
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$443.287	\$428.653	\$432.917	\$453.356	\$470.831	\$483.168
Non-Labor:						
Electric Power	\$1.288	\$1.162	\$1.253	\$1.349	\$1.454	\$1.568
Fuel	\$26.970	\$40.132	\$39.145	\$38.475	\$39.395	\$40.820
Insurance	2.007	2.673	3.315	3.975	4.766	5.716
Claims	10.235	26.000	27.000	28.000	29.000	29.447
Maintenance and Other Operating Contracts	20.133	25.440	26.117	50.758	44.037	35.537
Professional Service Contracts	6.465	17.264	19.342	19.528	19.985	20.290
Materials & Supplies	28.370	29.528	30.061	35.043	38.131	35.048
Other Business Expenses	3.431	4.211	2.466	2.325	2.481	4.592
Total Non-Labor Expenses	\$98.899	\$146.410	\$148.699	\$179.453	\$179.249	\$173.018
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$542.186	\$575.063	\$581.616	\$632.809	\$650.080	\$656.186
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	-	-	-	-	-
Total Expenses	\$689.885	\$673.593	\$680.770	\$732.708	\$750.580	\$758.235
Baseline Surplus/(Deficit)	(\$488.668)	(\$451.127)	(\$462.104)	(\$512.689)	(\$528.576)	(\$535.559)

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MTA BUS COMPANY
July Financial Plan 2014 - 2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Revenue						
Farebox Revenue	\$181.904	\$196.128	\$198.595	\$199.850	\$201.426	\$201.737
Other Operating Revenue	19.313	26.338	20.071	20.169	20.578	20.939
Capital and Other Reimbursements	7.728	8.423	8.551	8.679	8.809	8.877
Total Revenue	\$208.945	\$230.889	\$227.217	\$228.698	\$230.813	\$231.553
Expenses						
<u>Labor:</u>						
Payroll	\$241.295	\$232.730	\$230.639	\$242.306	\$248.870	\$252.912
Overtime	47.968	41.780	40.775	42.005	42.925	43.665
Health and Welfare	43.487	50.309	54.588	58.738	63.635	68.672
OPEB Current Payment	18.375	18.581	20.172	21.850	23.686	25.676
Pensions	41.098	46.024	45.582	46.577	47.273	48.069
Other Fringe Benefits	58.792	46.636	48.677	49.505	52.177	51.961
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$451.015	\$436.060	\$440.433	\$460.981	\$478.566	\$490.955
<u>Non-Labor:</u>						
Electric Power	\$1.288	\$1.162	\$1.253	\$1.349	\$1.454	\$1.568
Fuel	26.970	40.132	39.145	38.475	39.395	40.820
Insurance	2.007	2.673	3.315	3.975	4.766	5.716
Claims	10.235	26.000	27.000	28.000	29.000	29.447
Maintenance and Other Operating Contracts	20.133	25.659	26.340	50.985	44.268	35.772
Professional Service Contracts	6.465	17.264	19.342	19.528	19.985	20.290
Materials & Supplies	28.370	30.325	30.873	35.870	38.974	35.903
Other Business Expenses	3.431	4.211	2.466	2.325	2.481	4.592
Total Non-Labor Expenses	\$98.899	\$147.426	\$149.734	\$180.507	\$180.323	\$174.108
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$549.914	\$583.486	\$590.167	\$641.488	\$658.889	\$665.063
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	-	-	-	-	-
Total Expenses	\$697.612	\$682.016	\$689.321	\$741.387	\$759.389	\$767.112
Baseline Surplus/(Deficit)	(\$488.668)	(\$451.127)	(\$462.104)	(\$512.689)	(\$528.576)	(\$535.559)

MTA BUS COMPANY
July Financial Plan 2014 - 2017
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	\$178.889	\$196.128	\$198.595	\$199.850	\$201.426	\$201.737
Other Operating Revenue	19.607	26.338	20.070	20.169	20.578	20.939
Capital and Other Reimbursements	3.734	16.013	13.271	13.531	13.897	14.068
Total Receipts	\$202.231	\$238.479	\$231.936	\$233.550	\$235.901	\$236.744
Expenditures						
<u>Labor:</u>						
Payroll	\$224.088	\$257.764	\$228.646	\$240.295	\$246.843	\$250.870
Overtime	47.968	41.780	40.775	42.005	42.925	43.665
Health and Welfare	78.837	49.902	54.177	58.324	63.218	68.252
OPEB Current Payment	18.375	18.581	20.172	21.850	23.686	25.676
Pensions	43.801	45.849	45.409	46.404	47.101	47.899
Other Fringe Benefits	21.026	59.323	48.507	49.334	52.004	51.788
GASB Account	5.862	4.425	4.874	4.947	5.031	5.117
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$439.956	\$477.624	\$442.560	\$463.159	\$480.808	\$493.267
<u>Non-Labor:</u>						
Electric Power	\$1.118	\$1.162	\$1.253	\$1.349	\$1.454	\$1.568
Fuel	40.055	44.632	39.145	38.475	39.395	40.821
Insurance	12.049	23.224	3.315	3.975	4.766	5.716
Claims	15.261	28.574	24.000	24.000	25.000	25.385
Maintenance and Other Operating Contracts	15.282	33.859	26.340	50.985	44.268	35.773
Professional Service Contracts	4.382	19.469	19.342	19.528	19.985	20.290
Materials & Supplies	33.267	33.396	30.873	35.870	38.974	35.903
Other Business Expenses	1.886	5.452	2.467	2.325	2.482	4.592
Total Non-Labor Expenditures	\$123.300	\$189.768	\$146.735	\$176.506	\$176.324	\$170.047
<u>Other Expenditure Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$563.256	\$667.392	\$589.295	\$639.665	\$657.132	\$663.314
Baseline Cash Deficit	(\$361.025)	(\$428.913)	(\$357.359)	(\$406.116)	(\$421.231)	(\$426.570)

MTA BUS COMPANY
July Financial Plan 2014 - 2017
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	(\$3.015)	\$0.000	\$0.000	(\$0.000)	\$0.000	(\$0.000)
Other Operating Revenue	0.295	-	(0.001)	-	-	-
Capital and Other Reimbursements	(3.994)	7.590	4.720	4.852	5.088	5.191
Total Receipts	(\$6.714)	\$7.590	\$4.719	\$4.852	\$5.088	\$5.191
Expenditures						
<u>Labor:</u>						
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	(12.687)	0.170	0.171	0.173	0.173
GASB Account	(5.862)	(4.425)	(4.874)	(4.947)	(5.031)	(5.117)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$11.058	(\$41.564)	(\$2.127)	(\$2.178)	(\$2.242)	(\$2.312)
<u>Non-Labor:</u>						
Electric Power	\$0.170	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(13.085)	(4.500)	-	0.000	-	(0.001)
Insurance	(10.042)	(20.551)	-	0.000	-	0.000
Claims	(5.026)	(2.574)	3.000	4.000	4.000	4.062
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	4.851	(8.200)	-	0.000	-	(0.001)
Professional Service Contracts	2.083	(2.205)	-	(0.000)	-	0.000
Materials & Supplies	(4.897)	(3.071)	-	0.000	-	(0.000)
Other Business Expenditures	1.545	(1.241)	(0.001)	-	(0.001)	-
Total Non-Labor Expenditures	(\$24.400)	(\$42.342)	\$2.999	\$4.001	\$3.999	\$4.061
<u>Other Expenditures Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Gap Closing Actions:</u>						
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	(\$20.056)	(\$76.316)	\$5.591	\$6.674	\$6.845	\$6.939
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	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$127.642	\$22.214	\$104.745	\$106.573	\$107.345	\$108.988

MTA Bus Company
2013 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE OVERTIME	Total		
	Hours	\$	%
<u>Scheduled Service</u>	597,287	\$25.152	60.2%
<u>Unscheduled Service</u>	47,819	\$2.218	5.3%
<u>Programmatic/Routine Maintenance</u>	145,561	\$6.200	14.8%
<u>Unscheduled Maintenance</u>	-	\$0.000	0.0%
<u>Vacancy/Absentee Coverage</u>	150,474	\$6.844	16.4%
<u>Weather Emergencies</u>	20,453	\$0.922	2.2%
<u>Safety/Security/Law Enforcement</u>	2,641	\$0.128	0.3%
<u>Other ¹</u>	3,802	\$0.316	0.8%
Subtotal	968,037	\$41.780	100.0%
REIMBURSABLE OVERTIME			
TOTAL OVERTIME	968,037	\$41.780	

¹ Other & reimbursable budget includes PTE \$'s only. Does not include hours.

MTA BUS COMPANY
2014 Preliminary Budget
July 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=1.3%; 2015=0.6%; 2016=0.8%; 2017=0.2
- An increase in farebox revenue is as follows: \$2.5 million in 2014, \$1.3 million in 2015, \$1.6 million in 2016, \$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.
- The \$6.3 million decrease between 2013-2014 is due to the recovery of Sandy and Irene costs in 2013.

Capital and Other Reimbursements

- Annual reimbursement levels fluctuate year-to-year based upon reimbursable expense, driven mostly by capital project requirements.
- Annual cash adjustments are included to recognize changes in the timing of receipts.
- 2013 includes an increase of \$3.0 million of timing of receipts from 2012.

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). 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 \$2.2 million in 2014, increase \$11.6 million in 2015, \$6.5 million in 2016 and \$4.0 million in 2017. The out-year increases are mainly due to Shop Overhaul related program increases.
- 2013 includes an increase of \$19.0 million of favorable cash timing adjustment from 2012.

Overtime

- 2014-2017 payroll wage rate increase assumptions apply.

Health & Welfare

- Inflation assumptions for 2014-2017 are: 2014=8.65%; 2015=8.1%; 2016=8.3%; 2017=8.6%.

Pension

- Projections are consistent with current actuarial information.

Other Fringe Benefits

- Projected increases year-to-year reflect staffing levels, programmatic changes, inflationary payroll rate assumptions and the reclassification of Workers' Compensation from Insurance to the Other Fringe Benefits category.
- 2013 includes an increase of \$12.9 million due to a favorable cash timing adjustment from 2012.

Electric Power

- The financial plan reflects projected New York Power Authority rate increase for non-traction power as well as CPI.

Fuel

- Diesel fuel inflation assumptions are as follows: 2014=2.28%; 2015=1.88%; 2016=2.79%; 2017=3.90%.
- 2013 includes an increase of \$4.5 million due to a favorable cash timing adjustment from 2012.

Insurance

- Generally, premium rates are assumed to increase by 10% per year during 2014-2017. Most of the year-to-year changes reflect reclassification of Workers' Compensation costs to the Other Fringe Benefits category from Insurance.

Maintenance and Other Operating Contracts

- The year-to-year increase in 2014 is due to BusTime, Automated Diesel and Inventory Reconciliation project initiatives. The 2015 increase is due to the hybrid repower initiative.
- The year-to-year decrease in 2016 and 2017 is due mainly to the Shop Overhaul Program schedule, which is based on a 4-year cycle as well as savings from hybrid batteries and other hybrid components, in conjunction with the re-power efforts.
- 2013 includes an increase of \$8.2 million due to a favorable cash timing adjustment from 2012.

Professional Service Contracts

- Year-to-year, 2014 increased by \$2.1 million, due to the document imaging services, court reporting, VAX/HASTUS programming efforts, and an MOU with NYCT to manage the MTA Bus Employee Assistance Program.
- 2013 includes an increase of \$2.2 million due to a favorable cash timing adjustment from 2012.

Materials and Supplies

- 2013 includes an increase of \$3.1 million due to a favorable cash timing adjustment from 2012.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to bus fleet maintenance program requirements.

Other Business Expenses

- Year-to-year increases are primarily due to reduction in office supply expenses from 2014-2016.

Depreciation (non-cash)

- Annual expense increases are due to projections of additional capital assets reaching beneficial use.

MTA BUS COMPANY
July 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
Revenue									
Farebox Revenue	\$196.128	\$198.595	\$2.467	\$199.850	\$1.255	\$201.426	\$1.576	\$201.737	\$0.311
Other Operating Revenue	26.338	20.071	(6.267)	20.169	0.098	20.578	0.409	20.939	0.361
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$222.466	\$218.666	(\$3.800)	\$220.019	\$1.353	\$222.004	\$1.985	\$222.676	\$0.672
Operating Expenses									
Expenses									
Labor:									
Payroll	\$227.240	\$225.067	\$2.173	\$236.651	(\$11.584)	\$243.130	(\$6.479)	\$247.130	(\$4.000)
Overtime	41.780	40.775	1.005	42.005	(1.230)	42.925	(0.920)	43.665	(0.740)
Health and Welfare	49.301	53.565	(4.264)	57.700	(4.135)	62.582	(4.882)	67.612	(5.030)
OPEB Current Payment	18.581	20.172	(1.591)	21.850	(1.678)	23.686	(1.836)	25.676	(1.990)
Pensions	45.563	45.117	0.446	46.107	(0.990)	46.800	(0.693)	47.596	(0.796)
Other Fringe Benefits	46.188	48.221	(2.033)	49.043	(0.822)	51.708	(2.665)	51.489	0.219
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$428.653	\$432.917	(\$4.264)	\$453.356	(\$20.439)	\$470.831	(\$17.475)	\$483.168	(\$12.337)
Non-Labor:									
Electric Power	\$1.162	\$1.253	(0.091)	\$1.349	(0.096)	\$1.454	(0.105)	\$1.568	(0.114)
Fuel	40.132	39.145	0.987	38.475	0.670	39.395	(0.920)	40.820	(1.425)
Insurance	2.673	3.315	(0.642)	3.975	(0.660)	4.766	(0.791)	5.716	(0.950)
Claims	26.000	27.000	(1.000)	28.000	(1.000)	29.000	(1.000)	29.447	(0.447)
Maintenance and Other Operating Contracts	25.440	26.117	(0.677)	50.758	(24.641)	44.037	6.721	35.537	8.500
Professional Service Contracts	17.264	19.342	(2.078)	19.528	(0.186)	19.985	(0.457)	20.290	(0.305)
Materials & Supplies	29.528	30.061	(0.533)	35.043	(4.982)	38.131	(3.088)	35.048	3.083
Other Business Expenses	4.211	2.466	1.745	2.325	0.141	2.481	(0.156)	4.592	(2.111)
Total Non-Labor Expenses	\$146.410	\$148.699	(\$2.289)	\$179.453	(\$30.754)	\$179.249	\$0.204	\$173.018	\$6.231
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$575.063	\$581.616	(\$6.553)	\$632.809	(\$51.193)	\$650.080	(\$17.271)	\$656.186	(\$6.106)
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	-	-	-	-	-	-	-	-	-
Total Expenses	\$673.593	\$680.770	(\$7.177)	\$732.708	(\$51.938)	\$750.580	(\$17.872)	\$758.235	(\$7.655)
Baseline Net Surplus/(Deficit)	(\$451.127)	(\$462.104)	(\$10.977)	(\$512.689)	(\$50.585)	(\$528.576)	(\$15.887)	(\$535.559)	(\$6.983)

REIMBURSABLE

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MTA BUS COMPANY
July 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
<u>Receipts</u>									
Farebox Revenue	\$196.128	\$198.595	\$2.467	\$199.850	\$1.255	\$201.426	\$1.576	\$201.737	\$0.311
Other Operating Revenue	26.338	20.070	(6.268)	20.169	0.099	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
Total Receipts	\$238.479	\$231.936	(\$6.543)	\$233.550	\$1.614	\$235.901	\$2.351	\$236.744	\$0.843
<u>Expenditures</u>									
Labor:									
Payroll	\$257.764	\$228.646	\$29.118	\$240.295	(\$11.649)	\$246.843	(\$6.548)	\$250.870	(\$4.027)
Overtime	41.780	40.775	1.005	42.005	(1.230)	42.925	(0.920)	43.665	(0.740)
Health and Welfare	49.902	54.177	(4.275)	58.324	(4.147)	63.218	(4.894)	68.252	(5.034)
OPEB Current Payment	18.581	20.172	(1.591)	21.850	(1.678)	23.686	(1.836)	25.676	(1.990)
Pensions	45.849	45.409	0.440	46.404	(0.995)	47.101	(0.697)	47.899	(0.798)
Other Fringe Benefits	59.323	48.507	10.816	49.334	(0.827)	52.004	(2.670)	51.788	0.216
GASB Account	4.425	4.874	(0.449)	4.947	(0.073)	5.031	(0.084)	5.117	(0.086)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$477.624	\$442.560	\$35.064	\$463.159	(\$20.599)	\$480.808	(\$17.649)	\$493.267	(\$12.459)
Non-Labor:									
Electric Power	\$1.162	\$1.253	(0.091)	\$1.349	(0.096)	\$1.454	(0.105)	\$1.568	(0.114)
Fuel	44.632	39.145	5.487	38.475	0.670	39.395	(0.920)	40.821	(1.426)
Insurance	23.224	3.315	19.909	3.975	(0.660)	4.766	(0.791)	5.716	(0.950)
Claims	28.574	24.000	4.574	24.000	-	25.000	(1.000)	25.385	(0.385)
Maintenance and Other Operating Contracts	33.859	26.340	7.519	50.985	(24.645)	44.268	6.717	35.773	8.495
Professional Service Contracts	19.469	19.342	0.127	19.528	(0.186)	19.985	(0.457)	20.290	(0.305)
Materials & Supplies	33.396	30.873	2.523	35.870	(4.997)	38.974	(3.104)	35.903	3.071
Other Business Expenses	5.452	2.467	2.985	2.325	0.142	2.482	(0.157)	4.592	(2.110)
Total Non-Labor Expenditures	\$189.768	\$146.735	\$43.033	\$176.506	(\$29.771)	\$176.324	\$0.182	\$170.047	\$6.277
Other Expenditure Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$667.392	\$589.295	\$78.097	\$639.665	(\$50.370)	\$657.132	(\$17.467)	\$663.314	(\$6.182)
Baseline Net Cash Deficit	(\$428.913)	(\$357.359)	\$71.554	(\$406.116)	(\$48.757)	(\$421.231)	(\$15.115)	(\$426.570)	(\$5.339)

MTA BUS COMPANY
2014 Preliminary Budget
July Financial Plan 2014 – 2017
Summary of Plan-to-Plan Changes by Generic Category

2013: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to increase from the February Financial Plan by \$1.5 million.

Major generic category changes include:

- An increase in farebox revenue of \$1.5 million due to better than anticipated ridership levels.
- Other operating revenues decreased by \$0.06 million due to Sandy recovery funds.

Operating Expense Changes

Operating expenses increased from the February Plan by \$11.7 million.

Major generic category changes include:

- Payroll is projected to increase by \$7.1 million, due mostly to the impact of Employee Availability shortfalls and the conversion of scheduled overtime costs to quota positions reflected as payroll.
- Overtime is projected to decrease by \$0.9 million, mostly due to the conversion of scheduled overtime to payroll.
- Health & welfare/OPEB current payment expenses are projected to increase by a net \$2.9 million, mainly due to a shortfall in achieving medical re-bid savings.
- Pension expenses are projected to decrease by \$2.9 million, based on current actuarial information.
- Other Fringe Benefits are projected to increase by \$15.5 million, primarily due to the re-classification of workers' compensation expenses from Insurance.
- Electric power expenses are projected to remain unchanged.
- Fuel expenses are projected to increase by \$2.1 million, due to unfavorable rate adjustments.

- Insurance expenses are projected to decrease by \$14.5 million, due to the reclassification of Workers' Compensation expenses to the Other Fringe Benefits category.
- Maintenance and Other Operating contract expenses are projected to increase by \$1.0 million, primarily due to Sandy and Shop Plan, including the Overhaul Program, offset by BRP savings.
- Professional Service Contracts expenses are projected to increase by \$1.3 million, due to Sandy repairs, MOU services provided by NYCT, and VAX and HASTUS system programming requirements.
- Materials and supplies expenses are projected to increase by \$0.1 million, due to the inclusion of Yonkers mileage expenses and shop overhaul work.
- Other Business expenses are projected to increase by \$0.1 million.

2014-2016: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to increase from the February Financial Plan by \$0.8 million in 2014, by \$0.6 million in 2015 and by \$1.1 million in 2016.

Major generic category changes include:

- An increase in farebox revenue of \$0.5 million in 2014, \$0.6 million in 2015 and \$1.1 million in 2016 due to better than expected ridership.
- Other operating revenues are projected to increase by \$0.3 million in 2014 due to Sandy recoveries.

Operating Expense Changes

Operating expenses increased from the February Plan by \$5.2 million in 2014, \$27.5 million in 2015, and \$19.0 million in 2016.

Major generic category changes include:

- Payroll is projected to increase by \$4.2 million in 2014, \$4.0 million in 2015 and \$4.8 million in 2016, due mostly to the impact of Employee Availability shortfalls and the conversion of expenses to payroll from scheduled overtime.
- Overtime is projected to decrease by \$1.8 million in 2014, \$1.9 million in 2015 and \$2.1 million in 2016, mostly due to the conversion of scheduled overtime to payroll.

- Health & Welfare/OPEB current payment expenses are projected to increase by \$2.5 million in 2014, \$7.4 million in 2015 and \$2.1 million in 2016. An updated analysis provided to MTA Bus by NYCT's benefits consultant indicates that the previous savings based on the 2011 re-bid will not be achieved. This includes changes in inflation assumptions.
- Pension expenses are projected to decrease by \$3.2 million in 2014, \$2.8 million in 2015, \$3.2 million in 2016 based on current actuarial information.
- Other Fringe Benefits are projected to increase by \$18.2 million in 2014, \$17.7 million in 2015, and \$19.6 million in 2016 mainly due to re-classification of Workers' Compensation expenses from the Insurance category.
- Electric power expenses are projected to remain unchanged.
- Fuel expenses are projected to increase by \$1.8 million in 2014, \$2.1 million in 2015, and \$0.7 million in 2016 due to unfavorable rate adjustments.
- Insurance expenses are projected to decrease by \$18.0 million in 2014, \$17.6 million in 2015, and \$19.4 million in 2016 due to the reclassification of Workers' Compensation to the Other Fringe Benefits category.
- Maintenance and Other Operating contract expenses are projected to decrease by \$0.2 million in 2014 mainly due to the Budget Reduction Program (BRP) partially offset by increases in the Shop Plan, including the Overhaul Program. In 2015 and 2016, the hybrid bus fleet conversion to clean diesel propulsion results in an increase of \$18.5 million and \$17.0 million, respectively.
- Professional service contract expenses are projected to increase by \$0.8 million in 2014, \$0.6 million in 2015, \$0.6 million in 2016 due to the implementation of an MOU with NYCT for employee assistance programs, VAX and HASTUS system programming requirements.
- Materials and supplies expenses are projected to increase by \$0.7 million in 2014, decrease by \$0.6 million in 2015, and decrease by \$1.0 million in 2016 mainly due to Shop Plan, including Overhaul Program changes.

MTA Bus Company
July Financial Plan 2014 - 2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE				
	2013	2014	2015	2016
February Financial Plan - Cash Deficit	(\$346.180)	(\$356.658)	(\$382.816)	(\$406.823)
Baseline Changes				
Revenue				
Farebox Revenue	1.522	0.538	0.560	1.071
Other Operating Revenue	(0.060)	0.300	-	-
Capital and Other Reimbursements	-	-	-	-
Total Revenue Changes	\$1.462	\$0.838	\$0.560	\$1.071
Expenses				
Labor:				
Payroll	(7.094)	(4.233)	(4.007)	(4.819)
Overtime	0.947	1.790	1.921	2.073
Health and Welfare	0.366	1.576	(2.436)	3.907
OPEB Current Payment	(3.266)	(4.091)	(4.965)	(5.957)
Pensions	2.887	3.179	2.823	3.239
Other Fringe Benefits	(15.482)	(18.236)	(17.749)	(19.572)
GASB Account	-	-	-	-
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	(\$21.642)	(\$20.015)	(\$24.413)	(\$21.129)
Non-Labor:				
Electric Power	-	-	-	-
Fuel	(2.124)	(1.810)	(2.088)	(0.665)
Insurance	14.523	17.956	17.561	19.394
Claims	-	-	-	-
Maintenance and Other Operating Contracts	(0.975)	0.155	(18.470)	(16.978)
Professional Service Contracts	(1.322)	(0.751)	(0.613)	(0.568)
Materials & Supplies	(0.149)	(0.746)	0.568	0.956
Other Business Expenses	(0.059)	-	-	-
	9.894	14.804	(3.042)	2.139
Other Expenditure Adjustments:				
Other	-	-	-	-
Total Other Expenditure Adjustments	-	-	-	-
Total Expenses before Depreciation and GASB	(\$11.748)	(\$5.211)	(\$27.455)	(\$18.990)
Depreciation	-	-	-	-
OPEB Obligation	-	-	-	-
Environmental Remediation	-	-	-	-
Total Expense Changes	(\$11.748)	(\$5.211)	(\$27.455)	(\$18.990)
Cash Adjustment Changes				
2012 Timing	(75.212)	-	-	-
GASB	2.765	3.672	3.595	3.512
Total Expense Changes	(\$72.448)	\$3.672	\$3.595	\$3.512
Total Cash Adjustment Changes	(\$72.448)	\$3.672	\$3.595	\$3.512
Total Baseline Changes	(\$82.734)	(\$0.701)	(\$23.301)	(\$14.408)
July Financial Plan - Cash Deficit	(\$428.913)	(\$357.359)	(\$406.116)	(\$421.231)

MTA Bus Company
July Financial Plan 2014 - 2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE				
	2013	2014	2015	2016
February Financial Plan - Cash Deficit	\$0.000	(\$0.000)	(\$0.000)	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	-	-	-	-
Vehicle Toll Revenue	-	-	-	-
Capital and Other Reimbursements	-	-	-	-
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
Labor:				
Payroll	-	-	-	-
Overtime	-	-	-	-
Health and Welfare	-	-	-	-
OPEB Current Payment	-	-	-	-
Pensions	-	-	-	-
Other Fringe Benefits	-	-	-	-
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:				
Electric Power	-	-	-	-
Fuel	-	-	-	-
Insurance	-	-	-	-
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-
Professional Service Contracts	-	-	-	-
Materials & Supplies	-	-	-	-
Other Business Expenses	-	-	-	-
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Expenses before Depreciation</i>				
Depreciation	-	-	-	-
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
2014 Preliminary Budget
July Financial Plan 2014 – 2017
Summary of Major Plan-to-Plan Changes

2013: July Financial Plan vs. February Financial Plan

Revenue Changes

Operating Revenue Changes

Operating revenues are projected to increase from the February Financial Plan by \$1.5 million.

Major generic category changes include:

- An increase in farebox revenue of \$1.5 million due to better than anticipated ridership.
- Other operating revenues decreased by \$0.06 million due to Sandy.

Expense Changes

Major operating cash changes include:

- The 2012 timing adjustment of \$75.2 million impacting 2013.
- Investments of \$5.4 million in several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Health & Welfare re-estimate expenses (including OPEB current payments), resulting in an expense increase of \$2.9 million. An updated analysis provided by New York City Transit's benefits consultant indicates that the previous savings based on the 2011 re-bid will not be achieved.
- Fuel increased by \$1.7 million mainly due to rates.
- A re-estimate of Sandy expenses estimated to be \$7.7 million.
- Other than personnel services (OTPS) savings of \$1.4 million (see BRP section)
- A Pension decrease of \$3.4 million based on current actuarial re-estimate.
- Revenue increase of \$1.5 million mainly due to an increase in ridership.

- A re-estimate of GASB will result in a decrease of \$2.8 million
- As part of the top down review of OTPS accounts, an additional recurring savings of \$0.7 million has been identified.
- Includes a reclassification of Workers' Compensation expenses from Insurance to Other Fringe Benefits category, resulting in a net zero dollar impact.

Cash Adjustments

Cash adjustments are projected to be unfavorable by \$72.4 million.

Major changes include:

- Unfavorable timing of \$75.2 million of 2012 results, impacting 2013.
- The favorable GASB expense re-estimate of \$2.8 million.

2014-2016: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenue changes from the February Financial Plan result in increases of \$0.8 million in 2014, \$0.6 million in 2015 and \$1.1 million in 2016.

Major operating cash changes include:

- Re-estimates of farebox revenues, resulting in an increase of \$0.5 million in 2014, \$0.6 million in 2015 and \$1.1 million in 2016.
- Re-estimates of Sandy recoveries of \$0.3 million in 2014.

Expense Changes

Major operating cash changes include:

- Investments of \$8.1 million in 2014, \$24.8 million in 2015, \$24.0 million in 2016, for several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Health & Welfare re-estimate expenses (including OPEB current payments), resulting in an expense increase of \$2.5 million in 2014, \$7.4 million in 2015,

\$2.1 million in 2016. An updated analysis provided by New York City Transit's benefits consultant indicates that the previous savings based on the 2011 re-bid will not be achieved. This includes changes in inflation assumptions.

- Fuel increased by \$1.4 million in 2014, \$1.7 million in 2015, and \$0.2 million in 2016, due to a change in rates.
- Other Than Personnel Services (OTPS) savings of \$1.4 million annually 2014-2016 (see BRP section).
- A Pension decrease by \$3.7 million in 2014, \$3.2 million in 2015, \$3.8 million in 2016 is based on current actuarial re-estimate.
- A re-estimate of GASB expenses will result in a decrease of \$3.7 million in 2014, \$3.6 million in 2015 and \$3.5 million in 2016.
- As part of the top down review of OTPS accounts, an additional recurring savings of \$0.7 million annually 2014-2016 has been identified.
- A reclassification of Workers' Compensation expenses from the Insurance to Other Fringe Benefits category, resulting in a net zero dollar impact.

MTA BUS COMPANY
July Financial Plan 2014 - 2017
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
February Financial Plan - Cash Deficit	(\$346.180)	(\$356.658)	(\$382.816)	(\$406.823)
Non-Reimbursable Major Changes				
Revenue				
Farebox Revenue	\$1.522	\$0.538	\$0.560	\$1.071
Other Operating Revenue	(0.060)	0.300	-	-
Sub-Total Non-Reimbursable Revenue Changes	\$1.462	\$0.838	\$0.560	\$1.071
Expenses				
Programs:				
New Needs - Platform Budget	(0.793)	(0.785)	(0.776)	(0.813)
New Needs - Shop Plan	(0.913)	(1.936)	(18.276)	(16.708)
New Needs - MOU - NYCT	(0.175)	(0.176)	(0.178)	(0.181)
New Needs - Hastus	(0.251)	(0.253)	(0.111)	(0.113)
New Needs - Misc OTPS	(0.219)	(0.641)	(0.649)	(0.605)
New Needs - Dispatcher - UTS	(0.100)	(0.203)	(0.207)	(0.211)
New Needs - Inventory Accountability	(0.130)	(0.261)	(0.266)	(0.271)
New Needs - Automated Fuel Inventory	(0.254)	(0.528)	(0.537)	(0.547)
New Needs - Bus Time /Service Mgmt	-	(0.638)	(1.002)	(1.675)
New Needs - Employee Availability	(2.462)	(2.510)	(2.558)	(2.606)
New Needs - Farebox Mtce Supervisor	(0.106)	(0.218)	(0.222)	(0.226)
Sub-Total Programs	(\$5.401)	(\$8.149)	(\$24.782)	(\$23.955)
Major Re-estimates/Technical Adjustments/Other:				
Adjustments - OTPS reduction	0.662	0.662	0.662	0.662
Adjustments - Insurance	(0.666)	(0.019)	0.035	0.116
Adjustments - Fuel	(1.664)	(1.363)	(1.657)	(0.203)
Adjustments - Pension	3.448	3.665	3.237	3.784
Adjustments - Health & Welfare	(1.900)	(1.442)	(6.385)	(0.828)
Adjustments - BRP - Programmatic Reductions	1.435	1.435	1.435	1.435
Sandy 2013	(7.662)	-	-	-
Sub-Total Non-Reimbursable Expense Changes	(\$6.347)	\$2.938	(\$2.673)	\$4.965
Total Non-Reimbursable Major Changes	(\$10.286)	(\$4.373)	(\$26.895)	(\$17.919)
Reimbursable Major Changes				
Revenue				
Reimbursement of Increased Expense Requirements	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$10.286)	(\$4.373)	(\$26.895)	(\$17.919)
Cash Adjustment Changes				
2012 Timing	(75.212)	0.000	0.000	0.000
GASB	2.765	3.672	3.595	3.511
Total Cash Adjustment Changes	(\$72.448)	\$3.672	\$3.595	\$3.511
Total Baseline Changes	(\$82.733)	(\$0.701)	(\$23.300)	(\$14.408)
July Financial Plan - Cash Deficit	(\$428.913)	(\$357.359)	(\$406.116)	(\$421.231)

MTA BUS COMPANY
2014 Preliminary Budget
July Financial Plan 2014 – 2017

RIDERSHIP/ (UTILIZATION)

Ridership

The 2013 July Financial Plan baseline ridership forecast assumes that the weather adjusted January-April 2013 local bus trend, which was 6.4% above budget will continue in May, with June-December ridership expected to be 3.4% above budget. The lower June-December variance is due to the restoration of Rockaway A service in late May, which is expected to result in lower ridership on bus routes serving the Rockaways, after riders diverted to buses during the closure return to the A train. The January-April express bus trend, which was 4.3% above budget is expected to continue for the rest of the year. The resulting 2013 total local and express ridership is 4.5 million higher than the February Plan.

2014 express bus ridership is projected to increase by approximately 1.4% based on the revised 2014 employment forecast, which was higher than the August 2012 forecast used in the 2013 February 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 February 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 4.2 million higher than the February Plan.

Working off the revised 2014 baseline projection, 2015-2017 local and express bus ridership growth forecasts are based on the April 2013 employment forecast (with a 40% factor applied to local bus), which projects a smaller employment increase in 2015 than the forecast used in the 2013 February Plan, and virtually the same growth in 2016 and 2017. The resulting ridership is expected to be 4.2 million higher than the February Plan in 2015, and 4.3 million higher in 2016 and 2017.

Revenue

Projected farebox revenue is \$1.5 million higher than the February Plan in 2013, \$0.5 million higher in 2014, \$0.6 million higher in 2015, and \$1.1 million higher in 2016 and 2017. The lower revenue variances compared to ridership are due to lower than expected average fares after the March 2013 fare increase.

MTA BUS COMPANY
July Financial Plan 2014 - 2017
Ridership/(Utilization)
(in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
<u>RIDERSHIP</u>						
Fixed Route	120.227	123.064	122.855	123.420	124.188	124.258
Baseline Total Ridership	120.227	123.064	122.855	123.420	124.188	124.258
<u>FAREBOX REVENUE</u>						
Fixed Route	\$181.904	\$196.128	\$198.595	\$199.850	\$201.426	\$201.737
Baseline Total Revenue	\$181.904	\$196.128	\$198.595	\$199.850	\$201.426	\$201.737

MTA BUS COMPANY
July Financial Plan 2014 - 2017
2013 Budget Reduction Proposals - Accrual Basis
(\$ 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	-	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	-	1.435	-	1.435	-	1.435	-	1.435	-	1.435
Subtotal Other	-	1.435	-	1.435	-	1.435	-	1.435	-	1.435
Agency Submission	-	\$1.435	-	\$1.435	-	\$1.435	-	\$1.435	-	\$1.435

MTA BUS COMPANY
July Financial Plan 2014 - 2017
2013 Budget Reduction Plan Worksheet

Category by Function: Other

Program: OTPS

Background Details:	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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Program Description/Implementation Plan:			
Program Implementation Date:	When will savings begin?:	2013	
	Are these savings recurring?:	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>	\$1.435	\$1.435	\$1.435	\$1.435	\$1.435
Net Cash Savings (in millions)	\$1.435	\$1.435	\$1.435	\$1.435	\$1.435
<i>Total Positions Required:</i>					

MTA BUS COMPANY
2014 Preliminary Budget
July Financial Plan 2014 – 2017
Positions

POSITION ASSUMPTIONS

2012 Actual Incumbents vs. July 2013 Financial Plan Positions

Total 2013 positions of 3,657 represent an increase of 27, from the 2012 actual incumbent level of 3,630. This increase is mainly due to the conversion of scheduled overtime dollars to bus operator positions.

2013: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to increase by 58 non-reimbursable positions. Specifically:

New Needs (total increase of 58 positions) include:

- 2 UTS Dispatcher positions
- 26 Platform Budget positions
- 25 Employee Availability positions
- 1 Hastus position
- 2 Inventory Accountability positions
- 2 Farebox Maintenance Supervision positions

(These initiatives are summarized at the beginning of the introductory narrative.)

The breakdown of the 58 positions increase by function is as follows:

Administration (total decrease of 8 positions):

- Increase of 2 positions for Unified Timekeeping System (UTS) support.
- Net decrease of 10 positions – The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Operations (total increase of 42 positions):

- 24 Platform Budget positions - This is a cost neutral swap between payroll and overtime with increase in headcount of 24 Bus Operators with an equivalent dollar value decrease in scheduled overtime and bonus (SOTB).
- 25 Employee Availability positions - The reduction in employee availability due to greater than budgeted absences has resulted in the need for these additional positions.
- 1 Hastus position – GIRO Company releases upgrades to HASTUS every year; this incumbent will be responsible for upgrading the HASTUS module and

supporting the scheduling systems as well as providing data feeds to external and internal programs such as BusTime and Google Transit.

- Decrease of 8 positions – The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Maintenance (total increase of 23 positions):

- 2 Positions Platform Budget - Yonkers depot weekend mileage inadvertently excluded from the November Plan.
- 2 Inventory Accountability – Positions to support and manage the farebox equipment inventory and reduce the level of excess/obsolete materials on hand.
- 2 Farebox Maintenance Supervisors – These line supervisors will diagnose defects and test components before they are routinely sent for repairs at NYCT.
- Increase of 17 positions – The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Capital Program Management (total decrease of 1 position):

- Decrease of 1 position – Transfer of position from Capital Program Management to Administration.

Public safety (total increase of 2 positions):

- Increase of 2 positions – The re-organization of the Office of the President and Security departments.

The breakdown of the 58 position increase by occupational group is as follows:

- Managers/Supervisors +6 and Operational Hourlies +52.

For further details, please see position tables.

2014: July Financial Plan vs. February Financial Plan

New Needs (total increase of 65 positions) include:

- 2 positions for UTS Dispatchers
- 26 Platform Budget positions
- 25 Employee Availability positions
- 1 Hastus position
- 2 Inventory Accountability positions
- 2 Farebox positions
- 6 Shop Plan positions
- 1 position for the underground storage tanks testing

Administration (total decrease of 8 positions):

- Increase of 2 positions for Unified Timekeeping System (UTS) support.
- Decrease of 10 positions – The re-organization of Transportation, Safety and Training, and Office of the President and Security departments

Operations (total increase of 42 positions):

- 24 Platform Budget positions - This is a cost neutral swap between payroll and overtime with increase in headcount of 24 Bus Operators with an equivalent dollar value decrease in SOTB.
- 25 Employee Availability positions The reduction in employee availability due to greater than budgeted absences has resulted in the need for these additional positions.
- 1 Hastus position – GIRO Company releases upgrades to HASTUS every year; this incumbent will be responsible for upgrading the HASTUS module and supporting the scheduling systems as well as providing data feeds to external and internal programs such as BusTime and Google Transit.
- Decrease of 8 positions – The re-organization of Transportation, Safety and Training, and Office of the President and Security departments

Maintenance (total increase of 30 positions):

- 2 Platform Budget Positions - Yonkers depot weekend mileage inadvertently excluded from the November Plan.
- 2 Inventory Accountability – Positions to support and manage farebox equipment inventory and reduce the level of excess/obsolete materials on hand.
- 2 Farebox Maintenance Supervisors – These line supervisors will diagnose defects and test components before they are sent for repairs at NYCT.
- 6 positions for Shop Overhaul program requirement.
- 1 position – To manage underground storage tank testing.
- 17 positions – The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Capital Program Management (total decrease of 1 position):

- Decrease of 1 position - Transfer of one position to Administration

Public safety (total increase of 2 positions):

- Increase of 2 positions – The re-organization of the Office of the President and Security departments.

The breakdown of the 65 position increase by occupational group is as follows:

- Managers/Supervisors +6, Professional Technical, Clerical +1, and Operational Hourlies +58.

2015: July Financial Plan vs. February Financial Plan

New Needs (total increase of 59 positions) include:

- 2 UTS Dispatcher positions
- 26 Platform budget positions
- 25 Employee Availability positions
- 1 Hastus position
- 2 Inventory Accountability positions
- 2 Farebox positions
- 1 Underground storage tank testing position

Administration (total decrease of 8 positions):

- Increase of 2 positions for Unified Timekeeping System (UTS) support.
- Decrease of 10 positions – The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Operations (total increase of 42 positions):

- 24 Platform Budget positions - This is a cost neutral swap between payroll and overtime with increase in headcount of 24 Bus Operators with an equivalent dollar value decrease in SOTB.
- 25 Employee Availability positions - The reduction in employee availability due to greater than budgeted absences has resulted in the need for these additional positions.
- 1 Hastus position – GIRO Company releases upgrades to HASTUS every year; this incumbent will be responsible for upgrading the HASTUS module and supporting the scheduling systems as well as providing data feeds to external and internal programs such as BusTime and Google Transit.
- Decrease of 8 positions - The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Maintenance (total increase of 24 positions):

- 2 Platform Budget positions - Yonkers depot weekend mileage inadvertently excluded from November budget.
- 2 Inventory Accountability – Positions to support farebox equipment inventory and reduce the level of excess/obsolete materials on hand.
- 2 Farebox Maintenance Supervisors – These line supervisors will diagnose defects and test components before they are sent for repairs at NYCT.
- 1 position – To manage underground storage tank testing.
- 2 positions – To inspect and monitor the hybrid repowering diesel/conversion program.

- Decrease of 2 positions for Shop Overhaul requirement program.
- 17 positions - The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Capital Program Management (total decrease of 1 position):

- Decrease of 1 position - Transfer of one position to Administration

Public safety (total increase of 2 positions):

- Increase of 2 positions - The re-organization of the Office of the President and Security departments.

The breakdown of the 59 positions increase by occupational group is as follows:

- Managers/Supervisors +8, Professional Technical, Clerical +1, and Operational Hourlies +50.

2016: July Financial Plan vs. February Financial Plan

New Needs (total increase of 69 positions) include:

- 2 UTS Dispatcher positions
- 26 Platform budget positions
- 25 Employee Availability positions
- 1 Hastus position
- 2 Inventory Accountability positions
- 2 Farebox positions
- 6 Shop Plan positions
- 1 Underground storage tank testing position
- 4 BusTime positions

Administration (total decrease of 4 positions):

- Increase of 2 positions for Unified Timekeeping System (UTS) support.
- Increase of 4 positions for Bus Time/Service Management after the end of the warranty period.
- Decrease of 10 positions - The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Operations (total increase of 42 positions):

- 24 Positions Platform Budget - This is a cost neutral swap between payroll and overtime with increase in headcount of 24 Bus Operators with an equivalent dollar value decrease in SOTB.

- 25 Positions Employee Availability - The reduction in employee availability due to greater than budgeted absences has resulted in the need for these additional positions.
- 1 Hastus position - GIRO Company releases upgrades to HASTUS every year; this incumbent will be responsible for upgrading the HASTUS module and supporting the scheduling systems as well as providing data feeds to external and internal programs such as BusTime and Google Transit.
- Decrease of 8 positions - The re-organization of Transportation, Safety and Training, and Office of the President and Security departments

Maintenance (total increase of 30 positions):

- 2 Platform Budget positions - Yonkers depot weekend mileage inadvertently excluded from the November Plan.
- 2 Inventory Accountability – Positions to support farebox equipment inventory and reduce the level of excess/obsolete materials on hand.
- 2 Farebox Maintenance Supervisors – These line supervisors will diagnose defects and test components before they are sent for repairs to NYCT.
- 1 position – To manage underground storage tank testing.
- 4 positions – Shop Overhaul program requirements.
- 2 positions – To inspect and monitor the hybrid repowering diesel/conversion program.
- 17 positions - The re-organization of Transportation, Safety and Training, and Office of the President and Security departments.

Capital Program Management (total decrease of 1 position):

- Decrease of 1 position - Transfer of one position to Administration.

Public safety (total increase of 2 positions):

- Increase of 2 positions – The re-organization of the Office of the President and Security departments.

The breakdown of the 69 position increase by occupational group is as follows:

- Managers/Supervisors +8, Professional Technical, Clerical +5, and Operational Hourlies +56.

Year over Year

2014 over 2013

Total positions decrease by 4, due mostly to Shop Overhaul program requirements

2015 over 2014

Total positions increase by 62, due mostly to Shop Overhaul program requirements

2016 over 2015

Total positions increase by 15, due mostly to Shop Overhaul program requirements,

2017 over 2016

Total positions decrease by 15, due mostly to Shop Overhaul program requirements,

MTA BUS COMPANY July Financial Plan 2014-2017 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2013	2014	2015	2016
2013 February Plan - Total Baseline Positions	3,599	3,588	3,656	3,661
Total Plan-to-Plan Changes	(58)	(65)	(59)	(69)
2013 July Plan - Total Baseline Positions	3,657	3,653	3,715	3,730
Total Year-to-Year Changes, July Plan		4	(62)	(15)

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(58)	(65)	(59)	(69)
<i>Reimbursable</i>	0	0	0	0
Total	(58)	(65)	(59)	(69)
<i>Full-Time</i>	(58)	(65)	(59)	(69)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(58)	(65)	(59)	(69)
<i>By Function Category</i>				
- Administration	8	8	8	4
- Operations	(42)	(42)	(42)	(42)
- Maintenance	(23)	(30)	(24)	(30)
- Engineering/Capital	1	1	1	1
- Public Safety	(2)	(2)	(2)	(2)
Total	(58)	(65)	(59)	(69)
<i>By Occupational Group</i>				
- Managers/Supervisors	(6)	(6)	(8)	(8)
- Professional, Technical, Clerical	0	(1)	(1)	(5)
- Operational Hourlies	(52)	(58)	(50)	(56)
Total	(58)	(65)	(59)	(69)

Total Plan-to-Plan Changes by Major Category:				
<i>2013 BRPs</i>	0	0	0	0
<i>New Needs</i>	(58)	(65)	(59)	(69)
<i>Change in Reimbursable Positions</i>	0	0	0	0
<i>Re-estimates & All Other¹</i>	0	0	0	0
Total	(58)	(65)	(59)	(69)

¹Includes Full Time Equivalents

MTA BUS COMPANY
July Financial Plan 2014 - 2017
Total Positions by Function & Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
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	14	14	14	14
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	-	52	57	60	52	56
Total Administration	121	178	183	186	182	186
Operations						
Buses	2,199	2,139	2,139	2,139	2,139	2,139
Office of the Executive Vice President, Regional	2	1	1	1	1	1
Safety & Training	52	18	18	18	18	18
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
Total Operations	2,441	2,347	2,347	2,347	2,347	2,347
Maintenance						
Buses	741	749	749	751	751	751
Maintenance Support/CMF	160	166	156	213	232	213
Facilities	38	72	73	73	73	73
Supply Logistics	81	92	92	92	92	92
Total Maintenance	1,020	1,079	1,070	1,129	1,148	1,129
Engineering/Capital						
Capital Program Management	34	37	37	37	37	37
Public Safety						
Office of the Senior Vice President	14	16	16	16	16	16
Total Positions	3,630	3,657	3,653	3,715	3,730	3,715
Non-Reimbursable	3,572	3,593	3,589	3,651	3,666	3,651
Reimbursable	58	64	64	64	64	64
Total Full-Time	3,611	3,642	3,638	3,700	3,715	3,700
Total Full-Time Equivalents	19	15	15	15	15	15

MTA BUS COMPANY
July Financial Plan 2014 - 2017
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
Managers/Supervisors	43	58	58	58	58	58
Professional, Technical, Clerical	78	70	70	70	74	74
Operational Hourlies	-	50	55	58	50	54
Total Administration	121	178	183	186	182	186
Operations						
Managers/Supervisors	295	296	296	296	296	296
Professional, Technical, Clerical	55	51	51	51	51	51
Operational Hourlies	2,091	2,000	2,000	2,000	2,000	2,000
Total Operations	2,441	2,347	2,347	2,347	2,347	2,347
Maintenance						
Managers/Supervisors	194	205	205	207	207	207
Professional, Technical, Clerical	13	16	17	17	17	17
Operational Hourlies	813	858	848	905	924	905
Total Maintenance	1,020	1,079	1,070	1,129	1,148	1,129
Engineering/Capital						
Managers/Supervisors	19	21	21	21	21	21
Professional, Technical, Clerical	15	16	16	16	16	16
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	34	37	37	37	37	37
Public Safety						
Managers/Supervisors	7	12	12	12	12	12
Professional, Technical, Clerical	5	4	4	4	4	4
Operational Hourlies	2	-	-	-	-	-
Total Public Safety	14	16	16	16	16	16
Total Positions						
Managers/Supervisors	558	592	592	594	594	594
Professional, Technical, Clerical	166	157	158	158	162	162
Operational Hourlies	2,906	2,908	2,903	2,963	2,974	2,959
Total Baseline Positions	3,630	3,657	3,653	3,715	3,730	3,715

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Staten Island Railway

MTA STATEN ISLAND RAILWAY
2014 Preliminary Budget
July Financial Plan 2014 - 2017

FINANCIAL OVERVIEW

The 2014 Preliminary 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.

Key Programmatic Initiatives included in this financial plan are summarized as follows:

- **Asset/Maintenance Management System for SIR Rolling Stock, Facilities and Non-Revenue Vehicles.** Based on a 2009 NYS Comptroller's Office recommendation, and supported by the NYCT Information Technology Governance Committee and Transit Technology and Information Services Division, the SIR maintenance operation will be integrated into a Rolling Stock Management Information System (RSMIS) within the Subways Car Equipment Division. This initiative will improve efficiency and control in these maintenance areas, resulting in more accurate and timely mileage data, better management and documentation of inspections, a closer adherence to inspection cycles and a better distribution of maintenance status reporting to management. The cost of implementation is \$0.661 million over five years.
- **Additional Electronics Maintenance Requirements.** Based on current electrical/electronic maintenance requirements, including the near-completion of CCTV installation at all SIR stations, SIR has determined that an additional two Electronics Maintainers and one Software Technician/Manager are required. The total annual cost of these three positions is \$0.403 million.

A 2013 Budget Reduction Program (BRP) is included in this financial plan and projects annual savings of \$0.260 million, beginning 2014. These savings are to result mostly from a reduction in planned purchases of R44 fleet parts that are deemed duplicative in lieu of a planned three year fleet maintenance cycle in order to extend the useful life of the fleet until replacement. This maintenance cycle is planned to begin in mid-2014.

2013 Mid-Year Forecast

MTA Staten Island Railway's 2013 Mid-Year Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$46.392 million, including \$44.718 million of non-reimbursable expenses and \$1.674 million of reimbursable expenses. Total revenues are projected to be \$11.243 million, of which \$9.569 million are operating revenues and \$1.674 million represent capital reimbursements. Total full-

time positions are 271, including 268 non-reimbursable positions and 3 reimbursable positions.

The 2013 Mid-Year Forecast operating cash deficit is projected to increase by \$0.921 million.

Major unfavorable changes include:

- Continued Sandy recovery costs of \$2.732 million, required mostly for replenishment of destroyed materials, management of operations in lieu of resulting storm inefficiencies, and the fixing of damaged equipment.
- A reduction in farebox revenue of \$0.644 million, due mostly to the loss of ridership post-Sandy.
- Additional Electronic Maintenance requirements, including \$0.168M to add three positions, and \$0.156 million for the filling of two positions previously maintained as vacant.

Major favorable changes include:

- An increase in other operating revenues of \$1.718 million, due largely to a projected increase in Sandy-related insurance recoveries of mostly 2012 expenses.
- Revised inflation assumptions, resulting in an expense savings of \$0.562 million, mostly from lower electric power prices and health & welfare rates.
- A pension re-estimate of \$0.300 million.

2014 Preliminary Budget

MTA Staten Island Railway's 2014 Preliminary Budget reflects total expenses before depreciation and OPEB of \$44.920 million, including \$43.240 million of non-reimbursable expenses and \$1.680 million of reimbursable expenses. Total revenues are projected to be \$11.782 million, of which \$10.102 million are operating revenues and \$1.680 million represent capital reimbursements. Total full-time positions are 271, including 268 non-reimbursable positions and 3 reimbursable positions.

The 2014 Preliminary Budget operating cash deficit is projected to decrease by \$3.562 million.

Major favorable changes include:

- An increase in other operating revenues of \$2.152 million, due largely to a projected increase in Sandy-related insurance recoveries of mostly 2013 expenses.

- A savings of \$2.150 million, resulting from a six month delay in the three-year R44 fleet maintenance life extension program, offset in 2017.
- Budget Reduction Program savings of \$0.260 million.
- A pension re-estimate of \$0.300 million

Major unfavorable changes include:

- A reduction in farebox revenue of \$0.619 million, due mostly to the loss of ridership post-Sandy.
- Additional Electronic Maintenance requirements, including \$0.403 million to add three positions, and \$0.211 million for the filling of two positions previously maintained as vacant.
- Implementation of RSMIS, with a projected cost of \$0.299 million.

Financial Plan 2015-2016 Projections

Operating cash deficits are projected to decrease by \$0.042 million in 2015 and \$0.383 million in 2016.

Major favorable changes include:

- Revised inflation assumptions, resulting in an expense savings of \$0.539 million in 2015 and \$0.506 million in 2016, mostly from lower electric power prices.
- A pension re-estimate, resulting in lower expenses of \$0.300 million per year.
- A re-estimate of OPEB GASB account payments, resulting in cash savings of \$0.381 million in 2015 and \$0.370 million in 2016.
- An increase in other operating revenue of \$0.308 million in 2016, due to higher projected advertising revenue and student fare reimbursements.

Major unfavorable changes in include:

- A reduction in farebox revenue of \$0.633 million in 2015 and \$0.640 million in 2016, due mostly to the loss of ridership post-Sandy.
- Additional Electronic Maintenance requirements, including for both years \$0.403 million to add three positions, and \$0.211 million for the filling of two positions previously maintained as vacant.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Operating Revenue						
Farebox Revenue	\$5.389	\$5.404	\$5.576	\$5.646	\$5.712	\$5.744
Toll Revenue						
Other Operating Revenue	2.304	4.165	4.526	2.358	2.379	2.401
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$7.693	\$9.569	\$10.102	\$8.004	\$8.091	\$8.145
Operating Expenses						
<u>Labor:</u>						
Payroll	\$17.432	\$17.509	\$17.727	\$18.036	\$18.403	\$18.798
Overtime	1.541	1.082	0.719	0.734	0.748	0.761
Health and Welfare	3.206	4.034	4.458	4.581	4.850	5.136
OPEB Current Payment	0.794	0.830	0.874	0.898	0.953	1.010
Pensions	4.900	5.619	5.546	5.646	5.746	5.846
Other Fringe Benefits	3.107	1.649	1.535	1.556	1.579	1.603
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$30.980	\$30.723	\$30.859	\$31.451	\$32.279	\$33.154
<u>Non-Labor:</u>						
Electric Power	\$3.101	\$5.111	\$5.438	\$5.671	\$5.958	\$6.303
Fuel	0.318	0.386	0.387	0.376	0.367	0.376
Insurance	0.389	0.268	0.404	0.355	0.411	0.582
Claims	0.148	0.079	0.083	0.087	0.092	0.098
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.695	1.581	4.078	6.090	6.054	3.937
Professional Service Contracts	0.700	0.423	0.420	0.426	0.434	0.443
Materials & Supplies	2.297	6.142	1.566	1.597	1.624	1.647
Other Business Expenses	0.113	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$8.761	\$13.995	\$12.381	\$14.607	\$14.945	\$13.391
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Ac	\$39.741	\$44.718	\$43.240	\$46.058	\$47.224	\$46.545
Depreciation	\$8.880	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
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
Total Expenses	\$50.743	\$56.018	\$54.540	\$57.358	\$58.524	\$57.845
Baseline Surplus/(Deficit)	(\$43.050)	(\$46.449)	(\$44.438)	(\$49.354)	(\$50.433)	(\$49.700)

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MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE

	2012	2013	2014			
	Actual	Mid-Year	Preliminary	2015	2016	2017
		Forecast	Budget			
Revenue						
Farebox Revenue	\$5.389	\$5.404	\$5.576	\$5.646	\$5.712	\$5.744
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.304	4.165	4.526	2.358	2.379	2.401
Capital and Other Reimbursements	0.918	1.674	1.680	1.680	1.680	1.680
Total Revenue	\$8.611	\$11.243	\$11.782	\$9.684	\$9.771	\$9.825
Expenses						
<u>Labor:</u>						
Payroll	\$17.615	\$17.796	\$18.015	\$18.324	\$18.691	\$19.086
Overtime	1.829	1.786	1.423	1.438	1.452	1.465
Health and Welfare	3.520	4.547	4.975	5.098	5.367	5.653
OPEB Current Payment	0.794	0.830	0.874	0.898	0.953	1.010
Pensions	4.900	5.713	5.640	5.740	5.840	5.940
Other Fringe Benefits	3.111	1.725	1.612	1.633	1.656	1.680
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$31.769	\$32.397	\$32.539	\$33.131	\$33.959	\$34.834
<u>Non-Labor:</u>						
Electric Power	\$3.101	\$5.111	\$5.438	\$5.671	\$5.958	\$6.303
Fuel	0.318	0.386	0.387	0.376	0.367	0.376
Insurance	0.389	0.268	0.404	0.355	0.411	0.582
Claims	0.148	0.079	0.083	0.087	0.092	0.098
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.695	1.581	4.078	6.090	6.054	3.937
Professional Service Contracts	0.700	0.423	0.420	0.426	0.434	0.443
Materials & Supplies	2.426	6.142	1.566	1.597	1.624	1.647
Other Business Expenses	0.113	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$8.890	\$13.995	\$12.381	\$14.607	\$14.945	\$13.391
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$40.659	\$46.392	\$44.920	\$47.738	\$48.904	\$48.225
Depreciation	\$8.880	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
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
Total Expenses	\$51.661	\$57.692	\$56.220	\$59.038	\$60.204	\$59.525
Baseline Surplus/(Deficit)	(\$43.050)	(\$46.449)	(\$44.438)	(\$49.354)	(\$50.433)	(\$49.700)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2012	2013	2014			
	Actual	Mid-Year Forecast	Preliminary Budget	2015	2016	2017
Receipts						
Farebox Revenue	\$5.827	\$4.984	\$5.576	\$5.645	\$5.712	\$5.744
Vehicle Toll Revenue						
Other Operating Revenue	1.442	4.794	4.526	2.358	2.379	2.401
Capital and Other Reimbursements	0.275	2.317	1.680	1.680	1.680	1.680
Total Receipts	\$7.544	\$12.095	\$11.782	\$9.683	\$9.771	\$9.825
Expenditures						
<u>Labor:</u>						
Payroll	\$19.493	\$17.796	\$18.015	\$18.324	\$18.691	\$19.086
Overtime	1.891	1.786	1.423	1.438	1.452	1.465
Health and Welfare	4.196	4.547	4.975	5.098	5.367	5.653
OPEB Current Payment	0.650	0.830	0.874	0.898	0.953	1.010
Pensions	4.951	5.713	5.640	5.740	5.840	5.940
Other Fringe Benefits	1.555	1.725	1.612	1.633	1.656	1.680
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
Total Labor Expenditures	\$32.873	\$32.897	\$32.714	\$33.311	\$34.150	\$35.036
<u>Non-Labor:</u>						
Electric Power	\$4.045	\$5.111	\$5.438	\$5.671	\$5.958	\$6.303
Fuel	0.168	0.386	0.387	0.376	0.367	0.376
Insurance	0.229	0.268	0.404	0.355	0.411	0.582
Claims	0.275	0.079	0.083	0.087	0.092	0.098
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.106	1.981	4.078	6.090	6.054	3.937
Professional Service Contracts	0.352	0.638	0.420	0.426	0.434	0.443
Materials & Supplies	3.405	6.142	1.566	1.597	1.624	1.647
Other Business Expenses	0.047	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenditures	\$9.627	\$14.610	\$12.381	\$14.607	\$14.945	\$13.391
<u>Other Expenditure Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$42.500	\$47.507	\$45.095	\$47.918	\$49.095	\$48.427
Baseline Cash Deficit	(\$34.956)	(\$35.412)	(\$33.313)	(\$38.235)	(\$39.324)	(\$38.602)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS

	2012	2013	2014			
	Actual	Mid-Year	Preliminary	2015	2016	2017
		Forecast	Budget			
Receipts						
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
Total Receipts	(\$1.067)	\$0.852	\$0.000	(\$0.001)	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
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
Total Labor Expenditures	(\$1.104)	(\$0.500)	(\$0.175)	(\$0.180)	(\$0.191)	(\$0.202)
<u>Non-Labor:</u>						
Electric Power	(\$0.944)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	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
Total Non-Labor Expenditures	(\$0.737)	(\$0.615)	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adj.	(\$2.908)	(\$0.263)	(\$0.175)	(\$0.181)	(\$0.191)	(\$0.202)
Depreciation Adjustment	\$8.880	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
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
Baseline Total Cash Conversion Adjustments	\$8.094	\$11.037	\$11.125	\$11.119	\$11.109	\$11.098

MTA STATEN ISLAND RAILWAY
2014 Preliminary Budget
July Financial Plan 2014 - 2017
Year-to-Year Changes by Category-Baseline

TOTAL REVENUES/RECEIPTS

Farebox Revenue

- Farebox revenue improves by \$0.172 million or 3.2% 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 \$0.070 million or 1.3% in 2015, \$0.066 million or 1.5% in 2016, and \$0.032 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 change in 2014 over 2013 of \$0.361 million or 8.7% was due to increased Sandy insurance recoveries. The major decrease of 2015 from 2014 of \$2.168 million or 47.9% was also due to 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

- 2013 includes \$0.643 million of reimbursements delayed from 2012.

TOTAL EXPENSES/EXPENDITURES

Payroll

- 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 11.3%, 2.8%, 6.0% and 6.0%, respectively.

Pension

- Projections are based on current actuarial information.

Other Fringe Benefits

- 2014-2017 includes inflation increases of 1.58%, 1.60%, 1.73% and 1.82%, 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 1.58%, 1.60%, 1.73% and 1.82%, respectively.

Maintenance and Other Operating Contracts

- 2014-2017 reflects inflationary increases of 1.58%, 1.60%, 1.73% and 1.82%, respectively. 2013 includes \$0.400 million of payments, originally assumed to be paid in 2012. The increase in 2014 from 2013 of \$2.497M is due mostly to the mid-year 2014 beginning of an R44 fleet three year maintenance cycle. The 2015 increase over 2014 of \$2.012 million represents the full year cost of the fleet maintenance cycle.

Professional Service Contracts

- 2014-2017 reflects inflationary increases of 1.58%, 1.60%, 1.73% and 1.82%, respectively. 2013 includes \$0.215 million of payments, originally assumed to be paid in 2012.

Materials and Supplies

- 2014-2017 reflects inflationary increases of 2.27%, 1.70%, 1.44% and 1.28%, respectively. The decrease in 2014 of \$4.576 million is due to the significant reduction in non-revenue fleet replacement purchases occurring in 2013.

Other Business Expenses

- 2014-2017 reflects inflationary increases of 1.58%, 1.60%, 1.73% and 1.82%, respectively.

Depreciation

- Annual expenses of \$9.0 million do not increase during the Financial Plan, as no additional capital assets are projected to reach beneficial use.

MTA STATEN ISLAND RAILWAY
July 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
Revenue									
Farebox Revenue	\$5.404	\$5.576	0.172	\$5.646	0.070	\$5.712	0.066	\$5.744	0.032
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	4.526	0.361	2.358	(2.168)	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
Total Revenue	\$9.569	\$10.102	\$0.533	\$8.004	(\$2.098)	\$8.091	\$0.087	\$8.145	\$0.054
Expenses									
Labor:									
Payroll	\$17.509	\$17.727	(0.218)	\$18.036	(0.309)	\$18.403	(0.367)	\$18.798	(0.395)
Overtime	1.082	0.719	0.363	0.734	(0.015)	0.748	(0.014)	0.761	(0.013)
Health and Welfare	4.034	4.458	(0.424)	4.581	(0.123)	4.850	(0.269)	5.136	(0.286)
OPEB Current Payment	0.830	0.874	(0.044)	0.898	(0.024)	0.953	(0.055)	1.010	(0.057)
Pensions	5.619	5.546	0.073	5.646	(0.100)	5.746	(0.100)	5.846	(0.100)
Other Fringe Benefits	1.649	1.535	0.114	1.556	(0.021)	1.579	(0.023)	1.603	(0.024)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$30.723	\$30.859	(\$0.136)	\$31.451	(\$0.592)	\$32.279	(\$0.828)	\$33.154	(\$0.875)
Non-Labor:									
Electric Power	\$5.111	\$5.438	(0.327)	\$5.671	(0.233)	\$5.958	(0.287)	\$6.303	(0.345)
Fuel	0.386	0.387	(0.001)	0.376	0.011	0.367	0.009	0.376	(0.009)
Insurance	0.268	0.404	(0.136)	0.355	0.049	0.411	(0.056)	0.582	(0.171)
Claims	0.079	0.083	(0.004)	0.087	(0.004)	0.092	(0.005)	0.098	(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	1.581	4.078	(2.497)	6.090	(2.012)	6.054	0.036	3.937	2.117
Professional Service Contracts	0.423	0.420	0.003	0.426	(0.006)	0.434	(0.008)	0.443	(0.009)
Materials & Supplies	6.142	1.566	4.576	1.597	(0.031)	1.624	(0.027)	1.647	(0.023)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenses	\$13.995	\$12.381	\$1.614	\$14.607	(\$2.226)	\$14.945	(\$0.338)	\$13.391	\$1.554
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adj.	\$44.718	\$43.240	\$1.478	\$46.058	(\$2.818)	\$47.224	(\$1.166)	\$46.545	\$0.679
Depreciation	9.000	9.000	0.000	9.000	0.000	9.000	0.000	9.000	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
Total Expenses	\$56.018	\$54.540	\$1.478	\$57.358	(\$2.818)	\$58.524	(\$1.166)	\$57.845	\$0.679
Net Surplus/(Deficit)	(\$46.449)	(\$44.438)	\$2.011	(\$49.354)	(\$4.916)	(\$50.433)	(\$1.079)	(\$49.700)	\$0.733

REIMBURSABLE

[illegible]

MTA STATEN ISLAND RAILWAY
July 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
<u>Receipts</u>									
Farebox Revenue	\$4.984	\$5.576	0.592	\$5.645	0.069	\$5.712	0.067	\$5.744	0.032
Other Operating Revenue	4.794	4.526	(0.268)	2.358	(2.168)	2.379	0.021	2.401	0.022
Capital and Other Reimbursements	2.317	1.680	(0.637)	1.680	0.000	1.680	0.000	1.680	0.000
Total Receipts	\$12.095	\$11.782	(\$0.313)	\$9.683	(\$2.099)	\$9.771	\$0.088	\$9.825	\$0.054
<u>Expenditures</u>									
Labor:									
Payroll	\$17.796	\$18.015	(0.219)	\$18.324	(0.309)	\$18.691	(0.367)	\$19.086	(0.395)
Overtime	1.786	1.423	0.363	1.438	(0.015)	1.452	(0.014)	1.465	(0.013)
Health and Welfare	4.547	4.975	(0.428)	5.098	(0.123)	5.367	(0.269)	5.653	(0.286)
OPEB Current Payment	0.830	0.874	(0.044)	0.898	(0.024)	0.953	(0.055)	1.010	(0.057)
Pensions	5.713	5.640	0.073	5.740	(0.100)	5.840	(0.100)	5.940	(0.100)
Other Fringe Benefits	1.725	1.612	0.113	1.633	(0.021)	1.656	(0.023)	1.680	(0.024)
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
Total Labor Expenditures	\$32.897	\$32.714	\$0.183	\$33.311	(\$0.597)	\$34.150	(\$0.839)	\$35.036	(\$0.886)
Non-Labor:									
Electric Power	\$5.111	\$5.438	(0.327)	\$5.671	(0.233)	\$5.958	(0.287)	\$6.303	(0.345)
Fuel	0.386	0.387	(0.001)	0.376	0.011	0.367	0.009	0.376	(0.009)
Insurance	0.268	0.404	(0.136)	0.355	0.049	0.411	(0.056)	0.582	(0.171)
Claims	0.079	0.083	(0.004)	0.087	(0.004)	0.092	(0.005)	0.098	(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	1.981	4.078	(2.097)	6.090	(2.012)	6.054	0.036	3.937	2.117
Professional Service Contracts	0.638	0.420	0.218	0.426	(0.006)	0.434	(0.008)	0.443	(0.009)
Materials & Supplies	6.142	1.566	4.576	1.597	(0.031)	1.624	(0.027)	1.647	(0.023)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenditures	\$14.610	\$12.381	\$2.229	\$14.607	(\$2.226)	\$14.945	(\$0.338)	\$13.391	\$1.554
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$47.507	\$45.095	\$2.412	\$47.918	(\$2.823)	\$49.095	(\$1.177)	\$48.427	\$0.668
Net Cash Deficit	(\$35.412)	(\$33.313)	\$2.099	(\$38.235)	(\$4.922)	(\$39.324)	(\$1.089)	(\$38.602)	\$0.722

MTA STATEN ISLAND RAILWAY
2014 Preliminary Budget
July Financial Plan 2014-2017
Summary of Plan to Plan Changes-Baseline

2013: July Financial Plan vs. February Financial Plan

Major Revenue Re-estimates

- A reduction in farebox revenue of \$0.644 million, due mostly to the loss of ridership as a result of Super Storm Sandy.
- An increase in other operating revenues of \$1.718 million, due largely to a projected increase in Sandy-related insurance recoveries of mostly 2012 expenses.

Major Expense Re-estimates

- Continued Sandy recovery costs of \$2.732 million, required mostly for replenishment of destroyed materials, management of operations in lieu of resulting storm inefficiencies, and the fixing of damaged equipment.
- Additional Electronic Maintenance requirements, including \$0.168M to add three positions, and \$0.156 million for the filling of two positions previously maintained as vacant.
- Revised inflation assumptions, resulting in an expense savings of \$0.562 million, mostly from lower electric power prices and health & welfare rates.
- A pension re-estimate of \$0.300 million.

Cash Adjustments

- A re-estimate of OPEB GASB account payments, resulting in cash savings of \$0.347 million.
- The net unfavorable 2012 cash timing of \$0.097 million impacting 2013.

2014-2016: July Financial Plan vs. February Financial Plan

Major Revenue Re-estimates

- Reductions in farebox revenue of \$0.619 million in 2014, \$0.633 million in 2015 and \$0.640 million in 2016, due mostly to the loss of ridership as a result of Super Storm Sandy.
- An increase in other operating revenues of \$2.152 million in 2014, due largely to a projected increase in Sandy-related insurance recoveries of mostly 2013 expenses.

Major Expense Re-estimates

- A savings of \$2.150 million in 2014, resulting from a six month delay in the three-year R44 fleet maintenance life extension program, offset in 2017.
- Revised inflation assumptions, resulting in an expense savings of \$0.539 million in 2015 and \$0.506 million in 2016, mostly from lower electric power prices.
- A pension re-estimate, resulting in lower expenses of \$0.300 million per year.
- Budget Reduction Plan savings of \$0.260 million each year.
- Additional Electronic Maintenance requirements, including for each year \$0.403 million to add three positions, and \$0.211 million for the filling of two positions previously maintained as vacant.
- Implementation of RSMIS, with projected costs of \$0.299 million in 2014, \$0.133 million in 2015 and \$0.066 million in 2016.

Cash Adjustments

- A re-estimate of OPEB GASB account payments, resulting in cash savings of \$0.386 million in 2014, \$0.381 million in 2015 and \$0.370 million in 2016.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE				
	2013	2014	2015	2016
February Financial Plan Net Cash Deficit	(\$34.491)	(\$36.875)	(\$38.277)	(\$39.707)
Baseline Changes				
Revenue				
Farebox Revenue	(\$0.644)	(\$0.619)	(\$0.633)	(\$0.640)
Other Operating Revenue	1.718	2.152	(0.016)	0.308
Capital and Other Reimbursement	-	-	-	-
Total Revenue Changes	\$1.074	\$1.533	(\$0.649)	(\$0.332)
Expenses				
<i>Labor:</i>				
Payroll	(\$0.503)	(\$0.406)	(\$0.406)	(\$0.406)
Overtime	(0.297)	(0.048)	(0.048)	(0.048)
Health and Welfare	0.167	(0.171)	(0.010)	0.025
OPEB Current Payment	(0.077)	(0.106)	(0.079)	(0.079)
Pensions	0.181	0.254	0.254	0.254
Other Fringe Benefits	(0.363)	(0.225)	(0.223)	(0.219)
Reimbursable Overhead	0.000	0.000	0.000	0.000
<i>Total Labor Expense Changes</i>	<i>(\$0.892)</i>	<i>(\$0.702)</i>	<i>(\$0.512)</i>	<i>(\$0.473)</i>
<i>Non-Labor:</i>				
Traction and Propulsion Power	\$0.251	\$0.125	\$0.276	\$0.415
Fuel for Buses and Trains	0.024	0.009	0.012	0.048
Insurance	0.032	0.040	0.050	0.061
Claims	0.200	0.201	0.202	0.203
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.018)	1.818	(0.163)	(0.090)
Professional Service Contracts	0.001	0.012	0.012	0.014
Materials & Supplies	(1.843)	0.140	0.434	0.167
Other Business Expenses	0.000	0.000	0.000	0.000
<i>Total Non-Labor Expense Changes</i>	<i>(\$1.353)</i>	<i>\$2.345</i>	<i>\$0.823</i>	<i>\$0.818</i>
Total Expense Changes before Depreciation & GASB Adjs.	(\$2.245)	\$1.643	\$0.311	\$0.345
Depreciation	0.000	0.000	0.000	0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
<i>Total Depreciation and GASB Adjs. Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
Cash Adjustment Changes				
2012 Net Timing Adjustments Impacting 2013	(0.097)	0.000	0.000	0.000
OPEB GASB Account Funding Revision	0.347	0.386	0.381	0.370
Other (rounding)	0.000	0.000	(0.001)	0.000
Total Cash Adjustment Changes	\$0.250	\$0.386	\$0.380	\$0.370
Total Baseline Changes	(\$0.921)	\$3.562	\$0.042	\$0.383
July Financial Plan Net Cash Deficit	(\$35.412)	(\$33.313)	(\$38.235)	(\$39.324)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE				
	2013	2014	2015	2016
February Financial Plan Net Cash Deficit				
Baseline Changes	NO CHANGE			
Revenue				
Farebox Revenue				
Other Operating Revenue				
Capital and Other Reimbursement				
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
<i>Labor:</i>				
Payroll				
Health and Welfare				
OPEB Current Payment				
Pensions				
Other Fringe Benefits				
Reimbursable Overhead				
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>				
Traction and Propulsion Power				
Fuel for Buses and Trains				
Insurance				
Claims				
Paratransit Service Contracts				
Maintenance and Other Operating Contracts				
Materials & Supplies				
Other Business Expenses				
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan Net Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000

MTA Staten Island Railway
July Financial Plan 2014-2017
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2013	2014	2015	2016
February Financial Plan Net Cash Deficit	(\$34.491)	(\$36.875)	(\$38.277)	(\$39.707)
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Farebox Revenue	(\$0.644)	(\$0.619)	(\$0.634)	(\$0.640)
Other Operating Revenue	1.718	2.152	(0.016)	0.308
Sub-Total Non-Reimbursable Revenue Changes	\$1.074	\$1.533	(\$0.650)	(\$0.332)
Expenses				
Sandy Additional Recovery Costs-Labor and Material Requirements	(2.732)	0.000	0.000	0.000
Required Asset/Maintenance Management System	(0.030)	(0.299)	(0.133)	(0.066)
Electronic Maintenance Requirements:				
3 Additional Positions	(0.168)	(0.403)	(0.403)	(0.403)
Fill 2 Maintained Vacancies	(0.156)	(0.211)	(0.211)	(0.211)
Delayed Timing of R44 Fleet Maintenance Life Extension Program	0.000	2.150	0.000	0.000
Budget Reduction Program-Mostly Material Efficiency Savings	0.000	0.260	0.260	0.260
Revised Inflation Assumptions:				
Energy Costs (Power & Fuel)	0.275	0.134	0.288	0.463
Other	0.287	(0.247)	0.251	0.043
Total Inflation Impact	0.562	(0.113)	0.539	0.506
Pension Re-estimates	0.300	0.300	0.300	0.300
Other Expenses	(0.021)	(0.041)	(0.041)	(0.041)
Sub-Total Non-Reimbursable Expense Changes	(\$2.245)	\$1.643	\$0.311	\$0.345
Total Non-Reimbursable Major Changes	(\$1.171)	\$3.176	(\$0.339)	\$0.013
<i>Reimbursable Major Changes</i>				
Sub-Total Reimbursable Revenue Changes	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	0.000	0.000	0.000	0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$1.171)	\$3.176	(\$0.339)	\$0.013
Cash Adjustment Changes				
2012 Net Timing Adjustments Impacting 2013	(0.097)	0.000	0.000	0.000
OPEB GASB Account Funding Revision	0.347	0.386	0.381	0.370
Total Cash Adjustment Changes	\$0.250	\$0.386	\$0.381	\$0.370
Total Baseline Changes	(\$0.921)	\$3.562	\$0.042	\$0.383
July Financial Plan Net Cash Deficit	(\$35.412)	(\$33.313)	(\$38.235)	(\$39.324)

MTA STATEN ISLAND RAILWAY
2014 Preliminary Budget
July Financial Plan 2014-2017
Ridership/(Utilization)

- A re-estimate of non-student ridership is projected to decrease ridership below the February Financial Plan by 0.472 million in 2013.
- 2014-2017 ridership growth projects slightly higher annual employment growth in 2014 than the August 2012 forecast used for the February Financial Plan, slightly lower growth in 2015, and virtually the same growth in 2016 and 2017. As a result of the new employment forecast, ridership decreases from the February Plan are fairly similar throughout the plan period.
- Annual ridership is projected to be below the February Financial Plan by 0.466 million in 2014, 0.478 million in 2015, 0.483 million in 2016 and 0.484 million in 2017.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Ridership/(Utilization)
(in millions)

	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
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RIDERSHIP

Fixed Route	4.445	4.173	4.228	4.272	4.314	4.334
	-	-	-	-	-	-

Baseline Total Ridership	4.445	4.173	4.228	4.272	4.314	4.334
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FAREBOX REVENUE

Fixed Route	\$5.389	\$5.404	\$5.576	\$5.646	\$5.712	\$5.744
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Baseline Total Revenue	\$5.389	\$5.404	\$5.576	\$5.646	5.712	5.744
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MTA Staten Island Railway
July Financial Plan 2014-2017
2013 Budget Reduction Proposals - Accrual Basis
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2013	Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017
<u>Administration</u>										
Office Equipment and Supplies Savings	-	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	-	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
Agency Submission	-	\$0.000	-	\$0.260	-	\$0.260	-	\$0.260	-	\$0.260

**MTA Staten Island Railway
July Financial Plan 2014-2017
2013 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Material Efficiency Savings-R44 Fleet, Other

Background Details:	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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Program Description/ Implementation Plan:	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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Program Implementation Date:	When will savings begin?:	Effective 1/1/14
	Are these savings recurring?:	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
July Financial Plan 2014-2017
2013 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Office Equipment and Supplies Savings

Background Details:	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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Program Description/ Implementation Plan:	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>	\$0.000	\$0.010	\$0.010	\$0.010	\$0.010
Net Cash Savings (in millions)	\$0.000	\$0.010	\$0.010	\$0.010	\$0.010

**MTA STATEN ISLAND RAILWAY
2014 Preliminary Budget
July Financial Plan 2014-2017
Positions**

2014-2017: July Financial Plan vs. February Financial Plan

Due to Electronics Maintenance requirements, three positions are being added, including two operational hourlies and one software technician/manager.

Three administrative positions, including two managers and one clerical, have been transferred along with their respective financial functions to MTA New York City Transit.

MTA Staten Island Railroad
July Financial Plan 2014-2017
Favorable/(Unfavorable)

Total Position Changes at a Glance

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
2013 February Plan - Total Baseline Positions	271	271	271	271
Total Plan-to-Plan Changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2013 July Plan - Total Baseline Positions	271	271	271	271
Total Year-to-Year Changes, July Plan		0	0	0

Total Plan-to-Plan Changes by Reporting Category:

<i>Non-Reimbursable</i>	0	0	0	0
<i>Reimbursable</i>	0	0	0	0
Total	0	0	0	0
<i>Full-Time</i>	0	0	0	0
<i>Full-Time Equivalents</i>	0	0	0	0
Total	0	0	0	0
<i>By Function Category</i>				
- Administration	3	3	3	3
- Operations	0	0	0	0
- Maintenance	(3)	(3)	(3)	(3)
- Engineering/Capital	0	0	0	0
- Public Safety	0	0	0	0
Total	0	0	0	0
<i>By Occupational Group</i>				
- Managers/Supervisors	1	1	1	1
- Professional, Technical, Clerical	1	1	1	1
- Operational Hourlies	(2)	(2)	(2)	(2)
Total	0	0	0	0

Total Plan-to-Plan Changes by Major Category:

<i>2013 BRPs</i>	0	0	0	0
<i>New Needs</i>	(3)	(3)	(3)	(3)
<i>Change in Reimbursable Positions</i>	0	0	0	0
<i>Re-estimates & All Other</i> ¹	3	3	3	3
Total	0	0	0	0

¹Includes Full Time Equivalents

MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2012 Actual	2013 Mid-Year Forecast	2014 Preliminary Budget	2015	2016	2017
Administration						
Executive	14	13	13	13	13	13
General Office	6	6	6	6	6	6
Purchasing/Stores	6	6	6	6	6	6
Total Administration	26	25	25	25	25	25
Operations						
Transportation	100	91	91	91	91	91
Maintenance						
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
Total Maintenance	145	155	155	155	155	155
Engineering/Capital						
None						
Public Safety						
Police						
Baseline Total Positions	271	271	271	271	271	271
Non-Reimbursable	268	268	268	268	268	268
Reimbursable	3	3	3	3	3	3
Total Full-Time	271	271	271	271	271	271
Total Full-Time Equivalents	-	-	-	-	-	-

MTA STATEN ISLAND RAILWAY
July Financial Plan 2014-2017
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2013		2014 Preliminary Budget	2015	2016	2017
	2012 Actual	Mid-Year Forecast				
Administration						
Managers/Supervisors	13	14	14	14	14	14
Professional, Technical, Clerical	13	11	11	11	11	11
Operational Hourlies	-	-	-	-	-	-
Total Administration	26	25	25	25	25	25
Operations						
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
Total Operations	100	91	91	91	91	91
Maintenance						
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
Total Maintenance	145	155	155	155	155	155
Engineering/Capital						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Engineering/Capital	-	-	-	-	-	-
Public Safety						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Public Safety	-	-	-	-	-	-
Total Positions						
Managers/Supervisors	30	27	27	27	27	27
Professional, Technical, Clerical	17	17	17	17	17	17
Operational Hourlies	224	227	227	227	227	227
Baseline Total Positions	271	271	271	271	271	271

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