

# **MTA 2015 Preliminary Budget**

## **July Financial Plan 2015-2018**



**Volume 2  
July 2014**



**Metropolitan Transportation Authority**

## **OVERVIEW**

### **MTA 2015 PRELIMINARY BUDGET JULY FINANCIAL PLAN 2015-2018 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, Policy Actions, and MTA Re-estimates. Volume 1 also includes descriptions of the "below-the-line" actions as well as the required Certification by the Chairman and Chief Executive Officer, and a description of the MTA Budget Process.

**Volume 2** includes MTA-Consolidated detailed financial and position schedules as well as the narratives that support the baseline projections included in the 2014 Final Proposed Budget and the Financial Plan for 2015 through 2018. 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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The July 17th agreement between the LI RR and its major labor unions came too late to be included in Agency Baseline forecasts (Volume 2). Volume 1 of this Plan captures an estimated financial impact of this agreement that assumes the contract will be ratified and approved, and that a comparable proposal will be accepted by the remaining unions at the LIRR and the unsigned unions at MNR.

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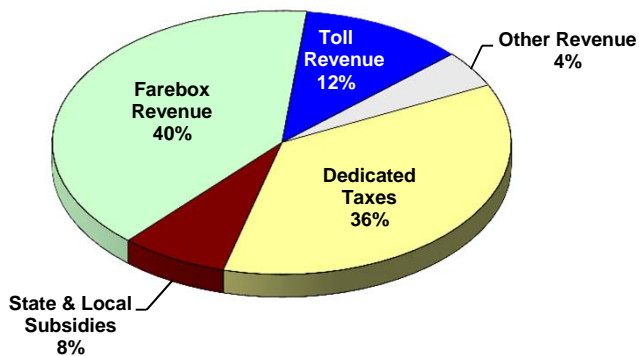
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# **I. MTA Consolidated 2015-2018 Financial Plan-Baseline**

**MTA 2015 Preliminary Budget**  
**Baseline Before Below-the-Line Adjustments**  
**Non-Reimbursable**

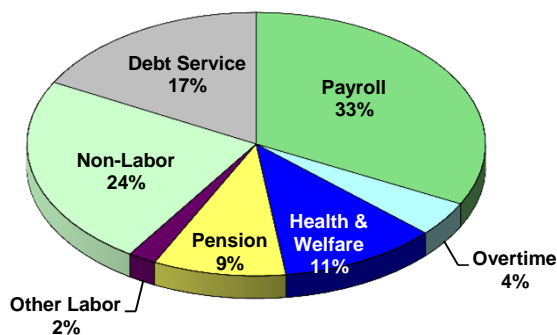
***Where the Dollars Come From ...***



By Revenue Source (\$ in millions)	
Farebox Revenue	\$5,725
Toll Revenue	1,655
Other Revenue	644
Dedicated Taxes	5,187
State & Local Subsidies	1,078
<b>Total</b>	<b>\$14,289</b>

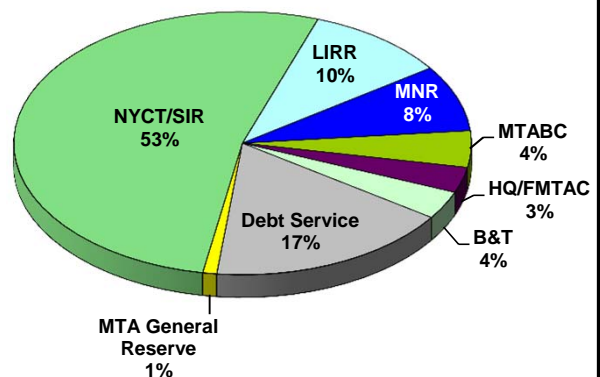
***Where the Dollars Go ...***

**By Expense Category**



By Expense Category (\$ in millions)	
Payroll	\$4,614
Overtime	607
Health & Welfare	1,578
Pension	1,330
Other Labor	282
Non-Labor	3,334
Debt Service	2,445
<b>Total</b>	<b>\$14,189</b>

**By MTA Agency**



By MTA Agency <sup>1</sup> (\$ in millions)	
NYCT/SIR	\$7,460
LIRR	1,413
MNR	1,159
MTABC	636
HQ/FMTAC	446
B&T	490
Debt Service	2,445
MTA General Reserve	140
<b>Total</b>	<b>\$14,189</b>

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

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

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

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**MTA Consolidated Statement Of Operations By Category**  
(\$ in millions)

Line  
No.

7	<b>Non-Reimbursable</b>					
8		<b>2013</b>	<b>2014</b>	<b>2015</b>		
9		<b>Actual</b>	<b>Mid-Year</b>	<b>Preliminary</b>	<b>2016</b>	<b>2017</b>
10	<b>Operating Revenue</b>		<b>Forecast</b>	<b>Budget</b>	<b>2018</b>	
11	Farebox Revenue	\$5,507	\$5,662	\$5,725	\$5,807	\$5,858
12	Toll Revenue	1,645	1,651	1,655	1,665	1,670
13	Other Revenue	754	717	644	667	696
14	Capital and Other Reimbursements	0	0	0	0	0
15	<b>Total Operating Revenue</b>	<b>\$7,906</b>	<b>\$8,030</b>	<b>\$8,024</b>	<b>\$8,138</b>	<b>\$8,225</b>
16						
17	<b>Operating Expense</b>					
18	<b>Labor Expenses:</b>					
19	Payroll	\$4,254	\$4,576	\$4,614	\$4,701	\$4,813
20	Overtime	621	680	607	612	623
21	Health & Welfare	896	995	1,070	1,136	1,220
22	OPEB Current Payment	473	468	508	548	592
23	Pensions	1,302	1,341	1,330	1,325	1,313
24	Other-Fringe Benefits	689	617	616	637	662
25	Reimbursable Overhead	(321)	(344)	(335)	(334)	(328)
26	<b>Sub-total Labor Expenses</b>	<b>\$7,912</b>	<b>\$8,333</b>	<b>\$8,410</b>	<b>\$8,626</b>	<b>\$8,896</b>
27						
28	<b>Non-Labor Expenses:</b>					
29	Electric Power	\$493	\$551	\$514	\$535	\$608
30	Fuel	259	268	265	254	259
31	Insurance	39	48	58	71	85
32	Claims	300	204	215	217	225
33	Paratransit Service Contracts	367	382	392	427	480
34	Maintenance and Other Operating Contracts	497	591	630	659	637
35	Professional Service Contracts	297	346	337	325	327
36	Materials & Supplies	475	550	555	565	567
37	Other Business Expenses	167	181	184	198	199
38	<b>Sub-total Non-Labor Expenses</b>	<b>\$2,894</b>	<b>\$3,121</b>	<b>\$3,149</b>	<b>\$3,250</b>	<b>\$3,387</b>
39						
40	<b>Other Expense Adjustments:</b>					
41	Other	\$46	\$45	\$44	\$48	\$48
42	General Reserve	0	135	140	145	150
43	<b>Sub-total Other Expense Adjustments</b>	<b>\$46</b>	<b>\$180</b>	<b>\$184</b>	<b>\$193</b>	<b>\$198</b>
44						
45	<b>Total Operating Expense before Non-Cash Liability Adj.</b>	<b>\$10,853</b>	<b>\$11,634</b>	<b>\$11,744</b>	<b>\$12,068</b>	<b>\$12,481</b>
46						
47	Depreciation	\$2,174	\$2,291	\$2,407	\$2,473	\$2,662
48	OPEB Obligation	1,920	1,950	2,036	2,120	2,207
49	Environmental Remediation	14	8	6	6	6
50						
51	<b>Total Operating Expense after Non-Cash Liability Adj.</b>	<b>\$14,961</b>	<b>\$15,883</b>	<b>\$16,193</b>	<b>\$16,666</b>	<b>\$17,356</b>
52						
53	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$4,109	\$4,249	\$4,449	\$4,599	\$4,875
54						
55	Debt Service (excludes Service Contract Bonds)	(2,299)	(2,288)	(2,445)	(2,568)	(2,753)
56						
57	<b>Total Operating Expense with Debt Service</b>	<b>\$13,152</b>	<b>\$13,922</b>	<b>\$14,189</b>	<b>\$14,636</b>	<b>\$15,234</b>
58						
59	Dedicated Taxes and State/Local Subsidies	\$5,898	\$6,179	\$6,265	\$6,499.0	\$6,678
60						
61	<b>Net Deficit After Subsidies and Debt Service</b>	<b>\$652</b>	<b>\$286</b>	<b>\$100</b>	<b>\$2</b>	<b>(\$331)</b>
62						
63	Conversion to Cash Basis: GASB Account	(86)	(48)	(0)	0	0
64	Conversion to Cash Basis: All Other	(481)	(490)	(518)	(269)	(389)
65						
66	<b>CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER</b>	<b>\$86</b>	<b>(\$252)</b>	<b>(\$418)</b>	<b>(\$267)</b>	<b>(\$720)</b>
						<b>(\$1,114)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**MTA Consolidated Accrued Statement of Operations By Agency**  
(\$ in millions)

Line No	Non-Reimbursable	2013	2014	2015			
		Actual	Mid-Year Forecast	Preliminary Budget	2016	2017	2018
9	<b><u>Total Operating Revenue</u></b>						
10	New York City Transit	\$4,566	\$4,616	\$4,610	\$4,692	\$4,750	\$4,805
11	Bridges and Tunnels	1,667	1,673	1,672	1,682	1,687	1,695
12	Long Island Rail Road	693	702	707	711	715	718
13	Metro-North Railroad	681	712	723	738	754	766
14	MTA Bus Company	225	226	222	223	224	225
15	MTA Headquarters	62	66	57	59	60	62
16	Staten Island Railway	10	10	8	8	8	8
17	First Mutual Transportation Assurance Company	3	24	24	25	25	26
18	<b>Total</b>	<b>\$7,906</b>	<b>\$8,030</b>	<b>\$8,024</b>	<b>\$8,138</b>	<b>\$8,225</b>	<b>\$8,306</b>
20	<b><u>Total Operating Expenses before Non-Cash Liability Adjs. <sup>1</sup></u></b>						
21	New York City Transit	\$6,984	\$7,284	\$7,410	\$7,643	\$7,926	\$8,211
22	Bridges and Tunnels	410	482	490	502	516	534
23	Long Island Rail Road	1,307	1,467	1,413	1,437	1,510	1,588
24	Metro-North Railroad	1,118	1,194	1,159	1,192	1,233	1,268
25	MTA Bus Company	574	595	636	654	661	655
26	MTA Headquarters	344	381	399	394	400	413
27	Staten Island Railway	43	45	50	60	46	48
28	First Mutual Transportation Assurance Company	28	7	2	(7)	(10)	(19)
29	Other	46	180	184	193	198	204
30	<b>Total</b>	<b>\$10,853</b>	<b>\$11,634</b>	<b>\$11,744</b>	<b>\$12,068</b>	<b>\$12,481</b>	<b>\$12,904</b>
32	<b><u>Depreciation</u></b>						
33	New York City Transit	\$1,421	\$1,544	\$1,638	\$1,688	\$1,863	\$1,913
34	Bridges and Tunnels	91	104	112	120	128	128
35	Long Island Rail Road	333	333	343	347	350	354
36	Metro-North Railroad	230	227	227	227	229	231
37	MTA Bus Company	49	42	42	42	43	44
38	MTA Headquarters	42	31	36	40	41	33
39	Staten Island Railway	8	8	8	8	8	8
40	First Mutual Transportation Assurance Company	0	0	0	0	0	0
41	<b>Total</b>	<b>\$2,174</b>	<b>\$2,291</b>	<b>\$2,407</b>	<b>\$2,473</b>	<b>\$2,662</b>	<b>\$2,711</b>
43	<b><u>Other Post Employment Benefits</u></b>						
44	New York City Transit	\$1,554	\$1,554	\$1,616	\$1,681	\$1,748	\$1,818
45	Bridges and Tunnels	77	67	70	74	77	81
46	Long Island Rail Road	45	71	74	76	76	77
47	Metro-North Railroad	58	65	68	70	73	77
48	MTA Bus Company	100	100	100	100	100	100
49	MTA Headquarters	85	90	105	117	130	143
50	Staten Island Railway	1	2	2	2	2	2
51	<b>Total</b>	<b>\$1,920</b>	<b>\$1,950</b>	<b>\$2,036</b>	<b>\$2,120</b>	<b>\$2,207</b>	<b>\$2,299</b>
53	<b><u>Environmental Remediation</u></b>						
54	New York City Transit	\$24	\$0	\$0	\$0	\$0	\$0
55	Bridges and Tunnels	(0)	0	0	0	0	0
56	Long Island Rail Road	(14)	4	2	2	2	2
57	Metro-North Railroad	2	4	4	4	4	4
58	MTA Bus Company	2	0	0	0	0	0
59	Staten Island Railway	0	0	0	0	0	0
60	<b>Total</b>	<b>\$14</b>	<b>\$8</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>
62	<b><u>Net Operating Surplus/(Deficit) <sup>1</sup></u></b>						
63	New York City Transit	(\$5,418)	(\$5,766)	(\$6,054)	(\$6,320)	(\$6,787)	(\$7,137)
64	Bridges and Tunnels	1,090	1,019	1,000	987	966	952
65	Long Island Rail Road	(978)	(1,173)	(1,125)	(1,151)	(1,223)	(1,304)
66	Metro-North Railroad	(726)	(778)	(736)	(755)	(785)	(814)
67	MTA Bus Company	(500)	(511)	(556)	(573)	(580)	(574)
68	MTA Headquarters	(409)	(435)	(484)	(493)	(510)	(526)
69	Staten Island Railway	(43)	(45)	(52)	(63)	(49)	(50)
70	First Mutual Transportation Assurance Company	(25)	17	22	32	35	44
71	Other	(46)	(180)	(184)	(193)	(198)	(204)
	<b>Total</b>	<b>(\$7,055)</b>	<b>(\$7,853)</b>	<b>(\$8,169)</b>	<b>(\$8,528)</b>	<b>(\$9,131)</b>	<b>(\$9,613)</b>

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



# METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2015-2018

## MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line  
No

Cash Receipts and Expenditures						
	2013	2014	2015			
	Actual	Mid-Year	Preliminary	2016	2017	2018
		Forecast	Budget			
<b>Receipts</b>						
Farebox Revenue	\$5,571	\$5,679	\$5,764	\$5,847	\$5,899	\$5,945
Other Operating Revenue	803	728	667	754	707	732
Capital and Other Reimbursements	1,340	1,708	1,607	1,580	1,521	1,524
<b>Total Receipts</b>	<b>\$7,713</b>	<b>\$8,116</b>	<b>\$8,039</b>	<b>\$8,181</b>	<b>\$8,126</b>	<b>\$8,201</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$4,525	\$5,263	\$5,031	\$5,065	\$5,169	\$5,261
Overtime	736	811	695	697	707	719
Health and Welfare	952	1,026	1,100	1,168	1,249	1,344
OPEB Current Payment	431	452	491	530	574	625
Pensions	1,191	1,343	1,368	1,363	1,347	1,359
Other Fringe Benefits	653	752	727	741	761	783
Contribution to GASB Fund	86	48	0	0	0	10
Reimbursable Overhead	0	0	0	0	0	0
<b>Total Labor Expenditures</b>	<b>\$8,574</b>	<b>\$9,696</b>	<b>\$9,413</b>	<b>\$9,564</b>	<b>\$9,807</b>	<b>\$10,100</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$498	\$553	\$510	\$530	\$602	\$649
Fuel	252	265	258	248	252	262
Insurance	24	50	53	62	76	92
Claims	213	188	193	194	200	203
Paratransit Service Contracts	373	380	390	425	478	521
Maintenance and Other Operating Contracts	471	572	559	579	555	551
Professional Service Contracts	293	384	379	351	326	326
Materials & Supplies	640	677	686	693	693	700
Other Business Expenditures	165	240	207	200	201	210
<b>Total Non-Labor Expenditures</b>	<b>\$2,929</b>	<b>\$3,309</b>	<b>\$3,236</b>	<b>\$3,281</b>	<b>\$3,385</b>	<b>\$3,513</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	\$36	\$86	\$118	\$93	\$86	\$136
General Reserve	0	135	140	145	150	155
<b>Total Other Expenditure Adjustments</b>	<b>\$36</b>	<b>\$221</b>	<b>\$258</b>	<b>\$238</b>	<b>\$236</b>	<b>\$291</b>
<b>Total Expenditures</b>	<b>\$11,539</b>	<b>\$13,226</b>	<b>\$12,907</b>	<b>\$13,083</b>	<b>\$13,428</b>	<b>\$13,904</b>
<b>Net Cash Deficit Before Subsidies and Debt Service</b>	<b>(\$3,826)</b>	<b>(\$5,110)</b>	<b>(\$4,869)</b>	<b>(4,903)</b>	<b>(5,301)</b>	<b>(5,703)</b>
Dedicated Taxes and State/Local Subsidies	\$5,576	\$6,524	\$6,240	\$6,537	\$6,642	\$6,795
Debt Service (excludes Service Contract Bonds)	(1,664)	(1,666)	(1,790)	(1,902)	(2,061)	(2,206)
<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>\$86</b>	<b>(\$252)</b>	<b>(\$418)</b>	<b>(\$267)</b>	<b>(\$720)</b>	<b>(\$1,114)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**MTA Consolidated Cash Statement of Operations By Agency**  
(\$ in millions)

Line Number		2013	2014	2015			
		Actual	Mid-Year Forecast	Preliminary Budget	2016	2017	2018
7							
8							
9	<b><u>Total Receipts</u></b>						
10	New York City Transit	\$5,417	\$5,580	\$5,480	\$5,536	\$5,575	\$5,635
11	Long Island Rail Road	918	989	968	980	966	967
12	Metro-North Railroad	866	950	1000	997	988	999
13	MTA Bus Company	230	240	232	234	235	236
14	MTA Headquarters	242	279	283	360	289	292
15	Staten Island Railway	12	18	14	12	10	10
16	Capital Construction Company	26	36	36	36	37	37
17	First Mutual Transportation Assurance Company	3	24	24	25	25	26
18	<b>Total</b>	<b>\$7,713</b>	<b>\$8,116</b>	<b>\$8,039</b>	<b>\$8,181</b>	<b>\$8,126</b>	<b>\$8,201</b>
19							
20	<b><u>Total Expenditures</u></b>						
21	New York City Transit	\$7,668	\$8,477	\$8,307	\$8,467	\$8,740	\$9,047
22	Long Island Rail Road	\$1,537	1,778	1,688	1,721	1,778	1,857
23	Metro-North Railroad	\$1,265	1,486	1,461	1,466	1,486	1,525
24	MTA Bus Company	\$569	660	635	653	660	654
25	MTA Headquarters	\$404	596	533	503	499	549
26	Staten Island Railway	\$41	58	56	64	48	50
27	Capital Construction Company	\$26	36	36	36	37	37
28	First Mutual Transportation Assurance Company	\$3	24	24	25	25	26
29	Other	26	112	167	148	154	159
30	<b>Total</b>	<b>\$11,539</b>	<b>\$13,226</b>	<b>\$12,907</b>	<b>\$13,083</b>	<b>\$13,428</b>	<b>\$13,904</b>
31							
32	<b><u>Net Operating Surplus/(Deficit)</u></b>						
33	New York City Transit	(2,251)	(2,897)	(2,826)	(2,931)	(3,165)	(3,413)
34	Long Island Rail Road	(619)	(789)	(720)	(741)	(811)	(890)
35	Metro-North Railroad	(399)	(536)	(461)	(469)	(498)	(526)
36	MTA Bus Company	(340)	(419)	(402)	(419)	(425)	(418)
37	MTA Headquarters	(163)	(317)	(251)	(143)	(211)	(257)
38	Staten Island Railway	(29)	(39)	(42)	(52)	(38)	(40)
39	Capital Construction Company	0	0	0	0	0	0
40	First Mutual Transportation Assurance Company	0	0	0	0	0	0
41	Other	(26)	(112)	(167)	(148)	(154)	(159)
42	<b>Total</b>	<b>(\$3,826)</b>	<b>(\$5,110)</b>	<b>(\$4,869)</b>	<b>(\$4,903)</b>	<b>(\$5,301)</b>	<b>(\$5,703)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**MTA Consolidated July Financial Plan Compared with February Financial Plan**  
**Cash Reconciliation**  
(\$ in millions)

	Favorable/(Unfavorable)			
	2014	2015	2016	2017
<b>FEBRUARY FINANCIAL PLAN 2014-2017</b>				
<b>CASH BALANCE BEFORE BTL ADJUSTMENTS</b>	<b>(\$202)</b>	<b>(\$409)</b>	<b>(\$484)</b>	<b>(\$1,039)</b>
<b>Savings Programs</b>	<b>\$37</b>	<b>\$60</b>	<b>\$61</b>	<b>\$68</b>
2014 BRP (New Savings Programs)	28	46	41	37
NYCT Paratransit - Additional Net Savings	10	14	20	31
<b>New Needs/Investments</b>	<b>(\$31)</b>	<b>(\$54)</b>	<b>(\$55)</b>	<b>(\$53)</b>
Maintenance/Operations	(18)	(22)	(31)	(30)
Information Technology	(5)	(18)	(11)	(11)
Service Adjustments	(3)	(7)	(7)	(7)
All Other New Needs	(6)	(8)	(7)	(6)
<b>Labor Adjustments (TWU pattern)</b>	<b>(\$297)</b>	<b>(\$136)</b>	<b>(\$90)</b>	<b>(\$80)</b>
Labor Agreements (Settled and Assumptions) <sup>1</sup>	(348)	(245)	(208)	(207)
GASB Account - Suspend Contributions	51	109	118	127
<b>Agency Baseline Adjustments</b>	<b>(\$0)</b>	<b>\$135</b>	<b>\$299</b>	<b>\$358</b>
East Side Access Delayed Opening	2	27	70	111
Farebox/Toll Revenue	14	4	14	33
Weather Impacts <sup>2</sup>	(56)	(0)	(0)	(0)
Overtime (includes Rebaselining) <sup>3</sup>	(28)	(20)	(19)	(20)
Rates:				
Health & Welfare (including retirees) <sup>3</sup>	60	54	75	86
Energy	(16)	59	85	51
Pensions <sup>3</sup>	5	21	48	62
Insurance	3	10	17	25
Worker's Compensation	7	8	8	8
Other Baseline Re-estimates <sup>4</sup>	7	(27)	2	3
<b>Changes in Subsidies</b>	<b>\$191</b>	<b>(\$60)</b>	<b>(\$68)</b>	<b>(\$75)</b>
MMTOA	6	7	11	5
Real Estate Taxes	152	(23)	(26)	(32)
Petroleum Business Tax	9	(9)	(16)	(18)
Payroll Mobility Tax and MTA Aid	(52)	(68)	(80)	(86)
CDOT Subsidy	21	(2)	3	2
B&T Surplus Transfer	6	5	22	34
Forward Energy Contracts Program - Gain/(Loss)	2	2	(0)	0
Other Subsidies	47	29	17	20
<b>Debt Service Adjustments from Refundings/Lower Interest Rates</b>	<b>\$50</b>	<b>\$46</b>	<b>\$70</b>	<b>\$101</b>
<b>Prior Year Carryover</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>JULY FINANCIAL PLAN 2015-2018</b>				
<b>CASH BALANCE BEFORE BTL ADJUSTMENTS *</b>	<b>(\$252)</b>	<b>(\$418)</b>	<b>(\$267)</b>	<b>(\$720)</b>

\* Totals may not add due to rounding.

<sup>1</sup> Encompasses all expenses associated with the TWU settlement and labor growth assumptions, including overtime, pension and health and welfare, which are excluded from Agency Baseline Adjustments.

<sup>2</sup> Includes loss of farebox revenue and increased use of overtime.

<sup>3</sup> Excludes impacts of labor agreements (settled and assumptions).

<sup>4</sup> B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated within the line "Baseline Re-estimates."

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Baseline Farebox Recovery and Farebox Operating Ratios**

FAREBOX RECOVERY RATIOS						
	2013 Actual	2014 Year Forecast	2015 Mid- Preliminary Budget	2016 Plan	2017 Plan	2018 Plan
New York City Transit	38.0%	37.5%	36.7%	36.0%	34.4%	33.2%
Staten Island Railway	11.7%	11.7%	11.0%	9.6%	11.7%	11.5%
Long Island Rail Road	32.7%	30.3%	31.0%	30.6%	29.3%	27.9%
Metro-North Railroad	43.3%	40.0%	41.7%	41.5%	40.7%	39.8%
Bus Company	<u>28.5%</u>	<u>28.3%</u>	<u>27.0%</u>	<u>26.6%</u>	<u>26.4%</u>	<u>26.7%</u>
<b>MTA Total Agency Average</b>	<b>37.3%</b>	<b>36.3%</b>	<b>35.8%</b>	<b>35.2%</b>	<b>33.9%</b>	<b>32.8%</b>

FAREBOX OPERATING RATIOS						
	2013 Actual	2014 Year Forecast	2015 Mid- Preliminary Budget	2016 Plan	2017 Plan	2018 Plan
New York City Transit	58.2%	58.2%	57.7%	56.8%	55.1%	53.6%
Staten Island Railway	16.9%	16.8%	15.4%	12.9%	16.8%	16.4%
Long Island Rail Road	47.9%	43.6%	46.2%	45.9%	44.0%	41.9%
Metro-North Railroad	57.0%	55.5%	58.9%	58.9%	58.5%	57.9%
Bus Company	<u>36.7%</u>	<u>35.9%</u>	<u>33.9%</u>	<u>33.2%</u>	<u>32.9%</u>	<u>33.4%</u>
<b>MTA Total Agency Average</b>	<b>55.3%</b>	<b>54.4%</b>	<b>54.7%</b>	<b>53.9%</b>	<b>52.6%</b>	<b>51.2%</b>

*Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 20% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management, Legal and Shared Services.*

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

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

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## **II. Major Assumptions**

## **Agency Baseline Assumptions**

## **Agency Baseline Assumptions**

The July Financial Plan consists of the 2014 Mid-Year Forecast, the 2015 Preliminary Budget and 2016 to 2018 projections. Plan-to-plan changes compare the July Plan with the February Financial Plan, which included forecasts through 2017.

Volume II of the July Plan captures only the Baseline forecast, which excludes certain Policy and other “below-the-line” adjustments that are highlighted and captured in Volume I of this two-volume Plan submission. This Baseline analysis, therefore, excludes: fare and toll increases in 2015 and 2017 and investments to fund both an All-Agency safety initiative and new service and service quality improvements. The Agency baselines in Volume II capture the impact of recent labor settlements, including the one between New York City Transit and the TWU. Unsigned unions are assumed to settle at the TWU pattern.

***Please note: The July 17th agreement between the LIRR and its major labor unions came too late to be included in Agency Baseline forecasts (Volume 2). Volume 1 of this Plan captures an estimated financial impact of this agreement that assumes the contract will be ratified and approved, and that a comparable proposal will be accepted by the remaining unions at the LIRR and the unsigned unions at MNR.***

In developing the July Plan, the MTA Agencies were instructed to adhere to the spending envelope contained in the February Financial Plan and to identify an apportioned share of \$50 million in recurring “New MTA Fare Reduction Initiative” savings that had been unidentified and captured “below-the-line” in February.

Overall, Agencies have had favorable re-estimates since the February Plan with lower expense projections for health & welfare, energy, pensions, insurance and worker’s compensation that were partially offset by higher costs for overtime and 2014 winter weather impacts. A delay in the anticipated opening of East Side Access also reduces out-year deficits in the Plan period. Moreover, Agencies have identified additional efficiencies through the Budget Reduction Program (BRP). A reconciliation of these changes is included later in this section.

The July Plan Baseline retains the new service investments from 2012 and 2013, and provides additional funding for “platform” service adjustments needed to maintain loading and headway guidelines consistent with increased demand requirements.

The safety of customers and employees is unquestionably the top priority for the MTA. Given the tragic events that occurred in 2013, immediate steps were taken to ensure that an emphasis on safety would be included within the operations of every MTA Agency. Consequently, swift changes were made to the MTA’s executive structure, including the establishment of a Chief Safety Officer position at Headquarters and at each Agency and the formation of an MTA-wide safety committee. Agencies were directed to examine their current practices and procedures, and to identify areas for improvement. Additionally, the MTA convened a Blue Ribbon Panel comprised of outside experts, which made important recommendations, many of which are now being implemented. This Financial Plan includes an unprecedented level of safety funding, with an investment of \$32 million in 2014 and an average of \$83 million annually over the remaining years of the Plan.



## Baseline July Plan Changes from February Plan

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

<b><u>AGENCY BASELINE</u></b> <b><u>JULY CHANGES FROM FEBRUARY PLAN</u></b> Favorable/(Unfavorable) (\$ in millions)				
	2014	2015	2016	2017
<b>Savings Programs</b>	<b>\$37</b>	<b>\$60</b>	<b>\$61</b>	<b>\$68</b>
2014 BRP (New Savings Programs)	28	46	41	37
NYCT Paratransit - Additional Net Savings	10	14	20	31
<b>New Needs/Investments</b>	<b>(\$31)</b>	<b>(\$54)</b>	<b>(\$55)</b>	<b>(\$53)</b>
Maintenance/Operations	(18)	(22)	(31)	(30)
Information Technology	(5)	(18)	(11)	(11)
Service Adjustments/Service Support	(3)	(7)	(7)	(7)
All Other New Needs	(6)	(8)	(7)	(6)
<b>Labor Adjustments (TWU pattern)</b>	<b>(\$297)</b>	<b>(\$136)</b>	<b>(\$90)</b>	<b>(\$80)</b>
Labor Agreements (Settled and Assumptions) <sup>1</sup>	(348)	(245)	(208)	(207)
GASB Account - Suspend Contributions	51	109	118	127
<b>Agency Baseline Adjustments</b>	<b>(\$0)</b>	<b>\$135</b>	<b>\$299</b>	<b>\$358</b>
East Side Access Delayed Opening	2	27	70	111
Farebox/Toll Revenue	14	4	14	33
Weather Impacts <sup>2</sup>	(56)	(0)	(0)	(0)
Overtime (includes Rebaselining) <sup>3</sup>	(28)	(20)	(19)	(20)
Rates:				
Health & Welfare (including retirees) <sup>3</sup>	60	54	75	86
Energy	(16)	59	85	51
Pensions <sup>3</sup>	5	21	48	62
Insurance	3	10	17	25
Worker's Compensation	7	8	8	8
Other Baseline Re-estimates (includes timing) <sup>4</sup>	7	(27)	2	3
<b>Net Cash Baseline Changes</b>	<b>(\$291)</b>	<b>\$5</b>	<b>\$215</b>	<b>\$293</b>
<sup>1</sup> Encompasses all expenses associated with the TWU settlement and labor growth assumptions, including overtime, pension and health & welfare which are excluded from Agency Baseline Adjustments. <sup>2</sup> Includes loss of farebox revenue and overtime. <sup>3</sup> Excludes impacts of labor agreements (settled and assumptions). <sup>4</sup> B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated within the line "Other Baseline Re-estimates."				

***Savings Programs/Cost Control:***

The MTA continues to focus on cost control. In addition to the net favorable changes described above, the MTA identified greater savings from new Budget Reduction Programs (BRPs). These savings, which are being used to help meet New Fare Reduction Initiative targets, are detailed later in this section. When combined with prior MTA Efficiency savings programs, detailed in Volume I, total annual savings are projected to be \$1.1 billion in 2014, \$1.3 billion in 2015, and finally \$1.5 billion by 2017.

The growth in non-discretionary costs remains a challenge. Categories such as employee and retiree health care (OPEB), energy, insurance, paratransit and pensions are dependent on factors that are largely outside the control of the MTA. MTA is committed to reducing this growth with tactics that include the hedging of fuel purchases, paying down the pension liability when funding is available, the proactive management of paratransit, and initiatives to reduce health & welfare costs.

***New Needs/Investments:***

The Plan continues to include the projected operating budget impacts of “Mega” Projects, including the Fulton Street Transit Center, 7 Line Extension, Second Avenue Subway, and East Side Access. In addition, the MTA continues to improve the reliability and performance of its fleet and infrastructure through increased maintenance. The July Plan includes some service adjustments/service support, and numerous information technology-related investments. For the most part, funding of these investments is provided by each Agency internally through reduced spending. Major Agency investments include:

**NYC Transit Investments:**

- Include a program to provide additional maintenance to Transit’s 1,318 buses that have been in service for more than 12 years. It is estimated that buses over that threshold require 50 more hours of maintenance per bus than those in service for fewer years. The program requires 60 additional maintenance positions and six supervisors to support this work. Overtime has been budgeted until those positions are hired commencing September 2014. The program is expected to conclude in 2016 as this “older” fleet is significantly reduced through retirement and replaced with new buses that are anticipated to be delivered beginning in late 2015;
- Hire additional station cleaning staff to improve cleanliness and reduce unscheduled overtime;
- Improve the alignment of the track construction maintenance workforce by converting reimbursable track construction personnel to non-reimbursable positions to support weekday maintenance-specific tasks that include critical safety and sensitive maintenance work such as rail inspections, repair, and emergency response, maintaining the system's functional integrity and maximizing operational safety of all track components;
- Increase Rapid Transit Operations training periods for supervisor and hourly titled employees to accommodate new course subjects, ensuring that personnel receive the most appropriate instructions to meet their job responsibilities;
- Fund normal “platform” service adjustments, reflecting seasonal schedule changes, and loading and headway guidelines; and

- Revise the scheduled maintenance system for work scope alignment and additional electronic components installations.

#### LIRR Investments:

- Provide additional Reliability Cycle Maintenance for its M3 fleet to ensure cars remain available for revenue service through 2018—consequential steps necessary to address delays in the procurement and delivery of M9 cars;
- Implement a strategy to address obsolete Multi-Function Unit, Central Diagnostic System and Train Operator Display components on the M7 fleet. Bombardier will supply the materials and installation will be completed by LIRR employees; and
- Establish funding for normal “platform” service adjustments, reflecting seasonal schedule changes, and loading and headway guidelines.

#### MNR Investments:

- 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 MNR’s assets. This MTA-wide program will help align corporate objectives with practices, enhancing the quality of information recorded and disseminated throughout the Agencies;
- Purchase two new Caterpillar Maintenance Vehicles (CMV) to replace the two CMV’s approaching the end of their useful life;
- Invest in critical inventory management system components including a warehouse stacking system for the Harmon Material Distribution Center and two vertical lift machines for efficient and safe retrieval of warehouse inventories and supplies;
- Replace power system electrical components, including AC Bus Ducts at 20 traction power substations to properly maintain the reliability of 3rd rail traction for the Harlem and Hudson lines; and
- Revise the Infrastructure Improvement Program, a four-prong initiative covering right-of-way maintenance improvements, safety, track maintenance management and oversight, and training.

#### B&T Investments:

- Hire a manager to oversee Minority and Women Owned Business Enterprise (M/WBE) compliance and outreach for various state programs to promote diversity among B&T contractors, subcontractors and consultants; and
- Add four positions associated with All Electronic Tolling (AET) and Open Road Tolling (ORT) dedicated to the many technical and administrative activities required to implement and enforce the changes in the method of toll collection, which is currently in place at the Henry Hudson Bridge.

#### MTA Bus Investments:

- Increase resources needed to meet the higher costs of Goodyear tires and tubes for MTA Bus's low-floor bus fleet, which has grown from 389 buses to 601 buses since 2012.
- Hire six farebox maintainers to perform more frequent preventive maintenance inspections (PMIs) and address farebox reliability which directly impacts customers and the ability to collect revenue. The additional maintainers will conduct PMIs at more optimal intervals and provide better absentee coverage resulting in reduced overtime expenses;
- Provide additional maintenance for fleet buses that have been in service for over 12 years in order to keep these "older" buses in a state of good repair and provide safe and reliable service to customers. The program is expected to conclude in 2015 as this "older" fleet is significantly reduced through retirement and replacement with new buses that are anticipated to be delivered beginning in late 2015; and
- Revise Shop Program assumptions including the deferral of Motor Coach Industries' bus engine work to out-years, and the acceleration of CNG engine overhauls and transmission work.

#### Staten Island Railway Investments:

- Increase resources to upgrade damaged and eroded fuel tanks.

#### MTA Headquarters Investments:

- Support an Enterprise Asset Management system throughout the MTA with a set of defined policy objectives, such as implementation of whole-life programs, risk management, and performance measurement system strategies;
- Upgrade current back-up structure to accommodate the additional workload of the upgraded accounting/human resources system at the Business Service Center;
- Provide resources for the newly established MTA IT department for a number of key initiatives in support of MTA and Agency operations, including Automatic Train Supervision-A Division for NYCT, FRA-mandated and other workforce applications for LIRR and MNR, and data analysis and visualization tools for B&T. In addition, MTA-wide IT investments include cyber security, resiliency and disaster recovery, cloud email, the mta.info site, open data initiatives, IT asset state-of-good-repair, and IT project management; and
- Additional funding required by MTA Police for expenses associated with relocating to the Graybar Building, 420 Lexington Avenue.

**Labor Adjustments (Settled and Assumptions):**

Agency baselines include adjustments for retro-active pay and a new wage base resulting from the TWU settlement and the assumption that the same pattern will be applied to MTA unions without contract agreements. For MTA HQ, the Plan includes the impact of the settlement with the Police Benevolent Association (PBA). For represented employees, these labor adjustments eliminate the three years of “net zero” wage growth assumption that was previously captured within the February Plan. The estimated impact of the labor settlements and assumptions are \$348 million in 2014; \$245 million in 2015; \$208 million in 2016, \$207 million in 2017 and \$192 million in 2018. Measures taken to fund the overall impact of higher labor costs include the suspension of contributions to the GASB Fund. Additional actions taken and other labor related matters are addressed in Volume I.

Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted.

*Please note: At the time that Volume II went to press, the LIRR and its labor unions were in contract negotiations. Volume I provides an updated status of those discussions and, if warranted, a re-estimated cost impact to the LIRR (and Metro-North), as well as MTA's overall bottom line.*

**Overtime (excludes impact of weather-related overtime)**

Following a major review in 2013 that identified overtime-related issues and resulted in the re-baselining of this expense (see the 2013 November Plan for details), the July Plan includes further revisions to improve forecasting. Examples of increases include greater maintenance work at NYCT (e.g., bus and track work), the Infrastructure Improvement Program at MNR, and a more accurate assessment of vacancy/absentee coverage requirements.

Implementing sustainable programs that reduce overtime levels in routine maintenance, and controllable types of overtime, such as vacancy/absentee coverage and unscheduled service remain at the forefront for MTA management. Areas that continue to be scrutinized and require particular focus include: forecasting methodology; optimization of overtime vs. straight-time; impacts on pensions; overtime use for non-essential work; and overtime intensity. Further analysis of overtime will be conducted and addressed in the coming months, and it is expected that efficiencies can be identified that will result in realistic savings in overtime. Additional information is contained within the consolidated narratives section and explained further within Agency sections of this volume.

**Weather Impacts:**

In the first two months of 2014, Central Park experienced 11 days of snowfall and 49 inches of snow accumulation, more than three times the 16 inch norm for this period. The resulting impact of these conditions totaled \$56 million, consisting of \$12 million in reduced farebox revenue at NYCT and increased expenses, particularly overtime, as follows: \$36 million at NYCT, \$6 million at the Long Island Rail Road, and \$2 million at MTA Bus.

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

Explanations of individual adjustments are captured within the detailed explanation of individual revenue and expense categories.

### **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.

### **2014 Mid-Year Forecast**

The 2014 Mid-Year Forecast projects a Net Operating Deficit before Subsidies and Debt Service of \$7,853 million which is \$391 million unfavorable from the Adopted Budget, as expenses, including Non-Cash Liability Adjustments, were partially offset by higher revenue. Excluding Non-Cash Liability Adjustments, the 2014 Mid-Year Forecast is \$313 million higher than the Adopted Budget.

#### **Revenue**

Total operating revenue was \$75 million higher than the Adopted Budget of which \$61 million, due to higher other operating revenue, reflecting the recovery of operating losses from Federal sources for Super Storm Sandy and higher investment income from FMTAC. Farebox and Toll revenues were also higher than the Adopted Budget due to higher than forecast ridership at NYCT and LIRR, and traffic levels at B&T, partially offset by lower farebox revenue at MNR and MTA Bus, primarily due to lower ridership.

#### **Expenses**

Excluding non-cash adjustments, operating expenses were \$388 million higher than the Adopted Budget, the bulk of which were due to higher net labor costs as a result of the TWU settlement with NYCT, and the assumption of a pattern settlement for unions without contract agreements. In addition, the Plan captures the impact of the settlement with the Police Benevolent Association at MTA HQ. The implications of the wage settlement and assumptions impacted all labor-related generic categories, as well as other business expense. Partially offsetting these impacts are lower costs for health & welfare, paratransit service contracts, and insurance.

### **2015 Preliminary Budget**

The 2015 Preliminary Baseline Budget projects a Net Operating Deficit before Subsidies and Debt Service of \$8,169 million. Total 2015 operating expenses, including Non-Cash Adjustments, of \$16,193 million are \$310 million higher than the 2014 Mid-Year Forecast due mostly to higher non-cash liabilities, health & welfare, maintenance and other operating contracts, and materials and supplies.

When compared with the 2015 forecast in the February Plan, the 2015 Net Operating Deficit before Subsidies and Debt Service was \$80 million unfavorable due mostly to higher costs for payroll and overtime, non-cash liabilities, other business expenses, and professional service contracts. These unfavorable results were partially offset by lower costs for energy, health & welfare, paratransit service contracts, and insurance. Excluding Non-Cash Liability Adjustments, the 2015 Preliminary Budget is \$3 million higher than the 2015 forecast in the February Plan.

Total operating revenue of \$8,024 million is expected to be \$37 million better than the February Plan forecast, largely reflecting the recovery of Super Storm Sandy-related losses and higher investment income from the MTA First Mutual Transportation Assurance Company (FMTAC). Farebox and Toll revenues also were higher than the February Plan due to a slight improvement in ridership at NYCT and LIRR, and traffic levels at B&T, partially offset by lower farebox revenue at MNR and MTA Bus, primarily due to lower ridership.

Total expenses in 2015 are expected to increase by \$117 million compared with the February Plan, the impacts of which are reflected in payroll, overtime, post-employment benefits, depreciation, other business expense, and professional service contracts.

## 2016 – 2018 Forecast

Year-to-year changes include higher revenue from modest growth in utilization and inflationary impacts on wages and other expenses. The Plan also captures the impacts of “mega-projects” coming on-line or preparing to do so.

The July Forecast includes decreases to the baseline deficit, compared with the February Plan, for 2016 and 2017 mainly as a result of delays in the opening of East Side Access until 2022, which shifts the ramp-up on related operating expenses into later years, and higher other operating revenue due to projected higher investment income, and higher farebox revenue. Also contributing to the decreased deficits are lower expenses for health & welfare, energy, paratransit service contracts, pensions, and insurance.

The projected operating impacts from the “Mega” Projects are presented below:

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Operating Budget Impacts of Capital "Mega" Projects**  
(\$ in millions)

		2014 Mid Year Forecast		2015 Preliminary Budget		2016		2017		2018	
		Positions	(\$000)	Positions	(\$000)	Positions	(\$000)	Positions	(\$000)	Positions	(\$000)
<b>East Side Access</b>											
<i>Revenue Service Date: Year 2022</i>											
LIRR		0	\$ -	0	-	19	2.164	203	25.583	335	48.250
MTAHQ		-	-	-	-	-	-	-	-	30	3.179
<b>Subtotal</b>		<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>19</b>	<b>\$ 2.164</b>	<b>203</b>	<b>\$ 25.583</b>	<b>365</b>	<b>\$ 51.429</b>
<b>2nd Avenue Subway</b>											
<i>Revenue Service Date: Year 2016</i>											
NYCT		0	\$ -	0	\$ -	0	\$ -	301	\$ 31.642	301	\$ 32.885
<b>7-Line Extension</b>											
<i>Revenue Service Date: Year 2014</i>											
NYCT		181	\$ 5.119	175	\$ 17.296	182	\$ 17.640	184	\$ 18.009	184	\$ 18.696
<b>Fulton St Transit Center</b>											
<i>Revenue Service Date: Year 2014</i>											
NYCT		35	\$ 5.145	35	\$ 9.298	35	\$ 9.333	35	\$ 9.333	35	\$ 9.704
<b>TOTAL</b>		<b>216</b>	<b>\$ 10.264</b>	<b>210</b>	<b>\$ 26.594</b>	<b>236</b>	<b>\$ 29.137</b>	<b>723</b>	<b>\$ 84.567</b>	<b>885</b>	<b>\$ 112.714</b>

## PASSENGER & TOLL REVENUE / UTILIZATION

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.

The use of MTA subways, buses, commuter railroads and bridges and tunnels varies with a number of factors, and perhaps most important among these is the health of the regional economy. Since hitting recessionary lows in 2010, employment levels and the regional economy have slowly but gradually improved and consequentially twelve-month average ridership levels have returned to pre-recession levels. The Financial Plan assumes employment levels, compared with the assumptions in the February Plan, will be modestly higher, from 12 thousand more jobs in New York City for 2014 than previously projected and by 44 thousand more jobs by 2017, bringing the total number of New York City jobs to 4.2 million in 2017; these modest improvements partly account for plan-to-plan variances in consolidated utilization.

While economic conditions are an important influence on system-wide utilization, other factors also explain changes in ridership, vehicle traffic and fare and toll revenues. One of the most significant determinants in 2014 was the severe winter weather in January and February that brought colder than normal temperatures and several heavy snowstorms that dampened system-wide utilization, especially crossings at B&T facilities and bus ridership on NYCT and MTA Bus. On the positive side, LIRR has strategically deployed shuttle-style collectors between stations known to face challenges with fare evasion, in particular where a high volume of ridership occurs between stations that are geographically close, and the July Plan includes resources to sustain and build upon this initiative's success. During the Plan period, is projecting ridership growth from service expansions and the railroad's effort to increase parking availability.

Utilization figures presented in this section do not reflect fare media liability or paratransit operations at NYCT; these items are included in the Agency and MTA consolidated tables in the Financial Plan. Additionally, utilization for MNR's west-of-Hudson operations is also not included in this section; in the Agency and MTA consolidated financial tables, west-of-Hudson utilization is netted against expenses and is not included in revenue.

The 2014 Mid-Year Forecast for MTA consolidated ridership is projected to total 2,697 million passengers, while crossings at B&T facilities are expected to reach 282 million. The NYCT combined subway and bus ridership forecast for the 2014 July Forecast is 2,402 million 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 85 million for LIRR and 83 million for MNR's East-of-Hudson operations. Ridership for MTA Bus is projected to be 124 million, and accounts for 5% of MTA consolidated ridership, while SIR ridership is projected to be 4 million (0.2% of MTA ridership).

MTA consolidated farebox revenue for the 2014 Mid-Year Forecast is expected to be \$5,576 million, and toll revenue is expected to be \$1,651 million. NYCT combined subway and bus farebox revenue is forecast at \$4,070 million, while LIRR is projecting \$651 million in farebox revenue and MNR \$650 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is expected to be \$6 million, and MTA Bus farebox revenue is expected to be \$200 million.



The 2014 Mid-Year Forecast for MTA consolidated ridership is expected to increase by 18 million trips (0.7%) compared with 2013, reflecting, in part, continued improvement in the regional economy. Ridership at NYCT is expected to increase by 17 million (0.7%); and ridership levels at MNR, LIRR, and SIR are also expected to rise in 2014, combining for an increase of 2 million trips (1.3%). MTA Bus, however, forecasts a decline of 1 million riders in 2014 (1.2%); and traffic crossings at B&T facilities are expected to decrease by 3 million trips (0.9%) compared with 2013, primarily because of the poor winter weather in January and February. The 2014 Mid-Year Forecast projects a consolidated farebox revenue increase of \$147 million (2.7%) in 2014, 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 2013 toll revenue by \$6 million (0.4%).

MTA consolidated ridership for the 2014 Mid-Year Forecast is expected to fall short of the 2014 Adopted Budget forecast by 25 million trips (0.9%). Although LIRR has improved its ridership forecast by 1 million (0.8%) and SIR forecasts a small improvement of 0.2% over the Adopted Budget, NYCT, MNR and MTA Bus now forecast ridership decreases. For NYCT, the ridership decrease of 23 million trips (0.9%) reflects 20 million fewer bus trips and 2 million fewer subway trips. The decline in bus ridership was primarily due to the unusually harsh winter weather in January and February and, as an ancillary effect, forced a reduction in NYCT's estimate of ridership recovery from the enforcement of fare evasion. MNR forecasts ridership numbers to be unfavorable compared with the Adopted Budget by 2 million (1.9%), largely because of lower than expected commutation and non-commutation ridership as a consequence of the poor winter weather, but also attributable independently to lower ridership trends since the latter part of 2013. For MTA Bus, the decline in express bus ridership, even as local ridership has improved relative to forecasts in February, contributed to 1 million fewer riders (1.0%) compared with the Adopted Budget. Although the winter storms in January and February dampened vehicle traffic on B&T facilities, conditions were generally favorable from March through May, and the Mid-Year Forecast expects that B&T crossings will improve compared with the Adopted Budget by 0.3 million trips (0.1%).

As noted earlier, this utilization analysis excludes NYCT Fare Media Liability (as well as NYCT Paratransit operations), yet it is included in the consolidated financial tables. The 2014 Mid-Year Forecast includes a significant re-estimate of Fare Media Liability, resulting in a favorable plan-to-plan variance of \$28 million for Fare Media Liability. With Fare Media Liability included (as well as an unfavorable \$1 million variance for Paratransit revenue), MTA consolidated farebox revenue is favorable by \$12 million compared with the Adopted Budget. The change in the Fare Media Liability forecast reflects a higher than expected volume of MetroCard ticket expirations; a refinement of the forecasting procedure also resulted in more modest favorable variances of \$5 million per year for 2015 through 2017 compared with the February Plan. When Fare Media Liability and Paratransit revenue are excluded from the analysis, MTA consolidated farebox revenue in the 2014 Mid-Year Forecast is expected to be lower than the Adopted Budget forecast by \$12 million (0.2%), as MNR falls short by \$10 million, NYCT by \$6 million (NYCT would be favorable by \$21 million if Fare Media Liability and Paratransit were included), and MTA Bus by \$2 million. LIRR forecasts of farebox revenues have improved by \$7 million, while SIR expects revenues to be favorable by less than a tenth of a percent. B&T toll revenue is also projected to be \$2 million (0.1%) better than the Adopted Budget forecast.

The Preliminary Budget continues to anticipate year-to-year improvements in ridership and fare revenues, due mostly to a steadily improving economy and the associated increase in jobs in New York City; B&T traffic and toll receipts are also expected to improve over 2014, notwithstanding the unseasonably favorable winter weather in 2013 that boosted traffic levels.

Year-to-year, MTA consolidated ridership is expected to increase by 52 million trips (1.9%) compared to 2014, and B&T vehicular crossings are expected to increase by 1 million trips (0.5%). Farebox revenue is projected to increase \$86 million (1.5%) over 2014, while toll revenue is forecast to improve by \$4 million (0.2%).

MTA consolidated ridership for the 2015 Preliminary Budget is expected to be lower than the February Plan projection by 5 million trips (0.2%), mostly the result of worse than expected bus utilization at NYCT that will result in a fall in total ridership of 4.8 million (0.2%), but also because of 1 million fewer trips (1.3%) at MNR. At B&T facilities, the Preliminary Budget shows a small increase of 0.4 million more vehicular crossings in 2015 than forecast in the February Plan. In spite of the overall decline in ridership, MTA consolidated farebox revenue for 2015 in the Preliminary Budget is expected to exceed the projections in the February Plan by \$2 million (less than 0.1%), with only MNR and MTA Bus showing unfavorable variances (by \$6 and \$2 million, respectively). B&T toll revenue for 2015 is projected to be \$2 million (0.1%) above the February Plan forecast.

<b>Annual Utilization Growth Rates -- Traffic &amp; Ridership</b>					
	2014	2015	2016	2017	2018
<b>Traffic: Bridges &amp; Tunnels</b>	<b>(0.9%)</b>	<b>0.5%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>0.6%</b>
Long Island Rail Road	1.4%	1.0%	0.8%	0.4%	0.5%
Metro-North Railroad	1.1%	2.2%	1.7%	1.8%	1.2%
MTA Bus Company	(1.2%)	1.6%	0.7%	0.1%	0.4%
New York City Transit	0.7%	2.0%	1.4%	0.7%	0.7%
Staten Island Railway	2.5%	1.8%	1.2%	0.7%	0.7%
<b>Ridership</b>	<b>0.7%</b>	<b>1.9%</b>	<b>1.3%</b>	<b>0.7%</b>	<b>0.7%</b>

<b>Annual Utilization Growth Rates -- Toll &amp; Farebox Revenue</b>					
	2014	2015	2016	2017	2018
<b>Toll Revenue: Bridges &amp; Tunnels</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>0.5%</b>
Long Island Rail Road	3.0%	1.0%	0.7%	0.6%	0.3%
Metro-North Railroad	4.8%	2.9%	2.1%	2.1%	1.5%
MTA Bus Company	0.3%	0.8%	0.8%	0.1%	0.4%
New York City Transit	2.5%	1.4%	1.5%	0.7%	0.7%
Staten Island Railway	4.5%	2.2%	1.5%	0.8%	0.9%
<b>Farebox Revenue</b>	<b>2.7%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>0.9%</b>	<b>0.8%</b>

MTA consolidated ridership and farebox revenue are both expected to increase each year from 2016 to 2018, and by 2018 consolidated ridership is projected to reach 2,825 million passengers, and farebox revenue is expected to reach \$5,837 million. B&T crossings are also projected to increase each year, reaching 288 million crossings in 2018; toll revenue is forecast to reach \$1,678 million in 2018, increasing in each year.

Compared with the February Plan, MTA consolidated ridership for 2016 is expected to be marginally unfavorable (by less than 0.1%), but favorable for 2017 by 0.2%. The forecasts of traffic at B&T facilities are marginally higher than in the February Plan for both years (by 0.2% for 2016 and 0.3% for 2017). MTA consolidated farebox revenue is expected to be 0.2% higher in 2016 and 0.5% higher in 2017 than was expected in the February Plan, while B&T toll revenue is projected to be 0.2% higher in 2016 and 0.3% higher in 2017.

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

<b>July Financial Plan</b>					
	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Traffic</b>					
Bridges & Tunnels	281.9	283.2	285.3	286.6	288.4
<b>Ridership</b>					
Long Island Rail Road	84.6	85.4	86.1	86.4	86.9
Metro-North Railroad <sup>1</sup>	82.7	84.5	86.0	87.5	88.6
MTA Bus Company	123.5	125.4	126.3	126.4	126.9
New York City Transit <sup>2, 3</sup>	2,402.1	2,449.6	2,483.4	2,500.5	2,518.2
Staten Island Railway	4.3	4.4	4.5	4.5	4.5
<i>Total Ridership</i>	<i>2,697.1</i>	<i>2,749.4</i>	<i>2,786.2</i>	<i>2,805.4</i>	<i>2,825.1</i>

<b>February Financial Plan</b>				
	<b>2014 Adopted Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Traffic</b>				
Bridges & Tunnels	281.6	282.9	284.8	285.8
<b>Ridership</b>				
Long Island Rail Road	83.9	85.0	85.2	85.5
Metro-North Railroad <sup>1</sup>	84.2	85.6	86.8	87.8
MTA Bus Company	124.7	125.3	126.1	126.2
New York City Transit <sup>2, 3</sup>	2,424.6	2,454.5	2,485.0	2,494.7
Staten Island Railway	4.3	4.4	4.4	4.4
<i>Total Ridership</i>	<i>2,721.7</i>	<i>2,754.8</i>	<i>2,787.5</i>	<i>2,798.6</i>

<b>Plan-to-Plan Changes: Favorable / (Unfavorable)</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Traffic</b>				
Bridges & Tunnels	0.3	0.4	0.5	0.8
<b>Ridership</b>				
Long Island Rail Road	0.7	0.4	0.9	0.9
Metro-North Railroad <sup>1</sup>	(1.6)	(1.1)	(0.8)	(0.3)
MTA Bus Company	(1.2)	0.1	0.2	0.2
New York City Transit <sup>2, 3</sup>	(22.5)	(4.8)	(1.6)	5.9
Staten Island Railway	0.0	0.0	0.0	0.1
<i>Total Ridership</i>	<i>(24.6)</i>	<i>(5.4)</i>	<i>(1.3)</i>	<i>6.7</i>

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

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

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

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

<b>July Financial Plan</b>					
	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Toll Revenue</b>					
Bridges & Tunnels	\$1,651.2	\$1,655.1	\$1,664.7	\$1,670.4	\$1,678.4
<b>Fare Revenue</b>					
Long Island Rail Road	650.9	657.3	662.2	666.1	668.4
Metro-North Railroad <sup>1</sup>	649.8	668.5	682.2	696.7	707.3
MTA Bus Company	199.8	201.4	202.9	203.2	204.0
New York City Transit <sup>2, 3</sup>	4,069.7	4,128.6	4,189.2	4,220.1	4,251.3
Staten Island Railway	5.8	5.9	6.0	6.0	6.1
<i>Total Farebox Revenue</i>	<i>\$5,575.9</i>	<i>\$5,661.7</i>	<i>\$5,742.5</i>	<i>\$5,792.0</i>	<i>\$5,837.0</i>
<b>February Financial Plan</b>					
	<b>2014 Adopted Budget</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
<b>Toll Revenue</b>					
Bridges & Tunnels	\$1,649.5	\$1,652.9	\$1,661.9	\$1,665.9	
<b>Fare Revenue</b>					
Long Island Rail Road	644.3	649.0	652.9	655.8	
Metro-North Railroad <sup>1</sup>	660.1	674.0	685.5	696.3	
MTA Bus Company	201.5	202.9	204.6	204.8	
New York City Transit <sup>2, 3</sup>	4,075.9	4,128.6	4,182.5	4,200.6	
Staten Island Railway	5.7	5.8	5.9	5.9	
<i>Total Farebox Revenue</i>	<i>\$5,587.6</i>	<i>\$5,660.2</i>	<i>\$5,731.3</i>	<i>\$5,763.4</i>	
<b>Plan-to-Plan Changes: Favorable / (Unfavorable)</b>					
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
<b>Toll Revenue</b>					
Bridges & Tunnels	\$1.7	\$2.2	\$2.8	\$4.5	
<b>Fare Revenue</b>					
Long Island Rail Road	6.5	8.3	9.3	10.3	
Metro-North Railroad <sup>1</sup>	(10.3)	(5.5)	(3.2)	0.4	
MTA Bus Company	(1.7)	(1.5)	(1.6)	(1.7)	
New York City Transit <sup>2, 3</sup>	(6.2)	0.0	6.7	19.5	
Staten Island Railway	0.0	0.1	0.1	0.1	
<i>Total Farebox Revenue</i>	<i>(\$11.7)</i>	<i>\$1.5</i>	<i>\$11.2</i>	<i>\$28.6</i>	

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

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

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

## OTHER OPERATING REVENUE

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

Approximately 30% of Other Operating Revenue per annum is generated by the MTA Real Estate Department, which provides comprehensive corporate real estate services to MTA Agencies, by acquiring property (purchased or leased) when required to support MTA operations and projects. This centralized function also helps to generate recurring revenues through leasing and licensing of space for retail, advertising, parking, telecom and other purposes and, where feasible, generating funds to support the MTA's capital budgets through the disposition of surplus property. MTA Real Estate Department functions that support Other Operating Revenue fall into two general categories:

*Recurring Revenue from Leases and Licenses:* Retail leasing serves a dual purpose, enhancing the commuting experience of MTA customers while generating operating revenue. *Advertising revenue*, which averages 51% of total real estate revenue, is generated from, but is not limited to, billboards, walls, car cards, brand trains and interior wraps, and digital advertising placed on NYCT, the Commuter Railroads, SIR and MTA Bus 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. *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 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 administrative office space by nearly 20%, allowing for the disposition of NYC Transit's former headquarters at 370 Jay Street in Brooklyn and culminating in the vacating and disposition of the 341, 345 and 347 Madison Avenue properties in Manhattan.

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

Other Operating Revenue July Financial Plan 2015-2018 (\$ in millions)					
	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<i>Rental Income</i>	\$106	\$98	\$101	\$103	\$107
<i>Advertising</i>	135	139	144	148	152
<i>Paratransit Reimbursement</i>	176	182	199	221	240
<i>Fare Reimbursement (students/seniors)</i>	99	100	100	100	100
<i>Concessions</i>	8	8	8	8	8
<i>Parking</i>	18	18	19	19	19
<i>All Other (Investment Income, MetroCard "Green" Fee, Recoveries, etc)</i>	174	99	96	96	97
<b>Total Other Operating Revenue</b>	<b>\$717</b>	<b>\$644</b>	<b>\$667</b>	<b>\$696</b>	<b>\$723</b>

Over the course of the Plan, year-to-year changes reflect a decrease of \$73 million in 2015 and increases of \$23 million in 2016, \$30 million in 2017, and \$27 million in 2018.

The year-to-year decrease in 2015 mainly reflects changes to the timing of Sandy-related storm recoveries, which impacted most Agencies, as well as reductions at MTA HQ due to lower rental revenue generated from the Madison Avenue buildings and re-estimated charge-backs to Agencies for reduced work performed by MTA HQ. By Agency, the decrease in 2015 revenue is as follows: \$41 million at NYCT, \$10 million at MTA HQ, \$8 million at MNR, \$6 million at MTA Bus, \$5 million at B&T, \$2 million at SIR, and \$2 million at the LIRR.

Year-to-year revenue growth from 2016 to 2018 is mainly attributable to higher NYC reimbursements for paratransit services at NYCT of \$20 million in 2016, \$26 million in 2017 and \$22 million in 2018; reimbursement of consolidation/relocation expenses from the disposition of the Madison Avenue properties; and inflationary increases at MTA HQ of \$2 million in each year.

Compared with the February Plan, Other Operating Revenue increases by \$61 million in 2014, \$33 million in 2015, \$28 million in 2016, and \$23 million in 2017. The increase in 2014 primarily reflects expected receipt of Sandy storm-related recoveries from insurance and the federal government, and higher investment income at FMTAC. The revenue increases from 2015 through 2017 reflect higher investment income at FMTAC; New York State support for the Verrazano Narrows Bridge toll rebate program; higher Two Broadway rentals at MTA HQ; and the timing of a real estate sale in 2015 at the LIRR. Partially offsetting these revenue increases are decreases at NYCT from 2015 through 2017 caused by reductions in NYC reimbursements for paratransit services, resulting from lower than previously forecasted paratransit ridership growth. Excluding the projected increase in investment income, other operating revenues increase by \$36 million in 2014, \$9 million in 2015, \$3 million in 2016 and decrease by \$2 million in 2017.

## **PAYROLL**

*At the time that Volume II went to press, the LIRR and its labor unions were in contract negotiations. Volume I presents an updated status of those discussions and a re-estimated cost impact to the LIRR (and Metro-North), as well as MTA's overall bottom line.*

MTA Consolidated Payroll expenses from 2014 through 2018 are influenced by a number of factors including position levels, inflation assumptions, labor agreements, programs and initiatives, and capital project activity.

The July Plan baseline reflects the recent labor settlement at NYCT with the Transport Workers Union (TWU), MTA's largest collective bargaining unit, and assumes the same pattern settlement for employees represented by unions without contract agreements. Accordingly, effective upon the expiration of contracts for those unsettled unions, the following pattern has been applied: 0.87% in Year 1; 0.95% in Year 2; 2.23% in Year 3; 2.22% in Year 4; 1.88% in Year 5; and 2.00% annually going forward. For MTA HQ, the Plan includes the impact of the settlement with the Police Benevolent Association (PBA). Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted.

In 2014, these wage settlements and assumptions result in payroll adjustments estimated at \$256 million, including \$122 million in retroactive payments and \$134 million in new wage base adjustments. Starting in 2015, new wage base adjustments average \$157 million per year through 2018. These labor costs are in excess of the February Plan provision and results in a significant unfavorable impact to the operating budget. A portion of this additional cost will be funded by the suspension of contributions to the GASB fund. Additional information on labor matters are addressed in Volume I.

July Plan payroll expenses are projected at \$4,576 million in 2014, \$4,614 million in 2015, \$4,701 million in 2016, \$4,813 million in 2017, and \$4,904 million in 2018. On a year-to-year basis, expenses increase by \$37 million in 2015, \$88 million in 2016, \$111 million in 2017 and \$92 million in 2018.

The year-to-year growth in 2015 is mostly attributable to higher expenses of \$66 million at NYCT, \$5 million at MTA Bus, \$3 million at B&T, and \$2 million at MTA HQ, partially offset by expense reductions of \$26 million at the LIRR and \$13 million at MNR. The overall increase mostly reflects the impact of the TWU settlement and pattern wage assumptions. 2015 expenses exclude non-recurring retroactive wage payments from 2014 (except at NYCT where such payments for a few of the smaller unions are assumed to occur in 2015). Aside from new wage impacts, expense growth is further influenced by new and existing maintenance and operational programmatic investments, IT-related initiatives, contractual escalations, reduced vacancy assumptions, and the full-year impact of newly authorized positions. (See agency sections for specific program details and headcount implications).

Year-to-year average annual expense growth from 2016 to 2018 largely reflects the continuing impact of the labor adjustments, as well as headcount growth related to East Side Access (ESA) readiness efforts at the LIRR, and the Shop Overhaul and the Salvage and Shop programs at MTA Bus.

Compared with the February Plan, Payroll expenses increase by \$209 million in 2014, \$137 million in 2015, \$116 million in 2016, and \$101 million in 2017. Plan-to-plan increases in 2014 mainly reflect the impact of one-time retroactive wage payments and wage growth pattern assumptions described earlier. By Agency, overall changes are as follows: \$90 million at NYCT; \$52 million at the LIRR; \$35 million at MNR; \$13 million at MTA Bus; \$11 million at MTA HQ; \$6 million at B&T; and \$1 million at SIR.

In 2015, higher expense projections totaling \$137 million mainly reflect a continuation of the wage growth pattern. Total change by Agency is as follows: \$99 million at NYCT; \$12 million at MNR; \$12 million at MTA HQ; \$5 million at B&T; \$4 million at MTA Bus; \$4 million at the LIRR; and \$1 million at SIR. Also within the 2015 projections is the inclusion of retroactive pay at NYCT for several small unions.

For 2016 and 2017, expense increases mainly reflect a continuation of the wage growth pattern and includes additional resources necessary to support new and existing efforts, which include: support for bus, station, and track maintenance-related initiatives at NYCT; the Farebox Maintenance initiative, aging fleet requirements, and revised Shop Overhaul Program assumptions at MTA Bus; the Enterprise Asset Management initiative at MNR; and the MTA Information Technology Transformation Initiative at MTA HQ. These increases are partially offset by revised ESA ramp-up assumptions at the LIRR.



## 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. The MTA has been proactive in its efforts to correct these deficiencies and has made Agency-specific recommendations such as: determining underlying causes for higher absenteeism and addressing abuses; performing cost/benefit sensitivity analysis on overtime vs. straight time economies; re-focusing efforts to achieve overtime control; and addressing fundamental issues responsible for overtime levels. The MTA is committed to more effectively manage these costs.

July Plan expenses are projected at \$680 million in 2014, \$607 million in 2015, \$612 million in 2016, \$623 million in 2017, and \$635 million in 2018, reflecting a year-to-year decrease of \$73 million in 2015, and increases of \$5 million in 2016, \$11 million in 2017, and \$12 million in 2018. Included within this category are expenses attributable to the recent labor settlement with the TWU and the assumption that the same pattern will be applied to other unions without contract agreements. For MTA HQ, the Plan includes the impact of the PBA settlement. Accordingly, those impacts, including retroactive pay, are as follows: \$33 million in 2014; \$18 million in 2015; and \$19 million in each of the out-years.

The year-to-year decrease in 2015 is mostly attributable to NYCT (\$45 million) due to increased coverage necessitated by adverse weather experienced in early 2014 and a leveling-off of some 2014 planning-related assumptions, such as those for vacancy and absentee coverage. Expenses decrease at the LIRR (\$15 million) mostly due to the one-time retroactive payment in 2014 based on the labor assumption described above, anticipated lower weather-related overtime and lower requirements for project activity. Expenses decrease at MNR (\$6 million) mostly due to a one-time retroactive payment in 2014 based on the labor assumption described above. MTA Bus expenses decrease in 2015 (\$5 million) due to lower weather-related overtime and lower coverage required for fleet maintenance. Out-year changes largely reflect the impact of general wage increase assumptions.

When compared with the February Plan, overtime expenses increase by \$122 million in 2014, \$58 million in 2015, \$59 million in 2016, and \$61 million in 2017. The bulk of the increase reflects retro-active wage payments and new wage patterns resulting from the wage settlement assumptions. Accordingly, 2014 results to date reflect an overall higher level of overtime expenses. In addition to the wage impacts, expense increases are driven by NYCT (\$70 million in 2014, followed by average annual increases of \$36 million thereafter) due to adverse weather in early 2014 and refining overtime projections to more accurately reflect usage levels needed for additional bus traffic, FasTrack, signals and facility maintenance, and increased supervision requirements. MNR's expense increases (\$23 million in 2014 followed by average annual increases of \$19 million thereafter) are mostly attributable to coverage associated with programmatic and routine maintenance, scheduled service, weather emergencies, and unscheduled maintenance. LIRR's plan-to-plan increases (\$23 million in 2014 followed by average annual increases of \$5 million thereafter) are due to revised weather-related coverage requirements and short-term programmatic initiatives. At MTA Bus, expenses increase by \$6 million in 2014 and remain basically unchanged for each of the out-years, due to coverage for inclement weather and vacancies, as well as for fleet maintenance.

It should be noted that actual Non-Reimbursable and Reimbursable overtime spending year-to-date through May, 2014 exceeded the Adopted Budget by \$91 million. Approximately \$26 million or 28% of this variance is attributable to weather emergencies, specifically, \$17 million at

NYCT, \$4 million at the LIRR, \$3 million at MNR, and \$2 million at MTA Bus. The July Plan has been adjusted to reflect improved forecasting and steps necessary to address overtime spending affected by vacancy/absentee coverage issues, unscheduled service, and programmatic/routine maintenance.

## **HEALTH & WELFARE**

Empire Plan premium rates provided in April 2014 by the New York State Department of Civil Service are used as the primary assumption for per-employee Health & Welfare premium expenses in 2014 and 2015. Premium forecasts for 2016 through 2018 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 \$995 million for the 2014 Mid-Year Forecast. July Plan Health & Welfare expenses for the 2015 Preliminary Budget are projected to be \$1,070 million, \$76 million greater than 2014 expenses, primarily due to higher costs for premiums and anticipated increases in positions. MTA Consolidated Health & Welfare expenses are forecast to increase annually by 6.2%, 7.4% and 7.7%, respectively, for 2016 through 2018, when expenses are projected to reach \$1,314 million.

July Plan forecasts are lower than expense forecasts in the February Plan, favorable by \$32 million in 2014, \$30 million in 2015, \$46 million in 2016 and \$53 million in 2017. These favorable changes are attributable to lower projected costs for premiums primarily due to a decrease in the projected 2013 claims base, a reduction in the 2013 trend estimate as well as the impact of anticipated increases in Health & Welfare contributions resulting from labor settlements.

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

### **OPEB**

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

The annual review by the MTA’s actuary resulted in an increased annual required contribution (ARC) to \$2,843 million, as of December 31, 2013, an increase of 7.4% over the prior ARC of \$2,648 million. The value of the unfunded accrued liability in the 2012 valuation is currently estimated to be \$19.9 billion, an increase of 12.3% over the estimate in the 2010 valuation.

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 \$28 million in 2014, \$29 million in 2015, \$37 million in 2016 and \$41 million in 2017. The favorable variances are primarily due to lower employer premium assumptions.

## GASB FUND

While the GASB 45 standard only requires the disclosure of this future liability, the MTA has taken measures to fund this growing liability. Agency contributions to this GASB fund are captured in the Cash Receipts and Expenditures Statement. In June 2008, the MTA Board approved the establishment of the “MTA Retiree Welfare Benefits Trust” (“OPEB Trust”) to govern the administration and investment of the OPEB Trust assets. Annual contributions are deposited with the MTA Treasurer in the GASB Fund Reserve, with the intent of periodically moving such funds into the OPEB Trust. Since 2012, \$300 million has been moved from the GASB Fund Reserve to the OPEB Trust.

As a result of the TWU labor settlement, the MTA intends to fund a portion of the settlement impact with the suspension of contributions to the GASB fund beginning in mid-2014 lasting through 2017, with reduced contributions to continue thereafter. The MTA remains fully committed to the importance of funding this growing obligation, and this topic will be revisited should MTA’s financial situation improve. Annual projected contributions are \$48 million in 2014, \$0 in 2015 through 2017 and \$10 million in 2018.

In comparison with the February Plan, the impact of the changes to the cash Contribution to GASB Fund expenditures result in favorable budgetary variances of \$50 million in 2014, \$106 million in 2015, \$114 million in 2016 and \$123 million in 2017 due to the suspension of contributions beginning in mid-2014 and lasting through 2017.

## **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 lowered assumed rate of return on investments from 8.0% down to 7.0%<sup>1</sup> for NYCERS and from 7.5% down to 7.0% for MTA-sponsored Plans beginning in FY2013<sup>2</sup>. Additionally, year-to-year pension cost changes reflect the impact of a new pension tier—Tier 6—which applies to new participants of NYCERS, NYSLRS, MaBSTOA and MTA Police members of the MTA Defined Benefit Plan hired after April 1, 2012.

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<sup>1</sup> The 8.0% rate of return assumption was based on a return gross of expenses while the current 7.0% rate of return assumption is based on a return net of expenses; the change from 8.0% to 7.0% is, in effect, a net decrease of 80 basis points (0.8%).

<sup>2</sup> NYCERS FY2013 began on July 1, 2012; MTA-sponsored Plans’ FY2013 began on January 1, 2013.

Pension expenses total \$1,341 million in 2014 and decrease by \$11 million in 2015, \$5 million in 2016 and \$11 million in 2017 and increase by \$13 million in 2018, when total pension expenses are projected to be \$1,327 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 unfavorable by \$21 million in 2014 and favorable by \$2 million in 2015, \$28 million in 2016 and \$43 million in 2017. Plan-to-plan variances reflect the impact of lower pension costs in the outer years resulting from a forecast revision of Tier 6 membership. Partially offsetting these savings is the impact for anticipated labor settlements.

## **OTHER FRINGE BENEFITS**

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

July Plan Expenses are projected at \$617 million in 2014, \$616 million in 2015, \$637 million in 2016, \$662 million in 2017, and \$684 million in 2018. Over the course of the Plan, on a year-to-year basis, this results in a reduction of expenses totaling \$0.4 million in 2015, followed by average annual increases of \$23 million from 2016 through 2018.

Included in the July Plan are expenses attributable to the recent labor settlement with the TWU (PBA at MTA HQ) and the assumption that the same pattern will be applied to other unions without contract agreements. The anticipated impact is \$26 million in 2014; and \$14 million in each of the out-years.

Aside from the wage impacts noted above, the year-to-year decrease in 2015 is mainly at the LIRR (\$5 million) and MNR (\$2 million) and reflects the latest Railroad Retirement Tax and Railroad Unemployment assumptions as well as employee claims adjustments. This is partially offset by higher expenses at NYCT (\$7 million), reflecting the overall impact of staffing levels, programmatic changes, and inflationary payroll rate assumptions.

For the years 2016 through 2018, year-to-year average annual expense growth is \$11 million at NYCT, \$6 million at the LIRR, \$3 million at MNR, and \$2 million at MTA Bus, and is consistent with changes in staffing levels, employee injury claims, payroll rate assumptions, and a continuation of the RRT and Railroad Unemployment assumptions at the Commuter Railroads as noted above.

Compared with the February Plan, 2014 expenses increase by \$31 million primarily due to adjustments for the TWU-based wage pattern. By Agency, plan-to-plan increases in 2014 are \$14 million at NYCT, \$11 million at the LIRR, \$3 million at MNR, \$1 million at SIR, and a total of \$1 million combined at MTA HQ, B&T, and MTA Bus.

The increases in subsequent years through 2017 reflect new wage pattern adjustments and a continuation of the RRT and Railroad Unemployment assumptions at the Commuter Railroads.

## ELECTRIC POWER

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

Expenses associated with the NYPA LTA are based on NYPA's current 2014 cost of service estimate, which reflects actuals through February and a May revision for the remainder of the year. Projections after 2014 for NYPA cost of service 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 through 2015 are based on rates without increases as approved by the State Public Service Commission (PSC); alternating 10% and 15% increases are expected for subsequent years. The 2014 Con Ed delivery rate also reflects the final phase-in of the delivery rate redesign, which began in 2011; as of April 2014, the Con Edison delivery rate charged to MTA reflects full delivery cost.

The forecast for NYPA-supplied electricity for the 2014 Mid-Year Forecast is projected to increase 17.39% for traction power and 4.9% for non-traction power, compared with 2013 costs; this reflects steeper prices for natural gas, the primary variable cost in the generation of electricity. The 2014 Adopted Budget assumed a decline of about 3 percent due to lower diesel fuel and natural gas prices, and also assumed an offset for a contractual accounting adjustment for prior year expenses would take place in 2013; NYPA is working to finalize this adjustment and it is now expected to take place in 2014, and is reflected in the 2014 Mid-Year Forecast. Con Ed delivery rates are projected to be 5.2% greater than charges incurred in 2013, lower than the projected 12.7% increase in the Adopted Budget assumption.

The rate for NYPA-supplied electricity for the 2015 Preliminary Budget, compared with the 2014 Mid-Year Forecast, is projected to decrease 14.8% for both traction and all other purposes, reflecting a projected significant reduction in natural gas prices along with a modest decline in diesel fuel costs. This change also reflects the one-time accounting adjustment payment expected in 2014; without that adjustment, the year-to-year decrease would be 13.3%. In the February Plan, 2015 NYPA expenses were projected to increase 5.5%. Con Ed delivery rates are projected to be unchanged from 2014, reflecting the PSC approved rates; in the February Plan, Con Ed delivery rates were projected to increase 10.4% from 2014 to 2015.

NYPA rates, both for traction and for all other uses, are expected to increase 1.3% in 2016, 16.4% in 2017 and 7.6% in 2018. The February Plan assumed NYPA rates would increase 5.3% in 2016 and 4.4% in 2017. For 2016 through 2018, Con Ed delivery rates are projected to be 10% in 2016, 15% in 2017 and 10% in 2018; in the February Plan Con Ed increases were projected to be 10% for 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 4.2% in 2014, compared with the 3.8% increase assumed in the Adopted Budget. The LIPA and CL&P rates for electricity are estimated to increase 1.6% in 2015, slightly higher than the 1.3% projection in the February

Plan. For 2016, LIPA and CL&P rates are expected to increase 0.9% (compared with 2.3% projected in the February Plan), increase 3.2% in 2017 (compared with 2.4% in the February Plan), and increase 3.4% in 2018.

MTA Consolidated Electric Power expenses of \$551 million for the 2014 Mid-Year Forecast are \$58 million (11.7%) higher than 2013 expenses. This estimate is \$16 million (3.0%) unfavorable compared with the Adopted Budget projection, and primarily reflects the impact of higher natural gas prices on rates, as well as the delay into 2014 of the NYPA non-recurring accounting adjustment.

Expenses for the 2015 Preliminary Budget are expected to be \$514 million, a decrease of \$37 million (6.7%) from the 2014 Mid-Year Forecast, primarily reflecting the impact of lower natural gas prices on annual rate changes and the additional expense in 2014 of the NYPA non-recurring accounting adjustment. Compared with the February Plan, 2015 is \$56 million (9.8%) favorable, due to lower than previously projected electric rates and the unchanged Con Ed delivery rate in 2015. MTA Consolidated Electric Power expenses are forecast to increase by 4.0% in 2016, 13.8% in 2017 and 7.8% in 2018, reaching \$656 million in 2018. Compared with the February Plan, forecasts are \$71 million (11.7%) favorable in 2016 and \$35 million (5.4%) favorable in 2017.

## FUEL

Diesel and natural gas prices for the 2014 July Financial Plan include actual prices through April 28, 2014 and reflect commodity futures prices as of May 6, 2014. Where commodity futures prices are unavailable, price changes are projected using Global Insight forecasts (May 2014) for New York Harbor No. 2 Distillate for heating oil and diesel and PPI (Producer Price Index) Utility for Natural Gas.

Oil prices are forecast to change modestly from the projections used in the July Plan. On a year-to-year basis, Ultra Low Sulfur Diesel (ULSD) prices are projected to decrease by 3.6% and 3.8% in 2015 and 2016, respectively, and then increase by 1.8% and 3.0% in 2017 and 2018, respectively. For Compressed Natural Gas (CNG), prices are forecast to decrease by 28.3% and 2.8% in 2015 and 2016, respectively, but increase by 16.4% and 5.2% in 2017 and 2018, respectively.

Since 2008, the MTA has used financial instruments to hedge a portion of its projected fuel expense to reduce budgetary risk from price volatility.<sup>3</sup> The MTA intends to continue this strategy, with new hedge contracts extending as far as 24 months from execution date, which provides a measure of financial stability from price fluctuations. At any point in time, approximately 50% of the projected fuel usage for the forward 12-month period will be hedged.

Fuel expenses of \$268 million for the 2014 Mid-Year Forecast are virtually unchanged from the 2014 Adopted Budget. The 2014 Mid-Year Forecast price for ULSD and Heating Oil are estimated to be \$0.02 and \$0.11 per gallon lower, respectively, while CNG prices are estimated to be \$1.88 per MMBTU (million metric British thermal unit) higher than price assumptions in the 2014 Adopted Budget.

Fuel expenses for the 2015 Preliminary Budget are estimated to be \$265 million, \$3 million less than projected in the February Plan. The price for ULSD is estimated to be \$0.01 per gallon

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<sup>3</sup> Financial impacts from fuel hedge settlements are reflected in cash subsidies, not in the fuel expense category.

lower than assumed in the February Plan, CNG prices are projected to be \$0.11 per MMBTU lower, while Unleaded Gasoline is estimated to be \$0.01 per gallon higher, than the February Plan.

July Plan Fuel expenses in 2016 are estimated to be \$ 254 million, \$14 million less than projected in the February Plan. The price for ULSD is estimated to be \$0.15 per gallon lower and CNG prices are estimated to be \$0.39 per MMBTU lower, than the February Plan.

July Plan Fuel expenses in 2017 are estimated to be \$ 259 million, \$17 million less than projected in the February Plan. The price for ULSD is estimated to be \$0.19 per gallon lower, but CNG prices are estimated to be \$0.25 per MMBTU higher, than the February Plan.

July Plan Fuel expenses in 2018 are estimated to be \$268 million.

## INSURANCE

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

- All-Agency Excess Liability (Primary)
- All-Agency Excess Liability (Excess)<sup>1</sup>
- All-Agency Protective Liability (Primary)
- All-Agency Protective Liability (Excess)
- All-Agency Protective Liability (LORAM)
- All-Agency Property Policy<sup>2</sup>
- All-Agency Sabotage & Terrorism<sup>2</sup>
- Comprehensive Automobile Liability<sup>3</sup>
- Paratransit (Access-A-Ride)<sup>3</sup>
- 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	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
NYCT	\$62	\$68	\$77	\$89	\$102	\$117
LIRR	20	24	26	29	33	36
MNR	14	18	20	22	24	27
SIR	1	1	2	2	2	2
MTA Bus	3	3	4	5	6	6
B&T	10	16	17	19	20	22
MTAHQ	3	2	2	2	2	3
Total Gross Insurance Expenses	\$113	\$132	\$148	\$167	\$189	\$214
Insurance Credits						
FMTAC	(\$75)	(\$84)	(\$90)	(\$97)	(\$104)	(\$113)
Net Insurance Expenses	\$39	\$48	\$58	\$71	\$85	\$101

<sup>4</sup> A portion is insured through FMTAC and the remainder is insured in the global market.

<sup>5</sup> These policies are insured through FMTAC and then reinsured in the global market.

<sup>6</sup> Only the deductible portion of these policies is captured within FMTAC.

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

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

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

In comparison with the February Financial Plan, MTA Consolidated Insurance expenses are favorable by \$3 million in 2014, \$10 million in 2015, \$17 million in 2016 and \$25 million in 2017. The favorable variances are primarily due to the renewal of several large policies at prior year rates, partially offset by higher premiums in the Excess Loss Programs.

## **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 to be \$20.4 million in 2014, \$21.5 million in 2015, \$21.7 million in 2016, \$22.5 million in 2017 and \$22.8 million in 2018. In comparison with the February Financial Plan, Claims expenses are unfavorable by \$3 million in 2014, \$4 million in 2015, \$2 million in 2016 and \$6 million in 2017, reflecting 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) and eligibility determinations, as well as for operational services for scheduling and dispatching trips. Maintenance expenses for vehicle rehabilitations, the



scheduling system, the Automated Vehicle Locator and the Interactive Voice Response system are also included.

Faced with a projected rapid growth in the demand for paratransit service and an associated increase in expenses, in 2010, MTA embarked on an ambitious plan to control expenses. This included reducing non-service related costs and average cost per trip, improved enforcement of eligibility requirements, and the conversion of contracted trips to fixed route feeder trips. Following up in September, 2013, the MTA introduced the Paratransit Fare Incentive (Zero Fare Proposal), an efficiency initiative that would enable paratransit customers to ride subways and buses for free using special zero-fare MetroCards.

July Plan expenses are projected to be \$382 million in 2014, \$392 million in 2015, \$427 million in 2016, \$480 million in 2017, and \$523 million in 2018, reflecting year-to-year increases of \$10 million in 2015, \$35 million in 2016, \$53 million in 2017, and \$42 million in 2018. These increases mainly reflect projected annual trip growth of 7% and CPI inflationary adjustments on paratransit carrier contracts.

Compared with the February Financial Plan, Paratransit Service Contract expenses are projected to decrease by \$12 million in 2014, \$20 million in 2015, \$29 million in 2016, and \$45 million in 2017. The savings are primarily the result of a projected reduction in trip activity.

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 2014-2018 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 and services, rolling stock purchases), and maintenance services (e.g., construction services, snow removal). Expense forecasts for this category are based on contractual increases and regional CPI forecasts.

July Plan expenses are projected at \$591 million in 2014, \$630 million in 2015, \$659 million in 2016, \$637 million in 2017 and \$633 million in 2018, reflecting year-to-year increases of \$40 million in 2015 and \$28 million in 2016, followed by decreases of \$22 million in 2017, and \$3 million in 2018.

The year-to-year increase in 2015 is attributable to: MTA Bus (\$29 million) mostly due to Shop Program changes in Hybrid Bus conversion and MCI engine and structural upgrades; SIR (\$8 million), mainly due to the R44 car fleet maintenance program; B&T (\$5 million), mostly for major maintenance and preventive maintenance for key bridge and tunnel components, the E-ZPass Tag Replacement program and an increase for E-ZPass Customer Service Center expenses associated with the All Electronic Tolling (AET) program; NYCT (\$4 million), mostly attributable to purchases of paratransit vehicles; and MNR (\$3 million) mainly due to a new cycle of locomotive overhauls. These unfavorable projections are partially offset by lower expenses at the LIRR (\$6 million) and are due to the completion of the elevator maintenance overhaul and concrete tie replacement programs, lower non-revenue vehicle repairs and replacement, and various security initiatives; and MTA HQ (\$3 million) mostly due to the presumed leasing of the Madison Avenue properties.

The year-to-year increase in 2016 is mainly driven by: NYCT (\$11 million), largely due to the timing of bus shop requirements; SIR (\$8 million), due to the full year cost of the R44 car fleet maintenance program; B&T (\$6 million), mostly for major maintenance and preventative maintenance for key bridge and tunnel components, and E-ZPass Customer Service Center expenses associated with the All Electronic Tolling (AET) program; MNR (\$4 million) mainly for a new cycle of locomotive overhauls; and the LIRR (\$2 million) for contractual and normal inflationary increases. These unfavorable projections are partially offset by lower expenses at MTA Bus (\$4 million), primarily caused by changes in the Shop Overhaul Program.

The year-to-year decrease in 2017 is mainly attributable to: SIR (\$17 million), primarily due to the shifting of expenses for the R44 car fleet maintenance program to 2016 from 2017 thereby accelerating the program; MTA Bus (\$10 million) mostly due to changes in the Shop Overhaul Program; and NYCT (\$9 million), mainly due to the timing of bus shop requirements which pushed expenses into 2016. Partially offsetting these lower expenses are higher expenses at the B&T (\$6 million), due to major and preventive maintenance on key bridge and tunnel components and E-ZPass Customer Service Center expenses associated with the All Electronic Tolling (AET) program; the LIRR (\$5 million) mainly due to contractual and normal inflationary increases; and MNR (\$3 million) mostly driven by higher office space expenses and inflationary increases.

The year-to-year decrease in 2018 is mainly driven by MTA Bus (\$14 million), reflecting the impact of revisions to the Shop Overhaul Program. This favorable projection is partially offset by unfavorable expenses at B&T (\$7 million) mostly for major and preventive maintenance on key bridge and tunnel components, E-ZPass Customer Service Center expenses associated with the All Electronic Tolling (AET) program and the E-ZPass Tag Replacement Program, as well as the LIRR (\$2 million), largely due to East Side Access start-up costs.

Compared with the February Plan, Maintenance and Other Operating Contracts increase by \$8 million in 2014, \$4 million in 2015, and \$15 million in 2016 and decrease by \$6 million in 2017. In 2014, plan-to-plan increases are driven by higher Two Broadway ground lease payments and IT new needs at MTA HQ, and higher SMS fleet maintenance expenses at NYCT. These projections are partially offset by lower expenses at MNR, reflecting savings resulting from lower lease expense for office space; delays in the locomotive overhaul programs; and a review of maintenance contracts that resulted in operating efficiencies. In 2015 and 2016, including the aforementioned reasons at MTA HQ and NYCT, additional increases are driven by the shifting of R44 car fleet maintenance program expenses from 2017 to 2016 at SIR; and the Infrastructure Improvement Program; New Haven Line car disposal costs; customer enhancement projects at Grand Central Terminal; and power substation refurbishments at MNR. These unfavorable projections are partially offset by lower expenses at the LIRR mainly due to timing and re-estimates of various contracts; and at B&T due to the shifting of some major projects into general engineering services. In 2017, the plan-to-plan decrease is driven primarily by the impact of the revised opening date of East Side Access at the LIRR; and a shift in expenses for the R44 car fleet maintenance program from 2017 to 2016 at SIR. These favorable projections are partially offset by higher expenses for the aforementioned reasons at MTA HQ, MNR and NYCT; as well as increases in the number of low-floor tires, CNG engines and transmission work, and Life Extension work scheduled to be performed on 22 MCI buses at MTA Bus.

## 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 \$346 million in 2014, \$337 million in 2015, \$325 million in 2016, \$327 million in 2017, and \$337 million in 2018, reflecting a decrease of approximately \$9 million in 2015, a decrease of \$12 million in 2016, followed by year-to-year increases of \$2 million in 2017 and \$10 million in 2018.

Total year-to-year expense reductions in 2015 predominantly reflect decreases of \$8 million at the LIRR, which captures revised timing assumptions of Information Technology system initiatives and various other professional service contracts; decreases of \$2 million at MNR, reflecting non-recurring 2014 budget system start-up costs; and decreases of \$2 million at B&T, resulting from the completion of various studies and surveys performed in 2014 under General Engineering Services. These results are partially offset by expense increases totaling \$1 million each at NYCT and MTA HQ, which are mainly timing adjustments for several IT-related expenditures.

Year-to-year average annual changes from 2016 through 2018 reflect the impact of inflationary adjustments, reduced IT New Needs, re-estimates from 2015, and lower IT hosting expenses at MTA HQ where expenses are projected to decline by \$9 million in 2016, remain flat in 2017, and increase by \$2 million in 2018. Other changes year-over-year are further influenced by the timing of information technology projects: NYCT expenses are projected to decline by \$2 million in 2016, and increase by \$2 million and \$4 million in 2017 and 2018, respectively; at the LIRR, expenses are expected to fluctuate, declining by approximately \$1 million in 2016, and rising to \$2 million by 2018. Year-over-year changes at other agencies were modest and mostly reflect inflationary adjustments, the timing of various IT-related projects, and several limited duration initiatives, as well as higher MTA PD costs related to the ESA project at MTA HQ.

Compared with the February Plan, expenses increase by \$8 million in 2014, \$17 million in 2015, \$8 million in 2016, and \$5 million 2017. The major contributors are:

- HQ: expense increases of \$6 million in 2014, \$11 million in 2015, \$4 million in 2016, and \$3 million 2017 reflect investments to the Enterprise Asset Management initiative and for the MTA Information Technology Transformation initiative which will provide key resources in support of MTA and Agency IT operations, including desktop support for all the agencies by in-house staff rather than outside vendors, and IT security.
- B&T: expense increases of \$7 million in 2014, \$5 million in both 2015 and 2016, and \$3 million in 2017 reflect the reclassification of several engineering projects from major maintenance, higher bond issuance fees resulting from projected increased financing activities, and higher re-estimates for procurement credit card purchases.
- MNR: expense increases of \$2 million in 2014, and \$1 million annually in 2015–2017 mainly reflect Budget system implementation and maintenance costs.

- NYCT: Annual expense decreases of \$7 million in 2014 and average annual reductions of \$2 million in 2015–2017, primarily result from Workers' Compensation Board savings associated with New York State systemic reform.

## **MATERIALS AND SUPPLIES**

Materials & Supplies reflect funding for a variety of expenses including but not limited to rolling stock replacement parts, electrical supplies, communication equipment, project materials, roadway equipment, and infrastructure maintenance supplies. Agency increases in Materials and Supplies for 2015 through 2018 are inflated primarily by regional CPI-U forecasts.

July Plan expenses are projected at \$550 million in 2014, \$555 million in 2015, \$565 million in 2016, \$567 million in 2017, and \$570 million in 2018, reflecting year-to-year increases of \$5 million in 2015, \$10 million in 2016, and \$2 million in 2017 and 2018.

The year-to-year increase in 2015 is mostly attributable to revised timing assumptions, specifically at NYCT (\$4 million) for the subway and bus fleet maintenance programs; and MTA Bus (\$2 million) due to fluctuations in Shop Overhaul requirements.

Year-to-year increases for 2016 through 2018 also reflect the change-out of M7 obsolete materials and East Side Access readiness efforts (\$7 million in 2016, \$2 million in 2017, and \$4 million in 2018) at the LIRR; the revised timing of subway and bus fleet maintenance requirements at NYCT (\$3 million in 2017 and \$4 million in 2018), and fluctuations in the timing of Shop Overhaul requirements at MTA Bus (\$4 million unfavorable in 2016, \$2 million and \$6 million favorable in 2017 and 2018, respectively).

Compared with the February Plan, expenses increase by \$22 million in 2014, \$7 million in 2015, \$9 million in 2016, and \$3 million in 2017. The plan-to-plan increase in 2014 is mainly attributable to NYCT (\$13 million) resulting from a rollover from 2013 of SMS fleet maintenance expenses; the LIRR (\$4 million) due to a reclassification of security funding from Professional Services to Materials & Supplies; and MNR (\$3 million) primarily due to derailment and infrastructure repairs and a write-off of obsolete inventory. For 2015-2017, expense increases are primarily attributable to the retirement of the M3 fleet and maintenance on the M7 fleet at the LIRR; costs for the M7 Seat Change-Out Plan, costs associated with derailment repairs and security system installations at MNR; and changes in the Shop Overhaul Plan at MTA Bus. It should be noted that the LIRR will realize savings of \$2 million in 2017 due to a revised East Side Access ramp-up plan.

## **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 \$181 million in 2014, \$184 million in 2015, \$198 million in 2016, \$199 million in 2017 and \$209 million in 2018, reflecting year-to-year increases of \$3 million in 2015, \$14 million in 2016, \$1 million in 2017 and \$10 million in 2018. Included within this category are expenses attributable to the recent labor settlement with the TWU and the assumption that the same pattern will be applied to other unions without contract agreements; accordingly those impacts are as follows: \$6 million in 2014; and \$11 million in each of the out-years.

The year-to-year increase in 2015 is mostly attributable to higher expenses at NYCT (\$ 6 million), chiefly reflecting the impact of granting Metro-North Railroad and Long Island Rail Road commutation passes to TWU employees living outside of the five boroughs of New York City – a benefit resulting from the TWU contract settlement; and at MTA HQ (\$4 million) for additional support to subsidiary representing the MTA share of the Verrazano Narrows Bridge toll rebate program. These variances were partially offset by lower expenses at MNR (\$8 million) mainly due to the shifting of an anticipated reimbursement from Con Edison for revenue loss and expenses incurred as a result of a power outage on the New Haven Line that occurred in September 2013.

The year-to-year increase in 2016 is mostly attributable to higher expenses at MNR (\$11 million) mainly due to a projected non-recurring Con Edison reimbursement in 2015 and NYCT (\$2 million) for providing railroad passes to TWU employees as a result of the TWU labor settlement.

The year-to-year increase in 2017 is mostly attributable to MTA Bus (\$ 2 million) due mostly to increased spending on Automatic Fare Collection (AFC) and Ticket printing fees/charges; MNR (\$1 million) mostly due to the impact of additional service expansions and adjustments to West-of-Hudson subsidies; and B&T (\$1 million) mostly due to inflationary adjustments. These variances were partially offset by lower expenses at NYCT (\$4 million) mainly due to reimbursable account adjustments impacting non-reimbursable expenses.

The year-to-year increase in 2018 is mostly driven by the LIRR (\$6 million) and caused by M3 fleet decommissioning expenses, and NYCT (\$2 million) mostly due to providing railroad passes to TWU employees.

Compared with the February Plan, expenses increase by \$30 million in 2014, \$17 million in 2015, \$26 million in 2016 and \$23 million in 2017. The increases are mainly driven by the Verrazano Narrows Bridge toll rebate program at MTA HQ; providing railroad passes to TWU employees at NYCT; shifting a presumed reimbursement from Con Edison from 2014 to 2015 for impacts resulting from a power outage on the New Haven Line; higher expense re-estimates at FMTAC; and the reclassification of the Payroll Mobility Tax expenses from Other Fringe Benefits at MTA Bus. These unfavorable projections are partially offset by lower expenses at MNR mainly caused by a presumed reimbursement from Con Edison in 2015, reduced subsidy payments to New Jersey Transit for West-of-Hudson operations, and lower processing fees for mobile ticketing; the reclassification of office supplies to Materials & Supplies at the LIRR; and favorable re-estimates of credit and debit card fees at B&T.

## **2014 Budget Reduction Program (BRP)**

MTA Agencies were given a recurring deficit reduction target totaling \$50 million in New Fare Reduction Initiatives for the July Plan. In order to achieve greater savings, Agencies were permitted to apply only 50% of real and discretionary prior-year (2013) favorable results toward meeting their deficit reduction target, with the remaining 50% available to help fund new programs. Additionally, for each Agency, the 50% share of 2013 favorable results (real and discretionary) can only be applied to reduce the amount of the 2014 target and cannot be carried forward to meet the target in subsequent years.

The BRP's developed for this Plan result in programmatic savings that reduce the deficit by \$27.8 million in 2014, \$45.9 million in 2015, \$40.9 million in 2016, \$36.8 million in 2017 and \$36.5 million in 2018, as well as reflect a decrease of 99 positions by the end of the Plan period. All BRPs have been incorporated in to Agency baselines within the category construct of MTA's traditional financial statements.

### **METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2015 - 2018**

(\$ in millions)

Favorable/(Unfavorable)

<b>2014 Budget Reduction Program by Agency and Category</b>										
	<b>2014</b>		<b>2015</b>		<b>2016</b>		<b>2017</b>		<b>2018</b>	
	<b>Pos</b>	<b>\$</b>	<b>Pos</b>	<b>\$</b>	<b>Pos</b>	<b>\$</b>	<b>Pos</b>	<b>\$</b>	<b>Pos</b>	<b>\$</b>
<b>Agency:</b>										
New York City Transit/SIR	47	19.6	80	26.6	80	26.6	80	26.6	80	26.6
Long Island Rail Road	-	3.2	-	2.7	-	2.7	-	2.7	-	2.7
Metro-North Railroad	-	4.4	11	4.5	11	4.5	11	4.5	11	4.5
Bridges & Tunnels	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
MTA Headquarters	-	0.0	-	1.3	-	1.4	-	1.4	-	1.4
<b>Total (Excluding MTA Bus)</b>	<b>47</b>	<b>\$27.2</b>	<b>91</b>	<b>\$35.2</b>	<b>91</b>	<b>\$35.2</b>	<b>91</b>	<b>\$35.2</b>	<b>91</b>	<b>\$35.2</b>
MTA Bus	6	0.6	63	10.8	35	5.7	11	1.6	8	1.3
<b>Total</b>	<b>53</b>	<b>\$27.8</b>	<b>154</b>	<b>\$45.9</b>	<b>126</b>	<b>\$40.9</b>	<b>102</b>	<b>\$36.8</b>	<b>99</b>	<b>\$36.5</b>
<b>Category:</b>										
Administration	-	15.9	-	19.9	-	19.9	-	20.0	-	20.0
Customer Convenience/Amenities	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Maintenance/Inventory	28	3.4	51	8.2	51	7.9	51	7.9	51	7.9
Revenue Enhancement	17	2.4	17	2.1	17	2.1	17	2.1	17	2.1
Safety/Security	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Service	2	2.2	23	2.2	23	2.5	23	2.5	23	2.5
Service Support	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Other	-	3.2	-	2.7	-	2.7	-	2.7	-	2.7
<b>Total (Excluding MTA Bus)</b>	<b>47</b>	<b>\$27.2</b>	<b>91</b>	<b>\$35.2</b>	<b>91</b>	<b>\$35.2</b>	<b>91</b>	<b>\$35.2</b>	<b>91</b>	<b>\$35.2</b>
MTA Bus - Other	6	0.6	63	10.8	35	5.7	11	1.6	8	1.3
<b>Total</b>	<b>53</b>	<b>\$27.8</b>	<b>154</b>	<b>\$45.9</b>	<b>126</b>	<b>\$40.9</b>	<b>102</b>	<b>\$36.8</b>	<b>99</b>	<b>\$36.5</b>

Major budget reduction initiatives that comprise the total 2014 BRPs – Programmatic are listed below by a agency. Specific details can be found in the BRP worksheets located in Agency sections.

#### **NYCT BRP Savings:**

- Employee Group Waiver Plan (EGWP) Program savings based on an Affordable Care Act prescription drug plan for Medicare-eligible members that is a more financially affordable alternative than existing plans;
- Medical Eligibility Initiative savings based on improving the efficiency of eliminating coverage for ineligible persons and the automation of transferring Medicare beneficiaries to primary status;
- Subways Availability-Reduction of “Injury-on-Duty” Lost Days results in projected Workers’ Compensation savings achievable through a more comprehensive and aggressive monitoring and review of claims thereby reducing the number of days employees are out of work on a long-term basis;
- Subways Availability-Video Right To Know (RTK) training at home will result in projected position reductions and increase station agent and station cleaner availability;
- Subways Facility Cleaning Efficiencies will result in savings to be achieved by implementing improved processes for car and facility cleaning;
- Revenue Collection Efficiencies savings based on the opportunity to reduce labor costs resulting from the implementation of the \$1 Green Fee charge which significantly reduced the number of new MetroCards produced; and
- Tower Operator Efficiencies savings based on a zero-based budget analysis of the Rapid Transit Subdivision B Tower Operator and Supervision functions.

#### **LIRR BRP Savings:**

- Implementation of tighter management controls and oversight on operating and administrative departments’ non-payroll budgets and spending with particular emphasis on contract services.

#### **MNR BRP Savings:**

- Savings were achieved through both non-recurring reductions—including management position vacancies, the rescheduling of a Genesis locomotive overhaul from 2014 to 2015, and service plan adjustments—and recurring reductions, including reduced material usage for M8 cars, reduced maintenance contracts costs for contracted shop equipment and communications equipment, scheduling changes for new Genesis and BL20 locomotive overhauls, reducing train crew costs and energy expenses, reduced materials needs for M7 car seat replacements, and increases to other operating revenue resulting from additional GCT retail revenues and expanded parking space at the North White Plains station parking facility.

**MTAHQ BRP Savings:**

- MTAPD has reduced expenses for facilities maintenance and repairs, and expenses for contracts for outside vendors;
- MTAHQ has reduced leases and rentals expenses, and expenses for advertising, outside consultants, and vendors; and
- Additional other operating revenue from higher projected Transit Museum facility rental revenue.

**SIR BRP Savings:**

- Vacancy savings based on assessment of position functions and risks.

**MTA Bus BRP Savings:**

- Efficiencies discovered with the scheduled operations pickup program which shifts focus from unscheduled work to preventive maintenance; and
- Work scope revisions in the Shop Overhaul Program that resulted in expense reductions.



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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 2014 February Financial Plan. Detailed narratives describing each subsidy, the forecast methodologies employed and explanations of changes from earlier Plans are also included. The details of Bridges and Tunnels operations that produce the Operating Surplus Transfer are discussed in the Bridges and Tunnels portion of the Agency Financial Plans section of this report. Consolidated income and expense information on NYCT's Paratransit operation is also included. (Note that additional details on NYCT's Paratransit operation can be found in this volume under Agency Financial Plans.)

Overall accrued subsidies are projected to grow from year to year in line with regional economic growth projections. Real estate transaction tax revenues trend higher as they have done since the Fall of 2010, and projections indicate that recent improvements in the regional economy will contribute to a continuation of this trend. However, these improvements in annual real estate tax revenues should be contrasted with the steep declines that occurred in 2008 and 2009, when MTA saw receipts fall by seventy-five percent; the 2014 real estate tax forecast remains thirty-two percent lower than actual receipts in 2007.

On an *accrual basis*, the 2014 Mid-Year Forecast of Total Dedicated Taxes and State & Local Subsidies is \$6,179 million, which is \$281 million (5%) higher than 2013. The growth is due primarily to a higher appropriation for MTA Metropolitan Mass Transportation Operating Assistance (MMTOA), a higher forecast of Payroll Mobility Tax (PMT) and Petroleum Business Tax (PBT) revenues and favorable regional economic activity affecting overall real estate tax revenues. This forecast is \$146 million (2%) above the Adopted Budget estimate. The favorable variance to the Adopted Budget is primarily the result of higher Urban Tax transaction receipts, a higher timing-related City Subsidy for MTA Bus and increased State Dedicated Tax revenue due to re-estimates of MMTOA and PBT revenues, partially offset by unfavorable PMT receipts. Year-over-year, total Dedicated Taxes and State & Local Subsidies are projected to increase from the prior year by \$86 million (1%) in 2015, \$234 million (4%) in 2016, \$179 million (3%) in 2017 and \$196 million (3%) in 2018. Compared with the February Financial Plan, the July Financial Plan forecasts are lower by \$108 million in 2015, \$110 million in 2016 and \$135 million in 2017, due primarily to unfavorable PMT, MRT and timing-related City Subsidy to MTA Bus, offset by favorable Urban Tax transactions.

On a *cash basis*, total 2014 MTA Dedicated Taxes and State & Local Subsidies is \$5,963 million. The cash forecast is \$185 million above the Adopted Budget estimate, and this favorable variance is primarily attributable to favorable variances for Urban Tax (\$177 million), timing-related City Subsidy to MTA Bus (\$54 million), Connecticut Department of Transportation (CDOT) Subsidy (\$21 million), PBT (\$9 million) and MMTOA (\$6 million). This is offset primarily by lower PMT (\$58 million), unfavorable Mortgage Recording Tax (MRT) transactions (\$25 million) and timing-related City

Subsidy to SIRT OA (\$8 million). Details of these changes are described in the related sections of this report. Year-over-year, total Dedicated Taxes and State and Local Subsidies are projected to decrease from the prior year by \$232 million (4%) in 2015, and to increase by \$316 million (6%) in 2016, \$137 million (2%) in 2017 and \$187 million (3%) in 2018. Compared to the February Financial Plan, the July Financial Plan estimates are lower by \$65 million in 2015, \$90 million in 2016, \$10.9 million in 2017, due primarily to unfavorable PMT, MRT, and PBT transactions, partially offset by favorable Urban Tax and City Subsidy of MTA Bus.

The 2014 Urban Tax cash projection is about eighty percent over 2013 receipts and is estimated to exceed the Adopted Budget by \$122 million, attributable to several unusually large real estate transactions in New York City. This is offset by unfavorable PMT transactions of \$58 million due to a recalibration to correct for an overstated base in the Adopted Budget that was formulated on early NYS Wage and Salary projections that did not materialize. For the remainder of the Plan period, Urban Tax transactions are projected to increase from the Adopted Budget level in each year, but more modestly than in 2014; MRT transactions are below the Adopted Budget estimate in each year.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Consolidated Subsidies**  
**Accrual Basis**  
(\$ in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Subsidies</b>						
<b>Dedicated Taxes</b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,518.2	\$1,563.9	\$1,632.0	\$1,703.6	\$1,771.1	\$1,851.5
Petroleum Business Tax (PBT) Receipts	589.1	617.8	604.8	601.4	601.0	602.1
Mortgage Recording Tax (MRT)	365.5	376.3	388.8	403.8	414.1	428.8
MRT Transfer to Suburban Counties	(3.4)	(2.7)	(3.1)	(3.0)	(3.0)	(3.3)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Interest	4.5	4.7	4.9	5.1	5.3	5.3
Urban Tax	632.0	655.6	614.5	670.3	710.3	743.3
Investment Income	<u>1.0</u>	<u>1.0</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>
	<b>\$3,097.0</b>	<b>\$3,206.6</b>	<b>\$3,233.1</b>	<b>\$3,372.4</b>	<b>\$3,489.9</b>	<b>\$3,619.0</b>
<b>PMT and MTA Aid</b>						
Payroll Mobility Tax	\$1,215.3	\$1,256.9	\$1,316.0	\$1,376.0	\$1,436.7	\$1,494.2
Payroll Mobility Tax Replacement Funds	307.2	309.3	309.3	309.3	309.3	309.3
MTA Aid	<u>302.9</u>	<u>324.5</u>	<u>328.3</u>	<u>329.8</u>	<u>332.3</u>	<u>334.5</u>
	<b>\$1,825.3</b>	<b>\$1,890.7</b>	<b>\$1,953.5</b>	<b>\$2,015.0</b>	<b>\$2,078.2</b>	<b>\$2,137.9</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	187.9	187.9	187.9	187.9	187.9	187.9
CDOT Subsidy	70.8	111.6	93.9	97.5	100.0	109.3
Station Maintenance	<u>162.0</u>	<u>164.4</u>	<u>167.2</u>	<u>169.8</u>	<u>172.4</u>	<u>175.5</u>
	<b>\$608.7</b>	<b>\$651.9</b>	<b>\$636.9</b>	<b>\$643.2</b>	<b>\$648.3</b>	<b>\$660.6</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$5,531.0</b>	<b>\$5,749.1</b>	<b>\$5,823.6</b>	<b>\$6,030.5</b>	<b>\$6,216.4</b>	<b>\$6,417.5</b>
City Subsidy for MTA Bus	342.6	395.0	404.3	420.7	427.0	419.7
City Subsidy for SIRTOA	<u>24.0</u>	<u>34.5</u>	<u>37.1</u>	<u>47.8</u>	<u>34.4</u>	<u>36.3</u>
	<b>\$366.7</b>	<b>\$429.5</b>	<b>\$441.3</b>	<b>\$468.5</b>	<b>\$461.4</b>	<b>\$456.0</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$5,897.6</b>	<b>\$6,178.6</b>	<b>\$6,264.9</b>	<b>\$6,499.0</b>	<b>\$6,677.8</b>	<b>\$6,873.5</b>
<b>Inter-agency Subsidy Transactions</b>						
B&T Operating Surplus Transfer	\$614.2	\$547.2	\$503.9	\$488.1	\$453.5	\$420.5
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$614.2</b>	<b>\$547.2</b>	<b>\$503.9</b>	<b>\$488.1</b>	<b>\$453.5</b>	<b>\$420.5</b>
<b>GROSS SUBSIDIES</b>	<b>\$6,511.8</b>	<b>\$6,725.8</b>	<b>\$6,768.8</b>	<b>\$6,987.1</b>	<b>\$7,131.2</b>	<b>\$7,294.0</b>

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

	2013	2014	2015	2016	2017
<b><u>Subsidies</u></b>					
<b>Dedicated Taxes</b>					
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$5.5	\$6.6	\$11.0	\$5.1
Petroleum Business Tax (PBT) Receipts	(5.3)	7.9	(9.6)	(16.2)	(18.1)
Mortgage Recording Tax (MRT)	(4.1)	(27.4)	(50.7)	(55.2)	(56.4)
MRT Transfer to Suburban Counties	0.2	2.1	2.4	2.4	2.2
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	103.8	122.1	25.4	26.4	23.8
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$94.6</b>	<b>\$110.2</b>	<b>(\$26.0)</b>	<b>(\$31.6)</b>	<b>(\$43.4)</b>
<b>PMT and MTA Aid</b>					
Payroll Mobility Tax	\$1.0	(\$58.2)	(\$68.6)	(\$76.5)	(\$85.4)
Payroll Mobility Tax Replacement Funds	0.0	2.1	2.1	2.1	2.1
MTA Aid	<u>(5.4)</u>	<u>4.1</u>	<u>(1.9)</u>	<u>(5.2)</u>	<u>(2.7)</u>
	<b>(\$4.3)</b>	<b>(\$52.1)</b>	<b>(\$68.5)</b>	<b>(\$79.6)</b>	<b>(\$86.0)</b>
<b>State and Local Subsidies</b>					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy	(25.8)	20.9	(2.0)	3.1	1.8
Station Maintenance	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>	<u>1.8</u>	<u>1.8</u>
	<b>(\$24.2)</b>	<b>\$22.6</b>	<b>(\$0.3)</b>	<b>\$4.9</b>	<b>\$3.6</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$66.2</b>	<b>\$80.8</b>	<b>(\$94.8)</b>	<b>(\$106.3)</b>	<b>(\$125.9)</b>
City Subsidy for MTA Bus	(\$50.8)	\$58.6	(\$13.5)	(\$12.1)	(\$1.8)
City Subsidy for SIRT OA Recovery	<u>(8.3)</u>	<u>6.6</u>	<u>0.4</u>	<u>8.8</u>	<u>(7.2)</u>
	<b>(\$59.1)</b>	<b>\$65.2</b>	<b>(\$13.1)</b>	<b>(\$3.3)</b>	<b>(\$9.0)</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$7.0</b>	<b>\$146.0</b>	<b>(\$107.9)</b>	<b>(\$109.7)</b>	<b>(\$134.9)</b>
<b>Inter-agency Subsidy Transactions</b>					
B&T Operating Surplus Transfer	\$40.5	(\$4.9)	\$6.2	\$24.1	\$35.5
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$40.5</b>	<b>(\$4.9)</b>	<b>\$6.2</b>	<b>\$24.1</b>	<b>\$35.5</b>
<b>GROSS SUBSIDIES</b>	<b>\$47.5</b>	<b>\$141.1</b>	<b>(\$101.7)</b>	<b>(\$85.6)</b>	<b>(\$99.4)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Consolidated Subsidies**  
**Cash Basis**  
(\$ in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Subsidies</b>						
<b>Dedicated Taxes</b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,518.2	\$1,563.9	\$1,632.0	\$1,703.6	\$1,771.1	\$1,851.5
Petroleum Business Tax (PBT) Receipts	586.4	619.0	605.1	601.5	600.9	602.0
Mortgage Recording Tax (MRT)	362.4	375.5	387.6	403.0	412.8	428.2
MRT Transfer to Suburban Counties	(2.4)	(3.4)	(2.7)	(3.1)	(3.0)	(3.0)
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)	(23.8)
Interest	4.5	4.7	4.9	5.1	5.3	5.3
Urban Tax	594.7	705.6	609.8	666.9	707.4	742.2
Investment Income	<u>1.0</u>	<u>1.0</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>
	<b>\$3,029.9</b>	<b>\$3,231.4</b>	<b>\$3,202.8</b>	<b>\$3,343.3</b>	<b>\$3,460.8</b>	<b>\$3,593.5</b>
<b>PMT and MTA Aid</b>						
Payroll Mobility Tax	\$1,215.3	\$1,256.9	\$1,316.0	\$1,376.0	\$1,436.7	\$1,494.2
Payroll Mobility Tax Replacement Funds	307.2	309.3	309.3	309.3	309.3	309.3
MTA Aid	<u>302.9</u>	<u>324.5</u>	<u>328.3</u>	<u>329.8</u>	<u>332.3</u>	<u>334.5</u>
	<b>\$1,825.3</b>	<b>\$1,890.7</b>	<b>\$1,953.5</b>	<b>\$2,015.0</b>	<b>\$2,078.2</b>	<b>\$2,137.9</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	188.5	187.9	187.9	187.9	187.9	187.9
CDOT Subsidy	70.8	111.6	93.9	97.5	100.0	109.3
Station Maintenance	<u>160.2</u>	<u>162.6</u>	<u>165.1</u>	<u>167.9</u>	<u>170.5</u>	<u>173.1</u>
AMTAP	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$607.4</b>	<b>\$650.0</b>	<b>\$634.8</b>	<b>\$641.3</b>	<b>\$646.4</b>	<b>\$658.2</b>
<b>Other Subsidy Adjustments</b>						
Resource to Reduce Pension Liability	(\$210.0)	(\$20.9)	(\$8.8)	(\$17.4)	(\$15.3)	(\$13.2)
Interagency Loan	(120.2)	0.0	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)
Forward Energy Contracts Program - Gain/(Loss)	0.6	3.3	1.6	(0.2)	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
NYS Reimbursement Transferred to B&T	(3.9)	0.0	0.0	0.0	0.0	0.0
Repayment of Loan to Capital Financing Fund	(200.0)	(100.0)	(100.0)	0.0	0.0	0.0
Committed to Capital	<u>(283.8)</u>	<u>(144.8)</u>	<u>(408.1)</u>	<u>(370.0)</u>	<u>(443.0)</u>	<u>(448.9)</u>
	<b>(\$831.2)</b>	<b>(\$276.4)</b>	<b>(\$529.3)</b>	<b>(\$401.6)</b>	<b>(\$472.2)</b>	<b>(\$476.1)</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$4,631.4</b>	<b>\$5,495.6</b>	<b>\$5,261.8</b>	<b>\$5,597.9</b>	<b>\$5,713.1</b>	<b>\$5,913.5</b>
City Subsidy for MTA Bus	\$307.5	\$443.6	\$435.4	\$412.5	\$423.8	\$423.3
City Subsidy for SIRTOA	<u>30.7</u>	<u>24.0</u>	<u>34.5</u>	<u>37.1</u>	<u>47.8</u>	<u>34.4</u>
	<b>\$338.2</b>	<b>\$467.6</b>	<b>\$469.9</b>	<b>\$449.5</b>	<b>\$471.6</b>	<b>\$457.7</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$4,969.6</b>	<b>\$5,963.3</b>	<b>\$5,731.7</b>	<b>\$6,047.5</b>	<b>\$6,184.7</b>	<b>\$6,371.2</b>
<b>Inter-agency Subsidy Transactions</b>						
B&T Operating Surplus Transfer	\$606.0	\$560.4	\$508.2	\$489.6	\$456.9	\$423.8
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$606.0</b>	<b>\$560.4</b>	<b>\$508.2</b>	<b>\$489.6</b>	<b>\$456.9</b>	<b>\$423.8</b>
<b>GROSS SUBSIDIES</b>	<b>\$5,575.6</b>	<b>\$6,523.7</b>	<b>\$6,239.9</b>	<b>\$6,537.1</b>	<b>\$6,641.6</b>	<b>\$6,795.0</b>

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

<b>Subsidies</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Dedicated Taxes</b>					
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$5.5	\$6.6	\$11.0	\$5.1
Petroleum Business Tax (PBT) Receipts	(6.7)	9.5	(9.1)	(16.0)	(18.1)
Mortgage Recording Tax (MRT)	(2.2)	(25.1)	(50.3)	(55.0)	(57.2)
MRT Transfer to Suburban Counties	0.0	0.2	2.1	2.4	2.4
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	47.2	176.8	25.3	26.7	22.8
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$38.3</b>	<b>\$166.9</b>	<b>(\$25.5)</b>	<b>(\$30.8)</b>	<b>(\$45.1)</b>
<b>PMT and MTA Aid</b>					
Payroll Mobility Tax	\$1.0	(\$58.2)	(\$68.6)	(\$76.5)	(\$85.4)
Payroll Mobility Tax Replacement Funds	0.0	2.1	2.1	2.1	2.1
MTA Aid	<u>(5.4)</u>	<u>4.1</u>	<u>(1.9)</u>	<u>(5.2)</u>	<u>(2.7)</u>
	<b>(\$4.3)</b>	<b>(\$52.1)</b>	<b>(\$68.5)</b>	<b>(\$79.6)</b>	<b>(\$86.0)</b>
<b>State and Local Subsidies</b>					
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	0.6	0.0	0.0	0.0	0.0
CDOT Subsidy	(25.8)	20.9	(2.0)	3.1	1.8
Station Maintenance	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>	<u>1.8</u>	<u>1.8</u>
	<b>(\$23.6)</b>	<b>\$22.6</b>	<b>(\$0.3)</b>	<b>\$4.8</b>	<b>\$3.5</b>
<b>Other Subsidy Adjustments</b>					
Resource to Reduce Pension Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Inter-Agency Loan	0.0	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	0.5	1.5	1.7	(0.2)	0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0	0.0
NYS Reimbursement Transferred to B&T	0.0	0.0	0.0	0.0	0.0
Repayment of Loan to Capital Financing Fund	0.0	0.0	0.0	0.0	0.0
Committed to Capital	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$0.5</b>	<b>\$1.5</b>	<b>\$1.7</b>	<b>(\$0.2)</b>	<b>\$0.0</b>
<b>Subtotal Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$10.9</b>	<b>\$139.0</b>	<b>(\$92.6)</b>	<b>(\$105.8)</b>	<b>(\$127.5)</b>
City Subsidy for MTA Bus	(\$63.9)	\$54.0	\$20.7	\$15.3	\$9.3
City Subsidy for SIRTOA	<u>0.0</u>	<u>(8.3)</u>	<u>6.6</u>	<u>0.4</u>	<u>8.8</u>
	<b>(\$63.9)</b>	<b>\$45.6</b>	<b>\$27.3</b>	<b>\$15.7</b>	<b>\$18.1</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>(\$53.0)</b>	<b>\$184.7</b>	<b>(\$65.3)</b>	<b>(\$90.1)</b>	<b>(\$109.4)</b>
<b>Inter-agency Subsidy Transactions</b>					
B&T Operating Surplus Transfer	\$29.9	\$6.1	\$5.0	\$22.3	\$34.4
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$29.9</b>	<b>\$6.1</b>	<b>\$5.0</b>	<b>\$22.3</b>	<b>\$34.4</b>
<b>GROSS SUBSIDIES</b>	<b>(\$23.1)</b>	<b>\$190.8</b>	<b>(\$60.2)</b>	<b>(\$67.8)</b>	<b>(\$75.1)</b>



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

Revenues derived from the following taxes flow into the statewide Mass Transportation Operating Assistance (MTOA) Fund:

- 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 statewide MTOA consists of the Public Transportation Systems Operating Assistance Account, the Urban Mass Transit Operating Assistance Account, and the Metropolitan Mass Transportation Assistance Account. The Metropolitan Mass Transportation Operating Assistance (MMTOA) Account consists of one hundred percent of the receipts from the 17% corporate surcharge imposed within the MTA Commuter Transportation District (MCTD), one hundred percent of the sales and use tax imposed in the MCTD, fifty-five percent of the MTOA PBT, and eighty percent of the tax on transportation and transmission companies. The amount of funds available from the MMTOA account are appropriated by the State and supplement the general operating subsidies of downstate transportation systems in the MCTD. Current law governing the corporate franchise tax is in effect through the end of 2014, at which time recently enacted tax reforms will be implemented; the impact of the tax changes is expected to be revenue neutral to the MTA.

### **2014 Mid-Year Forecast**

The estimate of total taxes in the statewide MTOA Fund for 2014 is \$2,108 million, of which \$2,059 million is allotted for Downstate transit properties. Of this Downstate allotment, \$1,564 million in non-18b funds is appropriated for the benefit of MTA, and this amount is the MTA's 2014 Mid-Year Forecast. Of the total estimated MMTOA receipts for 2014, \$1,036 million is appropriated for NYCT/SIR and \$528 million for the Commuter Railroads. The combined MTA Share is \$46 million (3%) higher than the 2013 level, and \$6 million (0.4%) higher than the February forecast. In addition, \$190 million is earmarked to fund the State's 18-b obligation, which includes \$175 million for the MTA.

The 2014 Mid-Year Forecast assumes that the State's funding of its 18-b obligations to the MTA remains at the 2013 level of \$175, which includes \$154

million for NYCT/SIR and \$21 million for the Commuter Railroads and is consistent with the February Plan.

The 2014 percentage allocations of the Downstate share of MMTOA are 58% for NYCT/SIR and 27% for the Commuter Railroads. These percentages are based on the actual amounts appropriated in NYS' 2014-15 Enacted Budget, and also reflect the State 18-b amounts. MMTOA and State 18-b funds were also allotted to MTA Bus and other downstate transportation properties.

### **2015 Preliminary Budget**

For 2015, total estimated MTA MMTOA revenue is \$1,632 million, which is \$68 million (4%) more than the 2014 Mid-Year Forecast, and reflects an increase of \$7 million (0.4%) from the February Plan estimate. This reflects assumptions that revenues from the Sales Tax and Corporate Surcharge components of MMTOA will grow annually from the 2014 level by 4% and 8%, respectively. Revenue from Petroleum Business Tax is expected to decline by 3%. 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). Of the total, \$1,080 million is earmarked for NYCT and SIR and \$548 million is earmarked for the commuter railroads. The 2015 Preliminary Budget assumes that the State's funding of its 18-b obligation for NYCT and Commuter Railroads will remain at the 2014 level of \$175 million, which is consistent with the February Plan. The percentage allocations of MMTOA's downstate shares that come to the MTA represent 58% for NYCT/SIR and 27% for the Commuter Railroads.

### **2016 – 2018**

MTA MMTOA forecasts are \$1,704 million in 2016, \$1,771 million in 2017, and \$1,852 million in 2018, and are based on projections included in the NYS 2014-15 Enacted Budget for sales taxes, petroleum business taxes, corporate franchise taxes and corporate tax surcharges. Year-over-year, MTA MMTOA revenues are expected to increase \$72 million (4%) in 2016, \$67 million (4%) in 2017 and \$80 million (5%) in 2018. Compared with the February Plan, the MTA MMTOA revenues are expected to increase by \$11 million in 2016 and \$5 million in 2017. For 2015 through 2018, the Plan assumes the following growth rates from the prior year levels for the component taxes of MMTOA:

<b>Growth Rate for the Individual Components of MMTOA (from prior year level)</b>					
		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Sales Tax		4%	4%	3%	3%
Petroleum Business Tax		-3%	0%	0%	1%
Corporate Franchise Tax		0%	0%	0%	0%
Corporate Tax Surcharge		8%	5%	4%	5%

**MMTOA STATE DEDICATED TAXES**  
**July Financial Plan 2015-2018**  
(\$ in millions)

	ACTUAL	FORECAST				
	2013	2014	2015	2016	2017	2018
<b><u>Forecast of MMTOA Gross Receipts (SFY):</u></b>						
Sales Tax	\$854.9	\$894.5	\$934.5	\$967.5	\$996.5	\$1,030.5
PBT	142.0	135.1	130.4	130.1	130.1	130.8
Corporate Franchise	58.0	60.0	60.0	60.0	60.0	60.0
Corporate Surcharge	1,000.0	1,018.0	1,096.0	1,148.0	1,199.0	1,260.0
Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Gross Receipts Available for Allocation</b>	<b>\$2,054.9</b>	<b>\$2,107.6</b>	<b>\$2,220.9</b>	<b>\$2,305.6</b>	<b>\$2,385.6</b>	<b>\$2,481.3</b>
<b><u>Allocation of Total Gross Receipts to Downstate:</u></b>						
Total Gross Receipts	\$2,054.9	\$2,107.6	\$2,220.9	\$2,305.6	\$2,385.6	\$2,481.3
Less: Upstate Share of PBT	(63.9)	(60.8)	(58.7)	(58.5)	(58.5)	(58.9)
Less: Upstate Share of Transmission	(19.1)	(19.8)	(19.8)	(19.8)	(19.8)	(19.8)
Less: New Fund Balance	0.0	0.0	0.0	0.0	0.0	0.0
Upstate Percent Share of Investment Income	3.11%	2.88%	2.64%	2.54%	2.45%	2.37%
Less: Upstate Share of Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Net Downstate Share Available for Allocation</b>	<b>\$1,971.9</b>	<b>\$2,059.3</b>	<b>\$2,142.4</b>	<b>\$2,227.3</b>	<b>\$2,307.3</b>	<b>\$2,402.6</b>
Less: 18-B Adjustment	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)
<b>Adjusted Total Net Downstate Share for Allocation</b>	<b>\$1,782.4</b>	<b>\$1,869.8</b>	<b>\$1,952.9</b>	<b>\$2,037.7</b>	<b>\$2,117.7</b>	<b>\$2,213.1</b>
Add: NYS Reimbursement	3.9	0.0	0.0	0.0	0.0	0.0
<b>Adjusted Total Net Downstate Share + Other</b>	<b>\$1,786.3</b>	<b>\$1,869.8</b>	<b>\$1,952.9</b>	<b>\$2,037.7</b>	<b>\$2,117.7</b>	<b>\$2,213.1</b>
<b><u>Allocation of Total Net Downstate Share to NYCT/SIR:</u></b>						
NYCT/SIR Share	58.66%	57.77%	57.79%	57.79%	57.79%	57.79%
From Total Net Downstate Share	\$1,156.8	\$1,189.6	\$1,238.0	\$1,287.0	\$1,333.3	\$1,388.4
Less: 18-B Adjustment	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)
Adjusted Total Net Downstate Share	\$1,002.9	\$1,035.8	\$1,084.2	\$1,133.2	\$1,179.4	\$1,234.5
From Carryover	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total NYCT/SIR Share of Net Downstate Share</b>	<b>\$1,002.9</b>	<b>\$1,035.8</b>	<b>\$1,084.2</b>	<b>\$1,133.2</b>	<b>\$1,179.4</b>	<b>\$1,234.5</b>
SIR Share (Accrued)	3.510	3.625	3.795	3.966	4.128	4.321
Total SIR Share (Cash)	3.5	3.6	3.8	4.0	4.1	4.3
<b>Total NYCT Share of Net Downstate Share</b>	<b>\$999.4</b>	<b>\$1,032.1</b>	<b>\$1,080.4</b>	<b>\$1,129.2</b>	<b>\$1,175.3</b>	<b>\$1,230.2</b>
<b><u>Allocation of Total Net Downstate Share to MTA:</u></b>						
MTA Share	27.01%	26.68%	26.56%	26.56%	26.56%	26.56%
From Total Net Downstate Share	\$532.6	\$549.3	\$569.1	\$591.6	\$612.8	\$638.2
Less: 18-B Adjustment	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)
Adjusted Total Net Downstate Share	\$511.4	\$528.1	\$547.9	\$570.4	\$591.6	\$617.0
From Carryover	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total MTA Share of Net Downstate Share</b>	<b>\$511.4</b>	<b>\$528.1</b>	<b>\$547.9</b>	<b>\$570.4</b>	<b>\$591.6</b>	<b>\$617.0</b>
<b><u>NYS Reimbursement</u></b>						
NYS Reimbursement	\$3.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total NYS Reimbursement</b>	<b>\$3.9</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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

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

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

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

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

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

The PBT estimates are provided on a cash basis. Accrual estimates are based on a one-month lag in the booking and collection of PBT proceeds.

### **2014 Mid-Year Forecast**

The 2014 MTA Mid-Year Forecast for PBT, on a cash basis, is \$619 million, which is \$33 million above the 2013 level. This is \$9 million above the Adopted Budget, an upward revision that reflects actual receipts through June. 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.

### **2015 Preliminary Budget**

The 2015 Preliminary Budget for MTA PBT, on a cash basis, is \$605 million, which is \$14 million (2%) lower than the 2014 Mid-Year Forecast. This is \$9 million below the February Plan estimate, reflecting the State's updated PBT revenue estimate.

### **2016 - 2018**

PBT cash estimates are \$601 million in 2016, \$601 million in 2017 and \$602 million in 2018, reflecting year-to-year declines of \$4 million (0.6 %) in 2016 and \$1 million (0.1%) in 2017 and year-to-year increases of \$1 million (1%) in 2017 and \$1 million (0.2%) in 2018, reflecting the State's estimates of PBT revenues updated with its 2014-15 Enacted Budget. Compared to the February Plan, these estimates are lower by \$16 million in 2016 and \$18 million in 2017.

**PETROLEUM BUSINESS TAX PROJECTIONS**  
**July Financial Plan 2015-2018**  
(\$ in millions)

	ACTUAL	FORECAST				
	2013	2014	2015	2016	2017	2018
<b>Total Net PBT Collections Available for Distribution</b>	<b>\$1,724.7</b>	<b>\$1,820.6</b>	<b>\$1,779.7</b>	<b>\$1,769.0</b>	<b>\$1,767.2</b>	<b>\$1,770.5</b>

**Distribution Shares:**

MTA Total	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
Other Transit	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Highway Trust Fund	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%
General Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Share Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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

<b>MTA Total</b>	<b>\$586.4</b>	<b>\$619.0</b>	<b>\$605.1</b>	<b>\$601.5</b>	<b>\$600.9</b>	<b>\$602.0</b>
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**Accrued**

NYCT/SIR Share of MTA Total	\$500.8	\$525.2	\$514.1	\$511.2	\$510.8	\$511.8
Commuter Railroad Share of MTA Total	88.4	92.7	90.7	90.2	90.1	90.3
<b>MTA Total of Net Collections</b>	<b>\$589.1</b>	<b>\$617.8</b>	<b>\$604.8</b>	<b>\$601.4</b>	<b>\$601.0</b>	<b>\$602.1</b>

**Cash**

NYCT/SIR Share of MTA Total	\$498.4	\$526.2	\$514.3	\$511.2	\$510.7	\$511.7
Commuter Railroad Share of MTA Total	88.0	92.9	90.8	90.2	90.1	90.3
<b>MTA Total of Net Collections</b>	<b>\$586.4</b>	<b>\$619.0</b>	<b>\$605.1</b>	<b>\$601.5</b>	<b>\$600.9</b>	<b>\$602.0</b>

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

The Mortgage Recording Taxes consist of two separate taxes: Mortgage Recording Tax-1 (MRT-1) and Mortgage Recording Tax-2 (MRT-2). These taxes are collected by New York City and the seven other counties with the MTA's service area.

MRT-1 is imposed on the borrower for recorded mortgages of real property, subject to certain exclusions, 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. 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 MRT revenues consist of actual receipts through June 2014. With the exception of MRT collections from New York City, forecasts for the remainder of the Plan period are based on projections of suburban real estate activity provided by IHS Global Insight and an analysis of recent conditions. For New York City, MRT receipts for

the remainder of the Plan period are based on the City of New York's May 2014 budget assumptions.

### **2014 Mid-Year Forecast**

MRT receipts are forecast to be \$376 million in 2014, \$13 million (4%) more than 2013 MRT receipts. This projected increase would be the fourth annual increase after four years of declines from 2007 to 2010. Coupled with increases over the past three years, the 2014 MRT projection will still be 51 percent lower than when MRT receipts peaked in 2006. MRT-1, which is collected on mortgages for both commercial and residential properties, is projected to increase \$13 million (5%) while MRT-2, which is paid only on residential properties with fewer than seven units in the structure, is forecast to increase \$0.6 million (0.5%) compared with 2013 receipts.

The 2014 Mid-Year Forecast for MRT is \$25 million (6%) less than the Adopted Budget, reflecting a weaker recovery in residential mortgage borrowing than previously anticipated. MRT-1 is estimated to be \$10 million (3%) less than the Adopted Budget, while MRT-2 is projected to be \$16 million (12%) less than the Adopted Budget.

### **2015 Preliminary Budget**

Projections indicate that improvements in the regional economy will continue to spur growth in mortgage recordings, but at a slower rate than was expected in the February Plan. MRT receipts are forecast to be \$388 million in 2014, \$12 million (3%) greater than estimated for the 2014 Mid-Year Forecast; MRT-1 receipts are projected to increase \$6 million (2%), while MRT-2 receipts are forecast to increase \$6 million (6%).

The 2015 Preliminary Budget for MRT is \$50 million (11%) less than the February Plan forecast, reflecting a lower 2014 base and a weaker year-over-year increase (3% vs. 9% in February). MRT-1 is estimated to be \$30 million (10%) less, while MRT-2 is projected to be \$20 million (15%) less than the February Plan forecast.

### **2016 - 2018**

MRT receipts are expected to improve annually, increasing \$15 million in 2016, \$10 million in 2017, and \$15 million in 2018. The projected growth in MRT receipts reflects continued improvement in the regional economy over the course of the plan period, which is expected to have favorable impacts on housing demand – and, by extension, mortgage recording activity – in the MTA region. Despite these increases, 2018 MRT receipts, which are projected to reach \$428 million, will still be 44 percent below receipts from twelve years earlier, when MRT receipts peaked in 2006.

For 2016, projected MRT receipts in the July Plan are \$55 million (12%) less than the February Plan forecast, and 2017 MRT receipts expected to be \$57 million (12%) lower. As with the plan-to-plan changes for 2015 these forecasts reflect a lower 2014 base and



slower growth from 2014 to 2015 than projected in the February Plan; 2016 and 2017 year over year growth is marginally slower than was anticipated in the February Plan.

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

	2014	2015	2016	2017	2018
MRT-1	5%	2%	5%	3%	4%
MRT-2	1%	6%	1%	1%	3%
TOTAL	4%	3%	4%	2%	4%

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

MRT-2 receipts are used to reimburse MTA Agencies for certain short term security projects from a fund managed by MTA Police. An annual amount of \$10 million has been earmarked in the July Plan to cover these security expenses from 2014 through 2018.

In addition, the July Plan assumes that funds from subsidies will be used to cover debt service cash flow requirements and loan repayment of the MTABC. In negotiations with the City during the MTA takeover of the private buses, a package that consisted of bond proceeds (\$209 million) and inter-agency loans (\$114 million) was used to finance MTABC's capital investment. Pursuant to the agreement with the City, the MTA pays the capital costs of the MTABC 2005-2009 Capital Program, to the extent that it is otherwise not paid from Federal grants, matching City funds, or other funding sources specifically dedicated to MTABC capital projects. As part of the terms of this agreement, the MTA is required to pay the debt service on bonds and commercial paper expended after November 2006 on MTABC 2005-2009 Capital Program projects, until such amounts are paid in full, which would require payments through the Plan period and beyond. The July Plan estimates the required amounts to be \$25 million annually during the Plan period, reflecting no change in assumptions from the February Plan.

**MORTGAGE RECORDING TAX PROJECTIONS**  
**July Financial Plan 2015-2018**  
(\$ in millions)

**Cash Basis**

	ACTUAL	FORECAST				
	2013	2014	2015	2016	2017	2018
<b>MORTGAGE RECORDING TAX #261-1</b>						

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

Total Gross Receipts	\$253.6	\$266.2	\$271.9	\$285.7	\$294.2	\$305.7
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	(335.6)	(356.0)	(390.2)	(387.1)	(391.6)	(394.6)
<b>Receipts Available for Transfer</b>	<b>(\$82.0)</b>	<b>(\$89.8)</b>	<b>(\$118.4)</b>	<b>(\$101.4)</b>	<b>(\$97.4)</b>	<b>(\$88.8)</b>
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	82.0	89.8	118.4	101.4	97.4	88.8
<b>Adjusted Receipts Available for Transfer</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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

Opening Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NYCT/SIR Share	55%	55%	55%	55%	55%	55%
From Current Year Net Receipts	0.0	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0	0.0
Carryover from Prior-Year	0.0	0.0	0.0	0.0	0.0	0.0
Transfers from MRT-2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total NYCT/SIR Net Cash Share</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
Total SIR Net Cash Share	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total NYCT Net Cash Share</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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

Opening Balance - CR/SHF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commuter Railroad Share	45%	45%	45%	45%	45%	45%
From 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	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
Transfers from MRT-2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Commuter Railroad Net Cash Share</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**MORTGAGE RECORDING TAX #261-2**

**Receipts Available**

Total Receipts to Corporate Account	\$108.8	\$109.3	\$115.7	\$117.3	\$118.6	\$122.4
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)	(23.8)
General Reserve	0.0	(135.0)	(140.0)	(145.0)	(150.0)	(155.0)
Investment Income	4.5	4.7	4.9	5.1	5.3	5.3
<b>Total Receipts Available for Transfer</b>	<b>\$78.4</b>	<b>(\$55.9)</b>	<b>(\$54.3)</b>	<b>(\$57.5)</b>	<b>(\$60.9)</b>	<b>(\$61.1)</b>

**Use of Total Receipts:**

DORF Opening Balance	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5
Less: Transfer to MTA DORF Account	(6.9)	(7.8)	(7.2)	(7.5)	(7.5)	(7.5)
Less: Transfer to MTAHQ Funds	(82.0)	(89.8)	(118.4)	(101.4)	(97.4)	(88.8)
<b>Net Receipts Available</b>	<b>(\$6.1)</b>	<b>(\$149.1)</b>	<b>(\$175.5)</b>	<b>(\$161.9)</b>	<b>(\$161.4)</b>	<b>(\$152.9)</b>

## **URBAN TAXES**

The 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 with a value exceeding \$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 franchise buses, and 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 2014 consist of actual receipts through June, with the second half of 2014 reflecting average monthly receipts for the prior twelve months, excluding the receipts from unusually large real estate transactions. Additionally, anticipated tax receipts from two large transactions that were recorded in late June have been incorporated in the 2014 projection. For subsequent years, forecasts are consistent with projections in the City of New York's May 2014 Executive Budget; receipts from the unusually large transactions are excluded from the base that is used to project Urban Tax receipts for 2015 and subsequent years during the Plan period.

### **2014 Mid-Year Forecast**

Urban Tax receipts are forecast to be \$706 million in 2014, \$111 million (19%) more than 2013 receipts. Approximately \$87 million (79%) of the increase in receipts over the 2013 level is attributable to the six significantly large transactions that have taken place during 2014, including the recent transaction in late June. About three-quarters Urban Tax growth over the 2013 level is derived from RPTT receipts, which are projected to increase \$84 million (21%), while MRT receipts are forecast to increase \$27 million (14%). The unusually large transactions account for about 90 percent of RPTT growth and just under half of the MRT growth.

While the 2014 projected increase follows \$445 million in increases over the prior four years (totaling 144% since 2009), 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 76% of the 2007 to 2009 decline.

The 2014 Mid-Year Forecast for the Urban Taxes is \$177 million more than the Adopted Budget, a 33% improvement. RPTT receipts comprise 84% of the growth, favorable by \$149 million (45%), while MRT receipts are \$28 million (14%) favorable. Without the tax receipts from the unusually large 2014 transactions, the improvement from the Adopted

Budget would be cut in half to 17%, and the plan-to-plan growth would have been 22% for RPTT and 7% for MRT.

### **2015 Preliminary Budget**

Urban Tax receipts are forecast to be \$610 million in 2015. While this is a \$96 million (14%) decline from the 2014 Mid-Year Forecast, the decline reflects the tax receipts from the unusually large transactions in 2014 that were removed from the base used to develop the 2015 projection. If those large 2014 transactions were removed from the variance calculation, the year-to-year change would be a modest \$4 million (0.7%) favorable. RPTT receipts are expected to decline by 18% while MRT receipts are expected to decrease by 4%. When adjusted to exclude the large 2014 transactions, estimates of RPTT receipts are down 0.2% and MRT receipts are up 2% over the 2014 Mid-Year Forecast.

The 2015 Preliminary Budget for the Urban Taxes is \$37 million more than the February Plan forecast (4%). RPTT is estimated to be \$27 million (7%) greater than the February Plan forecast, while MRT is projected to be \$2 million (2%) less than the February Plan forecast.

### **2016 - 2018**

Urban Tax receipts are expected to improve annually, increasing by \$57 million in 2016, \$40 million in 2017 and \$35 million in 2018, 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 2018 Urban Tax receipts will still be 16 percent below receipts from eleven years earlier, when Urban Tax receipts peaked in 2007.

Urban Tax receipt projections exceed the projections in the February Plan by \$27 million (4%) for 2016 and by \$23 million (3%) for 2017.

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

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Real Property Transfer Tax	21%	(18)%	8%	6%	5%
Mortgage Recording Tax	14%	(4)%	12%	6%	5%
<b>TOTAL</b>	<b>19%</b>	<b>(14)%</b>	<b>9%</b>	<b>6%</b>	<b>5%</b>

## PAYROLL MOBILITY TAX (PMT)

The Payroll Mobility Tax (PMT), also referred to interchangeably as the Metropolitan Commuter Transportation Mobility Tax (MCTMT), was enacted in 2009<sup>1</sup> by New York State (Chapter 25, Laws of 2009) to provide a stable source of revenues for the MTA that would also address the MTA's revenue shortfall and operating budget gap. Legislation enacted in December 2011 significantly changed the Payroll Mobility Tax, effective April 1, 2012. The new legislation, referred to as the "December Act", eliminates the payroll mobility tax imposed within the MTA Commuter Transportation District ("MCTD") for the following taxpayers:

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

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

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

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

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

The legislation permits the MTA to utilize the payroll mobility tax revenues:

- As pledged revenue to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of the MTA and NYCTA and NYCTA subsidiaries;
- To pay capital costs, including debt service of MTA and its subsidiaries, and NYCTA and its subsidiaries;
- To pay for costs, including operating costs of MTA and its subsidiaries, and NYCTA and its subsidiaries.

### **2014 Mid-Year Forecast**

The 2014 Mid-Year forecast of PMT revenues of \$1,257 million is \$58 million below the Adopted Budget estimate. This reflects year-to-date actual collections through June and year-over-year trends for the remainder of 2014.

Total PMT revenues for 2014 including the replacement funds are \$1,556 million, which is \$56 million below the Adopted Budget estimate.

The Adopted Budget was based on early projections of NYS Wage and Salary Disbursements that proved to be overstated. As a result, the July Plan forecast reflects a lower recalibrated estimate that is used as the base for the out-year projections.

### **2015 Preliminary Budget**

The 2015 Preliminary Budget forecast for PMT is \$1,316 million, which is \$59 million higher than the 2014 Mid-year Forecast. This is \$69 million below the February Plan. When combined with the PMT replacement funds of \$307 million, Total PMT revenues in 2015 are \$1,625 million. The July Plan projections for the current and future years are based on Global Insight forecasts for regional Wage and Salary Disbursements.

### **2016 - 2018**

The July Plan forecast of PMT revenues is \$1,376 million for 2016, \$1,437 million for 2017 and \$1,494 for 2018. When combined with the replacement funds Total MTA PMT revenues are \$1,685 million in 2016, \$1,745 million in 2017 and \$1,803 million in 2018. These estimates are \$74 million below the February Plan in 2016 and \$83 million lower in 2017.

## 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 auto mobile 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 was implemented during the second half of 2013, and is expected to result in increased Taxicab Tax revenues for the MTA over the next two years as the additional vehicles continue to be phased into the City's taxi fleet.

### **2014 Mid-Year Forecast**

The 2014 Mid-Year Forecast of total MTA Aid taxes is \$325 million, which is \$22 million higher than 2013; this is \$4.1 million more than the Adopted Budget estimate. The Mid-Year Forecast includes \$5 million in additional revenues resulting from the HAIL program phase-in, which is consistent with the assumption in the Adopted Budget.

### **2015 Preliminary Budget**

The MTA Aid forecast for the 2015 Preliminary Budget is \$328 million, which is \$4 million higher than the 2014 Mid-Year Forecast. This is \$2 million lower than the February Plan, due to revised revenues projections by the State. The estimate includes \$5 million in additional revenues from the HAIL program.

### **2016 - 2018**

For 2016 through 2018, the July Plan estimates of MTA Aid are \$330 million in 2016, \$332 million in 2017 and \$335 million in 2018. These estimates are higher than the prior year's estimate by \$2 million in 2016, \$3 million in 2017 and \$2 million in 2018. Compared to the February Plan, these estimates are lower by \$5 million in 2016 and \$3 million in 2017. Included in the forecast is an additional \$10 million annually from the 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 State 18-b Operating Assistance. 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 railroad 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 Metro-North operations in the State of Connecticut.
- *New York City Subsidy for MTA Bus* - New York City reimbursement to the MTA of the cost of MTA Bus operations, which 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 18-b, Local Operating Assistance, 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 towards the funding of MTA Bus.
- *New York City Subsidy for SI Railway* – subsidy payments made by New York City to cover expenses associated with SI Railway operations.

### **2014 Mid-Year Forecast**

The 2014 Mid-Year Forecast of State and Local subsidy, on a cash basis, (excluding New York City Subsidy for MTA Bus and SIR) is \$650 million, or \$43 million higher than 2013. This estimate is \$23 million higher than the Adopted Budget estimate, and the change is primarily due to higher CDOT subsidies.

The 2014 Mid-Year cash forecast of City Subsidy to MTA Bus of \$444 million is \$136 million higher than the previous year and is \$54 million higher than the Adopted Budget

estimate; this was primarily due to favorable cash timing adjustments. The 2014 cash forecast for City Subsidy to Staten Island Railroad is \$24 million. This is \$7 million lower than the 2013 forecast. Compared with the Adopted Budget, the estimate decreased by \$8 million due to re-estimates of revenues and expenses.

### **2015 Preliminary Budget**

The 2015 Preliminary Budget for State and Local Subsidy, on a cash basis, (excluding City Subsidy for MTA Bus and SIR), on a cash basis, is \$15 million below the 2014 estimate. It is \$0.3 million below the Adopted Budget estimate.

The 2015 Preliminary Budget cash forecast of City Subsidy to MTA Bus of \$435 million is \$8 million lower than the previous year. The estimate is \$21 million higher than the Adopted Budget estimate primarily due to favorable cash timing adjustments. The 2015 cash forecast for City Subsidy to Staten Island Railroad is \$35 million, which is \$10 million higher than the 2014 forecast. Compared with the Adopted Budget, the estimate increased by \$7 million due to re-estimates of revenues and expenses.

### **2016 - 2018**

The Forecast for total State and Local Subsidy is above the prior year's estimate by \$6 million in 2016, by \$5 million in 2017 and \$12 million in 2018. Compared with Adopted Budget estimates, these forecasts are higher by \$5 million in 2016 and \$4 million in 2017. This was due primarily to re-estimates of CDOT subsidies to MNR, reflecting lower revenues and higher expenses.

The July Plan forecasts of City Subsidy to MTA Bus are \$412 million for 2016, \$424 for 2017 and \$423 for 2018, reflecting year-over-year declines of \$23 million in 2016, and \$0.5 million in 2018 and an increase of \$11 million in 2017. Compared to the February Plan, these estimates are higher by \$15 million in 2016 and \$9 million in 2017 due to favorable cash timing adjustments. The cash forecasts for City Subsidy to Staten Island Railroad are \$37 million in 2016, \$48 million in 2017 and \$34 million in 2018, reflecting year-over-year increases of \$3 million in 2016 and \$11 million in 2017 and a decline of \$13 million in 2018. Compared with the Adopted Budget, the estimates increased by \$0.4 million in 2016 and \$9 million in 2017, due to re-estimates of revenues and expenses.

## SUBSIDY AND OTHER TECHNICAL ADJUSTMENTS

In addition to the adjustments to MRT- 2, which are discussed in the MRT Section, the July Plan includes other subsidy adjustments for 2014 through 2018.

*MTA Bus Debt Service* - Consistent with the February Financial Plan, the July Financial 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. [For details see *Other MRT-2 Adjustments* in the Mortgage Recording Taxes (MRT) Section].

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

*MNR Repayment for 525 North Broadway* - In 2007, an arrangement was made whereby MTA Capital would advance the funds for MNR's capital project at 525 North Broadway in North White Plains, for which MTA Capital would be reimbursed overtime from MNR's operating budget. The July Financial Plan, like the February Plan, incorporates the repayment of this loan in the amount of \$2.4 million annually from 2014 through 2018.

*Repayment of Loan to Capital Financing Fund* - The July Financial Plan, similar to the February Financial Plan, continues to pay down the remaining \$200 million balance of a Board-authorized \$500 million interagency loan to the operating budget from the "Capital Financing Fund" (non-bond related funds dedicated to capital programs), with annual installments of \$100 million in 2014 and 2015.

*Committed to Capital* - Like the February Plan, the July Financial 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. For 2014 and the subsequent Plan years, there are no changes from the Adopted Budget forecasts. The July Financial Plan continues to assume the transfer of funds to the Capital Program which began in 2012 with an initial payment 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* – The 2014 February Plan assumed a total “down payment” in support of the 2015-2019 Capital Program of \$370 million in each year of the financial plan. It is expected that a reduction in this level of funding will be required to help fund higher costs for represented labor. Updated assumptions and discussion are captured in Volume 1.

# MTA NEW YORK CITY TRANSIT SUBSIDY ALLOCATION

## July Financial Plan 2015-2018

Cash Basis

(\$ in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Subsidies</b>						
<b>Dedicated Taxes</b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$999.4	\$1,032.1	\$1,080.4	\$1,129.2	\$1,175.3	\$1,230.2
Petroleum Business Tax (PBT) Receipts	498.4	526.2	514.3	511.2	510.7	511.7
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Urban Tax	<u>594.7</u>	<u>705.6</u>	<u>609.8</u>	<u>666.9</u>	<u>707.4</u>	<u>742.2</u>
	<b>\$2,092.5</b>	<b>\$2,263.9</b>	<b>\$2,204.5</b>	<b>\$2,307.4</b>	<b>\$2,393.4</b>	<b>\$2,484.1</b>
<b>New State Taxes and Fees</b>						
Payroll Mobility Tax	\$905.4	\$877.3	\$992.3	\$1,033.4	\$1,044.5	\$1,059.4
Payroll Mobility Tax Replacement Funds	228.9	215.9	233.2	232.2	224.8	219.3
MTA Aid	<u>225.6</u>	<u>226.5</u>	<u>247.5</u>	<u>247.6</u>	<u>241.5</u>	<u>237.2</u>
	<b>\$1,359.9</b>	<b>\$1,319.7</b>	<b>\$1,473.0</b>	<b>\$1,513.2</b>	<b>\$1,510.8</b>	<b>\$1,515.8</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1
Local Operating Assistance	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>
	<b>\$316.2</b>	<b>\$316.2</b>	<b>\$316.2</b>	<b>\$316.2</b>	<b>\$316.2</b>	<b>\$316.2</b>
<b>Other Subsidy Adjustments</b>						
Transfer to/from Stabilization Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Inter-agency Loan	(\$89.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NYCT Charge Back of MTA Bus Debt Service	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)
Forward Energy Contracts Program - Gain/(Loss)	0.4	2.3	1.1	(0.2)	0.0	0.0
Repayment of Loan to Capital Financing Fund	0.0	(78.0)	(100.0)	0.0	0.0	0.0
Committed to Capital	<u>(270.8)</u>	<u>(176.2)</u>	<u>(396.0)</u>	<u>(379.0)</u>	<u>(439.5)</u>	<u>(447.1)</u>
	<b>(\$371.4)</b>	<b>(\$263.4)</b>	<b>(\$506.4)</b>	<b>(\$390.7)</b>	<b>(\$451.0)</b>	<b>(\$458.6)</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$3,397.2</b>	<b>\$3,636.4</b>	<b>\$3,487.2</b>	<b>\$3,746.2</b>	<b>\$3,769.5</b>	<b>\$3,857.5</b>
<b>Inter-agency Subsidy Transactions</b>						
Bridges and Tunnels Operating Surplus Transfer	<u>\$246.0</u>	<u>\$219.8</u>	<u>\$198.3</u>	<u>\$188.8</u>	<u>\$172.0</u>	<u>\$155.7</u>
	<b>\$246.0</b>	<b>\$219.8</b>	<b>\$198.3</b>	<b>\$188.8</b>	<b>\$172.0</b>	<b>\$155.7</b>
<b>GROSS SUBSIDIES</b>	<b>\$3,643.2</b>	<b>\$3,856.2</b>	<b>\$3,685.6</b>	<b>\$3,935.0</b>	<b>\$3,941.5</b>	<b>\$4,013.2</b>

# MTA COMMUTER RAILROAD SUBSIDY ALLOCATION

July Financial Plan 2015-2018

Cash Basis

(\$ in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Subsidies</b>						
<b>Dedicated Taxes</b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$511.4	\$528.1	\$547.9	\$570.4	\$591.6	\$617.0
Petroleum Business Tax (PBT) Receipts	88.0	92.9	90.8	90.2	90.1	90.3
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>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>
	<b>\$600.3</b>	<b>\$622.0</b>	<b>\$639.7</b>	<b>\$661.7</b>	<b>\$683.0</b>	<b>\$708.5</b>
<b>New State Taxes and Fees</b>						
Payroll Mobility Tax	\$309.9	\$379.6	\$323.7	\$342.6	\$392.2	\$434.8
Payroll Mobility Tax Replacement Funds	78.3	93.4	76.1	77.0	84.4	90.0
MTA Aid	<u>77.2</u>	<u>98.0</u>	<u>80.7</u>	<u>82.1</u>	<u>90.7</u>	<u>97.3</u>
	<b>\$465.5</b>	<b>\$571.0</b>	<b>\$480.6</b>	<b>\$501.7</b>	<b>\$567.3</b>	<b>\$622.1</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3
Local Operating Assistance	29.8	29.3	29.3	29.3	29.3	29.3
CDOT Subsidy	70.8	111.6	93.9	97.5	100.0	109.3
Station Maintenance	<u>160.2</u>	<u>162.6</u>	<u>165.1</u>	<u>167.9</u>	<u>170.5</u>	<u>173.1</u>
	<b>\$290.1</b>	<b>\$332.7</b>	<b>\$317.5</b>	<b>\$323.9</b>	<b>\$329.0</b>	<b>\$340.9</b>
<b>Other Subsidy Adjustments</b>						
Pension Liability Reduction	(\$210.0)	(\$20.9)	(\$8.8)	(\$17.4)	(\$15.3)	(\$13.2)
Inter-agency Loan	(30.7)	0.0	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	0.2	1.0	0.5	(0.1)	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	(200.0)	(22.0)	0.0	0.0	0.0	0.0
Committed to Capital	<u>(13.0)</u>	<u>31.4</u>	<u>(12.1)</u>	<u>9.0</u>	<u>(3.5)</u>	<u>(1.8)</u>
	<b>(\$455.9)</b>	<b>(\$13.0)</b>	<b>(\$22.9)</b>	<b>(\$10.9)</b>	<b>(\$21.2)</b>	<b>(\$17.4)</b>
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$900.0</b>	<b>\$1,512.7</b>	<b>\$1,414.9</b>	<b>\$1,476.5</b>	<b>\$1,558.1</b>	<b>\$1,654.0</b>
<b>Inter-agency Subsidy Transactions</b>						
Bridges and Tunnels Operating Surplus Transfer	<u>\$360.0</u>	<u>\$340.6</u>	<u>\$309.9</u>	<u>\$300.8</u>	<u>\$285.0</u>	<u>\$268.1</u>
	<b>\$360.0</b>	<b>\$340.6</b>	<b>\$309.9</b>	<b>\$300.8</b>	<b>\$285.0</b>	<b>\$268.1</b>
<b>GROSS SUBSIDIES</b>	<b>\$1,259.9</b>	<b>\$1,853.3</b>	<b>\$1,724.7</b>	<b>\$1,777.3</b>	<b>\$1,843.0</b>	<b>\$1,922.1</b>

# MTA STATEN ISLAND RAILWAY SUBSIDY ALLOCATION

July Financial Plan 2015-2018

Cash Basis

(\$ in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b><u>Subsidies</u></b>						
<b><i>Dedicated Taxes</i></b>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$3.5	\$3.6	\$3.8	\$4.0	\$4.1	\$4.3
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>
	\$3.5	\$3.6	\$3.8	\$4.0	\$4.1	\$4.3
<b><i>State and Local Subsidies</i></b>						
State Operating Assistance	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
Local Operating Assistance	0.6	0.6	0.6	0.6	0.6	0.6
SIRTOA Recovery	<u>30.7</u>	<u>24.0</u>	<u>34.5</u>	<u>37.1</u>	<u>47.8</u>	<u>34.4</u>
	\$31.8	\$25.1	\$35.6	\$38.2	\$48.9	\$35.5
<b>Total Dedicated Taxes &amp; State and Local Subsidies</b>	<b>\$35.3</b>	<b>\$28.8</b>	<b>\$39.4</b>	<b>\$42.1</b>	<b>\$53.0</b>	<b>\$39.8</b>
<b><i>Inter-agency Subsidy Transactions</i></b>						
MTA Subsidy to Subsidiaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>GROSS SUBSIDIES</b>	<b>\$35.3</b>	<b>\$28.8</b>	<b>\$39.4</b>	<b>\$42.1</b>	<b>\$53.0</b>	<b>\$39.8</b>

# MTA HEADQUARTERS SUBSIDY ALLOCATION

## July Financial Plan 2015-2018

Cash Basis

(\$ in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Subsidies</b>						
<b><i>Dedicated Taxes</i></b>						
<u>Mortgage Recording Tax-1</u>						
Net Receipts After Agency Transfers	\$253.6	\$266.2	\$271.9	\$285.7	\$294.2	\$305.7
<u>Adjustments to MRT-1</u>						
Diversion of MRT to Suburban Highway	0.0	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	82.0	89.8	118.4	101.4	97.4	88.8
	\$82.0	\$89.8	\$118.4	\$101.4	\$97.4	\$88.8
<b>Net Available MRT-1 Funds for MTA HQ</b>	<b>\$335.6</b>	<b>\$356.0</b>	<b>\$390.2</b>	<b>\$387.1</b>	<b>\$391.6</b>	<b>\$394.6</b>
<b>Net Funding of MTA Headquarters</b>	<b>\$335.6</b>	<b>\$356.0</b>	<b>\$390.2</b>	<b>\$387.1</b>	<b>\$391.6</b>	<b>\$394.6</b>
<b>Unallocated MRT-1 Receipts</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<u>Mortgage Recording Tax - 2</u>						
Net Receipts	\$108.8	\$109.3	\$115.7	\$117.3	\$118.6	\$122.4
<u>Adjustments to MRT-2</u>						
Funding of General Reserve	\$0.0	(\$135.0)	(\$140.0)	(\$145.0)	(\$150.0)	(\$155.0)
Diversion of MRT to Suburban Counties	(2.4)	(3.4)	(2.7)	(3.1)	(3.0)	(3.0)
Investment Income	4.5	4.7	4.9	5.1	5.3	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)	(23.8)
Transfer to MRT-1	(82.0)	(89.8)	(118.4)	(101.4)	(97.4)	(88.8)
	(\$114.9)	(\$258.5)	(\$291.2)	(\$279.3)	(\$280.0)	(\$275.4)
<b>Unallocated MRT-2 Receipts</b>	<b>(\$6.1)</b>	<b>(\$149.1)</b>	<b>(\$175.5)</b>	<b>(\$161.9)</b>	<b>(\$161.4)</b>	<b>(\$152.9)</b>



**MTA BUS COMPANY SUBSIDY ALLOCATION**  
**July Financial Plan 2015-2018**  
**Cash Basis**  
(\$ in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b><u>Subsidies</u></b>						
City Subsidy to MTA Bus Company	\$307.5	\$443.6	\$435.4	\$412.5	\$423.8	\$423.3

**MTA BRIDGES & TUNNELS**  
**July Financial Plan 2015-2018**  
**Surplus Transfer**  
(\$ in millions)

	ACTUAL	FORECAST				
	2013	2014	2015	2016	2017	2018
<b>Net Surplus/(Deficit)</b>	<b>\$1,257.970</b>	<b>\$1,190.597</b>	<b>\$1,182.526</b>	<b>\$1,182.118</b>	<b>\$1,173.889</b>	<b>\$1,163.951</b>

**Deductions from Net Operating Income:**

Total Debt Service	597.454	597.868	633.695	644.353	669.149	691.000
Capitalized Assets	14.525	17.843	17.849	20.635	21.056	21.475
Reserves	28.573	25.895	26.382	26.881	27.338	27.824
GASB Reserves	3.077	1.610	0.000	0.000	0.000	0.182
<b>Total Deductions from Net Operating Income</b>	<b>\$643.629</b>	<b>\$643.216</b>	<b>\$677.926</b>	<b>\$691.869</b>	<b>\$717.542</b>	<b>\$740.481</b>
<b>Net Income Available for Transfer to MTA and NYCT</b>	<b>\$614.341</b>	<b>\$547.381</b>	<b>\$504.600</b>	<b>\$490.249</b>	<b>\$456.347</b>	<b>\$423.469</b>

**Distribution of Funds to MTA:**

Investment Income in Current Year	\$0.131	\$0.162	\$0.737	\$2.180	\$2.866	\$2.961
Accrued Current Year Allocation	367.308	327.101	307.935	300.053	283.293	266.413
<b>Total Accrued Amount Distributed to MTA</b>	<b>\$367.439</b>	<b>\$327.263</b>	<b>\$308.672</b>	<b>\$302.233</b>	<b>\$286.159</b>	<b>\$269.374</b>

**Distribution of Funds to NYCT:**

First \$24 million of Surplus reserved for NYCT	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000
Additional Accrued Current Year Allocation	222.902	196.118	171.928	164.016	146.189	130.095
<b>Total Accrued Amount Distributed to NYCT</b>	<b>\$246.902</b>	<b>\$220.118</b>	<b>\$195.928</b>	<b>\$188.016</b>	<b>\$170.189</b>	<b>\$154.095</b>

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

From Current Year Surplus	\$359.991	\$340.639	\$309.852	\$300.842	\$284.969	\$268.101
Investment Income in Prior Year	0.136	0.131	0.162	0.737	2.180	2.866
<b>Total Cash Amount Distributed to MTA</b>	<b>\$360.127</b>	<b>\$340.770</b>	<b>\$310.013</b>	<b>\$301.578</b>	<b>\$287.149</b>	<b>\$270.967</b>
<b>Total Cash Amount Distributed to NYCT</b>	<b>\$245.971</b>	<b>\$219.793</b>	<b>\$198.347</b>	<b>\$188.807</b>	<b>\$171.971</b>	<b>\$155.705</b>

**MTA BRIDGES & TUNNELS**  
**July Financial Plan 2015-2018**  
**Surplus Transfer**  
(\$ in millions)

	ACTUAL	FORECAST				
	2013	2014	2015	2016	2017	2018
<b><u>Debt Service Detail by Agency:</u></b>						
B&T Own Purpose Debt Service	\$207.227	\$241.834	\$264.830	\$275.455	\$297.449	\$321.429
NYCT Transportation Debt Service	267.316	243.509	252.436	252.468	254.402	252.945
MTA Transportation Debt Service	122.910	112.526	116.429	116.430	117.298	116.627
<b>Total Debt Service by Agency</b>	<b>\$597.454</b>	<b>\$597.868</b>	<b>\$633.695</b>	<b>\$644.353</b>	<b>\$669.149</b>	<b>\$691.000</b>

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

Total Adjusted Net Income Available for Transfer	\$1,211.664	\$1,145.087	\$1,137.558	\$1,132.422	\$1,122.630	\$1,111.508
Less: B&T Total Debt Service	(207.227)	(241.834)	(264.830)	(275.455)	(297.449)	(321.429)
Less: first \$24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
<b>Remainder of Total Accrued Amount for Transfer</b>	<b>\$980.437</b>	<b>\$879.254</b>	<b>\$848.728</b>	<b>\$832.967</b>	<b>\$801.181</b>	<b>\$766.080</b>

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

<b><u>Distribution of Remainder to MTA</u></b>						
Fifty Percent of Total Accrued Amount for Transfer	\$490.218	\$439.627	\$424.364	\$416.483	\$400.590	\$383.040
Less: MTA Total Debt Service	(122.910)	(112.526)	(116.429)	(116.430)	(117.298)	(116.627)
<b>MTA's Accrued Current Year Allocation</b>	<b>\$367.308</b>	<b>\$327.101</b>	<b>\$307.935</b>	<b>\$300.053</b>	<b>\$283.293</b>	<b>\$266.413</b>
<b><u>Cash Conversion of MTA's Accrued Amount</u></b>						
Current Year Amount	\$321.060	\$294.391	\$277.142	\$270.048	\$254.963	\$239.772
Balance of Prior Year	38.931	46.248	32.710	30.794	30.005	28.329
<b>Cash Transfer to MTA</b>	<b>\$359.991</b>	<b>\$340.639</b>	<b>\$309.852</b>	<b>\$300.842</b>	<b>\$284.969</b>	<b>\$268.101</b>

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

<b><u>Distribution of Remainder to NYCT</u></b>						
Fifty Percent of Total Accrued Amount for Transfer	\$490.218	\$439.627	\$424.364	\$416.483	\$400.590	\$383.040
Less: NYCT Total Debt Service	(267.316)	(243.509)	(252.436)	(252.468)	(254.402)	(252.945)
Plus: first \$24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000	24.000
<b>NYCT's Accrued Current Year Allocation</b>	<b>\$246.902</b>	<b>\$220.118</b>	<b>\$195.928</b>	<b>\$188.016</b>	<b>\$170.189</b>	<b>\$154.095</b>
<b><u>Cash Conversion of NYCT's Accrued Amount</u></b>						
Current Year Amount	\$225.215	\$198.107	\$176.335	\$169.214	\$153.170	\$138.686
Balance of Prior Year	20.756	21.687	22.012	19.593	18.802	17.019
<b>Cash Transfer to NYCT</b>	<b>\$245.971</b>	<b>\$219.793</b>	<b>\$198.347</b>	<b>\$188.807</b>	<b>\$171.971</b>	<b>\$155.705</b>

SUMMARY  
**MTA STATEN ISLAND RAILWAY**  
**2014 JULY FINANCIAL PLAN**  
**2015-2018**  
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2013	2014	2015	2016	2017	2018
9							
10	<b><u>Revenue Summary:</u></b>						
11							
12	Farebox Revenue	\$5.5	\$5.8	\$5.9	\$6.0	\$6.0	\$6.1
13	Other Revenue	4.3	4.3	2.4	2.4	2.4	2.4
14	State/City Subsidies	4.6	4.7	4.9	5.1	5.2	5.4
15							
16	<b>Total Revenues</b>	<b>\$14.4</b>	<b>\$14.8</b>	<b>\$13.1</b>	<b>\$13.4</b>	<b>\$13.7</b>	<b>\$13.9</b>
17							
18	<b><u>Non-Reimbursable Expense Summary:</u></b>						
19							
20	Labor Expenses	\$33.5	\$32.0	\$30.0	\$31.8	\$33.6	\$34.4
21	Non-Labor Expenses	9.4	12.9	19.8	28.6	12.9	13.6
22	Depreciation	8.1	8.3	8.3	8.3	8.3	8.3
23	OPEB Obligation	1.4	2.3	2.3	2.3	2.3	2.3
24	Environmental Remediation	0.0	0.0	0.0	0.0	0.0	0.0
25							
26	<b>Total Non-Reimbursable Expenses</b>	<b>\$52.4</b>	<b>\$55.5</b>	<b>\$60.4</b>	<b>\$71.0</b>	<b>\$57.1</b>	<b>\$58.6</b>
27							
28							
29	<b>Total Net Revenue/(Deficit)</b>	<b>(\$38.0)</b>	<b>(\$40.7)</b>	<b>(\$47.3)</b>	<b>(\$57.6)</b>	<b>(\$43.4)</b>	<b>(\$44.7)</b>
30							
31	<b><u>Other Expenses</u></b>						
32	Debt Service	0.0	0.1	0.4	0.8	1.5	2.2
33							
34	<b>Total Net Revenue/(Deficit) after Debt Service</b>	<b>(\$38.0)</b>	<b>(\$40.8)</b>	<b>(\$47.7)</b>	<b>(\$58.4)</b>	<b>(\$45.0)</b>	<b>(\$46.9)</b>
35							
36	<b><u>Cash Adjustment Summary:</u></b>						
37	Operating Cash Adjustments	\$14.0	\$6.9	\$10.6	\$10.6	\$10.6	\$10.6
38	GASB Cash Adjustments	0.0	(0.6)	0.0	0.0	0.0	(0.0)
39							
40							
41	<b>Total Cash Adjustments</b>	<b>\$14.0</b>	<b>\$6.3</b>	<b>\$10.6</b>	<b>\$10.6</b>	<b>\$10.6</b>	<b>\$10.6</b>
42							
43	<b>Gross Cash Balance</b>	<b>(\$24.0)</b>	<b>(\$34.5)</b>	<b>(\$37.1)</b>	<b>(\$47.8)</b>	<b>(\$34.4)</b>	<b>(\$36.3)</b>
44							
45	<b><u>City Subsidy Cash Adjustments:</u></b>						
46	Cash Balance Due from the City of New York	24.0	34.5	37.1	47.8	34.4	36.3
47	Cash Subsidy Received from City of New York for SIRT OA	30.7	24.0	34.5	37.1	47.8	34.4
48	Subsidy Cash Timing	\$6.7	(\$10.5)	(\$2.5)	(\$10.7)	\$13.4	(\$1.9)
49							
50	<b>Net Cash Balance from Previous Year</b>	<b>(30.7)</b>	<b>(24.0)</b>	<b>(34.5)</b>	<b>(37.1)</b>	<b>(47.8)</b>	<b>(34.4)</b>
51							
52	<b>Baseline Net Cash Surplus/(Deficit)</b>	<b>(\$24.0)</b>	<b>(\$34.5)</b>	<b>(\$37.1)</b>	<b>(\$47.8)</b>	<b>(\$34.4)</b>	<b>(\$36.3)</b>
53							
54	<b><u>MTA Internal Subsidy:</u></b>						
55	MTA Carryover from Previous Year	0.0	0.0	0.0	0.0	0.0	0.0
56	MTA Internal Subsidy (Cash)	0.0	0.0	0.0	0.0	0.0	0.0
57							
58	<b>Baseline Net Cash Surplus/(Deficit)</b>	<b>(\$24.0)</b>	<b>(\$34.5)</b>	<b>(\$37.1)</b>	<b>(\$47.8)</b>	<b>(\$34.4)</b>	<b>(\$36.3)</b>
59							

**SUMMARY**  
**MTA BUS COMPANY**  
**2014 JULY FINANCIAL PLAN**  
**2015-2018**  
(\$ in millions)

Line  
Number

	ACTUAL	FORECAST				
	2013	2014	2015	2016	2017	2018
<b><u>Revenue Summary:</u></b>						
Farebox Revenue	\$199.2	\$199.8	\$201.4	\$202.9	\$203.2	\$204.0
Other Revenue	26.2	26.5	20.4	20.6	20.9	21.3
<b>Total Revenues</b>	<b>\$225.4</b>	<b>\$226.3</b>	<b>\$221.8</b>	<b>\$223.5</b>	<b>\$224.1</b>	<b>\$225.4</b>
<b><u>Non-Reimbursable Expense Summary:</u></b>						
Labor Expenses	\$437.0	\$451.6	\$456.3	\$473.8	\$488.5	\$499.1
Non-Labor Expenses	137.2	143.6	179.4	180.2	172.6	156.1
Depreciation	48.9	42.2	42.2	42.2	42.9	43.7
OPEB Obligation	100.2	100.2	100.2	100.2	100.2	100.2
Environmental Remediation	1.7	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Reimbursable Expenses</b>	<b>\$725.0</b>	<b>\$737.6</b>	<b>\$778.0</b>	<b>\$796.4</b>	<b>\$804.1</b>	<b>\$799.0</b>
<b>Total Net Revenue/(Deficit)</b>	<b>(\$499.5)</b>	<b>(\$511.3)</b>	<b>(\$556.2)</b>	<b>(\$572.9)</b>	<b>(\$580.0)</b>	<b>(\$573.6)</b>
<b><u>Other Expenses</u></b>						
Debt Service	\$32.0	\$24.3	\$21.2	\$21.1	\$21.6	\$21.9
Non-Billable Debt Service (2005-2011 Capital Program)	(28.9)	(22.2)	(19.2)	(19.1)	(19.6)	(19.8)
<b>Total Net Revenue/(Deficit) after Debt Service</b>	<b>(\$502.6)</b>	<b>(\$513.4)</b>	<b>(\$558.3)</b>	<b>(\$575.0)</b>	<b>(\$582.1)</b>	<b>(\$575.8)</b>
<b><u>Cash Adjustment Summary:</u></b>						
Operating Cash Adjustments	\$164.9	\$94.5	\$154.0	\$154.3	\$155.1	\$156.1
Non-Billable GASB Cash Adjustments	(4.9)	(2.6)	(0.0)	0.0	0.0	0.0
<b>Total Cash Adjustments</b>	<b>\$160.0</b>	<b>\$91.9</b>	<b>\$154.0</b>	<b>\$154.3</b>	<b>\$155.1</b>	<b>\$156.1</b>
<b>Gross Cash Balance</b>	<b>(\$342.6)</b>	<b>(\$421.5)</b>	<b>(\$404.3)</b>	<b>(\$420.7)</b>	<b>(\$427.0)</b>	<b>(\$419.7)</b>
<b><u>City Subsidy Cash Adjustments:</u></b>						
Cash Balance Due from NYC (adjusted for Non-Billable GASB)	\$342.6	\$395.0	\$404.3	\$420.7	\$427.0	\$419.7
Cash Subsidy Received from City of New York for MTA Bus	307.5	443.6	435.4	412.5	423.8	423.3
Subsidy Cash Timing	(\$35.1)	\$48.6	\$31.1	(\$8.2)	(\$3.1)	\$3.7
<b>Net Cash Balance from Previous Year</b>	<b>(\$99.5)</b>	<b>(\$134.6)</b>	<b>(\$85.9)</b>	<b>(\$54.8)</b>	<b>(\$63.1)</b>	<b>(\$66.2)</b>
<b>Baseline Net Cash Surplus/(Deficit)</b>	<b>(\$134.6)</b>	<b>(\$85.9)</b>	<b>(\$54.8)</b>	<b>(\$63.1)</b>	<b>(\$66.2)</b>	<b>(\$62.5)</b>

**MTA New York City Transit**  
**July Financial Plan 2015 - 2018**  
**Paratransit Operations**  
(\$ in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>ADA Trips:</u></b>	6,769,639	7,379,980	7,896,579	8,449,340	9,040,793
<i>Pct Change from Previous Year</i>	<i>1.1%</i>	<i>9.0%</i>	<i>7.0%</i>	<i>7.0%</i>	<i>7.0%</i>

<b><u>Revenue:</u></b>					
Fares	\$ 16,993	\$ 18,525	\$ 19,821	\$ 21,209	\$ 22,693
Urban Tax	<u>35,565</u>	<u>39,277</u>	<u>42,927</u>	<u>45,770</u>	<u>47,301</u>
<i>Sub-total</i>	\$ 52,557	\$ 57,802	\$ 62,748	\$ 66,979	\$ 69,994
City Reimbursements	<u>135,132</u>	<u>141,003</u>	<u>154,091</u>	<u>173,598</u>	<u>190,620</u>
<b>Total Revenue</b>	<b>\$ 187,689</b>	<b>\$ 198,805</b>	<b>\$ 216,839</b>	<b>\$ 240,577</b>	<b>\$ 260,615</b>

<b><u>Expenses:</u></b>					
Operating Expenses:					
Salaries & Benefits	\$ 21,854	\$ 22,052	\$ 22,052	\$ 22,052	\$ 22,052
Rental & Miscellaneous	<u>449,863</u>	<u>472,611</u>	<u>516,737</u>	<u>579,488</u>	<u>632,039</u>
<b>Total Expenses</b>	<b>\$ 471,717</b>	<b>\$ 494,663</b>	<b>\$ 538,789</b>	<b>\$ 601,540</b>	<b>\$ 654,091</b>

<b>Net Paratransit Surplus/(Deficit)</b>	<b><u>\$ (284,027)</u></b>	<b><u>\$ (295,858)</u></b>	<b><u>\$ (321,950)</u></b>	<b><u>\$ (360,964)</u></b>	<b><u>\$ (393,477)</u></b>
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	<b>Paratransit Details</b>				
<b>Total Paratransit Reimbursement:</b>	<b>\$ 170,697</b>	<b>\$ 180,281</b>	<b>\$ 197,018</b>	<b>\$ 219,368</b>	<b>\$ 237,922</b>
Urban Tax	\$ 35,565	\$ 39,277	\$ 42,927	\$ 45,770	\$ 47,301
City Reimbursements	135,132	141,003	154,091	173,598	190,620

***Rental & Miscellaneous Expense:***

*Paratransit Service Contracts*

Carrier Services	\$ 347,083	\$ 355,274	\$ 387,665	\$ 437,607	\$ 476,917
Command Center	24,199	26,843	29,371	32,096	35,075
Eligibility Certification	3,701	4,100	4,550	5,050	5,050
Other	5,539	5,537	5,538	5,538	5,537
<b>Subtotal</b>	<b>\$ 380,523</b>	<b>\$ 391,754</b>	<b>\$ 427,124</b>	<b>\$ 480,292</b>	<b>\$ 522,580</b>

*Other Than Personnel Service:*

Insurance	34,844	40,399	47,626	56,069	65,965
Fuel	22,193	22,653	23,407	25,459	27,989
Other	11,069	16,574	17,349	16,438	14,274
<b>Subtotal</b>	<b>\$ 68,106</b>	<b>\$ 79,626</b>	<b>\$ 88,382</b>	<b>\$ 97,965</b>	<b>\$ 108,229</b>

<i>Non-City Reimbursable OTPS:</i>	<b>\$ 1,211</b>	<b>\$ 1,211</b>	<b>\$ 1,210</b>	<b>\$ 1,210</b>	<b>\$ 1,230</b>
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<b>Total Rental &amp; Miscellaneous Expense</b>	<b>\$ 449,840</b>	<b>\$ 472,591</b>	<b>\$ 516,716</b>	<b>\$ 579,467</b>	<b>\$ 632,039</b>
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<i>Annual Growth in Total Expenses</i>	<i>4.8%</i>	<i>4.9%</i>	<i>8.9%</i>	<i>11.6%</i>	<i>8.7%</i>
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## **Debt Service**

## Debt Service in the Financial Plan

The following table includes debt service projections for 2014 through 2018 associated with *approved* Capital Programs. The overall decrease in baseline debt service from the February Plan is due primarily to the projected capital projects cash flow timing, lower than budgeted short-term rates through May of 2014 and lower fixed-rate interest rates.

<b>Debt Service Forecast</b>			
<b>(in millions)*</b>			
<b>Year</b>	<b>February Plan Debt Service</b>	<b>July Plan Debt Service</b>	<b>Difference Favorable (Unfavorable)</b>
<b>2014</b>	\$2,333	\$2,288	\$45
<b>2015</b>	2,491	2,445	46
<b>2016</b>	2,651	2,568	83
<b>2017</b>	2,873	2,753	120
<b>2018</b>	N/A	2,921	N/A
<b>Total</b>	<b>\$10,348</b>	<b>\$12,975</b>	<b>\$294</b>

\*Totals may not add due to rounding.

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

## Debt Issuance Assumptions:

<b>Forecasted Borrowing Schedule*</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<i>(\$ in millions)</i>					
TR and DTF New Money Bonds	\$1,058	\$2,099	\$2,068	\$2,074	\$1,882
TBTA New Money Bonds	<u>350</u>	<u>78</u>	<u>262</u>	<u>349</u>	<u>478</u>
Total New Money Bonds	\$1,408	\$2,177	\$2,329	\$2,423	\$2,360
Assumed Fixed-Rates					
Transportation Revenue Bonds	4.92%	5.12%	5.31%	5.46%	5.54%
Dedicated Tax Fund Bonds	4.78%	4.96%	5.13%	5.26%	5.33%
Triborough Bridge & Tunnel Authority	4.78%	4.96%	5.13%	5.26%	5.33%
Assumed Variable Rates	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates <sup>1</sup>					
Transportation Revenue Bonds	5.33%	5.49%	5.63%	5.73%	5.77%
Dedicated Tax Fund Bonds	5.04%	5.20%	5.33%	5.42%	5.46%
Triborough Bridge & Tunnel Authority	5.04%	5.20%	5.33%	5.42%	5.46%

\* TR stands for Transportation Revenue; DTF stands for Dedicated Tax Fund. 2014 New Money Bonds include \$0.8 billion of Transportation Revenue New Money Bonds, \$250 million of TBTA New Money Bonds and \$100 million of TBTA Bond Anticipation Notes issued through May 31, 2014.

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



- All debt is assumed to be issued as 30- year level debt, principal amortized over the life of the bonds.
- Current fixed-rate estimates derived from prevailing Fair Market Yield Curves for A- and AA- Transportation issuers using Bloomberg Information Service. Financial Plan years 2014–2018 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of June 3, 2014).
- 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 TBTBTA capital projects issued under the TBTBTA General Revenue Resolution.
- Assumes \$331 million of pay-go funding during the 2014-2018 forecast period.
- Build America Bonds subsidy has been reduced by 7.2% annually through and including Federal Fiscal Year 2021 reflecting the sequester reduction for payments to issuers of direct pay bonds.
- No reserve funds.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Summary of Total Budgeted Debt Service**  
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2013	2014	2015	2016	2017	2018
9	<b><u>New York City Transit:</u></b>						
10	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$826.805	\$817.300	\$833.288	\$820.252	\$833.538	\$841.951
11	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	1.440	29.734	82.082	137.856	207.166
12	2 Broadway Certificates of Participation - NYCT Lease Portion	12.477	17.722	17.371	16.340	18.605	19.395
13	2 Broadway Certificates of Participation - Additional NYCT Share of MTA Lease Portion	0.000	0.000	2.405	2.262	2.685	2.685
13	Transportation Resolution Commercial Paper	0.666	12.079	20.491	20.491	20.491	20.491
14	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	318.060	317.226	315.917	318.293	319.324	318.042
15	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	8.904	26.258	42.237	49.765
16	Sub-Total MTA Paid Debt Service	\$1,158.008	\$1,165.766	\$1,228.108	\$1,285.978	\$1,374.626	\$1,459.495
17							
18	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$193.033	\$180.506	\$180.042	\$180.048	\$181.023	\$180.052
19	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	78.119	53.002	72.622	73.240	74.725	74.272
20	Sub-Total B&T Paid Debt Service	\$271.152	\$243.509	\$252.664	\$253.288	\$255.749	\$254.324
21							
22	<b>Total NYCT Debt Service</b>	<b>\$1,429.160</b>	<b>\$1,409.275</b>	<b>\$1,480.773</b>	<b>\$1,539.266</b>	<b>\$1,630.375</b>	<b>\$1,713.819</b>
23							
24	<b><u>Commuter Railroads:</u></b>						
25	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$514.580	\$497.139	\$517.319	\$509.226	\$517.474	\$522.697
26	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	5.613	39.896	95.197	145.804	191.591
27	Transportation Resolution Commercial Paper	0.363	7.811	13.252	13.252	13.252	13.252
28	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	68.550	67.199	66.007	66.503	66.719	66.451
29	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	0.000	0.000	0.000	0.000
30	Sub-Total MTA Paid Debt Service	\$583.493	\$577.761	\$636.473	\$684.178	\$743.249	\$793.991
31							
32	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$87.461	\$84.845	\$84.627	\$84.630	\$85.088	\$84.632
33	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	34.322	27.681	31.907	32.178	32.831	32.632
34	Sub-Total B&T Paid Debt Service	\$121.783	\$112.526	\$116.534	\$116.808	\$117.919	\$117.264
35							
36	<b>Total CRR Debt Service</b>	<b>\$705.276</b>	<b>\$690.287</b>	<b>\$753.008</b>	<b>\$800.986</b>	<b>\$861.168</b>	<b>\$911.254</b>
37							
38	<b><u>Bridges and Tunnels:</u></b>						
39	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$185.876	\$217.862	\$234.471	\$234.478	\$235.748	\$234.483
40	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	30.858	24.887	28.687	28.931	29.518	29.339
41	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	2.526	13.691	34.027	55.838
42	2 Broadway Certificates of Participation - TBTA Lease Portion	1.764	2.506	2.604	2.450	2.789	2.908
43	2 Broadway Certificates of Participation - Additional TBTA Share of MTA Lease Portion	0.000	0.000	0.192	0.181	0.206	0.215
44							
45	<b>Total B&amp;T Debt Service</b>	<b>\$218.499</b>	<b>\$245.255</b>	<b>\$268.481</b>	<b>\$279.731</b>	<b>\$302.288</b>	<b>\$322.782</b>
46	<b><u>MTA Bus:</u></b>						
47	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$32.790	\$24.193	\$20.992	\$20.663	\$20.998	\$21.210
48	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	0.046	0.193	0.295	0.295
49	Transportation Resolution Commercial Paper	0.150	0.152	0.257	0.257	0.257	0.257
50							
51	<b>Total MTA Bus Debt Service</b>	<b>\$32.940</b>	<b>\$24.345</b>	<b>\$21.294</b>	<b>\$21.113</b>	<b>\$21.550</b>	<b>\$21.762</b>
52							
53	<b><u>Staten Island Railway (SIRTOA):</u></b>						
54	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$0.000	\$0.110	\$0.181	\$0.178	\$0.181	\$0.183
55	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	0.017	0.108	0.312	0.584
56	Transportation Resolution Commercial Paper	0.000	0.000	0.000	0.000	0.000	0.000
57							
58	<b>Total SIRTOA Debt Service</b>	<b>\$0.000</b>	<b>\$0.110</b>	<b>\$0.198</b>	<b>\$0.287</b>	<b>\$0.493</b>	<b>\$0.768</b>
59							
60	<b>Total MTA HQ Debt Service for 2 Broadway Certificates of Participation</b>	<b>\$1.712</b>	<b>\$2.431</b>	<b>\$2.713</b>	<b>\$2.552</b>	<b>\$2.906</b>	<b>\$3.029</b>

## (\$ in millions)

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## **Debt Service Affordability Statement**

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# METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2015-2018

## Debt Affordability Statement <sup>(1)</sup>

\$ in millions

Forecasted Debt Service and Borrowing Schedule			Notes	2013 ACTL	2014	2015	2016	2017	2018
Combined MTA/TBTA Forecasted Debt Service Schedule			1, 2, 3	\$2,283.3	\$2,260.3	\$2,414.6	\$2,539.3	\$2,721.1	\$2,884.8
Forecasted New Money Bonds Issued			4	2,500.0	1,408.6	2,177.2	2,329.5	2,422.9	2,360.4
Forecasted Debt Service by Credit <sup>9</sup>			Notes	2013 ACTL	2014	2015	2016	2017	2018
Transportation Revenue Bonds			5	\$11,748.2	\$12,278.4	\$12,275.0	\$12,506.1	\$12,719.9	\$12,931.9
Pledged Revenues				1,321.3	1,311.9	1,424.4	1,518.6	1,659.1	1,798.3
Debt Service				11%	11%	12%	12%	13%	14%
Debt Service as a % of Pledged Revenues									
Dedicated Tax Fund Bonds			6	\$586.4	\$619.0	\$605.1	\$601.5	\$600.9	\$602.0
Pledged Revenues				360.6	358.1	364.1	383.4	399.8	405.7
Debt Service				61%	58%	60%	64%	67%	67%
Debt Service as a % of Pledged Revenues									
Triborough Bridge and Tunnel Authority General Revenue Bonds			7	\$1,211.7	\$1,145.1	\$1,137.6	\$1,132.4	\$1,122.6	\$1,111.5
Pledged Revenues				458.1	474.8	493.0	503.3	525.8	545.2
Debt Service				38%	41%	43%	44%	47%	49%
Debt Service as a % of Total Pledged Revenues									
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds			8	\$753.6	\$670.3	\$644.6	\$629.1	\$596.8	\$566.3
Pledged Revenues				143.3	115.6	133.1	133.9	136.4	135.6
Debt Service				19%	17%	21%	21%	23%	24%
Debt Service as a % of Total Pledged Revenues									
Cumulative Debt Service (Excluding State Service Contract Bonds)			Notes	2013 ACTL	2014	2015	2016	2017	2018
Total Debt Service			1, 2, 3	\$2,283.3	\$2,260.3	\$2,414.6	\$2,539.3	\$2,721.1	\$2,884.8
Fare and Toll Revenues				\$7,152.6	\$7,313.6	\$7,380.1	\$7,471.7	\$7,528.5	\$7,582.9
Total Debt Service as a % of Fare and Toll Revenue				32%	31%	33%	34%	36%	38%
Operating Revenues (including Fare and Toll Revenues) and Subsidies				\$13,803.9	\$14,208.8	\$14,288.6	\$14,637.3	\$14,902.5	\$15,179.5
Total Debt Service as a % of Operating Revenues and Subsidies				17%	16%	17%	17%	18%	19%
Non-Reimbursable Expenses with Non-Cash Liabilities				\$14,961.5	\$15,883.0	\$16,192.8	\$16,666.3	\$17,356.1	\$17,919.2
Total Debt Service as % of Non-reimbursable Expenses				15%	14%	15%	15%	16%	16%

Notes on the following page are integral to this table.



## Notes

- 1 Unhedged tax-exempt variable rate debt reflects actual rates through May 2014, 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 2014 issuance through May 31, 2014 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 May 31, 2014 (\$ 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	1,324.3	2.3	1,326.6	362.6	-	362.6	456.4	0.1	456.5	142.9	-	142.9	2,286.2	2.4	2,288.6
2014	1,304.3	7.6	1,311.9	358.1	-	358.1	474.8	-	474.8	120.6	-	120.6	2,257.8	7.6	2,265.3
2015	1,351.3	74.5	1,425.8	355.6	8.9	364.5	490.7	2.5	493.3	138.2	-	138.2	2,335.8	86.0	2,421.8
2016	1,329.8	194.1	1,524.0	358.5	26.3	384.7	490.7	13.7	504.4	139.3	-	139.3	2,318.4	234.1	2,552.5
2017	1,351.9	316.6	1,668.4	359.7	42.2	402.0	493.4	34.0	527.5	142.1	-	142.1	2,347.1	392.8	2,739.9
2018	1,365.9	442.8	1,808.7	358.2	49.8	407.9	490.8	61.9	552.6	138.7	-	138.7	2,353.5	554.4	2,908.0
2019	1,363.6	524.6	1,888.2	352.5	49.8	402.3	487.3	85.9	573.2	136.3	-	136.3	2,339.6	660.3	2,999.9
2020	1,362.0	543.3	1,905.3	354.2	49.8	403.9	487.8	98.7	586.5	135.9	-	135.9	2,339.8	691.8	3,031.7
2021	1,357.6	544.7	1,902.3	351.5	49.8	401.3	484.9	106.3	591.2	136.6	-	136.6	2,330.6	700.8	3,031.4
2022	1,343.0	545.6	1,888.6	347.2	49.8	396.9	488.4	109.8	598.2	136.0	-	136.0	2,314.6	705.2	3,019.8
2023	1,366.2	545.9	1,912.1	350.0	49.8	399.8	481.9	111.0	592.9	136.6	-	136.6	2,334.7	706.7	3,041.4
2024	1,355.7	545.9	1,901.6	349.4	49.8	399.2	476.9	111.3	588.2	136.7	-	136.7	2,318.7	707.0	3,025.7
2025	1,360.8	545.9	1,906.7	349.4	49.8	399.2	476.7	111.3	588.0	136.6	-	136.6	2,323.6	707.0	3,030.6
2026	1,400.7	545.9	1,946.6	346.7	49.8	396.4	476.2	111.3	587.6	136.9	-	136.9	2,360.4	707.0	3,067.4
2027	1,400.5	545.9	1,946.4	339.6	49.8	389.3	479.6	111.3	590.9	136.8	-	136.8	2,356.4	707.0	3,063.5
2028	1,399.5	545.9	1,945.5	348.2	49.8	397.9	491.3	111.3	602.7	137.0	-	137.0	2,376.1	707.0	3,083.1
2029	1,399.1	545.9	1,945.0	346.6	49.8	396.3	490.3	111.3	601.7	136.8	-	136.8	2,372.8	707.0	3,079.9
2030	1,398.9	545.9	1,944.8	345.5	49.8	395.3	492.5	111.3	603.9	136.9	-	136.9	2,373.9	707.0	3,080.9
2031	1,408.8	545.9	1,954.7	342.9	49.8	392.6	510.0	111.3	621.3	130.0	-	130.0	2,391.7	707.0	3,098.7
2032	1,328.8	545.9	1,874.7	347.1	49.8	396.9	434.9	111.3	546.3	76.9	-	76.9	2,187.7	707.0	2,894.7
2033	1,054.4	545.9	1,600.4	333.8	49.8	383.6	235.5	111.3	346.8	-	-	-	1,623.7	707.0	2,330.7
2034	1,055.3	545.9	1,601.2	182.8	49.8	232.6	246.3	111.3	357.6	-	-	-	1,484.3	707.0	2,191.4
2035	1,028.8	545.9	1,574.7	131.3	49.8	181.0	276.2	111.3	387.5	-	-	-	1,436.3	707.0	2,143.3
2036	845.9	545.9	1,391.8	146.0	49.8	195.8	270.0	111.3	381.3	-	-	-	1,261.9	707.0	1,968.9
2037	815.1	545.9	1,361.0	334.1	49.8	383.8	270.9	111.3	382.3	-	-	-	1,420.1	707.0	2,127.1
2038	757.2	545.9	1,303.1	322.8	49.8	372.5	249.6	111.3	360.9	-	-	-	1,329.6	707.0	2,036.6
2039	689.4	545.9	1,235.4	271.3	49.8	321.1	95.2	111.3	206.6	-	-	-	1,056.0	707.0	1,763.0
2040	585.8	545.9	1,131.7	29.9	49.8	79.7	52.4	111.3	163.7	-	-	-	668.1	707.0	1,375.1
2041	437.4	545.9	983.3	-	49.8	49.8	32.5	111.3	143.8	-	-	-	469.9	707.0	1,176.9
2042	374.6	545.9	920.5	-	49.8	49.8	30.8	111.3	142.1	-	-	-	405.3	707.0	1,112.4
2043	231.9	545.9	777.8	-	49.8	49.8	18.3	111.3	129.7	-	-	-	250.2	707.0	957.2
2044	96.0	538.4	634.4	-	49.8	49.8	13.5	111.3	124.8	-	-	-	109.5	699.5	809.0
2045	54.8	471.4	526.2	-	40.9	40.9	-	108.8	108.8	-	-	-	54.8	621.0	675.9
2046	53.4	351.8	405.1	-	23.5	23.5	-	97.6	97.6	-	-	-	53.4	472.9	526.3
2047	7.9	229.3	237.2	-	7.5	7.5	-	77.3	77.3	-	-	-	7.9	314.2	322.1

### 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 Bond Anticipation Notes.

Forecasted Investment Income is not included above.

Net of Build America Bonds subsidy.

## Addendum to MTA Debt Affordability Statement

## **Positions (Headcount)**

## POSITIONS (Headcount)

The information contained in this section presents MTA headcount by Agency, function, occupational group and various other reporting categories. Analysis of these numbers is provided on both a plan-to-plan and a year-to-year basis. The changes in headcount described 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). Also, non-administrative positions that had been added in previous financial plans, primarily for long-term restoration and mitigation projects resulting from Superstorm Sandy, are now being partly offset by position reductions resulting from efficiencies and the delayed startup of East Side Access.

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2015-2018				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2014	2015	2016	2017
<b>2014 February Plan - Total Baseline Positions</b>	<b>68,538</b>	<b>68,564</b>	<b>68,514</b>	<b>68,869</b>
Total Plan-to-Plan Changes	(181)	21	452	575
<b>2014 July Plan - Total Baseline Positions</b>	<b>68,719</b>	<b>68,543</b>	<b>68,062</b>	<b>68,294</b>
Total Year-to-Year Changes, July Plan		176	481	(232)
<b>Total Plan-to-Plan Changes by Reporting Category:</b>				
Non-Reimbursable	(145)	112	516	577
Reimbursable	(36)	(91)	(64)	(2)
<b>Total</b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>
Full-Time	(181)	21	452	575
Full-Time Equivalents	0	0	0	0
<b>Total</b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>
<b>By Function Category</b>				
- Administration	59	(65)	(49)	(44)
- Operations	(119)	53	193	210
- Maintenance	(105)	52	297	354
- Engineering/Capital	(15)	(15)	(15)	(15)
- Public Safety	(1)	(4)	26	70
<b>Total</b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>
<b>By Occupational Group</b>				
- Managers/Supervisors	(177)	(221)	(146)	(122)
- Professional, Technical, Clerical	(61)	(97)	(90)	(88)
- Operational Hourlies	57	338	687	784
<b>Total</b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>
<b>Total Plan-to-Plan Changes by Major Category:</b>				
2013 BRPs	53	154	126	102
New Needs	(207)	(236)	(177)	(177)
Change in Reimbursable Positions	(36)	(91)	(64)	(2)
Re-estimates & All Other <sup>1</sup>	9	194	567	652
<b>Total</b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>

## Year-to-Year Position Changes

### 2015 vs. 2014

Consolidated 2015 baseline positions are 68,543, a decrease of 176 positions from the 2014 level. This is primarily due to:

- **NYCT** - Total positions decrease by 313 positions, reflecting a non-reimbursable decrease of 260 positions, and a reimbursable decrease of 53 reimbursable positions. The decrease is due mostly to Subway's platform budget - normal budget adjustments, training float adjustments, Scheduled Maintenance Service (SMS), capital project completion, and the incorporation of new savings programs.
- **MTA HQ** – Net increases of 65 positions are mainly due to non-reimbursable increases of 61 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all agencies by in-house staff rather than an off-site/off-shore vendor, five non-reimbursable Public Safety positions resulting from increases for the Moynihan project at Penn Station, partly offset by the elimination of the two-year Excelsior position in Capital Program Management that had been mandated by New York State.
- **LIRR** - Net increases of 55 positions, reflecting an increase of 145 non-reimbursable positions and a decrease of 90 reimbursable positions caused by the timing of capital program activity which results in the shift of 123 Engineering positions to Non-Reimbursable. Adjusting for this timing shift, the actual reimbursable position increase is due primarily to the start of Maintenance of Equipment Positive Train Control activities.
- **MTA Bus** – Increases of ten non-reimbursable positions including two positions in support of the Shop Hybrid Program, six positions for Farebox Maintenance, two positions for Real Time bus information and MTA corporate-wide Asset Management initiative, six positions in support of the Shop Overhaul Program, partly offset by a decrease of six positions for the completion of buses shifting from Far Rockaway to JFK Depot.

Positions by Function decrease between 2014 and 2015 mainly for the following reasons:

- Operations decreases by 202 positions, primarily due to timing of NYCT capital activity.
- Maintenance decreases of 130 positions attributable to: NYCT capital activity, partly offset by increases at LIRR, also related to timing of capital activity.
- Administration increases of 123 positions mainly due to MTAHQ increases of 60 positions attributable to the IT Transformation initiative to provide desktop support for PCs and laptops, and NYCT increases of 55 due to project support activity.
- Engineering increases of 25 positions due to NYCT capital project support requirements.

## **2016 - 2018**

Total forecasted positions are 68,062 for 2016, a reduction of 481 positions from 2015. NYCT's headcount reduction of 445 positions is mainly due to Subway's platform budget – normal budget increases, training float adjustments, SMS, and capital project completion. Decreases of 34 positions at LIRR reflect reductions in Sandy reimbursable support positions. At the LIRR, staffing levels decrease by 33 positions attributable to changes in project activity. MTA Bus increases of 35 non-reimbursable positions are mainly for the Shop Overhaul Program, support of Buses Real Time bus information, MTA Corporate Wide Asset Management Initiative.

Total forecasted positions are 68,294 in 2017, an increase of 232 positions from 2016. This is primarily due to NYCT headcount increases of 121 positions attributable to operating staff requirements for the 2<sup>nd</sup> Avenue Subway. LIRR increases of 102 positions are primarily due to non-reimbursable increases of 164 positions, mainly related to East Side Access readiness efforts, partially offset by reimbursable decreases of 62 due to changes in project activity.

In 2018, total forecasted positions of 68,362 are an increase of 68 positions from 2017. Positions increase at LIRR by 128 primarily related to East Side Access readiness efforts. MTAHQ increases by 30 non-reimbursable positions due to revised MTAPD hiring plans for East Side Access in anticipation of its projected opening in 2021. Decreases of 48 non-reimbursable positions at MTA Bus are primarily due to changes in the Shop Overhaul Program, and NYCT decreases of 45 positions are mainly due to changes in the Subways SMS program are partial offsets.

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

### **2014**

Headcount of 68,719 positions reflects an increase of 181 positions from the February Plan, primarily due to:

- **NYCT** - increases by 136 positions comprised of 164 non-reimbursable positions, partly offset by a reduction of 28 reimbursable positions. New Needs increases of 176 positions include 56 positions for Bus Maintenance – Overage Fleet, 44 positions for Station Cleaning, 31 positions for RTO – Lengthened Training Periods, and 35 positions for Track Construction Maintenance. BRPs of 47 positions are an offset and include 28 positions resulting from Car Equipment Facility Cleaning efficiencies, and 17 Revenue Collection position efficiencies.

- **LIRR** - increases by 17 positions, reflecting an increase of 85 reimbursable positions and a decrease of 68 non-reimbursable positions as a result of the timing of capital project activity.
- **MTA HQ** - Headquarters increases by 15 positions, mainly for 13 administrative non-reimbursable positions and two reimbursable positions related to the oversight of pension activities.

#### 2015

Headcount of 68,543 positions reflects a decrease of 21 positions from the February Plan, mainly the result of:

- **LIRR** - decreases by 131 positions, which include 173 non-reimbursable positions, primarily from the revised East Side Access Startup Plan (229 positions), partially offset by additional positions for fare protection initiatives, additional train engineers to offset overtime, Customer Service Ambassadors, On-Board Ticket Issuing Machine rollout and additional positions needed due to the extended M3 retirement date. The net increase of 42 reimbursable positions is mainly driven by the Maintenance of Equipment Positive Train Control initiative.
- **MTA Bus** - decreases of 62 positions primarily reflects changes in the Shop Overhaul Program of 76 positions partly offset by an increase of 11 positions for Overage Fleet Maintenance.
- **NYCT** - increases of 96 positions are comprised of 70 reimbursable positions and 26 non-reimbursable positions. New Needs increases of 132 positions include 48 positions for Bus Maintenance – Overage Fleet, 44 positions for Station Cleaning, 25 positions for Track Construction Maintenance, and 15 positions for RTO - Lengthened Training Periods. Reimbursable and Re-estimate positions increase by 44 positions mainly due to Subway capital program support. BRPs of 80 positions are an offset and include: Car Equipment Facility Cleaning efficiencies (28 positions), Subways availability improvement for video training at home (23 positions), and Revenue Collection efficiencies (17 positions).
- **MTA HQ** - increases of 76 positions are comprised of 74 non-reimbursable positions including 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than off-site/off-shore vendors, 11 administrative positions, and two reimbursable positions related to the oversight of pension activities.

#### 2016 and 2017

Headcount decreases to 68,062 positions in 2016, and 68,294 positions in 2017, reflecting decreases of 452 and 575 positions, respectively, from the February Plan. These unfavorable variances are mainly due to:

- **LIRR** - decreases of 442 and 548 positions in 2016 and 2017, respectively, are mainly due to non-reimbursable reductions of 489 positions in 2016, and 542 in 2017, primarily due to the revised East Side Access startup plan. Reimbursable

positions increase by 47 in 2016 and decrease by 5 in 2017 due to changes in project activity levels.

- **MTA Bus** - decreases of 42 positions in 2016 primarily reflects changes in the Shop Overhaul Program.
- **NYCT** - decreases by 11 positions and 20 positions in 2016 and 2017, respectively. These decreases are primarily due to BRPs of 80 positions in each year including efficiencies for Car Equipment Facility Cleaning (28 positions), Revenue Collection (17 positions), and Subway's availability improvement for video training at home (23 positions). Reimbursable and re-estimated positions also decrease by 15 positions in 2016 and 24 positions in 2017. New Needs increases of 84 positions in each year including 44 positions for Station Cleaning, 25 positions for Track Construction Maintenance, and 15 positions for RTO – Lengthened training Periods, were an offset.
- **MNR** - decreases of 8 positions and 17 positions in 2016 and 2017, respectively, include 11 and 20 non-reimbursable reductions in each year, partly offset by 3 reimbursable position increases.
- **MTA HQ** - increases of 46 positions in 2016 and 2 positions in 2017 are due to increases of 77 administrative positions in each year including 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than off-site/off-shore vendors, partly offset by the reduction of 31 and 75 Public Safety positions in 2016 and 2017, respectively, due to revised hiring plans for East Side Access in anticipation of its delayed projected opening.

#### New Needs

Programmatic changes referred to earlier and explained further in Agency sections address MTA's need to carry out 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 207 positions in 2014, 236 positions in 2015, and 177 positions in 2016 and 2017. Major New Needs are listed in the following table:



**METROPOLITAN TRANSPORTATION AUTHORITY**

**July Financial Plan 2014-2017**

Favorable/(Unfavorable)

**Position Impacts of New Needs**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>NYCT</b>				
- Bus Maintenance - Overage Fleet	(56)	(46)	0	0
- RTO - Lengthened Training Periods	(31)	(15)	(15)	(15)
- Station Cleaning	(44)	(44)	(44)	(44)
- Track Construction Maintenance	(35)	(25)	(25)	(25)
- Other	(10)	(2)	0	0
<b>Total NYCT</b>	<b>(176)</b>	<b>(132)</b>	<b>(84)</b>	<b>(84)</b>
<b>MNR</b>				
- Chief Engineer for MofW	(1)	(1)	(1)	(1)
- Other	0	(4)	(4)	(4)
<b>Total MNR</b>	<b>(1)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<b>B&amp;T</b>				
- All-Electronic Tolling (AET) program	(3)	(3)	(3)	(3)
- Procurement position for expanded M/WOBE program	(1)	(1)	(1)	(1)
- Legal position for toll matters, projects and initiatives	(1)	(1)	(1)	(1)
<b>Total B&amp;T</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<b>Headquarters</b>				
- Office Services for 2 B'way Mailroom	(2)	(2)	(2)	(2)
- General Counsel for Procurement	(2)	(2)	(2)	(2)
- EAM for Asset Oversight	(2)	(2)	(2)	(2)
- IT Transformation Initiative	(2)	(63)	(63)	(63)
- CPM for 5-Year Capital marketing	(2)	(2)	(2)	(2)
- BSC for ELM support	(1)	(1)	(1)	(1)
- HR for Workforce Development	(1)	(1)	(1)	(1)
- Real Estate for West Side Yards project support	(1)	(1)	(1)	(1)
<b>Total Headquarters</b>	<b>(13)</b>	<b>(74)</b>	<b>(74)</b>	<b>(74)</b>
<b>MTA Bus Co</b>				
- MWDBE Program	(1)	(1)	(1)	(1)
- Overage Fleet Maintenance	(11)	(11)	0	0
- Real Time Bus Inform. & Asset Management Initiatives	0	(2)	(2)	(2)
- Farebox Maintenance	0	6	6	0
<b>Total MTA Bus Co</b>	<b>(12)</b>	<b>(20)</b>	<b>(9)</b>	<b>(9)</b>
<b>Total New Needs</b>	<b>(207)</b>	<b>(236)</b>	<b>(177)</b>	<b>(177)</b>

### Changes in Reimbursable Positions

Reimbursable increases occur mainly as a result of LIRR capital project activity and Subways capital program support. Reimbursable changes result in increases of 36 positions in 2014, 91 positions in 2015, 64 positions in 2016 and two positions in 2017. Major Reimbursable positions are listed in the following table:

<b>METROPOLITAN TRANSPORTATION AUTHORITY</b> <b>July Financial Plan 2014-2017</b> Favorable/(Unfavorable)				
<b>Position Impacts of Reimbursable</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<i>NYCT</i>				
- Subways Capital Program Support	0	(70)	0	0
- Other	28	0	(38)	(28)
<i>Total NYCT</i>	28	(70)	(38)	(28)
<i>LIRR</i>				
- Maint. of Equip. Positive Train Control	0	(42)	(47)	0
- Capital Project Activity	(85)	0	0	5
<i>Total LIRR</i>	(85)	(42)	(47)	5
<i>MNR</i>				
- Manager in MofW for CT construction	(1)	(1)	(1)	(1)
- Engineering and Design for GCT	(2)	(2)	(2)	(2)
<i>Total MNR</i>	(3)	(3)	(3)	(3)
<i>HQ</i>				
- Pension position transferred from LIRR	(1)	(1)	(1)	(1)
- Chief Investment Officer for retirement assets	(1)	(1)	(1)	(1)
<i>Total HQ</i>	(2)	(2)	(2)	(2)
<i>MTA Bus</i>				
- Transfer to Salvage and Scrap	26	26	26	26
<b>Total Reimbursable</b>	<b>(36)</b>	<b>(91)</b>	<b>(64)</b>	<b>(2)</b>

### Re-Estimates & All Other

Combined, agencies show a net decrease of 9 positions in 2014, 194 in 2015, 567 in 2016, and 652 in 2017, resulting from their re-estimates and other changes. The revised East Side Access startup plan is the major driver of the change, as captured in the table below, with more information contained in Agency sections:

<b>METROPOLITAN TRANSPORTATION AUTHORITY</b> <b>July Financial Plan 2014-2017</b> Favorable/(Unfavorable)				
<b>Position Impacts of Re-Estimates</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<i>NYCT</i>				
- Other	(35)	26	53	52
<i>Total NYCT</i>	(35)	26	53	52
<i>LIRR</i>				
- Capital Project Activity	68	0	0	0
- Revised East Side Access startup plan	0	229	545	598
- Other additions	0	(56)	(56)	(56)
<i>Total LIRR</i>	68	173	489	543
<i>MNR</i>				
- Other	2	2	5	14
<i>Total MNR</i>	2	2	5	14
<i>HQ</i>				
- Revised MTAPD hiring Plan for East Side Access	-	-	30	74
<i>MTA Bus</i>				
- Transfer from Salvage & Scrap	(26)	(26)	(26)	(26)
- Other	-	19	16	(5)
<i>Total MTA Bus</i>	(26)	(7)	(10)	(31)
<b>Total Re-Estimates</b>	<b>9</b>	<b>194</b>	<b>567</b>	<b>652</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Agency**

Category	2013 Actual <sup>1</sup>	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Baseline Total Positions</b>	<b>66,361</b>	<b>68,719</b>	<b>68,543</b>	<b>68,062</b>	<b>68,294</b>	<b>68,362</b>
NYC Transit	46,412	47,447	47,134	46,689	46,810	46,765
Long Island Rail Road	6,727	7,001	7,056	7,023	7,125	7,253
Metro-North Railroad	6,099	6,585	6,592	6,588	6,586	6,589
Bridges & Tunnels	1,554	1,751	1,751	1,751	1,751	1,751
Headquarters	1,603	1,780	1,845	1,845	1,845	1,875
Staten Island Railway	267	305	305	271	271	271
Capital Construction Company	123	140	140	140	140	140
Bus Company	3,576	3,710	3,720	3,755	3,766	3,718
<b>Non-Reimbursable</b>	<b>61,245</b>	<b>62,139</b>	<b>62,105</b>	<b>61,961</b>	<b>62,394</b>	<b>62,487</b>
NYC Transit	42,459	42,730	42,470	42,303	42,563	42,535
Long Island Rail Road	6,136	6,122	6,267	6,269	6,433	6,568
Metro-North Railroad	5,842	5,967	5,974	5,960	5,958	5,961
Bridges & Tunnels	1,466	1,663	1,663	1,663	1,663	1,663
Headquarters	1,563	1,717	1,782	1,782	1,782	1,812
Staten Island Railway	259	268	268	268	268	268
Capital Construction Company	-	-	-	-	-	-
Bus Company	3,520	3,672	3,682	3,717	3,728	3,680
<b>Reimbursable</b>	<b>5,116</b>	<b>6,580</b>	<b>6,438</b>	<b>6,101</b>	<b>5,900</b>	<b>5,875</b>
NYC Transit	3,953	4,717	4,664	4,386	4,247	4,230
Long Island Rail Road	591	879	789	754	693	685
Metro-North Railroad	257	618	618	628	628	628
Bridges & Tunnels	88	88	88	88	88	88
Headquarters	40	63	63	63	63	63
Staten Island Railway	8	37	37	3	3	3
Capital Construction Company	123	140	140	140	140	140
Bus Company	56	38	38	38	38	38
<b>Total Full-Time</b>	<b>66,096</b>	<b>68,545</b>	<b>68,384</b>	<b>67,903</b>	<b>68,135</b>	<b>68,203</b>
NYC Transit	46,165	47,289	46,991	46,546	46,667	46,622
Long Island Rail Road	6,727	7,001	7,056	7,023	7,125	7,253
Metro-North Railroad	6,098	6,584	6,591	6,587	6,585	6,588
Bridges & Tunnels	1,554	1,751	1,751	1,751	1,751	1,751
Headquarters	1,603	1,780	1,845	1,845	1,845	1,875
Staten Island Railway	267	305	305	271	271	271
Capital Construction Company	123	140	140	140	140	140
Bus Company	3,559	3,695	3,705	3,740	3,751	3,703
<b>Total Full-Time-Equivalents</b>	<b>265</b>	<b>174</b>	<b>159</b>	<b>159</b>	<b>159</b>	<b>159</b>
NYC Transit	247	158	143	143	143	143
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	1	1	1	1	1	1
Bridges & Tunnels	-	-	-	-	-	-
Headquarters	-	-	-	-	-	-
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	17	15	15	15	15	15

<sup>1</sup>2013 Actuals represent paid positions and are net of vacancies. For 2014 and beyond, the table captures authorized positions.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Function and Agency**

<b>Function</b>	<b>2013 Actual<sup>1</sup></b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Administration</b>	<b>3,969</b>	<b>4,327</b>	<b>4,450</b>	<b>4,433</b>	<b>4,442</b>	<b>4,446</b>
NYC Transit	1,799	1,804	1,859	1,846	1,846	1,846
Long Island Rail Road	608	658	660	660	665	675
Metro-North Railroad	500	611	612	612	612	612
Bridges & Tunnels	55	92	92	92	92	92
Headquarters	849	981	1,041	1,041	1,041	1,041
Staten Island Railway	27	25	25	25	25	25
Capital Construction Company	16	18	18	18	18	18
Bus Company	115	138	143	139	143	137
<b>Operations</b>	<b>29,697</b>	<b>30,009</b>	<b>29,807</b>	<b>29,732</b>	<b>29,907</b>	<b>29,998</b>
NYC Transit	22,219	22,552	22,339	22,280	22,301	22,300
Long Island Rail Road	2,268	2,341	2,340	2,321	2,472	2,561
Metro-North Railroad	2,100	1,828	1,834	1,837	1,840	1,843
Bridges & Tunnels	648	767	767	767	767	767
Headquarters	-	-	-	-	-	-
Staten Island Railway	92	91	91	91	91	91
Capital Construction Company	-	-	-	-	-	-
Bus Company	2,370	2,430	2,436	2,436	2,436	2,436
<b>Maintenance</b>	<b>29,298</b>	<b>30,716</b>	<b>30,587</b>	<b>30,287</b>	<b>30,335</b>	<b>30,278</b>
NYC Transit	20,570	21,187	21,004	20,686	20,786	20,742
Long Island Rail Road	3,741	3,849	3,904	3,890	3,836	3,865
Metro-North Railroad	3,406	4,033	4,033	4,026	4,021	4,021
Bridges & Tunnels	389	405	405	405	405	405
Headquarters	-	-	-	-	-	-
Staten Island Railway	148	155	155	155	155	155
Capital Construction Company	-	-	-	-	-	-
Bus Company	1,044	1,087	1,086	1,125	1,132	1,090
<b>Engineering/Capital</b>	<b>1,773</b>	<b>1,951</b>	<b>1,976</b>	<b>1,887</b>	<b>1,887</b>	<b>1,887</b>
NYC Transit	1,237	1,274	1,299	1,244	1,244	1,244
Long Island Rail Road	110	153	153	153	153	153
Metro-North Railroad	94	113	113	113	113	113
Bridges & Tunnels	194	218	218	218	218	218
Headquarters	-	-	-	-	-	-
Staten Island Railway	-	34	34	-	-	-
Capital Construction Company	107	122	122	122	122	122
Bus Company	31	37	37	37	37	37
<b>Public Safety</b>	<b>1,625</b>	<b>1,716</b>	<b>1,724</b>	<b>1,724</b>	<b>1,724</b>	<b>1,754</b>
NYC Transit	587	630	633	633	633	633
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-	-
Bridges & Tunnels	268	269	269	269	269	269
Headquarters	754	799	804	804	804	834
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	16	18	18	18	18	18

<sup>1</sup>2013 Actuals represent paid positions and are net of vacancies. For 2014 and beyond, the table captures authorized positions.

**Metropolitan Transportation Authority**  
**July Financial Plan 2015-2018**  
**Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group**  
**Non-Reimbursable and Reimbursable**

FUNCTION/OCCUPATIONAL GROUP		2013 Actual <sup>1</sup>	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>							
	Managers/Supervisors	1,502	1,699	1,797	1,782	1,788	1,798
	Professional, Technical, Clerical	2,445	2,566	2,616	2,622	2,621	2,621
	Operational Hourlies	22	62	37	29	33	27
	<b>Total Administration</b>	<b>3,969</b>	<b>4,327</b>	<b>4,450</b>	<b>4,433</b>	<b>4,442</b>	<b>4,446</b>
<b>Operations</b>							
	Managers/Supervisors	3,345	3,499	3,444	3,422	3,420	3,416
	Professional, Technical, Clerical	976	981	980	975	975	975
	Operational Hourlies	25,376	25,530	25,384	25,336	25,513	25,608
	<b>Total Operations</b>	<b>29,697</b>	<b>30,009</b>	<b>29,807</b>	<b>29,732</b>	<b>29,907</b>	<b>29,998</b>
<b>Maintenance</b>							
	Managers/Supervisors	5,080	5,385	5,344	5,293	5,291	5,295
	Professional, Technical, Clerical	1,783	1,897	1,845	1,793	1,790	1,787
	Operational Hourlies	22,435	23,435	23,398	23,201	23,254	23,196
	<b>Total Maintenance</b>	<b>29,298</b>	<b>30,716</b>	<b>30,587</b>	<b>30,287</b>	<b>30,335</b>	<b>30,278</b>
<b>Engineering/Capital</b>							
	Managers/Supervisors	480	567	570	515	515	515
	Professional, Technical, Clerical	1,291	1,353	1,375	1,369	1,369	1,369
	Operational Hourlies	2	30	30	2	2	2
	<b>Total Engineering/Capital</b>	<b>1,773</b>	<b>1,951</b>	<b>1,976</b>	<b>1,887</b>	<b>1,887</b>	<b>1,887</b>
<b>Public Safety</b>							
	Managers/Supervisors	249	436	436	436	436	436
	Professional, Technical, Clerical	128	145	145	145	145	145
	Operational Hourlies	1,248	1,135	1,143	1,143	1,143	1,173
	<b>Total Public Safety</b>	<b>1,625</b>	<b>1,716</b>	<b>1,724</b>	<b>1,724</b>	<b>1,724</b>	<b>1,754</b>
<b>Baseline Total Positions</b>							
	Managers/Supervisors	10,655	11,585	11,590	11,447	11,449	11,459
	Professional, Technical, Clerical	6,624	6,942	6,961	6,904	6,900	6,897
	Operational Hourlies	49,083	50,191	49,992	49,711	49,945	50,006
	<b>Baseline Total Positions</b>	<b>66,361</b>	<b>68,719</b>	<b>68,543</b>	<b>68,062</b>	<b>68,294</b>	<b>68,362</b>

<sup>1</sup>2013 Actuals represent paid positions and are net of vacancies. For 2014 and beyond, the table captures authorized positions.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Year to Year Changes for Positions by Agency**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents**  
**Favorable/(Unfavorable)**

Function	Change 2014-2015	Change 2015-2016	Change 2016-2017	Change 2017-2018
<b>Baseline Total Positions</b>	<b>176</b>	<b>481</b>	<b>(232)</b>	<b>(68)</b>
NYC Transit	313	445	(121)	45
Long Island Rail Road	(55)	33	(102)	(128)
Metro-North Railroad	(7)	4	2	(3)
Bridges & Tunnels	-	-	-	-
Headquarters	(65)	-	-	(30)
Staten Island Railway	-	34	-	-
Capital Construction Company	-	-	-	-
Bus Company	(10)	(35)	(11)	48
<b>Non-Reimbursable</b>	<b>33</b>	<b>144</b>	<b>(433)</b>	<b>(93)</b>
NYC Transit	260	167	(260)	28
Long Island Rail Road	(145)	(2)	(164)	(136)
Metro-North Railroad	(7)	14	2	(3)
Bridges & Tunnels	-	-	-	-
Headquarters	(65)	-	-	(30)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(10)	(35)	(11)	48
<b>Reimbursable</b>	<b>143</b>	<b>337</b>	<b>201</b>	<b>25</b>
NYC Transit	53	278	139	17
Long Island Rail Road	90	35	62	8
Metro-North Railroad	-	(10)	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	34	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
<b>Total Full-Time</b>	<b>161</b>	<b>481</b>	<b>(232)</b>	<b>(68)</b>
NYC Transit	298	445	(121)	45
Long Island Rail Road	(55)	33	(102)	(128)
Metro-North Railroad	(7)	4	2	(3)
Bridges & Tunnels	-	-	-	-
Headquarters	(65)	-	-	(30)
Staten Island Railway	-	34	-	-
Capital Construction Company	-	-	-	-
Bus Company	(10)	(35)	(11)	48
<b>Total Full-Time-Equivalents</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>
NYC Transit	15	-	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Year to Year Changes for Positions by Function and Agency**  
**Baseline Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents**  
**Favorable/(Unfavorable)**

<b>FUNCTION/DEPARTMENT</b>	<b>Change 2014-2015</b>	<b>Change 2015-2016</b>	<b>Change 2016-2017</b>	<b>Change 2017-2018</b>
<b><i>Administration</i></b>	<b>(123)</b>	<b>17</b>	<b>(9)</b>	<b>(4)</b>
NYC Transit	(55)	13	-	-
Long Island Rail Road	(2)	-	(5)	(10)
Metro-North Railroad	(1)	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	(60)	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(5)	4	(4)	6
<b><i>Operations</i></b>	<b>202</b>	<b>75</b>	<b>(175)</b>	<b>(91)</b>
NYC Transit	213	59	(21)	1
Long Island Rail Road	1	19	(151)	(89)
Metro-North Railroad	(6)	(3)	(3)	(3)
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(6)	-	-	-
<b><i>Maintenance</i></b>	<b>130</b>	<b>300</b>	<b>(48)</b>	<b>57</b>
NYC Transit	183	318	(100)	44
Long Island Rail Road	(54)	14	54	(29)
Metro-North Railroad	-	7	5	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Long Island Bus	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	1	(39)	(7)	42
<b><i>Engineering/Capital</i></b>	<b>(25)</b>	<b>89</b>	<b>-</b>	<b>-</b>
NYC Transit	(25)	55	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	34	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
<b><i>Public Safety</i></b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>(30)</b>
NYC Transit	(3)	-	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	(5)	-	-	(30)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-



**Metropolitan Transportation Authority**  
**July Financial Plan 2015-2018**  
**Year to Year Changes for Positions by Function and Occupational Group**  
**Baseline Total Full-time Positions and Full-time Equivalents**  
**Non-Reimbursable and Reimbursable**  
**Favorable/(Unfavorable)**

<b>FUNCTION/OCCUPATIONAL GROUP</b>	<b>Change 2014-2015</b>	<b>Change 2015-2016</b>	<b>Change 2016-2017</b>	<b>Change 2017-2018</b>
<b>Administration</b>				
Managers/Supervisors	(98)	15	(6)	(10)
Professional, Technical, Clerical	(50)	(6)	1	-
Operational Hourlies	25	8	(4)	6
<b>Total Administration</b>	<b>(123)</b>	<b>17</b>	<b>(9)</b>	<b>(4)</b>
<b>Operations</b>				
Managers/Supervisors	55	22	2	4
Professional, Technical, Clerical	1	5	-	-
Operational Hourlies	146	48	(177)	(95)
<b>Total Operations</b>	<b>202</b>	<b>75</b>	<b>(175)</b>	<b>(91)</b>
<b>Maintenance</b>				
Managers/Supervisors	41	51	2	(4)
Professional, Technical, Clerical	52	52	3	3
Operational Hourlies	37	197	(53)	58
<b>Total Maintenance</b>	<b>130</b>	<b>300</b>	<b>(48)</b>	<b>57</b>
<b>Engineering/Capital</b>				
Managers/Supervisors	(3)	55	-	-
Professional, Technical, Clerical	(22)	6	-	-
Operational Hourlies	-	28	-	-
<b>Total Engineering/Capital</b>	<b>(25)</b>	<b>89</b>	<b>-</b>	<b>-</b>
<b>Public Safety</b>				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	(8)	-	-	(30)
<b>Total Public Safety</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>(30)</b>
<b>Baseline Total Positions</b>				
Managers/Supervisors	(5)	143	(2)	(10)
Professional, Technical, Clerical	(19)	57	4	3
Operational Hourlies	200	281	(234)	(61)
<b>Baseline Total Positions</b>	<b>176</b>	<b>481</b>	<b>(232)</b>	<b>(68)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Baseline Change Between 2014 July Financial Plan vs. 2014 February Financial Plan**  
**Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Agency**  
**Favorable/(Unfavorable)**

<b>Category</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b><i>Baseline Total Positions</i></b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>
NYC Transit	(136)	(96)	11	20
Long Island Rail Road	(17)	131	442	548
Metro-North Railroad	(2)	5	8	17
Bridges & Tunnels	(5)	(5)	(5)	(5)
Headquarters	(15)	(76)	(46)	(2)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(6)	62	42	(3)
<b><i>Non-Reimbursable</i></b>	<b>(145)</b>	<b>112</b>	<b>516</b>	<b>577</b>
NYC Transit	(164)	(26)	49	48
Long Island Rail Road	68	173	489	542
Metro-North Railroad	1	8	11	20
Bridges & Tunnels	(5)	(5)	(5)	(5)
Headquarters	(13)	(74)	(44)	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(32)	36	16	(29)
<b><i>Reimbursable</i></b>	<b>(36)</b>	<b>(91)</b>	<b>(64)</b>	<b>(2)</b>
NYC Transit	28	(70)	(38)	(28)
Long Island Rail Road	(84)	(42)	(47)	5
Metro-North Railroad	(3)	(3)	(3)	(3)
Bridges & Tunnels	-	-	-	-
Headquarters	(2)	(2)	(2)	(2)
Long Island Bus	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	26	26	26	26
<b><i>Total Full-Time</i></b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>
NYC Transit	(136)	(96)	11	20
Long Island Rail Road	(17)	131	442	548
Metro-North Railroad	(2)	5	8	17
Bridges & Tunnels	(5)	(5)	(5)	(5)
Headquarters	(15)	(76)	(46)	(2)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(6)	62	42	(3)
<b><i>Total Full-Time-Equivalents</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NYC Transit	-	-	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Baseline Change Between 2014 July Financial Plan vs. 2014 February Financial Plan**  
**Total Non-Reimbursable - Reimbursable Positions**  
**Full-Time Positions and Full Time Equivalents by Function and Agency**  
**Favorable/(Unfavorable)**

<b>Function</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b><i>Administration</i></b>	<b>59</b>	<b>(65)</b>	<b>(49)</b>	<b>(44)</b>
NYC Transit	84	21	30	29
Long Island Rail Road	(1)	2	9	15
Metro-North Railroad	(4)	(5)	(5)	(5)
Bridges & Tunnels	(8)	(8)	(8)	(8)
Headquarters	(16)	(77)	(77)	(77)
Staten Island Railway	-	-	-	-
Capital Construction Company	(2)	(2)	(2)	(2)
Bus Company	6	4	4	4
<b><i>Operations</i></b>	<b>(119)</b>	<b>53</b>	<b>193</b>	<b>210</b>
NYC Transit	(104)	(69)	(40)	(33)
Long Island Rail Road	(17)	118	226	227
Metro-North Railroad	1	9	12	21
Bridges & Tunnels	2	2	2	2
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(1)	(7)	(7)	(7)
<b><i>Maintenance</i></b>	<b>(105)</b>	<b>52</b>	<b>297</b>	<b>354</b>
NYC Transit	(114)	(43)	26	29
Long Island Rail Road	18	28	224	323
Metro-North Railroad	4	4	4	4
Bridges & Tunnels	(2)	(2)	(2)	(2)
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(11)	65	45	-
<b><i>Engineering/Capital</i></b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>
NYC Transit	-	-	-	-
Long Island Rail Road	(17)	(17)	(17)	(17)
Metro-North Railroad	(3)	(3)	(3)	(3)
Bridges & Tunnels	3	3	3	3
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	2	2	2	2
Bus Company	-	-	-	-
<b><i>Public Safety</i></b>	<b>(1)</b>	<b>(4)</b>	<b>26</b>	<b>70</b>
NYC Transit	(2)	(5)	(5)	(5)
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	1	1	31	75
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
<b><i>Baseline Total Positions</i></b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>

**Metropolitan Transportation Authority**  
**July Financial Plan 2015-2018**  
**Baseline Change Between 2014 July Financial Plan vs. 2014 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		2014	2015	2016	2017
<b>Administration</b>					
	Managers/Supervisors	29	(75)	(58)	(54)
	Professional, Technical, Clerical	(40)	(88)	(89)	(88)
	Operational Hourlies	70	98	98	98
	<b>Total Administration</b>	<b>59</b>	<b>(65)</b>	<b>(49)</b>	<b>(44)</b>
<b>Operations</b>					
	Managers/Supervisors	(78)	(33)	(25)	(4)
	Professional, Technical, Clerical	2	-	(1)	(1)
	Operational Hourlies	(43)	86	219	215
	<b>Total Operations</b>	<b>(119)</b>	<b>53</b>	<b>193</b>	<b>210</b>
<b>Maintenance</b>					
	Managers/Supervisors	14	27	77	75
	Professional, Technical, Clerical	(27)	(11)	(2)	(1)
	Operational Hourlies	(92)	35	221	279
	<b>Total Maintenance</b>	<b>(105)</b>	<b>52</b>	<b>297</b>	<b>354</b>
<b>Engineering/Capital</b>					
	Managers/Supervisors	(16)	(14)	(14)	(14)
	Professional, Technical, Clerical	1	(1)	(1)	(1)
	Operational Hourlies	-	-	-	-
	<b>Total Engineering/Capital</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>
<b>Public Safety</b>					
	Managers/Supervisors	(126)	(126)	(126)	(125)
	Professional, Technical, Clerical	3	3	3	3
	Operational Hourlies	122	119	149	192
	<b>Total Public Safety</b>	<b>(1)</b>	<b>(4)</b>	<b>26</b>	<b>70</b>
<b>Baseline Total Positions</b>					
	Managers/Supervisors	(177)	(221)	(146)	(122)
	Professional, Technical, Clerical	(61)	(97)	(90)	(88)
	Operational Hourlies	57	338	687	784
	<b>Baseline Total Positions</b>	<b>(181)</b>	<b>21</b>	<b>452</b>	<b>575</b>

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

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**MTA Consolidated Statement Of Operations By Category**  
(\$ in millions)

Line  
No.

7	<b>Non-Reimbursable</b>					
8		<b>2013</b>	<b>2014</b>	<b>2015</b>		
9		<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>
10	<b>Operating Revenue</b>				<b>2018</b>	
11	Farebox Revenue	\$5,507	\$5,662	\$5,725	\$5,807	\$5,858
12	Toll Revenue	1,645	1,651	1,655	1,665	1,670
13	Other Revenue	754	717	644	667	696
14	Capital and Other Reimbursements	0	0	0	0	0
15	<b>Total Operating Revenue</b>	<b>\$7,906</b>	<b>\$8,030</b>	<b>\$8,024</b>	<b>\$8,138</b>	<b>\$8,225</b>
16						
17	<b>Operating Expense</b>					
18	<b>Labor Expenses:</b>					
19	Payroll	\$4,254	\$4,576	\$4,614	\$4,701	\$4,813
20	Overtime	621	680	607	612	623
21	Health & Welfare	896	995	1,070	1,136	1,220
22	OPEB Current Payment	473	468	508	548	592
23	Pensions	1,302	1,341	1,330	1,325	1,313
24	Other-Fringe Benefits	689	617	616	637	662
25	Reimbursable Overhead	(321)	(344)	(335)	(334)	(328)
26	<b>Sub-total Labor Expenses</b>	<b>\$7,912</b>	<b>\$8,333</b>	<b>\$8,410</b>	<b>\$8,626</b>	<b>\$8,896</b>
27						
28	<b>Non-Labor Expenses:</b>					
29	Electric Power	\$493	\$551	\$514	\$535	\$608
30	Fuel	259	268	265	254	259
31	Insurance	39	48	58	71	85
32	Claims	300	204	215	217	225
33	Paratransit Service Contracts	367	382	392	427	480
34	Maintenance and Other Operating Contracts	497	591	630	659	637
35	Professional Service Contracts	297	346	337	325	327
36	Materials & Supplies	475	550	555	565	567
37	Other Business Expenses	167	181	184	198	199
38	<b>Sub-total Non-Labor Expenses</b>	<b>\$2,894</b>	<b>\$3,121</b>	<b>\$3,149</b>	<b>\$3,250</b>	<b>\$3,387</b>
39						
40	<b>Other Expense Adjustments:</b>					
41	Other	\$46	\$45	\$44	\$48	\$48
42	General Reserve	0	135	140	145	150
43	<b>Sub-total Other Expense Adjustments</b>	<b>\$46</b>	<b>\$180</b>	<b>\$184</b>	<b>\$193</b>	<b>\$198</b>
44						
45	<b>Total Operating Expense before Non-Cash Liability Adj.</b>	<b>\$10,853</b>	<b>\$11,634</b>	<b>\$11,744</b>	<b>\$12,068</b>	<b>\$12,481</b>
46						
47	Depreciation	\$2,174	\$2,291	\$2,407	\$2,473	\$2,662
48	OPEB Obligation	1,920	1,950	2,036	2,120	2,207
49	Environmental Remediation	14	8	6	6	6
50						
51	<b>Total Operating Expense after Non-Cash Liability Adj.</b>	<b>\$14,961</b>	<b>\$15,883</b>	<b>\$16,193</b>	<b>\$16,666</b>	<b>\$17,356</b>
52						
53	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$4,109	\$4,249	\$4,449	\$4,599	\$4,875
54						
55	Debt Service (excludes Service Contract Bonds)	(2,299)	(2,288)	(2,445)	(2,568)	(2,753)
56						
57	<b>Total Operating Expense with Debt Service</b>	<b>\$13,152</b>	<b>\$13,922</b>	<b>\$14,189</b>	<b>\$14,636</b>	<b>\$15,234</b>
58						
59	Dedicated Taxes and State/Local Subsidies	\$5,898	\$6,179	\$6,265	\$6,499.0	\$6,678
60						
61	<b>Net Deficit After Subsidies and Debt Service</b>	<b>\$652</b>	<b>\$286</b>	<b>\$100</b>	<b>\$2</b>	<b>(\$331)</b>
62						
63	Conversion to Cash Basis: GASB Account	(86)	(48)	(0)	0	0
64	Conversion to Cash Basis: All Other	(481)	(490)	(518)	(269)	(389)
65						
66	<b>CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER</b>	<b>\$86</b>	<b>(\$252)</b>	<b>(\$418)</b>	<b>(\$267)</b>	<b>(\$720)</b>
						<b>(\$1,114)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**MTA Consolidated Statement Of Operations By Category**  
(\$ in millions)

Line

No

Reimbursable						
	2013	2014	2015			
	Actual	Mid-Year	Preliminary	2016	2017	2018
		Forecast	Budget			
<b>Operating Revenue</b>						
Farebox Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Toll Revenue	0	0	0	0	0	0
Other Revenue	0	0	0	0	0	0
Capital and Other Reimbursements	1,464	1,612	1,632	1,607	1,550	1,566
<b>Total Operating Revenue</b>	<b>\$1,464</b>	<b>\$1,612</b>	<b>\$1,632</b>	<b>\$1,607</b>	<b>\$1,550</b>	<b>\$1,566</b>
<b>Operating Expense</b>						
<b>Labor Expenses:</b>						
Payroll	\$473	\$549	\$572	\$566	\$552	\$559
Overtime	159	121	111	113	111	113
Health & Welfare	54	63	66	69	69	71
OPEB Current Payment	0	0	0	0	0	0
Pensions	64	69	69	69	67	67
Other-Fringe Benefits	149	168	172	170	165	167
Reimbursable Overhead	319	342	331	330	324	328
<b>Subtotal Labor Expenses</b>	<b>\$1,219</b>	<b>\$1,313</b>	<b>\$1,322</b>	<b>\$1,317</b>	<b>\$1,289</b>	<b>\$1,306</b>
<b>Non-Labor Expenses:</b>						
Electric Power	\$1	\$1	\$1	\$1	\$0	\$0
Fuel	0	0	0	0	0	0
Insurance	7	9	10	10	10	10
Claims	0	0	0	0	0	0
Paratransit Service Contracts	1	0	0	0	0	0
Maintenance and Other Operating Contracts	69	60	54	54	54	55
Professional Service Contracts	47	63	99	82	57	52
Materials & Supplies	115	159	140	135	131	135
Other Business Expenses	5	7	7	8	8	8
<b>Subtotal Non-Labor Expenses</b>	<b>\$245</b>	<b>\$299</b>	<b>\$311</b>	<b>\$290</b>	<b>\$260</b>	<b>\$260</b>
<b>Other Expense Adjustments:</b>						
Other	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Other Expense Adjustments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Operating Expense</b>	<b>\$1,464</b>	<b>\$1,612</b>	<b>\$1,632</b>	<b>\$1,607</b>	<b>\$1,550</b>	<b>\$1,566</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**MTA Consolidated Statement Of Operations By Category**  
(\$ in millions)

Line Number		2013	2014	2015	2016	2017	2018
	Non-Reimbursable / Reimbursable	Actual	Mid-Year Forecast	Preliminary Budget			
10	<b>Operating Revenue</b>						
11	Farebox Revenue	\$5,507	\$5,662	\$5,725	\$5,807	\$5,858	\$5,904
12	Toll Revenue	1,645	1,651	1,655	1,665	1,670	1,678
13	Other Revenue	754	717	644	667	696	723
14	Capital and Other Reimbursements	1,464	1,612	1,632	1,607	1,550	1,566
15	<b>Total Operating Revenue</b>	<b>\$9,370</b>	<b>\$9,642</b>	<b>\$9,656</b>	<b>\$9,745</b>	<b>\$9,775</b>	<b>\$9,872</b>
17	<b>Operating Expense</b>						
18	<b>Labor Expenses:</b>						
19	Payroll	\$4,728	\$5,125	\$5,186	\$5,267	\$5,365	\$5,463
20	Overtime	780	801	718	725	735	747
21	Health & Welfare	950	1,058	1,137	1,205	1,290	1,385
22	OPEB Current Payment	473	468	508	548	592	644
23	Pensions	1,366	1,410	1,399	1,394	1,380	1,394
24	Other-Fringe Benefits	838	785	788	807	827	852
25	Reimbursable Overhead	(2)	(2)	(3)	(4)	(4)	(4)
26	<b>Sub-total Labor Expenses</b>	<b>\$9,131</b>	<b>\$9,646</b>	<b>\$9,732</b>	<b>\$9,943</b>	<b>\$10,185</b>	<b>\$10,482</b>
28	<b>Non-Labor Expenses:</b>						
29	Electric Power	\$494	\$552	\$515	\$535	\$609	\$656
30	Fuel	259	268	265	254	259	268
31	Insurance	45	57	68	81	95	111
32	Claims	300	204	215	217	225	228
33	Paratransit Service Contracts	368	382	392	427	480	523
34	Maintenance and Other Operating Contracts	566	650	684	713	691	688
35	Professional Service Contracts	345	409	436	406	384	389
36	Materials & Supplies	590	709	695	700	698	705
37	Other Business Expenses	172	189	191	205	206	216
38	<b>Sub-total Non-Labor Expenses</b>	<b>\$3,139</b>	<b>\$3,420</b>	<b>\$3,460</b>	<b>\$3,539</b>	<b>\$3,647</b>	<b>\$3,784</b>
40	<b>Other Expense Adjustments:</b>						
41	Other	\$46	\$45	\$44	\$48	\$48	\$49
42	General Reserve	0	135	140	145	150	155
43	<b>Sub-total Other Expense Adjustments</b>	<b>\$46</b>	<b>\$180</b>	<b>\$184</b>	<b>\$193</b>	<b>\$198</b>	<b>\$204</b>
45	<b>Total Operating Expense before Non-Cash Liability Adjs.</b>	<b>\$12,316</b>	<b>\$13,246</b>	<b>\$13,376</b>	<b>\$13,675</b>	<b>\$14,030</b>	<b>\$14,470</b>
47	Depreciation	\$2,174	\$2,291	\$2,407	\$2,473	\$2,662	\$2,711
48	OPEB Obligation	1,920	1,950	2,036	2,120	2,207	2,299
49	Environmental Remediation	14	8	6	6	6	6
51	<b>Total Operating Expense</b>	<b>\$16,425</b>	<b>\$17,495</b>	<b>\$17,825</b>	<b>\$18,273</b>	<b>\$18,906</b>	<b>\$19,485</b>
53	<b>Net Operating Deficit Before Subsidies and Debt Service</b>	<b>(\$7,055)</b>	<b>(\$7,853)</b>	<b>(\$8,169)</b>	<b>(\$8,528)</b>	<b>(\$9,131)</b>	<b>(\$9,613)</b>
55	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$4,109	\$4,249	\$4,449	\$4,599	\$4,875	\$5,015
57	Debt Service (excludes Service Contract Bonds)	(2,299)	(2,288)	(2,445)	(2,568)	(2,753)	(2,921)
59	<b>Total Operating Expense with Debt Service</b>	<b>\$14,616</b>	<b>\$15,534</b>	<b>\$15,821</b>	<b>\$16,243</b>	<b>\$16,783</b>	<b>\$17,391</b>
61	Dedicated Taxes and State/Local Subsidies	\$5,898	\$6,179	\$6,265	\$6,499	\$6,678	\$6,873
63	<b>Net Deficit After Subsidies and Debt Service</b>	<b>\$652</b>	<b>\$286</b>	<b>\$100</b>	<b>\$2</b>	<b>(\$331)</b>	<b>(\$646)</b>
65	Conversion to Cash Basis: GASB Account	(86)	(48)	(0)	0	0	(10)
66	Conversion to Cash Basis: All Other	(481)	(490)	(518)	(269)	(389)	(459)
68	<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>\$86</b>	<b>(\$252)</b>	<b>(\$418)</b>	<b>(\$267)</b>	<b>(\$720)</b>	<b>(\$1,114)</b>

# METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2015-2018

## MTA Consolidated Cash Receipts and Expenditures

(\$ in millions)

Line  
No

Cash Receipts and Expenditures						
	2013	2014	2015			
	Actual	Mid-Year Forecast	Preliminary Budget	2016	2017	2018
<b>Receipts</b>						
Farebox Revenue	\$5,571	\$5,679	\$5,764	\$5,847	\$5,899	\$5,945
Other Operating Revenue	803	728	667	754	707	732
Capital and Other Reimbursements	1,340	1,708	1,607	1,580	1,521	1,524
<b>Total Receipts</b>	<b>\$7,713</b>	<b>\$8,116</b>	<b>\$8,039</b>	<b>\$8,181</b>	<b>\$8,126</b>	<b>\$8,201</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$4,525	\$5,263	\$5,031	\$5,065	\$5,169	\$5,261
Overtime	736	811	695	697	707	719
Health and Welfare	952	1,026	1,100	1,168	1,249	1,344
OPEB Current Payment	431	452	491	530	574	625
Pensions	1,191	1,343	1,368	1,363	1,347	1,359
Other Fringe Benefits	653	752	727	741	761	783
Contribution to GASB Fund	86	48	0	0	0	10
Reimbursable Overhead	0	0	0	0	0	0
<b>Total Labor Expenditures</b>	<b>\$8,574</b>	<b>\$9,696</b>	<b>\$9,413</b>	<b>\$9,564</b>	<b>\$9,807</b>	<b>\$10,100</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$498	\$553	\$510	\$530	\$602	\$649
Fuel	252	265	258	248	252	262
Insurance	24	50	53	62	76	92
Claims	213	188	193	194	200	203
Paratransit Service Contracts	373	380	390	425	478	521
Maintenance and Other Operating Contracts	471	572	559	579	555	551
Professional Service Contracts	293	384	379	351	326	326
Materials & Supplies	640	677	686	693	693	700
Other Business Expenditures	165	240	207	200	201	210
<b>Total Non-Labor Expenditures</b>	<b>\$2,929</b>	<b>\$3,309</b>	<b>\$3,236</b>	<b>\$3,281</b>	<b>\$3,385</b>	<b>\$3,513</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	\$36	\$86	\$118	\$93	\$86	\$136
General Reserve	0	135	140	145	150	155
<b>Total Other Expenditure Adjustments</b>	<b>\$36</b>	<b>\$221</b>	<b>\$258</b>	<b>\$238</b>	<b>\$236</b>	<b>\$291</b>
<b>Total Expenditures</b>	<b>\$11,539</b>	<b>\$13,226</b>	<b>\$12,907</b>	<b>\$13,083</b>	<b>\$13,428</b>	<b>\$13,904</b>
<b>Net Cash Deficit Before Subsidies and Debt Service</b>	<b>(\$3,826)</b>	<b>(\$5,110)</b>	<b>(\$4,869)</b>	<b>(4,903)</b>	<b>(5,301)</b>	<b>(5,703)</b>
Dedicated Taxes and State/Local Subsidies	\$5,576	\$6,524	\$6,240	\$6,537	\$6,642	\$6,795
Debt Service (excludes Service Contract Bonds)	(1,664)	(1,666)	(1,790)	(1,902)	(2,061)	(2,206)
<b>CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER</b>	<b>\$86</b>	<b>(\$252)</b>	<b>(\$418)</b>	<b>(\$267)</b>	<b>(\$720)</b>	<b>(\$1,114)</b>

# METROPOLITAN TRANSPORTATION AUTHORITY

## July Financial Plan 2015-2018

### Cash Conversion Detail

(\$ in millions)

	2013	2014	2015			
	Actual	Mid-Year Forecast	Preliminary Budget	2016	2017	2018
<b><u>Depreciation</u></b>						
New York City Transit	\$1,421	\$1,544	\$1,638	\$1,688	\$1,863	\$1,913
Long Island Rail Road	333	333	343	347	350	354
Metro-North Railroad	230	227	227	227	229	231
MTA Bus Company	49	42	42	42	43	44
MTA Headquarters	42	31	36	40	41	33
Staten Island Railway	8	8	8	8	8	8
Bridges & Tunnels	91	104	112	120	128	128
<i>Sub-Total</i>	<i>2,174</i>	<i>2,291</i>	<i>2,407</i>	<i>2,473</i>	<i>2,662</i>	<i>2,711</i>
<b><u>Other Post Employment Benefits</u></b>						
New York City Transit	\$1,554	\$1,554	\$1,616	\$1,681	\$1,748	\$1,818
Long Island Rail Road	45	71	74	76	76	77
Metro-North Railroad	58	65	68	70	73	77
MTA Bus Company	100	100	100	100	100	100
MTA Headquarters	85	90	105	117	130	143
Staten Island Railway	1	2	2	2	2	2
Bridges & Tunnels	77	67	70	74	77	81
<i>Sub-Total</i>	<i>1,920</i>	<i>1,950</i>	<i>2,036</i>	<i>2,120</i>	<i>2,207</i>	<i>2,299</i>
<b><u>Environmental Remediation</u></b>						
New York City Transit	24	0	0	0	0	0
Long Island Rail Road	(14)	4	2	2	2	2
Metro-North Railroad	2	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>14</i>	<i>8</i>	<i>6</i>	<i>6</i>	<i>6</i>	<i>6</i>
<b><u>Net Operating Surplus/(Deficit)</u></b>						
New York City Transit	168	(230)	(27)	20	11	(7)
Long Island Rail Road	(5)	(25)	(14)	(15)	(17)	(19)
Metro-North Railroad	37	(54)	(24)	(15)	(19)	(24)
MTA Bus Company	9	(51)	12	12	12	12
MTA Headquarters	119	(3)	92	192	129	93
Staten Island Railway	4	(4)	(0)	0	0	(0)
First Mutual Transportation Assurance Company	25	(17)	(22)	(32)	(35)	(44)
Other	32	24	21	21	22	22
<i>Sub-Total</i>	<i>391</i>	<i>(359)</i>	<i>38</i>	<i>183</i>	<i>102</i>	<i>33</i>
<b><u>Subsidies</u></b>						
New York City Transit	(409)	(213)	(509)	(393)	(452)	(458)
Commuter Railroads	(462)	(1)	(23)	(12)	(22)	(18)
MTA Bus Company	(35)	49	31	(8)	(3)	4
MTA Headquarters	(27)	(26)	(26)	(26)	(26)	(24)
Staten Island Railway	(24)	(35)	(37)	(48)	(34)	(36)
Other	(4)	0	0	0	0	0
<i>Sub-Total</i>	<i>(961)</i>	<i>(226)</i>	<i>(563)</i>	<i>(487)</i>	<i>(537)</i>	<i>(533)</i>
<b>Total Cash Conversion</b>	<b>\$3,538</b>	<b>\$3,663</b>	<b>\$3,923</b>	<b>\$4,295</b>	<b>\$4,440</b>	<b>\$4,515</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Changes Year-to-Year By Category**  
Favorable/(Unfavorable)  
(\$ in millions)

Line Number	Non-Reimbursable	2013 Actual	2014 Mid-Year Forecast	Change 2014 - 2013	2015 Preliminary Budget	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
12	<b>Operating Revenue</b>											
13	Farebox Revenue	\$5,507	\$5,662	\$155	\$5,725	\$63	\$5,807	\$82	\$5,858	\$51	\$5,904	\$46
14	Toll Revenue	1,645	1,651	6	1,655	4	1,665	10	1,670	6	1,678	8
15	Other Revenue	754	717	(37)	644	(73)	667	23	696	30	723	27
16	Capital and Other Reimbursements	0	0	0	0	0	0	0	0	0	0	0
17	<b>Total Operating Revenue</b>	<b>\$7,906</b>	<b>\$8,030</b>	<b>\$124</b>	<b>\$8,024</b>	<b>(\$7)</b>	<b>\$8,138</b>	<b>\$115</b>	<b>\$8,225</b>	<b>\$86</b>	<b>\$8,306</b>	<b>\$81</b>
19	<b>Operating Expense</b>											
20	<b>Labor Expenses:</b>											
21	Payroll	\$4,254	\$4,576	(\$322)	\$4,614	(\$37)	\$4,701	(\$88)	\$4,813	(\$111)	\$4,904	(\$92)
22	Overtime	621	680	(59)	607	73	612	(5)	623	(11)	635	(12)
23	Health & Welfare	896	995	(99)	1,070	(76)	1,136	(66)	1,220	(84)	1,314	(94)
24	OPEB Current Payment	473	468	5	508	(40)	548	(40)	592	(44)	644	(51)
25	Pensions	1,302	1,341	(39)	1,330	11	1,325	5	1,313	11	1,327	(13)
26	Other-Fringe Benefits	689	617	72	616	0	637	(21)	662	(25)	684	(22)
27	Reimbursable Overhead	(321)	(344)	23	(335)	(9)	(334)	(1)	(328)	(6)	(332)	4
28	<b>Sub-total Labor Expenses</b>	<b>\$7,912</b>	<b>\$8,333</b>	<b>(\$421)</b>	<b>\$8,410</b>	<b>(\$77)</b>	<b>\$8,626</b>	<b>(\$215)</b>	<b>\$8,896</b>	<b>(\$270)</b>	<b>\$9,176</b>	<b>(\$280)</b>
30	<b>Non-Labor Expenses:</b>											
31	Traction and Propulsion Power	\$493	\$551	(\$58)	\$514	\$37	\$535	(\$20)	\$608	(\$74)	\$656	(\$47)
32	Fuel for Buses and Trains	259	268	(9)	265	3	254	10	259	(4)	268	(9)
33	Insurance	39	48	(10)	58	(10)	71	(13)	85	(14)	101	(16)
34	Claims	300	204	96	215	(11)	217	(2)	225	(8)	228	(3)
35	Paratransit Service Contracts	367	382	(15)	392	(10)	427	(35)	480	(53)	523	(42)
36	Maintenance and Other Operating Contracts	497	591	(94)	630	(40)	659	(28)	637	22	633	3
37	Professional Service Contracts	297	346	(49)	337	9	325	12	327	(2)	337	(10)
38	Materials & Supplies	475	550	(75)	555	(5)	565	(10)	567	(2)	570	(2)
39	Other Business Expenses	167	181	(14)	184	(3)	198	(14)	199	(1)	209	(10)
40	<b>Sub-total Non-Labor Expenses</b>	<b>\$2,894</b>	<b>\$3,121</b>	<b>(\$227)</b>	<b>\$3,149</b>	<b>(\$28)</b>	<b>\$3,250</b>	<b>(\$100)</b>	<b>\$3,387</b>	<b>(\$137)</b>	<b>\$3,524</b>	<b>(\$137)</b>
42	<b>Other Expense Adjustments:</b>											
43	Other	\$46	\$45	1	\$44	1	\$48	(3)	\$48	(1)	\$49	(1)
44	General Reserve	0	135	(135)	140	(5)	145	(5)	150	(5)	155	(5)
45	<b>Sub-total Other Expense Adjustments</b>	<b>\$46</b>	<b>\$180</b>	<b>(\$134)</b>	<b>\$184</b>	<b>(\$4)</b>	<b>\$193</b>	<b>(\$8)</b>	<b>\$198</b>	<b>(\$6)</b>	<b>\$204</b>	<b>(\$6)</b>
47	Depreciation	2,174	2,291	(117)	2,407	(116)	2,473	(66)	2,662	(190)	2,711	(48)
48	OPEB Obligation	1,920	1,950	(30)	2,036	(86)	2,120	(84)	2,207	(87)	2,299	(91)
49	Environmental Remediation	14	8	7	6	2	6	0	6	0	6	0
51	<b>Total Operating Expense after Non-Cash Liability Adj.</b>	<b>\$14,961</b>	<b>\$15,883</b>	<b>(\$921)</b>	<b>\$16,193</b>	<b>(\$310)</b>	<b>\$16,666</b>	<b>(\$474)</b>	<b>\$17,356</b>	<b>(\$690)</b>	<b>\$17,919</b>	<b>(\$563)</b>
53	Conversion to Cash Basis: Non-Cash Liability Adj.	\$4,109	\$4,249	(\$140)	\$4,449	(\$200)	\$4,599	(\$123)	\$4,875	(\$185)	\$5,015	(\$168)
55	Debt Service (excludes Service Contract Bonds)	(2,299)	(2,288)	11	(2,445)	(157)	(2,568)	(123)	(2,753)	(185)	(2,921)	(168)
57	<b>Total Operating Expense with Debt Service</b>	<b>\$13,152</b>	<b>\$13,922</b>	<b>(\$770)</b>	<b>\$14,189</b>	<b>(\$266)</b>	<b>\$14,636</b>	<b>\$447</b>	<b>\$15,234</b>	<b>\$598</b>	<b>\$15,825</b>	<b>\$592</b>
59	Dedicated Taxes and State/Local Subsidies	\$5,898	\$6,179	\$281	\$6,265	\$86	\$6,499	\$234	\$6,678	\$179	\$6,873	\$196
61	<b>Net Deficit After Subsidies and Debt Service</b>	<b>\$652</b>	<b>\$286</b>	<b>(\$366)</b>	<b>\$100</b>	<b>(\$187)</b>	<b>\$2</b>	<b>(\$98)</b>	<b>(\$331)</b>	<b>(\$333)</b>	<b>(\$646)</b>	<b>(\$315)</b>
63	Conversion to Cash Basis: GASB Account	(86)	(48)	(37)	(0)	(48)	0	(0)	0	0	(10)	10
64	Conversion to Cash Basis: All Other	(481)	(490)	9	(518)	28	(269)	(249)	(389)	121	(459)	69
65	Net Cash Balance from Previous Year	314	162	(152)	10	(153)	10	0	146	136	113	(33)
66	<b>CASH BALANCE BEFORE PRIOR YEAR CARRYOVER</b>	<b>\$86</b>	<b>(\$252)</b>	<b>(\$338)</b>	<b>(\$418)</b>	<b>(\$166)</b>	<b>(\$267)</b>	<b>151</b>	<b>(\$720)</b>	<b>(453)</b>	<b>(\$1,114)</b>	<b>(394)</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**

**July Financial Plan 2015-2018**

**Non-Recurring Revenue and Savings**

(\$ in millions)

		<b>2014 Mid-Year Forecast</b>	<b>2015 Plan</b>	<b>2016 Plan</b>	<b>2017 Plan</b>	<b>2018 Plan</b>
		Explanation	Explanation	Explanation	Explanation	Explanation
Multi-Agency	Super Storm Sandy Reimbursement (October 2012)	FEMA/FTA reimbursement for expenses incurred as a result of Superstorm Sandy \$ 59.5	\$ -	\$ -	\$ -	\$ -
Multi-Agency	Hurricane Irene Reimbursement (August 2011)	FEMA/Insurance reimbursement due to Hurricane Irene \$ 23.5	\$ -	\$ -	\$ -	\$ -
LIRR	Winter Storm NEMO Reimbursement (February 2013)	FEMA reimbursement due to Winter Storm NEMO \$ 1.0	\$ -	\$ -	\$ -	\$ -
LIRR	Bayridge Real Estate Sale (shifted to 2015)	\$ -	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. \$ 2.6	\$ -	\$ -	\$ -
MTAHQ	Recovery of Relocation Costs	\$ -	\$ 13.9 Reimbursement of HQ move to 2 Broadway	\$ 78.3 Reimbursement of HQ move to 2 Broadway	\$ -	\$ -
<b>Total Non-Recurring Resources (&gt; or = \$1 million)</b>		<b>\$ 84.0</b>	<b>\$ 16.5</b>	<b>\$ 78.3</b>	<b>\$ -</b>	<b>\$ -</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2015-2018**  
**Operating Budget Reserves - Baseline**  
(\$ in millions)

	<u>2014 Mid-Year Forecast</u>	<u>2015 Preliminary Budget</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
MTA General Reserve (annual)	\$135.0	\$140.0	\$145.0	\$150.0	\$155.0
GASB Fund Reserve <sup>1,2,3</sup>	\$143.4	\$143.4	\$143.4	\$143.4	\$153.2
MTA Retiree Welfare Benefits Trust <sup>1</sup>	\$300.0	\$300.0	\$300.0	\$300.0	\$300.0

<sup>1</sup> Cumulative balances

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

<sup>3</sup> These figures reflect the proposed below-the-line adjustments to the GASB Fund Reserve as noted in Volume 1, which include a withdrawal of \$254 million in 2014 and a total of \$533 million reflecting suspended contributions from 2014 to 2017 and the resumption of contributions in 2018 and beyond at a lower level.

Subsequent to the initial printing of Volume 2,  
footnote # 3 has been added to this page.

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

NYCT  
2014 Commitments Goal  
All \$ in millions

ACEP	Project Description	2014 Commitments
<b>2000-2004</b>		
N40905/34	Wireless Help Points: Bw7 WPR	\$ 0.95
	<b>Element Total</b>	<b>\$ 0.95</b>
<b>2005-2009</b>		
T50803/19	CBTC Canarsie: Equip R156 Locomotives	\$ 1.22
T50806/15	PA/CIS: 44 Stns: Furnish-install Cabinets	\$ 22.14
T50806/16	HVAC At 8 Locations, Wrap Up At 10 Locations	\$ 12.37
	<b>Element Total</b>	<b>\$ 35.73</b>
T51204/08	Brt: Traffic Signal Priority Hardware (SBS)	\$ 3.63
T51204/16	Ulmer Park Depot: Roof Replacement	\$ 2.44
T51204/28	Ulmer Park Depot: Mezzanine Extension - [SBMP]	\$ 2.56
	<b>Element Total</b>	<b>\$ 8.63</b>
<b>2010-2014</b>		
T60302/15	Purchase 256 Articulated Buses	\$ 245.50
T60302/17	Purchase 177 Paratransit Vehicles	\$ 20.59
T60302/28	Purchase 276 Standard Buses (New Flyer)	\$ 152.49
T60302/29	On-Board Audio Visual (OBAV) PILOT: Software Platform Devel	\$ 2.88
	<b>Element Total</b>	<b>\$ 421.46</b>
T60404/01	Heet Nr Electronics Replacement Ph I	\$ 42.71
T60404/05	New Fare Payment System	\$ 10.44
T60404/07	PSLAN: 10 Stations - Partial Systems	\$ 2.00
T60404/08	PSLAN: 20 Stations	\$ 19.97
T60404/09	PSLAN: 2 Stations Montague Tube	\$ 2.39
	<b>Element Total</b>	<b>\$ 77.51</b>
T60407/05	Elevator Replacement: 7 Hydraulic Elevators / Lexington	\$ 21.21
	<b>Element Total</b>	<b>\$ 21.21</b>
T60412/13	Station Rehabilitation: 20 Avenue/ Sea Beach	\$ 41.40
T60412/14	Station Rehabilitation: 8 Avenue / Sea Beach	\$ 36.00
T60412/15	Station Rehabilitation: Fort Hamilton Parkway / Sea Beach	\$ 36.00
T60412/16	Station Rehabilitation: 18 Avenue / Sea Beach	\$ 40.00
T60412/17	Station Rehabilitation: Kings Highway / Sea Beach	\$ 40.00
T60412/18	Station Rehabilitation: New Utrecht Av / Sea Beach	\$ 36.60
T60412/19	Station Rehabilitation: Bay Parkway / Sea Beach	\$ 39.30
T60412/20	Station Rehabilitation: Avenue U / Sea Beach	\$ 40.00
T60412/21	Station Rehabilitation: 86 Street / Sea Beach	\$ 40.00
T60412/32	Station Renewal: Ozone Park-Lefferts Blvd / Liberty	\$ 6.64
T60412/38	Station Renewal: Avenue X / Culver	\$ 14.03
T60412/39	Station Renewal: Avenue U / Culver	\$ 15.79
T60412/40	Station Renewal: Avenue P / Culver	\$ 12.02



NYCT  
2014 Commitments Goal  
All \$ in millions

ACEP	Project Description	2014 Commitments
T60412/41	Station Renewal: Bay Parkway / Culver	\$ 12.18
T60412/42	Station Renewal: 18 Avenue / Culver	\$ 18.51
T60412/43	Station Renewal: Ditmas Avenue / Culver	\$ 18.40
T60412/44	Station Renewal: Avenue I / Culver	\$ 15.13
T60412/45	Station Renewal: Pennsylvania Avenue / New Lots	\$ 10.58
T60412/46	Station Renewal: Rockaway Avenue / New Lots	\$ 9.87
T60412/47	Station Renewal: Saratoga Avenue / New Lots	\$ 10.96
T60412/48	Station Renewal: Junius Street / New Lots	\$ 11.82
T60412/49	Station Renewal: Sutter Avenue-Rutland Road / New Lots	\$ 11.36
T60412/50	Station Renewal: Van Siclen Avenue / New Lots	\$ 10.74
T60412/60	Station Component: Station Components: 6 Stations / Jamaica	\$ 37.80
T60412/69	Station Component: Queensboro Plaza / Flushing	\$ 0.93
T60412/80	Station Component: 103 Street / Lexington	\$ 9.95
T60412/81	Station Component: 2 Locations / Culver	\$ 12.14
T60412/82	Station Component: 49 Street / Broadway	\$ 6.86
T60412/83	Station Component: 2 Locations / 4 Av	\$ 8.21
T60412/84	Station Component: Delancey St-essex St / Nassau	\$ 0.90
T60412/87	Station Ventilators: Elmhurst Av(N. Of Bwy) QBL [SBMP]	\$ 1.34
T60412/91	Station Component: 3 Locations / Lexington	\$ 5.57
T60412/92	Station Component: New Lots Av Station / New Lots Line	\$ 2.14
T60412/93	Station Component: 2 Locations / QBL	\$ 10.13
T60412/95	Station Ventilators: Ph 6 - 5 Loc / Upper Manhattan & Bronx	\$ 6.45
T60412/96	Station Component: 2 Locations / Nostrand	\$ 6.53
T60412/98	Station Component: Street Stairs: Ditmars Blvd / Astoria (s2/s3) [SBMP]	\$ 1.29
T60412/A2	Station Component: Street Stairs: Grand St / Canarsie [SBMP]	\$ 2.18
T60412/A3	Station Component: Mezzanine Ceiling/Walls: Morgan Avenue / Canarsie	\$ 1.27
T60412/B1	Station Component: 3 Locations / Crosstown	\$ 9.62
T60412/C3	Station Component: 5 Locations / Canarsie	\$ 10.88
T60412/C4	Station Component: 7 Locations / 8th Avenue	\$ 25.19
T60412/C5	Station Component: 2 Street Stairs: Broadway / Astoria (s1/s3) [SBMP]	\$ 1.31
T60412/C6	Station Component: 1 St Stair: Broadway / Astoria (s2) [SBMP]	\$ 0.65
T60412/C7	Station Component: 3 Street Stairs: Rector Street / Broadway (nb) [SBMP]	\$ 2.74
T60412/C8	Station Component: 5 Street Stairs: Rector Street / Broadway (sb) [SBMP]	\$ 3.62
T60412/C9	Station Component: 2 Street Stairs: Jay Street-metro Tech / Broadway [SE	\$ 1.30
T60412/D1	Station Ventilators: Elmhurst Av (S of Bwy) / QBL [SBMP]	\$ 1.44
T60412/D2	Station Ventilators: Grand Street / Canarsie [SBMP]	\$ 1.31
T60412/D3	Station Ventilators:Clin-Wash Avs (W of Wvrlly) / BCT [SBMP]	\$ 0.97
T60412/D4	Station Component: 1 Interior Stair: 49 Street / Broadway (p2) [SBMP]	\$ 0.81
T60412/D6	Station Component: 3 St Strs: Clinton-washington Avs/fulton (s2/s4/s6) [SE	\$ 1.01

NYCT  
2014 Commitments Goal  
All \$ in millions

ACEP	Project Description	2014 Commitments
T60412/D7	Station Component: 3 St Strs: Clinton-washington Avs/fulton (s1/s3/s5) [SE	\$ 1.01
T60412/D8	Station Component: 3 Street Strs: Rockaway Avenue / Fulton (s2/s4/s8) [S	\$ 0.94
T60412/D9	Station Component: 3 Street Stairs: Rockaway Avenue / Fulton (s1/s3/s7)	\$ 0.94
T60412/E1	Station Component: 3 Locations / Fulton	\$ 5.81
	<b>Element Total</b>	<b>\$ 710.56</b>
T60413/07	ADA: 68 St-hunter College / Lexington	\$ 0.96
T60413/10	ADA: 23 Street / Lexington	\$ 16.84
T60413/11	ADA: Phase 2: 57 Street - 7 Avenue / Broadway	\$ 36.16
T60413/12	ADA: Ozone Park-lefferts Blvd / Liberty	\$ 21.37
T60414/05	Access Improvements: Grand Central / Lex	\$ 18.19
	<b>Element Total</b>	<b>\$ 93.52</b>
T60502/13	Mainline Track Replacement - 2014 Design And EFA	\$ 4.90
T60502/14	Track Force Account - 2014	\$ 35.00
T60502/15	Mainline Track Replacement - 2015	\$ 2.00
T60502/16	Continuous Welded Rail - 2014	\$ 18.44
T60502/70	Mainline Track Replacement 2013 At Concourse	\$ 6.57
T60502/75	Mainline Track Replacement 2013 At 7th Avenue	\$ 2.97
T60502/83	Mainline Track Replacement 2014 / 4th Avenue	\$ 5.07
T60502/84	Mainline Track Replacement 2014 / 8th Avenue	\$ 12.76
T60502/85	Mainline Track Replacement 2014 / Concourse	\$ 3.38
T60502/86	Mainline Track Replacement 2014 / Queens Blvd	\$ 14.70
T60502/87	Mainline Track Replacement 2014 / White Plains Road	\$ 19.96
T60502/88	Mainline Track Replacement 2014 / Eastern Parkway	\$ 4.78
T60502/89	Mainline Track Replacement 2014 / Jerome	\$ 8.77
T60502/90	Mainline Track Replacement 2014 / Lexington Ave & 42 Shuttle	\$ 13.56
T60502/91	Mainline Track Replacement 2014 / Pelham	\$ 20.81
T60502/92	Mainline Track Replacement 2014 / 7th Avenue	\$ 4.68
T60502/93	Mainline Track Replacement 2014 / Brighton	\$ 28.41
T60502/94	Mainline Track Replacement 2014 / Flushing	\$ 5.98
	<b>Element Total</b>	<b>\$ 212.74</b>
T60503/05	Mainline Switches - 2014 Design And EFA	\$ 5.56
T60503/06	Mainline Switch Replacement 2015	\$ 2.90
T60503/21	Mainline Track Switches 2014 / Eastern Parkway	\$ 6.19
T60503/22	Mainline Track Switches 2014 / White Plains Road	\$ 17.10
T60503/23	Mainline Track Switches 2014 / Queens Blvd	\$ 6.12
	<b>Element Total</b>	<b>\$ 37.87</b>
T60603/02	Vent Study: South Of Grand Central / Lexington	\$ 2.10
T60603/05	Replace Vent Controls: 26 Locations	\$ 13.61
	<b>Element Total</b>	<b>\$ 15.71</b>

NYCT  
2014 Commitments Goal  
All \$ in millions

ACEP	Project Description	2014 Commitments
T60604/03	Pumps: 4 Locations / Pelham - Jerome - Lenox	\$ 14.70
T60604/04	Pumps: 2 Locs - Manhattan Midtown	\$ 0.74
	<b>Element Total</b>	<b>\$ 15.44</b>
T60703/12	Rehab Retaining Walls: South (thru 18 Avenue) / Sea Beach	\$ 41.00
T60703/13	Structure Repairs / Dyre Avenue Line	\$ 8.54
T60703/16	Subway Tunnel Rehabilitation: Priority Repairs: 4th Avenue	\$ 0.50
T60703/19	Overcoating: Broadway Junction - New Lots Avenue / Cnr	\$ 24.37
T60703/24	Structural Steel Repair, Lower Level, 9th Ave, West End Ln	\$ 13.99
T60703/27	Overcoating: Portal - King's Hwy	\$ 27.40
T60703/28	Overcoating: King's Hwy - West 8th St	\$ 21.89
	<b>Element Total</b>	<b>\$ 137.69</b>
T60803/15	Interlocking Modernization: 34 St / 6th Avenue	\$ 218.26
T60803/16	West 4 St Interlocking / 6th Avenue	\$ 221.18
T60803/18	Signal Key-by Circuit Mods: Phase 3	\$ 14.67
T60803/25	Replacement Of ATS-A & CBTC Status Boards At RCC	\$ 6.59
T60803/26	ATS-A: Normal Replacemnet Of Hardware & Operating System	\$ 5.70
	<b>Element Total</b>	<b>\$ 466.39</b>
T60806/01	Fiber Optic Cable Replacement: Phase 1	\$ 1.10
T60806/04	PA/CIS: 43 Stns: Furnish-install Cabinets	\$ 22.64
T60806/10	Pbx Upgrade, Phase I	\$ 22.45
T60806/13	Antenna Cable Upgrade/replacement Ph 1	\$ 1.73
T60806/15	Copper Cable Upgrade/replacement Phase 3	\$ 8.92
T60806/20	Hydrogen Gas Ventilation:19 Communications Rooms	\$ 4.79
T60806/21	PSLAN: 30 Stations	\$ 28.09
T60806/28	Integrated Service Information & Mngmnt B-Div: Module 1 Grp1	\$ 12.32
	<b>Element Total</b>	<b>\$ 102.03</b>
T60902/08	Roof And Enclosure: Jerome/kinsbridge [SBMP]	\$ 2.97
	<b>Element Total</b>	<b>\$ 2.97</b>
T60904/03	Replace/upgrade Emergency Alarms And Emerg Telephones Pilot	\$ 5.70
T60904/09	CBH 275: Pearl Street / Clark	\$ 7.36
	<b>Element Total</b>	<b>\$ 13.06</b>
T61004/01	HVAC Repair And Maintenance Project For Dce Facilities, Ph2	\$ 53.59
T61004/07	Shop Repairs/ Upgrades: Pitkin And Concourse	\$ 16.20
T61004/08	Heavy Shop Equipment Replacement	\$ 11.98
T61004/15	Yard Track - 2014	\$ 1.40
T61004/16	Yard Track - 2015	\$ 0.06
T61004/21	Yard Switches - 2014	\$ 1.78
T61004/22	Yard Switches - 2015	\$ 0.65
T61004/25	207 St Overhaul: Equipment For Car HVAC Repair & Maintenance	\$ 2.24

NYCT  
2014 Commitments Goal  
All \$ in millions

ACEP	Project Description	2014 Commitments
T61004/26	East 180 St Maintenance Shop: Facility Waterproofing	\$ 3.96
T61004/27	Car Washer Repairs: 3 Yards	\$ 12.48
T61004/28	Car Washer Repairs At Coney Island Yard	\$ 5.24
	<b>Element Total</b>	<b>\$ 109.57</b>
T61203	Sliding Gate Replacement At Jackie Gleason Bus Depot	\$ 3.78
T61203/03	Jamaica Depot Replacement	\$ 17.13
T61203/04	126th Street Bus Depot Decommissioning	\$ 5.00
	<b>Element Total</b>	<b>\$ 25.91</b>
T61204/14	Automated Fuel Management System Upgrade	\$ 2.50
T61204/20	Jamaica Bus Terminal Reconfiguration	\$ 3.40
T61204/21	New DOB Facility At St George Terminal	\$ 4.18
T61204/29	Construct Bus Command Center- DOB	\$ 50.91
T61204/30	3 Bus Washers At M J Quill: 1 New And 2 Rehab	\$ 5.76
	<b>Element Total</b>	<b>\$ 66.75</b>
T61302/02	Purchase 54 Flat Cars	\$ 18.38
T61302/06	Purchase 65 Non-rev Vehicles	\$ 11.50
T61302/07	Work Train & Special Equipment: Vacuum Train	\$ 19.02
	<b>Element Total</b>	<b>\$ 48.90</b>
T61602/05	Capital Revolving Fund - 2014	\$ 5.00
T61602/22	Help Point: 2 Stations / White Plains Road & Flushing [SBMP]	\$ 1.55
T61602/23	Help Point: 2 Stations / Flushing [SBMP]	\$ 1.61
T61602/24	Help Point: 2 Stations / Jerome [SBMP]	\$ 1.51
	<b>Element Total</b>	<b>\$ 9.67</b>
T61604/02	Enterprise-Wide San/Disaster Recovery Phase 2	\$ 11.68
T61604/04	Enterprise Lan/Wan Replacement	\$ 9.61
	<b>Element Total</b>	<b>\$ 21.29</b>
T61605/07	Engineering Services: 2013	\$ 3.60
T61605/09	Scope Development: Scope Development - 2014	\$ 9.53
T61605/13	Boring Services: Manhattan & Bronx	\$ 1.97
T61605/14	Boring Services: Bklyn, Qns & SI	\$ 1.64
T61605/15	Test Pits Contract (2014)	\$ 5.50
	<b>Element Total</b>	<b>\$ 22.24</b>
T61606/04	Asbestos Disposal	\$ 2.52
T61606/05	Sprinkler & Fire Alarm System, Ph 2: 6 Av Passageway	\$ 7.07
T61606/06	Fire Alarm: 207 Street Overhaul Shop	\$ 0.40
T61606/09	Asbestos Abatement - 2013	\$ 9.66
T61606/10	Asbestos/Lead: Air Monitor	\$ 9.12
	<b>Element Total</b>	<b>\$ 28.76</b>
T61607/03	RTO Master Tower Hardening	\$ 2.02

NYCT  
2014 Commitments Goal  
All \$ in millions

ACEP	Project Description	2014 Commitments
T61607/05	Employee Facilities: Chambers St / Nassau Loop	\$ 6.53
T61607/07	Security: Perimeter Hardening: RCC & 130 Livingston	\$ 10.88
T61607/11	Facilities: AFC Equip Qtr: 8 Av Stn/ Sea Beach Ln	\$ 2.02
T61607/17	Facilities: Livingston Plaza: Elevators, Roof, Facade	\$ 19.80
T61607/20	RTO Facilities Hardening Ph 2	\$ 9.09
	<b>Element Total</b>	<b>\$ 50.34</b>
S60701/03	Sir: Track: St. George Interlocking	\$ 12.93
S60701/05	Sir: Power: New Power Substation: Prince's Bay	\$ 23.62
	<b>Element Total</b>	<b>\$ 36.55</b>
E61404/02	Electronic Security: 10tsg Boro Hall-Court St	\$ 19.94
E61404/03	Electronic Security: 10tsg Atlantic/Pacific	\$ 16.51
	<b>Element Total</b>	<b>\$ 36.45</b>
ES0702/09	Sandy Repairs: Tower B Rehabilitation (Long Term)	\$ 6.43
ES0702/11	Sandy Repairs: Clifton Shop Repairs (Long Term) Design	\$ 23.21
ES0702/14	Sandy Repairs: St. George Interlocking	\$ 105.80
	<b>Element Total</b>	<b>\$ 135.44</b>
ET0402	Sandy Repairs: Purchase And Install AFC Equipment	\$ 15.83
ET0402/12	Sandy Repairs: South Ferry Advance Removal	\$ 10.61
ET0402/13	Sandy Repairs: South Ferry Station Complex	\$ 141.77
	<b>Element Total</b>	<b>\$ 168.21</b>
ET0403/07	Sandy Mitigation: Lower Mhttn Flood Doors / Hatches [SBFP]	\$ 1.78
ET0403/08	Sandy Mitigation: Lower Mhttn Hatch Installation(SBFP)	\$ 1.33
	<b>Element Total</b>	<b>\$ 3.10</b>
ET0502	Sandy Repairs: Mainline Switches South Ferry	\$ 2.20
ET0502/10	Sandy Repairs: Track - Rutgers Tube	\$ 5.04
ET0502/11	Sandy Repairs: Mainline Track - Clark St Tube	\$ 3.78
ET0502/12	Sandy Repairs: Track - 53 St Tube QBL	\$ 6.64
ET0502/13	Sandy Repairs: South Ferry Track	\$ 3.15
	<b>Element Total</b>	<b>\$ 20.81</b>
ET0602	Sandy Repairs: Fan Plant (#6375) / Rutgers Tube	\$ 38.80
ET0602/14	Sandy Repairs: Tunnel Lighting - Rutgers Tube	\$ 4.92
ET0602/17	Sandy Repairs: 1 Pump Rooms (South Ferry)	\$ 6.50
ET0602/18	Sandy Repairs: 2 Pump Rooms (Southern Manhattan)	\$ 6.50
ET0602/20	Sandy Repairs: 2 Pump Rooms (207 St / CLK Tube)	\$ 7.30
ET0602/23	Sandy Repairs: Fan Plant South Ferry	\$ 3.90
ET0602/24	Sandy Repairs: 3 Fan Plants (Southern Manhattan)	\$ 30.70
ET0602/26	Sandy Repairs: 1 Fan Plant (Old Slip) Clark	\$ 4.36
ET0602/27	Sandy Repairs: South Ferry Tunnel Lighting	\$ 5.93
	<b>Element Total</b>	<b>\$ 108.91</b>

NYCT  
2014 Commitments Goal  
All \$ in millions

ACEP	Project Description	2014 Commitments
ET0802/01	Sandy Repairs: South Ferry Interlocking	\$ 56.20
ET0802/12	Sandy Repairs: Signals In The Clark St Tube	\$ 2.93
ET0802/13	Sandy Repairs: Signals In The Rutgers Tube	\$ 1.96
ET0802/14	Sandy Repairs: Signals In The Cranberry Tube	\$ 2.44
ET0802/15	Sandy Repairs: Signals - 53 St Tube QBL	\$ 1.96
ET0802/19	Sandy: Revenue Facility Microwave Communications System	\$ 3.49
ET0802/21	Sandy Repairs: CCTV, Rutgers Tube	\$ 3.84
ET0802/22	Sandy Repairs: CCTV, Cranberry Tube	\$ 3.84
	<b>Element Total</b>	<b>\$ 76.66</b>
ET0902	Sandy Repairs: CBH #502/ Cranberry Tube	\$ 38.61
ET0902/19	Sandy Repairs: Power & Comm Cable - Rutgers	\$ 23.10
ET0902/20	Sandy Repairs: Comm/Power Cable - Cranberry Tube	\$ 15.83
ET0902/22	Sandy Repair: 4 CBH's (#229, 278, 301, 284) - Clk (var Locs)	\$ 29.42
ET0902/23	Sandy Repairs: Substation Equip (Irt) - Clark St Tube	\$ 16.13
ET0902/24	Sandy Repairs: Comm & Power Cables - Clark St Tube	\$ 25.17
ET0902/25	Sandy Repairs: Comm/Power Cable Replacemnt - 53 St Tube QBL	\$ 22.29
ET0902/26	Sandy Repairs: Circuit Breaker House (#565) 53 St Tube QBL	\$ 22.55
ET0902/27	Sandy Repairs: 4 Circuit Breaker Houses(#'s 55, 56, 58 & 88)	\$ 79.26
	<b>Element Total</b>	<b>\$ 272.36</b>
ET1002/12	Sandy Repairs: Power Cable Replacement - Rockaway Park	\$ 6.87
ET1002/13	Sandy Repairs: Rockaway Park Yard Assessment	\$ 0.40
ET1002/14	Sandy Study: Yard Assessment - Coney Island	\$ 1.86
ET1002/18	Sandy Repairs: 207 St Yard Signals	\$ 6.48
	<b>Element Total</b>	<b>\$ 15.62</b>
ET1003/04	Sandy Mitigation: Rockaway Yard Rky	\$ 0.96
ET1003/05	Sandy Mitigation:Near Term Perimeter Protection Coney Isl Yd	\$ 7.13
	<b>Element Total</b>	<b>\$ 8.09</b>
ET1203/07	Sandy Mitigation: Various Depots	\$ 0.43
	<b>Element Total</b>	<b>\$ 0.43</b>
ET1602	Sandy Repairs: Employee Facility at Whitehall Station BWY	\$ 1.60
	<b>Element Total</b>	<b>\$ 1.60</b>
T70803 TBD	Interlocking Modernization: York Street / 6th Avenue	\$ 4.87
	<b>Element Total</b>	<b>\$ 4.87</b>
<b>Total 2014 Commitments</b>		<b>\$ 3,646.00</b>

MTA Long Island Rail Road  
2014 Commitment Summary  
All \$ in Millions

ACEP	Project Description	2014 Commitments
<b>2005-2009</b>		
L50204V4	3P CONSTRUCTION	\$ 1.26
	<b>Element Total</b>	<b>\$ 1.26</b>
L50304TS	3RD PARTY DESIGN / FURNISH	\$ 4.28
L50304TT	F/A CONSTRUCTION	\$ 2.70
	<b>Element Total</b>	<b>\$ 6.98</b>
L50601Y3	3P CONSTRUCTION SBMP	\$ 0.93
L50601YD	MTA REAL ESTATE	\$ 0.05
L50601YF	3P PAVING-MENTORING	\$ 0.94
	<b>Element Total</b>	<b>\$ 1.92</b>
L509048A	3P Remediation - Group "C" Sites	\$ 3.24
	<b>Element Total</b>	<b>\$ 3.24</b>
<b>2010-2014</b>		
EL0402ZB	3P DESIGN & REVIEW	\$ 0.55
	<b>Element Total</b>	<b>\$ 0.55</b>
EL0502ZC	3P CONSTR-FOUNDATION/EQUIP-PLATFORM	\$ 1.09
	<b>Element Total</b>	<b>\$ 1.09</b>
EL0602ZD	3RD PARTY DESIGN	\$ 0.97
EL0602ZL	3RD PARTY DESIGN & REVIEW	\$ 0.36
	<b>Element Total</b>	<b>\$ 1.34</b>
EL0702ZM	3P CM	\$ 1.02
	<b>Element Total</b>	<b>\$ 1.02</b>
EL0902ZF	F/A MATERIAL	\$ 3.97
	<b>Element Total</b>	<b>\$ 3.97</b>
L60204UC	FA DESIGN	\$ 3.52
L60204UD	3P CONSTRUCTION-(PN-V4)	\$ 11.17
L60204UE	3P CONSTRUCTION - ELEVATOR	\$ 6.82
L60204UF	3P DESIGN	\$ 1.20
L60204UH	FA CONSTRUCTION LABOR	\$ 3.95
	<b>Element Total</b>	<b>\$ 26.66</b>
L60205U1	F/A TRANSPORTATION	\$ 1.55
	<b>Element Total</b>	<b>\$ 1.55</b>
L60206VL	PROJECT MANAGEMENT	\$ 11.00
	<b>Element Total</b>	<b>\$ 11.00</b>
L60301TE	PROJECT MANAGEMENT	\$ 50.93
L60301TF	3p EQUIPMENT-TIE REMOVER	\$ 0.49
	<b>Element Total</b>	<b>\$ 51.42</b>
L60304TU	CPS	\$ 60.52
L60304TV	PROJECT MANAGEMENT	\$ 2.31
L60304TW	3P CONSTRUCTION	\$ 16.36
L60304TX	3P CM	\$ 6.45
	<b>Element Total</b>	<b>\$ 85.64</b>
L60401BC	3P CONSTRUCTION	\$ 7.93
	<b>Element Total</b>	<b>\$ 7.93</b>
L60502LA	PTC RAILSIM ANALYSIS	\$ 0.15
	<b>Element Total</b>	<b>\$ 0.15</b>
L60601YN	FA INSPECTION	\$ 2.71
L60604YT	3P CONSTRUCTION - UCC ROOF	\$ 3.50
	<b>Element Total</b>	<b>\$ 6.21</b>
L60701AM	FA CONSTRUCTION LABOR	\$ 6.88
L60701AQ	F/A ABATEMENT/DEMO	\$ 1.82
L60701AR	PROJECT MANAGEMENT	\$ 1.56
	<b>Element Total</b>	<b>\$ 10.27</b>
L60904N3	3P DESIGN	\$ 0.72
L60904N6	3P DESIGN	\$ 0.30
L60904NA	INDIRECT ADMINISTRATION 2014	\$ 19.88
L60904NC	LI PROTECTIVE LIABILITY 06/14-05/15	\$ 0.20
L60904ND	INDEPENDENT ENGINEER 2014	\$ 1.09
	<b>Element Total</b>	<b>\$ 22.18</b>
<b>Total 2014 Commitments</b>		<b>\$ 244.37</b>

MTA Metro-North Railroad  
2014 Commitment Summary  
All \$ in Millions

ACEP	Project Description	2014 Commitments
<b>2000-2004</b>		
G414-03-09	525 N. Broadway, White Plains	\$ 1.28
	<b>Element Total</b>	<b>\$ 1.28</b>
M402-03-13	North White Plains Parking Garage	\$ 0.50
	<b>Element Total</b>	<b>\$ 0.50</b>
<b>2005-2009</b>		
M501-01-10	M-9 Specification Development	\$ 0.43
M501-01-12	Rolling Stock Signals (PTC)	\$ 0.71
	<b>Element Total</b>	<b>\$ 1.14</b>
M502-02-02	Croton Harmon/Peekskill Station Improvements	\$ 3.01
M502-02-06	Station Building Rehabilitation	\$ 0.25
	<b>Element Total</b>	<b>\$ 3.26</b>
M508-01-09	Customer and Employee Communications Projects	\$ 1.40
	<b>Element Total</b>	<b>\$ 1.40</b>
<b>2010-2014</b>		
M601-01-02	M-8 New Haven Line Purchase	\$ 10.00
	<b>Element Total</b>	<b>\$ 10.00</b>
M602-01-01	GCT Trainshed/Tunnel Structure	\$ 18.12
M602-01-05	GCT Leaks Remediation Phase II	\$ 2.99
M602-01-06	GCT Elevator Rehab Phase 4	\$ 5.30
M602-01-09	GCT Customer Communications	\$ 2.04
M602-01-10	GCT Recycling Facility	\$ 1.11
	<b>Element Total</b>	<b>\$ 29.56</b>
M602-02-02	Fordham Station Improvements	\$ 4.64
M602-02-04	Station Building Rehabilitation/Net Lease	\$ 1.55
M602-02-06	New Haven Line Station Phase II	\$ 0.30
M602-02-08	Customer Communications/Connectivity Improve	\$ 5.37
	<b>Element Total</b>	<b>\$ 11.86</b>
M603-01-02	Turnouts - Mainline/High Speed	\$ 3.40
M603-01-03	GCT Turnouts/Switch Renewal	\$ 2.50
M603-01-04	Turnouts - Yards/Sidings	\$ 1.62
M603-01-05	M o f W Equipment/RS	\$ 3.91
M603-01-08	Drainage Improvements	\$ -
M603-01-14	2014 Cyclical Track Program	\$ 12.67
	<b>Element Total</b>	<b>\$ 24.10</b>
M603-02-02	Rehab Culverts/Railtop Culvert	\$ 0.18
M603-02-04	DC Substation/Signal House	\$ 0.66
M603-02-05	Bridge Walkways Installation	\$ 0.38
M603-02-06	Remove Obsolete Facilities	\$ 1.28
M603-02-09	Employee Welfare and Storage Facilities	\$ 2.66
M603-02-10	Replace/Repair Undergrade Bridges Program	\$ 3.45
M603-02-11	Harlem River Lift Bridge Cable	\$ 0.13
M603-02-12	Overhead Bridge Program - E of H	\$ 2.90
M603-02-14	Park Avenue Viaduct Direct Fixation	\$ 1.74
M603-03-05	W of H Replace/Renew Undergrade Bridges	\$ 5.70
	<b>Element Total</b>	<b>\$ 19.08</b>
M604-01-01	Positive Train Control	\$ 19.21
M604-01-02	West of Hudson Signal Improvements	\$ 12.74
M604-01-04	Replace Field code System - Mott Haven	\$ 0.51



MTA Metro-North Railroad  
2014 Commitment Summary  
All \$ in Millions

<b>ACEP</b>	<b>Project Description</b>	<b>2014 Commitments</b>
M604-01-06	Centralized Train Control/SCADA Intrusion Testing	\$ 0.89
M604-01-09	Replace High Cycle Relays	\$ 0.12
M604-01-11	PBX Equipment Upgrade	\$ 0.10
	<b>Element Total</b>	<b>\$ 33.57</b>
M605-01-01	Substation Bridge 23 - Construction	\$ -
M605-01-03	Harlem & Hudson Lines Power Improvements	\$ 26.24
M605-01-04	Replace Motors Alternators	\$ 1.48
M605-01-05	Replace Substation Batteries	\$ -
M605-01-07	Har. River Lift Bridge Breaker Houses/Controls	\$ 0.25
M605-01-09	Replace 3rd Rail Brackets - Park Avenue Tunnel	\$ 6.56
	<b>Element Total</b>	<b>\$ 34.52</b>
M606-01-01	Harmon Shop Improvements	\$ 36.84
	<b>Element Total</b>	<b>\$ 36.84</b>
M608-01-01	Systemwide Lead/Asbestos Abatement	\$ 0.50
M608-01-06	Program Administration	\$ 8.92
M608-01-07	Program Scope Development	\$ 2.53
	<b>Element Total</b>	<b>\$ 11.95</b>
EM03-02-02	Right of Way Restoration: Various Locations	\$ 2.20
	<b>Element Total</b>	<b>\$ 2.20</b>
EM04-02-05	Comm & Signal Infrastructure Restoration Phase 1	\$ 3.08
EM04-02-07	Comm & Signal Infrastr Restoration Eqpmt Replcmt	\$ 6.63
	<b>Element Total</b>	<b>\$ 9.71</b>
EM05-02-06	Power Infrastructure Restoration-Phase 1	\$ -
EM05-02-08	Power Infrastructure Restoration-Substations	\$ 36.63
EM05-02-09	Power Infrastructure Restoration-HRLB	\$ 4.44
EM05-02-10	Power Infrastr Restoration-Remote Terminal Houses	\$ 1.28
	<b>Element Total</b>	<b>\$ 42.35</b>
	<b>Total 2014 Commitments</b>	<b>\$ 273.33</b>

MTA Bridges & Tunnels  
2014 Commitments Goal  
All \$ in millions

<b>ACEP</b>	<b>Project Description</b>	<b>2014 Commitments</b>
<b>2005-2009</b>		
D505QM01	Service & FE Building Rehabilitation	\$ 3.09
	<b>Element Total</b>	<b>\$ 3.09</b>
<b>2010-2014</b>		
D601BB28	Rehab. Walls, Roadway, Firelines, Ceiling Repair	\$ 69.67
	<b>Element Total</b>	<b>\$ 69.67</b>
D601MP06	Substructure & Underwater Scour Protection	\$ 1.84
	<b>Element Total</b>	<b>\$ 1.84</b>
D601QM18	Entrance and Exit Plazas Structural Rehabilitation	\$ 3.45
D601QM40	Tunnel Wall and Ceiling Repairs and Leak Control	\$ 3.73
	<b>Element Total</b>	<b>\$ 7.18</b>
D601RK23	Miscellaneous Rehab - Manhattan Approach Ramps	\$ 111.64
D601RK76	Miscellaneous Structural Repair	\$ 15.75
	<b>Element Total</b>	<b>\$ 127.39</b>
D601TN52	Miscellaneous Structural Rehabilitation	\$ 8.60
D601VN34	Verrazano-Narrows Bridge Main Cable Testing	\$ 3.63
	<b>Element Total</b>	<b>\$ 12.23</b>
D602BB54	Replacement Brooklyn Plaza Structural Slab	\$ 27.18
	<b>Element Total</b>	<b>\$ 27.18</b>
D602HH88	Replace Upper & Lower Level Plza & Southbnd. Appr.	\$ 32.43
	<b>Element Total</b>	<b>\$ 32.43</b>
D602MP21	Rehabilitate Rockaway Point Blvd Overpass	\$ 8.85
	<b>Element Total</b>	<b>\$ 8.85</b>
D602RK65	Deck Replacement - Bronx/Manhattan Ramps/Toll Plaza	\$ 218.83
D602RK75	Interim Repairs - Toll Plaza Deck	\$ 16.18
	<b>Element Total</b>	<b>\$ 235.00</b>
D602VN03	Toll Plaza - East & West Bound Ramps Improvements	\$ 0.63
	<b>Element Total</b>	<b>\$ 0.63</b>
D604MP03	Programmable Logic Controller & Mechanical Rehab.	\$ 3.50
	<b>Element Total</b>	<b>\$ 3.50</b>
D604QM81	Controls / Communication System	\$ 3.05
	<b>Element Total</b>	<b>\$ 3.05</b>
D604VN87	Substation #1 Rehabilitation	\$ 12.06
	<b>Element Total</b>	<b>\$ 12.06</b>
D605AW12	Hazardous Materials Abatement	\$ 0.42
	<b>Element Total</b>	<b>\$ 0.42</b>
D605BB21	Service Building Rehabilitation	\$ 6.62
D605BB43	Misc. Repairs at BP Garage	\$ 5.32
	<b>Element Total</b>	<b>\$ 11.94</b>
D606AW15	MTA Independent Engineer	\$ 0.56
D606AW18	Protective Liability Insurance	\$ 2.62
D606AW21	Program Administration	\$ 3.50
	<b>Element Total</b>	<b>\$ 6.68</b>
D607RK65	Paint - Plaza and Approach Ramps	\$ 24.44
	<b>Element Total</b>	<b>\$ 24.44</b>

MTA Bridges & Tunnels  
2014 Commitments Goal  
All \$ in millions

<b>ACEP</b>	<b>Project Description</b>	<b>2014 Commitments</b>
ED010209	Restore VNB TwrBase Elect/Lightg Sys+Ped Access Br	\$ 1.28
ED010228	Restore Hugh L. Carey Tunnel - Structural	\$ 192.64
	<b>Element Total</b>	<b>\$ 193.92</b>
ED010240	Restore Queens Midtown Tunnel - Structural	\$ 13.34
	<b>Element Total</b>	<b>\$ 13.34</b>
ED010324	MPB/CBB Master Plan & Resiliency Needs	\$ 9.00
	<b>Element Total</b>	<b>\$ 9.00</b>
ED020202	Restore Hugh L. Carey Tunnel Roadway	\$ 8.26
ED020203	Restore Queens Midtown Tunnel Roadway	\$ 0.64
	<b>Element Total</b>	<b>\$ 8.90</b>
ED040207	Replace MPB Electrical Equipmt at North Abutment	\$ 4.50
ED040208	Replace MPB Lighting Systems	\$ 0.68
ED040210	Repl CBB Mech&Elect Equip-S. Abutment & Svc Bldg	\$ 7.11
ED040243	Restore Hugh L. Carey Tunnel Utilities	\$ 126.34
ED040281	Restore QMT Cntrl/Comm Sys, CCTV,Traffic Signals	\$ 9.07
	<b>Element Total</b>	<b>\$ 147.70</b>
ED050201	Restore CBB Service Bldg	\$ 1.74
ED050202	Hugh L. Carey Tunnel Environmental Cleanup	\$ 7.20
ED050203	Queens Midtown Tunnel Environmental Cleanup	\$ 0.42
ED050204	Restore Queens Midtown Tunnel Vent Buildings	\$ 0.00
ED050221	Restore Hugh L. Carey Tunnel Vent Bldgs	\$ 4.97
	<b>Element Total</b>	<b>\$ 14.33</b>
ED05032A	Flood Mitigation -Studies/Conceptual Design HCT	\$ 1.01
ED05032B	Flood Mitigation -Studies/Conceptual Design QMT	\$ 1.00
	<b>Element Total</b>	<b>\$ 2.00</b>
<b>Total 2014 Commitments</b>		<b>\$ 976.77</b>

MTA Bus  
2014 Commitments Goal  
All \$ in millions

<i>ACEP</i>	<i>Project Description</i>	<b>2014 Commiments</b>
<b><u>2005-2009</u></b>		
<i>U5030204</i>	Emergency Generators: 6 Depots - Purchase	\$4.3M
<i>U5030211</i>	Far Rockaway Roof Deck Replacement	\$1.5M
<i>U5030225</i>	Security Upgrade: Far Rockaway and Baisley Park	\$6.8M
<i>U5030204</i>	Emergency Generators: 6 Depots - Installation	\$3.3M
<i>U5030216</i>	Additional Fueling Capacity: JFK, Baisley Park and LaGuardia	\$3.5M
	<b>Element Total</b>	<b>\$19.45</b>
<b><u>2010-2014</u></b>		
<i>U6030201</i>	Project Administration & Engineering	\$4.1M
<i>U6030205</i>	Chassis Wash: LaGuardia and Baisley Park	\$2.0M
<i>U6030208</i>	New Apron: JFK	\$6.5M
<i>U6030225</i>	Bus Command Ctr	\$8.7M
<i>U6030217</i>	45 Diesel Buses	\$23.8M
<i>U6030219</i>	75 Articulated Buses	\$61.6M
<i>U6030226</i>	Bus Radio System	\$27.8M
	<b>Element Total</b>	<b>\$134.5M</b>
<i>EU030201</i>	Hurricane Sandy Depot Rehabilitation at Far Rockaway	\$25.0M
	<b>Element Total</b>	<b>\$25.00</b>
	<b>Total 2014 Commitments</b>	<b>\$178.92</b>

**MTA Capital Construction**  
**2014 Commitment Goals**  
All \$ in Millions

<b>ACEP</b>	<b>Project Description</b>	<b>2014 Commitments</b>
<b><u>2005-2009</u></b>		
N5100105	Harriman MTA PD Sign On - Design Phase	\$0.10
	<b>Element Total</b>	<b>\$0.10</b>
<b><u>2010-2014</u></b>		
EG160214	IESS East River Tunnel Impacts	\$21.36
	<b>Element Total</b>	<b>\$21.36</b>
E6100102	MTA PD Staten Island - Design	\$1.00
E6100103	MTA PD District Office Nassau County	\$1.00
	<b>Element Total</b>	<b>\$2.00</b>
E6140202	Penn Station MTA PD Holding Cells - Design Phase	\$0.30
E6140202	Penn Station - Consequence Management FLS	\$5.00
E6140202	Penn Station MTA PD Holding Cells - Construction Phase	\$0.50
	<b>Element Total</b>	<b>\$5.80</b>
Program 6 -ACEP not assigned	Penn Station Perimeter Protection -7th Ave	\$0.95
	<b>Element Total</b>	<b>\$0.95</b>
G61401XX	CM014B - GCT Concourse & Cavern Finishes	\$2.11
G61401XX	Harold Structures (Part 3)	\$31.46
	<b>Element Total</b>	<b>\$33.57</b>
G6090123	Harold Structures (Part 3)	\$75.05
G6090114	CM014B - GCT Concourse & Cavern Finishes	\$193.38
G609XXXX	Traction Power System	\$114.75
G6090142	Manhattan Southern Structures	\$316.27
G6090137	System Package 3 (Signal Equipment Procurement)	\$21.84
G6090135	Systems Package 1 - ESA	\$366.95
	<b>Element Total</b>	<b>\$1088.22</b>
<b>Total 2014 Commitments</b>		<b>\$1152.90</b>

MTA Police Department  
2014 Commitment Summary  
All \$ in Millions

ACEP	Project Description	2014 Commiments
<b>2005-2009</b>		
N5100105	MTAPD District 7 - Harriman	\$0.40
N5100109	MTAPD Radio Project	\$27.28
	<b>Element Total</b>	<b>\$27.68</b>
<b>2010-2014</b>		
E6100102	MTAPD District 9 HQ	\$0.80
E6100103	MTAPD District 2 HQ	\$1.50
E6100104	MTAPD Radio Project - Additional Funding	\$60.00
	<b>Element Total</b>	<b>\$62.30</b>
	<b>2014 Commitment Total</b>	<b>\$89.98</b>

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## NYCT 2014 - 2017 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60412/27	Station Renewal: Forest Avenue / Myrtle	\$7.38	Jan-14
T60412/29	Station Renewal: Fresh Pond Road / Myrtle	\$9.50	Jan-14
T60412/26	Station Renewal: Seneca Avenue / Myrtle	\$7.96	Jan-14
T60412/25	Station Renewal: Central Avenue / Myrtle	\$11.30	Jan-14
T60412/28	Station Renewal: Knickerbocker Avenue / Myrtle	\$11.00	Jan-14
T60806/06	Communications - RTO: RTO: Portable Radio Unit Replacement	\$6.76	Jan-14
T51302/03	Work Train & Special Equipment: 2 Ballast Regulators	\$7.74	Jan-14
T61607/02	Information Technology: Jay St Systems Ph1: Radio Security System at 130 Livingston	\$1.99	Jan-14
T50101/01	New Subway Cars: 23 A Division Cars - R188; Convert 10 R142A Cars	\$116.46	Jan-14
T60502/69	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Canarsie	\$19.09	Feb-14
T60413/08	Station Accessibility (ADA): ADA: Utica Av / Fulton Line	\$16.95	Feb-14
T60412/85	Station Component Investments: Station Ventilators: Ph 4 - 4Loc / Eastern Queens	\$2.51	Feb-14
T51604/02	Computer Hardware & Communications: HP Server Consolidation/Replacement	\$5.20	Feb-14
T60407/01	Escalator Replacement: 3 Escalators - Southern Manhattan	\$14.56	Feb-14
T60502/59	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Euclid Ave / 8 Avenue	\$11.31	Feb-14
T60404/09	Communications Cable And Equipment: Passenger Station LAN: 2 Stations Montague Tube	\$2.39	Feb-14
T60404/06	Communications Cable And Equipment: Passenger Station LAN: 4 Stations	\$5.25	Feb-14
T61604/02	Computer Hardware & Communications: Enterprise-Wide SAN/Disaster Recovery Phase 1	\$5.72	Mar-14
T61607/06	Facilities: Distribution: Maspeth Warehouse Repairs	\$9.92	Mar-14
T61604/05	Computer Hardware & Communications: HVAC Upgrade at 130 Livingston Plaza [SBMP]	\$0.65	Mar-14
T60412/A6	Station Component Investments: Street Stairs: 23 Street / 6 Avenue (S1/S2) [SBMP]	\$0.97	Mar-14
T60412/A7	Station Component Investments: Street Stairs: 23 Street / 6 Avenue (S3/S4) [SBMP]	\$1.03	Mar-14
T51302/10	Rubber-Tired Vehicles: Diesel Particulate Filters: Non-Rev Fleet	\$4.97	Mar-14
T60503/20	Mainline Track Switches: Mainline Track Switches 2013 at Brighton	\$4.78	Mar-14
T60502/71	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Archer Avenue	\$2.42	Mar-14
T60502/72	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Liberty Ave	\$8.67	Mar-14
T60502/73	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Jerome Ave	\$6.38	Mar-14
T60413/01	Station Accessibility (ADA): ADA: Forest Hills - 71 Av / Queens Blvd	\$24.73	Mar-14
T60803/01	Maintenance Of Way: Signal Control Modifications Phase 4	\$15.48	Mar-14
T60502/55	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at 6th Avenue	\$18.10	Mar-14
T51204/11	Depot Rehabilitation: Bus Lifts At Various Locations	\$8.80	Mar-14
T61204/02	Misc: Bus Projects: BRT - Bus Rapid Transit 2010-2014 (SBS)	\$25.00	Mar-14
U50302/11	Depot Rehabilitation: Roof/Ventilation: Far Rockaway Depot	\$6.93	Mar-14
U50302/09	Misc: Bus Projects: Upgrade Parking: Baisley Pk & JFK Depots	\$9.20	Mar-14
T60703/26	Subway Tunnel Rehabilitation: Rehab of Subway Roof Delancey St (Norfolk-Essex) [SBMP]	\$1.28	Mar-14
U50302/13	Depot Rehabilitation: Roof/Ventilation: Eastchester Maintenance Facility	\$3.64	Mar-14
T60703/25	Subway Tunnel Rehabilitation: Rehab of Subway Roof Delancey St (Norfolk-Suffolk) [SBMP]	\$1.05	Mar-14
ES0702/12	SIR: Shops & Facilities: Sandy Repairs: Tower B Rehabilitation (Short Term)	\$0.94	Apr-14
ES0702/10	SIR: Shops & Facilities: Sandy Repairs: Clifton Shop Repairs (Short Term)	\$4.23	Apr-14
T61204/09	Misc: Bus Projects: Tank Upgrades: Fresh Pond Depot [SBMP]	\$2.44	Apr-14
T50902/12	Misc: Power: Substation Hatchways: 6 Locations	\$6.10	Apr-14
T60902/03	Misc: Power: Substation Hatchways: 8 Locs	\$5.38	Apr-14
U40302/14	Misc: Bus Projects: Bus Time Customer Information System: MTA Bus	\$10.45	Apr-14
T51204/05	Misc: Bus Projects: Bus Time Customer Information System: NYCT	\$48.76	Apr-14
T60502/37	Mainline Track Rehabilitation: Mainline Track Replacement 2012 at Concourse	\$14.13	Apr-14
T41204/01	Radio & Data Communication: AVL: Paratransit - 2,273 Vehicles	\$37.28	Apr-14
T61606/02	Asbestos Abatement: Asbestos Abatement I/Q	\$8.30	May-14
ET0603/04	Work Train & Special Equipment: Sandy Mitigation: Convrt 6 110A's & 2 Flats to 2 Pump Trains	\$13.89	May-14
T61204/06	Bus Washers: 3 Bus Washers at Manhattanville Depot	\$4.15	May-14
T61607/02	Information Technology: Jay St Systems Phase 1: New PBX Room	\$6.45	May-14
T60803/07	Rapid Transit Operations: Station Time (ST) Improvements, Ph 2 / LEX	\$29.67	May-14
T51606/10	Asbestos Abatement: Asbestos Waste Disposal I/Q	\$0.84	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	\$79.27	May-14
ET0403/03	Misc: Stations: Sandy Mitigation: South Ferry Near-Term Flood Protection	\$5.77	May-14
T61606/05	Fire Protection: Sprinkler & Alarm Systems: Phase 1 - 5 Locations	\$13.32	May-14
T61602/13	Misc: Stations: Help Point: 233 St & 238 St / White Plains Rd [SBMP]	\$1.47	May-14
T60806/24	Station Communication Rooms: Communication Room Waterproofing: 5 Locations [SBMP]	\$1.30	May-14
ET0403/05	Misc: Stations: Sandy Mitigation: Vent Cover Prototype (SBFP)	\$1.20	May-14
T60803/01	Signal Systems: AC to DC Line Relay Conversion / Fulton PILOT	\$9.86	May-14
ET0802/18	Signal Systems: Sandy Repairs: Install PLC Signal Equipment - Rockaway Line	\$6.03	May-14



## NYCT 2014 - 2017 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
ET0403/04	Misc: Stations: Sandy Mitigation: Stair Covers Prototype (SBFP)	\$2.03	May-14
T61602/14	Misc: Stations: Help Point: 219 St & 225 St / White Plains Rd [SBMP]	\$1.49	May-14
T60413/09	Station Accessibility (ADA): ADA: Hunts Point Av / Pelham	\$17.97	May-14
T60404/02	Fare Marketing/Distribution Equipment: Purchase Automated Farecard Access System (AFAS) Units	\$1.85	May-14
T60502/12	Welded Rail: Continuous Welded Rail - 2013	\$3.92	Jun-14
T60412/A9	Station Component Investments: Street Stairs: 7 Avenue / 6 Avenue (S1-S4) [SBMP]	\$1.23	Jun-14
S40701/15	SIR: Passenger Stations: Station Security Initiatives	\$22.24	Jun-14
T61607/13	Consolidated Employee Facilities:Subways: 207 Street / 8th Avenue	\$8.84	Jun-14
T60502/78	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at s/o 190 St / 8th Avenue	\$6.89	Jun-14
T60502/66	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Lenox-White Plains Rd	\$5.59	Jun-14
T50599/01	Maintenance Of Way: Third Rail Heater Control System	\$5.95	Jun-14
T61605/01	Capital Program Management: Boring Services: Bklyn, Qns, SI	\$1.54	Jun-14
T61605/02	Capital Program Management: Boring Services: Manhattan & Bronx	\$1.85	Jun-14
ET0802/08	Security Program: Sandy Repairs: Security Equipment Various Locations	\$7.32	Jun-14
T51204/16	Depot Rehabilitation: Flatbush Depot: Asbestos Removal	\$2.45	Jun-14
T60502/75	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at 7th Avenue	\$2.97	Jun-14
T60502/79	Mainline Track Rehabilitation: Mainline Track Replace 2013 at s/o 72 St & 81-86 St / 8AV	\$10.63	Jun-14
T60703/14	Line Structure Overcoating: Bway Junction - Cypress Hills / Jamaica	\$19.93	Jun-14
T50703/17	Line Structure Overcoating: Portal To EOL / Pelham	\$28.16	Jun-14
E61404/01	Security Program: Electronic Security: 10TSG URT Phase 1	\$20.59	Jun-14
T60302/23	Bus Component Systems: Bus Cameras - 2010-14 Purchases	\$24.83	Jun-14
T60502/61	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Sea Beach	\$12.00	Jun-14
T60502/81	Mainline Track Rehabilitation: Mainline Track Replacement at Greenpoint Tube / Crosstown	\$3.73	Jun-14
T41204/P2	Depot Rehabilitation: Paving: 3 Locations	\$3.13	Jun-14
T60503/17	Mainline Track Switches: Mainline Track Switches 2013 at Queens Blvd	\$15.33	Jun-14
T41302/O4	Work Train & Special Equipment: 36 CWR Flatcars & 18 Flatcars	\$15.11	Jun-14
T61605/03	Capital Program Management: Test Pits Contract	\$2.60	Jun-14
T60502/63	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at 8th Avenue	\$14.04	Jun-14
T60502/70	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Concourse	\$6.57	Jun-14
T60412/A8	Station Component Investments: Street Stairs: 7 Avenue / 6 Avenue (S5-S8) [SBMP]	\$1.29	Jun-14
T51204/16	Depot Rehabilitation: Flatbush Depot: Roof Repair	\$3.81	Jun-14
T61004/25	Car Maintenance Shops: 207 St Overhaul: Equipment for Car HVAC Repair & Maintenance	\$2.24	Jun-14
T60413/06	Station Accessibility (ADA): ADA: Kingsbridge Rd / Concourse	\$24.45	Jul-14
T60412/89	Station Component Investments: Station Painting at Component Locations: 3 Loc / Brighton	\$3.09	Jul-14
T60412/77	Station Component Investments: Station Components: 3 Stations / Brighton	\$6.92	Jul-14
T61606/03	Asbestos Abatement: I/Q Asbestos/Lead Air Monitoring - 2010	\$7.52	Jul-14
S60701/02	SIR: Structures: Lemon Creek Culvert Bridge	\$3.45	Jul-14
T60412/B9	Station Component Investments: Street Stairs:Franklin Av / Eastern Parkway (S2/S4) [SBMP]	\$1.19	Jul-14
T60412/B8	Station Component Investments: Street Stairs:Franklin Av / Eastern Parkway (S1/S3) [SBMP]	\$1.19	Jul-14
T60412/12	Station Rehabilitation: Smith-9 Streets / Prospect Park Line	\$32.31	Jul-14
T50904/02	Power Distribution Facilities: Duct Reconstruction: Ryders Alley - Front St / 8AV (Phase 2)	\$21.36	Jul-14
S60701/01	SIR: Passenger Stations: Station Structural Repairs, 8 Locations	\$15.51	Jul-14
T60412/01	Station Component Investments: 4 Avenue / Culver	\$12.53	Jul-14
T61607/25	Depot Rehabilitation: AFC Office Upgrades at 2 Depots - FP and QV [SBMP]	\$1.76	Jul-14
T50803/07	Signal Systems: Signal Key-By Circuit Mod: Phase 2	\$29.84	Jul-14
T50414/03	Intermodal/Transfer Facilities: Myrtle-Wyckoff Intermdl Facil -Signal Wrk	\$0.68	Aug-14
T60803/03	Signal Systems: Church Ave Interlocking & Automatics / Culver	\$210.61	Aug-14
T51203/06	New Depots & Facilities: Clara Hale Depot: Reconstruction	\$252.87	Aug-14
T61602/19	Misc: Stations: Help Point: Allerton Av & Burke Av /White Plains Rd [SBMP]	\$1.43	Aug-14
T51602/04	Owner-Controlled Insurance Program: 2006-2009 Owner-Controlled Insurance	\$132.35	Aug-14
T61607/02	Information Technology: Jay St Systems Phase 1: Signal Facility at 14 St / 8 Ave	\$5.83	Aug-14
T51204/30	Depot Rehabilitation: Ulmer Park Depot: In-Ground Lift / Floor Replacement [SBMP]	\$1.15	Aug-14
U50302/05	Depot Rehabilitation: Eastchester Depot: Relocate Fuel Tanks & Bus Washers	\$12.88	Aug-14
T51203/07	Depot Rehabilitation: ENY Depot Rehab	\$17.19	Sep-14
T60502/92	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / 7th Avenue	\$4.68	Sep-14
T60502/89	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / Jerome	\$8.77	Sep-14
T61204/05	Depot Equipment And Machinery: IVN For 5 Depots	\$2.60	Sep-14
T60404/07	Communications Cable And Equipment: Passenger Station LAN: 10 Stations - Partial Systems	\$2.00	Sep-14
T60412/88	Station Component Investments: Station Ventilators: Montrose Avenue / Canarsie [SBMP]	\$1.31	Sep-14
T61607/02	Information Technology: Jay St Systems Ph1: Work Experience Program (WEP) Facility	\$4.22	Sep-14
T60412/C1	Station Component Investments: Station Ventilators:Clin-Wash Aves (E of Wvrrly) [SBMP]	\$1.15	Sep-14
T60503/18	Mainline Track Switches: Mainline Track Switches 2013 at Jamaica	\$13.79	Sep-14

## NYCT 2014 - 2017 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60902/09	Substation Enclosures (IRT-BMT): Roof and Enclosure: E. 180th Street, Morris Park [SBMP]	\$2.52	Sep-14
T40803/CI	Mainline Track Rehabilitation: SSI Bergen: I/H Track Wrap-Up	\$1.80	Sep-14
U50302/18	Misc: Bus Projects: Security Upgrade: Eastchester and LaGuardia	\$6.77	Sep-14
T60502/36	Mainline Track Rehabilitation: Mainline Track Replacement 2012 at 6th Avenue	\$18.48	Sep-14
E61402/01	Security Program: Perimeter Protection: Penn Station-Phase II	\$7.66	Oct-14
T60703/07	Line Structure Overcoating: Rockaway Boulevard - Hammels Wye / Rockaway	\$4.48	Oct-14
ET0802/09	Signal Systems: Sandy Repairs: Signals in the Greenpoint Tube	\$5.41	Oct-14
T60703/04	Elevated Structure Rehabilitation: Viaduct Structure Rehab: Rockaway & Far Rockaway	\$42.09	Oct-14
T61302/05	Rubber-Tired Vehicles: Purchase 80 Non-Rev Vehicles 2013	\$13.94	Oct-14
T60703/03	Elevated Structure Rehabilitation: Culver Viaduct Rehabilitation Phase 3 - Underside	\$50.64	Oct-14
U60302/27	Depot Equipment And Machinery: Depot Equipment: Bus Washers at Baisley Park & JFK SBFP	\$3.28	Oct-14
T60412/B3	Station Component Investments: Station Components: Greenpoint Avenue / Crosstown	\$2.79	Oct-14
T60412/B4	Station Component Investments: Station Painting at Components Locations:2Locs - North/Xtown	\$1.38	Oct-14
T60502/09	Welded Rail: Continuous Welded Rail - 2012	\$9.05	Oct-14
T60412/A1	Station Component Investments: Street Stairs: 39 Avenue / Astoria (S1/S2) [SBMP]	\$1.27	Oct-14
T60412/99	Station Component Investments: Street Stairs: Ditmars Blvd / Astoria (S1/S4) [SBMP]	\$1.04	Oct-14
T60412/B2	Station Component Investments: Station Components: 21 St / Crosstown	\$6.27	Oct-14
T60902/10	Misc: Power: Substation Hatchways: 5 Locations [SBFP]	\$2.81	Oct-14
T61203/07	Depot Rehabilitation: New Elevator at MAC #9 at Queens Village Bus Depot[SBMP]	\$0.68	Nov-14
ET0802/16	Signal Systems: Sandy Repairs: Signal Equip Repl - Montague Tube	\$31.04	Nov-14
T60803/04	Signal Systems: Repl Solid State Sig Equip - 2 Locs	\$0.48	Nov-14
T41203/FH	New Depots & Facilities: Charleston Depot: Decommission Retention Basin [SBMP]	\$0.93	Nov-14
ET1602/08	Facilities: Sandy Repairs: Facilities Restoration (Vehicle Portion)	\$3.78	Nov-14
T60412/A5	Station Component Investments: Station Ventilators: Ph 5 - 4 Loc / QBL, BCT, NOS, BW7	\$5.50	Nov-14
T61204/27	Bus Washers: 4 Bus Washers-2 Depots/Flatbush&Ulmer Pk [SBFP]	\$4.51	Nov-14
T61004/08	Shop Equipment And Machinery: Heavy Shop Equipment Replacement	\$12.88	Nov-14
T60414/02	Station Rehabilitation: Station Entrance Railings	\$4.02	Dec-14
T61602/23	Misc: Stations: Help Point: 2 Stations / Flushing [SBMP]	\$1.61	Dec-14
T61602/22	Misc: Stations: Help Point: 2 Stations / White Plains Road & Flushing [SBMP]	\$1.55	Dec-14
T61203/06	Depot Rehabilitation: Pavement Repairs at Jackie Gleason Bus Depot [SBMP]	\$1.36	Dec-14
T60502/80	Mainline Track Rehabilitation: Mainline Track Replacement 2013 at Flushing	\$19.08	Dec-14
U50302/19	Autos, Trucks & Service Vehicles: Service Vehicles MTA Bus	\$4.00	Dec-14
T60502/53	Mainline Track Rehabilitation: Mainline Track Repl 2012: Gaston Ave-Straiton Ave / Rockaway	\$10.61	Dec-14
T61004/21	Yard Switches: Yard Switches - 2014	\$2.11	Dec-14
T61004/15	Yard Track Rehabilitation: Yard Track - 2014	\$1.50	Dec-14
T61607/02	Information Technology: Jay St Sys Ph1:PBX Switch Furnish & Install	\$7.97	Dec-14
T60502/14	Mainline Track Rehabilitation: Track Force Account - 2014	\$35.00	Dec-14
S50701/12	SIR: Line Equipment: Signl Sys Mod: St.George-Tottenvil/Wrap-Up	\$1.19	Dec-14
T60502/13	Mainline Track Rehabilitation: Mainline Track Replacement - 2014 Design and EFA	\$6.04	Dec-14
T61602/21	Misc: Stations: Help Point: Ave I & Bay Pkwy / Culver [SBMP]	\$0.95	Dec-14
T61602/20	Misc: Stations: Help Point: Ave N & Ave X / Culver [SBMP]	\$1.60	Dec-14
T50404/01	Fare Control Modernization: Smart Card Implementation Study	\$5.40	Dec-14
T60503/05	Mainline Track Switches: Mainline Switches - 2014 Design and EFA	\$7.47	Dec-14
T60414/04	Misc: Stations: Scrubber Room Drainage - 2 Locations	\$3.23	Dec-14
U50302/23	Misc: Bus Projects: Bus Time Customer Information System: MTA Bus -- Misc Items	\$1.74	Dec-14
T60703/02	Line Structure Rehabilitation: Rehab Emergency Exits: 75 Locs	\$18.00	Dec-14
ET0502/07	Mainline Track Rehabilitation: Sandy Repairs: Track Components in the Greenpoint Tube	\$12.94	Jan-15
ET0602/10	Tunnel Lighting Rehabilitation: Sandy Repairs: Tunnel Lighting Greenpoint Tube	\$34.00	Jan-15
ET0902/10	Power Distribution Facilities: Sandy Repairs: Power/Cable/Ducts: Greenpoint Tube	\$16.19	Jan-15
T60407/03	Escalator Replacement: 2 Escalators Roosevelt Av / QBL	\$11.16	Jan-15
T60902/03	Misc: Power: Substation Hatchways: 6 Locations	\$3.97	Jan-15
T60703/15	Line Structure Overcoating: Dyckman Street - 215 Street / Broadway-7th Avenue	\$14.01	Jan-15
T61606/05	Fire Protection: Sprinkler & Alarm Systems: Phase 2 / 3 Locations	\$6.92	Jan-15
T61302/06	Rubber-Tired Vehicles: Purchase 65 Non-Rev Vehicles	\$11.50	Jan-15
T60502/94	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / Flushing	\$5.98	Jan-15
U60302/08	Depot Rehabilitation: New Apron - JFK Depot	\$6.50	Jan-15
U50302/98	Capital Program Management: Misc CONSTRUCTION Consultant Mgmt Svces	\$5.05	Jan-15
T60904/06	Power Distribution Facilities: CBH 146 Prospect Park / Brighton	\$6.63	Jan-15
T51605/01	Capital Program Management: MTA-Indep Engineering Consultant 2009-2010	\$10.52	Jan-15
T60502/85	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / Concourse	\$3.38	Feb-15
T40404/M6	Fare Control Modernization: AFC System Wrap-Up	\$8.10	Feb-15
T50703/22	Elevated Structure Rehabilitation: Steel Repair and Abutments: La Salle - 133 St / Bway-7th Ave	\$9.67	Mar-15

## NYCT 2014 - 2017 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60703/22	Subway Tunnel Rehabilitation: 122 St & 135 St Portal Repairs / Broadway-7th Avenue	\$16.84	Mar-15
ET0902/08	Power Distribution Facilities: Sandy Repairs: Power Cable & Ducts Montague Tube	\$78.99	Mar-15
ET0903/02	Power Distribution Facilities: Sandy Mitigation: Power Cable & Ducts Montague Tube	\$58.26	Mar-15
ET0602/07	Tunnel Lighting Rehabilitation: Sandy Repairs: Tunnel Lighting Montague Tube	\$32.84	Mar-15
ET0502/06	Mainline Track Rehabilitation: Sandy Repairs: Track (Montague Tube)	\$27.89	Mar-15
ET0902/09	Substation Equipment (IRT-BMT): Sandy Repairs: Two Substations (Montague Tube)	\$1.36	Mar-15
ET0902/07	Power Distribution Facilities: Sandy Repairs: 3 CBHs (Montague Tube)	\$10.86	Mar-15
T51204/31	Depot Rehabilitation: Concrete Floor Replacement @ Manhattanville Depot [SBMP]	\$1.33	Mar-15
ET0502/08	Mainline Track Switches: Sandy Repairs: Mainline Switches Montague Tube	\$3.30	Mar-15
ET0602/09	Ventilation Facilities: Sandy Repairs: 1 Fan Plant (Montague Tube)	\$5.11	Mar-15
ET0602/08	Pumping Facilities: Sandy Repairs: 2 Pump Room (Montague Tube)	\$9.41	Mar-15
T61604/03	Computer Hardware & Communications: Enterprise Security Network Infrastructure	\$10.39	Mar-15
T60412/95	Station Component Investments: Station Ventilators: Ph 6 - 5 Loc / Upper Manhattan & Bronx	\$6.55	Mar-15
T60503/22	Mainline Track Switches: Mainline Track Switches 2014 / White Plains Road	\$17.10	Mar-15
U50302/04	Depot Rehabilitation: Purchase Emergency Generators: 2 Depots	\$4.30	Mar-15
U50302/20	Depot Equipment And Machinery: Depot Equipment	\$1.16	Mar-15
E61404/05	Security Program: 2011-TSG: Electronic Security - URT Phase 2	\$32.00	Mar-15
T60803/04	Signal Systems: Repl Solid State Sig Equip - 6 Locs	\$10.43	Mar-15
T60302/	Radio & Data Communication: On-Board Audio Visual (OBAV) PILOT: 200 Buses	\$1.56	Apr-15
ET0502/14	Mainline Track Rehabilitation: Sandy Repairs: Track (Steinway Tube)	\$6.11	Apr-15
T61605/04	Capital Program Management: Independent Eng'g Consultant 2010-2014	\$19.48	Apr-15
T60806/19	Station Communication Rooms: Communication Room Waterproofing: 14 Locations	\$14.19	Apr-15
T60502/84	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / 8th Avenue	\$12.76	Apr-15
T60502/16	Welded Rail: Continuous Welded Rail - 2014	\$18.44	Apr-15
ET0602/21	Pumping Facilities: Sandy Repairs: Pump Room Steinway Tube FLS	\$12.17	Apr-15
T60902/11	Substation Enclosures (IRT-BMT): Substn Roof and Enclosure: Secor / Dyre; Astor PI / WPR	\$5.11	Apr-15
ET0602/12	Ventilation Facilities: Sandy Repairs: 1 Fan Plant BCT (Greenpoint Tube)	\$9.70	Apr-15
ET0602/11	Pumping Facilities: Sandy Repairs: Pump Room (54 Av-Vernon Blvd) Greenpoint Tube	\$5.25	Apr-15
T60803/22	Maintenance Of Way: Duct Rehabilitation & Negative Cable: Steinway / Flushing	\$47.56	Apr-15
T61004/26	Car Maintenance Shops: East 180 St Maintenance Shop: Facility Waterproofing	\$5.16	Apr-15
T60703/21	Capital Program Management: Structural Repairs: Steinway Tube	\$15.00	Apr-15
T50904/14	Misc: Power: Cathodic Protection Manhole Relocation at Queensbridge Park	\$3.50	Apr-15
T60412/84	Station Component Investments: Delancey St-Essex St / Nassau	\$1.38	Apr-15
T60502/83	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / 4th Avenue	\$5.07	May-15
T60302/27	Radio & Data Communication: On-Board Audio Visual System (OBAV)	\$26.44	May-15
T60503/21	Mainline Track Switches: Mainline Track Switches 2014 / Eastern Parkway	\$6.19	May-15
T60502/88	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / Eastern Parkway	\$4.78	May-15
ET2301/02	Direct Recovery Expense: Perimeter Protection: Livingston Plaza	\$0.50	May-15
ET0403/08	Misc: Stations: Sandy Mitigation: Lower Mhthn Hatch Installation(SBFP)	\$1.33	May-15
T61607/07	Security: Perimeter Hardening: RCC & 130 Livingston	\$12.00	May-15
EM0502/10	MN: Sandy Repairs: Power Infrastr Restoration-Remote Terminal Houses-Sandy	\$1.28	May-15
U50302/20	Depot Equipment And Machinery: Replace Chassis Wash and Oil Water Separator: JFK Depot SBFP	\$2.00	May-15
E61404/	Security Program: Electronic Security: Wall St Station/Clark St Line (IESS)	\$0.80	May-15
T60412/B7	Station Component Investments: Station Components: 2 Locs / BWY	\$6.92	May-15
T60412/83	Station Component Investments: Station Components: 2 Locations / 4 Av	\$9.03	May-15
T60502/91	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / Pelham	\$20.81	Jun-15
T60502/90	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / Lexington Ave & 42 Shuttle	\$13.56	Jun-15
T60503/23	Mainline Track Switches: Mainline Track Switches 2014 / Queens Blvd	\$6.12	Jun-15
T60502/86	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / Queens Blvd	\$14.70	Jun-15
ET0402/11	Facilities: Police: Sandy Repairs: District Office 34: Stillwell Terminal	\$1.16	Jun-15
U50302/05	Depot Rehabilitation: Eastchester Depot: Purchase AFC Equipment	\$0.40	Jun-15
T60502/93	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / Brighton	\$28.41	Jun-15
E61404/02	Security Program: Electronic Security: 10TSG Boro Hall-Court St	\$22.08	Jun-15
T60302/18	Fare Control Modernization: Replace Integrated Farebox Unit (IFU) Components, Phase 2	\$21.94	Jun-15
ET0402/10	Consolidated Employee Facilities:Subways: Sandy Repairs: Stillwell Terminal Employee Facilities	\$12.01	Jun-15
T60502/87	Mainline Track Rehabilitation: Mainline Track Replacement 2014 / White Plains Road	\$19.96	Jun-15
T60803/12	Maintenance Of Way: Signal Control Modifications Phase 5	\$10.00	Jun-15
T61004/04	Car Maintenance Shops: 207 St Maintenance Shop: DC Power Upgrade	\$14.73	Jul-15
T60803/11	Communication-Based Train Control: CBTC Test Track, Phase 2 / Culver	\$84.90	Jul-15
T50803/23	Communication-Based Train Control: CBTC Test Track Pilot/ Culver Line	\$16.01	Jul-15
T60902/04	Substations (IND): Cabling: Central Substation / 6th Av - Phase 2	\$15.00	Jul-15
T60414/03	Misc: Stations: Water Condition Remedy - 2013	\$2.86	Aug-15

## NYCT 2014 - 2017 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T61602/01	Capital Revolving Fund: Capital Revolving Fund - 2010	\$5.00	Aug-15
T60412/06	Station Component Investments: Pelham Bay Park / Pelham	\$6.61	Aug-15
T60412/07	Station Renewal: Buhre Avenue / Pelham	\$24.69	Aug-15
T60412/08	Station Renewal: Middletown Road / Pelham	\$27.75	Aug-15
T60412/09	Station Renewal: Zerega Avenue / Pelham	\$22.82	Aug-15
T60412/10	Station Renewal: Castle Hill Avenue / Pelham	\$26.80	Aug-15
T60412/22	Station Component Investments: Brick Arch Repair: 168 Street & 181 Street / Broadway-7th Av	\$65.33	Aug-15
T60414/04	Misc: Stations: Scrubber Room Drainage: 191 & 181 Sts / Broadway-7th Avenue	\$0.48	Aug-15
T60412/74	Station Component Investments: 157 Street / Broadway-7th Ave	\$3.39	Aug-15
T60806/22	Misc: Stations: Help Point Infrastructure: 168 St / BW7	\$0.86	Aug-15
T60703/13	Line Structure Rehabilitation: Structure Repairs / Dyre Avenue Line	\$9.66	Aug-15
T60302/26	Misc: Bus Projects: Integrated Asset Management Planning System (EAM)	\$7.00	Aug-15
T61302/01	Rubber-Tired Vehicles: Purchase 87 Non-Revenue Vehicles - 2011	\$13.42	Aug-15
E61404/03	Security Program: Electronic Security: 10TSG Atlantic/Pacific	\$21.49	Aug-15
T60412/69	Station Component Investments: Queensboro Plaza / Flushing	\$0.93	Aug-15
T60412/96	Station Component Investments: 2 Locations / Nostrand	\$7.36	Aug-15
T60412/B1	Station Component Investments: 3 Locations / Crosstown	\$0.76	Aug-15
T61607/23	Facilities: Sidewalk Shed: Livingston Plaza [SBMP]	\$1.16	Sep-15
T60703/24	Station Structural Remediation: Structural Steel Repair, Lower Level, 9th Ave, West End Ln	\$14.99	Sep-15
T61606/01	Asbestos Abatement: Asbestos Abatement: Priority 7	\$5.00	Sep-15
T60412/80	Station Component Investments: 103 Street / Lexington	\$10.41	Sep-15
T60412/92	Station Component Investments: New Lots Av Station / New Lots Line	\$2.68	Oct-15
T61606/08	Groundwater And Soil Remediation: Consult: UST & Remed (2011)	\$6.00	Oct-15
T61204/10	Depot Equipment And Machinery: HVAC Upgrades - Yukon Depot	\$16.95	Oct-15
T60703/09	Line Structure Overcoating: Portal - East 180 Street / White Plains	\$32.01	Oct-15
T61607/09	Roofing Repair & Replacement: DOS Roof Replacement Phase 3	\$12.67	Oct-15
T60603/03	Ventilation Facilities: Vent Plant: Mulry Square / 8AV & BW7	\$71.81	Oct-15
T60806/20	Station Communication Rooms: Hydrogen Gas Ventilation: 19 Communications Rooms	\$6.33	Oct-15
S60701/08	SIR: Passenger Stations: Station Construction: Arthur Kill	\$27.41	Oct-15
U50302/04	Depot Rehabilitation: Install / Purchase Emergency Generators: 6 Depots	\$3.30	Oct-15
ET0802/01	Signal Systems: Sandy Repairs: South Ferry Interlocking	\$1.70	Oct-15
T61302/02	Work Train & Special Equipment: 54 Flat Cars	\$35.38	Oct-15
T60412/90	Station Component Investments: Station Components: 5 Locations / Fulton	\$12.82	Nov-15
U60302/17	New Buses: 45 Standard Buses	\$23.78	Nov-15
T60806/28	Public Address/Customer Info Systems: Integrated Service Information & Mngmnt B-Div: Module 1 GRP1	\$12.32	Nov-15
ET0402/	Fare Marketing/Distribution Equipment: Sandy Repairs: Purchase and Install AFC Equipment	\$0.01	Dec-15
EM0302/02	MN: Sandy Repairs: Right of Way Restoration: Various Locations - Sandy	\$8.00	Dec-15
T60502/21	Mainline Track Rehabilitation: Mainline Track Replacement 2011 at Dyre Av	\$1.08	Dec-15
T60413/10	Station Accessibility (ADA): ADA: 23 Street / Lexington	\$21.53	Dec-15
T61004/09	Yard Lighting: Yard Lighting: (Jerome, Pelham)	\$14.61	Dec-15
U60302/19	New Buses: 75 Articulated Buses	\$61.57	Dec-15
T60806/21	Communications Cable And Equipment: Passenger Station LAN: 30 Stations	\$28.09	Dec-15
T60703/06	Demolition Of Abandoned Structures: Demolition of Abandoned Structures - Various - Ph1	\$15.15	Dec-15
T60414/07	Station Signage: Station Signage	\$4.83	Dec-15
T61606/05	Fire Protection: Spr & Alarm Sys, Ph 2: 14 St / 8 Av Fire Sprinklr & #2 Egres	\$6.97	Dec-15
T60806/04	Public Address/Customer Info Systems: PA/CIS: 43 Stations: Install Cable	\$47.32	Dec-15
T61607/05	Consolidated Employee Facilities: Subways: RTO Fac: Chambers St / Nassau Loop	\$7.07	Dec-15
T60502/15	Mainline Track Rehabilitation: Mainline Track Replacement - 2015	\$2.00	Dec-15
T60503/06	Mainline Track Switches: Mainline Switch Replacement 2015	\$2.90	Dec-15
T61004/16	Yard Track Rehabilitation: Yard Track - 2015	\$0.06	Dec-15
T61004/22	Yard Switches: Yard Switches - 2015	\$0.65	Dec-15
T60703/20	Elevated Structure Rehabilitation: Trackway Stabilization / Franklin Shuttle	\$3.21	Jan-16
T60904/04	Power Distribution Facilities: CBH 74 Havermeyer & 74A Bridge / Jamaica	\$19.04	Jan-16
T60904/05	Power Distribution Facilities: Rehab CBH 403 Vanderbilt / Flushing	\$15.60	Jan-16
U50302/16	Misc: Bus Projects: Additional Fueling Capacity: Baisley Park, JFK, LaGuardia	\$3.53	Jan-16
T61004/07	Car Maintenance Shops: Shop Repairs/ Upgrades: Pitkin and Concourse	\$18.00	Jan-16
T60412/82	Station Component Investments: Station Components: 49 Street / Broadway	\$8.77	Jan-16
T60412/60	Station Component Investments: Station Components: 6 Stations / Jamaica	\$39.82	Jan-16
T60412/32	Station Renewal: Ozone Park-Lefferts Blvd / Liberty	\$7.99	Feb-16
T60101/01	New Subway Cars: 103 A Division Cars - R188 Option	\$272.39	Feb-16
T60404/08	Communications Cable And Equipment: Passenger Station LAN: 20 Stations	\$19.97	Feb-16
T51204/13	Depot Equipment And Machinery: Depot Equipment 2009	\$9.88	Feb-16

## NYCT 2014 - 2017 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60803/05	Communication-Based Train Control: CBTC Flushing: 370 R-142A Conversions	\$224.78	Feb-16
T60413/12	Station Accessibility (ADA): ADA: Ozone Park-Lefferts Blvd / Liberty	\$24.65	Feb-16
T61602/02	Capital Revolving Fund: Capital Revolving Fund - 2011	\$5.00	Mar-16
T60703/19	Line Structure Overcoating: Broadway Junction - New Lots Avenue / CNR	\$25.59	Mar-16
T60412/50	Station Renewal: Van Siclen Avenue / New Lots	\$11.37	Mar-16
T60412/45	Station Renewal: Pennsylvania Avenue / New Lots	\$11.20	Mar-16
T60412/46	Station Renewal: Rockaway Avenue / New Lots	\$10.49	Mar-16
T60412/47	Station Renewal: Saratoga Avenue / New Lots	\$11.58	Mar-16
T60412/49	Station Renewal: Sutter Avenue-Rutland Road / New Lots	\$11.98	Mar-16
T61004/28	Car Maintenance Shops: Car Washer Repairs at Coney Island Yard	\$6.43	Mar-16
T60412/48	Station Renewal: Junius Street / New Lots	\$12.44	Mar-16
EM0502/09	MN: Sandy Repairs: Power Infrastructure Restoration-HRLB Facility Houses-Sandy	\$5.12	Apr-16
T61607/08	Maintenance Of Way: Emergency Generator at Livingston Plaza	\$10.39	Jun-16
T60703/	Line Structure Overcoating: Line Structure Overcoating: Portal - King's Hwy	\$28.73	Jun-16
T60703/	Line Structure Overcoating: Line Structure Overcoating: King's Hwy - West 8th St	\$21.89	Jun-16
ET0802/07	Signal Systems: Sandy Repairs: Signals: 200 St - 207 St / 8th Ave	\$3.08	Jun-16
T60302/25	New Buses: 300 Express Buses	\$188.88	Jun-16
T60302/15	New Buses: 256 Articulated Buses	\$245.50	Jun-16
T60407/04	Elevator Replacement: Replace 11 Hydraulic Elevators	\$27.84	Jul-16
T60703/16	Subway Tunnel Rehabilitation: Priority Repairs: 4th Avenue	\$14.82	Jul-16
T60806/13	Antenna Cable Replacement: Antenna Cable Upgrade/Replacement Ph 1	\$12.89	Jul-16
T60302/24	New Buses: 324 Standard Buses (Nova)	\$163.32	Jul-16
T50302/18	New Buses: 90 Standard Buses (Nova)	\$52.42	Jul-16
T60806/08	Communications Systems: VHF Radio System Upgrade	\$220.59	Jul-16
T61004/01	Car Maintenance Shops: HVAC Repair and Maintenance Project for DCE Facilities, Ph2	\$53.59	Jul-16
T60302/28	New Buses: 276 Standard Buses (New Flyer)	\$152.49	Jul-16
T51204/28	Depot Rehabilitation: Ulmer Park Depot: Mezzanine Extension - [SBMP]	\$0.33	Jul-16
EM0502/08	MN: Sandy Repairs: Power Infrastructure Restoration-Substations - Sandy	\$39.40	Aug-16
T61606/06	Fire Protection: Fire Alarm: 207 Street Overhaul Shop	\$5.12	Aug-16
T61204/29	Radio & Data Communication: Construct Bus Command Center- DOB	\$54.48	Aug-16
T60803/18	Signal Systems: Signal Key-By Circuit Mods: Phase 3	\$15.00	Aug-16
ET1002/10	Power Distribution Facilities: Sandy Repairs: Power Cable Replacement - 207th St Yard	\$0.60	Aug-16
U60302/25	Radio & Data Communication: Construct Bus Command Center - MTA Bus	\$8.73	Aug-16
T60412/31	Station Renewal: 104 Street / Liberty	\$13.95	Sep-16
T60412/34	Station Renewal: Rockaway Boulevard / Liberty	\$14.23	Sep-16
T60412/33	Station Renewal: 111 Street / Liberty	\$13.42	Sep-16
T60604/03	Pumping Facilities: Pumps: 4 Locations / Pelham - Jerome - Lenox	\$17.53	Sep-16
T60412/36	Station Renewal: 80 Street / Liberty	\$14.15	Sep-16
T60412/35	Station Renewal: 88 Street / Liberty	\$13.84	Sep-16
ET1002/11	Power Distribution Facilities: Sandy Repairs: Power Cable Replace - Coney Island Yard	\$0.82	Sep-16
EM0502/06	MN: Sandy Repairs: Power Infrastructure Restoration-PH1- Sandy	\$70.71	Oct-16
EM0402/05	MN: Sandy Repairs: Comm & Signal Infrastructure Restoration Phase 1 - Sandy	\$65.40	Oct-16
ES0702/14	SIR: Track: Sandy Repairs: St. George Interlocking	\$108.01	Oct-16
T60603/04	Ventilation Facilities: Vent Plant: 46th Street-Northern Blvd / Queens Blvd Line	\$86.10	Oct-16
S60701/03	SIR: Track: St. George Interlocking	\$14.21	Oct-16
T50803/08	Communication-Based Train Control: CBTC Flushing Line	\$384.92	Nov-16
T60803/06	Communication-Based Train Control: CBTC Flushing: Additional Support Costs	\$152.76	Nov-16
T60803/06	Communication-Based Train Control: CBTC Flushing: Equipment Removals	\$12.00	Nov-16
T60806/29	Public Address/Customer Info Systems: Integrated Service Information & Mngmnt B-Div: Module 1 GRP2	\$19.14	Nov-16
T60806/30	Public Address/Customer Info Systems: Integrated Service Information & Mngmnt B-Div: Module 1 GRP3	\$11.72	Nov-16
T60803/14	Signal Systems: Roosevelt Interlocking / Queens Blvd	\$103.57	Dec-16
T61606/11	Fire Protection: Fire Alarm Systems: 16 DOS Locations	\$39.38	Dec-16
T50803/19	Communication-Based Train Control: CBTC CNR: Equip R156 Locomotives	\$1.22	Dec-16
T61607/15	Consolidated Employee Facilities:Subways: 9 Locations / Crosstown	\$7.51	Dec-16
T60101/02	New Subway Cars: 300 B Division Cars - R179	\$735.56	Jan-17
T60404/01	Fare Control Modernization: AFC Replacement, Phase 2: Electronic Boards	\$30.00	Jan-17
T61004/10	Yard Rehabilitation: Yard CCTV, Phase 2	\$17.38	Feb-17
T61607/17	Facilities: Livingston Plaza: Elevators, Roof, Facade	\$21.68	Feb-17
S60701/05	SIR: Power: New Power Substation: Prince's Bay	\$26.19	Feb-17
T60412/	Station Component Investments: 7 Locations / 8th Avenue	\$25.19	Mar-17
T51605/21	Material: Concrete Batch Plant Inspection	\$1.15	Apr-17
T51605/24	Capital Program Management: Concrete Cylinder Testing	\$0.72	Apr-17

## NYCT 2014 - 2017 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T61602/03	Capital Revolving Fund: Capital Revolving Fund - 2012	\$5.00	Apr-17
T60803/10	Signal Systems: 2 Interlockings: Union Turnpike & 71 Av	\$310.74	Apr-17
T60806/04	Public Address/Customer Info Systems: PA/CIS: 43 Stns: Furnish-Install Cabinets	\$18.64	Apr-17
T50806/15	Public Address/Customer Info Systems: PA/CIS: 44 Stns: Furnish-Install Cabinets	\$9.76	Apr-17
T60407/05	Elevator Replacement: 7 Hydraulic Elevators / Lexington	\$25.94	Apr-17
T61004/27	Car Maintenance Shops: Car Washer Repairs: 3 Yards	\$14.20	May-17
T60602/03	Tunnel Lighting Rehabilitation: 36 St To Jackson-Roosevelt / Queens Blvd	\$52.43	Jun-17
T60803/24	Communication-Based Train Control: CBTC: Equipment Supplier Interoperability	\$1.23	Jun-17
T61605/13	Capital Program Management: Boring Services: Manhattan & Bronx	\$2.03	Jul-17
T61605/14	Capital Program Management: Boring Services: Bklyn, Qns & SI	\$1.69	Jul-17
T61605/15	Capital Program Management: Test Pits Contract (2014)	\$5.56	Jul-17
T60806/10	Information Technology: PBX Upgrade, Phase I	\$23.16	Jul-17
T60803/13	Signal Systems: Dyre Avenue Line Signals	\$226.19	Jul-17
T60413/11	Station Accessibility (ADA): ADA: Phase 2: 57 Street - 7 Avenue / Broadway	\$38.38	Aug-17
T60414/05	Misc: Stations: Access Improvements: Grand Central / LEX	\$20.26	Aug-17
T60703/11	Water Conditions Remedy: Alleviate Flooding At 6 Locs: Manhattan	\$48.69	Sep-17
T60603/05	Ventilation Facilities: Replace Vent Controls: 26 Locations	\$15.36	Oct-17
T60413/04	Station Accessibility (ADA): ADA: Platform Gap Retrofit Phase 2 - 14 Stations	\$5.70	Nov-17
T61204/28	Bus Washers: 4 Bus Washers at 2 Depots (East NY & Yukon) [SBFP]	\$4.84	11/31/14

## LIRR 2014 - 2017 Completions

Project #	Project	Project Amount (\$ in Mil)	Planned Completion Date
PN8K	MORRIS PARK ENVIRONMENTAL STUDY	\$8.58	Jan-14
PNVC	PENN STA - EMP FAC YARDS /BLDG/ESCALATOR	\$.52	Jan-14
PNBH	WOODHAVEN BLVD. BRIDGE	\$11.00	Feb-14
PNYD	WHEEL SPUR YARD	\$13.01	Feb-14
PN28	FOREST HILL STATION-RAMP	\$2.00	Mar-14
PNAE	THIRD RAIL SYSTEM-2000 MCM CABLE	\$2.5M	Mar-14
PNVB	PENN STA - THIRD RAIL & SIGNAL	\$7.3M	Mar-14
PN70	FLATBUSH SUBSTATION UPGRADE		Aug-14
PNZN	LIC SUBSTATION RESTORATION	\$1.3M	Apr-14
PNAN	THIRD RAIL FEEDER CABLE UPGRADE	\$2.5M	May-14
PNTT	MLC-ELLISON AVENUE BRIDGE	\$1.5M	May-14
PNLF	CENTRALIZED TRAFFIC CONTROL		Oct-14
PN27	NEW ATLANTIC TERMINAL ELEVATOR	\$3.4M	Aug-14
PNC1	F CIRCUIT BREAKER HOUSE	\$7.2M	Aug-14
PNFT	LOCUST MANOR STATION IMPROVEMENTS	\$.6M	Aug-14
PNAC	SIGNAL POWER MOTOR GENERATOR REPLACEMENT	\$2.0M	Sep-14
PNAH	Composite Third Rail	\$10.9M	Sep-14
PNAK	SIGNAL POWER LINE REPLACEMENT	\$3.0M	Sep-14
PNBG	BRIDGE PAINTING PROGRAM	\$5.4M	Oct-14
PNYB	HILLSIDE FACILITY BLDG REHAB (ROOF)	\$3.4M	Oct-14
PNAJ	ATLANTIC AVE TUNNEL LIGHTING	\$7.0M	Nov-14
PNTF	CONSTRUCTION EQUIPMENT	\$7.0M	Nov-14
PNAL	POWER POLE REPLACEMENT	\$3.0M	Dec-14
PNL4	IMPROVED RADIO COVERAGE INITIATIVE	\$10.3M	Dec-14
PNTE	2014 ANNUAL TRACK PROGRAM	\$50.9M	Dec-14
PNTN	ROW-TRACK STABILITY /RETAINING WALLS	\$1.10	Jan-15
PNU1	WYANDANCH PARKING FACILITY	\$29.00	Jun-15
PNYC	HILLSIDE MAINTENANCE FACILITY	\$3.4M	Jan-15
PNYK	MONTAUK YARD IMPROVEMENTS		Apr-15
PNAD	SUBSTATION PILOT WIRE & RELAY REPLACEMEN	\$2.0M	Feb-15
PNA A	REPLACE HILLSIDE & KEW GARDENS SUBS.	\$25.5M	Jun-15
PNN4	YAPHANK LANDFILL REMEDIATION	\$2.0M	Mar-15
PNAM	NEW SUBSTATIONS		Apr-15
PNAP	NEGATIVE REACTOR UPGRADE	\$4.0M	May-15
PNBK	150TH STREET BRIDGE REHAB	\$21.0M	Sep-15
PNBP	ERT FIRE & LIFE SAFETY	\$16.6M	May-15
PNUB	MASSAPEQUA STATION PLATFORM REPLACEMENT	\$20.5M	Aug-15
PNUF	METS/WILLETS PT STATION RENOVATION	\$.4M	May-15
PNAG	THIRD RAIL SYSTEM - PROTECTION BOARD	\$9.2M	Jun-15
PNBC	COLONIAL RD IMPROVEMENT-BRIDGE REPLMNT	\$0.5M	Sep-15
PNBD	BROADWAY BRIDGE REHABILITATION	\$4.8M	Jun-15
PNTL	ROW-FENCING	\$8.0M	Jun-15
PNVA	ERT FIRE & LIFE SAFETY	\$116.3M	Jun-15
PNTX	2ND MAIN LINE TRACK FARM TO KO	\$136.7M	Aug-15
PNBB	BRIDGE PROGRAM	\$24.60	Nov-15
PNL6	PENN STATION RADIO RETROFIT/ERT ANTENNA		Sep-15
PNV4	ESCALATOR REPLACEMENT PROGRAM	\$2.85	Nov-15
PNYN	NEW MID SUFFOLK ELECTRIC YARD	\$3.03	Sep-15
PNLC	SPEONK - MONTAUK SIGNALIZATION	\$73.00	Oct-15
PN2E	NEW ELEVATORS-FLUSHING MAIN STREET	\$16.4M	Nov-15
PNSM	PTC DESIGN	\$9.5M	Dec-15
PNL1	FIBER OPTIC NETWORK	\$10.0M	Jan-16

## LIRR 2014 - 2017 Completions

Project #	Project	Project Amount (\$ in Mil)	Planned Completion Date
PNL7	ATLANTIC AVE TUNNEL CABLE REPLACEMENT	\$4.8M	Jan-16
PNLB	Signal Normal Replacement Program (2010)	\$15.0M	Jan-16
PNUH	ELEVATOR REPLACEMENT PROGRAM	\$5.0M	Jan-16
PNTQ	MLC-HICKSVILLE NORTH SIDING	\$2.3M	May-16
PNTV	MASSAPEQUA POCKET TRACK	\$8.3M	Mar-16
PNTW	COLONIAL RD IMPRO PROJ-POCKET TRK & DRAN	\$.6M	Apr-16
PNTG	ATLANTIC BRANCH 1/2 TIES	\$2.8M	Sep-16
PNL2	PBX-WAYSIDE PHONE REPLACEMENT	\$9.1M	Jul-16
PNLA	POSITIVE TRAIN CONTROL	\$327.2M	Aug-16
PNVL	PENN STATION HVAC	\$11.0M	Sep-16
PNN6	SMITHTOWN VIADUCT REMEDIATION & DRAINAGE	\$.2M	Dec-16
PNLC	SPEONK - MONTAUK SIGNALIZATION	\$38.1M	Jan-17
PNM4	PROTECT & WORK LOCO SPEC DEVELOPMENT	\$.1M	Jan-17
PNMA	M9 PURCHASE FOR M3 REPLACEMENT	\$352.5M	Jan-17
PNTQ	MLC-HICKSVILLE NORTH SIDING	\$2.3M	Jan-17
PNTS	MLC - DIVIDE SUPERVISORY CONTROL & RTUS	\$2.3M	Jan-17
PNTT	MLC-ELLISON AVENUE BRIDGE	\$1.5M	Jan-17
PNTU	JAMAICA CAPACITY IMPROVEMENTS	\$301.7M	Jan-17
PNTX	2ND MAIN LINE TRACK FARM TO KO	\$47.7M	Jan-17
PNYL	PORT WASHINGTON YARD RECONFIG	\$12.1M	Jan-17
PNZL	LONG ISLAND CITY YARD RESTORATION	\$.2M	Mar-17
PNZC	LONG BEACH BRANCH - SYS. RESTORE: SANDY	\$9.8M	Apr-17
PNAJ	ATLANTIC AVE TUNNEL LIGHTING	\$7.0M	Jun-17
PNAQ	REPLACEMENT OF PT. WASH SUBSTATION	\$4.5M	Jun-17
PNL2	PBX-WAYSIDE PHONE REPLACEMENT	\$9.1M	Jul-17
PNUC	WANTAGH STATION PLATFORM REPLACEMENT	\$.2M	Aug-17
PNN4	YAPHANK LANDFILL REMEDIATION	\$2.0M	Sep-17
PNUE	ESA/ GCT SUPPORT	\$7.1M	Dec-17



**MNR 2014 - 2017 Completions**

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
M508-01-09	Customer & Employee Communications	\$ 7.96	Jan-2014
M6010101/02	M8 Cars; 94 Cars Acceptance	\$ 82.72	Dec-2013
M602-01-02	Park Avenue Tunnel Renewal	\$ 8.09	Feb-2014
M605-01-08	Replace 3rd Rail Sectionalizing Switches	\$ 1.26	Mar-2014
M603-03-01	West of hudson Track Program	\$ 21.18	Jul-2014
M603-02-03	Right Of Way Fencing	\$ 0.30	Apr-2014
M603-01-13	2013 Cyclical Track	\$ 12.67	Jun-2014
M603-03-03	Moodna/Woodbury Viaducts	\$ 9.24	Jun-2014
G514-03-03	2007 TSG Grand Central Terminal Emergency Generator	\$ 21.21	Jun-2014
M603-02-01	Replace Timbers Undergrade Bridges	\$ 3.68	Jul-2014
G514-03-05	Grand Central Terminal: Bollard Replacement Lex Av	\$ 1.99	Aug-2014
M602-02-06	New haven Line Station Improvements	\$ 36.75	Aug-2014
M604-01-04	Replace Field Code System-Mott Haven	\$ 1.76	Aug-2014
M404-01-07	Optimize Signal Relay Circuits	\$ 2.61	Sep-2014
M502-02-11	System Wide Vending Machines	\$ 0.57	Sep-2014
M604-01-11	PBX Equipment Upgrade	\$ 3.68	Oct-2014
M603-01-06	Cyclical Replacement of Insulated Joints	\$ 1.71	Dec-2014
M604-01-07	Refurbish/Replace Electrical Switch Mach	\$ 0.20	Dec-2014
M6060104	Port Jervis Yard Expansion	\$ 7.30	Jan-2015
M6030108	Drainage and Undercutting Improvements	\$ 14.00	Jan-2015
M6050102	Replace Switchgear M505-01-11 - M605-01-02	\$ 19.10	Jan-2015
M6030213	Catenary Painting/Rehabilitate	\$ 3.50	Jan-2015
M4020313	North White Plains Parking	\$ 41.80	Apr-2015
M6030203	Right-of-Way Fencing	\$ 0.30	Mar-2014
M6030114	2014 Cyclical Track Program	\$ 13.58	Apr-2015
M6030305	West of Hudson Replace / Renew	\$ 10.91	May-2015
M6080103	Railroad Protective Liability	\$ 4.15	Jun-2015
M6080104	Independent Engineer	\$ 6.73	Jun-2015
M6030211	Harlem River Lift Bridge-Cable & Breakers/Control System	\$ 32.89	Jun-2015
M6030205	Bridge Walkways Installation	\$ 0.92	Jun-2015
M6020202	Fordham Station Improvements	\$ 13.00	Jul-2015
M6040103	Replace Fiber / Communication	\$ 8.79	Jul-2015
M6050104	Replace Motor Alternators	\$ 8.00	Jul-2015
M6080101	Systemwide Lead / Asbestos Aba	\$ 0.50	Aug-2015
M6080102	Environmental Remediation	\$ 0.20	Aug-2015
M6030202	Renew / Replace Railtop Culver	\$ 2.40	Aug-2015
M6040106	Centralized Train Control /SCA	\$ 0.73	Aug-2015
M6020107	GCT Platform Improvements	\$ 3.10	Sep-2015
M6020108	GCT Utilities	\$ 27.39	Sep-2015
M5030206	Overhead Bridge Program-E of H	\$ 6.00	Sep-2015
M5020206	Station Building Rehabs.	\$ 11.31	Dec-2015
M6020204	Station Building Renewal / Net	\$ 4.95	Dec-2015
M6040109	Replace High Cycle Relays	\$ 0.63	Dec-2015
M6040102	West of Hudson Signal Improvem	\$ 67.60	Dec-2015
M6030204	DC Substation / Signal House	\$ 1.40	Dec-2015
M6030206	Remove Obsolete Facilities	\$ 3.00	Dec-2015
M6040107	Refurbish / Replace Electrical	\$ 0.20	Dec-2015
PTCM6040101	Positive Train Control	\$ 206.28	Dec-2015
M6030212	Overhead Bridge Program - East	\$ 17.10	Jan-2016
M6050103	Harlem & Hudson Lines Power Im	\$ 35.74	Feb-2016
M6020302	Strategic Facilities	\$ 45.50	Mar-2016
M6030210	Replace / Repair Undergrade Br	\$ 29.20	Mar-2016
M6020105	GCT Leaks Remediation	\$ 13.00	Apr-2016
M6020106	GCT Elevator Renewal - Phase 4	\$ 7.50	Jun-2016
M6020101	GCT Trainshed / Park Avenue Tu	\$ 29.03	Sep-2016
M6030107	Rock Slope Remediation	\$ 7.00	Sep-2016
M6020110	GCT Recycling Facility	\$ 7.50	Dec-2016
M6030102	Turnouts: Mainline / High Spee	\$ 64.70	Dec-2016
M6060103	Other Shops / Yards Renewal	\$ 24.10	Dec-2016

**B&T 2014 - 2017 Completions**

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
D503HH85	Upper Level Toll Plaza Deck	\$5.66	Feb-14
D405BB43	Rehab Battery Parking Garage - Elevator	\$4.51	Apr-14
D602TN82	Rehabilitate Orthotropic Deck - Phase B	\$25.37	Jun-14
D607TN82	Paint - Bronx and Queens Approach Spans	\$42.24	Jun-14
D601RK19	Seismic and Wind Study	\$5.40	Sep-14
D604BB45	Replace Electrical Switchgear & Equipment	\$56.7M	Sep-14
D504BB45	Rehabilitation of Tunnel Vent.	\$5.0M	Sep-14
D601BW97	Concrete Anchorage Repairs	\$8.0M	Oct-14
D602RK73	Deck Replacement- RFK MQ Ramp	\$63.6M	Nov-14
ED010209	Restore VNB TwrBase Elect/Lightg Sys+Ped Access Br	\$1.8M	Dec-14
D502TN82	Rehab of Orthotropic Deck	\$2.7M	Dec-14
D602BW89	Deck Replacement - Elevated and On Grade Approach	\$148.5M	Jan-15
D503AW37	Operation Centers TS Systems	\$3.3M	Jan-15
D605AW12	Hazardous Materials Abatement	\$2.0M	Jan-15
D606AW15	MTA Independent Engineer	\$3.9M	Jan-15
D606AW21	Program Administration	\$16.3M	Jan-15
D606AW22	Miscellaneous	\$2.4M	Feb-15
D606AW85	Traffic Enforcement Support	\$5.8M	Feb-15
D604BW15	Necklace Lighting	\$12.5M	May-15
D601AW98	Feasibility Study:BBT/QMT Improve/Modernize	\$3.4M	May-15
D606AW18	Protective Liability Insurance	\$6.6M	Jun-15
D601MP06	Substructure & Underwater Scour Protection	\$25.3M	Jul-15
D602VN03	Toll Plaza - East & West Bound Ramps Improvements	\$66.2M	Jul-15
D604QM81	Controls / Communication System	\$4.3M	Jul-15
D603AW36	Installation of CCTV / Fiber Optic Cable	\$17.3M	Jul-15
D606AW28	Scope Development	\$7.8M	Aug-15
D601HH89	Skewbacks Retrofit	\$5.73	Oct-15
D505QM01	Service & FE Building Rehab	\$13.32	Nov-15
D605BB21	Service Building Rehabilitation	\$7.90	Nov-15
D601TN52	Miscellaneous Structural Rehabilitation	\$22.04	Dec-15
D501BW84	Cable and Anchorage Investigat	\$8.18	Dec-15
D607AW95	Miscellaneous Agency Wide Painting	\$2.0M	Jan-16
D605BB43	Misc. Repairs at BP Garage	\$6.3M	Jan-16
D601MP16	Miscellaneous Steel Repairs	\$2.5M	Mar-16
D604VN87	Substation #1 Rehabilitation	\$16.6M	Jun-16
D602TN49	Suspended Span Replacement - Phase A	\$23.9M	Aug-16
D602HH88	Replace Upper & Lower Level Plza & Southbnd. Appr.	\$49.4M	Sep-16
D602MP21	Rehabilitate Rockaway Point Blvd Overpass	\$11.1M	Sep-16
D607MP21	Paint - Rockaway Point Overpass	\$0.0M	Sep-16
D601BW07	Tower and Pier Fender Protection	\$3.3M	Dec-16
D601RK76	Miscellaneous Structural Repair	\$20.0M	Dec-16
D603AW35	Weather Information Systems	\$1.2M	Dec-16
D603AW48	2nd Generation E-Zpass In-Lane	\$21.4M	Dec-16
D604AW80	Advanced Traveler Information Systems	\$11.6M	Dec-16
D604MP03	Programmable Logic Controller & Mechanical Rehab.	\$24.0M	Apr-17
ED040207	Replace MPB Electrical Equipmt at North Abutment	\$5.9M	Apr-17
ED040210	Repl CBB Mech&Elect Equip-S. Abutment & Svc Bldg	\$10.4M	Apr-17
D602VN84	Widening of Belt Parkway Ramps	\$7.7M	Apr-17
D604QM30	Tunnel Ventilation Building Electrical Upgrade	\$56.2M	May-17
D601QM18	Entrance and Exit Plazas Structural Rehabilitation	\$27.23	Jun-17
D601TN60	Anchorage Dehumidification	\$3.30	Jun-17
D601VN35	Steel Repair & Concrete Rehab. & Drainage Systems	\$13.56	Jun-17
D607VN35	Paint - Brooklyn&Staten Island Lower Level Ramps	\$16.99	Jun-17
D601RK23	Miscellaneous Rehab - Manhattan Approach Ramps	\$145.22	Jul-17

## MTA Bus 2014 - 2017 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
U5030217	Fire Protection at JFK	\$4.0M	Jan-14
U4030214	Bus Time Customer Information System: MTA Bus	\$10.4M	Apr-14
U5030209	Upgrade Parking Lot: JFK & Baisley Park	\$9.2M	Jul-14
U5030213	New Roof and Ventilation System at Eastchester	\$3.9M	Jul-14
U5030205	Relocate Fuel Tanks/Rehabilitation at Eastchester	\$12.9M	Sep-14
U5030218	Security Upgrade: Eastchester and LaGuardia	\$6.8M	Sep-14
U6030227	Bus Wash: JFK and Baisley Park	\$3.3M	Dec-14
U5030219	Service Vehicles	\$4.0M	Dec-14
U5030223	Bus Time Customer Information System: MTA Bus-Misc. Items	\$1.7M	Dec-14
U6030208	New Apron: JFK	\$6.5M	Apr-15
U5030211	Far Rockaway Roof Deck Replacement	\$1.5M	May-15
U5030220	Oil-Water Separator/Chassis Wash: JFK	\$2.0M	May-15
U5030225	Security Upgrade: Far Rockaway and Baisley Park	\$6.8M	Dec-15
U5030298	Construction Management Services	\$5.0M	Dec-15
U5030299	Engineering Design Services	\$4.7M	Dec-15
U6030217	45 Diesel Buses	\$23.8M	Dec-15
U5030204	Emergency Generators: 6 Depots - Purchase	\$0.6M	Jan-16
U5030204	Emergency Generators: 6 Depots - Installation	\$8.4M	Jan-16
U5030216	Additional Fueling Capacity: JFK, Baisley Park and LaGuardia	\$3.5M	Jan-16
U6030205	Chassis Wash: LaGuardia and Baisley Park	\$2.0M	Jan-16
U6030219	75 Articulated Buses	\$61.6M	Jan-16
EU030201	Hurricane Sandy Depot Rehabilitation at Far Rockaway	\$15.0M	Jan-16
U6030226	Bus Radio System	\$36.5M	Dec-16

## MTACC 2014 - 2017 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
G5100102	Contract 4B 72 St Stn Structure	\$ 478.87	Jan-14
G4120106	FSTC A/C Mezzanine	\$ 173.13	Jan-14
G4090143	44th St and 245 Park Ave Entr	\$ 66.77	Feb-14
G5110108	Construction (Site J)	\$ 126.19	Feb-14
G5090115	50th St. Vent Plant Facility	\$ 100.47	Mar-14
PN CQ031	Queens Bored Tunnels	\$ 801.10	Apr-14
G4120107	FSTC 4F-Transit Center Enclosure	\$ 224.92	Jun-14
G4090126	Harold Structures (Part 2A)	\$ 27.07	Jun-14
G5090155	Harold Structures (Part 2A)	\$ 32.69	Jun-14
G5110106	Site A Fac; Finishes and Systems	\$ 580.11	Oct-14
G5090117	Harold Structures (Part 1)	\$ 209.47	Aug-14
G6090122	Harold Structures (Part 1)	\$ 66.45	Aug-14
G5100107	Cnt 5B 86St Stn Mining&Lining	\$ 75.24	Feb-15
G6100103	Cnt 5B 86St Stn Mining&Lining	\$ 264.39	Feb-15
G6090112	55th St. Ventilation Facility	\$ 58.85	Apr-15
G5100108	Contract 3: 63rd St Stn Rehab	\$ 202.28	Jun-15
G5090119	Harold & Point CIL	\$ 38.84	Jul-15
G6090120	Plaza Substation & Structures	\$ 211.92	Aug-15
G6100102	4C: Station Finishes/MEP 72 St	\$ 290.27	Nov-15
G5090118	Harold Interlocking Stage 1-4	\$ 116.56	Nov-15
G6140103	Harold Structures Part 3A: W-Bnd By-Pass	\$ 128.28	Feb-16
G6090141	Manhattan South Structures	\$ 220.66	Feb-16
G6100101	2B/C: Shell/Finishes/MEP 96 St	\$ 378.88	Mar-16
G5110112	Construction: Core&Shell (Site P)	\$ 96.36	Apr-16
G6100104	5C: Station Finishes/MEP 86 St	\$ 239.41	May-16
G6090123	Harold Structures - Part 3A	\$ 70.32	May-16
G5100104	Contract 6: SAS Systems	\$ 323.25	Aug-16
G6090142	Manhattan North Structures	\$ 360.67	Nov-16

**MTA PD 2014-17 Completions**

<b>ACEP</b>	<b>Project</b>	<b>Project Amount (\$ in Mil)</b>	<b>Planned Completion Date</b>
N5100104	K-9 Facility	\$ 13.47	9/2014
N5100109	MTAPD Radio Project Design/Build	\$ 26.22	9/2014
E6100104	MTAPD Radio Project Design/Build	\$ 60.00	9/2015
E6100102	S. I. District Office	\$ 12.00	2/2015
E6100103	Nassau County District Office	\$ 13.00	12/2014
N5100105	Harriman District Office	\$ 0.40	6/2014

## **OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2014-2017**

### **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 \$31.7 million in additional annual 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 fully open in 2015 with about \$2.2 million of annual expenses.

**Project:** Enterprise Security Network Infrastructure. This will install unified threat management network security hardware at all the nodes on the new IP-based enterprise data network. The security hardware will protect mission-critical applications like ATS (Automatic Train Supervision), CBTC (Computer based Train Control), PA/CIS (Public address and Customer Information System) which are planned to be migrated to new network. Installation is projected to be complete by 2016 with full operating budget impacts beginning in 2016 (\$1.2 million annually).

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

**Project:** Fulton Street Transit Center Complex. This is a reconfiguration and reconstruction of an existing complex of subway stations. There is an additional underground connecting concourse extending west to the Cortland St Broadway line station. The complex is being renewed in phases. The renewed complex will be larger and have new escalators and elevators. The complex is scheduled to be open in the second half of 2014 with full impacts in 2015 and \$9.3 million in additional annual expenses.

**Project:** R188 Subway Car Purchase (126 cars). The purchase of 126 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. NYCT expects to absorb the additional costs of the remaining 71 cars. The first R188 cars were placed in service in 2013 and all of the 126 cars are expected to be in service by 2016.

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

**Project:** Public Address/ Customer Information – 89 Stations B Division. This project will install public address speakers and visual information delivered by Customer Information Screens at 89 stations and 2 pilot stations. Impacts will begin in 2015, when the majority of the equipment would be installed or shortly thereafter. An annual total increase of \$3.3 million is expected.

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

**Project:** East Side Access. This project will expand LIRR service into Grand Central Terminal. The construction includes new tunnel and track along with related right-of-way equipment, vent plants, substations, and a new terminal station with elevators, escalators, and HVAC. The project also includes 236 new rail cars and will introduce an expanded train service plan to support Opening Day. Operating budget increases will begin before opening day.

**Project:** Positive Train Control (PTC). This project is for the installation of a PTC system for the LIRR. 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.

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

**Project:** M-8 New Haven Line Purchase. This project is for the design, manufacture, test and delivery of the 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. Anticipated steady-state Operating Budget Impact of approximately \$3 million (NYS portion) once all 405 cars are in service.

**Project:** Customer Communication/Connectivity Improvements. 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 (PTC). Installation of a PTC system is mandated by the Federal Rail Safety Improvement Act of 2008. 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 that will exceed \$1 million a year.

**Project:** West of Hudson Signal Improvements. 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 2014-2017 that have impacts on the operating budget over \$1 million.



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## **V. Agency Financial Plans**

# **Bridges and Tunnels**

**MTA BRIDGES AND TUNNELS**  
**2015 Preliminary Budget**  
**July Financial Plan 2015–2018**

**FINANCIAL OVERVIEW**

MTA Bridges and Tunnels (B&T) continues to be a strong source of fiscal stability to the MTA. In 2014 and 2015 combined, B&T is projected to contribute \$1.777 billion in Support to Mass Transit.

B&T is able to provide this substantial support to mass transit by efficiently carrying out its operations, while at the same time providing high levels of customer service and maintaining a strong safety focus for both employees and the travelers utilizing its facilities.

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. Ongoing efforts in shaping a safety culture at every level of the agency include:

- Utilizing a Special Operations Command unit to provide unified emergency coordination, accident and facility/roadway hazard alerts, safety bulletins, and other vital communications to B&T customers and employees;
- Employing a Safety Task Force to check facilities for hazards and either make immediate improvements or elevate issues to a Safety Action Team when more technical solutions are required;
- Maintaining the effective ACROBAT (Achieve Collision Reduction on Bridges and Tunnels) program which is a joint effort with Engineering and Operations staff aimed at reducing vehicular accidents and customer injuries by pinpointing accident hot spots and implementing a variety of countermeasures ranging from physical improvements to operational actions;
- Continuing a vigorous bridge and tunnel inspection program that exceeds Federal and New York State requirements to ensure that any observed deficiencies in structural or safety conditions are addressed as promptly as possible to maintain facility integrity and assure public safety;
- Emphasizing inter-departmental initiatives between Engineering, Operations and Health and Safety staff in the areas of safety training, field operations with the FDNY, and support in construction/maintenance activities.

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. As a result of these safety initiatives, through May 2014, the collision rate was 4.47 per million vehicles, which was nearly 11% lower than last year at this time.

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 2014, more than 67,000 trucks have been interdicted. In addition, B&T assists the NYC Department of Transportation with inspections and violation assessments of commuter buses.

B&T also monitors its facility operations by tracking key customer service and safety oriented performance statistics at the bridges and tunnels. Through April, over 3,200 potholes were repaired and nearly 4,000 miles of roadway were swept across all facilities. Traffic mobility at all facilities was consistently smooth, with 90% of vehicle crossings at bridges during weekday peak periods traveling above 30 mph, and 65% of vehicle crossings at the tunnels (where lower speeds are posted during measured peak periods) traveling above 25 mph. These results are consistent with 2013 patterns.

One of B&T's key initiatives, to make E-ZPass (which is the least expensive means of collecting tolls) more available to all B&T customers, continues in the July Plan. From January through May of this year, E-ZPass usage averaged 84.5% of total traffic, which is 1.2% points greater than the same period last year. The following efforts have contributed toward this growth in usage.

- B&T began selling E-ZPass "On the Go" pre-paid tags in the cash toll lanes at each facility in 2012. As of the end of June 2014, more than 343,000 tags had been sold in the lanes.
- Spanish language versions of the E-ZPass application, interactive website, and the customer service telephone voice response system were introduced in January of 2012.
- B&T introduced the MTA Reload Card in February 2012, an initiative which makes it easier for customers to replenish their E-ZPass account with cash. Customers can go to any Visa ReadyLink retail merchant and use the card to reload their E-ZPass accounts, eliminating the need to travel to one of three walk-in centers in Yonkers, Queens, or Staten Island for that purpose. To date, over 91,000 cards have been issued to customers and approximately 16% 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, over 24,000 account holders have signed up for this initiative.

The most potentially far reaching B&T initiative is the project at the Henry Hudson Bridge (HHB) to test All Electronic Toll (AET) collection operations. In November 2012, B&T implemented a cashless tolling pilot at the HHB. All motorists are now able to use any lane to drive through the toll plaza without stopping. Under the cashless tolling system, automatic billing remains the same for drivers with E-ZPass. For drivers without

an E-ZPass tag, an image is taken of their license plate and a bill for the toll is mailed to the vehicle's registered owner. Currently, approximately 94.6 percent of crossings at the HHB are processed through E-ZPass and 5.4 percent are "toll-by-mail" transactions. Based on the results of the initiative, B&T requested and received Board approval in May 2014 to continue the all-electronic collection of tolls at the HHB following the completion of the pilot at the end of 2014. Initially, tolls will be collected through the AET system being used for the AET pilot, with vehicles traveling in gateless, channelized lanes and tolling equipment mounted on the existing infrastructure.

In the fall of 2016 or early 2017, a gantry-based Open Road Tolling (ORT) system will be put into revenue service and the existing toll plazas including the booths will be demolished. It is expected that the new ORT system will continue to utilize the current methods employed at the HHB to capture E-ZPass transponder-reads and license plate images, but will do so in an environment absent a traditional toll plaza, enabling customers to traverse the bridge's two tolling areas in free-flow fashion. This project is being executed in concert with a planned structural reconstruction of the HHB's upper and lower level roadways.

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

- By summer 2015, the remaining three unused eastbound toll booths will be removed as part of improvements to the entrance and exit ramps and rehabilitation of the eastbound toll plaza.
- In September 2013, the newly constructed Lily Pond Avenue entrance ramp, Brooklyn-bound, opened with an improved wider and more efficient configuration over the old on-ramp.
- In late 2012, a five-year, \$235.7 million construction contract was awarded to replace the original 1960s upper level suspended span roadway of the Verrazano-Narrows Bridge which, once completed, will include the agency's first reversible high occupancy vehicle lane. In 2013, the construction of a new bus and HOV ramp was awarded for \$65.7 million. The new reversible lane will connect with State Department of Transportation's HOV lanes on either side of the bridge, providing a continuous HOV lane from the Staten Island Expressway straight through to the Hugh L. Carey Tunnel, saving time for thousands of daily bus and HOV car commuters.

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

At the Bronx Whitestone Bridge, a \$212 million Capital project to reconstruct the Bronx approach roadway, providing drivers with wider 12-foot lanes and new safety shoulders,

was completed in August 2012, two months ahead of schedule. Currently underway is the \$114 million reconstruction of the Queens approach to the bridge which was awarded in July 2011. And at the Throgs Neck Bridge, approximately 67,000 square feet of the deteriorated southbound roadway was re-surfaced, which will result in a smoother ride for customers.

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

### **2014 Mid-Year Forecast**

In the 2014 Mid-Year Forecast, a total of \$1,190.6 million is projected in Baseline Operating Income compared to \$1,195.3 million in the 2014 Adopted Budget, a decrease of \$4.7 million.

Total revenues are \$1,694.3 million, which is \$7.3 million greater than the Adopted Budget. Toll revenue accounts for 97% of all revenues and is projected at \$1,651.2 million, which is \$1.7 million greater than the Adopted Budget. Although harsh weather in January and February suppressed traffic volumes considerably and resulted in an unfavorable toll revenue variance of \$8.1 million against the Adopted Budget, traffic trends were generally favorable from March through May, which partially offset the earlier losses. The net \$3.4 million year-to-date May shortfall is expected to be more than offset by continued favorable traffic trends from June through the end of the year. Favorable results are also occurring in Other Operating Revenue, primarily from additional parking receipts at the Battery Parking Garage, higher E-ZPass administrative fee income, and anticipated FEMA and insurance reimbursements for expenses associated with Superstorm Sandy (Sandy) and Tropical Storm Irene. These and other small revenue sources are adding a combined \$5.6 million to July Plan operating income.

The 2014 Mid-Year Forecast includes expenses totaling \$503.7 million before depreciation and GASB adjustments. Labor costs are \$270.0 million and non-labor costs are \$233.7 million. Total expenses are \$12.0 million above the Adopted Budget.

Labor expenses are higher by \$4.8 million primarily due to anticipated union contract settlements, including retroactive compensation payments dating back to 2009. These projected contractual obligations require a total of \$9.0 million above Adopted Budget labor costs and are allocated across payroll, overtime and employer taxes captured in other fringe benefits. In addition, adjustments to the Health and Welfare forecast require a net increase of \$0.3 million. Partially offsetting these higher costs are favorable re-estimates for pension expenses (\$3.4 million) and lower payroll and corresponding fringe benefit costs associated with vacancies for Bridge & Tunnel Officers and managerial/professional staff (\$1.4 million).

Non-labor expenses are greater by \$7.2 million primarily due to the timing of permanent restoration and mitigation work associated with Sandy. Approximately \$4.9 million in Sandy-related expenses that were originally budgeted for 2013 have been deferred to

2014. In addition, projected bond issuance costs are \$1.9 million greater than initially forecast due to increased financing activities.

Total Support to Mass Transit is \$903.4 million compared to \$907.6 million in the 2014 Adopted Budget, a decrease of \$4.2 million resulting from \$4.7 million less in Baseline Operating Income (\$7.3 million in revenue gains offset by \$12.0 million in higher expenses) and higher B&T debt service (\$1.1 million), partially offset by lower GASB Reserves (\$1.6 million).

In 2014, total planned year-end headcount is 1,751, including 88 capital reimbursable full-time equivalents. Headcount is 5 positions higher than the Adopted Budget level of 1,746. The additional headcount includes 2 newly funded positions. A new procurement position is required to cover additional duties associated with the expanding MTA-wide Minority and Women-Owned Business Enterprise (M/WOBE) program. A new legal position is necessary to handle wide-ranging toll matters, projects and initiatives, Authority-wide and with other tolling agencies such as the E-ZPass Inter-Agency Group, including All-Electronic Tolling (AET), Open Road Tolling (ORT), environmental and procurement issues, supervision of collection counsel, violation enforcement legislation, adjudication of toll violations, toll increases and national interoperability. In addition, the AET program began as a pilot in 2011 and 3 AET-dedicated positions have been funded since then, but given the pilot program context, these positions haven't been included in budgeted headcount. Since the program has become more formalized subsequent to Board approval last May, it's appropriate to include these positions in budgeted headcount at this time.

### **2015 Preliminary Budget - Baseline**

In the 2015 Preliminary Budget, a total of \$1,182.5 million is projected in Baseline Operating Income compared to \$1,181.0 million in the February Financial Plan, an increase of \$1.5 million.

Total revenues are \$1,694.3 million, which is \$3.1 million greater than the February Financial Plan. Toll revenues are increased by \$2.2 million, reflecting the higher plan-to-plan traffic trends from 2014. Other Operating Revenue has also been adjusted upward by \$0.9 million to incorporate favorable re-estimates in several revenue sources including the Battery Parking Garage and E-ZPass administrative fees.

Expenses before depreciation and GASB adjustments total \$511.8 million and are comprised of \$275.7 million in labor costs and \$236.1 million in non-labor expenses. Overall expenses are \$1.6 million higher than the February Financial Plan.

Labor costs are projected to be greater by \$3.6 million primarily due to the anticipated union contract settlements in 2014. The total plan-to-plan cost of these settlements—including payroll and overtime expenses, and employer taxes captured in other fringe benefits—is estimated at \$6.5 million. In addition, adjustments to the forecast for Health and Welfare and OPEB Current Payment require a net increase of \$2.3 million. Lastly, higher payroll and associated fringe costs totaling \$0.3 million have been included for



the new M/WOBE and AET positions previously discussed. Partially offsetting these higher costs are favorable re-estimates for pension expenses of \$5.4 million.

Non-labor expenses are lower by \$2.0 million. Significantly favorable re-estimates include insurance (\$2.5 million), electric power (\$1.2 million), and credit/debit card fees (\$1.0 million). Partially offsetting these reductions are an additional \$2.6 million for bond issuance fees due to an expected increase in financing activities compared to February Financial Plan assumptions.

Total Support to Mass Transit is \$873.5 million compared to \$869.5 million in the February Financial Plan, an increase of \$4.0 million resulting from higher Baseline Operating Income of \$1.5 million (\$3.1 million in revenue gains partially offset by \$1.6 million in higher expenses) and a favorable adjustment to GASB Reserves (\$3.4 million), partially offset by higher B&T debt service (\$0.9 million).

In 2015, total headcount is budgeted at 1,751, including 88 reimbursable positions, which is 5 positions higher than the February Financial Plan due to the changes discussed under the 2014 Mid-Year Forecast.

### **2016-2018 Projections**

The 2016 projection for Baseline Operating Income is \$1,182.1 million compared to \$1,175.6 million in the February Financial Plan. This consists of \$1,706.0 million in revenues, less \$523.9 million in expenses. The expenses are comprised of \$280.3 million in labor costs and \$243.6 million in non-labor expenses.

The 2017 projection for Baseline Operating Income is \$1,173.9 million compared to \$1,163.2 million in the February Financial Plan. This consists of \$1,713.2 million in revenues, offset by \$539.3 million in expenses. The expenses are comprised of \$287.7 million in labor costs and \$251.6 million in non-labor expenses.

In 2018, the projection for Baseline Operating Income is \$1,164.0 million. This consists of \$1,721.5 million in revenues, offset by \$557.5 million in expenses. The expenses are comprised of \$295.2 million in labor costs and \$262.3 million in non-labor expenses.

In 2016 to 2018, the total baseline planned headcount will be 1,751, which includes 88 capital-reimbursable positions.

Details for 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 traffic and headcount projections are discussed in the Other Assumptions section.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE**

	2013	2014	2015			
	Actual	Mid-Year	Preliminary	2016	2017	2018
	Actual	Forecast	Budget			
<b>Operating Revenue</b>						
Vehicle Toll Revenue	\$1,645.193	\$1,651.216	\$1,655.058	\$1,664.664	\$1,670.445	\$1,678.406
Other Operating Revenue	22.142	21.701	16.869	17.044	17.044	17.044
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.131	0.162	0.737	2.180	2.866	2.961
<b>Total Revenue</b>	<b>\$1,667.466</b>	<b>\$1,673.079</b>	<b>\$1,672.664</b>	<b>\$1,683.888</b>	<b>\$1,690.355</b>	<b>\$1,698.411</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$118.568	\$138.601	\$141.336	\$144.046	\$148.246	\$151.802
Overtime	19.046	22.886	22.842	23.349	23.804	24.280
Health and Welfare	23.651	27.677	30.524	31.219	32.741	34.148
OPEB Current Payment	15.089	16.102	16.907	17.347	18.214	19.125
Pensions	31.863	30.452	29.242	28.716	28.425	28.741
Other Fringe Benefits	17.710	18.134	18.382	18.664	18.909	19.265
Reimbursable Overhead	(5.235)	(5.095)	(5.145)	(5.196)	(5.442)	(5.227)
<b>Total Labor Expenses</b>	<b>\$220.692</b>	<b>\$248.757</b>	<b>\$254.087</b>	<b>\$258.144</b>	<b>\$264.897</b>	<b>\$272.134</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$6.942	\$7.350	\$6.645	\$6.956	\$8.055	\$8.747
Fuel	2.841	2.959	2.860	2.757	2.657	2.717
Insurance	10.482	16.294	17.386	18.874	20.438	22.178
Claims	0.000	0.135	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	100.657	129.516	134.061	139.965	145.614	152.274
Professional Service Contracts	36.206	43.788	42.134	41.379	40.260	41.062
Materials & Supplies	2.965	4.603	4.338	4.420	4.548	4.646
Other Business Expenses	28.720	29.080	28.627	29.275	29.996	30.704
<b>Total Non-Labor Expenses</b>	<b>\$188.813</b>	<b>\$233.725</b>	<b>\$236.050</b>	<b>\$243.626</b>	<b>\$251.568</b>	<b>\$262.327</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses Before Depreciation and GASB Adjs.</b>	<b>\$409.505</b>	<b>\$482.482</b>	<b>\$490.137</b>	<b>\$501.770</b>	<b>\$516.465</b>	<b>\$534.460</b>
Add: Depreciation	\$91.345	\$104.389	\$111.667	\$119.521	\$127.853	\$127.853
Add: OPEB Obligation	76.650	66.944	70.291	73.806	77.496	81.371
Add: Environmental Remediation	(0.009)	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses After Depreciation and GASB Adjs.</b>	<b>\$577.491</b>	<b>\$653.815</b>	<b>\$672.096</b>	<b>\$695.097</b>	<b>\$721.814</b>	<b>\$743.684</b>
Less: Depreciation	\$91.345	\$104.389	\$111.667	\$119.521	\$127.853	\$127.853
Less: OPEB Obligation	76.650	66.944	70.291	73.806	77.496	81.371
<b>Total Expenses</b>	<b>\$409.496</b>	<b>\$482.482</b>	<b>\$490.137</b>	<b>\$501.770</b>	<b>\$516.465</b>	<b>\$534.460</b>
<b>Baseline Income/(Deficit)</b>	<b>\$1,257.970</b>	<b>\$1,190.597</b>	<b>\$1,182.526</b>	<b>\$1,182.118</b>	<b>\$1,173.889</b>	<b>\$1,163.951</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**REIMBURSABLE**

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Revenue</b>						
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	15.149	21.230	21.628	22.108	22.809	23.073
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$15.149</b>	<b>\$21.230</b>	<b>\$21.628</b>	<b>\$22.108</b>	<b>\$22.809</b>	<b>\$23.073</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$6.195	\$9.735	\$9.810	\$9.894	\$9.976	\$10.060
Overtime	0.018	0.407	0.415	0.420	0.426	0.432
Health and Welfare	1.287	2.177	2.287	2.446	2.607	2.785
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	1.598	2.571	2.702	2.861	3.022	3.196
Other Fringe Benefits	0.816	1.245	1.269	1.291	1.336	1.373
Reimbursable Overhead	5.235	5.095	5.145	5.196	5.442	5.227
<b>Total Labor Expenses</b>	<b>\$15.149</b>	<b>\$21.230</b>	<b>\$21.628</b>	<b>\$22.108</b>	<b>\$22.809</b>	<b>\$23.073</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$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
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses Before Depreciation and GASB Adjs.</b>	<b>\$15.149</b>	<b>\$21.230</b>	<b>\$21.628</b>	<b>\$22.108</b>	<b>\$22.809</b>	<b>\$23.073</b>
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Add: OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses After Depreciation and GASB Adjs.</b>	<b>\$15.149</b>	<b>\$21.230</b>	<b>\$21.628</b>	<b>\$22.108</b>	<b>\$22.809</b>	<b>\$23.073</b>
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Less: OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$15.149</b>	<b>\$21.230</b>	<b>\$21.628</b>	<b>\$22.108</b>	<b>\$22.809</b>	<b>\$23.073</b>
<b>Baseline Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**  
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	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Revenue</b>						
Vehicle Toll Revenue	\$1,645.193	\$1,651.216	\$1,655.058	\$1,664.664	\$1,670.445	\$1,678.406
Other Operating Revenue	22.142	21.701	16.869	17.044	17.044	17.044
Capital and Other Reimbursements	15.149	21.230	21.628	22.108	22.809	23.073
Investment Income	0.131	0.162	0.737	2.180	2.866	2.961
<b>Total Revenue</b>	<b>\$1,682.615</b>	<b>\$1,694.309</b>	<b>\$1,694.291</b>	<b>\$1,705.996</b>	<b>\$1,713.164</b>	<b>\$1,721.484</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$124.763	\$148.336	\$151.146	\$153.940	\$158.222	\$161.862
Overtime	19.064	23.293	23.256	23.768	24.230	24.711
Health and Welfare	24.938	29.854	32.811	33.665	35.348	36.933
OPEB Current Payment	15.089	16.102	16.907	17.347	18.214	19.125
Pensions	33.461	33.023	31.944	31.577	31.447	31.937
Other Fringe Benefits	18.526	19.379	19.651	19.955	20.245	20.638
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$235.841</b>	<b>\$269.987</b>	<b>\$275.715</b>	<b>\$280.252</b>	<b>\$287.706</b>	<b>\$295.207</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$6.942	\$7.350	\$6.645	\$6.956	\$8.055	\$8.747
Fuel	2.841	2.959	2.860	2.757	2.657	2.717
Insurance	10.482	16.294	17.386	18.874	20.438	22.178
Claims	0.000	0.135	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	100.657	129.516	134.061	139.965	145.614	152.274
Professional Service Contracts	36.206	43.788	42.134	41.379	40.260	41.062
Materials & Supplies	2.965	4.603	4.338	4.420	4.548	4.646
Other Business Expenses	28.720	29.080	28.627	29.275	29.996	30.704
<b>Total Non-Labor Expenses</b>	<b>\$188.813</b>	<b>\$233.725</b>	<b>\$236.050</b>	<b>\$243.626</b>	<b>\$251.568</b>	<b>\$262.327</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses Before Depreciation and GASB Adjs.</b>	<b>\$424.654</b>	<b>\$503.711</b>	<b>\$511.765</b>	<b>\$523.878</b>	<b>\$539.274</b>	<b>\$557.533</b>
Add: Depreciation	\$91.345	\$104.389	\$111.667	\$119.521	\$127.853	\$127.853
Add: OPEB Obligation	76.650	66.944	70.291	73.806	77.496	81.371
Add: Environmental Remediation	(0.009)	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses After Depreciation and GASB Adjs.</b>	<b>\$592.640</b>	<b>\$675.044</b>	<b>\$693.723</b>	<b>\$717.205</b>	<b>\$744.623</b>	<b>\$766.757</b>
Less: Depreciation	\$91.345	\$104.389	\$111.667	\$119.521	\$127.853	\$127.853
Less: OPEB Obligation	76.650	66.944	70.291	73.806	77.496	81.371
<b>Total Expenses</b>	<b>\$424.645</b>	<b>\$503.711</b>	<b>\$511.765</b>	<b>\$523.878</b>	<b>\$539.274</b>	<b>\$557.533</b>
<b>Baseline Income/(Deficit)</b>	<b>\$1,257.970</b>	<b>\$1,190.597</b>	<b>\$1,182.526</b>	<b>\$1,182.118</b>	<b>\$1,173.889</b>	<b>\$1,163.951</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE  
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	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Baseline Income/(Deficit)</b>	<b>\$1,257.970</b>	<b>\$1,190.597</b>	<b>\$1,182.526</b>	<b>\$1,182.118</b>	<b>\$1,173.889</b>	<b>\$1,163.951</b>
<u><b>Deductions from Income:</b></u>						
Less: Capitalized Assets	\$14.525	\$17.843	\$17.849	\$20.635	\$21.056	\$21.475
Reserves	28.573	25.895	26.382	26.881	27.338	27.824
GASB Reserves	3.077	1.610	0.000	0.000	0.000	0.182
<b>Adjusted Baseline Income/(Deficit)</b>	<b>\$1,211.795</b>	<b>\$1,145.249</b>	<b>\$1,138.295</b>	<b>\$1,134.602</b>	<b>\$1,125.496</b>	<b>\$1,114.469</b>
Less: Debt Service	\$597.454	\$597.868	\$633.695	\$644.353	\$669.149	\$691.000
<b>Income Available for Distribution</b>	<b>\$614.341</b>	<b>\$547.381</b>	<b>\$504.600</b>	<b>\$490.249</b>	<b>\$456.347</b>	<b>\$423.469</b>
<u><b>Distributable To:</b></u>						
MTA - Investment Income	\$0.131	\$0.162	\$0.737	\$2.180	\$2.866	\$2.961
MTA - Distributable Income	367.308	327.101	307.935	300.053	283.293	266.413
NYCT - Distributable Income	246.902	220.118	195.928	188.016	170.189	154.095
<b>Total Distributable Income:</b>	<b>\$614.341</b>	<b>\$547.381</b>	<b>\$504.600</b>	<b>\$490.249</b>	<b>\$456.347</b>	<b>\$423.469</b>
<u><b>Actual Cash Transfers:</b></u>						
MTA - Investment Income	\$0.136	\$0.131	\$0.162	\$0.737	\$2.180	\$2.866
MTA - Transfers	359.991	340.640	309.852	300.842	284.969	268.101
NYCT - Transfers	245.971	219.794	198.347	188.807	171.971	155.705
<b>Total Cash Transfers:</b>	<b>\$606.099</b>	<b>\$560.565</b>	<b>\$508.360</b>	<b>\$490.385</b>	<b>\$459.120</b>	<b>\$426.672</b>
<u><b>SUPPORT TO MASS TRANSIT:</b></u>						
Total Revenues	\$1,682.615	\$1,694.309	\$1,694.291	\$1,705.996	\$1,713.164	\$1,721.484
Less: Net Operating Expenses	424.645	503.711	511.765	523.878	539.274	557.533
<b>Net Operating Income:</b>	<b>\$1,257.970</b>	<b>\$1,190.597</b>	<b>\$1,182.526</b>	<b>\$1,182.118</b>	<b>\$1,173.889</b>	<b>\$1,163.951</b>
<u><b>Deductions from Operating Income:</b></u>						
B&T Debt Service	\$207.227	\$241.834	\$264.830	\$275.455	\$297.449	\$321.429
Capitalized Assets	14.525	17.843	17.849	20.635	21.056	21.475
Reserves	28.573	25.895	26.382	26.881	27.338	27.824
GASB Reserves	3.077	1.610	0.000	0.000	0.000	0.182
<b>Total Deductions from Operating Income:</b>	<b>\$253.402</b>	<b>\$287.182</b>	<b>\$309.061</b>	<b>\$322.971</b>	<b>\$345.843</b>	<b>\$370.910</b>
<b>Total Support to Mass Transit:</b>	<b>\$1,004.568</b>	<b>\$903.415</b>	<b>\$873.465</b>	<b>\$859.147</b>	<b>\$828.047</b>	<b>\$793.041</b>

**MTA BRIDGES and TUNNELS**  
**2014 Mid-Year Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

		Total		
<b>NON-REIMBURSABLE OVERTIME</b>		Hours	\$	%
<b>OPERATIONS &amp; MAINTENANCE</b>				
	<u>Scheduled Service</u>	49,891	\$2.856	12.5%
	<u>Unscheduled Service</u>	12,091	0.679	3.0%
	<u>Programmatic/Routine Maintenance</u>	446	0.039	0.2%
	<u>Unscheduled Maintenance</u>	21,232	1.921	8.4%
	<u>Vacancy/Absentee Coverage</u>	153,317	9.411	41.1%
	<u>Weather Emergencies</u>	20,393	1.789	7.8%
	<u>Safety/Security/Law Enforcement</u>	28,666	1.691	7.4%
	<u>Other</u>	9,134	1.007	4.4%
	<u>All Other Departments and Accruals<sup>1</sup></u>		3.491	15.3%
	Subtotal	<b>295,170</b>	<b>\$22.886</b>	100%
	<b>REIMBURSABLE OVERTIME</b>	5,677	\$0.407	
	<b>TOTAL OVERTIME</b>	<b>300,847</b>	<b>\$23.293</b>	

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

**MTA BRIDGES AND TUNNELS**  
**2015 Preliminary Budget**  
**July Financial Plan 2015–2018**  
**Year-to-Year Changes by Category - Baseline**

**Toll Revenue**

- At current crossing charges, toll revenue is estimated at \$1,651.2 million in 2014 and \$1,655.1 million in 2015, an increase of over \$3.8 million primarily due to additional traffic volume resulting from forecast regional employment growth of 1.5%. Traffic estimates increase from 281.9 million vehicles in 2014 to 283.2 million in 2015.
- Toll revenue increases to \$1,664.7 in 2016, \$1,670.4 in 2017 and \$1,678.4 million in 2018, reflecting traffic volume increases from projected regional employment growth of approximately 1.0% per year, and the additional leap year day in 2016. Traffic levels are forecast at 285.3 million vehicles in 2016, 286.6 million in 2017, and 288.4 million in 2018.

**Other Operating Revenue**

- Other Operating Revenue is estimated at \$21.7 million in 2014 and \$16.9 million in 2015, a year-to-year drop of \$4.8 million. Revenue in 2014 includes \$2.5 million in expected reimbursements from FEMA for Sandy-related costs. Also in 2014, an insurance settlement of \$2.2 million is anticipated for costs associated with Tropical Storm Irene. Due to the uncertainty of future reimbursements and costs, no reimbursement projections are included in B&T's 2015 Preliminary Budget.
- Other Operating Revenue increases by \$0.2 million in 2016 to reflect projected additional receipts from the Battery Parking Garage, after which revenues from this and other non-toll sources are not expected to grow significantly.

**Capital and Other Reimbursements**

- Capital and Other Reimbursements increase by \$0.4 million in 2015, \$0.5 million in 2016, \$0.7 million in 2017 and \$0.3 million in 2018. These adjustments are tied to expected work to be performed through the Capital Programs.

**Investment Income**

- The Investment Income plan for 2014 through 2018 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 \$0.2 million in 2014 and \$0.7 million in 2015.
- Short-term interest rates are forecast to grow each year from 2016 on. Income projections are \$2.2 million in 2016, \$2.9 million in 2017 and \$3.0 million in 2018.

## **Payroll**

- In 2015, expenses increase by \$2.8 million, primarily reflecting contractual step-up increases, the filling of 2014 vacancies and inflationary adjustments.
- Thereafter, contractual step-up increases and inflationary adjustments result in expense growth of \$2.8 million in 2016, \$4.3 million in 2017, and \$3.6 million in 2018.
- Salaries for most represented employees are expected to include contract settlements for increases to compensation earned between 2009 and 2011, followed by a five year contract effective through 2016, with CPI-based increases assumed thereafter. Wage inflation for represented employees is 2.22% in 2015, 1.88% in 2016 and 2.0% in both 2017 and 2018.
- Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted
- Wage inflation for non-represented employees is 1.85% in 2015, 1.89% in 2016, 1.85% in 2017, and 1.80% in 2018.

## **Overtime**

- As discussed under Payroll above, upon expected contract settlements in 2014, it's anticipated that retroactive compensation increases dating back to 2009 will be fully paid by the end of the year. Despite projected wage growth of 2.22% in 2015, Overtime is only \$36,000 higher than in 2014 due to the retroactive payments.
- Wage inflation rates for overtime are the same as for payroll and result in growth of \$0.5 million each year from 2016 through 2018.

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

- In 2015, there is an increase of \$3.8 million from 2014 primarily due to forecast inflation for defined medical programs.
- The year-over-year increases from 2016 to 2018 are \$1.3 million, \$2.6 million, and \$2.5 million respectively, and are primarily the result of forecast inflation for defined medical programs.
- Inflation rates for defined medical programs are 5.0% in 2015, 2.6% in 2016, and 5.0% each year thereafter.

## **Pension**

- Pension expenses in this July Financial Plan reflect current projections for the NYC Employee Retirement System (NYCERS) provided by the NYC Office of the Actuary.
- Costs decline by \$1.1 million in 2015, \$0.4 million in 2016, and \$0.1 million in 2017, with an increase of \$0.5 million projected for 2018.



## **Other Fringe Benefits**

- The year-over-year increase from 2014 to 2015 of \$0.3 million is primarily due to higher FICA and other expenses associated with the previously discussed payroll and overtime changes.
- Thereafter, expenses increase by \$0.3 million in both 2015 and 2016, and by \$0.4 million in 2018 primarily due to the inflationary adjustments for payroll and overtime.

## **Electric Power**

- Expenses for Electric Power decline by \$0.7 million in 2015, and increase each year thereafter between \$0.3 million and \$1.1 million based on the most recent rate projections.

## **Fuel**

- The expense plan for fuel is driven mainly by current projections for heating fuel. Expenses are forecast to decline \$0.1 million each year from 2015 through 2017, with an increase of \$0.1 million estimated for 2018.

## **Insurance**

- Insurance costs increase between \$1.1 million and \$1.7 million annually from 2015 through 2018 based on current insurance policy growth assumptions.

## **Maintenance and Other Operating Contracts**

- Year-to-year expenses are projected to be \$4.5 million higher in 2015. The main driver for the increase is an additional \$16.7 million in major maintenance to ensure that key bridge and tunnel components are properly maintained to maximize the level of service they provide until large scale rehabilitation or replacement work under the capital program can be carried out. This is partially offset by approximately \$14.5 million in Sandy-related work that is not eligible for the capital program and that is expected to be completed in 2014. The only other significant increase is for E-ZPass Customer Service Center expenses, which are estimated to rise by \$2.1 million primarily due to anticipated account growth and expenses associated with the All Electronic Tolling (AET) program. Other small increases across numerous miscellaneous maintenance contracts are largely inflation based.
- Expenses grow by \$5.9 million in 2016, \$5.6 million in 2017, and \$6.7 million in 2018. Much of the growth (\$2.0 million in 2016, \$3.3 million in 2017 and \$1.4 million in 2018) is driven by anticipated increases in major maintenance and preventive maintenance needs for the aforementioned reasons. The cyclical needs of the E-ZPass Tag Replacement program also represent a significant portion of the year-to-year changes, with \$2.3 million more needed in 2015, followed by a decline of \$0.4 million in 2017 and an increase of \$2.9 million in 2018. E-ZPass Customer Service Center costs are estimated to rise by approximately \$1.1 million each year to fund

forecast account growth and AET-related services. Inflationary adjustments account for most of the expense growth in other cost centers within this category.

- Inflationary adjustments are based on a national CPI- U forecast of 1.74% in 2015, 1.77% in 2016, 1.85% in 2017 and 2.03% in 2018. These factors also apply to the expense categories that follow (Professional Service Contracts, Materials and Supplies and Other Business Expenses).

### **Professional Service Contracts**

- In 2015, expenses decline by \$1.7 million primarily due to the expected completion of several projects budgeted in 2014 under General Engineering Services.
- Expenses decline by \$0.8 million in 2016 and \$1.1 million in 2017, primarily reflecting the projected cyclical workflow of several engineering studies and projects, and then increase by \$0.8 million in 2018 mainly as a result of inflationary adjustments.

### **Materials and Supplies**

- Expenses are \$0.3 million lower in 2015, reflecting a return to baseline projections for de-icing materials after the severe winter of 2014, followed by expense growth of \$0.1 million each year thereafter based on inflationary adjustments.

### **Other Business Expenses**

- Expenses decline by \$0.5 million in 2015 due to an anticipated lower write-off of debt associated with outstanding E-Z Pass account balances compared to 2014. From 2016 through 2018, expenses are between \$0.6 million and \$0.7 million greater each year primarily due to inflationary adjustments.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Vehicle Toll Revenue	\$ 1,651.216	\$ 1,655.058	\$ 3.842	\$ 1,664.664	\$ 9.606	\$ 1,670.445	\$ 5.781	\$ 1,678.406	\$ 7.961
Other Operating Revenue	21.701	16.869	(4.832)	17.044	0.175	17.044	-	17.044	-
Capital and Other Reimbursements	0.000	0.000	-	0.000	-	0.000	-	0.000	-
Investment Income	0.162	0.737	0.575	2.180	1.443	2.866	0.686	2.961	0.095
<b>Total Revenue</b>	<b>\$ 1,673.079</b>	<b>\$ 1,672.664</b>	<b>\$ (0.415)</b>	<b>\$ 1,683.888</b>	<b>\$ 11.224</b>	<b>\$ 1,690.355</b>	<b>\$ 6.467</b>	<b>\$ 1,698.411</b>	<b>\$ 8.056</b>
<b>Expenses</b>									
Labor:									
Payroll	\$ 138.601	\$ 141.336	\$ (2.735)	\$ 144.046	\$ (2.710)	\$ 148.246	\$ (4.201)	\$ 151.802	\$ (3.556)
Overtime	22.886	22.842	0.044	23.349	(0.507)	23.804	(0.456)	24.280	(0.475)
Health and Welfare	27.677	30.524	(2.847)	31.219	(0.695)	32.741	(1.522)	34.148	(1.407)
OPEB Current Payment	16.102	16.907	(0.805)	17.347	(0.440)	18.214	(0.867)	19.125	(0.911)
Pensions	30.452	29.242	1.210	28.716	0.526	28.425	0.291	28.741	(0.316)
Other Fringe Benefits	18.134	18.382	(0.248)	18.664	(0.282)	18.909	(0.245)	19.265	(0.356)
Reimbursable Overhead	(5.095)	(5.145)	0.050	(5.196)	0.051	(5.442)	0.246	(5.227)	(0.215)
<b>Total Labor Expenses</b>	<b>\$ 248.757</b>	<b>\$ 254.087</b>	<b>\$ (5.330)</b>	<b>\$ 258.144</b>	<b>\$ (4.057)</b>	<b>\$ 264.897</b>	<b>\$ (6.753)</b>	<b>\$ 272.134</b>	<b>\$ (7.236)</b>
Non-Labor:									
Electric Power	\$ 7.350	\$ 6.645	\$ 0.706	\$ 6.956	\$ (0.311)	\$ 8.055	\$ (1.099)	\$ 8.747	\$ (0.691)
Fuel	2.959	2.860	0.099	2.757	0.103	2.657	0.100	2.717	(0.060)
Insurance	16.294	17.386	(1.092)	18.874	(1.488)	20.438	(1.564)	22.178	(1.739)
Claims	0.135	-	0.135	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	129.516	134.061	(4.545)	139.965	(5.905)	145.614	(5.648)	152.274	(6.660)
Professional Service Contracts	43.788	42.134	1.654	41.379	0.755	40.260	1.119	41.062	(0.802)
Materials & Supplies	4.603	4.338	0.265	4.420	(0.083)	4.548	(0.127)	4.646	(0.098)
Other Business Expenses	29.080	28.627	0.452	29.275	(0.647)	29.996	(0.722)	30.704	(0.707)
<b>Total Non-Labor Expenses</b>	<b>\$ 233.725</b>	<b>\$ 236.050</b>	<b>\$ (2.326)</b>	<b>\$ 243.626</b>	<b>\$ (7.576)</b>	<b>\$ 251.568</b>	<b>\$ (7.942)</b>	<b>\$ 262.327</b>	<b>\$ (10.759)</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$ 482.482</b>	<b>\$ 490.137</b>	<b>\$ (7.656)</b>	<b>\$ 501.770</b>	<b>\$ (11.633)</b>	<b>\$ 516.465</b>	<b>\$ (14.695)</b>	<b>\$ 534.460</b>	<b>\$ (17.995)</b>
Add: Depreciation	\$ 104.389	\$ 111.667	\$ (7.278)	\$ 119.521	\$ (7.854)	\$ 127.853	\$ (8.332)	\$ 127.853	\$ -
Add: OPEB Obligation	66.944	70.291	(3.347)	73.806	(3.515)	77.496	(3.690)	81.371	(3.875)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$ 653.815</b>	<b>\$ 672.096</b>	<b>\$ (18.281)</b>	<b>\$ 695.097</b>	<b>\$ (23.001)</b>	<b>\$ 721.814</b>	<b>\$ (26.718)</b>	<b>\$ 743.684</b>	<b>\$ (21.870)</b>
Less: Depreciation	104.389	111.667	(7.278)	119.521	(7.854)	127.853	(8.332)	127.853	-
Less: OPEB Obligation	66.944	70.291	(3.347)	73.806	(3.515)	77.496	(3.690)	81.371	(3.875)
<b>Total Expenses</b>	<b>\$ 482.482</b>	<b>\$ 490.137</b>	<b>\$ (7.656)</b>	<b>\$ 501.770</b>	<b>\$ (11.633)</b>	<b>\$ 516.465</b>	<b>\$ (14.695)</b>	<b>\$ 534.460</b>	<b>\$ (17.995)</b>
<b>Baseline Income/(Deficit)</b>	<b>\$ 1,190.597</b>	<b>\$ 1,182.526</b>	<b>\$ (8.071)</b>	<b>\$ 1,182.118</b>	<b>\$ (0.408)</b>	<b>\$ 1,173.889</b>	<b>\$ (8.228)</b>	<b>\$ 1,163.951</b>	<b>\$ (9.939)</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

	Favorable/(Unfavorable)									
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	
<b>Revenue</b>										
Vehicle Toll Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Operating Revenue	-	-	-	-	-	-	-	-	-	
Capital and Other Reimbursements	21.230	21.628	0.398	22.108	0.480	22.809	0.701	23.073	0.264	
Investment Income	-	-	-	-	-	-	-	-	-	
<b>Total Revenue</b>	<b>\$ 21.230</b>	<b>\$ 21.628</b>	<b>\$ 0.398</b>	<b>\$ 22.108</b>	<b>\$ 0.480</b>	<b>\$ 22.809</b>	<b>\$ 0.701</b>	<b>\$ 23.073</b>	<b>\$ 0.264</b>	
<b>Expenses</b>										
Labor:										
Payroll	\$ 9.735	\$ 9.810	\$ (0.075)	\$ 9.894	\$ (0.084)	\$ 9.976	\$ (0.082)	\$ 10.060	\$ (0.084)	
Overtime	0.407	0.415	(0.008)	0.420	(0.005)	0.426	(0.006)	0.432	(0.006)	
Health and Welfare	2.177	2.287	(0.110)	2.446	(0.159)	2.607	(0.161)	2.785	(0.178)	
OPEB Current Payment	-	-	-	-	-	-	-	-	-	
Pensions	2.571	2.702	(0.131)	2.861	(0.159)	3.022	(0.161)	3.196	(0.174)	
Other Fringe Benefits	1.245	1.269	(0.024)	1.291	(0.022)	1.336	(0.045)	1.373	(0.037)	
Reimbursable Overhead	5.095	5.145	(0.050)	5.196	(0.051)	5.442	(0.246)	5.227	0.215	
<b>Total Labor Expenses</b>	<b>\$ 21.230</b>	<b>\$ 21.628</b>	<b>\$ (0.398)</b>	<b>\$ 22.108</b>	<b>\$ (0.480)</b>	<b>\$ 22.809</b>	<b>\$ (0.701)</b>	<b>\$ 23.073</b>	<b>\$ (0.264)</b>	
Non-Labor:										
Electric Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fuel	-	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	-	-	
Claims	-	-	-	-	-	-	-	-	-	
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-	
Professional Service Contracts	-	-	-	-	-	-	-	-	-	
Materials & Supplies	-	-	-	-	-	-	-	-	-	
Other Business Expenses	-	-	-	-	-	-	-	-	-	
<b>Total Non-Labor Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
Other Expenses Adjustments:										
Other	-	-	-	-	-	-	-	-	-	
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$ 21.230</b>	<b>\$ 21.628</b>	<b>\$ (0.398)</b>	<b>\$ 22.108</b>	<b>\$ (0.480)</b>	<b>\$ 22.809</b>	<b>\$ (0.701)</b>	<b>\$ 23.073</b>	<b>\$ (0.264)</b>	
Add: Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Add: OPEB Obligation	-	-	-	-	-	-	-	-	-	
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-	
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$ 21.230</b>	<b>\$ 21.628</b>	<b>\$ (0.398)</b>	<b>\$ 22.108</b>	<b>\$ (0.480)</b>	<b>\$ 22.809</b>	<b>\$ (0.701)</b>	<b>\$ 23.073</b>	<b>\$ (0.264)</b>	
Less: Depreciation	-	-	-	-	-	-	-	-	-	
Less: OPEB Obligation	-	-	-	-	-	-	-	-	-	
<b>Total Expenses</b>	<b>\$ 21.230</b>	<b>\$ 21.628</b>	<b>\$ (0.398)</b>	<b>\$ 22.108</b>	<b>\$ (0.480)</b>	<b>\$ 22.809</b>	<b>\$ (0.701)</b>	<b>\$ 23.073</b>	<b>\$ (0.264)</b>	
<b>Baseline Income/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

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

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Vehicle Toll Revenue	\$ 1,651.216	\$ 1,655.058	\$ 3.842	\$ 1,664.664	\$ 9.606	\$ 1,670.445	\$ 5.781	\$ 1,678.406	\$ 7.961
Other Operating Revenue	21.701	16.869	(4.832)	17.044	0.175	17.044	-	17.044	-
Capital and Other Reimbursements	21.230	21.628	0.398	22.108	0.480	22.809	0.701	23.073	0.264
Investment Income	0.162	0.737	0.575	2.180	1.443	2.866	0.686	2.961	0.095
<b>Total Revenue</b>	<b>\$ 1,694.309</b>	<b>\$ 1,694.291</b>	<b>\$ (0.017)</b>	<b>\$ 1,705.996</b>	<b>\$ 11.704</b>	<b>\$ 1,713.164</b>	<b>\$ 7.168</b>	<b>\$ 1,721.484</b>	<b>\$ 8.320</b>
<b>Expenses</b>									
Labor:									
Payroll	\$ 148.336	\$ 151.146	\$ (2.810)	\$ 153.940	\$ (2.794)	\$ 158.222	\$ (4.283)	\$ 161.862	\$ (3.640)
Overtime	23.293	23.256	0.036	23.768	(0.512)	24.230	(0.462)	24.711	(0.481)
Health and Welfare	29.854	32.811	(2.957)	33.665	(0.854)	35.348	(1.683)	36.933	(1.585)
OPEB Current Payment	16.102	16.907	(0.805)	17.347	(0.440)	18.214	(0.867)	19.125	(0.911)
Pensions	33.023	31.944	1.079	31.577	0.367	31.447	0.130	31.937	(0.490)
Other Fringe Benefits	19.379	19.651	(0.272)	19.955	(0.304)	20.245	(0.290)	20.638	(0.393)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$ 269.987</b>	<b>\$ 275.715</b>	<b>\$ (5.728)</b>	<b>\$ 280.252</b>	<b>\$ (4.537)</b>	<b>\$ 287.706</b>	<b>\$ (7.454)</b>	<b>\$ 295.207</b>	<b>\$ (7.500)</b>
Non-Labor:									
Electric Power	\$ 7.350	\$ 6.645	\$ 0.706	\$ 6.956	\$ (0.311)	\$ 8.055	\$ (1.099)	\$ 8.747	\$ (0.691)
Fuel	2.959	2.860	0.099	2.757	0.103	2.657	0.100	2.717	(0.060)
Insurance	16.294	17.386	(1.092)	18.874	(1.488)	20.438	(1.564)	22.178	(1.739)
Claims	0.135	-	0.135	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	129.516	134.061	(4.545)	139.965	(5.905)	145.614	(5.648)	152.274	(6.660)
Professional Service Contracts	43.788	42.134	1.654	41.379	0.755	40.260	1.119	41.062	(0.802)
Materials & Supplies	4.603	4.338	0.265	4.420	(0.083)	4.548	(0.127)	4.646	(0.098)
Other Business Expenses	29.080	28.627	0.452	29.275	(0.647)	29.996	(0.722)	30.704	(0.707)
<b>Total Non-Labor Expenses</b>	<b>\$ 233.725</b>	<b>\$ 236.050</b>	<b>\$ (2.326)</b>	<b>\$ 243.626</b>	<b>\$ (7.576)</b>	<b>\$ 251.568</b>	<b>\$ (7.942)</b>	<b>\$ 262.327</b>	<b>\$ (10.759)</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$ 503.711</b>	<b>\$ 511.765</b>	<b>\$ (8.054)</b>	<b>\$ 523.878</b>	<b>\$ (12.113)</b>	<b>\$ 539.274</b>	<b>\$ (15.396)</b>	<b>\$ 557.533</b>	<b>\$ (18.259)</b>
Add: Depreciation	\$ 104.389	\$ 111.667	\$ (7.278)	\$ 119.521	\$ (7.854)	\$ 127.853	\$ (8.332)	\$ 127.853	\$ -
Add: OPEB Obligation	66.944	70.291	(3.347)	73.806	(3.515)	77.496	(3.690)	81.371	(3.875)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$ 675.044</b>	<b>\$ 693.723</b>	<b>\$ (18.679)</b>	<b>\$ 717.205</b>	<b>\$ (23.481)</b>	<b>\$ 744.623</b>	<b>\$ (27.419)</b>	<b>\$ 766.757</b>	<b>\$ (22.134)</b>
Less: Depreciation	104.389	111.667	(7.278)	119.521	(7.854)	127.853	(8.332)	127.853	-
Less: OPEB Obligation	66.944	70.291	(3.347)	73.806	(3.515)	77.496	(3.690)	81.371	(3.875)
<b>Total Expenses</b>	<b>\$ 503.711</b>	<b>\$ 511.765</b>	<b>\$ (8.054)</b>	<b>\$ 523.878</b>	<b>\$ (12.113)</b>	<b>\$ 539.274</b>	<b>\$ (15.396)</b>	<b>\$ 557.533</b>	<b>\$ (18.259)</b>
<b>Baseline Income/(Deficit)</b>	<b>\$ 1,190.597</b>	<b>\$ 1,182.526</b>	<b>\$ (8.071)</b>	<b>\$ 1,182.118</b>	<b>\$ (0.408)</b>	<b>\$ 1,173.889</b>	<b>\$ (8.228)</b>	<b>\$ 1,163.951</b>	<b>\$ (9.939)</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

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

	Favorable/(Unfavorable)									
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	
<b>Baseline Net Income/(Deficit)</b>	<b>\$ 1,190.597</b>	<b>\$ 1,182.526</b>	<b>\$ (8.071)</b>	<b>\$ 1,182.118</b>	<b>\$ (0.408)</b>	<b>\$ 1,173.889</b>	<b>\$ (8.228)</b>	<b>\$ 1,163.951</b>	<b>\$ (9.939)</b>	
<u>Deductions from Income:</u>										
Less: Capitalized Assets	\$ 17.843	\$ 17.849	\$ (0.006)	\$ 20.635	\$ (2.786)	\$ 21.056	\$ (0.421)	\$ 21.475	\$ (0.419)	
Reserves	25.895	26.382	(0.487)	26.881	(0.499)	27.338	(0.457)	27.824	(0.487)	
GASB 45 Reserves	1.610	-	1.610	-	-	-	-	0.182	(0.182)	
<b>Adjusted Baseline Net Income/(Deficit)</b>	<b>\$ 1,145.249</b>	<b>\$ 1,138.295</b>	<b>\$ (6.954)</b>	<b>\$ 1,134.602</b>	<b>\$ (3.693)</b>	<b>\$ 1,125.496</b>	<b>\$ (9.106)</b>	<b>\$ 1,114.469</b>	<b>\$ (11.027)</b>	
Less: Debt Service	597.868	633.695	(35.827)	644.353	(10.658)	669.149	(24.796)	691.000	(21.851)	
<b>Income Available for Distribution</b>	<b>\$ 547.381</b>	<b>\$ 504.600</b>	<b>\$ (42.781)</b>	<b>\$ 490.249</b>	<b>\$ (14.351)</b>	<b>\$ 456.347</b>	<b>\$ (33.902)</b>	<b>\$ 423.469</b>	<b>\$ (32.878)</b>	
<b>Distributable To:</b>										
MTA - Investment Income	\$ 0.162	\$ 0.737	\$ 0.575	\$ 2.180	\$ 1.443	\$ 2.866	\$ 0.686	\$ 2.961	\$ 0.095	
MTA - Distributable Income	327.101	307.935	(19.166)	300.053	(7.882)	283.293	(16.761)	266.413	(16.879)	
NYCT - Distributable Income	220.118	195.928	(24.190)	188.016	(7.912)	170.189	(17.827)	154.095	(16.093)	
<b>Total Distributable Income:</b>	<b>\$ 547.381</b>	<b>\$ 504.600</b>	<b>\$ (42.781)</b>	<b>\$ 490.249</b>	<b>\$ (14.351)</b>	<b>\$ 456.347</b>	<b>\$ (33.902)</b>	<b>\$ 423.469</b>	<b>\$ (32.878)</b>	
<b>Actual Cash Transfers:</b>										
MTA - Investment Income	\$ 0.131	\$ 0.162	\$ 0.031	\$ 0.737	\$ 0.575	\$ 2.180	\$ 1.443	\$ 2.866	\$ 0.686	
MTA - Transfers	340.640	309.852	(30.788)	300.842	(9.010)	284.969	(15.873)	268.101	(16.868)	
NYCT - Transfers	219.794	198.347	(21.446)	188.807	(9.540)	171.971	(16.835)	155.705	(16.267)	
<b>Total Cash Transfers:</b>	<b>\$ 560.565</b>	<b>\$ 508.360</b>	<b>\$ (52.204)</b>	<b>\$ 490.385</b>	<b>\$ (17.975)</b>	<b>\$ 459.120</b>	<b>\$ (31.265)</b>	<b>\$ 426.672</b>	<b>\$ (32.448)</b>	
<b>SUPPORT TO MASS TRANSIT:</b>										
Total Revenues	\$1,694.309	\$1,694.291	(\$0.017)	\$1,705.996	\$11.704	\$1,713.164	\$7.168	\$1,721.484	\$8.320	
Less: Net Operating Expenses	503.711	511.765	(8.054)	523.878	(12.113)	539.274	(15.396)	557.533	(18.259)	
<b>Net Operating Income:</b>	<b>\$ 1,190.597</b>	<b>\$ 1,182.526</b>	<b>\$ (8.071)</b>	<b>\$ 1,182.118</b>	<b>\$ (0.408)</b>	<b>\$ 1,173.889</b>	<b>\$ (8.228)</b>	<b>\$ 1,163.951</b>	<b>\$ (9.939)</b>	
<b>Deductions from Operating Income:</b>										
B&T Debt Service	\$241.834	\$264.830	(\$22.996)	\$275.455	(\$10.626)	\$297.449	(\$21.994)	\$321.429	(\$23.979)	
Capitalized Assets	17.843	17.849	(0.006)	20.635	(2.786)	21.056	(0.421)	21.475	(0.419)	
Reserves	25.895	26.382	(0.487)	26.881	(0.499)	27.338	(0.457)	27.824	(0.487)	
GASB 45 Reserves	1.610	-	1.610	-	-	-	-	0.182	(0.182)	
<b>Total Deductions from Operating Inc:</b>	<b>\$ 287.182</b>	<b>\$ 309.061</b>	<b>\$ (21.879)</b>	<b>\$ 322.971</b>	<b>\$ (13.910)</b>	<b>\$ 345.843</b>	<b>\$ (22.872)</b>	<b>\$ 370.910</b>	<b>\$ (25.067)</b>	
<b>Total Support to Mass Transit:</b>	<b>\$ 903.415</b>	<b>\$ 873.465</b>	<b>\$ (29.950)</b>	<b>\$ 859.147</b>	<b>\$ (14.318)</b>	<b>\$ 828.047</b>	<b>\$ (31.100)</b>	<b>\$ 793.041</b>	<b>\$ (35.006)</b>	

**MTA BRIDGES AND TUNNELS**  
**2015 Preliminary Budget**  
**July Financial Plan 2015–2018**  
**Summary of Major Plan-to-Plan Changes**

**Non-Reimbursable**

**2014: July Financial Plan vs. February Financial Plan**

**Revenues**

Revenue adjustments from the February Plan generate an additional \$7.3 million. The major changes include:

- Additional toll revenues (\$1.7 million) stemming from recent favorable traffic trends compared to the original forecast.
- Increased Other Operating Revenues (\$5.6 million) primarily due to revised assumptions for Sandy-related FEMA reimbursements (\$2.5 million), insurance settlements related to Tropical Storm Irene (\$2.2 million), and favorable re-estimates of several non-toll revenue sources including receipts from the Battery Parking Garage, E-ZPass administrative fees, and others (\$0.9 million).

**Expenses**

Non-reimbursable expenses are projected to be \$12.0 million greater than the February Plan. Labor costs are \$4.8 million higher and non-labor expenses are \$7.2 million higher. The major variances include:

**Labor**

- Higher Payroll (\$5.7 million), Overtime (\$1.7 million) and associated Other Fringe Benefits (\$0.5 million) primarily due to the expected settlement of union contracts, including retroactive payments for compensation increases dating back to 2009.
- A net increase in Health and Welfare/OPEB Current Payment (\$0.3 million) due to GASB Reserve adjustments which have greater favorable impacts to adjusted baseline income (see Total Deductions from Income).
- Lower Pension expense (\$3.4 million) to incorporate the most recent estimate provided by the NYC Office of the Actuary.

**Non-Labor**

- Lower expenses in Maintenance and Other Operating Contracts (\$0.4 million) resulting primarily from the reclassification of several engineering projects from Major Maintenance to areas falling under Professional Service Contracts (\$4.4 million) and small favorable re-estimates across numerous miscellaneous maintenance contracts (\$0.9 million), partially offset by an additional \$4.9 million in Sandy-related expenses that were deferred from 2013 into 2014.
- Higher expenses for Professional Service Contracts (\$7.3 million) primarily due to the engineering project reclassifications cited above (\$4.4 million), higher bond issuance fees resulting from increased financing activities (\$1.9 million), and higher re-estimates for procurement credit card purchases (\$0.9 million).

- Increased Materials & Supplies (\$0.3 million) for extra de-icing materials needed for the harsh winter and higher Other Business Expenses (\$0.3 million) resulting from additional projected E-ZPass debt.

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

- The GASB Reserve for future retiree health benefit costs has been reduced by \$1.6 million.
- B&T Debt Service has been increased by \$1.1 million.

### **2015-2017: July Financial Plan vs. February Financial Plan**

#### **Revenues**

From 2015 through 2017, total revenues are being increased between \$3.1 million and \$5.3 million annually.

- Increases in toll revenue range between \$2.2 million and \$4.5 million each year, reflecting the higher baseline traffic from 2014 and current projections for regional employment and inflation.
- Other Operating Revenue is greater by \$0.9 million on average each year primarily due to the expected continuation of improved receipts from the Battery Parking Garage, higher E-ZPass administrative fees, and other small non-toll revenue sources.

#### **Expenses**

Non-reimbursable expenses increase by \$1.6 million in 2015, followed by decreases of \$2.8 million in 2016 and \$5.4 million in 2017.

#### **Labor**

Expenses increase by \$3.6 million in 2015, \$1.1 million in 2016 and \$0.1 million in 2017 based on the following major changes:

- Higher Payroll, Overtime and associated Other Fringe Benefits of \$6.7 million in 2015, \$7.1 million in 2016 and \$7.3 million in 2017 primarily for the previously discussed expectation of union contract settlements in 2014.
- Net increases to Health and Welfare/OPEB Current Payment of \$2.3 million in 2015, \$0.8 million in 2016 and \$0.5 million in 2017 stemming from GASB Reserve adjustments which have greater favorable impacts on adjusted baseline income (see Total Deductions from Income).
- Lower Pension expenses of \$5.4 million in 2015, \$6.8 million in 2016, and \$7.7 million in 2017 based on the most recent projections provided by the NYC Office of the Actuary.

#### **Non-Labor**

Non-Labor expenses decline by \$2.0 million in 2015, \$3.9 million in 2016 and \$5.4 million in 2017 based on the following major changes:

- The expense plan for Insurance has been revised downward by \$2.5 million in 2015, \$4.3 million in 2016, and \$6.5 million in 2017.



- Energy re-estimates bring down projected costs by \$1.1 million in both 2015 and 2016, and by \$0.6 million in 2017.
- Net total increases across all the other expense categories range between \$1.5 million and \$1.7 million each year and are primarily driven by the following factors:
  - Higher bond issuance costs averaging \$3.0 million per year due to an expected continuation of increased financing activities.
  - Lower credit/debit card fees of approximately \$1.0 million annually based on current expense trends.
  - Lower E-ZPass tag expenses of approximately \$0.6 million per year based on the most recent projected inventory and replacement identification data available.

### **Total Deductions from Income**

Total deductions are lower by \$2.4 million in 2015, \$14.7 million in 2016 and \$21.3 million in 2017, reflecting the following changes:

- Reduced contributions to the GASB Reserve for future retiree health benefit costs of \$3.4 million in 2015, \$3.6 million in 2016, and \$3.8 million in 2017.
- B&T Debt Service is higher by over \$0.9 million in 2015, and is lower by nearly \$11.2 million in 2016 and \$17.6 million in 2017.

### **Reimbursable**

There are no changes from the February Financial Plan in reimbursable income and expenses for 2014 through 2017.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

	2014	2015	2016	2017
<b>2014 February Financial Plan - Adjusted Baseline Income</b>	<b>\$1,148.291</b>	<b>\$1,133.402</b>	<b>\$1,124.500</b>	<b>\$1,111.071</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Vehicle Toll Revenue	\$1.728	\$2.159	\$2.805	\$4.515
Other Operating Revenue	5.603	0.937	0.943	0.763
Investment Income	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$7.331</b>	<b>\$3.096</b>	<b>\$3.748</b>	<b>\$5.278</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	(\$5.701)	(\$5.023)	(\$5.306)	(\$5.500)
Overtime	(1.658)	(1.185)	(1.245)	(1.281)
Health and Welfare	(0.337)	(2.161)	(1.248)	(1.063)
OPEB Current Payment	0.066	(0.124)	0.410	0.572
Pensions	3.397	5.419	6.765	7.738
Other Fringe Benefits	(0.539)	(0.480)	(0.506)	(0.523)
Reimbursable Overhead	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$4.773)</b>	<b>(\$3.554)</b>	<b>(\$1.130)</b>	<b>(\$0.057)</b>
<i>Non-Labor:</i>				
Electric Power	\$0.210	\$1.160	\$1.214	\$0.485
Fuel	0.000	(0.066)	(0.076)	0.077
Insurance	0.172	2.528	4.289	6.541
Claims	(0.135)	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.354	2.815	2.406	(0.109)
Professional Service Contracts	(7.251)	(5.309)	(4.852)	(2.497)
Materials & Supplies	(0.303)	0.040	0.111	0.111
Other Business Expenses	(0.271)	0.824	0.841	0.839
<b>Total Non-Labor Expense Changes</b>	<b>(\$7.224)</b>	<b>\$1.994</b>	<b>\$3.933</b>	<b>\$5.447</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>(\$11.997)</b>	<b>(\$1.560)</b>	<b>\$2.803</b>	<b>\$5.390</b>
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	13.539	14.215	14.926	15.673
Environmental Remediation	0.000	0.000	0.000	0.000
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$1.542</b>	<b>\$12.656</b>	<b>\$17.729</b>	<b>\$21.062</b>
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	13.539	14.215	14.926	15.673
<b>Total Expense Changes</b>	<b>(\$11.997)</b>	<b>(\$1.560)</b>	<b>\$2.803</b>	<b>\$5.390</b>
<b>Total Baseline Changes</b>	<b>(\$4.666)</b>	<b>\$1.536</b>	<b>\$6.551</b>	<b>\$10.668</b>
<b>Deductions from Income</b>				
Capitalized Assets	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	1.624	3.357	3.551	3.757
<b>Total Deductions from Income</b>	<b>\$1.624</b>	<b>\$3.357</b>	<b>\$3.551</b>	<b>\$3.757</b>
<b>Total Adjusted Baseline Changes</b>	<b>(\$3.042)</b>	<b>\$4.893</b>	<b>\$10.102</b>	<b>\$14.425</b>
<b>2014 July Financial Plan - Surplus/(Deficit)</b>	<b>\$1,145.249</b>	<b>\$1,138.295</b>	<b>\$1,134.602</b>	<b>\$1,125.496</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2014	2015	2016	2017
<b>2014 February Financial Plan - Adjusted Baseline Income</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Non-Labor:</b>				
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
<b>Total Non-Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
<b>Total Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Adjustment Changes</b>				
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Deductions from Income</b>				
Capitalized Assets	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.000	0.000	0.000
<b>Total Deductions from Income</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Adjusted Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2014 July Financial Plan - Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>2014 February Financial Plan - Adjusted Baseline Income</b>	<b>\$1,148.291</b>	<b>\$1,133.402</b>	<b>\$1,124.500</b>	<b>\$1,111.071</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Vehicle Toll Revenue	\$1.728	\$2.159	\$2.805	\$4.515
Other Operating Revenue	5.603	0.937	0.943	0.763
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$7.331</b>	<b>\$3.096</b>	<b>\$3.748</b>	<b>\$5.278</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	(\$5.701)	(\$5.023)	(\$5.306)	(\$5.500)
Overtime	(1.658)	(1.185)	(1.245)	(1.281)
Health and Welfare	(0.337)	(2.161)	(1.248)	(1.063)
OPEB Current Payment	0.066	(0.124)	0.410	0.572
Pensions	3.397	5.419	6.765	7.738
Other Fringe Benefits	(0.539)	(0.480)	(0.506)	(0.523)
Reimbursable Overhead	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$4.773)</b>	<b>(\$3.554)</b>	<b>(\$1.130)</b>	<b>(\$0.057)</b>
<i>Non-Labor:</i>				
Electric Power	\$0.210	\$1.160	\$1.214	\$0.485
Fuel	0.000	(0.066)	(0.076)	0.077
Insurance	0.172	2.528	4.289	6.541
Claims	(0.135)	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.354	2.815	2.406	(0.109)
Professional Service Contracts	(7.251)	(5.309)	(4.852)	(2.497)
Materials & Supplies	(0.303)	0.040	0.111	0.111
Other Business Expenses	(0.271)	0.824	0.841	0.839
<b>Total Non-Labor Expense Changes</b>	<b>(\$7.224)</b>	<b>\$1.994</b>	<b>\$3.933</b>	<b>\$5.447</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>(\$11.997)</b>	<b>(\$1.560)</b>	<b>\$2.803</b>	<b>\$5.390</b>
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	13.539	14.215	14.926	15.673
Environmental Remediation	0.000	0.000	0.000	0.000
<b>Total Expenses after Depreciation and GASB Adjs.</b>	<b>\$1.542</b>	<b>\$12.656</b>	<b>\$17.729</b>	<b>\$21.062</b>
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	13.539	14.215	14.926	15.673
<b>Total Expense Changes</b>	<b>(\$11.997)</b>	<b>(\$1.560)</b>	<b>\$2.803</b>	<b>\$5.390</b>
<b>Total Baseline Changes</b>	<b>(\$4.666)</b>	<b>\$1.536</b>	<b>\$6.551</b>	<b>\$10.668</b>
<b>Deductions from Income</b>				
Capitalized Assets	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	1.624	3.357	3.551	3.757
<b>Total Deductions from Income</b>	<b>\$1.624</b>	<b>\$3.357</b>	<b>\$3.551</b>	<b>\$3.757</b>
<b>Total Adjusted Baseline Changes</b>	<b>(\$3.042)</b>	<b>\$4.893</b>	<b>\$10.102</b>	<b>\$14.425</b>
<b>2014 July Financial Plan - Surplus/(Deficit)</b>	<b>\$1,145.249</b>	<b>\$1,138.295</b>	<b>\$1,134.602</b>	<b>\$1,125.496</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Adjusted Baseline Income</b>	<b>\$1,148.291</b>	<b>\$1,133.402</b>	<b>\$1,124.500</b>	<b>\$1,111.071</b>
<b><i>Non-Reimbursable Major Changes</i></b>				
<b>Revenue</b>				
Increased toll revenue based on recent traffic trends	\$1.728	\$2.159	\$2.805	\$4.515
Favorable re-estimates of several Other Operating Income sources	0.922	0.937	0.942	0.763
Expected Tropical Storm Irene Recovery	2.166	0.000	0.000	0.000
Expected Superstorm Sandy Recovery	2.515	0.000	0.000	0.000
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$7.331</b>	<b>\$3.096</b>	<b>\$3.747</b>	<b>\$5.278</b>
<b>Expenses</b>				
Pension Re-Forecast from NYC Office of the Actuary	\$3.397	\$5.419	\$6.765	\$7.738
Insurance re-estimates	0.172	2.529	4.289	6.541
Reduced Credit/Debit Card Fees based on actual trends	1.000	1.000	1.000	1.000
Energy re-estimates	0.210	1.198	1.259	0.653
Lower E-ZPass Tag Expenses based on most recent inventory data	0.000	0.600	0.600	0.600
Vacancies	1.380	0.000	0.000	0.000
Sandy-related Expenses	(4.870)	0.000	0.000	0.000
Health & Welfare/OPEB re-estimates	(0.411)	(2.241)	(0.792)	(0.444)
Retroactive Union Contract Settlements	(3.374)	0.000	0.000	0.000
Revised Plan for Union Contract Settlements	(5.666)	(6.488)	(6.855)	(7.098)
GASB Fund Adjustments	1.624	3.357	3.551	3.757
Higher bond issuance fees due to increased financing activities	(1.906)	(2.610)	(2.740)	(2.846)
Higher anticipated write-off of outstanding E-ZPass account balances	(1.000)	0.000	0.000	0.000
Net miscellaneous re-estimates across a variety of facility maintenance areas	(0.533)	(0.365)	(0.365)	(0.366)
New NYS Workers' Comp Board-Unified Employer Assessment fees	(0.269)	(0.269)	(0.269)	(0.269)
Additional staffing for All Electronic Tolling program and Minority and Women-Owned Business Enterprise program	(0.128)	(0.264)	(0.270)	(0.276)
Inflation	0.000	(0.069)	0.182	0.157
<b>Sub-Total Non-Reimbursable Expense Changes</b>	<b>(\$10.373)</b>	<b>\$1.797</b>	<b>\$6.355</b>	<b>\$9.147</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>(\$3.042)</b>	<b>\$4.893</b>	<b>\$10.102</b>	<b>\$14.425</b>
<b><i>Reimbursable Major Changes</i></b>				
<b>Revenue</b>				
None	0.000	0.000	0.000	0.000
<b>Sub-Total Reimbursable Revenue Changes</b>				
<b>Expenses</b>				
None	0.000	0.000	0.000	0.000
<b>Sub-Total Reimbursable Expense Changes</b>				
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>(\$3.042)</b>	<b>\$4.893</b>	<b>\$10.102</b>	<b>\$14.425</b>
<b>Cash Adjustment Changes</b>				
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>(\$3.042)</b>	<b>\$4.893</b>	<b>\$10.102</b>	<b>\$14.425</b>
<b>July Financial Plan - Surplus/(Deficit)</b>	<b>\$1,145.249</b>	<b>\$1,138.295</b>	<b>\$1,134.602</b>	<b>\$1,125.496</b>

**MTA BRIDGES AND TUNNELS**  
**2015 Preliminary Budget**  
**July Financial Plan 2015–2018**  
**Traffic/Utilization**

**Year-to-Year**

Paid traffic is forecast at 281.9 million vehicles in 2014 and increases by 1.4 million vehicles in 2015 based primarily on projected regional employment growth of 1.4%. The traffic forecast developed in years 2016 - 2018 for the July Financial Plan incorporates the most recent economic projections, which include regional employment growth of 1.4% in 2016, 1.1% in 2017 and 0.5% in 2018. In addition, an upward adjustment has been made for the extra day in the 2016 leap-year. Paid traffic is forecast at 285.3 million vehicles in 2016, 286.6 million in 2017, and 288.4 million in 2018.

**Plan-to-Plan**

Paid traffic volume is projected to reach 281.9 million vehicles in 2014, which is 0.3 million vehicles above the February Financial Plan. Although harsh weather in January and February pushed traffic below original projections by 1.5 million vehicles, trends have been favorable against Adopted Budget levels since March, and the forecast for the remainder of 2014 incorporates this more favorable trend, offsetting the losses from earlier in the year.

The July Plan forecast also incorporates the assumptions for regional employment growth cited above, which are higher than those used for the February Financial Plan by around 0.2% points each year. Forecast traffic levels in the July Plan are greater than the February Plan by 0.4 million vehicles in 2015, 0.5 million in 2016, and 0.8 million in 2017.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Traffic Volume (Utilization)**

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<u><b>Traffic Volume</b></u>	284.528	281.879	283.245	285.262	286.626	288.419
<u><b>Toll Revenue</b></u>	\$ 1,645.193	\$ 1,651.216	\$ 1,655.058	\$ 1,664.664	\$ 1,670.445	\$ 1,678.406

**MTA BRIDGES AND TUNNELS**  
**2015 Preliminary Budget**  
**July Financial Plan 2015–2018**  
**Positions**

**Position Assumptions**

**Year-to-Year**

Total year-end headcount is budgeted at 1,751 positions for each year of the July Financial Plan, which includes 88 reimbursable positions.

**Plan-to-Plan**

For 2014 through 2018, total July Plan year-end headcount is 1,751, which is 5 positions above the February Financial Plan level of 1,746 (both plans include reimbursable headcount of 88 full-time equivalents). The additional headcount includes 2 newly funded positions. A new procurement position is required to cover additional duties associated with the expanding MTA-wide Minority and Women-Owned Business Enterprise (M/WOBE) program. A new legal position is necessary to handle wide-ranging toll matters, projects and initiatives, Authority-wide and with other tolling agencies such as the E-ZPass Inter-Agency Group, including All-Electronic Tolling (AET), Open Road Tolling (ORT), environmental and procurement issues, supervision of collection counsel, violation enforcement legislation, adjudication of toll violations, toll increases and national interoperability. In addition, the AET program began as a pilot in 2011 and 3 AET-dedicated positions have been funded since then, but given the pilot program context, these positions haven't been included in budgeted headcount. Since the program has become more formalized subsequent to Board approval last May, it's appropriate to include these positions in budgeted headcount at this time.



<b>MTA BRIDGES &amp; TUNNELS</b> <b>July Financial Plan 2015-2018</b> Favorable/(Unfavorable)				
<b>Total Position Changes at a Glance</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2014 February Plan - Total Baseline Positions</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>
Total Plan-to-Plan Changes	(5)	(5)	(5)	(5)
<b>2014 July Plan - Total Baseline Positions</b>	<b>1,751</b>	<b>1,751</b>	<b>1,751</b>	<b>1,751</b>
Total Year-to-Year Changes, July Plan		0	0	0
<b>Total Plan-to-Plan Changes by Reporting Category:</b>				
<i>Non-Reimbursable</i>	(5)	(5)	(5)	(5)
<i>Reimbursable</i>	0	0	0	0
<b>Total</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<i>Full-Time</i>	(5)	(5)	(5)	(5)
<i>Full-Time Equivalents</i>	0	0	0	0
<b>Total</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<i>By Function Category</i>				
- Administration	(8)	(8)	(8)	(8)
- Operations	2	2	2	2
- Maintenance	(2)	(2)	(2)	(2)
- Engineering/Capital	3	3	3	3
- Public Safety	0	0	0	0
<b>Total</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<i>By Occupational Group</i>				
- Managers/Supervisors	(185)	(185)	(185)	(185)
- Professional, Technical, Clerical	(3)	(3)	(3)	(3)
- Operational Hourlies	183	183	183	183
<b>Total</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<b>Total Plan-to-Plan Changes by Major Category:</b>				
2014 BRPs	0	0	0	0
New Needs	0	0	0	0
Change in Reimbursable Positions	(5)	(5)	(5)	(5)
Re-estimates & All Other <sup>1</sup>	0	0	0	0
<b>Total</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>

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

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Administration</b>						
Executive	2	2	2	2	2	2
Law <sup>(1)</sup>	19	23	23	23	23	23
CFO <sup>(2)</sup>	20	29	29	29	29	29
Labor Relations	5	5	5	5	5	5
Staff Services <sup>(3)</sup>	8	32	32	32	32	32
EEO	1	1	1	1	1	1
<b>Total Administration</b>	<b>55</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>
<b>Operations</b>						
Revenue Management	39	41	41	41	41	41
Operations (Non-Security)	609	726	726	726	726	726
<b>Total Operations</b>	<b>648</b>	<b>767</b>	<b>767</b>	<b>767</b>	<b>767</b>	<b>767</b>
<b>Maintenance</b>						
Maintenance	167	170	170	170	170	170
Operations - Maintainers	162	173	173	173	173	173
Technology	50	54	54	54	54	54
Internal Security - Tech Svcs	10	8	8	8	8	8
<b>Total Maintenance</b>	<b>389</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>405</b>
<b>Engineering/Capital</b>						
Engineering & Construction	160	169	169	169	169	169
Health & Safety	6	10	10	10	10	10
Law <sup>(1)</sup>	14	16	16	16	16	16
Planning & Budget Capital	14	23	23	23	23	23
<b>Total Engineering/Capital</b>	<b>194</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>
<b>Public Safety</b>						
Operations (Security)	232	232	232	232	232	232
Internal Security - Operations	36	37	37	37	37	37
<b>Total Public Safety</b>	<b>268</b>	<b>269</b>	<b>269</b>	<b>269</b>	<b>269</b>	<b>269</b>
<b>Total Baseline Positions</b>	<b>1,554</b>	<b>1,751</b>	<b>1,751</b>	<b>1,751</b>	<b>1,751</b>	<b>1,751</b>
<i>Non-Reimbursable</i>	1,466	1,663	1,663	1,663	1,663	1,663
<i>Reimbursable</i>	88	88	88	88	88	88
<i>Total Full-Time</i>	1,554	1,751	1,751	1,751	1,751	1,751
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0

(1) Includes Legal and Procurement staff.

(2) Includes Controller and Operating Budget staff

(3) Includes Human Resources and Administration staff.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>						
Managers/Supervisors	17	27	27	27	27	27
Professional, Technical, Clerical	38	65	65	65	65	65
Operational Hourlies	-	-	-	-	-	-
<b>Total Administration</b>	<b>55</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>
<b>Operations</b>						
Managers/Supervisors	56	200	200	200	200	200
Professional, Technical, Clerical	56	38	38	38	38	38
Operational Hourlies <sup>(1)</sup>	536	529	529	529	529	529
<b>Total Operations</b>	<b>648</b>	<b>767</b>	<b>767</b>	<b>767</b>	<b>767</b>	<b>767</b>
<b>Maintenance</b>						
Managers/Supervisors	31	35	35	35	35	35
Professional, Technical, Clerical	48	49	49	49	49	49
Operational Hourlies <sup>(2)</sup>	310	321	321	321	321	321
<b>Total Maintenance</b>	<b>389</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>405</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	40	46	46	46	46	46
Professional, Technical, Clerical	154	172	172	172	172	172
Operational Hourlies	-	-	-	-	-	-
<b>Total Engineering/Capital</b>	<b>194</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>
<b>Public Safety</b>						
Managers/Supervisors	6	43	43	43	43	43
Professional, Technical, Clerical	28	28	28	28	28	28
Operational Hourlies <sup>(3)</sup>	234	198	198	198	198	198
<b>Total Public Safety</b>	<b>268</b>	<b>269</b>	<b>269</b>	<b>269</b>	<b>269</b>	<b>269</b>
<b>Total Positions</b>						
Managers/Supervisors	150	351	351	351	351	351
Professional, Technical, Clerical	324	352	352	352	352	352
Operational Hourlies	1,080	1,048	1,048	1,048	1,048	1,048
<b>Total Positions</b>	<b>1,554</b>	<b>1,751</b>	<b>1,751</b>	<b>1,751</b>	<b>1,751</b>	<b>1,751</b>

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

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

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

# **Capital Construction Company**

**MTA CAPITAL CONSTRUCTION COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**

**Overview**

MTACC's core staff directly manages the design and construction of over \$ 17 billion in capital projects, utilizing dedicated resources to efficiently address the challenges related to the planning, design, construction, regulatory framework, and community participation requirements of large complex capital projects. Labor costs for administrative staff that support system expansion projects, as well as non-project specific costs are charged to the Administration component of the capital budget. Select administrative functions that are highly technical in nature and performed mainly by engineers as well as project-specific costs are funded directly from specific "mega" capital projects.

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

- Second Avenue Subway – 22 positions
- East Side Access – 20 positions
- 7 Line Extension – 13 positions
- Fulton Center – 17 positions
- Security Program -10 positions

Annual staffing levels remain constant from the February Plan at 140 total positions and are comprised of 58 administrative positions and 82 "direct" project positions. Of the 58 positions, 40 are engineering/capital MTACC technical employees who will be directly charged to the mega projects, based on work assignments.

Since its creation, MTACC has developed and implemented strategies to recruit staff with the experience and technical skills required for MTA's complex construction projects on an as needed basis only. Matrixed employees (employees from other Agencies and under temporary management by MTACC are not included in MTACC's headcount—only their labor costs) and consultants support MTACC in lieu of hiring full-time staff. These expenses will be funded directly from specific capital program projects, including independent engineering and legal expenses that approximate \$14 million.

**2014 Mid-Year Forecast**

MTACC's 2014 Mid-Year Forecast is projected to be \$35.6 million reflecting a \$0.3 million increase from the 2014 Adopted Budget. Labor Costs are projected at \$25.4 million, a decrease of 8.2%, with a staffing level of 140 by year-end.

Non-Labor costs are projected at \$10.1 million, an increase of 34.7% from 2014 Adopted Budget. Non-Labor costs are projected to increase primarily due to the payment of 2013 and 2014 MTACC's occupancy expenses at 2 Broadway, in 2014. Funds have been budgeted for risk management software, new budget system implementation, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, specialized consultants, and other office costs including computer equipment upgrades and supplies.

### **2015 Preliminary Budget – Baseline**

MTACC projects 2015 expenses to be \$36.3 million, an increase of 1.3% (\$0.5 million) from the February Plan, 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 \$27.7 million, a decrease of 2.4% (\$0.7 million) from the February Plan. Labor costs decrease due to lower fringe and escalation rates.

Non-Labor costs are projected at \$8.6 million, a 15.3% increase from the February Plan. This increase of \$1.1 million is primarily due to MTACC's contribution to the Small Business Mentoring Program (SBMP), budget system expense estimates and a multi-agency fuel card contract for non-revenue cars. All other forecasted expenses included within the July Plan are on par with the February Plan. Additional projections include the reimbursement of NYCT for administrative support staff and services, temporary expert services (such as indefinite quantity consultants and firms to support project controls, change order and claims management), legal and engineering services, workforce development through employee training, and other office costs such as communications and computer equipment. MTA Audit quarterly chargebacks and All Agency Protective Liability insurance also remain in the July Plan. Independent engineering and legal expenses of approximately \$4 million will be funded through the Administrative 2010-2014 Capital Program.

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

### **2016 - 2018 Projections**

MTACC expenses are projected to increase by 0.5%, 0.4% and 2.2%, respectively, in 2016, 2017 and 2018, in comparison with the February Financial Plan. Non-labor expenses increase from 2016 by 13.5% and continue to increase by 12.8% in 2017 and 28.2% in 2018, due to Small Businesses Mentoring Program (SBMP) and offset by a decrease in computer equipment, materials and supplies. Professional services

expenses are anticipated to increase from the February Plan by \$1.0 million in 2016 due to the SBMP. In 2017, professional services expenses will remain steady at \$4.4 million and in 2018 will drop to \$3.1 million, as a result of a decrease in engineering consulting services and the allocation of audit expenses directly charged back to mega projects from Administration. Year-end staffing levels of 140 employees remain constant through 2018.

In comparison to the February Financial Plan, July Plan expenses increase by \$0.2 million in 2016 and 2017 and \$0.8 million in 2018. Labor expenses drop through 2018 by approximately \$0.8 million (2.6%), annually, due to revised payroll projections, benefits and escalation rates. Non-Labor expenses increase by approximately \$1.0 million in 2016, \$0.9 million in 2017 and \$1.6 million in 2018, due to SBMP expenses.

The administrative contribution will be approximately 33% through 2018 (average of \$12.0 million). The remainder of the expenses will be reimbursed by each of the mega projects.

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	26.239	35.557	36.271	36.383	37.278	36.941
<b>Total Revenue</b>	<b>\$26.239</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>\$36.383</b>	<b>\$37.278</b>	<b>\$36.941</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$13.613	\$14.534	\$15.889	\$16.188	\$16.486	\$16.781
Overtime						
Health and Welfare	1.882	2.431	2.718	2.819	2.972	3.134
OPEB Current Payment						
Pensions	2.577	3.023	3.334	3.472	3.608	3.748
Other Fringe Benefits	4.018	5.428	5.735	5.866	6.001	6.133
Reimbursable Overhead						
<b>Total Labor Expenses</b>	<b>\$22.090</b>	<b>\$25.416</b>	<b>\$27.676</b>	<b>\$28.344</b>	<b>\$29.066</b>	<b>\$29.796</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel						
Insurance	0.255	0.286	0.343	0.411	0.493	0.592
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts	3.407	4.276	5.049	4.417	4.400	3.108
Materials & Supplies	0.016	0.028	0.020	0.020	0.015	0.020
Other Business Expenses	0.472	5.551	3.182	3.191	3.304	3.425
<b>Total Non-Labor Expenses</b>	<b>\$4.149</b>	<b>\$10.141</b>	<b>\$8.594</b>	<b>\$8.039</b>	<b>\$8.212</b>	<b>\$7.145</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$26.239</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>\$36.383</b>	<b>\$37.278</b>	<b>\$36.941</b>
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Expenses</b>	<b>\$26.239</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>\$36.383</b>	<b>\$37.278</b>	<b>\$36.941</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>



**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015-2018**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b><u>Actual</u></b>	<b><u>Mid-Year Forecast</u></b>	<b><u>Preliminary Budget</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	26.239	35.557	36.271	36.383	37.278	36.941
<b>Total Receipts</b>	<b>\$26.239</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>\$36.383</b>	<b>\$37.278</b>	<b>\$36.941</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$13.613	\$14.534	\$15.889	\$16.188	\$16.486	\$16.781
Overtime						
Health and Welfare	1.882	2.431	2.718	2.819	2.972	3.134
OPEB Current Payment						
Pensions	2.577	3.023	3.334	3.472	3.608	3.748
Other Fringe Benefits	4.018	5.428	5.735	5.866	6.001	6.133
Reimbursable Overhead						
<b>Total Labor Expenditures</b>	<b>\$22.090</b>	<b>\$25.416</b>	<b>\$27.676</b>	<b>\$28.344</b>	<b>\$29.066</b>	<b>\$29.796</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel						
Insurance	0.255	0.286	0.343	0.411	0.493	0.592
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts	3.407	4.276	5.049	4.417	4.400	3.108
Materials & Supplies	0.016	0.028	0.020	0.020	0.015	0.020
Other Business Expenses	0.472	5.551	3.182	3.191	3.304	3.425
<b>Total Non-Labor Expenditures</b>	<b>\$4.149</b>	<b>\$10.141</b>	<b>\$8.594</b>	<b>\$8.039</b>	<b>\$8.212</b>	<b>\$7.145</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other - Restricted Cash Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$26.239</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>\$36.383</b>	<b>\$37.278</b>	<b>\$36.941</b>
<b>Baseline Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015-2018**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b><u>Actual</u></b>	<b><u>Mid-Year Forecast</u></b>	<b><u>Preliminary Budget</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime						
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment						
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead						
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel						
Insurance	-	-	-	-	-	-
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
<b>Total Non-Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditures Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Depreciation Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA CAPITAL CONSTRUCTION COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Baseline**

**Revenue**

**Capital and Other Reimbursements:**

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

**Expenses**

**Payroll:**

- 2015 payroll costs reflect a full year of staffing levels of 140.
- Payroll expenditures will increase by 1.89%, 1.85% and 1.80% from 2016 to 2018. Annual staffing levels will continue to remain at 140 throughout the plan.

**Other Fringe Benefits:**

- In 2015, Health and Welfare, Pension and Other Fringe Benefits costs will increase by 11.8%, 10.3% and 5.7% respectively, due to the different agency billing rates for MTACC employees residing on various payrolls.
- Overall benefit expenditures will increase in 2016 by 3.1%. From 2017 to 2018, expenses will increase by 3.5%, per year, as a result of projected escalation rates from multi-agency payrolls.

#### Insurance:

- Insurance costs are expected to increase approximately by 20%, annually, from 2015 to 2018.

#### Professional Service Contracts:

- 2015 costs will increase by 18.1% due to the funding for the Small Businesses Mentoring Program, as directed by MTAHQ.
- As MTACC mega projects approach the completion stage, fewer IQ consultants and engineering support expenses will be incurred. Professional Services will decrease by 12.5%, 0.4% and 29.4% from 2016 to 2018, respectively, due to a decrease in budget system implementation and consulting costs and MTA Audit chargebacks.

#### Materials and Supplies:

- 2015 through 2018 expenses reflect the timing of capital project needs for field safety equipment and supplies for agency staff.

#### Other Business Expenses:

- 2015 expenditures will decrease by \$2.4 million, 42.7%, primarily due to a single year payment of the 2015 occupancy expenses at 2 Broadway.
- Expenditures remain relatively constant from 2016 through 2018 due to the timing of agency-wide initiatives and the life-cycle of office equipment.

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue									
Other Operating Revenue									
Capital and Other Reimbursements	35.557	36.271	0.713	36.383	0.112	37.278	0.895	36.941	(0.337)
<b>Total Revenue</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>\$0.713</b>	<b>\$36.383</b>	<b>\$0.112</b>	<b>\$37.278</b>	<b>\$0.895</b>	<b>\$36.941</b>	<b>(\$0.337)</b>
<b>Expenses</b>									
Labor:									
Payroll	\$14.534	\$15.889	(\$1.355)	\$16.188	(\$0.299)	\$16.486	(\$0.298)	\$16.781	(\$0.295)
Overtime									
Health and Welfare	2.431	2.718	(0.286)	2.819	(0.101)	2.972	(0.153)	3.134	(0.162)
OPEB Current Payment									
Pensions	3.023	3.334	(0.311)	3.472	(0.137)	3.608	(0.136)	3.748	(0.140)
Other Fringe Benefits	5.428	5.735	(0.307)	5.866	(0.131)	6.001	(0.135)	6.133	(0.133)
Reimbursable Overhead									
<b>Total Labor Expenses</b>	<b>\$25.416</b>	<b>\$27.676</b>	<b>(\$2.260)</b>	<b>\$28.344</b>	<b>(\$0.668)</b>	<b>\$29.066</b>	<b>(\$0.722)</b>	<b>\$29.796</b>	<b>(\$0.730)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel									
Insurance	0.286	0.343	(0.057)	0.411	(0.068)	0.493	(0.082)	0.592	(0.098)
Claims									
Paratransit Service Contracts									
Maintenance and Other Operating Contracts									
Professional Service Contracts	4.276	5.049	(0.773)	4.417	0.632	4.400	0.017	3.108	1.292
Materials & Supplies	0.028	0.020	0.008	0.020	0.000	0.015	0.004	0.020	(0.005)
Other Business Expenses	5.551	3.182	2.369	3.191	(0.009)	3.304	(0.113)	3.425	(0.122)
<b>Total Non-Labor Expenses</b>	<b>\$10.141</b>	<b>\$8.594</b>	<b>\$1.547</b>	<b>\$8.039</b>	<b>\$0.555</b>	<b>\$8.212</b>	<b>(\$0.173)</b>	<b>\$7.145</b>	<b>\$1.067</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>(\$0.713)</b>	<b>\$36.383</b>	<b>(\$0.112)</b>	<b>\$37.278</b>	<b>(\$0.895)</b>	<b>\$36.941</b>	<b>\$0.337</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>(\$0.713)</b>	<b>\$36.383</b>	<b>(\$0.112)</b>	<b>\$37.278</b>	<b>(\$0.895)</b>	<b>\$36.941</b>	<b>\$0.337</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Receipts</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue									
Other Operating Revenue									
Capital and Other Reimbursements	35.557	36.271	0.713	36.383	0.112	37.278	0.895	36.941	(0.337)
<b>Total Receipts</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>\$0.713</b>	<b>\$36.383</b>	<b>\$0.112</b>	<b>\$37.278</b>	<b>\$0.895</b>	<b>\$36.941</b>	<b>(\$0.337)</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$14.534	\$15.889	(\$1.355)	\$16.188	(\$0.299)	\$16.486	(\$0.298)	\$16.781	(\$0.295)
Overtime									
Health and Welfare	2.431	2.718	(0.286)	2.819	(0.101)	2.972	(0.153)	3.134	(0.162)
OPEB Current Payment									
Pensions	3.023	3.334	(0.311)	3.472	(0.137)	3.608	(0.136)	3.748	(0.140)
Other Fringe Benefits	5.428	5.735	(0.307)	5.866	(0.131)	6.001	(0.135)	6.133	(0.133)
Reimbursable Overhead									
<b>Total Labor Expenditures</b>	<b>\$25.416</b>	<b>\$27.676</b>	<b>(\$2.260)</b>	<b>\$28.344</b>	<b>(\$0.668)</b>	<b>\$29.066</b>	<b>(\$0.722)</b>	<b>\$29.796</b>	<b>(\$0.730)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel									
Insurance	0.286	0.343	(0.057)	0.411	(0.068)	0.493	(0.082)	0.592	(0.098)
Claims									
Paratransit Service Contracts									
Maintenance and Other Operating Contracts									
Professional Service Contracts	4.276	5.049	(0.773)	4.417	0.632	4.400	0.017	3.108	1.292
Materials & Supplies	0.028	0.020	0.008	0.020	0.000	0.015	0.004	0.020	(0.005)
Other Business Expenses	5.551	3.182	2.369	3.191	(0.009)	3.304	(0.113)	3.425	(0.122)
<b>Total Non-Labor Expenditures</b>	<b>\$10.141</b>	<b>\$8.594</b>	<b>\$1.547</b>	<b>\$8.039</b>	<b>\$0.555</b>	<b>\$8.212</b>	<b>(\$0.173)</b>	<b>\$7.145</b>	<b>\$1.067</b>
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$35.557</b>	<b>\$36.271</b>	<b>(\$0.713)</b>	<b>\$36.383</b>	<b>(\$0.112)</b>	<b>\$37.278</b>	<b>(\$0.895)</b>	<b>\$36.941</b>	<b>\$0.337</b>
<b>Baseline Net Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA CAPITAL CONSTRUCTION COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**  
**Summary of Major Plan-to-Plan Changes**

**2014: July Financial Plan vs. February Financial Plan**

The July Financial Plan is \$ 0.3 million (1.0 %) higher than the 2014 Adopted Budget. This increase is due to the 2013 and 2014 rental expenses of MTACC's office space at 2 Broadway paid in 2014 and budget system expense projections related to design, implementation and roll-out. Labor expenses are \$2.3 million lower than the 2014 Adopted Budget, maintaining a staffing level of 140. Non-Labor costs are expected to increase by \$2.6 million. Administrative costs captured within this plan are specialized consultant services, environmental and archeological resources, MTA Audit chargebacks, telecommunications, and IT expenditures such as risk management software and upgrades to existing equipment.

**2015 - 2017: July Financial Plan vs. February Financial Plan**

Expenses for 2015 increase by \$0.5 million from the February Financial Plan, primarily due to anticipated costs associated with the Small Businesses Mentoring Program and budget system expenses captured within Professional Services and Other Business Expenses. Overall, expenses are expected to increase minimally -- by \$0.2 million (approximately 0.4%) in 2016 and 2017. Labor expenses decrease by \$0.7 million in 2015 and continue to decrease by \$0.8 million through 2017. Non-labor expenditures are expected to increase by \$1.1 million in 2015, \$1.0 million in 2016 and \$0.9 million in 2017. The baseline includes re-estimates of engineering, environmental and temporary expert services.

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><i>Baseline Changes</i></b>				
<b>Revenue</b>				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue				
Capital and Other Reimbursement	0.336	0.469	0.180	0.162
<b><i>Total Revenue Changes</i></b>	<b>\$0.336</b>	<b>\$0.469</b>	<b>\$0.180</b>	<b>\$0.162</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	\$0.929	(\$0.139)	(\$0.140)	(\$0.142)
Health and Welfare	0.390	0.253	0.259	0.263
OPEB Current Payment				
Pensions	0.242	0.047	0.030	0.018
Other Fringe Benefits	0.715	0.510	0.625	0.629
Reimbursable Overhead				
<b><i>Total Labor Expense Changes</i></b>	<b>\$2.277</b>	<b>\$0.671</b>	<b>\$0.775</b>	<b>\$0.768</b>
<i>Non-Labor:</i>				
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains				
Insurance	0.000	0.000	0.000	0.000
Claims				
Paratransit Service Contracts				
Professional Service Contracts	(0.207)	(1.120)	(1.038)	(0.990)
Maintenance and Other Operating Contracts				
Materials & Supplies	0.005	0.014	0.015	0.020
Other Business Expenses	(2.412)	(0.035)	0.068	0.040
<b><i>Total Non-Labor Expense Changes</i></b>	<b>(\$2.613)</b>	<b>(\$1.140)</b>	<b>(\$0.955)</b>	<b>(\$0.930)</b>
<b><i>Total Expense Changes</i></b>	<b>(\$0.336)</b>	<b>(\$0.469)</b>	<b>(\$0.180)</b>	<b>(\$0.162)</b>
<i>Other Expense Adjustments/Gap Closing Actions</i>				
Other - Restricted Cash Adjustment				
<b><i>Total Other Expenditure AdjustmentsChanges</i></b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><i>Total Baseline Changes</i></b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>



**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015-2018**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**REIMBURSABLE**

	2014	2015	2016	2017
February Financial Plan - Cash Surplus/(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	\$0.336	\$0.469	\$0.180	\$0.162
Sub-Total Reimbursable Revenue Changes	\$0.336	\$0.469	\$0.180	\$0.162
Expenses	(\$0.336)	(\$0.469)	(\$0.180)	(\$0.162)
Sub-Total Reimbursable Expense Changes	(\$0.336)	(\$0.469)	(\$0.180)	(\$0.162)
<i>Total Reimbursable Major Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
<b>Total Accrual Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Adjustment Changes</b>				
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 - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

**MTA CAPITAL CONSTRUCTION COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**  
**Positions**

**Position Assumptions**

All costs are reimbursable from the MTA Capital Program. The July Financial Plan projects 2014 year end staffing of 140 and remains constant at that level through 2018.

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 the July Plan, the projected year end employee quota will remain the same as the February Plan of 140.

The breakdown of the year-end staffing level of 140 is as follows: 18 MTACC administrative positions and 122 positions implementing East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program. In the February Plan, MTACC anticipated a year end staff of 140 employees.

\*Employees of other agencies under temporary management by MTACC

<b>MTA Capital Construction Company</b> <b>July Financial Plan 2015-2018</b> Favorable/(Unfavorable)				
<b>Total Position Changes at a Glance</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2014 February Plan - Total Baseline Positions</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>
Total Plan-to-Plan Changes	0	0	0	0
<b>2014 July Plan - Total Baseline Positions</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>
Total Year-to-Year Changes, July Plan		0	0	0

<b>Total Plan-to-Plan Changes by Reporting Category:</b>				
<i>Non-Reimbursable</i>	0	0	0	0
<i>Reimbursable</i>	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Full-Time</i>	0	0	0	0
<i>Full-Time Equivalents</i>	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>By Occupational Group</i>				
- Managers/Supervisors	0	0	0	0
- Professional, Technical, Clerical	0	0	0	0
- Operational Hourlies	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Total Plan-to-Plan Changes by Major Category:</b>				
<i>2014 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 &amp; All Other<sup>1</sup></i>	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Administration</b>						
MTACC	16	18	18	18	18	18
<b>Engineering/Capital</b>						
MTACC	37	40	40	40	40	40
East Side Access	18	20	20	20	20	26
Second Avenue Subway	17	22	22	22	22	29
Security Program	9	10	10	10	10	10
Lower Manhattan Projects	17	17	17	17	17	17
7 Line Extension	9	13	13	13	13	0
<b>Total Engineering/Capital</b>	<b>107</b>	<b>122</b>	<b>122</b>	<b>122</b>	<b>122</b>	<b>122</b>
<b>Total Baseline Positions</b>	<b>123</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	123	140	140	140	140	140
<i>Total Full-Time</i>	123	140	140	140	140	140
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

**MTA CAPITAL CONSTRUCTION**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP		2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical	16	18	18	18	18	18
	Operational Hourlies						
	<b>Total Administration</b>	16	18	18	18	18	18
<b>Operations</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Operations</b>	-	-	-	-	-	-
<b>Maintenance</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Maintenance</b>	-	-	-	-	-	-
<b>Engineering/Capital</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical	107	122	122	122	122	122
	Operational Hourlies						
	<b>Total Engineering/Capital</b>	107	122	122	122	122	122
<b>Public Safety</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Public Safety</b>	-	-	-	-	-	-
<b>Total Baseline Positions</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical	123	140	140	140	140	140
	Operational Hourlies						
	<b>Total Baseline Positions</b>	123	140	140	140	140	140

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# **Long Island Rail Road**

# **MTA LONG ISLAND RAIL ROAD**

## **2015 Preliminary Budget**

### **July Financial Plan 2015 - 2018**

#### **FINANCIAL OVERVIEW**

The July Financial Plan 2015 - 2018 maintains the MTA Long Island Rail Road's (LIRR) 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. In addition, the July Financial Plan provides dedicated resources for the LIRR to achieve its most important goal – the provision of safe transportation services to its customers, employees and members of the local community. These investments target several areas including track maintenance, rolling stock and training.

Reflecting the recent settlement with the Transport Workers Union (TWU), this July Plan assumes the same pattern settlement for employees represented by unions without contract agreements. This assumption projects costs that are in excess of the February Plan provision, and a portion of this additional cost will be funded by the suspension of contributions to the GASB account.

#### **Programmatic Investments:**

While the LIRR's safety-first philosophy is longstanding, a series of rail safety incidents in 2013 both locally and nationally, renewed efforts in this area. The Long Island Rail Road's safety program is designed to engage every employee in promoting the value of safety and is a collaborative effort between the corporate Safety Department and all LIRR operating, support, and administrative departments.

The LIRR Safety Department develops and oversees the implementation of a comprehensive Safety Management Plan. Communication of safety as a core agency value starts at the top and is constantly reinforced. The LIRR Safety Management Plan has four essential components: a System Safety Program Plan, Labor Management Partnerships, Rail Incident and Accident Investigations, and Training. Establishing a high level of safety performance positively impacts employee availability, productivity, equipment reliability and customer satisfaction.

The LIRR's System Safety Program Plan is in compliance with Federal Transit Administration (FTA) requirements and will be revised in anticipation of the pending Federal Railroad Administration (FRA) Risk Reduction/System Safety Program Plan rule, scheduled to be in place later this year. The program details specific corporate and department responsibilities and activities. Further, the LIRR voluntarily invites the American Public Transportation Association (APTA) to conduct an audit of our plan every three years. These proposed investments have been excluded from the LIRR's



baseline and are included in Volume I on a consolidated basis as part of an agency-wide MTA safety initiative.

In spite of the strength of its existing program, the LIRR acknowledges that there is always an opportunity for improvement. To this end, the LIRR recently launched or enhanced several safety related initiatives:

- *Chief Safety Officer* - Established a Chief Safety Officer with a direct line of report to the agency president and re-organized Corporate Safety and Training into two separate departments.
- *Quarterly Safety Stand-Downs* – Conducted safety sessions/discussions with staff across the LIRR on the same day to stress the importance of safety and to provide an opportunity for employees to share how they are experiencing safety at the LIRR.
- *Confidential Close Call Reporting System (C3RS)* – A collaborative effort between Management, Labor Organizations and the Federal Railroad Administration, C3RS will provide a mechanism for employees to confidentially report close calls that could have resulted in operating and safety incidents. These close calls are investigated by a peer review team consisting of management, participating labor organization representatives and the FRA with the goal of proactively instituting measures to prevent incidents from occurring.
- *Rail Resource Management Training (RRM)* – This training is designed to instruct management and represented employees on how to work effectively as teams to mitigate human factor accidents. RRM is designed to address two key areas of employee behavior:
  1. The ability of an employee, as member of a crew (team), to effectively use all available resources to achieve safe and efficient operations;
  2. The ability of an employee, as member of a crew (team), to choose appropriate behaviors not only during routine operations but also during times of crisis.

To supplement these existing efforts, the LIRR is proposing to launch several new initiatives as part of the July Financial Plan 2015-2018. These proposals stem from recent studies on track maintenance practices by an outside consultant group, recommendations from the MTA Blue Ribbon Panel on Track Safety, and the FRA's analysis and Deep Dive Report reviews.

Key elements include establishing a dedicated Accident Investigation Unit. This unit would be tasked with conducting investigations of major accidents and incidents in an objective manner, making recommendations for corrective action, ensuring corrective actions are implemented, providing accident/incident review presentations to senior

staff, providing staff development in accident investigation techniques, and leading LIRR's support of major accidents.

The Rail Joint Bar Elimination Initiative would address an estimated 3,000 rail joints that exist in continuous welded rail portions of the LIRR. The goal is to eliminate the backlog of bolted joints requiring welding by 2019. After the existing bolted joints are eliminated, the goal will be to weld newly created bolted joints within 6 months of creation.

The LIRR would install a Wheel Impact Load Detection and Measurement system that would provide axle load, tonnage and defective wheel information to Engineering personnel and alert LIRR personnel in the event of excessive wheel force striking the rail.

Another key safety proposal would provide for the installation of cameras and recording devices on board rolling stock equipment (M7, C3 coaches, diesel locomotives). Cameras would be placed in the passenger compartments and locomotive engineer cab to record events to allow for future analysis and assist in investigations.

### ***Technology Investments***

The LIRR and Metro-North Railroad (MNR) are collaborating on the implementation of mobile ticketing. This initiative would provide customers with a new, convenient, and cost effective way to purchase tickets. Through the mobile ticketing program LIRR and MNR customers would be able to purchase a train ticket by using a smartphone, tablet, or other mobile device, and then display the ticket on screen for inspection by a conductor. Conductors would be able to either visually verify the digital ticket or use a handheld device to scan and validate tickets. This convenient new option would enable railroad customers to purchase a rail ticket anytime/anywhere – avoiding long lines to buy tickets at stations.

Mobile ticketing capability will also be linked to the LIRR smart phone application, which was launched in December 2013. The application, called LIRR Train Time Mobile App, already has been downloaded by more than 108,000 customers - after only five months this level of response is very impressive. The LIRR is currently working on several enhancements.

### ***Efficiency Initiatives***

The LIRR continues to subject all areas of the budget to intensive review, specifically payroll-related operational costs, overtime, inventory and administration. For example, the Maintenance of Equipment Department continues to aggressively manage and adjust its maintenance activities to reflect component performance, while separate task force working groups continue to examine overtime, inventory, and employee availability.

The LIRR considers overtime management to be one of its highest priorities. Under certain conditions, overtime can be an efficient way to ensure sufficient levels of staff are deployed to complete required work, such as to staff activities that are temporary in nature (unscheduled maintenance and emergency response) or to backfill open jobs on an interim basis while new hires are brought in to the workforce. Nevertheless, it is critical for the LIRR to maintain tight control of overtime usage in order to ensure that it is used only when needed and that it is the most cost-effective approach. In 2014, there are several strategic areas of focus to address recent overtime challenges. These include: developing an enhanced tracking system to continue to examine overtime due to extra assignments for train and engine crew and developing tighter controls on the assignment of extra jobs in Customer Service; filling open jobs in all craft positions; developing a zero based budget to be used as a more realistic projection for Engineering maintenance; and exploring opportunities to assign track work in such a way as to minimize overtime.

For 2014, the LIRR has undertaken two new initiatives designed to control costs and protect revenue. A detail review of third party contractual cost compared to budget was initiated. This, coupled with enhanced efforts at cost control is projected to yield \$2.4 million in annual recurring savings.

Transportation Services recently conducted a pilot deploying shuttle-style collector positions. These collector positions were strategically deployed to target trains known to have challenges with fare collection due to high passenger volumes between stations that are geographically close in proximity. Each collector and train assigned was analyzed in terms of the operational and financial impact of the collector position. The analysis explored various factors relevant to fare collection and validation for the specified time period and compared the results of the pilot to the corresponding period of the previous year. The results demonstrated a net positive, revenue gain. In addition, the pilot enabled the MTAPD to make several arrests related to the sale/use of fraudulent tickets. The July Financial Plan includes resources to sustain and build upon this initiative's success.

## **Ridership and Revenue**

Through April 2014 ridership was 1.2% above the 2014 Adopted Budget and 1.3% above 2013 levels (adjusted for the same number of work days). In fact, ridership exceeded the budget each month during 2014 and has been above the prior year in six of the last seven months. The LIRR has posted favorable trends in both commutation and non-commutation ridership. A primary factor affecting ridership is the improving broader regional economy and employment levels. Also, pushing ridership above prior years is continued strong ridership to Brooklyn, where ridership has increased due in large part to the Barclays Center big-draw entertainers and professional sporting events. Looking ahead, the Barclays Center will be home to the professional hockey franchise, the New York Islanders, which is expected to draw large crowds from Long Island with the LIRR as the preferred method of transportation to the games.

Another major change contained in the proposed July Financial Plan is an adjustment to the funding allocation associated with the ramp-up to the delayed East Side Access opening day. The LIRR's financial plan reflects the operating funding required to prepare for and operate new East Side Access service. This includes providing increased train service to the new terminal and maintaining new rolling stock and right-of-way infrastructure elements. The ramp-up plan reflects the need to start hiring and training new personnel and as well as procurement material and support services prior to opening day.

## **2014 Mid-Year Forecast**

The LIRR's 2014 Mid-Year Forecast is comprised of non-reimbursable revenue totaling \$702.2 million and non-reimbursable expenses including depreciation, other post-employment benefits and environmental remediation of \$1,874.9 million that generate an operating deficit of (\$1,172.7) million. The 2014 Mid-Year Forecast reimbursable revenue and expenses each total \$281.0 million.

Total non-reimbursable revenue is \$0.4 million higher than the 2014 Adopted Budget. Farebox Revenue is \$3.5 million higher due to higher overall ridership. Other Operating Revenue is \$3.1 million lower due to the timing of a real estate sale.

Total non-reimbursable expenses (excluding depreciation and Other Post-Employment Benefits (OPEB)) are higher by \$72.2 million primarily as a result of higher wages. This is partially offset by lower Health & Welfare costs due to lower rates and fewer retiree/beneficiaries.

The major cash adjustments from the 2014 Adopted Budget include timing from 2013, the GASB adjustment related to the new wage pattern and Reliability Centered Maintenance and Running Repair savings.

Full-time positions total 7,001 in the 2014 Mid-Year Forecast, with 6,122 non-reimbursable positions and 879 reimbursable positions.

## **2015 Preliminary Budget - Baseline**

The LIRR's Financial Plan is geared toward achieving several key operational goals in 2015, including maintaining on-time performance at 95.1%, and a fleet-wide mean distance between failures (MDBF) of 153,000 miles. The budget plan also reflects a continuing commitment to improve both employee and customer safety and security. Other key assumptions incorporated in the baseline are discussed in a later section, along with the reconciliation to the February Plan.

The 2015 Preliminary Budget revenue total \$972.6 million, of which \$706.8 million is non-reimbursable revenue and \$265.8 million is reimbursable revenue. The total expense budget is \$2,097.8 million, of which \$1,678.9 million is for operating expenses,

and the balance is associated with non-cash items such as depreciation, other post-employment benefits and environmental remediation liability. Non-reimbursable operating expenses total \$1,413.2 million in the 2015 Preliminary Budget, while reimbursable expenses are \$265.8 million.

The cash budget for the 2015 Preliminary Budget incorporates \$968.0 million in cash receipts and \$1,688.0 million in cash disbursements. The baseline cash requirement of \$720.1 million are driven by operating expenses and revenues anticipated in the 2015 Preliminary Budget and other adjustments to cash flow.

On an accrued basis, revenues and expenses are lower in the 2015 Preliminary Budget than the 2014 Mid-Year Forecast. Total revenues for 2015 are \$972.6 million, \$10.6 million lower than in the current 2014 Mid-Year Forecast with non-reimbursable revenues increasing by \$4.6 million and Reimbursable revenues declined by \$15.3 million. Ridership in the 2015 Preliminary Budget increases over the 2014 Mid-Year Forecast by 0.9 million rides, or 1.0%. Total operating expenses before depreciation and OPEB of \$1,678.9 million reflect a decline of \$68.6 million over the 2014 Mid-Year Forecast. Non-reimbursable expenses decrease by \$53.3 million and reimbursable expenses decrease by \$15.3 million. While the resulting total operating baseline deficit including non-cash items such as depreciation, OPEB, and environmental remediation decreases by \$47.5 million to \$1,125.3 million in the 2015 Preliminary Budget, the projected baseline cash deficit (or subsidy requirement) of \$720.1 million in the 2015 Preliminary Budget is lower by \$69.2 million.

Full-time positions total 7,056 in the 2015 Preliminary Budget, with 6,267 non-reimbursable positions and 789 reimbursable positions. Compared to the 2014 Mid-Year Forecast, this reflects a total increase of 55 positions, an increase of 145 non-reimbursable positions and a decrease of 90 reimbursable positions. The major driver of the non-reimbursable headcount change is due to timing of capital program activity resulting in a shift of 123 Engineering positions from reimbursable to non-reimbursable as of December 31. Compared with the February Financial Plan, there was a total position decrease of 131 positions, primarily driven by changes in the East Side Access ramp up schedule.

### **Financial Plan 2016-2018 Projections**

The baseline projections for 2016 through 2018 reflect continuing initiatives launched in 2014. During this period, the LIRR has increased its investments in the Reliability Centered Maintenance program (RCM) as many components start to enter critical maintenance stages. In addition, in 2016 - 2018, the LIRR financial plan reflects revised ramp-up costs for East Side Access readiness efforts.

The baseline projections for 2016-2018 reflect these various impacts. Non-reimbursable revenues grow by less than 1% each year thereafter, while Reimbursable revenues increase by 2.1% in 2016, decrease by 6.3% in 2017 and increase by 0.3% in 2018.

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 1.7% from \$1,413.2 million in 2015 to \$1,437.3 million in 2016. They continue to rise by 5.0% in 2017 and 5.2% in 2018, reaching \$1,588.5 million. The higher rate of growth in the out-years is primarily due to East Side Access readiness efforts. Reimbursable expenses increase by 2.1% in 2016, decrease by 6.3% in 2017 and increase by 0.3% in 2018.

On a year-to-year basis, baseline positions decrease by 33 positions in 2016, and then increase by 102 positions in 2017 and 128 positions in 2018. Non-reimbursable positions increase by 2 positions in 2016, 164 in 2017 and 136 in 2018. These increases are primarily related to East Side Access readiness efforts. For the period 2016 to 2018, reimbursable positions decrease by 35 in 2016, 62 in 2017 and 8 in 2018, reflecting the anticipated level of capital activity and the completion of Superstorm Sandy reconstruction projects and Maintenance of Equipment Positive Train Control efforts.

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

NON-REIMBURSABLE						
	2013	2014	2015			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Operating Revenue</b>						
Farebox Revenue	\$632.089	\$650.880	\$657.318	\$662.215	\$666.098	\$668.368
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	60.624	51.301	49.479	48.753	48.703	49.280
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$692.713</b>	<b>\$702.181</b>	<b>\$706.797</b>	<b>\$710.968</b>	<b>\$714.801</b>	<b>\$717.648</b>
<b>Operating Expenses</b>						
<u><b>Labor:</b></u>						
Payroll	\$429.086	\$504.419	\$478.002	\$486.553	\$510.036	\$538.492
Overtime	92.924	115.712	100.909	98.584	100.801	103.126
Health and Welfare	92.601	96.409	102.880	104.893	113.578	123.476
OPEB Current Payment	81.978	58.563	61.807	63.746	67.206	70.876
Pensions	178.457	174.824	169.962	170.000	172.364	175.023
Other Fringe Benefits	113.174	127.360	122.664	125.400	132.169	139.488
Reimbursable Overhead	(24.184)	(28.836)	(25.278)	(27.640)	(22.342)	(21.877)
<b>Total Labor Expenses</b>	<b>\$964.036</b>	<b>\$1,048.451</b>	<b>\$1,010.946</b>	<b>\$1,021.536</b>	<b>\$1,073.812</b>	<b>\$1,128.604</b>
<u><b>Non-Labor:</b></u>						
Electric Power	\$99.630	\$106.392	\$101.638	\$104.339	\$112.722	\$118.397
Fuel	28.610	29.718	28.129	26.989	27.609	28.356
Insurance	20.038	23.574	26.354	29.347	32.681	36.494
Claims	5.569	3.866	4.229	4.303	4.370	4.370
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	50.891	71.505	65.837	68.258	72.908	75.143
Professional Service Contracts	28.274	38.266	30.625	29.930	30.933	33.119
Materials & Supplies	96.339	130.349	130.150	136.859	138.552	142.053
Other Business Expenses	13.214	14.400	15.281	15.779	16.054	21.937
<b>Total Non-Labor Expenses</b>	<b>\$342.566</b>	<b>\$418.070</b>	<b>\$402.243</b>	<b>\$415.804</b>	<b>\$435.829</b>	<b>\$459.869</b>
<u><b>Other Expenses Adjustments:</b></u>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,306.601</b>	<b>\$1,466.521</b>	<b>\$1,413.189</b>	<b>\$1,437.340</b>	<b>\$1,509.641</b>	<b>\$1,588.473</b>
Depreciation	332.978	333.377	343.332	346.750	350.202	353.689
OPEB Obligation	44.804	71.398	73.540	75.746	75.746	77.261
Environmental Remediation	(13.524)	3.600	2.000	2.000	2.000	2.000
<b>Total Expenses</b>	<b>\$1,670.859</b>	<b>\$1,874.896</b>	<b>\$1,832.061</b>	<b>\$1,861.836</b>	<b>\$1,937.589</b>	<b>\$2,021.423</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$978.146)</b>	<b>(\$1,172.715)</b>	<b>(\$1,125.264)</b>	<b>(\$1,150.868)</b>	<b>(\$1,222.788)</b>	<b>(\$1,303.775)</b>
<u><b>Cash Conversion Adjustments</b></u>						
Depreciation	\$332.978	\$333.377	\$343.332	\$346.750	\$350.202	\$353.689
Operating/Capital	(18.363)	(31.936)	(13.664)	(10.592)	(10.227)	(13.247)
Other Cash Adjustment	44.907	82.027	75.538	73.303	71.333	73.319
<b>Total Cash Conversion Adjustments</b>	<b>\$359.522</b>	<b>\$383.468</b>	<b>\$405.206</b>	<b>\$409.461</b>	<b>\$411.308</b>	<b>\$413.761</b>
<b>Net Cash Surplus/(Deficit)</b>	<b>(\$618.624)</b>	<b>(\$789.247)</b>	<b>(\$720.058)</b>	<b>(\$741.407)</b>	<b>(\$811.480)</b>	<b>(\$890.014)</b>

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

REIMBURSABLE						
	2013 <u>Actual</u>	2014 <u>Mid-Year Forecast</u>	2015 <u>Preliminary Budget</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	226.717	281.008	265.757	271.458	254.351	255.126
<b>Total Revenue</b>	<b>\$226.717</b>	<b>\$281.008</b>	<b>\$265.757</b>	<b>\$271.458</b>	<b>\$254.351</b>	<b>\$255.126</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$66.903	\$87.741	\$95.834	\$97.959	\$93.732	\$93.552
Overtime	18.339	17.930	15.938	17.443	15.348	14.845
Health and Welfare	14.429	16.307	16.894	17.542	16.424	16.224
OPEB Current Payment	-	-	-	-	-	-
Pensions	21.752	24.368	24.701	25.565	24.048	23.842
Other Fringe Benefits	14.516	18.877	20.347	21.126	19.780	19.539
Reimbursable Overhead	24.184	28.836	25.278	27.640	22.342	21.877
<b>Total Labor Expenses</b>	<b>\$160.123</b>	<b>\$194.059</b>	<b>\$198.992</b>	<b>\$207.275</b>	<b>\$191.674</b>	<b>\$189.879</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.240	\$0.581	\$0.746	\$0.494	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	3.511	5.370	5.955	6.235	5.853	5.780
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	15.507	13.614	10.443	10.665	10.471	10.437
Professional Service Contracts	6.628	4.178	4.858	1.916	1.543	1.211
Materials & Supplies	40.135	62.776	44.655	44.761	44.705	47.715
Other Business Expenses	0.572	0.430	0.108	0.112	0.105	0.104
<b>Total Non-Labor Expenses</b>	<b>\$66.594</b>	<b>\$86.949</b>	<b>\$66.765</b>	<b>\$64.183</b>	<b>\$62.677</b>	<b>\$65.247</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$226.717</b>	<b>\$281.008</b>	<b>\$265.757</b>	<b>\$271.458</b>	<b>\$254.351</b>	<b>\$255.126</b>
Depreciation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$226.717</b>	<b>\$281.008</b>	<b>\$265.757</b>	<b>\$271.458</b>	<b>\$254.351</b>	<b>\$255.126</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>



**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE / REIMBURSABLE</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Farebox Revenue	\$632.089	\$650.880	\$657.318	\$662.215	\$666.098	\$668.368
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	60.624	51.301	49.479	48.753	48.703	49.280
Capital and Other Reimbursements	226.717	281.008	265.757	271.458	254.351	255.126
<b>Total Revenue</b>	<b>\$919.430</b>	<b>\$983.189</b>	<b>\$972.554</b>	<b>\$982.426</b>	<b>\$969.152</b>	<b>\$972.774</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$495.989	\$592.160	\$573.836	\$584.512	\$603.768	\$632.044
Overtime	111.263	133.642	116.847	116.027	116.149	117.971
Health and Welfare	107.030	112.716	119.774	122.435	130.002	139.700
OPEB Current Payment	81.978	58.563	61.807	63.746	67.206	70.876
Pensions	200.208	199.192	194.663	195.565	196.412	198.865
Other Fringe Benefits	127.690	146.237	143.011	146.526	151.949	159.027
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$1,124.158</b>	<b>\$1,242.510</b>	<b>\$1,209.938</b>	<b>\$1,228.811</b>	<b>\$1,265.486</b>	<b>\$1,318.483</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$99.871	\$106.973	\$102.384	\$104.833	\$112.722	\$118.397
Fuel	28.610	29.718	28.129	26.989	27.609	28.356
Insurance	23.549	28.944	32.309	35.582	38.534	42.274
Claims	5.569	3.866	4.229	4.303	4.370	4.370
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.398	85.119	76.280	78.923	83.379	85.580
Professional Service Contracts	34.903	42.444	35.483	31.846	32.476	34.330
Materials & Supplies	136.474	193.125	174.805	181.620	183.257	189.768
Other Business Expenses	13.786	14.830	15.389	15.891	16.159	22.041
<b>Total Non-Labor Expenses</b>	<b>\$409.160</b>	<b>\$505.019</b>	<b>\$469.008</b>	<b>\$479.987</b>	<b>\$498.506</b>	<b>\$525.116</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,533.318</b>	<b>\$1,747.529</b>	<b>\$1,678.946</b>	<b>\$1,708.798</b>	<b>\$1,763.992</b>	<b>\$1,843.599</b>
Depreciation	\$332.978	\$333.377	\$343.332	\$346.750	\$350.202	\$353.689
OPEB Obligation	44.804	71.398	73.540	75.746	75.746	77.261
Environmental Remediation	(13.524)	3.600	2.000	2.000	2.000	2.000
<b>Total Expenses</b>	<b>\$1,897.575</b>	<b>\$2,155.904</b>	<b>\$2,097.818</b>	<b>\$2,133.294</b>	<b>\$2,191.940</b>	<b>\$2,276.549</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$978.145)</b>	<b>(\$1,172.715)</b>	<b>(\$1,125.264)</b>	<b>(\$1,150.868)</b>	<b>(\$1,222.788)</b>	<b>(\$1,303.775)</b>
<b><u>Cash Conversion Adjustments</u></b>						
Depreciation	\$332.978	\$333.377	\$343.332	\$346.750	\$350.202	\$353.689
Operating/Capital	(18.363)	(31.936)	(13.664)	(10.592)	(10.227)	(13.247)
Other Cash Adjustment	44.907	82.027	75.538	73.303	71.333	73.319
<b>Total Cash Conversion Adjustments</b>	<b>\$359.522</b>	<b>\$383.468</b>	<b>\$405.206</b>	<b>\$409.461</b>	<b>\$411.308</b>	<b>\$413.761</b>
<b>Net Cash Surplus/(Deficit)</b>	<b>(\$618.623)</b>	<b>(\$789.247)</b>	<b>(\$720.058)</b>	<b>(\$741.407)</b>	<b>(\$811.480)</b>	<b>(\$890.014)</b>

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	\$653.417	\$676.583	\$680.318	\$685.215	\$689.098	\$691.368
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	81.051	48.861	41.919	40.427	40.074	40.389
Capital and Other Reimbursements	183.429	263.472	245.725	254.137	237.292	234.889
<b>Total Receipts</b>	<b>\$917.897</b>	<b>\$988.916</b>	<b>\$967.962</b>	<b>\$979.779</b>	<b>\$966.464</b>	<b>\$966.646</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$487.527	\$602.305	\$571.328	\$581.949	\$601.205	\$629.425
Overtime	109.737	133.642	116.847	116.027	116.149	117.971
Health and Welfare	106.481	113.265	119.774	122.435	130.002	139.700
PEB Current Payment	56.831	58.710	61.807	63.746	67.206	70.876
Pensions	215.052	185.598	194.663	195.565	196.412	198.865
Other Fringe Benefits	117.619	148.699	142.011	145.526	150.949	158.027
GASB Account	12.593	5.827	-	-	-	0.734
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$1,105.839</b>	<b>\$1,248.046</b>	<b>\$1,206.430</b>	<b>\$1,225.248</b>	<b>\$1,261.923</b>	<b>\$1,315.598</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$114.363	\$112.575	\$102.384	\$104.833	\$112.722	\$118.397
Fuel	27.639	30.894	28.129	26.989	27.609	28.356
Insurance	20.973	30.038	31.972	35.161	39.038	41.751
Claims	3.676	2.316	2.625	2.666	2.702	2.702
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	57.712	99.830	76.280	78.923	83.379	85.580
Professional Service Contracts	31.842	43.181	31.976	28.173	28.629	30.301
Materials & Supplies	138.408	173.011	170.482	180.964	183.458	189.609
Other Business Expenses	12.949	15.272	14.742	15.229	15.484	21.366
<b>Total Non-Labor Expenditures</b>	<b>\$407.560</b>	<b>\$507.117</b>	<b>\$458.590</b>	<b>\$472.938</b>	<b>\$493.021</b>	<b>\$518.062</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	23.190	23.000	23.000	23.000	23.000	23.000
<b>Total Other Expenditure Adjustments</b>	<b>\$23.190</b>	<b>\$23.000</b>	<b>\$23.000</b>	<b>\$23.000</b>	<b>\$23.000</b>	<b>\$23.000</b>
<b>Total Expenditures</b>	<b>\$1,536.590</b>	<b>\$1,778.163</b>	<b>\$1,688.020</b>	<b>\$1,721.186</b>	<b>\$1,777.944</b>	<b>\$1,856.660</b>
Cash Timing and Availability Adjustment	0.069	-	-	-	-	-
<b>Baseline Cash Surplus/(Deficit)</b>	<b>(\$618.624)</b>	<b>(\$789.247)</b>	<b>(\$720.058)</b>	<b>(\$741.407)</b>	<b>(\$811.480)</b>	<b>(\$890.014)</b>

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	\$21.328	\$25.703	\$23.000	\$23.000	\$23.000	\$23.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	20.427	(2.440)	(7.560)	(8.326)	(8.629)	(8.891)
Capital and Other Reimbursements	(43.288)	(17.536)	(20.032)	(17.321)	(17.059)	(20.237)
<b>Total Receipts</b>	<b>(\$1.533)</b>	<b>\$5.727</b>	<b>(\$4.592)</b>	<b>(\$2.647)</b>	<b>(\$2.688)</b>	<b>(\$6.128)</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$8.462	(\$10.145)	\$2.508	\$2.563	\$2.563	\$2.619
Overtime	1.526	-	-	-	-	-
Health and Welfare	0.549	(0.549)	-	-	-	-
OPEB Current Payment	25.147	(0.147)	-	-	-	-
Pensions	(14.844)	13.594	-	-	-	-
Other Fringe Benefits	10.071	(2.462)	1.000	1.000	1.000	1.000
GASB Account	(12.593)	(5.827)	-	-	-	(0.734)
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$18.319</b>	<b>(\$5.536)</b>	<b>\$3.508</b>	<b>\$3.563</b>	<b>\$3.563</b>	<b>\$2.885</b>
<b><u>Non-Labor:</u></b>						
Electric Power	(\$14.492)	(\$5.602)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.971	(1.176)	-	-	-	-
Insurance	2.576	(1.094)	0.337	0.421	(0.504)	0.523
Claims	1.893	1.550	1.604	1.637	1.668	1.668
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	8.687	(14.711)	-	-	-	-
Professional Service Contracts	3.062	(0.737)	3.507	3.673	3.847	4.029
Materials & Supplies	(1.934)	20.114	4.323	0.656	(0.201)	0.159
Other Business Expenditures	0.836	(0.442)	0.647	0.662	0.675	0.675
<b>Total Non-Labor Expenditures</b>	<b>\$1.599</b>	<b>(\$2.098)</b>	<b>\$10.418</b>	<b>\$7.049</b>	<b>\$5.485</b>	<b>\$7.054</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	(23.190)	(23.000)	(23.000)	(23.000)	(23.000)	(23.000)
<b>Total Other Expenditures Adjustments</b>	<b>(\$23.190)</b>	<b>(\$23.000)</b>	<b>(\$23.000)</b>	<b>(\$23.000)</b>	<b>(\$23.000)</b>	<b>(\$23.000)</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b>	<b>(\$4.805)</b>	<b>(\$24.907)</b>	<b>(\$13.666)</b>	<b>(\$15.035)</b>	<b>(\$16.640)</b>	<b>(\$19.189)</b>
Depreciation Adjustment	\$332.978	\$333.377	\$343.332	\$346.750	\$350.202	\$353.689
OPEB Obligation	44.804	71.398	73.540	75.746	75.746	77.261
Environmental Remediation	(13.524)	3.600	2.000	2.000	2.000	2.000
Cash Timing and Availability Adjustment	0.069	-	-	-	-	-
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$359.522</b>	<b>\$383.468</b>	<b>\$405.206</b>	<b>\$409.461</b>	<b>\$411.308</b>	<b>\$413.761</b>

**MTA Long Island Rail Road**  
**2014 Mid-Year Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

<b>NON-REIMBURSABLE OVERTIME</b>	<b>Total</b>		
	<b>Hours</b>	<b>\$</b>	<b>%</b>
<u>Scheduled Service</u>	373,539	19.414	16.8%
<u>Unscheduled Service</u>	125,141	7.136	6.2%
<u>Programmatic/Routine Maintenance</u>	570,419	27.347	23.6%
<u>Unscheduled Maintenance</u>	6,220	0.284	0.2%
<u>Vacancy/Absentee Coverage</u>	645,242	32.150	27.8%
<u>Weather Emergencies</u>	238,034	12.731	11.0%
<u>Safety/Security/Law Enforcement</u>			0.0%
<u>Other</u>	31,410	16.650	14.4%
Subtotal	<b>1,990,007</b>	<b>115.712</b>	100.0%
<b>REIMBURSABLE OVERTIME</b>	342,774	17.930	
<b>TOTAL OVERTIME</b>	<b>2,332,781</b>	<b>133.642</b>	

**MTA LONG ISLAND RAIL ROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**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 1.0% in 2015 over 2014 primarily due to the anticipated ridership growth.
- Farebox revenue is increasing by 0.7% in 2016 over 2015 primarily due to anticipated ridership growth.
- Passenger revenue forecasts in the outer years 2017 - 2018 reveal modest annual growth due to increases in projected ridership.

**Other Operating Revenue**

- Other revenues are lower in 2015 from the 2014 Mid-Year Forecast due to Federal Transportation Administration (FTA) reimbursements for Tropical Storms Sandy and Irene and Winter Storm Nemo in 2014, partially offset by one time real estate sales in 2015.
- Other Revenues decline further in 2016 as a result of a one-time real estate sale in 2015.
- Other Operating Revenue is projected to change 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**

Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefits, Other Business Expense and Reimbursable Overhead expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

**Payroll**

- Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted.
- 2014 includes retroactive salary increases for represented employees for the period July 2010 through December 2013. Based on the recent pattern settlement with the

TWU, increases are assumed to be 0.87%, 0.95%, 2.23% and 2.22% respectively (all increases effective July 1 of each year).

- 2015 - 2018 includes CPI-based increases for represented employees of 2.00% upon expiration of the pattern.
- Almost all the headcount increases from 2017 – 2018 are related to East Side Access readiness efforts.

### **Overtime**

- 2014 - 2015 overtime decreased by \$16.8 million or 12.6% is primarily associated with the 2014 anticipated one time retroactive wage payments based on the recently completed TWU agreement, lower weather related overtime in 2015 as well as lower project activity being performed on overtime.
- 2015 - 2018 changes primarily reflect normal wage growth.

### **Health & Welfare**

- 2014 – 2018 reflects an annual NYSHIP rate increase of approximately 1.3% (2014), 4.6% (2015), 1.3% (2016), 3.8% (2017) and 3.8% (2018), for individual coverage and 2.0% (2014), 5.0% (2015), 2.6% (2016), 5.0% (2017) and 5.0% (2018) for family coverage.
- Reflects impact of headcount changes each year, including ramp-up costs for East Side Access beginning in 2016.

### **Pensions**

- Reflects the latest actuarial valuation for each year as well as estimate for impacts of represented wage increases.

### **Other Fringe Benefits**

- Railroad Retirement Tax maximum limits are based on the projected maximum earnings base from the Railroad Retirement Board and annual CPI increases; the tax rate for each tier is expected to remain unchanged.
- Railroad Unemployment costs reflect a slight annual increase in the monthly charge per employee in each year.
- Federal Employers Liability Act (FELA) Indemnity payments increase by CPI.

### **Electric Power**

- 2014 is based on actuals through March and reflects the latest LIRR consumption estimates and inflationary increases.
- 2015 - 2018 reflects the latest LIRR consumption estimates and inflationary increases.

### **Fuel**

- 2014 is based on actuals through March and reflects the latest LIRR consumption estimates and inflationary increases.
- 2015 - 2018 reflects the latest inflationary increases.

### **Insurance**

- 2014 - 2018 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 2015-2018.

### **Claims**

- 2014 reflects actual experience through March and the anticipated settlement and payout of claims for the balance of the year.
- 2015 - 2018 reflects inflationary increases.

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

- 2014 – 2015 decrease due to completion of the Elevator Maintenance major overhaul program, lower equipment rental with the completion of the concrete tie replacement program, lower non-revenue vehicle repairs/replacement and completion of various security initiatives.
- 2015 – 2017 contractual and normal inflationary increases.
- 2018 includes East Side Access readiness efforts.

### **Professional Service Contracts**

- 2014 – 2015 decrease reflects timing of IT system initiatives and timing of various other professional services contracts.
- 2015 – 2016 decreases due to timing of IT system initiatives partially offset by normal inflationary increases.
- 2016 – 2018 increase due to timing of IT system initiatives and normal inflationary increases.
- 2018 includes East Side Access readiness efforts.

### **Material and Supplies**

- The decrease in materials from 2014 – 2015 is primarily due to East Side Access construction material and other capital program activity and Operating Funded Capital projects.
- 2015 – 2016 increase includes change out of M7 Obsolete materials.
- 2016 – 2017 includes normal inflationary increases.
- 2018 includes East Side Access readiness efforts.

### **Other Business Expenses**

- 2014 – 2017 reflects normal inflationary increases.
- 2018 includes M3 decommissioning costs.

**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 2014 - 2018.
- Timing from 2013 included in 2014 and shifts between 2014 and 2015.
- Material drawdown.



**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$650.880	\$657.318	\$6.438	\$662.215	\$4.897	\$666.098	\$3.883	\$668.368	\$2.270
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	51.301	49.479	(1.822)	48.753	(0.726)	48.703	(0.050)	49.280	0.577
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$702.181</b>	<b>\$706.797</b>	<b>\$4.616</b>	<b>\$710.968</b>	<b>\$4.171</b>	<b>\$714.801</b>	<b>\$3.833</b>	<b>\$717.648</b>	<b>\$2.847</b>
<b>Expenses</b>									
Labor:									
Payroll	\$504.419	\$478.002	26.417	\$486.553	(\$8.551)	\$510.036	(\$23.483)	\$538.492	(\$28.456)
Overtime	115.712	100.909	14.803	98.584	2.325	100.801	(2.217)	103.126	(2.325)
Health and Welfare	96.409	102.880	(6.471)	104.893	(2.013)	113.578	(8.685)	123.476	(9.898)
OPEB Current Payment	58.563	61.807	(3.244)	63.746	(1.939)	67.206	(3.460)	70.876	(3.670)
Pensions	174.824	169.962	4.862	170.000	(0.038)	172.364	(2.364)	175.023	(2.659)
Other Fringe Benefits	127.360	122.664	4.696	125.400	(2.736)	132.169	(6.769)	139.488	(7.319)
Reimbursable Overhead	(28.836)	(25.278)	(3.558)	(27.640)	2.362	(22.342)	(5.298)	(21.877)	(0.465)
<b>Total Labor Expenses</b>	<b>\$1,048.451</b>	<b>\$1,010.946</b>	<b>\$37.505</b>	<b>\$1,021.536</b>	<b>(\$10.590)</b>	<b>\$1,073.812</b>	<b>(\$52.276)</b>	<b>\$1,128.604</b>	<b>(\$54.792)</b>
Non-Labor:									
Electric Power	\$106.392	\$101.638	\$4.754	\$104.339	(\$2.701)	\$112.722	(\$8.383)	\$118.397	(\$5.675)
Fuel	29.718	28.129	1.589	26.989	1.140	27.609	(0.620)	28.356	(0.747)
Insurance	23.574	26.354	(2.780)	29.347	(2.993)	32.681	(3.334)	36.494	(3.813)
Claims	3.866	4.229	(0.363)	4.303	(0.074)	4.370	(0.067)	4.370	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	71.505	65.837	5.668	68.258	(2.421)	72.908	(4.650)	75.143	(2.235)
Professional Service Contracts	38.266	30.625	7.641	29.930	0.695	30.933	(1.003)	33.119	(2.186)
Materials & Supplies	130.349	130.150	0.199	136.859	(6.709)	138.552	(1.693)	142.053	(3.501)
Other Business Expenses	14.400	15.281	(0.881)	15.779	(0.498)	16.054	(0.275)	21.937	(5.883)
<b>Total Non-Labor Expenses</b>	<b>\$418.070</b>	<b>\$402.243</b>	<b>\$15.827</b>	<b>\$415.804</b>	<b>(\$13.561)</b>	<b>\$435.829</b>	<b>(\$20.025)</b>	<b>\$459.869</b>	<b>(\$24.040)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adj.</b>	<b>\$1,466.521</b>	<b>\$1,413.189</b>	<b>\$53.332</b>	<b>\$1,437.340</b>	<b>(\$24.151)</b>	<b>\$1,509.641</b>	<b>(\$72.301)</b>	<b>\$1,588.473</b>	<b>(\$78.832)</b>
Depreciation	\$333.377	\$343.332	(\$9.955)	\$346.750	(\$3.418)	\$350.202	(\$3.452)	\$353.689	(\$3.487)
OPEB Obligation	71.398	73.540	(2.142)	75.746	(2.206)	75.746	0.000	77.261	(1.515)
Environmental Remediation	3.600	2.000	1.600	2.000	0.000	2.000	0.000	2.000	0.000
<b>Total Expenses</b>	<b>\$1,874.896</b>	<b>\$1,832.061</b>	<b>\$42.835</b>	<b>\$1,861.836</b>	<b>(\$29.775)</b>	<b>\$1,937.589</b>	<b>(\$75.753)</b>	<b>\$2,021.423</b>	<b>(\$82.319)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$1,172.715)</b>	<b>(\$1,125.264)</b>	<b>\$47.451</b>	<b>(\$1,150.868)</b>	<b>(\$25.604)</b>	<b>(\$1,222.788)</b>	<b>(\$71.920)</b>	<b>(\$1,303.775)</b>	<b>(\$79.472)</b>

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	281.008	265.757	(15.251)	271.458	5.701	254.351	(17.107)	255.126	0.775
<b>Total Revenue</b>	<b>\$281.008</b>	<b>\$265.757</b>	<b>(\$15.251)</b>	<b>\$271.458</b>	<b>\$5.701</b>	<b>\$254.351</b>	<b>(\$17.107)</b>	<b>\$255.126</b>	<b>\$0.775</b>
<b>Expenses</b>									
Labor:									
Payroll	\$87.741	\$95.834	(\$8.093)	\$97.959	(\$2.125)	\$93.732	\$4.227	\$93.552	\$0.180
Overtime	17.930	15.938	1.992	17.443	(1.505)	15.348	2.095	14.845	0.503
Health and Welfare	16.307	16.894	(0.587)	17.542	(0.648)	16.424	1.118	16.224	0.200
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	24.368	24.701	(0.333)	25.565	(0.864)	24.048	1.517	23.842	0.206
Other Fringe Benefits	18.877	20.347	(1.470)	21.126	(0.779)	19.780	1.346	19.539	0.241
Reimbursable Overhead	28.836	25.278	3.558	27.640	(2.362)	22.342	5.298	21.877	0.465
<b>Total Labor Expenses</b>	<b>\$194.059</b>	<b>\$198.992</b>	<b>(\$4.933)</b>	<b>\$207.275</b>	<b>(\$8.283)</b>	<b>\$191.674</b>	<b>\$15.601</b>	<b>\$189.879</b>	<b>\$1.795</b>
Non-Labor:									
Electric Power	\$0.581	\$0.746	(\$0.165)	\$0.494	\$0.252	\$0.000	\$0.494	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	5.370	5.955	(0.585)	6.235	(0.280)	5.853	0.382	5.780	0.073
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	13.614	10.443	3.171	10.665	(0.222)	10.471	0.194	10.437	0.034
Professional Service Contracts	4.178	4.858	(0.680)	1.916	2.942	1.543	0.373	1.211	0.332
Materials & Supplies	62.776	44.655	18.121	44.761	(0.106)	44.705	0.056	47.715	(3.010)
Other Business Expenses	0.430	0.108	0.322	0.112	(0.004)	0.105	0.007	0.104	0.001
<b>Total Non-Labor Expenses</b>	<b>\$86.949</b>	<b>\$66.765</b>	<b>\$20.184</b>	<b>\$64.183</b>	<b>\$2.582</b>	<b>\$62.677</b>	<b>\$1.506</b>	<b>\$65.247</b>	<b>(\$2.570)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$281.008</b>	<b>\$265.757</b>	<b>\$15.251</b>	<b>\$271.458</b>	<b>(\$5.701)</b>	<b>\$254.351</b>	<b>\$17.107</b>	<b>\$255.126</b>	<b>(\$0.775)</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$281.008</b>	<b>\$265.757</b>	<b>\$15.251</b>	<b>\$271.458</b>	<b>(\$5.701)</b>	<b>\$254.351</b>	<b>\$17.107</b>	<b>\$255.126</b>	<b>(\$0.775)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE / REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017- 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$650.880	\$657.318	\$6.438	\$662.215	\$4.897	\$666.098	\$3.883	\$668.368	\$2.270
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	51.301	49.479	(1.822)	48.753	(0.726)	48.703	(0.050)	49.280	0.577
Capital and Other Reimbursements	281.008	265.757	(15.251)	271.458	5.701	254.351	(17.107)	255.126	0.775
<b>Total Revenue</b>	<b>\$983.189</b>	<b>\$972.554</b>	<b>(\$10.635)</b>	<b>\$982.426</b>	<b>\$9.872</b>	<b>\$969.152</b>	<b>(\$13.274)</b>	<b>\$972.774</b>	<b>\$3.622</b>
<b>Expenses</b>									
Labor:									
Payroll	\$592.160	\$573.836	\$18.324	\$584.512	(\$10.676)	\$603.768	(\$19.256)	\$632.044	(\$28.276)
Overtime	133.642	116.847	16.795	116.027	0.820	116.149	(0.122)	117.971	(1.822)
Health and Welfare	112.716	119.774	(7.058)	122.435	(2.661)	130.002	(7.567)	139.700	(9.698)
OPEB Current Payment	58.563	61.807	(3.244)	63.746	(1.939)	67.206	(3.460)	70.876	(3.670)
Pensions	199.192	194.663	4.529	195.565	(0.902)	196.412	(0.847)	198.865	(2.453)
Other Fringe Benefits	146.237	143.011	3.226	146.526	(3.515)	151.949	(5.423)	159.027	(7.078)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$1,242.510</b>	<b>\$1,209.938</b>	<b>\$32.572</b>	<b>\$1,228.811</b>	<b>(\$18.873)</b>	<b>\$1,265.486</b>	<b>(\$36.675)</b>	<b>\$1,318.483</b>	<b>(\$52.997)</b>
Non-Labor:									
Electric Power	\$106.973	\$102.384	\$4.589	\$104.833	(\$2.449)	\$112.722	(\$7.889)	\$118.397	(\$5.675)
Fuel	29.718	28.129	1.589	26.989	1.140	27.609	(0.620)	28.356	(0.747)
Insurance	28.944	32.309	(3.365)	35.582	(3.273)	38.534	(2.952)	42.274	(3.740)
Claims	3.866	4.229	(0.363)	4.303	(0.074)	4.370	(0.067)	4.370	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	85.119	76.280	8.839	78.923	(2.643)	83.379	(4.456)	85.580	(2.201)
Professional Service Contracts	42.444	35.483	6.961	31.846	3.637	32.476	(0.630)	34.330	(1.854)
Materials & Supplies	193.125	174.805	18.320	181.620	(6.815)	183.257	(1.637)	189.768	(6.511)
Other Business Expenses	14.830	15.389	(0.559)	15.891	(0.502)	16.159	(0.268)	22.041	(5.882)
<b>Total Non-Labor Expenses</b>	<b>\$505.019</b>	<b>\$469.008</b>	<b>\$36.011</b>	<b>\$479.987</b>	<b>(\$10.979)</b>	<b>\$498.506</b>	<b>(\$18.519)</b>	<b>\$525.116</b>	<b>(\$26.610)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,747.529</b>	<b>\$1,678.946</b>	<b>\$68.583</b>	<b>\$1,708.798</b>	<b>(\$29.852)</b>	<b>\$1,763.992</b>	<b>(\$55.194)</b>	<b>\$1,843.599</b>	<b>(\$79.607)</b>
Depreciation	\$333.377	\$343.332	(\$9.955)	\$346.750	(\$3.418)	\$350.202	(\$3.452)	\$353.689	(\$3.487)
OPEB Obligation	71.398	73.540	(2.142)	75.746	(2.206)	75.746	0.000	77.261	(1.515)
Environmental Remediation	3.600	2.000	1.600	2.000	0.000	2.000	0.000	2.000	0.000
<b>Total Expenses</b>	<b>\$2,155.904</b>	<b>\$2,097.818</b>	<b>\$58.086</b>	<b>\$2,133.294</b>	<b>(\$35.476)</b>	<b>\$2,191.940</b>	<b>(\$58.646)</b>	<b>\$2,276.549</b>	<b>(\$83.094)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$1,172.715)</b>	<b>(\$1,125.264)</b>	<b>\$47.451</b>	<b>(\$1,150.868)</b>	<b>(\$25.604)</b>	<b>(\$1,222.788)</b>	<b>(\$71.920)</b>	<b>(\$1,303.775)</b>	<b>(\$79.472)</b>

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Receipts</b>									
Farebox Revenue	\$676.583	\$680.318	\$3.735	\$685.215	\$4.897	\$689.098	\$3.883	\$691.368	\$2.270
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	48.861	41.919	(6.942)	40.427	(1.492)	40.074	(0.353)	40.389	0.315
Capital and Other Reimbursements	263.472	245.725	(17.747)	254.137	8.412	237.292	(16.845)	234.889	(2.403)
<b>Total Receipts</b>	<b>\$988.916</b>	<b>\$967.962</b>	<b>(\$20.954)</b>	<b>\$979.779</b>	<b>\$11.817</b>	<b>\$966.464</b>	<b>(\$13.315)</b>	<b>\$966.646</b>	<b>\$0.182</b>
<b>Expenditures</b>									
Labor:									
Payroll	\$602.305	\$571.328	\$30.977	\$581.949	(\$10.621)	\$601.205	(\$19.256)	\$629.425	(\$28.220)
Overtime	133.642	116.847	16.795	116.027	0.820	116.149	(0.122)	117.971	(1.822)
Health and Welfare	113.265	119.774	(6.509)	122.435	(2.661)	130.002	(7.567)	139.700	(9.698)
OPEB Current Payment	58.710	61.807	(3.097)	63.746	(1.939)	67.206	(3.460)	70.876	(3.670)
Pensions	185.598	194.663	(9.065)	195.565	(0.902)	196.412	(0.847)	198.865	(2.453)
Other Fringe Benefits	148.699	142.011	6.688	145.526	(3.515)	150.949	(5.423)	158.027	(7.078)
GASB Account	5.827	0.000	5.827	0.000	0.000	0.000	0.000	0.734	(0.734)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$1,248.046</b>	<b>\$1,206.430</b>	<b>\$41.616</b>	<b>\$1,225.248</b>	<b>(\$18.818)</b>	<b>\$1,261.923</b>	<b>(\$36.675)</b>	<b>\$1,315.598</b>	<b>(\$53.675)</b>
Non-Labor:									
Electric Power	\$112.575	\$102.384	\$10.191	\$104.833	(\$2.449)	\$112.722	(\$7.889)	\$118.397	(\$5.675)
Fuel	30.894	28.129	2.765	26.989	1.140	27.609	(0.620)	28.356	(0.747)
Insurance	30.038	31.972	(1.934)	35.161	(3.189)	39.038	(3.877)	41.751	(2.713)
Claims	2.316	2.625	(0.309)	2.666	(0.041)	2.702	(0.036)	2.702	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	99.830	76.280	23.550	78.923	(2.643)	83.379	(4.456)	85.580	(2.201)
Professional Service Contracts	43.181	31.976	11.205	28.173	3.803	28.629	(0.456)	30.301	(1.672)
Materials & Supplies	173.011	170.482	2.529	180.964	(10.482)	183.458	(2.494)	189.609	(6.151)
Other Business Expenses	15.272	14.742	0.530	15.229	(0.487)	15.484	(0.255)	21.366	(5.882)
<b>Total Non-Labor Expenditures</b>	<b>\$507.117</b>	<b>\$458.590</b>	<b>\$48.527</b>	<b>\$472.938</b>	<b>(\$14.348)</b>	<b>\$493.021</b>	<b>(\$20.083)</b>	<b>\$518.062</b>	<b>(\$25.041)</b>
Other Expenditure Adjustments:									
Other	23.000	23.000	0.000	23.000	0.000	23.000	0.000	23.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$23.000</b>	<b>\$23.000</b>	<b>\$0.000</b>	<b>\$23.000</b>	<b>\$0.000</b>	<b>\$23.000</b>	<b>\$0.000</b>	<b>\$23.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$1,778.163</b>	<b>\$1,688.020</b>	<b>\$90.143</b>	<b>\$1,721.186</b>	<b>(\$33.166)</b>	<b>\$1,777.944</b>	<b>(\$56.758)</b>	<b>\$1,856.660</b>	<b>(\$78.716)</b>
Cash Timing and Availability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Baseline Net Cash Deficit</b>	<b>(\$789.247)</b>	<b>(\$720.058)</b>	<b>\$69.189</b>	<b>(\$741.407)</b>	<b>(\$21.349)</b>	<b>(\$811.480)</b>	<b>(\$70.073)</b>	<b>(\$890.014)</b>	<b>(\$78.534)</b>

**MTA LONG ISLAND RAIL ROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Plan-To-Plan Changes by Generic Category - Baseline**

**2014: Mid-Year vs. Adopted Budget**

2014 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 favorable to plan primarily due to overall higher ridership and fare protection initiatives.
- Other Operating Revenue is unfavorable due to the timing of a real estate sale.
- Capital and Other Reimbursements are higher primarily resulting from changes in capital project activity and impact due to the salary & wage update for the new wage pattern.

**Expense**

Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefits, Other Business Expense and Reimbursable Overhead expenses for those employees without contract agreements that are patterned after the recent TWU settlement

- Payroll – Increased due to the new wage pattern established as a result of the recently completed TWU agreement and respective retroactive wage payments.
- Other Fringe, including Railroad Retirement Taxes, increased as a result of the new wage pattern and respective retroactive wage payments.
- Overtime – increased as a result of the salary and wage update as a result of the new wage pattern and respective retroactive wage payments as well as higher weather-related overtime in the first quarter.
- Health and Welfare costs are lower due to the average number of vacant positions, lower NYSHIP rates, fewer retirees/beneficiaries (OPEB Current) and fewer active employees receiving family coverage than originally projected.
- Pension increased due to the new wage pattern established as a result of the recently completed TWU agreement and respective retroactive wage payments.
- Higher Electric Power is due to higher inflationary growth assumptions.
- Lower Diesel Power is due to lower inflationary growth assumptions.
- Lower Professional Services primarily due to a re-estimate and timing of various IT hardware, software and maintenance activities and reclassifying of security funding from Professional Services to Materials.
- Higher Material due to the shifting of security funding from Professional Services to Materials and Operating Funded Capital Initiatives.
- Other Business Expense is lower due to higher restitution of property damage, lower office supplies and recruitment costs and timing of capital project activity.

## **2015 - 2017: July Financial Plan vs. February Financial Plan**

### **Revenue**

- Passenger Revenue is favorable to plan primarily due to overall higher ridership and fare protection initiatives.
- Other Operating Revenue is favorable in 2015 due to the timing of a real estate sale and 2016 – 2017 is higher due to higher projected freight and parking revenue including opening of new Wyandanch parking facility.
- Capital and Other Reimbursements are higher primarily resulting from higher project activity, timing of positive train control and the impact of the salary and wage update as a result of the new wage pattern.

### **Expense**

Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefits, Other Business Expense and Reimbursable Overhead expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

- Payroll - increases from the February Financial Plan due to the salary and wage update as a result of the new TWU wage pattern, partially offset in 2015 due to the revised East Side Access opening day being shifted from 2019 to 2021 resulting in a 229 position decrease in 2015. The headcount reductions in 2016 through 2017 of 532 and 581 respectively related to this shift result in lower overall payroll costs.
- Overtime - increases primarily driven by the salary and wage update as a result of the new wage pattern.
- Health and Welfare costs decrease due to lower rates and fewer positions as a result of the delay in East Side Access opening day.
- OPEB Current Payment costs decrease due to lower rates and fewer retiree/beneficiaries.
- Pension decreased as a result of the revised East Side Access ramp up plan and latest actuarial estimates. This was partially offset by increases due to the new wage pattern established as a result of the recently completed TWU agreement.
- Electric Power decreases, reflecting lower rates.
- Fuel decreases, reflecting lower rates.
- Minor changes in Maintenance and other Operating Contracts are due to timing and re-estimates of various maintenance and other operating contracts in 2015 and 2016. The 2017 is lower due to the revised East Side Access ramp up plan.
- Professional Services has slight fluctuations each year due to timing of capital project activity.
- Material & Supplies increases each year due to additional costs associated with extended M3 retirement (through first quarter 2017), replacement of drop sash windows and change-out of obsolete parts on the M7. These expenses are offset in 2017 by the revised East Side Access ramp up plan.

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$733.622)</b>	<b>(\$756.422)</b>	<b>(\$840.397)</b>	<b>(\$943.599)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$3.489	\$5.279	\$6.029	\$7.065
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	(3.098)	2.996	1.288	1.383
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$0.391</b>	<b>\$8.275</b>	<b>\$7.317</b>	<b>\$8.448</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	(\$52.219)	(\$4.367)	\$19.309	\$28.962
Overtime	(22.957)	(8.373)	(5.272)	(6.638)
Health and Welfare	6.947	7.284	17.442	20.820
OPEB Current Payment	8.168	8.050	10.725	12.165
Pensions	(3.071)	3.216	7.154	6.445
Other Fringe Benefits	(11.007)	(0.623)	4.635	4.750
Reimbursable Overhead	2.742	4.739	7.265	4.495
<b>Total Labor Expense Changes</b>	<b>(\$71.397)</b>	<b>\$9.926</b>	<b>\$61.258</b>	<b>\$70.999</b>
<b>Non-Labor:</b>				
Electric Power	(\$2.637)	\$5.443	\$7.241	\$3.179
Fuel	0.989	1.697	3.032	3.194
Insurance	1.769	2.959	4.515	6.547
Claims	0.290	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.046	(1.015)	2.566	16.681
Professional Service Contracts	1.317	(0.318)	0.234	0.299
Materials & Supplies	(3.841)	(5.534)	(6.034)	2.144
Other Business Expenses	1.267	0.519	0.713	0.853
<b>Total Non-Labor Expense Changes</b>	<b>(\$0.800)</b>	<b>\$3.751</b>	<b>\$12.267</b>	<b>\$32.897</b>
<b>Total Expense Changes before Depreciation and GASB Adjs.</b>	<b>(\$72.197)</b>	<b>\$13.677</b>	<b>\$73.525</b>	<b>\$103.896</b>
<b>Depreciation</b>	<b>(\$21.828)</b>	<b>(\$22.483)</b>	<b>(\$22.708)</b>	<b>(\$22.935)</b>
<b>OPEB Obligation</b>	<b>13.115</b>	<b>13.508</b>	<b>13.914</b>	<b>13.914</b>
<b>Environmental Remediation</b>	<b>(1.600)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Expense Changes</b>	<b>(\$82.510)</b>	<b>\$4.702</b>	<b>\$64.731</b>	<b>\$94.875</b>
<b>Cash Adjustment Changes</b>				
Timing from 2013	(\$20.933)	\$0.000	\$0.000	\$0.000
Timing from 2013 included in accrued statements	0.009	0.000	0.000	0.000
GASB	7.519	13.971	14.894	15.874
Insurance	1.337	0.140	0.204	0.256
Advertising Revenue	0.685	0.500	0.000	0.000
Claims/FELA Reserves	0.740	0.775	0.790	0.803
Reliability Centered Maintenance & Running Repair Savings	5.130	1.000	1.000	1.000
Depreciation/OPEB/Environmental Remediation	10.313	8.975	8.794	9.021
Other Miscellaneous	(0.252)	(0.266)	(0.273)	(0.268)
<b>Total Cash Adjustment Changes</b>	<b>\$4.549</b>	<b>\$25.095</b>	<b>\$25.409</b>	<b>\$26.686</b>
<b>Total Baseline Changes</b>	<b>(\$77.570)</b>	<b>\$38.072</b>	<b>\$97.457</b>	<b>\$130.009</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$811.192)</b>	<b>(\$718.350)</b>	<b>(\$742.940)</b>	<b>(\$813.590)</b>

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.924	16.709	26.770	11.365
<b>Total Revenue Changes</b>	<b>\$0.924</b>	<b>\$16.709</b>	<b>\$26.770</b>	<b>\$11.365</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	\$2.360	(\$3.172)	(\$7.384)	(\$3.153)
Overtime	(2.604)	(1.743)	(3.754)	(1.292)
Health and Welfare	(0.155)	(0.393)	(1.498)	(0.361)
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	(2.863)	(2.691)	(4.125)	(2.553)
Other Fringe Benefits	0.576	(0.475)	(1.804)	(0.435)
Reimbursable Overhead	(2.742)	(4.739)	(7.265)	(4.495)
<b>Total Labor Expense Changes</b>	<b>(\$5.428)</b>	<b>(\$13.213)</b>	<b>(\$25.830)</b>	<b>(\$12.289)</b>
<i>Non-Labor:</i>				
Electric Power	(\$0.535)	(\$0.712)	(\$0.494)	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	0.228	(0.214)	(0.684)	(0.325)
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	0.276	(0.068)	(0.260)	(0.062)
Professional Service Contracts	4.157	(1.166)	1.249	1.862
Materials & Supplies	(0.598)	(1.333)	(0.741)	(0.549)
Other Business Expenses	0.976	(0.003)	(0.010)	(0.002)
<b>Total Non-Labor Expense Changes</b>	<b>\$4.504</b>	<b>(\$3.496)</b>	<b>(\$0.940)</b>	<b>\$0.924</b>
<b>Total Expense Changes</b>	<b>(\$0.924)</b>	<b>(\$16.709)</b>	<b>(\$26.770)</b>	<b>(\$11.365)</b>
<b>Cash Adjustment Changes</b>				
Timing from 2013	20.306	0.000	0.000	0.000
Operating Funded Capital	1.639	(1.708)	1.533	2.110
<b>Total Cash Adjustment Changes</b>	<b>\$21.945</b>	<b>(\$1.708)</b>	<b>\$1.533</b>	<b>\$2.110</b>
<b>Total Baseline Changes</b>	<b>\$21.945</b>	<b>(\$1.708)</b>	<b>\$1.533</b>	<b>\$2.110</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$21.945</b>	<b>(\$1.708)</b>	<b>\$1.533</b>	<b>\$2.110</b>



**MTA LONG ISLAND RAILROAD**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE/REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$733.622)</b>	<b>(\$756.422)</b>	<b>(\$840.397)</b>	<b>(\$943.599)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$3.489	\$5.279	\$6.029	\$7.065
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	(3.098)	2.996	1.288	1.383
Capital and Other Reimbursement	0.924	16.709	26.770	11.365
<b>Total Revenue Changes</b>	<b>\$1.315</b>	<b>\$24.984</b>	<b>\$34.087</b>	<b>\$19.813</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	(\$49.859)	(\$7.539)	\$11.925	\$25.809
Overtime	(25.561)	(10.116)	(9.026)	(7.930)
Health and Welfare	6.792	6.891	15.944	20.459
OPEB Current Payment	8.168	8.050	10.725	12.165
Pensions	(5.934)	0.525	3.029	3.892
Other Fringe Benefits	(10.431)	(1.098)	2.831	4.315
Reimbursable Overhead	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$76.825)</b>	<b>(\$3.287)</b>	<b>\$35.428</b>	<b>\$58.710</b>
<b>Non-Labor:</b>				
Electric Power	(\$3.172)	\$4.731	\$6.747	\$3.179
Fuel	0.989	1.697	3.032	3.194
Insurance	1.997	2.745	3.831	6.222
Claims	0.290	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.322	(1.083)	2.306	16.619
Professional Service Contracts	5.474	(1.484)	1.483	2.161
Materials & Supplies	(4.439)	(6.867)	(6.775)	1.595
Other Business Expenses	2.243	0.516	0.703	0.851
<b>Total Non-Labor Expense Changes</b>	<b>\$3.704</b>	<b>\$0.255</b>	<b>\$11.327</b>	<b>\$33.821</b>
<b>Total Expense Changes before Depreciation and GASB Adjs.</b>	<b>(\$73.121)</b>	<b>(\$3.032)</b>	<b>\$46.755</b>	<b>\$92.531</b>
<b>Depreciation</b>	<b>(\$21.828)</b>	<b>(\$22.483)</b>	<b>(\$22.708)</b>	<b>(\$22.935)</b>
<b>OPEB Obligation</b>	<b>13.115</b>	<b>13.508</b>	<b>13.914</b>	<b>13.914</b>
<b>Environmental Remediation</b>	<b>(1.600)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Expense Changes</b>	<b>(\$83.434)</b>	<b>(\$12.007)</b>	<b>\$37.961</b>	<b>\$83.510</b>
<b>Cash Adjustment Changes</b>				
Timing from 2013	(\$0.627)	\$0.000	\$0.000	\$0.000
Timing from 2013 included in accrued statements	0.009	0.000	0.000	0.000
Operating Funded Capital	1.639	(1.708)	1.533	2.110
GASB	7.519	13.971	14.894	15.874
Insurance	1.337	0.140	0.204	0.256
Advertising Revenue	0.685	0.500	0.000	0.000
Claims/FELA Reserves	0.740	0.775	0.790	0.803
Reliability Centered Maintenance & Running Repair Savings	5.130	1.000	1.000	1.000
Depreciation/OPEB/Environmental Remediation	10.313	8.975	8.794	9.021
Other Miscellaneous	(0.252)	(0.266)	(0.273)	(0.268)
<b>Total Cash Adjustment Changes</b>	<b>\$26.494</b>	<b>\$23.387</b>	<b>\$26.942</b>	<b>\$28.796</b>
<b>Total Baseline Changes</b>	<b>(\$55.625)</b>	<b>\$36.364</b>	<b>\$98.990</b>	<b>\$132.119</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$789.247)</b>	<b>(\$720.058)</b>	<b>(\$741.407)</b>	<b>(\$811.480)</b>

**MTA LONG ISLAND RAIL ROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Summary of Major Plan-To-Plan Changes**

- Passenger Revenue is favorable to plan primarily due to overall higher ridership and fare protection initiatives in 2014 - 2017.
- Fare collection initiatives that involve deploying Collector positions on key trains that have been identified as at risk for missed fare collection. The initial deployment will target trains that have short runs between high volume stations, such as Penn to Jamaica, Penn to Woodside, Penn to Bayside. This initiative will be at minimum cost neutral in 2014 - 2017.
- Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefits, Other Business Expense and Reimbursable Overhead expenses for those employees without contract agreements that are patterned after the recent TWU settlement. This assumption projects costs that are in excess of the February Plan provision, and a portion of this additional cost will be funded by the suspension of contributions to the GASB Account.
- Retro Wage Payments due to new wage pattern in 2014.
- Health and Welfare rates lower in 2014 - 2017 based on the most recent revisions for Empire Plan cost assumptions provided by the NYS Department of Civil Service and fewer projected retirees/beneficiaries for OPEB Current.
- Pension savings based on latest actuarial estimates in 2014 - 2017.
- Lower Utility rate assumptions for Traction Power and Fuel in 2015 - 2017.
- All Maintenance of Equipment staff will need to be trained on the M9 beginning in 2017.
- M7 obsolete component strategy which includes change out of multifunction unit and train operator display in 2016 - 2017.
- Additional cost due to extended M3 retirement date as a result of the delayed M9 procurement in 2015 - 2017.
- Revised estimate for East Side Access ramp up costs based on a 2021 opening day in 2014 - 2017.
- Train Service Platform Investments based on anticipated ridership growth.
- Hillside Facility Lightning Protection initiative based on the Lightning Risk Assessment as per National Fire Protection Association's Lightning Protection Standard, NFPA 780 for the Installation of Lightning Protection Systems, Buildings #1, #2, #3, #7 and Sub-Station will require Lightning Protection System. The installation of Lightning Protection System for above mentioned buildings will protect critical equipment as well as keeping all critical DC power distribution systems on-line in 2015 - 2016.
- With recent train crew hiring, additional assistant conductors must qualify as conductors within a 27 month period in 2014 -2015.

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$733.622)</b>	<b>(\$756.422)</b>	<b>(\$840.397)</b>	<b>(\$943.599)</b>
<b>Non-Reimbursable Major Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$3.167	\$3.874	\$4.596	\$5.603
Fare Protection Initiative	0.322	1.405	1.433	1.462
Bay Ridge Air Rights	(3.000)	2.600	0.000	0.000
All Other	(0.098)	0.396	1.288	1.383
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$0.391</b>	<b>\$8.275</b>	<b>\$7.317</b>	<b>\$8.448</b>
<b>Expenses</b>				
Salary & Wage Update to New Wage Pattern	(25.542)	(24.484)	(25.500)	(28.469)
Retro-Wage Payments-New Wage Pattern	(61.055)	0.000	0.000	0.000
Fare protection initiatives	(0.322)	(1.405)	(1.433)	(1.462)
Train Service - Platform Investments	(1.610)	(2.241)	(2.605)	(2.697)
Pension	0.600	1.500	2.200	2.900
On Board Ticket Issuing Machines	1.300	(1.714)	0.000	0.000
Reimbursable Overhead/Other impacts on Non-Reimbursable Budget	1.727	4.215	10.395	3.448
Hillside Facility Lightning Protection	0.000	(1.600)	(0.150)	0.000
Conductor Qualification	(0.359)	(1.840)	0.000	0.000
M9 Training	0.000	0.000	0.000	(2.098)
Extended M3 retirement date	0.000	(4.857)	(4.901)	(0.518)
M7 Obsolete Component Strategy	0.000	0.000	(6.195)	(6.199)
Budget Reduction Program - Improved Contractual Oversight	3.223	2.710	2.721	2.713
Energy (Electric and and Fuel) rate related	(1.723)	7.566	10.939	7.556
Health & Welfare/OPEB rate related	11.361	10.130	16.756	19.724
East Side Access Ramp Up costs	2.149	28.375	69.893	105.989
Depreciation/OPEB/Environmental Remediation	(10.313)	(8.975)	(8.794)	(9.021)
All Other	(1.946)	(2.678)	1.405	3.009
<b>Sub-Total Non-Reimbursable Expense Changes</b>	<b>(\$82.510)</b>	<b>\$4.702</b>	<b>\$64.731</b>	<b>\$94.875</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>(\$82.119)</b>	<b>\$12.977</b>	<b>\$72.048</b>	<b>\$103.323</b>
<b>Reimbursable Major Changes</b>				
<b>Revenue</b>				
Capital and Other Reimbursement	0.924	16.709	26.770	11.365
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$0.924</b>	<b>\$16.709</b>	<b>\$26.770</b>	<b>\$11.365</b>
<b>Expenses</b>				
Salary & Wage Update to New Wage Pattern	(\$5.165)	(\$6.140)	(\$6.609)	(\$6.106)
Other Miscellaneous	4.241	(10.569)	(20.161)	(5.259)
<b>Sub-Total Reimbursable Expense Changes</b>	<b>(\$0.924)</b>	<b>(\$16.709)</b>	<b>(\$26.770)</b>	<b>(\$11.365)</b>
<b>Total Reimbursable Major Changes</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>(\$82.119)</b>	<b>\$12.977</b>	<b>\$72.048</b>	<b>\$103.323</b>
<b>Cash Adjustment Changes</b>				
Timing from 2013	(\$0.627)	\$0.000	\$0.000	\$0.000
Timing from 2013 included in accrued statements	0.009	0.000	0.000	0.000
Operating Funded Capital	1.639	(1.708)	1.533	2.110
GASB	7.519	13.971	14.894	15.874
Insurance	1.337	0.140	0.204	0.256
Advertising Revenue	0.685	0.500	0.000	0.000
Claims/FELA Reserves	0.740	0.775	0.790	0.803
Reliability Centered Maintenance & Running Repair Savings	5.130	1.000	1.000	1.000
Depreciation/OPEB/Environmental Remediation	10.313	8.975	8.794	9.021
Other Miscellaneous	(0.252)	(0.266)	(0.273)	(0.268)
<b>Total Cash Adjustment Changes</b>	<b>\$26.494</b>	<b>\$23.387</b>	<b>\$26.942</b>	<b>\$28.796</b>
<b>Total Baseline Changes</b>	<b>(\$55.625)</b>	<b>\$36.364</b>	<b>\$98.990</b>	<b>\$132.119</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$789.247)</b>	<b>(\$720.058)</b>	<b>(\$741.407)</b>	<b>(\$811.480)</b>

**MTA LONG ISLAND RAIL ROAD  
2015 Preliminary Budget  
July Financial Plan 2015 – 2018  
Ridership/(Utilization)**

**RIDERSHIP/UTILIZATION PROJECTIONS**

Growth in the regional economy and employment are the primary drivers of passenger ridership and revenue. Ridership through April was 1.2% above the 2014 Adopted Budget and above the 2013 levels by 1.3% (adjusted for the same number of work days). The 2014 Mid-Year Forecast projects 2014 ridership to be 84.6 million, which is a 0.3% increase over the 2014 Adopted Budget. Ridership projections for the outer years 2015-2018 reveal modest annual growth of 0.8% in 2015, 1.0% in 2016, 0.4% in 2017, and 0.5% in 2018.

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Ridership/(Utilization)**  
(\$ in millions)

	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year</b>	<b>Preliminary</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
		<b>Forecast</b>	<b>Budget</b>			
<b><u>RIDERSHIP</u></b>						
Monthly	46.197	46.854	47.273	47.627	47.728	48.025
Weekly	1.892	1.942	1.958	1.971	1.983	1.989
<b>Total Commutation</b>	<b>48.089</b>	<b>48.796</b>	<b>49.231</b>	<b>49.598</b>	<b>49.710</b>	<b>50.014</b>
One-Way Full Fare	8.027	8.077	8.149	8.208	8.256	8.280
One-Way Off Peak	17.461	17.732	17.943	18.073	18.179	18.232
All Other	9.807	9.953	10.105	10.200	10.258	10.332
<b>Total Commutation</b>	<b>35.295</b>	<b>35.762</b>	<b>36.197</b>	<b>36.480</b>	<b>36.692</b>	<b>36.845</b>
<b>Total Ridership</b>	<b>83.384</b>	<b>84.558</b>	<b>85.428</b>	<b>86.079</b>	<b>86.402</b>	<b>86.859</b>
<b><u>FAREBOX REVENUE</u></b>						
<b>Baseline Total Farebox Revenue</b>	<b>\$632.089</b>	<b>\$650.880</b>	<b>\$657.318</b>	<b>\$662.215</b>	<b>\$666.098</b>	<b>\$668.368</b>

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Summary**  
(\$ in millions)

		Favorable/(Unfavorable)									
<u>Administration</u>		Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018
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>											
Contract Savings		_____ -	3.223	_____ -	2.710	_____ -	2.721	_____ -	2.713	_____ -	2.710
Subtotal Other		_____ -	3.223	_____ -	2.710	_____ -	2.721	_____ -	2.713	_____ -	2.710
Agency Submission		-	\$3.223	-	\$2.710	-	\$2.721	-	\$2.713	-	\$2.710

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:** Other

**Program:** Contract Savings

<b>Background Details:</b>	The LIRR has launched an effort to implement tighter controls and oversight on operating and administrative departments non-payroll budgets and spending with particular emphasis on contract services.
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<b>Program Description/ Implementation Plan:</b>	Savings derived through tighter oversight and budget controls.		
<b>Program Implementation Date:</b>	4/1/2014	<b>When will savings begin?:</b>	4/1/2014
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>	None		

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$3.223	\$2.710	\$2.721	\$2.713	\$2.710
<i>Total Positions Required:</i>	0	0	0	0	0

**MTA LONG ISLAND RAIL ROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**Positions**  
**Plan-to-Plan Summary of Changes**

**Position Assumptions**

Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required to meet and achieve corporate goals as well as those in line with reimbursable activity. Position totals incorporate seasonal as well as other fluctuations in staffing requirements for capital projects.

**2014 Changes**

Total Positions of 7,001 in the 2014 Mid-Year Forecast represents an increase of 17 positions from the 2014 Adopted Budget. Year-end reimbursable positions increased by 85 and non-reimbursable positions decreased by 68 as a result of timing of capital project activity.

**2015 Changes**

The 2015 Preliminary Budget totals 7,056 positions, a decrease of 131 positions from the February Financial Plan. The net decrease of 173 non-reimbursable positions results primarily from the revised East Side Access Startup plan which results in a reduction of 229 positions, partially offset by additional positions for fare protection initiatives, additional train Engineers to offset overtime, Customer Service Ambassadors, On Board Ticket Issuing Machine rollout and additional positions needed due to extended M3 retirement date. The net increase of 42 reimbursable positions is driven primarily by Maintenance of Equipment Positive Train Control initiative.

**2016 – 2017 Changes**

The July Financial Plan in the years 2016 – 2018 reflects decreases of 442, 548, and 574 positions, respectively. Non-reimbursable positions decreased by 489 positions in 2016, 542 in 2017 and 570 in 2018, primarily due to the revised East Side Access startup plan, partially offset by many of the initiatives begun in 2015 continue through 2018. Reimbursable positions increase by 47 in 2016 due to Maintenance of Equipment Positive Train Control initiative, and decreased by 5 in 2017, due to project activity.



**MTA LONG ISLAND RAIL ROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**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.

**2014 - 2015 Changes**

The 2015 Preliminary Budget totals 7,056 positions, an increase of 55 positions from the 2014 Mid-Year Forecast. This includes an increase of 145 non-reimbursable positions and a decrease of 90 reimbursable positions. The primary cause of the non-reimbursable increase and reimbursable decrease is the timing of capital program activity resulting in a shift of 123 Engineering positions from reimbursable to non-reimbursable as of December 31. Adjusting for this timing shift, the actual reimbursable position increase is due primarily to the start of Maintenance of Equipment Positive Train Control activities.

**2016 – 2018 Changes**

Annual staffing levels decrease by 33 positions in 2016 and increase by 102 in 2017 and 128 in 2018. Non-reimbursable positions increase by 2 in 2016, 164 in 2017 and 136 in 2018. These increases are primarily related to East Side Access readiness efforts (increases of 19, 184, and 132 positions, respectively). Reimbursable positions decreased by 35 in 2016, 62 in 2017, and 8 in 2018 due to changes in project activity and completion of Maintenance of Equipment Positive Train Control initiative.

MTA LONG ISLAND RAIL ROAD				
July Financial Plan 2015-2018				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2014	2015	2016	2017
<b>2014 February Plan - Total Baseline Positions</b>	<b>6,984</b>	<b>7,187</b>	<b>7,465</b>	<b>7,673</b>
Total Plan-to-Plan Changes	(17)	131	442	548
<b>2014 July Plan - Total Baseline Positions</b>	<b>7,001</b>	<b>7,056</b>	<b>7,023</b>	<b>7,125</b>
Total Year-to-Year Changes, July Plan		(55)	33	(102)

<b>Total Plan-to-Plan Changes by Reporting Category:</b>				
Non-Reimbursable	68	173	489	542
Reimbursable	(85)	(42)	(47)	5
<b>Total</b>	<b>(17)</b>	<b>131</b>	<b>442</b>	<b>548</b>
Full-Time	(17)	131	442	548
Full-Time Equivalents				
<b>Total</b>	<b>(17)</b>	<b>131</b>	<b>442</b>	<b>548</b>
<b>By Function Category</b>				
- Administration	(1)	2	9	15
- Operations	(17)	118	226	227
- Maintenance	18	28	224	323
- Engineering/Capital	(17)	(17)	(17)	(17)
- Public Safety				
<b>Total</b>	<b>(17)</b>	<b>131</b>	<b>442</b>	<b>548</b>
<b>By Occupational Group</b>				
- Managers/Supervisors	(8)	30	79	101
- Professional, Technical, Clerical	(23)	(14)	(18)	(18)
- Operational Hourlies	14	114	380	464
<b>Total</b>	<b>(17)</b>	<b>131</b>	<b>442</b>	<b>548</b>

<b>Total Plan-to-Plan Changes by Major Category:</b>				
2014 BRPs				
New Needs				
Change in Reimbursable Positions	(85)	(42)	(47)	5
Re-estimates & All Other <sup>1</sup>	68	173	489	542
<b>Total</b>	<b>(17)</b>	<b>131</b>	<b>442</b>	<b>548</b>

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

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Administration</b>						
Executive VP	6	5	5	5	5	5
Labor Relations	17	18	18	18	18	18
Procurement & Logistics (excl. Stores)	85	83	84	84	81	81
Human Resources	35	32	32	32	38	48
Sr VP Administration	2	2	2	2	2	2
Strategic Investments	26	32	32	32	32	32
President	4	4	4	4	4	4
VP & CFO/Pensions	3	5	5	5	5	5
Information Technology	146	164	165	165	165	165
Controller	41	46	46	46	46	46
Management and Budget	17	19	21	21	21	21
Process Re-Engineering	7	7	7	7	7	7
VP - East Side Access & Special Projects	29	28	28	28	28	28
Market Dev. & Public Affairs	61	70	70	70	70	70
Gen. Counsel & Secretary	30	31	31	31	31	31
Diversity Management	2	2	2	2	2	2
System Safety	71	74	72	72	72	72
Security	5	12	12	12	12	12
Sr VP Operations/ Serv. Planning	21	24	24	24	26	26
<b>Total Administration</b>	<b>608</b>	<b>658</b>	<b>660</b>	<b>660</b>	<b>665</b>	<b>675</b>
<b>Operations</b>						
Train Operations	1,972	2,043	2,042	2,025	2,177	2,266
Customer Service	296	298	298	296	295	295
<b>Total Operations</b>	<b>2,268</b>	<b>2,341</b>	<b>2,340</b>	<b>2,321</b>	<b>2,472</b>	<b>2,561</b>
<b>Maintenance</b>						
Engineering	1,642	1,715	1,729	1,711	1,723	1,757
Equipment	2,008	2,041	2,082	2,086	2,020	2,015
Procurement (Stores)	91	93	93	93	93	93
<b>Total Maintenance</b>	<b>3,741</b>	<b>3,849</b>	<b>3,904</b>	<b>3,890</b>	<b>3,836</b>	<b>3,865</b>
<b>Engineering/Capital</b>						
Department of Project Management	110	153	153	153	153	153
<b>Total Engineering/Capital</b>	<b>110</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>
<b>Total Baseline Positions</b>	<b>6,727</b>	<b>7,001</b>	<b>7,056</b>	<b>7,023</b>	<b>7,125</b>	<b>7,253</b>
<i>Non-Reimbursable</i>	6,136	6,122	6,267	6,269	6,433	6,568
<i>Reimbursable</i>	591	879	789	754	693	685
<i>Total Full-Time</i>	6,727	7,001	7,056	7,023	7,125	7,253
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

**MTA LONG ISLAND RAIL ROAD**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP		2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>							
	Managers/Supervisors	301	331	334	334	341	351
	Professional, Technical, Clerical	307	327	326	326	324	324
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Administration</b>	<b>608</b>	<b>658</b>	<b>660</b>	<b>660</b>	<b>665</b>	<b>675</b>
<b>Operations</b>							
	Managers/Supervisors	317	328	327	327	325	322
	Professional, Technical, Clerical	166	165	165	163	163	163
	Operational Hourlies	1,785	1,848	1,848	1,831	1,984	2,076
	<b>Total Operations</b>	<b>2,268</b>	<b>2,341</b>	<b>2,340</b>	<b>2,321</b>	<b>2,472</b>	<b>2,561</b>
<b>Maintenance</b>							
	Managers/Supervisors	693	768	746	750	746	760
	Professional, Technical, Clerical	257	280	267	267	269	270
	Operational Hourlies	2,791	2,801	2,891	2,873	2,821	2,835
	<b>Total Maintenance</b>	<b>3,741</b>	<b>3,849</b>	<b>3,904</b>	<b>3,890</b>	<b>3,836</b>	<b>3,865</b>
<b>Engineering/Capital</b>							
	Managers/Supervisors	85	117	115	115	115	115
	Professional, Technical, Clerical	25	36	38	38	38	38
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Engineering/Capital</b>	<b>110</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>
<b>Public Safety</b>							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Public Safety</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Baseline Positions</b>							
	Managers/Supervisors	1,396	1,544	1,522	1,526	1,527	1,548
	Professional, Technical, Clerical	755	808	796	794	794	795
	Operational Hourlies	4,576	4,649	4,739	4,704	4,805	4,911
	<b>Total Baseline Positions</b>	<b>6,727</b>	<b>7,001</b>	<b>7,056</b>	<b>7,023</b>	<b>7,125</b>	<b>7,253</b>

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# **Metro-North Railroad**

**MTA METRO-NORTH RAILROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**

**FINANCIAL OVERVIEW**

The July Financial Plan 2015-2018 reflects a focus on key strategic investments required to support Metro-North's mission to provide safe, secure and reliable transportation service to its customers.

In 2013, several operating incidents prompted a critical evaluation of the Railroad's safety practices, infrastructure conditions, and maintenance procedures. Initial reviews that began over a year ago drove a series of actions starting in May 2013 to enhance safety and improve the track infrastructure. In 2014, Metro-North has taken the next important step toward reestablishing safe and reliable service through the development and implementation of its 100-Day Action Plan. This plan not only serves as a template for additional immediate improvements in the safety and reliability of the Railroad's operations, but also identifies what is needed to start Metro-North on a long-term course to regain its status as the finest railroad in its class. The 100-Day Plan includes recommendations from the Federal Railroad Administration's (FRA) recently completed "Operation Deep Dive" review as well as feedback from customers, employees, industry experts, business partners, elected officials and other stakeholders. Further refinements will be incorporated pending completion of investigations by the National Transportation Safety Board (NTSB) and recommendations by the MTA's Blue Ribbon Panel on safety.

Initiatives supporting this plan can be categorized into four main areas of focus:

- *Promoting a Culture of Safety* in which safety is embedded in all decisions, actions, and initiatives
- *Adopting Concrete Safety Enhancements* that guarantee safe operations and safe work practices
- *Restoring Reliable Service* that provides train service that is not only safe but reliable and of high quality
- *Improving Communications* of the railroad's goals, operations and policies so customers can make informed choices regarding the use of our service and employees can provide the best customer service possible.

As of early June, 21 of the 32 initiatives identified in the 100-Day Action Plan have been completed and another seven are well underway. Actions have enabled a series of reforms touching virtually every aspect of Metro-North's operations. Key overarching actions include a comprehensive outreach to ensure all employees understand that safety is the foundation of the railroad and its undisputed first priority. To this end, Metro-North has reorganized the Safety Department, centralized oversight of all training

functions, and established work plans to address each directed action identified in the FRA review.

### **Proposed Safety Investments**

Metro-North is committed to strengthening safety and service reliability as a cornerstone to its operating plan. Accordingly, a series of required safety-related investments have been presented for consideration and funding that will address regulatory requirements or recommended actions by the FRA, NTSB, railroad industry experts and Metro-North management. These proposed investments have been excluded from the Metro-North's baseline and are included in Volume I on a consolidated basis as part of an agency-wide MTA Safety initiative.

These investments are summarized as follows:

- **Safety Department reorganization** will add staff to promote changes to Metro-North's safety culture and provide concrete safety enhancements. The safety and security function which was housed under one department have been separated to ensure dedicated attention to each of these important functions. In addition to enhancing the staff and skills, a review and overhaul of the System Safety Program Plan has been performed, employee safety training and testing programs will be undertaken, and a new Data Analysis and Incident Investigation Units are being created.
- **Training Department reorganization** will significantly expand the Department's scope of responsibility. Additional staffing will provide the necessary resources for the Department to:
  - Provide oversight and coordination of all training functions across MNR.
  - Undertake a comprehensive review, evaluation, and improvement of all existing training programs.
  - Develop and deliver new training programs.
  - Assume responsibility for all training recordkeeping and reporting, including auditing.
- **Operations staff additions** will improve oversight of train crew compliance with required procedures and rules, mitigate risks associated with employee fatigue, and expand employee testing.
- **Positive Train Control (PTC)** results in a significant increase in the volume of signal equipment and electronic systems that will require additional staffing to ensure compliance with mandated inspection and repairs.
- **Video Cameras on Passenger Equipment and Locomotives** to aid post-accident/incident investigations and form training programs that will promote safe operating practices.
- **GCT Trainshed Bridge Inspection** requires professional engineering services for FRA mandated inspections to ensure that the GCT Trainshed's upper and lower level structures meet bridge safety standards.
- **Infrastructure Improvements** require the following additional resources:
  - Employ advanced inspection technology to increase the effectiveness of track inspections.



- Add on-call Track Engineering staff to supplement the existing workforce
- Procure track and power system geometry equipment to improve the accuracy and efficiency of infrastructure testing and maintenance.
- Upgrade GCT Fire Life Safety systems

The July Financial Plan identifies the resources necessary to support new efforts, and continue existing ones. New Needs that fulfill several immediate requirements include the purchase of maintenance and inventory management equipment, GCT amenities, enterprise asset management and procurement compliance enhancements. These initiatives total \$5 million in 2015 and are funded through internal efficiencies, resource reallocations and expenditure timing adjustments.

Reflecting the recent labor settlement with the Transport Workers Union (TWU), MTA's largest union, the July Financial Plan assumes the same pattern settlement for employees represented by unions without contract agreements. This assumption projects costs that are in excess of the February Financial Plan provision, and a portion of this additional cost will be funded by the suspension of contributions to the GASB Account.

In addition, the July Financial Plan sustains the savings achieved from previous cost reduction measures, limits 2015 expense growth to approximately 2% over 2014 and incorporates a new budget reduction program that reduces operating subsidies by \$4.5 million annually, starting in 2014. Within these constraints, necessary improvements and repairs to the infrastructure will continue along with normal periodic maintenance and upgrades of stations, facilities, and equipment.

### **New Needs included in the July Financial Plan:**

#### ***Power System Maintenance***

- **Catenary Maintenance Vehicles (CMVs)** - Metro-North currently has two CMVs that are currently used to service and repair the New Haven Line's catenary power system. These units have surpassed their useful life and require replacement. Due to the age and condition of the current equipment as well as advances in electrical diagnostic technology over the past ten years, the benefits of new CMV's far outweigh refurbishment. The cost for this equipment totals \$4.5 million and is spread over 2015 - 2017.
- **AC Bus Duct Replacement** – The DC traction power substations that provide third rail power for Metro-North's Harlem and Hudson lines use a system consisting of transformers and rectifiers that are joined by copper bars or AC Bus Ducts. This material is at the end of its useful life and the failure to replace them puts power substation reliability at risk. A five-year program starting in 2015 to change-out AC Bus Ducts has been incorporated into the July Financial Plan at an annual cost of \$0.5 million.

**Enterprise Asset Management** – Tracking and management of Metro- North’s assets is essential to ensuring they are adequately maintained or replaced on a timely basis. To this end, resources have been included in the July Financial Plan to support the development and maintenance of an asset management system that will formalize and automate the supply of the information necessary to ensure assets are maintained in a state of good repair.

**Inventory & Supplies Warehouse Equipment** – to maximize existing warehouse space and accommodate a reduction in the volume of space with the consolidation of warehouse facilities at the Harmon Shop complex, the following additional warehouse management equipment is required in 2015:

- **Vertical Lift Machines (VLMs)** – two VLMs will be added to the Harmon Material Distribution Center to increase storage capacity for small items (\$0.4 million).
- **Stacking System** – a heavy duty racking system is required to increase the storage capacity for large, heavy inventory items also stored at the Harmon Material Distribution Center (\$1.5 million).

**Grand Central Terminal** – Several projects are included in response to customer needs at GCT. These include safety enhancements to the platform between tracks 14 and 15 where riders are in close proximity to adjacent rail road activities, improved signage in the GCT North passageway, as well as security and maintenance enhancements at GCT entrances.

**Procurement Compliance** – Additional staff to enhance Minority and Women-owned Business Enterprises (M/WBE) & Veteran procurement compliance. The roles of this position are to assist with the increased number of audits, assist with training and state reporting requirements. Additionally, it will assist with the DDCR/Veteran Bill activities in identifying vendors for specific commodities.

## **Key On-Going Programs supported in the July Financial Plan**

### **Infrastructure Improvement Program**

In 2013, \$20.3 million was invested to correct areas of poor drainage under track beds, as well as to weld rail joints in order to improve safety & reliability and signal system continuity. This program will continue in 2014 with a forecast of \$24.1 million for the labor, material and equipment to support this work. An integral part of this program is the continued work of Transportation Technology Center Inc. (TTCI), to evaluate our right-of-way and provide critical data and recommendations that target specific areas for improvement. This level of effort continues in 2015, followed by a reduced level of work starting in 2016 as the infrastructure is stabilized and a more comprehensive cyclical maintenance program is begun.

**Equipment Reliability** – Metro-North commits significant resources towards the maintenance and revitalization of its rolling stock fleet, purchasing new equipment and remanufacturing select cars, coaches and locomotives. The July Financial Plan includes funding for the following equipment maintenance programs:

- Installation of “alerter” devices will be completed on the M-3 and coach fleets by the 4<sup>th</sup> quarter of 2014.
- M-8 Cars - in partnership with CDOT, Metro-North continues to phase-in the replacement of the entire New Haven Line electric car fleet with all new cars expected to be in service by the end of 2014.
- M-7 Cars – this car fleet will begin a 10-year life cycle maintenance program starting in 2014.
- Locomotive Overhaul Programs will continue and the July Financial Plan includes the resources to complete the current Genesis overhaul program and begin the next round of overhauls on this equipment as well as on the BL-20 and GP35 locomotives.

### **Customer service**

- Efforts continue for the installation of new customer information monitors and the replacement of outdated electronic platform signs at New York State (NYS) outlying stations to improve the quality of information communicated to customers. For Connecticut stations a plan has been recently developed for the installation of station monitors which is under review for implementation.
- Improvements to the Customer Call-in System (Interactive Voice Response (IVR) system) include the addition of new advanced call routing to increase customer convenience and allow for a seamless navigation through the interactive voice response system.
- In a joint effort with the LIRR, work has begun to develop a Mobile Ticketing Application which will allow customers to purchase tickets using smartphones and other mobile devices. To date, a contract has been awarded for the development of the application with a planned rollout during the latter part of 2015.
- The Station Enhancement Program will continue in 2014 that incorporates painting, lighting, signage, “scratchitti” replacement, recycling container rehabilitation, seat replacement and many other elements to enhance the station environment.
- To improve convenience and reliability the overhaul of all GCT escalators was completed this past May and plans are now underway to eventually replace this equipment with new and heavier duty escalators.

### **Ridership**

- The 2014 Mid-Year Forecast estimates 84.3 million East and West of Hudson riders, an increase of 1.2% over 2013.
- Compared to the 2014 Adopted Budget, the 2014 Mid-Year Forecast is 1.9% lower due to lower than projected growth in non-commutation and commutation ridership resulting primarily from the adverse effects of winter weather disruptions

as well as a continuation of slower growth trends experienced since the latter part of 2013.

- In 2015-2018 ridership is projected to grow approximately 1.7% annually with growth occurring across all commuter lines.
- Financial plan projections assume no fare increases in New York State, and annual 1.0% fare increases in Connecticut 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.

## **Overtime**

On a steady state basis, Metro-North's budget reflects conservative overtime expenditures required to address operating needs including train service requirements, maintenance requirements, weather emergencies, employee availability and other programmatic needs.

In the near term, Metro-North has increased its provision for overtime which continues to be driven by the following:

- Weather emergencies
- The implementation of safety enhancements,
- Safety responses to operational disruptions,
- The continuation of the infrastructure improvement program,
- The impact of implementing a rigorous on-going system wide track maintenance program,
- Attrition in personnel

Metro-North's overtime expenditure will decline slightly in 2015 as hiring and training programs provide qualified employees especially in the area of train and engine service. It is too early to determine when overtime spending for the current infrastructure improvement program and track maintenance programs will level off but our efforts will improve the infrastructure, minimize operating risks and improve our customer's commute.

## **2014 MID-YEAR FORECAST**

The Non-Reimbursable 2014 Mid-Year Forecast reflects revenue projections totaling \$712.1 million and expenses, including non-cash liability adjustments, of \$1,490.1 million that result in an operating deficit of \$778.0 million. The Operating revenue includes passenger revenue of \$649.8 million that are \$10.3 million unfavorable versus the 2014 Adopted Budget due to lower than anticipated ridership resulting from the adverse effects of winter weather, service disruptions, and in general lower ridership growth as a result of slower growth trends experienced since the latter part of 2013. Non-passenger revenues of \$62.3 million are \$5.9 million better than the 2014 Adopted Budget. Excluding a planned assumption of storm reimbursement costs of \$9.7 million that had

been built into the budget, baseline revenues are \$0.3 million lower, mainly due to lower commissary revenues as a result of decommissioning the New Haven Line bar cars. The Non-Reimbursable operating expenses are \$79.3 million unfavorable compared to the 2014 Adopted Budget. This is primarily driven by the effect of an adjustment to the TWU patterned wage settlement provision (\$60.5 million) and higher overtime costs, partly offset by vacancies. Non-labor expenditures reflect costs related to the Spuyten Duyvil derailment repairs and Infrastructure Improvement Program costs.

The Reimbursable 2014 Mid-Year Forecast of expenditures (and receipts) is \$216.1 million, which is \$9.5 million higher than the 2014 Adopted Budget. This increase reflects the effect of the adjustment to wage settlement estimate (\$6.6 million) and the rescheduling of various projects especially the Mainline Hi-Speed Turnouts and Cos Cob West Substation projects.

## **2015 PRELIMINARY BUDGET BASELINE**

The Non-Reimbursable 2015 Preliminary Budget reflects revenue projections totaling \$723.2 million and expenses, including non-cash liability adjustments of \$1,458.7 million that generate an operating deficit of \$735.5 million. Non-Reimbursable East of Hudson Farebox revenue of \$668.5 million is \$18.7 million or 2.9% higher than the 2014 Mid-Year Forecast reflecting ridership growth of 2.2%, as well as a 1% Connecticut fare increase effective January 2014. Non-passenger revenue is projected to be \$7.6 million lower than 2014 reflecting the elimination of one-time 2014 recoveries of Tropical Storm Sandy and Irene damages (\$9.7 million), partly offset by higher advertising and GCT retail revenue. Operating expenses of \$1,458.7 million reflect the TWU patterned wage growth assumptions (\$23 million), higher employee benefit costs, anticipated increases in electric power costs and insurance as well as inflation-based increases for material. Labor costs also reflect fewer vacancies and a continuation of 2014 overtime levels to ensure adequate weather coverage, revenue collection, and job coverage for employees in training, and the higher levels of attrition and succession planning that are expected to continue in 2015.

The Reimbursable 2015 Proposed revenues and expenses total \$253.5 million, an increase of \$37.5 million from the 2014 Mid-Year Forecast mostly due to the impact of the TWU patterned wage adjustment (\$2.3 million), and increased professional service contracts and materials & supply expenditures due to the acceleration of the Positive Train Control (PTC) project.

## **2016-2018 PROJECTIONS**

The 2016 - 2018 expenditure projections reflect the TWU patterned wage growth assumption (average annual cost is \$27 million in total; \$25 million Non-Reimbursable, \$2 million Reimbursable) and will also 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 2016 - 2018 projections and reconciliation to the February Financial 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 as well as the assumptions guiding ridership and headcount.

**MTA Metro-North Railroad**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

NON-REIMBURSABLE						
	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Operating Revenue</b>						
Farebox Revenue	\$618.812	\$649.769	\$668.487	\$682.207	\$696.711	\$707.254
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	62.094	62.338	54.717	55.641	57.059	58.531
MNR - MTA	0.000	0.000	0.000	0.000	0.000	0.000
MNR - CDOT	0.000	0.000	0.000	0.000	0.000	0.000
MNR - Other	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$680.906</b>	<b>\$712.107</b>	<b>\$723.204</b>	<b>\$737.847</b>	<b>\$753.770</b>	<b>\$765.785</b>
<b>Operating Expenses</b>						
<b>Labor:</b>						
Payroll	\$412.077	\$466.296	\$453.173	\$462.154	\$471.194	\$480.648
Overtime	68.741	83.171	76.904	75.228	76.788	78.383
Health and Welfare	90.742	99.567	102.022	107.092	113.280	118.819
OPEB Current Payment	21.692	23.666	24.836	25.442	26.672	27.971
Pensions	77.182	84.232	79.462	77.747	78.809	79.904
Other Fringe Benefits	110.474	105.491	102.993	105.826	109.374	111.799
Reimbursable Overhead	(36.298)	(43.080)	(42.256)	(43.061)	(43.861)	(44.680)
<b>Total Labor</b>	<b>\$744.610</b>	<b>\$819.344</b>	<b>\$797.135</b>	<b>\$810.428</b>	<b>\$832.256</b>	<b>\$852.844</b>
<b>Non-Labor:</b>						
Electric Power	\$74.416	\$89.330	\$84.670	\$87.990	\$100.105	\$108.603
Fuel	29.637	27.958	27.127	26.191	26.410	27.178
Insurance	14.386	17.928	19.738	22.075	24.367	26.907
Claims	39.328	2.000	1.000	1.000	1.000	1.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	95.298	104.850	107.795	111.717	115.167	116.104
Professional Service Contracts	23.309	31.178	29.498	30.474	30.294	30.724
Materials & Supplies	65.081	75.966	75.557	74.616	74.642	75.311
Other Business Expenses	31.457	25.221	16.856	27.495	28.391	29.569
<b>Total Non-Labor</b>	<b>\$372.912</b>	<b>\$374.429</b>	<b>\$362.241</b>	<b>\$381.558</b>	<b>\$400.376</b>	<b>\$415.396</b>
<b>Other Expenses Adjustments:</b>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,117.522</b>	<b>\$1,193.774</b>	<b>\$1,159.376</b>	<b>\$1,191.986</b>	<b>\$1,232.632</b>	<b>\$1,268.241</b>
Depreciation	\$230.045	\$227.237	\$227.237	\$227.237	\$229.237	\$231.237
OPEB Obligation	57.724	65.098	68.316	69.982	73.366	76.940
Environmental Remediation	1.927	4.001	3.800	3.800	3.800	3.800
<b>Total Expenses</b>	<b>\$1,407.219</b>	<b>\$1,490.110</b>	<b>\$1,458.729</b>	<b>\$1,493.006</b>	<b>\$1,539.035</b>	<b>\$1,580.218</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$726.313)</b>	<b>(\$778.003)</b>	<b>(\$735.525)</b>	<b>(\$755.158)</b>	<b>(\$785.265)</b>	<b>(\$814.433)</b>
<b>Cash Conversion Adjustments:</b>						
Depreciation	\$230.045	\$227.237	\$227.237	\$227.237	\$229.237	\$231.237
Operating/Capital	(24.512)	(35.879)	(34.803)	(27.709)	(21.142)	(18.690)
Other Cash Adjustments	121.538	50.646	82.511	86.854	79.398	75.431
<b>Total Cash Conversion Adjustments</b>	<b>\$327.071</b>	<b>\$242.003</b>	<b>\$274.945</b>	<b>\$286.381</b>	<b>\$287.493</b>	<b>\$287.977</b>
<b>Baseline Cash Surplus/(Deficit)</b>	<b>(\$399.242)</b>	<b>(\$536.000)</b>	<b>(\$460.580)</b>	<b>(\$468.777)</b>	<b>(\$497.773)</b>	<b>(\$526.456)</b>

-- Differences are due to rounding.

**MTA Metro-North Railroad**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

REIMBURSABLE						
	2013	2014	2015			
	Actual	Mid-Year Forecast	Preliminary Budget	2016	2017	2018
<b>Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
MNR - MTA	81.571	120.365	128.561	131.626	134.736	137.769
MNR - CDOT	58.111	75.585	106.619	83.876	54.826	55.853
MNR - Other	11.688	20.133	18.352	18.702	19.060	19.435
Capital and Other Reimbursements	151.370	216.084	253.532	234.205	208.622	213.057
<b>Total Revenue</b>	<b>\$151.370</b>	<b>\$216.084</b>	<b>\$253.532</b>	<b>\$234.205</b>	<b>\$208.622</b>	<b>\$213.057</b>
<b>Expenses</b>						
<b>Labor:</b>						
Payroll	\$36.561	\$43.907	\$42.335	\$43.164	\$44.008	\$44.799
Overtime	15.822	18.390	17.507	17.857	18.213	18.530
Health and Welfare	12.040	13.280	13.199	13.444	13.750	14.105
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	7.274	9.091	7.627	7.380	7.119	6.890
Other Fringe Benefits	9.259	10.137	10.156	10.487	10.773	11.006
Reimbursable Overhead	33.940	41.316	38.775	39.514	40.249	41.001
<b>Total Labor</b>	<b>\$114.896</b>	<b>\$136.122</b>	<b>\$129.599</b>	<b>\$131.845</b>	<b>\$134.113</b>	<b>\$136.330</b>
<b>Non-Labor:</b>						
Electric Power	\$0.215	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.001	0.000	0.000	0.000	0.000	0.000
Insurance	2.891	3.595	3.687	3.756	3.827	3.900
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	14.605	16.680	16.955	17.250	17.521	17.807
Professional Service Contracts	5.412	20.543	52.700	33.688	9.779	9.938
Materials & Supplies	11.626	37.057	48.468	45.506	41.189	42.853
Other Business Expenses	1.724	2.088	2.122	2.159	2.193	2.229
<b>Total Non-Labor</b>	<b>\$36.475</b>	<b>\$79.962</b>	<b>\$123.933</b>	<b>\$102.359</b>	<b>\$74.509</b>	<b>\$76.726</b>
<b>Other Adjustments:</b>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$151.370</b>	<b>\$216.084</b>	<b>\$253.532</b>	<b>\$234.205</b>	<b>\$208.622</b>	<b>\$213.057</b>
Depreciation	\$0.000	0.000	0.000	0.000	0.000	0.000
OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$151.370</b>	<b>\$216.084</b>	<b>\$253.532</b>	<b>\$234.205</b>	<b>\$208.622</b>	<b>\$213.057</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Conversion Adjustments:</b>						
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Operating/Capital	0.000	0.000	0.000	0.000	0.000	0.000
Other Cash Adjustments	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

-- Differences are due to rounding.



**MTA Metro-North Railroad**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

NON-REIMBURSABLE / REIMBURSABLE						
	2013	2014	2015			
	Actual	Mid-Year Forecast	Preliminary Budget	2016	2017	2018
<b>Revenue</b>						
Farebox Revenue	\$618.812	\$649.769	\$668.487	\$682.207	\$696.711	\$707.254
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	62.094	62.338	54.717	55.641	57.059	58.531
MNR - MTA	81.571	120.365	128.561	131.626	134.736	137.769
MNR - CDOT	58.111	75.585	106.619	83.876	54.826	55.853
MNR - Other	11.688	20.133	18.352	18.702	19.060	19.435
Capital and Other Reimbursements	151.370	216.084	253.532	234.205	208.622	213.057
<b>Total Revenue</b>	<b>\$832.276</b>	<b>\$928.191</b>	<b>\$976.736</b>	<b>\$972.052</b>	<b>\$962.392</b>	<b>\$978.841</b>
<b>Expenses</b>						
<b>Labor:</b>						
Payroll	\$448.638	\$510.203	\$495.508	\$505.318	\$515.202	\$525.447
Overtime	84.563	101.562	94.411	93.084	95.001	96.913
Health and Welfare	102.782	112.847	115.221	120.536	127.030	132.924
OPEB Current Payment	21.692	23.666	24.836	25.442	26.672	27.971
Pensions	84.456	93.323	87.089	85.127	85.928	86.794
Other Fringe Benefits	119.733	115.628	113.149	116.313	120.148	122.805
Reimbursable Overhead	(2.358)	(1.764)	(3.481)	(3.547)	(3.612)	(3.679)
<b>Total Labor</b>	<b>\$859.506</b>	<b>\$955.466</b>	<b>\$926.734</b>	<b>\$942.273</b>	<b>\$966.369</b>	<b>\$989.175</b>
<b>Non-Labor:</b>						
Electric Power	\$74.630	\$89.330	\$84.670	\$87.990	\$100.105	\$108.603
Fuel	29.638	27.958	27.127	26.191	26.410	27.178
Insurance	17.278	21.523	23.425	25.831	28.194	30.807
Claims	39.328	2.000	1.000	1.000	1.000	1.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	109.904	121.529	124.750	128.967	132.688	133.910
Professional Service Contracts	28.721	51.722	82.198	64.162	40.073	40.662
Materials & Supplies	76.707	113.022	124.025	120.122	115.831	118.164
Other Business Expenses	33.180	27.308	18.978	29.654	30.584	31.798
<b>Total Non-Labor</b>	<b>\$409.386</b>	<b>\$454.392</b>	<b>\$486.174</b>	<b>\$483.917</b>	<b>\$474.885</b>	<b>\$492.123</b>
<b>Other Adjustments:</b>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,268.892</b>	<b>\$1,409.858</b>	<b>\$1,412.907</b>	<b>\$1,426.191</b>	<b>\$1,441.255</b>	<b>\$1,481.297</b>
Depreciation	\$230.045	\$227.237	\$227.237	\$227.237	\$229.237	\$231.237
OPEB Obligation	57.724	65.098	68.316	69.982	73.366	76.940
Environmental Remediation	1.927	4.001	3.800	3.800	3.800	3.800
<b>Total Expenses</b>	<b>\$1,558.589</b>	<b>\$1,706.194</b>	<b>\$1,712.260</b>	<b>\$1,727.210</b>	<b>\$1,747.657</b>	<b>\$1,793.274</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$726.313)</b>	<b>(\$778.003)</b>	<b>(\$735.525)</b>	<b>(\$755.158)</b>	<b>(\$785.265)</b>	<b>(\$814.433)</b>
<b>Cash Conversion Adjustments:</b>						
Depreciation	\$230.045	\$227.237	\$227.237	\$227.237	\$229.237	\$231.237
Operating/Capital	(24.512)	(35.879)	(34.803)	(27.709)	(21.142)	(18.690)
Other Cash Adjustments	121.538	50.646	82.511	86.854	79.398	75.431
<b>Total Cash Conversion Adjustments</b>	<b>\$327.071</b>	<b>\$242.003</b>	<b>\$274.945</b>	<b>\$286.381</b>	<b>\$287.493</b>	<b>\$287.977</b>
<b>Baseline Cash Surplus/(Deficit)</b>	<b>(\$399.242)</b>	<b>(\$536.000)</b>	<b>(\$460.580)</b>	<b>(\$468.777)</b>	<b>(\$497.773)</b>	<b>(\$526.456)</b>

-- Differences are due to rounding.

**MTA Metro-North Railroad**  
**July Financial Plan 2015 - 2018**  
**Cash Receipts & Expenditures**  
**(\$ in millions)**

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	\$627.680	\$655.338	\$674.233	\$689.156	\$704.473	\$714.880
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	76.869	79.155	69.612	69.873	72.259	71.690
MNR - MTA	76.808	118.516	128.491	133.900	136.066	137.075
MNR - CDOT	59.747	78.135	108.074	85.333	55.674	55.703
MNR - Other	24.616	18.635	19.822	18.611	19.966	19.336
Capital and Other Reimbursements	161.171	215.286	256.387	237.843	211.706	212.114
<b>Total Receipts</b>	<b>\$865.720</b>	<b>\$949.779</b>	<b>\$1,000.232</b>	<b>\$996.872</b>	<b>\$988.438</b>	<b>\$998.685</b>
<b>Expenditures</b>						
<b>Labor:</b>						
Payroll	\$443.133	\$527.966	\$497.936	\$503.705	\$515.371	\$523.607
Overtime	84.693	104.491	94.316	92.992	95.377	96.807
Health and Welfare	104.543	121.784	119.455	125.222	131.095	137.875
PEPB Current Payment	20.966	23.666	24.836	25.442	26.672	27.971
Pensions	80.958	81.933	87.985	85.527	86.329	87.199
Other Fringe Benefits	102.764	117.882	112.478	115.167	119.496	121.655
GASB Account	0.000	0.000	0.000	0.000	0.000	0.207
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor</b>	<b>\$837.057</b>	<b>\$977.723</b>	<b>\$937.008</b>	<b>\$948.056</b>	<b>\$974.341</b>	<b>\$995.322</b>
<b>Non-Labor:</b>						
Electric Power	\$75.677	\$90.899	\$86.329	\$89.699	\$101.865	\$110.416
Fuel	24.074	24.358	23.527	22.591	22.810	23.578
Insurance	15.895	22.052	22.912	25.327	28.559	30.122
Claims	1.423	0.146	1.146	1.146	1.146	1.146
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	123.780	139.280	126.594	127.606	134.288	141.276
Professional Service Contracts	33.120	61.284	92.913	74.753	47.484	43.960
Materials & Supplies	100.961	119.528	127.443	121.841	119.446	121.970
Other Business Expenses	52.975	50.510	42.942	54.630	56.273	57.351
<b>Total Non-Labor</b>	<b>\$427.905</b>	<b>\$508.057</b>	<b>\$523.806</b>	<b>\$517.592</b>	<b>\$511.870</b>	<b>\$529.819</b>
<b>Other Adjustments:</b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Timing and Availability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$1,264.962</b>	<b>\$1,485.780</b>	<b>\$1,460.814</b>	<b>\$1,465.648</b>	<b>\$1,486.211</b>	<b>\$1,525.140</b>
<b>Baseline Cash Deficit</b>	<b>(\$399.242)</b>	<b>(\$536.001)</b>	<b>(\$460.581)</b>	<b>(\$468.776)</b>	<b>(\$497.773)</b>	<b>(\$526.456)</b>
<b>Subsidies</b>						
MTA	\$333.789	\$424.440	\$366.666	\$371.237	\$397.727	\$417.177
CDOT	70.838	111.560	93.915	97.538	100.045	109.279
<b>Total Subsidies</b>	<b>\$404.627</b>	<b>\$536.000</b>	<b>\$460.581</b>	<b>\$468.775</b>	<b>\$497.772</b>	<b>\$526.456</b>

-- Differences are due to rounding.

**MTA Metro-North Railroad**  
**July Financial Plan 2015 - 2018**  
**Cash Conversion (Cash Flow Adjustments)**  
**(\$ in millions)**

CASH FLOW ADJUSTMENTS						
	2013	2014	2015			
	Actual	Mid-Year Forecast	Preliminary Budget	2016	2017	2018
<b>Receipts</b>						
Farebox Revenue	\$8.868	\$5.569	\$5.746	\$6.950	\$7.762	\$7.626
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	14.775	16.817	14.896	14.232	15.200	13.160
MNR - MTA	(4.763)	(1.849)	(0.070)	2.273	1.330	(0.694)
MNR - CDOT	1.636	2.550	1.455	1.457	0.848	(0.150)
MNR - Other	12.928	(1.498)	1.470	(0.091)	0.906	(0.098)
Capital and Other Reimbursements	9.801	(0.797)	2.855	3.639	3.084	(0.943)
<b>Total Receipts</b>	<b>\$33.444</b>	<b>\$21.588</b>	<b>\$23.496</b>	<b>\$24.820</b>	<b>\$26.046</b>	<b>\$19.844</b>
<b>Expenditures</b>						
<b>Labor:</b>						
Labor:						
Payroll	\$5.505	\$17.763	\$2.428	(\$1.612)	\$0.169	(\$1.839)
Overtime	(0.130)	2.929	(0.095)	(0.092)	0.376	(0.106)
Health and Welfare	(1.761)	8.937	4.234	4.686	4.065	4.951
OPEB Current Payment	0.726	0.000	0.000	0.000	0.000	0.000
Pensions	3.498	(11.390)	0.896	0.400	0.401	0.405
Other Fringe Benefits	16.969	2.254	(0.671)	(1.146)	(0.652)	(1.150)
GASB Account	0.000	0.000	0.000	0.000	0.000	0.207
Reimbursable Overhead	(2.358)	1.764	3.481	3.547	3.612	3.679
<b>Total Labor</b>	<b>\$22.449</b>	<b>\$22.257</b>	<b>\$10.274</b>	<b>\$5.783</b>	<b>\$7.971</b>	<b>\$6.147</b>
<b>Non-Labor:</b>						
Electric Power	(\$1.046)	\$1.570	\$1.659	\$1.709	\$1.760	\$1.813
Fuel	5.564	(3.600)	(3.600)	(3.600)	(3.600)	(3.600)
Insurance	1.383	0.528	(0.513)	(0.504)	0.365	(0.684)
Claims	37.905	(1.854)	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	(13.876)	17.750	1.844	(1.361)	1.600	7.366
Professional Service Contracts	(4.399)	9.563	10.715	10.591	7.411	3.298
Materials & Supplies	(24.254)	6.505	3.418	1.719	3.615	3.806
Other Business Expenditures	(19.795)	23.202	23.964	24.976	25.689	25.553
<b>Total Non-Labor</b>	<b>(\$18.518)</b>	<b>\$53.665</b>	<b>\$37.632</b>	<b>\$33.674</b>	<b>\$36.985</b>	<b>\$37.696</b>
<b>Other Adjustments:</b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b>						
	<b>\$37.375</b>	<b>(\$54.334)</b>	<b>(\$24.410)</b>	<b>(\$14.637)</b>	<b>(\$18.910)</b>	<b>(\$24.000)</b>
Depreciation Adjustment	\$230.045	\$227.237	\$227.237	\$227.237	\$229.237	\$231.237
OPEB Obligation	57.724	65.098	68.316	69.982	73.366	76.940
Environmental Remediation	1.927	4.001	3.800	3.800	3.800	3.800
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$327.071</b>	<b>\$242.002</b>	<b>\$274.943</b>	<b>\$286.382</b>	<b>\$287.493</b>	<b>\$287.977</b>

-- Differences are due to rounding.

**MTA METRO-NORTH RAILROAD**  
**2014 Mid-Year Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

<b>NON-REIMBURSABLE OVERTIME</b>	<b>Total</b>		
	<b>Hours</b>	<b>\$</b>	<b>%</b>
<u>Scheduled Service</u>	711,485	\$29.884	35.9%
<u>Unscheduled Service</u>	0	0.000	0.0%
<u>Programmatic/Routine Maintenance</u>	544,134	25.358	30.5%
<u>Unscheduled Maintenance</u>	7,028	0.431	0.5%
<u>Vacancy/Absentee Coverage</u>	231,736	12.781	15.4%
<u>Weather Emergencies</u>	97,580	4.766	5.7%
<u>Safety/Security/Law Enforcement</u>	0	0.000	0.0%
<u>Other*</u>	20,531	9.951	12.0%
Subtotal	<b>1,612,494</b>	<b>\$83.171</b>	100.0%
<b>REIMBURSABLE OVERTIME</b>	315,607	\$18.390	
<b>TOTAL OVERTIME</b>	<b>1,928,101</b>	<b>\$101.562</b>	

\*Other includes RWA from 2010-2013

**MTA METRO-NORTH RAILROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Baseline**

**REVENUE**

**FAREBOX REVENUE**

Non -Reimbursable

- The 1.6% decrease in 2014 Farebox Revenue reflects the following impacts:
  - 1.9% reduction in ridership reflecting lower than forecasted ridership and the impact of multiple snow storms.
  - A rescheduling of service improvements from July to November which includes increased service frequency on the upper Harlem and outer New Haven lines.
- 2015- 2018 reflects:
  - 1.0% annual fare increase in the State of Connecticut,
  - No NYS fare increases,
  - Modest employment and economic growth resulting in ridership increases projected at 2.2% in 2015, 1.7% in 2016, 1.8% in 2017 and 1.2% 2018.

Reimbursable

- Not applicable

Cash

- 2015-2018 cash adjustments include receipts from the sale of Metro Cards, Westchester County bus fares and special event promotions partially offset by credit card fees associated with the purchase of passenger tickets.

**OTHER OPERATING REVENUE**

Non-Reimbursable

- 2015-2018 baseline revenue increase reflects continuing improvement in GCT retail revenues and higher advertising sales in 2015.
- The \$7.6 million decrease in 2015 reflects the elimination of 2014 extraordinary reimbursements for losses incurred from Tropical Storms Sandy and Irene (\$9.7 million).

Reimbursable

- Not applicable

Cash

- 2015-2018 adjustments include the 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. 2015-2018 cash receipts are decreased (\$11.2 million, \$11.6 million, \$11.9 million and \$12.3 million,

respectively) by the Harlem/Hudson portion of advertising revenue that is being held at MTAHQ.

## **CAPITAL AND OTHER REIMBURSEMENTS**

### **Reimbursable**

Capital project cost reimbursements in each year of the financial plan are based on recovering 100% of accrued project expenditures.

- 2014 accrued expenditures (and receipts) total \$216.1 million and are based upon the latest projections of capital project activity. Higher reimbursements in 2014 are primarily attributable to the following projects: Cos Cob West Substation, Mainline Turnouts, Signal Systems replacement as well as the MNR technology relocation, and several track program projects.
- 2015-2018 increases in accrued reimbursable receipts are higher based upon the latest projections of capital project activity and include the acceleration of Positive Train Control (PTC) in addition to the impact of inflationary growth.

### **Cash**

- 2014-2018 includes adjustments for receipt timing differences.

## **EXPENSES**

Projections include additional Payroll, Over time, Pension, Other Fringe Benefits, and Reimbursable Overhead expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

## **PAYROLL**

### **Non-Reimbursable**

#### **Management Labor**

- Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted.
- Non-Agreement (NA) salaries include provisions for cost of living increases in 2015 - 2018 of 1.85%, 1.89%, 1.85% and 1.80% respectively.
- 2014 decrease of \$5.6 million is driven by vacancies.
- 2015 increase of \$5.1 million is primarily due to the impact of filling vacant positions and cost of living increases.

#### **Agreement Labor**

- Agreement salaries assume TWU settlement patterned wage increases of 0.87%, 0.95%, 2.23%, 2.22% and 1.88% for the five years, July 16, 2010 through July 15, 2015, respectively. This reflects an effective rate increase provision of 7.4% for 2010-2014 vs. the Adopted Budget increase of 2.9% over this period. As a result, the 2014 Mid-Year Forecast increase of \$40.4 million compared to the 2014 Adopted Budget reflects the retroactive wage adjustment

associated with the TWU settlement wage assumption (\$42.4 million). This increase is partially offset by vacant positions.

- 2015–2018 wage increases are applied starting July 16, 2015 at 2.00% annually.
- 2015 includes the removal of the 2014 retro-active wage adjustment described above, partially offset by the full year impact of 2014 hiring.
- 2016, 2017 and 2018 cost increases of \$7.6 million, \$3.4 million and \$7.6 million, respectively, are driven primarily by the projected 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.
- 2014 costs are lower due to overall decreases in Non-Agreement staffing requirements partially offset by increased T&E flagging protection.

#### Cash

- 2014-2018 cash adjustments include timing differences, an Agreement employee allowance (for uniforms, tools and shoes), retirement and TWU settlement patterned wage payments, as well as employee contributions to healthcare coverage.

### **OVERTIME**

#### Non-Reimbursable

- Overtime is inflated at the same rate as Agreement salaries which include the TWU settlement patterned wage growth 2010-2018.
- The 2014 Mid-Year Forecast is \$22.8 million higher than Adopted Budget. Of this total, \$8.7 million is the result of the TWU settlement patterned retroactive wage estimate 2010-2014. The remaining increase (\$14.1 million) is due to scheduled train service coverage associated with new T&E employees in training (\$3.7 million), winter storm coverage (\$2.5 million), vacancies (\$1.8 million), the continuation of infrastructure improvements and improved track maintenance (\$2.7 million), implementation of safety enhancements (\$0.6 million), and FRA mandated equipment inspection and maintenance requirements (\$1.8 million).
- 2015 decrease of \$6.3 million is primarily due to the elimination of the 2014 one-time retro-active wage payment provision.
- 2016 decrease of \$1.7 million is a result of reduced Infrastructure Improvement Program costs, partially offset by the previously described wage growth assumptions.
- 2017 and 2018 increases of \$1.7 million and \$1.6 million, respectively, primarily reflect a continuation of prevailing wage growth assumptions.

#### 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**

- 2014 Mid-Year Forecast reflects premium increases of 1.89%. 2015-2018 include estimated annual rate increases of 4.94% in 2015, 2.44% in 2016, 4.83% in 2017 and 4.87% in 2018.

### **Cash**

- 2014-2018 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 2014 provision increases by \$1.6 million due to an increasing level of retirees. The estimated annual costs are \$24.8 million in 2015, \$25.4 million in 2016, \$26.7 million in 2017 and \$28.0 million in 2018. The annual amounts reflect growth in annual health care premiums and a modest increase in the number of covered retirees.

## **PENSIONS**

### **Non-Reimbursable and Reimbursable**

- The 2014-2018 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.
- 2014-2018 includes the impact of the higher wage increase assumptions for Agreement labor.

### **Cash**

- 2014 cash requirements are decreased by \$13.7 million to reflect an advanced payment of 2014 costs in 2013.

## **OTHER FRINGE BENEFITS**

### **Non-Reimbursable**

- Railroad Retirement tax rates for Tier I and II remain constant for 2015-2018 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$116,400 in 2014, \$119,700 in 2015, \$123,900 in 2016, \$128,100 in 2017 and \$134,100 in 2018.
- Maximum earnings level for Tier II is estimated at \$86,400 in 2014, \$88,800 in 2015, \$92,100 in 2016 and \$95,100 in 2017 and \$99,600 in 2018.
- 2014-2018 includes the impact of the higher wage increase assumptions for Agreement labor and changes in staffing levels.
- Non-reimbursable costs include estimates for employee personal injury claims (\$10.5 million annually for 2014-2016, \$10.7 million in 2017 and \$10.8 million in 2018).



#### Cash

- 2014-2018 adjustments include differences between expense accruals and cash disbursements

### **GASB ACCOUNT**

#### Cash

- Reflects cash expenditures to fund a contribution to a special GASB 45 (Government Accounting Standards Board) fund earmarked for Post-Retirement liabilities for "Other than Pension Employee Benefits" (healthcare costs). 2014 cash deposit was prepaid in 2013. 2014-2018 cash contributions have been adjusted to reflect latest labor settlement funding assumptions.

### **REIMBURSABLE OVERHEAD**

#### Non-Reimbursable

- Changes in overhead cost recoveries reflect revisions in Reimbursable project cost estimates.

#### Reimbursable

- Overhead costs for 2014 are based on a percentage share of direct labor costs charged to reimbursable projects. 2015-2018 overhead costs are based on the continuation of 2014 forecast levels adjusted for inflationary increases in labor costs.
- Material handling and equipment recovery increases are based on CPI-based inflation rates.

### **ELECTRIC POWER**

#### **Traction Power - Revenue**

#### Non-Reimbursable

- 2014 increases of \$2.9 million are due to higher rates partially offset by lower consumption due to the rescheduling of service changes from July to November.
- 2015 incorporates a full year impact of November 2014 service increases.
- 2015-2018 includes adjustments for rate increases and the net cost change associated with the integration of new M-8 cars into New Haven Line service.
- 2015-2018 costs reflect a decrease of 6.1% in 2015, followed by annual increases of 3.7% in 2016, 12.4% in 2017 and 7.1% in 2018.

#### **Non-Traction Power – Non-Revenue**

#### Non-Reimbursable

- 2014 – \$0.3 million increase reflects higher electric rates.
- 2015-2018 costs primarily reflect inflationary changes that include a decrease of 13.1% in 2015, followed by annual increases of 1.1% in 2016, 18.6% in 2017 and 5.8% in 2018.

### **FUEL**

#### **Revenue Vehicle Fuel**

#### Non-Reimbursable

- 2014 – \$0.8 million increase is due to greater consumption partially offset by lower than budgeted diesel fuel rates.
- 2015-2016 prices are projected to decrease by 3.6% in 2015 and 3.8% in 2016, followed by increases of 1.8% and 3.0% for 2017 and 2018, respectively.

#### Cash

- 2015-2018 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 – \$0.6 million increase reflects increased heating fuel consumption resulting from colder weather conditions.
- 2015-2018 prices are projected to decrease by 3.4% in 2015, 3.6% in 2016 and 2017, respectively, and increase by 2.3% in 2018.

### **INSURANCE**

#### Non-Reimbursable and Reimbursable

- Increases in 2015-2018 reflect revised insurance premium estimates.

#### Cash

- 2015-2018 reflects increase in force account payments as well as All-Agency insurance costs. 2015-2018 also includes the difference between expense accruals and cash payments.

### **CLAIMS**

#### Non-Reimbursable

- 2015-2018 reflect current claims trends for passenger injuries and miscellaneous claims.

#### Cash

- 2015-2018 reflects the timing of payments made for passenger injury and miscellaneous claims.

**The Remaining Non-Reimbursable Cost Categories were inflated by CPI Increases in 2015-2018 of 1.65%, 1.74%, 1.57%, and 1.63% respectively.**

### **MAINTENANCE AND OTHER OPERATING CONTRACTS**

#### Non-Reimbursable

- 2014 is lower by \$2.5 million due to lower office space lease expenses, delays in locomotive overhaul programs and continued review of maintenance contracts generating operating efficiencies. These decreases are partially offset by higher NHL car disposal costs and Danbury Branch emergency bus services.
- 2015 increase reflects the beginning of a new cycle of locomotive overhauls (\$2.2 million), customer enhancement projects in GCT (\$0.5 million), power substation refurbishments (\$0.5 million) and inflationary increase of \$1.8 million, partially offset by a decrease for 2014 emergency bus service for the Danbury Branch (\$1.4 million) and office space expenses (\$0.5 million).

- 2016 includes increases for the next cycle of locomotive overhaul programs (\$4.4 million) and inflationary impacts (\$1.6 million).
- 2017 reflects higher office space expenses (\$2.5 million) and inflationary increases (\$1.5 million).
- 2018 reflects inflationary increases (\$1.5 million) partially offset by the completion of power substation refurbishments (\$0.5 million).

#### Reimbursable

- In 2014, net expenditures increased by \$ 4.7 million over the Adopted Budget reflecting revised project requirements for West of Hudson Signal Improvements, Cos Cob West Substation, and West-Haven Station.
- 2015-2018 estimates predominately reflect the impact of Positive Train Control (PTC) activity as well as a continuation of 2014 project activity levels adjusted for inflation.

#### Cash

- 2014-2018 cash adjustments include the elimination of non-cash GASB 49 environmental accruals and payment timing differences. 2014-2018 also includes reclassifications of revenue offsets for GCT revenue funded projects and payments on behalf of CDOT for station facilities and the MTA for utilities.

### **PROFESSIONAL SERVICES CONTRACTS**

#### Non-Reimbursable

- 2014 Mid-Year Forecast is \$2.2 million higher than the Adopted Budget primarily due to the implementation of the new Financial Planning System.
- 2015 is lower by \$1.7 million primarily due to non-recurring implementation costs from 2014 for the new Financial Planning System.
- 2016 increase of \$1.0 million primarily reflects the second year of a biannual market share study.
- 2017 is lower due to the completion of the biannual market share study.
- 2018 increases reflect inflation.

#### Reimbursable

- 2014 expenditures remained flat at \$20.5 million relative to the Adopted Budget.
- 2015 increase of \$32.2 million reflects the costs associated with the installation of Positive Train Control (PTC) including the accelerated timetable for this project.
- 2016-2018 expenses reflect inflationary growth assumptions as well as progressively diminishing costs for PTC.

### **MATERIAL AND SUPPLIES**

#### Non-Reimbursable

- 2014 increase of \$3.2 million vs. the Adopted Budget reflects Spuyten Duyvil derailment repairs (\$1.2 million), the write down of obsolete inventory (\$2.1

million) and higher Infrastructure Improvement Program requirements (\$1.6 million). These increases are partially offset by the rescheduling of the M-7 seat change-out program (\$0.5 million) and New Haven Line derailment damaged car repairs (\$1.3 million).

- 2015 is lower primarily due to the completion of several power reliability improvement projects (\$1.2 million) partially offset by the start of the rescheduled M-7 seat change-out program (\$1.1 million).
- 2016 is lower primarily due to savings related to the reduction of the 2015 Infrastructure Improvement program (\$3.0 million) partially offset the continuation of several power reliability improvement projects, and an increase related to the Equipment Replacement Plan (\$1.8 million).
- 2017 reflects inflationary increases (\$2.3 million) offset by savings related to the completion of New Haven Line derailment damaged car repairs and the Kronos time clock replacement program (\$2.3 million).
- 2018 is higher due to inflationary increases (\$2.7 million) partially offset by the completion of the M-7 seat change-out program.

#### Reimbursable

- In 2014, the \$1.2 million increase vs. the 2014 Adopted Budget is primarily due to the Mainline/Yard Turnout project and several track programs, partially offset by lower requirements for the Bronx Stations and East of Hudson Overhead bridge projects.
- 2015 increase of \$11.4 million reflects the costs associated with the installation of Positive Train Control (PTC) including the accelerated timetable for this project.
- 2016-2018 levels assume a continuation of material requirements adjusted for the impact of inflation.

#### Cash

- Cash adjustments reflect differences between expense accruals and cash requirements:
- 2015-2018 includes increased cash requirements for M-8 spare part inventory build-up (\$2.3 million in 2015, \$1.2 million in 2016, no cash requirements in 2017, and \$1.4 million in 2018).
- 2015-2018 includes adjustment for obsolete material reserve (\$0.5 million for 2015-2018).

### OTHER BUSINESS EXPENSES

#### Non-Reimbursable

- 2014 Mid-Year Forecast is lower by \$9.7 million vs. the Adopted Budget due to the transfer of the potential recovery for losses related to the Con Edison power outage on the New Haven Line from 2014 to 2015, partially offset by lower subsidy payments to NJT for West of Hudson operations due to improved ridership revenue and lower than expected inflation.
- 2015 decrease reflects the anticipated reimbursement for losses related to the Con Edison power outage on the New Haven Line (\$9.0 million), partially offset

by credit card fees for the Mobile Ticketing App (\$0.2 million) and the Employee Diversity and Inclusion Program (\$0.1 million).

- 2016 - 2018 includes the impact of inflationary growth for West of Hudson subsidy requirements.

#### Reimbursable

- In 2014, the \$1.4 million increase from the Adopted Budget is primarily due to the costs associated with PBX Equipment Upgrade and the New Haven Wheel True Shop.
- 2015-2018 levels are based upon a continuation of current requirements adjusted for the impact of inflation.

#### Cash

- 2015-2018 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. 2014-2018 also includes the reclassification of Amtrak and other railroad reimbursements to the Other Operating Revenue category.

### **DEPRECIATION**

#### Non-Reimbursable

- 2015-2018 includes provisions for changes in Metro-North's capital assets.

### **OPEB OBLIGATION (GASB 45)**

#### Non-Reimbursable

- 2015-2018 costs reflect the liability for Post-Retirement Benefits (healthcare costs) for future retirees based on an updated actuarial estimate.

### **ENVIRONMENTAL REMEDIATION (GASB 49)**

#### Non-Reimbursable

- 2015 - 2018 costs reflect the estimated liability for environmental remediation costs associated with capital projects.

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$649.769	\$668.487	\$18.719	\$682.207	\$13.719	\$696.711	\$14.504	\$707.254	\$10.543
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	62.338	54.717	(7.621)	55.641	0.924	57.059	1.418	58.531	1.472
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$712.107</b>	<b>\$723.204</b>	<b>\$11.097</b>	<b>\$737.847</b>	<b>\$14.644</b>	<b>\$753.770</b>	<b>\$15.922</b>	<b>\$765.785</b>	<b>\$12.015</b>
<b>Expenses</b>									
Labor:									
Payroll	\$466.296	\$453.173	\$13.123	\$462.154	(\$8.981)	\$471.194	(\$9.040)	\$480.648	(\$9.454)
Overtime	83.171	76.904	6.267	75.228	1.676	76.788	(1.560)	78.383	(1.595)
Health and Welfare	99.567	102.022	(2.455)	107.092	(5.070)	113.280	(6.188)	118.819	(5.540)
OPEB Current Payment	23.666	24.836	(1.170)	25.442	(0.606)	26.672	(1.230)	27.971	(1.299)
Pensions	84.232	79.462	4.769	77.747	1.715	78.809	(1.062)	79.904	(1.095)
Other Fringe Benefits	105.491	102.993	2.498	105.826	(2.833)	109.374	(3.548)	111.799	(2.424)
Reimbursable Overhead	(43.080)	(42.256)	(0.824)	(43.061)	0.805	(43.861)	0.800	(44.680)	0.819
<b>Total Labor Expenses</b>	<b>\$819.344</b>	<b>\$797.135</b>	<b>\$22.210</b>	<b>\$810.428</b>	<b>(\$13.293)</b>	<b>\$832.256</b>	<b>(\$21.829)</b>	<b>\$852.844</b>	<b>(\$20.588)</b>
Non-Labor:									
Electric Power	\$89.330	\$84.670	\$4.660	\$87.990	(\$3.320)	\$100.105	(\$12.115)	\$108.603	(\$8.498)
Fuel	27.958	27.127	0.831	26.191	0.936	26.410	(0.219)	27.178	(0.768)
Insurance	17.928	19.738	(1.810)	22.075	(2.337)	24.367	(2.292)	26.907	(2.540)
Claims	2.000	1.000	1.000	1.000	0.000	1.000	0.000	1.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	104.850	107.795	(2.945)	111.717	(3.922)	115.167	(3.450)	116.104	(0.936)
Professional Service Contracts	31.178	29.498	1.680	30.474	(0.976)	30.294	0.180	30.724	(0.430)
Materials & Supplies	75.966	75.557	0.409	74.616	0.941	74.642	(0.026)	75.311	(0.669)
Other Business Expenses	25.221	16.856	8.365	27.495	(10.640)	28.391	(0.896)	29.569	(1.178)
<b>Total Non-Labor Expenses</b>	<b>\$374.429</b>	<b>\$362.241</b>	<b>\$12.189</b>	<b>\$381.558</b>	<b>(\$19.318)</b>	<b>\$400.376</b>	<b>(\$18.818)</b>	<b>\$415.396</b>	<b>(\$15.020)</b>
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$1,193.774</b>	<b>\$1,159.376</b>	<b>\$34.398</b>	<b>\$1,191.986</b>	<b>(\$32.611)</b>	<b>\$1,232.632</b>	<b>(\$40.646)</b>	<b>\$1,268.241</b>	<b>(\$35.608)</b>
Depreciation	\$227.237	\$227.237	\$0.000	\$227.237	\$0.000	\$229.237	(\$2.000)	\$231.237	(\$2.000)
OPEB Obligation	65.098	68.316	(3.218)	69.982	(1.666)	73.366	(3.383)	76.940	(3.574)
Environmental Remediation	4.001	3.800	0.201	3.800	0.000	3.800	0.000	3.800	0.000
<b>Total Expenses</b>	<b>\$1,490.110</b>	<b>\$1,458.729</b>	<b>\$31.381</b>	<b>\$1,493.006</b>	<b>(\$34.277)</b>	<b>\$1,539.035</b>	<b>(\$46.030)</b>	<b>\$1,580.218</b>	<b>(\$41.182)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$778.003)</b>	<b>(\$735.525)</b>	<b>\$42.479</b>	<b>(\$755.158)</b>	<b>(\$19.633)</b>	<b>(\$785.265)</b>	<b>(\$30.107)</b>	<b>(\$814.433)</b>	<b>(\$29.167)</b>

-- Differences are due to rounding.

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Revenue</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	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	216.084	253.532	37.448	234.205	(19.327)	208.622	(25.583)	213.057	4.434
<b>Total Revenue</b>	<b>\$216.084</b>	<b>\$253.532</b>	<b>\$37.448</b>	<b>\$234.205</b>	<b>(\$19.327)</b>	<b>\$208.622</b>	<b>(\$25.583)</b>	<b>\$213.057</b>	<b>\$4.434</b>
<b><u>Expenses</u></b>									
Labor:									
Payroll	\$43.907	\$42.335	\$1.572	\$43.164	(\$0.828)	\$44.008	(\$0.844)	\$44.799	(\$0.791)
Overtime	18.390	17.507	0.883	17.857	(0.350)	18.213	(0.357)	18.530	(0.317)
Health and Welfare	13.280	13.199	0.081	13.444	(0.246)	13.750	(0.306)	14.105	(0.355)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	9.091	7.627	1.465	7.380	0.247	7.119	0.261	6.890	0.230
Other Fringe Benefits	10.137	10.156	(0.019)	10.487	(0.331)	10.773	(0.286)	11.006	(0.233)
Reimbursable Overhead	41.316	38.775	2.541	39.514	(0.739)	40.249	(0.735)	41.001	(0.752)
<b>Total Labor Expenses</b>	<b>\$136.122</b>	<b>\$129.599</b>	<b>\$6.523</b>	<b>\$131.845</b>	<b>(\$2.247)</b>	<b>\$134.113</b>	<b>(\$2.267)</b>	<b>\$136.330</b>	<b>(\$2.217)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	3.595	3.687	(0.093)	3.756	(0.069)	3.827	(0.071)	3.900	(0.072)
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	16.680	16.955	(0.275)	17.250	(0.295)	17.521	(0.271)	17.807	(0.286)
Professional Service Contracts	20.543	52.700	(32.157)	33.688	19.012	9.779	23.909	9.938	(0.159)
Materials & Supplies	37.057	48.468	(11.412)	45.506	2.962	41.189	4.317	42.853	(1.664)
Other Business Expenses	2.088	2.122	(0.034)	2.159	(0.037)	2.193	(0.034)	2.229	(0.036)
<b>Total Non-Labor Expenses</b>	<b>\$79.962</b>	<b>\$123.933</b>	<b>(\$43.971)</b>	<b>\$102.359</b>	<b>\$21.574</b>	<b>\$74.509</b>	<b>\$27.850</b>	<b>\$76.726</b>	<b>(\$2.217)</b>
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$216.084</b>	<b>\$253.532</b>	<b>(\$37.448)</b>	<b>\$234.205</b>	<b>\$19.327</b>	<b>\$208.622</b>	<b>\$25.583</b>	<b>\$213.057</b>	<b>(\$4.434)</b>
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Expenses</b>	<b>\$216.084</b>	<b>\$253.532</b>	<b>(\$37.448)</b>	<b>\$234.205</b>	<b>\$19.327</b>	<b>\$208.622</b>	<b>\$25.583</b>	<b>\$213.057</b>	<b>(\$4.434)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

-- Differences are due to rounding.

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Revenue</u></b>									
Farebox Revenue	\$649.769	\$668.487	\$18.719	\$682.207	\$13.719	\$696.711	\$14.504	\$707.254	\$10.543
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	62.338	54.717	(7.621)	55.641	0.924	57.059	1.418	58.531	1.472
Capital and Other Reimbursements	216.084	253.532	37.448	234.205	(19.327)	208.622	(25.583)	213.057	4.434
<b>Total Revenue</b>	<b>\$928.191</b>	<b>\$976.736</b>	<b>\$48.545</b>	<b>\$972.052</b>	<b>(\$4.683)</b>	<b>\$962.392</b>	<b>(\$9.660)</b>	<b>\$978.841</b>	<b>\$16.449</b>
<b><u>Expenses</u></b>									
<b>Labor:</b>									
Payroll	\$510.203	\$495.508	\$14.695	\$505.318	(\$9.809)	\$515.202	(\$9.885)	\$525.447	(\$10.244)
Overtime	101.562	94.411	7.151	93.084	1.327	95.001	(1.917)	96.913	(1.912)
Health and Welfare	112.847	115.221	(2.374)	120.536	(5.315)	127.030	(6.493)	132.924	(5.895)
OPEB Current Payment	23.666	24.836	(1.170)	25.442	(0.606)	26.672	(1.230)	27.971	(1.299)
Pensions	93.323	87.089	6.234	85.127	1.962	85.928	(0.801)	86.794	(0.865)
Other Fringe Benefits	115.628	113.149	2.479	116.313	(3.164)	120.148	(3.834)	122.805	(2.657)
Reimbursable Overhead	(1.764)	(3.481)	1.718	(3.547)	0.066	(3.612)	0.065	(3.679)	0.067
<b>Total Labor Expenses</b>	<b>\$955.466</b>	<b>\$926.734</b>	<b>\$28.732</b>	<b>\$942.273</b>	<b>(\$15.540)</b>	<b>\$966.369</b>	<b>(\$24.096)</b>	<b>\$989.175</b>	<b>(\$22.805)</b>
<b>Non-Labor:</b>									
Electric Power	\$89.330	\$84.670	\$4.660	\$87.990	(\$3.320)	\$100.105	(\$12.115)	\$108.603	(\$8.498)
Fuel	27.958	27.127	0.831	26.191	0.936	26.410	(0.219)	27.178	(0.768)
Insurance	21.523	23.425	(1.902)	25.831	(2.406)	28.194	(2.363)	30.807	(2.612)
Claims	2.000	1.000	1.000	1.000	0.000	1.000	0.000	1.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	121.529	124.750	(3.221)	128.967	(4.217)	132.688	(3.721)	133.910	(1.222)
Professional Service Contracts	51.722	82.198	(30.476)	64.162	18.036	40.073	24.089	40.662	(0.590)
Materials & Supplies	113.022	124.025	(11.003)	120.122	3.903	115.831	4.291	118.164	(2.333)
Other Business Expenses	27.308	18.978	8.330	29.654	(10.676)	30.584	(0.930)	31.798	(1.214)
<b>Total Non-Labor Expenses</b>	<b>\$454.392</b>	<b>\$486.174</b>	<b>(\$31.782)</b>	<b>\$483.917</b>	<b>\$2.256</b>	<b>\$474.885</b>	<b>\$9.032</b>	<b>\$492.123</b>	<b>(\$17.237)</b>
<b>Other Expenses Adjustments:</b>									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$1,409.858</b>	<b>\$1,412.907</b>	<b>(\$3.050)</b>	<b>\$1,426.191</b>	<b>(\$13.283)</b>	<b>\$1,441.255</b>	<b>(\$15.064)</b>	<b>\$1,481.297</b>	<b>(\$40.043)</b>
<b>Depreciation</b>									
Depreciation	\$227.237	\$227.237	\$0.000	\$227.237	\$0.000	\$229.237	(\$2.000)	\$231.237	(\$2.000)
OPEB Obligation	65.098	68.316	(3.218)	69.982	(1.666)	73.366	(3.383)	76.940	(3.574)
Environmental Remediation	4.001	3.800	0.201	3.800	0.000	3.800	25.583	3.800	0.000
<b>Total Expenses</b>	<b>\$1,706.194</b>	<b>\$1,712.260</b>	<b>(\$6.066)</b>	<b>\$1,727.210</b>	<b>(\$14.950)</b>	<b>\$1,747.657</b>	<b>(\$46.030)</b>	<b>\$1,793.274</b>	<b>(\$45.617)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$778.003)</b>	<b>(\$735.525)</b>	<b>(\$42.479)</b>	<b>(\$755.158)</b>	<b>(\$19.633)</b>	<b>(\$785.265)</b>	<b>(\$30.107)</b>	<b>(\$814.433)</b>	<b>(\$29.167)</b>

-- Differences are due to rounding.



**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Cash Basis**  
**(\$ in millions)**

**Cash Receipts & Expenditures**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Receipts</b>									
Farebox Revenue	\$655.338	\$674.233	\$18.896	\$689.156	\$14.923	\$704.473	\$15.317	\$714.880	\$10.407
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	79.155	69.612	(9.543)	69.873	0.261	72.259	2.386	71.690	(0.569)
Capital and Other Reimbursements	215.286	256.387	41.100	237.843	(18.543)	211.706	(26.137)	212.114	0.408
<b>Total Receipts</b>	<b>\$949.779</b>	<b>\$1,000.232</b>	<b>\$50.453</b>	<b>\$996.872</b>	<b>(\$3.360)</b>	<b>\$988.438</b>	<b>(\$8.434)</b>	<b>\$998.685</b>	<b>\$10.246</b>
<b>Expenditures</b>									
Labor:									
Payroll	\$527.966	\$497.936	\$30.030	\$503.705	(\$5.769)	\$515.371	(\$11.666)	\$523.607	(\$8.236)
Overtime	104.491	94.316	10.174	92.992	1.324	95.377	(2.385)	96.807	(1.430)
Health and Welfare	121.784	119.455	2.329	125.222	(5.767)	131.095	(5.873)	137.875	(6.781)
OPEB Current Payment	23.666	24.836	(1.170)	25.442	(0.606)	26.672	(1.230)	27.971	(1.299)
Pensions	81.933	87.985	(6.052)	85.527	2.458	86.329	(0.802)	87.199	(0.870)
Other Fringe Benefits	117.882	112.478	5.404	115.167	(2.689)	119.496	(4.328)	121.655	(2.159)
GASB Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.207	(0.207)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$977.723</b>	<b>\$937.008</b>	<b>\$40.716</b>	<b>\$948.056</b>	<b>(\$11.049)</b>	<b>\$974.341</b>	<b>(\$26.284)</b>	<b>\$995.322</b>	<b>(\$20.981)</b>
Non-Labor:									
Electric Power	\$90.899	\$86.329	\$4.570	\$89.699	(\$3.370)	\$101.865	(\$12.166)	\$110.416	(\$8.551)
Fuel	24.358	23.527	0.831	22.591	0.936	22.810	(0.219)	23.578	(0.768)
Insurance	22.052	22.912	(0.861)	25.327	(2.415)	28.559	(3.233)	30.122	(1.563)
Claims	0.146	1.146	(1.000)	1.146	0.000	1.146	0.000	1.146	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	139.280	126.594	12.686	127.606	(1.012)	134.288	(6.682)	141.276	(6.988)
Professional Service Contracts	61.284	92.913	(31.629)	74.753	18.160	47.484	27.270	43.960	3.524
Materials & Supplies	119.528	127.443	(7.915)	121.841	5.602	119.446	2.395	121.970	(2.524)
Other Business Expenses	50.510	42.942	7.569	54.630	(11.688)	56.273	(1.643)	57.351	(1.078)
<b>Total Non-Labor Expenditures</b>	<b>\$508.057</b>	<b>\$523.806</b>	<b>(\$15.749)</b>	<b>\$517.592</b>	<b>\$6.214</b>	<b>\$511.870</b>	<b>\$5.721</b>	<b>\$529.819</b>	<b>(\$17.948)</b>
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$1,485.780</b>	<b>\$1,460.814</b>	<b>\$24.966</b>	<b>\$1,465.648</b>	<b>(\$4.835)</b>	<b>\$1,486.211</b>	<b>(\$20.563)</b>	<b>\$1,525.140</b>	<b>(\$38.929)</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$536.001)</b>	<b>(\$460.581)</b>	<b>\$75.420</b>	<b>(\$468.776)</b>	<b>(\$8.194)</b>	<b>(\$497.773)</b>	<b>(\$28.997)</b>	<b>(\$526.456)</b>	<b>(\$28.683)</b>
<b>Subsidies</b>									
MTA	\$424.440	\$366.666	(\$57.774)	\$371.237	\$4.571	\$397.727	\$26.490	\$417.177	\$19.450
CDOT	111.560	93.915	(17.645)	97.538	3.623	100.045	2.507	109.279	9.234
<b>Total Subsidies</b>	<b>\$536.000</b>	<b>\$460.581</b>	<b>(\$75.419)</b>	<b>\$468.775</b>	<b>\$8.194</b>	<b>\$497.772</b>	<b>\$28.997</b>	<b>\$526.456</b>	<b>\$28.684</b>

-- Differences are due to rounding.

**MTA METRO-NORTH RAILROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Summary of Plan-to-Plan Changes by Generic Category**

**REVENUE**

**FAREBOX REVENUE**

Non-Reimbursable

- 2014 – 2017 reflects lower ridership growth and results in lower revenue of \$10.3 million in 2014, \$5.5 million in 2015, \$3.2 million in 2016, and improving in 2017 with a \$0.4 million increase.

**OTHER OPERATING REVENUE**

Non-Reimbursable

- 2014 increase from the Adopted Budget primarily reflects a deferred 2013 Tropical Storm Irene reimbursement of \$6.2 million.
- 2015 - 2017 reflects continuing improvement in GCT retail and advertising revenues.

**CAPITAL AND OTHER REIMBURSEMENTS**

Reimbursable

- Higher reimbursements in 2014 are primarily attributable to several track replacement and signals improvement projects as well as technology expenditures associated with Metro North's office relocation. These increases were partially offset by reduced labor requirements.
- 2015-2017 reimbursable project costs (and receipts) reflect the impact of the Positive Train Control (PTC) project as well as a continuation of baseline project levels from 2014.

Cash

- 2014 adjustments primarily reflect increases vs. the Adopted Budget (\$1.2 million) for the receipt of a tenant contractual obligation partially offset by lower scrap material sales.
- 2015–2017 adjustments primarily reflect decreases vs. the February Financial Plan (\$1.3 million, \$2.1 million and \$0.4 million, respectively) due to the anticipated reduction of scrap material sales.

**EXPENSES**

**PAYROLL**

Reflecting the recent labor settlement with the Transport Workers Union (TWU), MTA's largest union, the July Financial Plan assumes the same pattern settlement for employees represented by unions without contract agreements. This assumption projects costs that are in excess of the February Financial Plan provision, and a portion

of this additional cost will be funded by the suspension of contributions to the GASB Account.

#### Management Labor

- Non-Agreement (NA) salaries include provisions for cost of living increases in 2015 - 2017 of 1.85%, 1.89%, and 1.85%, respectively.
- 2014-2015 salary expense is lower by approximately \$5.6 million and \$1.7 million, respectively, as a result of vacant positions.
- 2016 - 2017 salary expense is lower by approximately \$2.0 million annually as a result of continuing vacant positions as well as attrition associated with the succession planning efforts.

#### Agreement Labor

- 2014 Mid-Year Forecast increase of \$40.4 million compared to the 2014 Adopted Budget primarily reflects the TWU settlement patterned wage growth assumptions including the related retroactive adjustment for 2010-2013, partially offset by vacant positions.
- 2015 - 2017 are up by \$15.0 million, \$18.9 million, and \$15.3 million, respectively, and primarily due to the revised wage settlement estimate.

#### Reimbursable

- 2014 labor expenses are lower overall by \$0.8 million to \$43.9 million, reflecting the TWU settlement patterned wage growth assumptions offset by vacant positions and changes to project requirements.
- 2015-2017 reimbursable project costs reflect a continuation of baseline project levels from 2014.

### **OVERTIME**

#### Non-Reimbursable

- The 2014 Mid-Year Forecast is \$22.8 million higher than Adopted Budget. Of this total, \$8.7 million is the result of the TWU settlement patterned wage growth assumptions including the related retroactive adjustment for 2010-2014. The remaining increase (\$14.1 million) is due to scheduled train service coverage associated with new T&E employees in training (\$3.7 million), winter storm coverage (\$2.5 million), vacancies (\$1.8 million), the continuation of infrastructure improvements and improved track maintenance (\$2.7 million), implementation of safety enhancements (\$0.6 million), and FRA mandated equipment inspection and maintenance requirements (\$1.8 million).

- 2015–2017 increases of \$18.0 million, \$19.1 million, and \$19.6 million, respectively are primarily due to the revised MTA wage settlement estimate (over \$3.0 million annually), and continuation of 2014 base line increases associated with: programmatic and routine maintenance, scheduled train service coverage, and weather emergencies.

#### Reimbursable

2014 – 2017 increases are primarily due to the TWU settlement patterned wage growth assumptions for represented employees without contracts.

### **HEALTH AND WELFARE**

#### Non-Reimbursable and Reimbursable

- 2014 Mid-Year Forecast changes primarily reflect lower premium growth rates compared to 2014 Adopted Budget.
- 2015 -2017 reflects favorable changes in premiums.

### **OPEB CURRENT PAYMENT (GASB 45)**

#### Non-Reimbursable

- 2014-2017 cash contributions have been adjusted to reflect latest funding assumption criteria for retirees and premiums.

### **PENSIONS**

#### Non-Reimbursable and Reimbursable

- The 2014-2017 change in pension costs represents updated actuarial estimates for the Defined Benefit Plan and the impact of the revised wage settlement estimate.

#### Cash

- 2014 cash requirements are decreased by \$13.7 million to reflect advance payment of 2014 costs in 2013.

### **OTHER FRINGE BENEFITS**

#### Non-Reimbursable and Reimbursable

- 2015–2017 reflect changes in Railroad Retirement taxes, adjustments to employee claims and the revised wage settlement estimate.

### **REIMBURSABLE OVERHEAD**

#### Non-Reimbursable and Reimbursable

- 2014 decreased slightly by less than \$0.1 million due to lower requirements for straight-time labor costs which in turn directly impact reimbursable overhead.
- 2015-2017 levels are based upon ongoing project activity levels adjusted for the impact of inflation.

### **ELECTRIC POWER**

#### **Traction Power - Revenue**

#### Non-Reimbursable

- 2014 increases of \$2.9 million are due to higher rates partially offset by lower consumption due to the rescheduling of service changes from July to November.
- 2015–2017 incorporates the impact of revised inflation factors and service plan changes.

### **Non-Traction Power – Non-Revenue**

#### **Non-Reimbursable**

- 2014 increase of \$0.3 million reflects higher electric rates.
- 2015–2017 incorporates the impact of revised inflation rates.

### **FUEL**

#### **Revenue Vehicle Fuel**

#### **Non-Reimbursable**

- 2014 increase of \$0.8 million is due to higher consumption partially offset by lower than budgeted diesel fuel rates.
- 2015–2017 incorporates the impact of revised inflation assumptions.

#### **Cash**

- 2014–2017 include a credit (reduction to cash disbursements) for accrued fuel costs at New Haven which are paid directly by CDOT.

### **Non-Revenue Fuel**

#### **Non-Reimbursable**

- 2014 increase of \$0.6 million vs. the Adopted Budget reflects increased heating fuel consumption resulting from colder weather conditions.
- 2015–2017 incorporates the impact of revised inflation assumptions.

### **INSURANCE**

#### **Non-Reimbursable and Reimbursable**

- 2014–2017 incorporates the impact of revised premiums.

#### **Cash**

- 2014–2017 includes an adjustment for the difference between expense accruals and cash payments.

### **CLAIMS**

#### **Non-Reimbursable**

- 2014 – 2017 reflect current passenger claim trends.

### **MAINTENANCE AND OTHER OPERATING CONTRACTS**

#### **Non-Reimbursable**

- 2014–2015 decreases of \$2.5 million in each year, reflect revised office space lease expenses, rescheduling of locomotive overhaul programs and continued review of maintenance contracts generating operating efficiencies. These decreases are partially offset by higher NHL car disposal costs due to timing, customer enhancements in GCT, power substation refurbishments, and a one-time increase in 2014 for Danbury Branch emergency bus services.

- 2016-2017 increases reflect the continuation of the Infrastructure Improvement Program, NHL car disposal costs, customer enhancement projects in GCT and power substation refurbishments, partially offset by revised office space lease expenses and rescheduling of locomotive overhaul programs.

#### Reimbursable

- 2014 increase of \$4.7 million over the Adopted Budget reflects revised project requirements for West of Hudson Signal Improvements, Cos Cob West Substation, and West-Haven Station projects.
- 2015-2017 levels are based upon ongoing project activity levels adjusted for the impact of inflation and the impact of accelerating the Positive Train Control (PTC) project.

#### Cash

- 2014-2017 cash adjustments include timing differences and reallocations to accrued expenses.

### **PROFESSIONAL SERVICES CONTRACTS**

#### Non-Reimbursable

- 2014 primarily reflects costs associated with the implementation of the Financial Planning System (\$2.2 million).
- 2015-2017 increases reflect costs associated with the Infrastructure Improvement Program (\$1.0 million) and maintenance costs associated with the Financial Planning System (\$0.3 million).

#### Reimbursable

- In 2014, expenditures remain essentially flat.
- 2015-2017 levels are based upon ongoing project activity levels adjusted for the impact of inflation plus the impact of the Positive Train Control (PTC) project.

### **MATERIAL AND SUPPLIES**

#### Non-Reimbursable

- 2014 increase of \$3.2 million vs. the Adopted Budget reflects Spuyten Duyvil derailment repairs (\$1.2 million), the write down of obsolete inventory (\$2.1 million) and higher Infrastructure Improvement Program requirements (\$1.6 million). These increases are partially offset by the rescheduling of the M-7 seat change-out program and New Haven Line derailment damaged car repairs.
- 2015 primarily reflects costs due to the M-7 seat change-out program, New Haven Line Derailment repairs, security system installations and inflation (\$5.4 million) partially offset by the removal of obsolete inventory write down (\$2.1 million).
- 2016-2017 reflects changes in inflationary growth.

#### Reimbursable

- In 2014, the increase is primarily attributable to cyclical track programs as well as the West of Hudson track project.
- 2015-2017 reflects increased project requirements due primarily to the Positive Train Control (PTC) project.

#### Cash

- 2014-2017 reflects cash adjustments for the difference between expenses accruals and cash payments.

## **OTHER BUSINESS EXPENSES**

### **Non-Reimbursable**

- 2014 Mid-Year Forecast is lower by \$9.7 million vs. the Adopted Budget due to the transfer of the potential recovery for losses related to the Con Edison power outage on the New Haven Line from 2014 to 2015, partially offset by lower subsidy payments to NJT for West of Hudson operations due to improved ridership revenue and lower than expected inflation.
- 2015-2017 lower plan-to-plan costs reflects the recovery for losses related to the Con Edison power outage in 2015 and lower subsidy expense from NJT on the West of Hudson line due to improved ridership revenue partially offset by the Employee Diversity & Inclusion Program.

## **DEPRECIATION**

### **Non-Reimbursable**

- 2014-2017 includes provisions for changes in Metro-North's capital assets.

## **OPEB OBLIGATION (GASB 45)**

### **Non-Reimbursable**

- 2014-2017 costs reflect the liability for Post-Retirement Benefits (healthcare costs) for future retirees based on an updated actuarial estimate.

## **ENVIRONMENTAL REMEDIATION (GASB 49)**

### **Non-Reimbursable**

- 2014–2017 costs reflect the estimated liability for environmental remediation costs associated with capital projects.

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE**

	2014	2015	2016	2017
<b>2014 February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$460.175)</b>	<b>(\$461.209)</b>	<b>(\$465.601)</b>	<b>(\$490.500)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	(\$10.344)	(\$5.466)	(\$3.247)	\$0.430
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	5.949	0.544	0.868	0.586
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>(\$4.395)</b>	<b>(\$4.922)</b>	<b>(\$2.378)</b>	<b>\$1.017</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	(\$34.775)	(\$12.042)	(\$15.567)	(\$15.829)
Overtime	(22.795)	(17.955)	(19.142)	(19.642)
Health and Welfare	7.181	10.351	9.417	10.038
OPEB Current Payment	(1.617)	(1.959)	(1.273)	(1.136)
Pensions	(8.271)	(2.435)	(0.875)	(1.034)
Other Fringe Benefits	(3.184)	3.616	2.465	1.677
Reimbursable Overhead	2.566	2.267	2.323	2.366
<b>Total Labor Expense Changes</b>	<b>(\$60.894)</b>	<b>(\$18.157)</b>	<b>(\$22.651)</b>	<b>(\$23.561)</b>
<b>Non-Labor:</b>				
Electric Power	(\$3.163)	\$7.409	\$10.021	\$3.810
Fuel	(1.351)	(1.371)	(0.273)	0.250
Insurance	0.384	1.386	2.142	3.468
Claims	(1.465)	(0.465)	(0.465)	(0.465)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.504	2.488	(3.644)	(6.083)
Professional Service Contracts	(2.238)	(1.479)	(1.274)	(1.331)
Materials & Supplies	(3.248)	(3.345)	(0.681)	(0.529)
Other Business Expenses	(9.672)	10.347	1.838	2.574
<b>Total Non-Labor Expense Changes</b>	<b>(\$18.249)</b>	<b>\$14.970</b>	<b>\$7.665</b>	<b>\$1.695</b>
<b>Total Expenses before Depreciation and GASB Adjustments</b>	<b>(\$79.143)</b>	<b>(\$3.187)</b>	<b>(\$14.986)</b>	<b>(\$21.866)</b>
Depreciation	\$0.000	(\$1.750)	\$0.250	\$0.250
OPEB Obligation	0.000	(0.774)	1.374	2.027
Environmental Remediation	(0.201)	0.000	0.000	0.000
<b>Total Expense Changes</b>	<b>(\$79.344)</b>	<b>(\$5.711)</b>	<b>(\$13.362)</b>	<b>(\$19.589)</b>
<b>Cash Conversion Adjustment Changes</b>				
Depreciation	(\$0.000)	\$1.750	(\$0.250)	(\$0.250)
Operating/Capital	8.818	(2.961)	(9.019)	(2.452)
Other Cash Adjustments	(0.903)	12.473	21.835	14.002
<b>Total Cash Conversion Adjustments</b>	<b>\$7.914</b>	<b>\$11.262</b>	<b>\$12.565</b>	<b>\$11.300</b>
<b>Total Baseline Changes</b>	<b>(\$75.825)</b>	<b>\$0.629</b>	<b>(\$3.175)</b>	<b>(\$7.273)</b>
<b>2014 July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$536.000)</b>	<b>(\$460.580)</b>	<b>(\$468.777)</b>	<b>(\$497.773)</b>

-- Differences are due to rounding.



**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2014	2015	2016	2017
<b>2014 February Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	9.510	38.902	11.522	(24.241)
<b>Total Revenue Changes</b>	<b>\$9.510</b>	<b>\$38.902</b>	<b>\$11.522</b>	<b>(\$24.241)</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	\$0.801	\$3.234	\$3.256	\$3.284
Overtime	(2.528)	(1.337)	(1.383)	(1.431)
Health and Welfare	1.745	2.245	2.704	3.011
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	(0.188)	0.772	0.855	0.917
Other Fringe Benefits	0.233	1.031	1.015	1.041
Reimbursable Overhead	(2.480)	0.805	0.806	0.820
<b>Total Labor Expense Changes</b>	<b>(\$2.417)</b>	<b>\$6.749</b>	<b>\$7.253</b>	<b>\$7.642</b>
<b>Non-Labor:</b>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	0.223	0.242	0.247	0.251
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(4.670)	3.609	9.771	14.117
Professional Service Contracts	0.016	(23.638)	(4.729)	21.014
Materials & Supplies	(1.213)	(24.391)	(22.566)	(17.260)
Other Business Expenses	(1.449)	(1.473)	(1.498)	(1.522)
<b>Total Non-Labor Expense Changes</b>	<b>(\$7.093)</b>	<b>(\$45.652)</b>	<b>(\$18.775)</b>	<b>\$16.599</b>
<b>Total Expense Changes</b>	<b>(\$9.510)</b>	<b>(\$38.902)</b>	<b>(\$11.522)</b>	<b>\$24.241</b>
<b>Cash Conversion Adjustment Changes</b>				
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
Operating/Capital	0.000	0.000	0.000	0.000
Other Cash Adjustments	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2014 July Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

-- Differences are due to rounding.

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>2014 February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$460.175)</b>	<b>(\$461.209)</b>	<b>(\$465.601)</b>	<b>(\$490.500)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	(\$10.344)	(\$5.466)	(\$3.247)	\$0.430
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	5.949	0.544	0.868	0.586
Capital and Other Reimbursement	9.510	38.902	11.522	(24.241)
<b>Total Revenue Changes</b>	<b>\$5.115</b>	<b>\$33.980</b>	<b>\$9.144</b>	<b>(\$23.225)</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	(\$33.974)	(\$8.808)	(\$12.311)	(\$12.546)
Overtime	(25.323)	(19.291)	(20.524)	(21.073)
Health and Welfare	8.926	12.596	12.120	13.049
OPEB Current Payment	(1.617)	(1.959)	(1.273)	(1.136)
Pensions	(8.458)	(1.663)	(0.019)	(0.117)
Other Fringe Benefits	(2.951)	4.647	3.479	2.719
Reimbursable Overhead	0.086	3.071	3.129	3.186
<b>Total Labor Expense Changes</b>	<b>(\$63.311)</b>	<b>(\$11.407)</b>	<b>(\$15.398)</b>	<b>(\$15.919)</b>
<b>Non-Labor:</b>				
Electric Power	(\$3.163)	\$7.409	\$10.021	\$3.810
Fuel	(1.351)	(1.371)	(0.273)	0.250
Insurance	0.607	1.628	2.389	3.719
Claims	(1.465)	(0.465)	(0.465)	(0.465)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(2.166)	6.097	6.127	8.035
Professional Service Contracts	(2.222)	(25.117)	(6.002)	19.683
Materials & Supplies	(4.461)	(27.736)	(23.247)	(17.789)
Other Business Expenses	(11.122)	8.874	0.340	1.052
<b>Total Non-Labor Expense Changes</b>	<b>(\$25.342)</b>	<b>(\$30.682)</b>	<b>(\$11.110)</b>	<b>\$18.294</b>
<b>Total Expenses before Non-Cash Liability Adj.</b>	<b>(\$88.653)</b>	<b>(\$42.089)</b>	<b>(\$26.508)</b>	<b>\$2.375</b>
Depreciation	\$0.000	(\$1.750)	\$0.250	\$0.250
OPEB Obligation	0.000	(0.774)	1.374	2.027
Environmental Remediation	(0.201)	0.000	0.000	0.000
<b>Total Expense Changes</b>	<b>(\$88.854)</b>	<b>(\$44.613)</b>	<b>(\$24.884)</b>	<b>\$4.652</b>
<b>Baseline Net Surplus/(Deficit) Changes</b>	<b>(\$83.538)</b>	<b>(\$8.109)</b>	<b>(\$17.364)</b>	<b>(\$20.849)</b>
<b>Cash Conversion Adjustment Changes</b>				
Depreciation	(\$0.000)	\$1.750	(\$0.250)	(\$0.250)
Operating/Capital	8.818	(2.961)	(9.019)	(2.452)
Other Cash Adjustments	(0.903)	12.473	21.835	14.002
<b>Total Cash Conversion Adjustments</b>	<b>\$7.914</b>	<b>\$11.262</b>	<b>\$12.565</b>	<b>\$11.300</b>
<b>Total Baseline Changes</b>	<b>(\$75.825)</b>	<b>\$0.629</b>	<b>(\$3.175)</b>	<b>(\$7.273)</b>
<b>2014 July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$536.000)</b>	<b>(\$460.580)</b>	<b>(\$468.777)</b>	<b>(\$497.773)</b>

-- Differences are due to rounding.

**MTA METRO-NORTH RAILROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Summary of Major Plan-to-Plan Changes**

Revisions to Metro-North's July Financial Plan for years 2014-2018 reflects the effect of evolving economic conditions, new needs, changes in timing of cost assumptions and resource allocations, as well as the impact of recently implemented cost reduction plans.

Projections include additional Payroll, Overtime, Pension, Other Fringe Benefits, and Reimbursable Overhead expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

**2014: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN**

The 2014 Mid-Year Forecast cash subsidy requirement of \$536.0 million for Non-Reimbursable operations is \$75.8 million higher than the Adopted Budget. This reflects \$4.4 million in lower total revenue in addition to a forecasted increase of \$79.3 million in cash expenses. Operating revenues of \$712.1 million reflect passenger revenues of \$649.8 million that are \$10.3 million unfavorable versus the Adopted Budget resulting from lower than anticipated ridership growth. Non-passenger revenues of \$62.3 million are \$5.9 million better than the Adopted Budget mainly due to reimbursements for damages incurred from Tropical Storm Irene and Sandy. Non-Reimbursable operating expenses of \$1,490.1 million reflect an increase of \$79.3 million, \$63.7 million of which is attributable to the TWU settlement patterned wage assumptions for represented employees without contracts. The remaining increase is due to higher overtime costs (\$14.1 million) offset by savings from vacancies, lower fringe premiums and reduced office rent resulting from the relocation of offices to the Graybar Building. The increase in overtime is due to scheduled train service coverage associated with new employees in training (\$3.7 million), winter storm coverage (\$2.5 million), vacancies (\$1.8 million), the continuation of infrastructure improvements and improved track maintenance (\$2.7 million), implementation of safety enhancements (\$0.6 million), and FRA mandated equipment inspection and maintenance (\$1.8 million).

The Reimbursable 2014 Mid-Year Forecast revenue and expense projections total \$216.1 million which is \$9.5 million higher than the 2014 Adopted Budget. This increase is driven by the TWU settlement patterned wage assumptions for represented employees without contracts (\$6.6 million) as well as the rescheduling of various projects resulting in lower labor costs, offset by increased non labor expenses - primarily Maintenance & Other Contract costs for several key initiatives including Cos Cob West Substation and West of Hudson Signal Improvement projects.

## **2015 - 2017: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN**

The 2015 - 2017 July Financial Plan subsidy requirements are lower by \$0.6 million in 2015 and higher by \$3.2 million in 2016 and \$7.3 million in 2017, compared to the February Financial Plan. In general, this is primarily the result of lower Farebox revenue as a result of lower ridership, partly offset by higher advertising and GCT retail revenue. Increased expenses are largely due to the impact of the TWU settlement patterned wage growth assumptions (\$23.0 million in 2015, \$24.0 million in 2016 and \$25.0 million in 2017), partly offset by the potential recovery for losses related to the Con Edison power outage on the New Haven Line in 2015 and the effect of lower inflationary factors applied to healthcare costs and electric rates.

Reimbursable project costs (and receipts) for 2015-2017 compared to the February Financial Plan are higher by \$38.9 million in 2015, \$11.5 million in 2016 and lower by \$24.2 million in 2017, primarily driven by the TWU settlement patterned wage growth assumptions (\$2.3 million in 2015 and 2016, respectively, and \$2.5 million in 2017) and the impact of the Positive Train Control (PTC) project.

**MTA Metro-North Railroad**  
**July Financial Plan 2015 - 2018**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>2014 February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$460.175)</b>	<b>(\$461.209)</b>	<b>(\$465.601)</b>	<b>(\$490.500)</b>
<b>Non-Reimbursable Major Changes</b>				
Revenue				
Irene Recovery per MTA Guidance	\$6.270	\$0.000	\$0.000	\$0.000
Farebox Revenue - Reduced Ridership Growth	(10.344)	(5.466)	(3.247)	0.430
Other Non-Passenger Revenue (Excludes BRP and Irene Recovery)	(0.821)	0.044	0.368	0.086
BRP Revenue Items	0.500	0.500	0.500	0.500
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>(\$4.395)</b>	<b>(\$4.922)</b>	<b>(\$2.378)</b>	<b>\$1.017</b>
Expenses				
Union Labor Settlement - RWA 2010-13	(\$33.404)	\$0.000	\$0.000	\$0.000
Union Labor Settlement - Pension 2010-13	(5.712)	0.000	0.000	0.000
Union Labor Settlement - Taxes 2010-13	(2.572)	0.000	0.000	0.000
Union Labor Settlement - Adjustment 2014-2018	(17.661)	(18.428)	(19.215)	(20.064)
Union Labor Settlement - Pension 2014-2018	(3.020)	(3.151)	(3.286)	(3.431)
Union Labor Settlement - Taxes 2014-2018	(1.360)	(1.419)	(1.480)	(1.545)
Overtime - Revised Baseline	(14.088)	(14.711)	(13.879)	(13.590)
Infrastructure Improvement Program - Increased Materials and Extend Progra	(1.200)	(1.200)	(6.000)	(6.000)
Labor - Vacant Positions / Reimbursable Overhead	7.931	4.480	0.690	(0.190)
Service Plan Changes	0.268	0.669	1.456	2.169
Health and Welfare (Rates)	5.564	8.392	8.144	8.902
Pension Adjustments (exclude RWA)	0.462	0.716	2.411	2.397
Other Fringe Benefits - Employee Taxes (exclude RWA)	0.748	5.035	3.944	3.222
Power	(3.163)	7.409	10.021	3.810
Insurance Premiums	0.384	1.386	2.142	3.468
Occupancy Impact - Madison Avenue Relocation	3.396	3.016	3.111	0.507
Maintenance and Other Operating Contracts	(3.241)	(5.353)	(3.146)	(3.298)
Locomotive Overhauls Adjustment due to Capacity Constraints	0.000	5.500	0.000	0.000
Car Disposals	0.900	(0.900)	0.000	0.000
Bridgeport M8 Repairs	1.250	(2.500)	(2.500)	0.000
Financial Planning System Implementation	(2.069)	(0.334)	(0.156)	(0.155)
Professional Services	(0.169)	(1.145)	(1.118)	(1.175)
Con Edison Recovery Move Across Years	(8.993)	8.993	0.000	0.000
Other Net Expense Changes	(7.537)	(6.167)	1.498	1.385
BRP Expense Items	3.941	4.000	4.000	4.000
<b>Sub-Total Non-Reimbursable Expense Changes</b>	<b>(\$79.344)</b>	<b>(\$5.711)</b>	<b>(\$13.362)</b>	<b>(\$19.589)</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>(\$83.739)</b>	<b>(\$10.633)</b>	<b>(\$15.741)</b>	<b>(\$18.572)</b>
<b>Reimbursable Major Changes</b>				
Revenue				
Projections for 2014-2017 assume capital project activity levels similar to 2014 BUD adjusted for the winding down / completion / addition of projects, mainly addition of PTC; also reflects reimbursement of Union Labor Settlement RWA	9.510	38.902	11.522	(24.241)
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$9.510</b>	<b>\$38.902</b>	<b>\$11.522</b>	<b>(\$24.241)</b>
Expenses				
Projections for 2014-2017 assume capital project activity levels similar to 2014 BUD adjusted for the winding down / completion / addition of projects, mainly addition of PTC; also includes Union Labor Settlement RWA	(9.510)	(38.902)	(11.522)	24.241
<b>Sub-Total Reimbursable Expense Changes</b>	<b>(\$9.510)</b>	<b>(\$38.902)</b>	<b>(\$11.522)</b>	<b>\$24.241</b>
<b>Total Reimbursable Major Changes</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>
<b>Total Accrual Changes</b>	<b>(\$83.739)</b>	<b>(\$10.633)</b>	<b>(\$15.741)</b>	<b>(\$18.572)</b>
<b>Cash Adjustment Changes</b>				
Cash Adjustments				
Operating Capital Changes	\$8.818	(\$2.961)	(\$9.019)	(\$2.452)
OPEB Obligation	4.467	9.105	9.291	9.474
RWA Accrued Not Paid 2013	(5.222)	0.000	0.000	0.000
Other Net Cash Adjustments	(0.149)	5.118	12.294	4.278
<b>Total Cash Adjustment Changes</b>	<b>\$7.914</b>	<b>\$11.262</b>	<b>\$12.565</b>	<b>\$11.300</b>
<b>Total Baseline Changes</b>	<b>(\$75.825)</b>	<b>\$0.629</b>	<b>(\$3.175)</b>	<b>(\$7.273)</b>
<b>2014 July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$536.000)</b>	<b>(\$460.580)</b>	<b>(\$468.777)</b>	<b>(\$497.773)</b>

-- Differences are due to rounding.

**MTA METRO-NORTH RAILROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Ridership / (Utilization)**

Ridership projections are developed primarily by the application of the line segment ridership forecasting models that incorporate current trends (excluding anomalies), the impact of economic and demographic factors, MTA supplied CPI, 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 82.7 million in 2014 which is 1.1% higher than 2013. Compared to the Adopted Budget, ridership is 1.9% lower due to lower than projected growth in non-commutation and commutation ridership resulting from the adverse effects of winter weather disruptions, as well as a continuation of slower growth trends experienced since the latter part of 2013. In 2015 through 2018, ridership is projected to grow 2.2%, 1.7%, 1.8%, and 1.2%, respectively, with growth occurring across all three commuter lines. Projections over this period assume no fare increases in New York State and annual fare increases in Connecticut 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 2014 customer levels that are 5.6% higher than 2013, reflecting a higher recovery from the Port Jervis Line service outages that resulted from Tropical Storm Irene infrastructure damages. In 2015-2018, West of Hudson ridership is projected to grow 2.3%, 2.5%, 2.8% and 3.3%, respectively. Growth rates during this period reflect improvement in the economic climate, a resumption of customer growth in peak periods and service expansion for peak and off-peak and weekend periods on both the Port Jervis and Pascack Valley lines.

**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
Ridership (Utilization)  
(in millions)**

	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b><u>Ridership</u></b>						
Harlem Line	26.950	27.144	27.793	28.375	28.937	29.300
Hudson Line	15.878	16.090	16.431	16.763	17.110	17.339
New Haven Line	38.975	39.440	40.304	40.849	41.488	41.933
<b>East of Hudson Total Ridership</b>	<b>81.802</b>	<b>82.673</b>	<b>84.529</b>	<b>85.987</b>	<b>87.535</b>	<b>88.572</b>
West of Hudson	1.576	1.664	1.703	1.745	1.794	1.854
<b>Total Ridership</b>	<b>83.379</b>	<b>84.338</b>	<b>86.231</b>	<b>87.732</b>	<b>89.329</b>	<b>90.426</b>
<b><u>Farebox Revenue</u></b>						
Harlem Line	\$188.535	\$193.020	\$198.026	\$202.372	\$206.518	\$209.163
Hudson Line	136.024	139.397	142.577	145.582	148.716	150.771
New Haven Line	294.890	316.930	327.453	333.811	341.022	346.844
West of Hudson Mail & Ride	0.462	0.422	0.431	0.442	0.456	0.475
<b>Baseline Total Farebox Revenue</b>	<b>\$619.910</b>	<b>\$649.769</b>	<b>\$668.487</b>	<b>\$682.207</b>	<b>\$696.711</b>	<b>\$707.254</b>

\* Reflects East of Hudson Service

**MTA Metro-North Railroad**  
**July Financial Plan 2015 - 2018**  
**2014 Budget Reduction Plan Summary**  
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018
<u>Administration</u>										
Non-Agreement Position Vacancies	-	\$1.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Subtotal Administration	-	1.000	-	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>										
Timing in Locomotive Overhaul Programs		1.441		0.000		0.000		0.000		0.000
Changes to Genesis and BL20 Locomotive Overhaul Cycles		0.000		1.000		1.000		1.000		1.000
Reduction in Provisions for Contracted Shop Equipment and Communication Equipment Maintenance		0.200		0.700		0.400		0.400		0.400
Lower Material Requirements for NHL New Car Fleet and Communications Equipment		0.300		0.800		0.800		0.800		0.800
Reduce Provision for M7 Car Seat Replacement Material		0.000		0.500		0.500		0.500		0.500
Subtotal Maintenance	-	1.941	-	3.000	-	2.700	-	2.700	-	2.700
<u>Revenue Enhancement</u>										
Increase in GCT Retail and NWP Parking Spaces		0.500		0.500		0.500		0.500		0.500
Subtotal Other	-	0.500	-	0.500	-	0.500	-	0.500	-	0.500
<u>Safety/Security</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>Service</u>										
Delay Start of 2014 Service Change to November		1.000		0.000		0.000		0.000		0.000
Eliminate 2015 Service Plan Provisional	-	0.000	11	1.000	11	1.300	11	1.300	11	1.300
Subtotal Service	-	1.000	11	1.000	11	1.300	11	1.300	11	1.300
<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>										
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<b>Agency Submission</b>	-	<b>\$4.441</b>	<b>11</b>	<b>\$4.500</b>	<b>11</b>	<b>\$4.500</b>	<b>11</b>	<b>\$4.500</b>	<b>11</b>	<b>\$4.500</b>



**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Non-Agreement Position Vacancies

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	One-Time Events: 2014 - \$1.0 million, Management Position Vacancies - Metro-North reached its 30 year anniversary in 2013 and a significant number of senior management retirements have taken place over the past 18 months. These positions have been difficult to fill given the unique skills required for many of the operations positions and limited Human Resources staff to handle the higher volume of vacant jobs.
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<b>Program Implementation Date:</b>	Apr-14	<b>When will savings begin?:</b>	Apr-14
<b>Are these savings recurring?:</b>		No	
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Timing in Locomotive Overhaul Programs

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	One-Time Events: 2014 - \$1.4 million, reschedule one Genesis Locomotive overhaul from 2014 to 2015, there are two units remaining from the cycle started in 2006.
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<b>Program Implementation Date:</b>	Apr-14	<b>When will savings begin?:</b>	Apr-14
		<b>Are these savings recurring?:</b>	No
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.441	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Changes to Genesis and BL20 Locomotive Overhaul Cycles

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	Recurring Reductions: 2015-18 - \$1.0 million, expected savings on new Genesis and BL20 Locomotive overhaul cycles due to scheduling changes in the start-up and ongoing implementation of the overhaul program.
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<b>Program Implementation Date:</b>	Jan-15	<b>When will savings begin?:</b>	Jan-15
<b>Are these savings recurring?:</b>		Yes	
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$1.000	\$1.000	\$1.000	\$1.000
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Reduction in Provisions for Contracted Shop Equipment and Communication Equipment Maintenance

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	Recurring Reductions: 2014-18 - \$0.2 million in 2014 then \$0.7 million in 2015 and then \$0.4 million thereafter for reduced maintenance contracts for contracted shop equipment and communications equipment maintenance. This reflects the time and material nature of the maintenance contracts, recent trends indicate that the current budgeted amounts are rarely totally consumed.
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<b>Program Implementation Date:</b>	Jul-14	<b>When will savings begin?:</b>	Jul-14
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.200	\$0.700	\$0.400	\$0.400	\$0.400
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Lower Material Requirements for NHL New Car Fleet and Communications Equipment

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	Recurring Reductions: 2014-18 - \$0.3 million in 2014 and then \$0.8 million thereafter reduced material usage for M8 cars under warranty, M2s, M4s and M6s no longer in service and reduced Communications equipment. This reduction does not include materials required to maintain Positive Train Control systems.
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<b>Program Implementation Date:</b>	Jul-14	<b>When will savings begin?:</b>	Jul-14
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.300	\$0.800	\$0.800	\$0.800	\$0.800
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Reduce Provision for M7 Car Seat Replacement Material

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	Recurring Reductions: 2015-18 - \$0.5 million per year reduced materials spend for M7 car seat replacements. The plan provision reflects costs to do approximately 30 kits annually (one seat kit covers one married pair of cars). Capacity constraints among staff and material deliveries from vendors indicate that 20-25 kits per year may be more realistic estimate.
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<b>Program Implementation Date:</b>	Jan-15	<b>When will savings begin?:</b>	Jan-15
<b>Are these savings recurring?:</b>		Yes	
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.500	\$0.500	\$0.500	\$0.500
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Revenue Enhancement

**Program:** Increase in GCT Retail and NWP Parking Spaces

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	Recurring Reductions: 2014-18 - \$0.5 million per year increases to Other Operating Revenue from two sources. The first is additional GCT retail revenues from several revised tenant leases. The second increase is result of expanded parking space at North White Plains station parking facility.
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<b>Program Implementation Date:</b>	Jan-14 <b>When will savings begin?:</b>	Jan-14
	<b>Are these savings recurring?:</b>	Yes

**Other Issues:**

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Service

**Program:** Delay Start of 2014 Service Change to November

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	One-Time Events: 2014 - \$1.0 million, delay in start of 2014 Service Plan from July to November, no change to planned service.		
<b>Program Implementation Date:</b>	Jul-14	<b>When will savings begin?:</b>	Jul-14
		<b>Are these savings recurring?:</b>	No
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Positions Required:</i>					



**MTA Metro-North Railroad  
July Financial Plan 2015 - 2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Service

**Program:** Eliminate 2015 Service Plan Provisional

<b>Background Details:</b>	The 2014 Budget Reduction Plan as communicated by the MTA contains a specified target reduction for Metro-North Railroad of \$4.5 million per year. Metro-North Railroad has identified several areas which will allow it to meet the budget reduction target. Some of the identified reductions are one-time events in single year, others are recurring expense reductions or revenue increases through-out the five year forecast from 2014 through 2018.
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<b>Program Description/ Implementation Plan:</b>	Recurring Reductions: 2015-18 - \$1.0 million in 2015 and then \$1.3 million thereafter, reflecting elimination of 2015 provisional but not approved service changes, reducing crew needs and power/fuel expenses. A provision for ridership growth remains in the forecast.
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<b>Program Implementation Date:</b>	Apr-15	<b>When will savings begin?:</b>	Apr-15
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$1.000	\$1.300	\$1.300	\$1.300
<i>Total Positions Required:</i>					
<i>(List Title of Positions)</i>					
<b>Engineers</b>		3	3	3	3
<b>Conductors</b>		8	8	8	8

**MTA METRO-NORTH RAILROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Positions**

**POSITION ASSUMPTIONS**

Positions are stated as of December 31 of each year and reflect authorized staffing levels.

**YEAR-TO-YEAR CHANGES**

**2014 - 2015**

The 2015 Preliminary Budget includes programmatic additions of seven Non-reimbursable positions versus 2014 reflecting three T&E positions in support of ridership growth, three management positions to support the enterprise asset management program and one management position to oversee communications with the Connecticut legislature.

**2015 - 2016**

2016 decreases by four positions which reflects a decrease of 14 Non-Reimbursable positions resulting from the reduction of 20 Maintenance of Way positions due to the completion of the Infrastructure Improvement Plan partially offset by an increase of three T&E positions to support ridership growth and three positions to support new geometry car equipment in MofW. There is also an increase of 10 Reimbursable positions for Positive Train Control (PTC).

**2016 - 2017**

2017 positions decrease by two which reflects a decrease of two Non-Reimbursable positions resulting from a decrease of five MofW positions due to the ramping down of the Right-of-Way clean-up efforts partially offset by three additional T&E positions to support ridership growth.

**2017 - 2018**

2018 includes an increase of three Non-Reimbursable T&E positions to support ridership growth.

**MTA METRO-NORTH RAILROAD**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Positions Plan-to-Plan Changes**

**PLAN TO PLAN CHANGES**

**2014**

The 2014 Mid-Year Forecast reflects a decrease of one Non-Reimbursable position versus the 2014 Adopted Budget which includes a shift of one operating position to support capital program work and an inactivation of one Safety position, partially offset by the addition of the VP Chief Engineer position to head the MofW department.

The 2014 Mid-Year Forecast reflects an increase of three Reimbursable positions versus the 2014 Adopted Budget which includes one manager position in MofW to support construction work in Connecticut and two Non-Agreement positions in the Engineering & Design department to support the growing number and larger scope of projects in and around GCT.

**2015**

The 2015 Preliminary Budget shows a net decrease of eight Non-Reimbursable positions over the February Financial Plan. The position change from 2014 noted above carry forward to 2015 (one position). There is also a reduction of 11 T&E positions resulting from eliminating the 2015 Service Plan initiative partially offset by the addition of three management positions to support the enterprise asset management program and one management position to oversee communications with the Connecticut legislature. The 2015 Preliminary Budget also shows a net increase of three Reimbursable positions over the February Financial Plan. All of these positions carry forward from the 2014 changes noted above.

**2016**

The July Financial Plan for 2016 shows a net decrease of 11 non-reimbursable positions over the February Financial Plan. All of these positions carry forward from the 2015 changes noted above (eight positions). There is also a reduction of three T&E positions resulting from eliminating the 2016 Service Plan initiative. The July Financial Plan for 2016 also shows a net increase of three Reimbursable positions over the February Financial Plan. All of these positions carry forward from the 2015 changes noted above.

**2017**

The July Financial Plan for 2017 shows a net decrease of 20 non-reimbursable positions over the February Financial Plan. All of these positions carry forward from the 2016 changes noted above (11 positions). There is also a reduction of nine T&E positions resulting from eliminating the 2017 Service Plan initiative. The July Financial

Plan for 2017 also shows a net increase of three Reimbursable positions over the February Financial Plan. All of these positions carry forward from the 2016 changes noted above.

<b>MTA METRO-NORTH RAILROAD</b> <b>July Financial Plan 2015 - 2018</b> Favorable/(Unfavorable)				
<b>Total Position Changes at a Glance</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2014 February Plan - Total Baseline Positions</b>	<b>6,583</b>	<b>6,597</b>	<b>6,596</b>	<b>6,603</b>
Total Plan-to-Plan Changes	(2)	5	8	17
<b>2014 July Plan - Total Baseline Positions</b>	<b>6,585</b>	<b>6,592</b>	<b>6,588</b>	<b>6,586</b>
Total Year-to-Year Changes, July Plan		(7)	4	2
<b>Total Plan-to-Plan Changes by Reporting Category:</b>				
<i>Non-Reimbursable</i>	1	8	11	20
<i>Reimbursable</i>	(3)	(3)	(3)	(3)
<b>Total</b>	<b>(2)</b>	<b>5</b>	<b>8</b>	<b>17</b>
<i>Full-Time</i>	(2)	5	8	17
<i>Full-Time Equivalents</i>	0	0	0	0
<b>Total</b>	<b>(2)</b>	<b>5</b>	<b>8</b>	<b>17</b>
<b>By Function Category</b>				
- Administration	(4)	(5)	(5)	(5)
- Operations	1	9	12	21
- Maintenance	4	4	4	4
- Engineering/Capital	(3)	(3)	(3)	(3)
- Public Safety	0	0	0	0
<b>Total</b>	<b>(2)</b>	<b>5</b>	<b>8</b>	<b>17</b>
<b>By Occupational Group</b>				
- Managers/Supervisors	(4)	(4)	(4)	(4)
- Professional, Technical, Clerical	(7)	(11)	(11)	(11)
- Operational Hourlies	9	20	23	32
<b>Total</b>	<b>(2)</b>	<b>5</b>	<b>8</b>	<b>17</b>
<b>Total Plan-to-Plan Changes by Major Category:</b>				
2014 BRPs	0	11	11	11
New Needs	(1)	(5)	(5)	(5)
Change in Reimbursable Positions	(3)	(3)	(3)	(3)
Re-estimates & All Other <sup>1</sup>	2	2	5	14
<b>Total</b>	<b>(2)</b>	<b>5</b>	<b>8</b>	<b>17</b>

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

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

FUNCTION/DEPARTMENT	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>						
President	3	3	3	3	3	3
Labor Relations	7	9	9	9	9	9
Safety <sup>(1)</sup>	18	44	44	44	44	44
COS/ Corporate & Public Affairs <sup>(1)</sup>	15	17	18	18	18	18
Customer Service <sup>(1)</sup>	44	52	52	52	52	52
Legal	18	18	18	18	18	18
Claims	13	14	14	14	14	14
Environmental Compliance & Svce	7	7	7	7	7	7
VP Administration	3	3	3	3	3	3
VP Human Resources	3	7	7	7	7	7
Human Resources & Diversity	28	28	28	28	28	28
Training	48	58	58	58	58	58
Employee Relations & Diversity	5	5	5	5	5	5
VP Planning	2	2	2	2	2	2
Operations Planning & Analysis	15	19	19	19	19	19
Capital Planning & Programming	13	16	16	16	16	16
Business Development Facilities & Mktg <sup>(1)</sup>	26	0	0	0	0	0
GCT & Corporate Development <sup>(1)</sup>	0	30	30	30	30	30
Long Range Planning	8	8	8	8	8	8
VP Finance & Info Systems <sup>(2)</sup>	1	3	3	3	3	3
Controller	78	81	81	81	81	81
Information Technology & Project Mgmt	99	125	125	125	125	125
Budget <sup>(2)</sup>	17	18	18	18	18	18
Procurement & Material Management <sup>(2)</sup>	30	42	42	42	42	42
Corporate <sup>(1)</sup>	0	2	2	2	2	2
<b>Total Administration</b>	<b>500</b>	<b>611</b>	<b>612</b>	<b>612</b>	<b>612</b>	<b>612</b>
<b>Operations</b>						
Operations Administration	49	61	64	64	64	64
Operations Services <sup>(3)</sup>	1,749	1,457	1,460	1,463	1,466	1,469
Customer Service <sup>(1)</sup>	228	239	239	239	239	239
Business Development Facilities & Mktg <sup>(1)</sup>	36	0	0	0	0	0
GCT & Corporate Development <sup>(1)</sup>	0	38	38	38	38	38
Metro-North West	37	33	33	33	33	33
<b>Total Operations</b>	<b>2,100</b>	<b>1,828</b>	<b>1,834</b>	<b>1,837</b>	<b>1,840</b>	<b>1,843</b>
<b>Maintenance</b>						
GCT <sup>(1)</sup>	370	0	0	0	0	0
GCT & Corporate Development <sup>(1)</sup>	0	173	173	173	173	173
Maintenance of Equipment <sup>(3)</sup>	1,249	1,735	1,735	1,745	1,745	1,745
Maintenance of Way <sup>(1)</sup>	1,667	2,001	2,001	1,984	1,979	1,979
Procurement & Material Management <sup>(2)</sup>	120	124	124	124	124	124
<b>Total Maintenance</b>	<b>3,406</b>	<b>4,033</b>	<b>4,033</b>	<b>4,026</b>	<b>4,021</b>	<b>4,021</b>
<b>Engineering/Capital</b>						
Construction Management	38	42	42	42	42	42
Engineering & Design	57	71	71	71	71	71
<b>Total Engineering/Capital</b>	<b>94</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>
<b>Baseline Total Positions</b>	<b>6,099</b>	<b>6,585</b>	<b>6,592</b>	<b>6,588</b>	<b>6,586</b>	<b>6,589</b>
<b>Non-Reimbursable</b>	<b>5,842</b>	<b>5,967</b>	<b>5,974</b>	<b>5,960</b>	<b>5,958</b>	<b>5,961</b>
<b>Reimbursable</b>	<b>257</b>	<b>618</b>	<b>618</b>	<b>628</b>	<b>628</b>	<b>628</b>
<b>Total Full-Time</b>	<b>6,098</b>	<b>6,584</b>	<b>6,591</b>	<b>6,587</b>	<b>6,585</b>	<b>6,588</b>
<b>Total Full-Time-Equivalents</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

<sup>(1)</sup>Reflects the January 2014 reorganization of the GCT and Business Development departments which combines the two depts to create GCT & Corporate Development and transfers a portion of the combined dept. to the Maintenance of Way, Safety, Customer Service, Corporate and Public Affairs departments.

<sup>(2)</sup>Reflects the following transfer of positions between departments or functional groups:

- 2 positions transferred from the Budget Department to the VP Finance Department.
- 4 Procurement Specialists were reclassified from Administrative to Maintenance functions.

<sup>(3)</sup>Reflects the January 2014 transfer of the Car Appearance Unit (363 in Operational Hourly positions & 7 in Managers/Supervisors) from Operations (Operation Services Dept.) to Maintenance (Maintenance of Equipment Dept.).

**MTA METRO-NORTH RAILROAD**  
**July Financial Plan 2015 - 2018**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP		2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>							
	Managers/Supervisors	168	194	194	194	194	194
	Professional, Technical, Clerical	332	416	417	417	417	417
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Administration</b>	500	611	612	612	612	612
<b>Operations</b>							
	Managers/Supervisors	143	149	149	149	149	149
	Professional, Technical, Clerical	222	238	241	241	241	241
	Operational Hourlies	1,735	1,442	1,445	1,448	1,451	1,454
	<b>Total Operations</b>	2,100	1,828	1,834	1,837	1,840	1,843
<b>Maintenance</b>							
	Managers/Supervisors	482	549	549	549	549	549
	Professional, Technical, Clerical	488	506	506	506	506	506
	Operational Hourlies	2,436	2,979	2,979	2,972	2,967	2,967
	<b>Total Maintenance</b>	3,406	4,033	4,033	4,026	4,021	4,021
<b>Engineering/Capital</b>							
	Managers/Supervisors	39	51	51	51	51	51
	Professional, Technical, Clerical	55	62	62	62	62	62
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Engineering/Capital</b>	94	113	113	113	113	113
<b>Public Safety</b>							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	<b>Total Public Safety</b>	-	-	-	-	-	-
<b>Total Baseline Positions</b>							
	Managers/Supervisors	831	943	943	943	943	943
	Professional, Technical, Clerical	1,098	1,222	1,226	1,226	1,226	1,226
	Operational Hourlies	4,171	4,420	4,423	4,419	4,417	4,420
	<b>Total Baseline Positions</b>	6,099	6,585	6,592	6,588	6,586	6,589

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## **MTA Headquarters**

**MTA HEADQUARTERS**  
**2015 Preliminary Budget**  
**July Financial Plan 2015–2018**

**FINANCIAL OVERVIEW**

MTA Headquarters' (MTA HQ) 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 (MTA PD). Note: Reflecting the recent settlement with the Police Benevolence Association (PBA), this July Plan assumes the same pattern settlement for employees represented by unions without contract agreements. This assumption projects costs that are in excess of the February Plan provision, and a portion of this additional cost will be funded by the suspension of contributions to the GASB account. The MTA Headquarters' July Financial 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. MTA HQ conducted a review of operations that identified recurring savings of almost \$1.3 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 high priority initiatives. The creation of a new senior management safety position is underway, and will appear in a later Plan, to ensure that safety is a top priority throughout all MTA operations. The consolidation/relocation of the Administration offices from Madison Avenue to Two Broadway continues with most Headquarters departments scheduled to relocate in 2014. Reimbursement of this funding will come from the eventual disposition of the Madison Avenue properties. The net proceeds will go to the MTA Capital Program. The July Financial Plan supports the Enterprise Asset Management goal of ensuring that the MTA makes informed decisions that balance operating and capital investments, asset performance, and the operational risk inherent in asset management. Funding is also provided for Transportation Reinvention Commission studies to examine the MTA's challenges and goals for the next century to prepare a mass transit network that is prepared for extreme weather and provides a better experience for riders. Additional funding is also provided for Organizational Development to develop processes that facilitate such activities as succession planning, the performance management program, and the delivery of learning programs that build employee capability.

Currently underway are efforts that will consolidate both the Information Technology and Treasury functions at Headquarters. 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 Adopted Budget previously included funding in 2014 for the hiring of nine MTA Police positions, enabling the MTA PD to increase its presence on Metro North Railroad's (MNR) New Haven Line, which is MNR's most heavily traveled line. Included in the Financial Plan baseline in 2015 is funding for the hiring of five MTA PD positions for patrolling the Moynihan project - an expansion of the west end concourse at Penn Station. Also included in the baseline is funding in 2018 for the MTA PD to begin a hiring schedule for approximately 30 new officers each year through 2021. These officers 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 2021.

### *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. Since its inception, the BSC has progressed to a steady state and is performing the basic functions it was set up to complete.

The BSC continues cost savings projects in such areas as automating the Accounts Payable voucher creation process. To further consolidate the Pension function, funding is provided for the next phase of the Pension project, bringing the MaBSTOA pension information into the BSC. To enhance security, funding is provided to upgrade primary software housing sensitive medical information for NYCT employees. Also, due to the build out of the accounting/human resources system upgrade environment, expected to begin in the second half of 2014 and conclude in early 2016, funding is being provided to upgrade the current backup structure which does not have the capacity required to accommodate the additional workload the accounting/human resources system upgrade project represents.

### **2014 Mid-Year Forecast**

The MTA Headquarters Baseline Deficit of \$435.2 million in the July Plan includes total Non-Reimbursable Operating Revenues of \$66.5 million and total expenses before

depreciation and other post-employment benefits of \$380.6 million, consisting of \$203.7 million in labor expenses and \$176.9 million in non-labor expenses. Total capital and other reimbursements are projected to be \$95.2 million. Total reimbursable labor expenses are \$78.9 million and non-labor expenses are \$16.3 million. Cash adjustments prior to depreciation and OPEB obligation are unfavorable by \$2.6 million.

The Baseline Cash Deficit is projected to be \$316.7 million, a \$9.9 million favorable variance from the Adopted Budget of \$326.6 million.

Major operating cash changes include:

#### **Favorable**

- Higher recoverable expenses of \$12.2 million mainly reflect prior year expense recoveries and higher MTA PD recoveries.
- Revised Operating Capital of \$8.7 million due primarily to a timing shift of expenses to 2015.
- Higher revenues of \$9.3 million mainly due to increased Two Broadway rentals.
- Revised OPEB payments of \$3.2 million.

#### **Unfavorable**

- New Needs of \$9.6 million include \$4.2 million of Administrative net New Needs including 10 positions (discussed more thoroughly in the Positions section); Enterprise Asset Management consulting needs partly recoverable from the agencies; and other outside studies. BSC New Needs of \$1.1 million include funding for moving the MaBSTOA pension to the accounting/human resources system environment and for consulting assistance for retroactive wage adjustments and gross wage increases. Consolidation IT New Needs of \$4.1 million are primarily for security purposes. MTA PD New Needs of \$0.2 million are for relocation.
- Higher Support for Subsidiaries of \$5.3 million reflecting MTA's share of the Verrazano-Narrows Bridge Toll Rebate Program (net of New York State's 50% share of the program).
- Higher MTA PD labor and retroactive wage costs of \$4.5 million mainly reflecting the impact of the 2014 wage settlement.
- Revised Two Broadway operating expenses of \$2.2 million.
- Re-estimated IT Professional Services costs of \$1.3 million.
- Change in Other Fringe Benefits of \$0.7 million mainly reflecting revised MTA PD Labor adjustments and increased headcount.

Reimbursable expenses are projected to increase by \$14.9 million in 2014 mainly as a result of higher recoverable expenses from the benefiting agencies.

Total baseline positions are projected to increase by 15 positions to 1,780 positions, resulting from 14 administrative New Needs and the transfer of a Pension position from LIRR. This is discussed more thoroughly in the Positions section.

## **2015 Preliminary Budget - Baseline**

The MTA Headquarters Baseline Deficit of \$483.7 million in the 2015 Preliminary Budget includes total Non-Reimbursable Operating Revenues of \$56.8 million and total expenses before depreciation and other post-employment benefits of \$399.3 million, consisting of \$219.8 million in labor expenses and \$179.5 million in non-labor expenses. Total capital and other reimbursements are projected to be \$89.1 million. Total reimbursable labor expenses are \$68.8 million and non-labor expenses are \$20.3 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$91.9 million primarily reflecting advertising revenue receipts reassigned to MTA Headquarters from NYCT and the Commuter Railroads.

The Baseline Cash Deficit is projected to be \$250.6 million, a \$52.6 million unfavorable variance from the February Financial Plan of \$198.0 million.

Major operating cash changes include:

### **Unfavorable**

- Higher cash adjustments of \$29.1 million primarily from a shift in Operating Capital needs from 2014 and revised timing of MTAHQ relocation expenditures.
- Increased New Needs of \$18.5 million include \$2.8 million of Administrative New Needs including 10 positions (discussed more thoroughly in the Positions section); Enterprise Asset Management consulting needs; and other outside studies. BSC New Needs of \$1.4 million include funding for moving the MaBSTOA pension to the accounting/human resources system environment and for consulting assistance for retroactive wage adjustments and gross wage increases. Consolidation IT net New Needs of \$13.0 million are primarily for the addition of 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor, and for security purposes. MTA PD New Needs of \$1.3 million are for costs not previously incurred prior to relocation.
- Higher Support for Subsidiaries of \$7.0 million reflecting MTA's share of the Verrazano-Narrows Bridge Toll Rebate Program (net of reimbursements from New York State).
- Re-estimated IT Professional Services and Maintenance costs of \$5.5 million.
- Higher MTA PD labor costs of \$2.7 million mainly reflecting the impact of the 2014 Wage Settlement.
- Change in Other Fringe Benefits of \$0.8 million mainly reflecting increased headcount.

### **Favorable**

- Revised OPEB current payment of \$4.3 million.
- Revised recoverable expenses of \$1.8 million mainly higher recovery of expenses from benefiting agencies.
- BRPs of \$1.3 million mainly due to reduced MTA Headquarters use of outside vendors, consultants, and services, and MTA PD reduced contracts with outside vendors utilized primarily at MTA PD facilities.
- Higher net Two Broadway rental revenues of \$0.7 million.

- Re-allocation of budget system costs of \$0.7 million to the agencies.

Reimbursable expenses are projected to increase by \$5.1 million in 2015 mainly as a result of higher recoverable expenses from the benefiting agencies.

Total baseline positions are projected to increase by 76 positions to 1,845 positions, mainly due to 63 New Need positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor, as well as 12 administrative New Needs and the transfer of a Pension position from LIRR. This is discussed more thoroughly in the Positions section.

## **2016-2018 Projections**

Operating cash deficits are projected to increase by \$6.5 million in 2016, \$3.3 million in 2017 and \$5.0 million in 2018 compared to the February Financial Plan.

Major operating cash changes include:

### **Unfavorable**

- New Needs of \$13.1 million, \$12.8 million and \$13.6 million in 2016, 2017, and 2018 respectively include Administrative New Needs of \$2.8 million in 2016 and \$2.9 million in 2017 and 2018, including 10 positions each year (discussed more thoroughly in the Positions section), and Enterprise Asset Management consulting needs. BSC New Needs of \$0.6 million, \$0.3 million, and \$0.4 million in 2016, 2017, and 2018 respectively, include funding for moving the MaBSTOA pension to the accounting/human resources environment in 2016. Consolidation IT Net New Needs of \$8.4 million, \$8.3 million, and \$9.0 million in 2016, 2017, and 2018 respectively, are primarily for the addition of 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor, and for security purposes. MTA PD New Needs of \$1.3 million from 2016 - 2018 are for costs not previously incurred prior to relocation.
- Higher net Support for Subsidiaries of \$7.0 million reflecting MTA's share of the Verrazano-Narrows Bridge Toll Rebate Program from 2016 - 2018.
- Re-estimated IT Professional Services and Maintenance costs of \$3.5 million in 2016 and \$3.2 million in 2017 and 2018.
- Higher MTA PD labor costs of \$2.9 million in 2016, \$2.1 million in 2017 and \$2.2 million in 2018 mainly reflecting the impact of the 2014 Wage Settlement.
- Higher MTA PD operating expenses of \$1.3 million from 2016 - 2018 related to relocation.
- Higher Other Fringe Benefits of \$0.8 million, \$0.7 million and \$0.8 million in 2016, 2017, and 2018 respectively, mainly reflecting increased headcount.

### **Favorable**

- Revised OPEB current payment of \$5.5 million, \$6.6 million, and \$7.6 million in 2016, 2017, and 2018, respectively.
- Higher cash adjustments of \$4.7 million in 2016 mainly due to revised recovery of MTA HQ relocation expenditures.
- Revised MTA PD costs of \$3.4 million in 2016, \$8.8 million in 2017 and \$7.4 million in 2018, resulting from hiring due to delay in East Side Access opening.
- Revised recoverable expenses of \$1.8 million from 2016 – 2018, mainly reflect higher recoveries of expenses from benefiting agencies.
- BRPs of \$1.4 million from 2016 - 2018 mainly due to reduced MTA Headquarters use of outside vendors, consultants, and services, and MTA PD reduced contracts with outside services utilized primarily at MTA PD facilities.
- Higher net Two Broadway rental revenues of \$0.8 million in 2016, and \$1.0 million in 2017 and 2018.

Reimbursable expenses are projected to increase by \$6.7 million in 2016, \$6.8 million in 2017, and \$7.0 million in 2018 mainly due to desktop budget savings.

Total baseline positions are projected to increase by 46 positions and 2 positions to 1,845 positions in 2016 and 2017. This is mainly due to 63 New Need positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor, as well as 12 administrative New Needs and the transfer of a Pension position from LIRR, partly offset by a revised MTA PD hiring plan due to delays in the opening of East Side Access. This is discussed more thoroughly in the Positions section.

The MTA Headquarters Baseline Deficit of \$492.8 million in 2016 includes total Non-Reimbursable Operating Revenues of \$58.6 million and total expenses before depreciation and other post-employment benefits of \$393.7 million, consisting of \$222.3 million in labor expenses and \$171.3 million in non-labor expenses. Total capital and other reimbursements are projected to be \$97.0 million. Total reimbursable labor expenses are \$71.6 million and non-labor expenses are \$25.4 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$192.1 million primarily reflecting advertising revenue receipts reassigned from NYCT and the Commuter Rails to MTA Headquarters. Total headcount is projected to be 1,845 positions in 2016.

The 2017 Baseline Deficit of \$510.1 million includes total Non-Reimbursable Operating Revenues of \$60.4 million and total expenses before depreciation and other post-employment benefits of \$399.8 million consisting of \$226.5 million in labor expenses and \$173.3 million in non-labor expenses. Total capital and other reimbursements are projected to be \$98.1 million. Total reimbursable labor expenses are \$72.6 million and non-labor expenses are \$25.5 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$128.8 million primarily reflecting advertising revenue receipts reassigned from NYCT and the Commuter Rails to MTA Headquarters. Total headcount is projected to be 1,845 positions in 2017.

The Baseline Deficit of \$525.5 million in 2018 includes total Non-Reimbursable Operating Revenues of \$62.4 million and total expenses before depreciation and other post-employment benefits of \$412.6 million, consisting of \$234.9 million in labor expenses and \$177.7 million in non-labor expenses. Total capital and other reimbursements are projected to be \$95.1 million. Total reimbursable labor expenses are \$73.6 million and non-labor expenses are \$21.5 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$92.7 million primarily reflecting advertising revenue receipts reassigned from NYCT and the Commuter Rails to MTA Headquarters. Total headcount is projected to be 1,875 positions in 2018.

### **Budget Reduction Program (BRPs)**

The July Plan includes BRPs of \$1.3 million in 2015 and \$1.4 million from 2016 – 2018. Administrative reductions are \$0.7 million in 2015 and \$0.8 million from 2016 – 2018. MTA HQ savings are recurring through the reduction of the use of financial services consultants, advertising, legal services and other outside vendors, consultants, and services. MTA PD savings of \$0.5 million from 2015 - 2018 results mainly from reduced contracts with outside vendors for maintenance and repair services, office supplies, office equipment and janitorial and custodial services at MTA PD facilities.

BRP savings are inflated at the CPI-Urban rates of 1.74% , and 1.57%, and 1.63%, in 2016, 2017 and 2018 respectively.



**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Operating Revenue</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	51.434	57.242	46.853	48.626	50.461	52.370
Advertising	0.000	0.000	0.000	0.000	0.000	0.000
Other	10.348	9.253	9.925	9.939	9.985	10.034
Total Other Operating Revenue	61.782	66.495	56.778	58.565	60.446	62.404
Capital and Other Reimbursements						
<b>Total Revenue</b>	<b>\$61.782</b>	<b>\$66.495</b>	<b>\$56.778</b>	<b>\$58.565</b>	<b>\$60.446</b>	<b>\$62.404</b>
<b>Operating Expenses</b>						
<u>Labor:</u>						
Payroll	\$151.691	\$171.759	\$174.225	\$176.664	\$179.107	\$184.073
Overtime	10.467	7.006	6.572	6.522	6.493	6.607
Health and Welfare	24.242	25.960	28.408	29.784	31.128	33.076
OPEB Current Payment	7.974	9.900	10.395	10.665	11.199	11.758
Pensions	44.182	41.280	42.523	43.008	43.381	44.433
Other Fringe Benefits	14.284	14.723	15.490	15.951	16.329	16.946
Reimbursable Overhead	(45.428)	(66.933)	(57.784)	(60.262)	(61.116)	(62.017)
<b>Total Labor Expenses</b>	<b>\$207.412</b>	<b>\$203.695</b>	<b>\$219.829</b>	<b>\$222.332</b>	<b>\$226.521</b>	<b>\$234.876</b>
<u>Non-Labor:</u>						
Electric Power	\$8.253	\$5.292	\$6.420	\$6.312	\$7.333	\$7.888
Fuel	2.238	1.589	1.622	1.547	1.456	1.494
Insurance	2.868	1.787	1.902	2.084	2.342	2.519
Claims	1.024	1.319	1.330	1.463	1.609	1.770
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	61.430	72.716	69.484	70.227	71.067	72.220
Professional Service Contracts	46.845	74.138	74.758	65.648	65.365	67.477
Materials & Supplies						
<u>Other Business Expenses</u>						
MTA Internal Subsidy	4.200	14.000	18.600	18.600	18.600	18.600
Other	9.291	6.074	5.368	5.451	5.535	5.712
Total Other Business Expenses	13.491	20.074	23.968	24.051	24.135	24.312
<b>Total Non-Labor Expenses</b>	<b>\$136.149</b>	<b>\$176.915</b>	<b>\$179.484</b>	<b>\$171.332</b>	<b>\$173.307</b>	<b>\$177.680</b>
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$343.561</b>	<b>\$380.610</b>	<b>\$399.313</b>	<b>\$393.664</b>	<b>\$399.828</b>	<b>\$412.556</b>
Depreciation	41.922	31.043	36.180	40.425	40.669	32.784
OPEB Obligation	85.351	90.000	105.000	117.253	130.046	142.569
Environmental Remediation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$470.834</b>	<b>\$501.653</b>	<b>\$540.493</b>	<b>\$551.342</b>	<b>\$570.543</b>	<b>\$587.909</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$409.052)</b>	<b>(\$435.158)</b>	<b>(\$483.715)</b>	<b>(\$492.777)</b>	<b>(\$510.097)</b>	<b>(\$525.505)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	68.620	95.224	89.051	97.012	98.096	95.122
<b>Total Revenue</b>	<b>\$68.620</b>	<b>\$95.224</b>	<b>\$89.051</b>	<b>\$97.012</b>	<b>\$98.096</b>	<b>\$95.122</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$3.538	\$3.838	\$4.144	\$4.216	\$4.282	\$4.352
Overtime	8.717	6.353	5.000	5.000	5.000	5.000
Health and Welfare	0.592	0.667	0.725	0.957	1.006	1.059
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.729	0.702	0.722	0.742	0.763	0.785
Other Fringe Benefits	0.503	0.390	0.389	0.400	0.413	0.427
Reimbursable Overhead	45.428	\$66.933	\$57.784	\$60.262	\$61.116	\$62.017
<b>Total Labor Expenses</b>	<b>\$59.507</b>	<b>\$78.883</b>	<b>\$68.764</b>	<b>\$71.577</b>	<b>\$72.580</b>	<b>\$73.640</b>
<b><u>Non-Labor:</u></b>						
Electric Power	-	-	-	-	-	-
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	0.020	0.020	0.020	0.020	0.021
Professional Service Contracts	9.067	16.205	20.154	25.300	25.380	21.343
Materials & Supplies	-	-	-	-	-	-
<b><u>Other Business Expenses</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>MTA Internal Subsidy</i>	-	-	-	-	-	-
<i>Other</i>	0.046	0.116	0.113	0.115	0.116	0.118
Total Other Business Expenses	0.046	0.116	0.113	0.115	0.116	0.118
<b>Total Non-Labor Expenses</b>	<b>\$9.113</b>	<b>\$16.341</b>	<b>\$20.287</b>	<b>\$25.435</b>	<b>\$25.516</b>	<b>\$21.482</b>
<b><u>Other Expenses Adjustments:</u></b>						
<i>Other</i>	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$68.620</b>	<b>\$95.224</b>	<b>\$89.051</b>	<b>\$97.012</b>	<b>\$98.096</b>	<b>\$95.122</b>
Depreciation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$68.620</b>	<b>\$95.224</b>	<b>\$89.051</b>	<b>\$97.012</b>	<b>\$98.096</b>	<b>\$95.122</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE / REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	51.434	57.242	46.853	48.626	50.461	52.370
Other	10.348	9.253	9.925	9.939	9.985	10.034
Total Other Operating Revenue	61.782	66.495	56.778	58.565	60.446	62.404
Capital and Other Reimbursements	68.620	95.224	89.051	97.012	98.096	95.122
<b>Total Revenue</b>	<b>\$130.402</b>	<b>\$161.719</b>	<b>\$145.829</b>	<b>\$155.577</b>	<b>\$158.542</b>	<b>\$157.526</b>
<b>Expenses</b>						
<u>Labor:</u>						
Payroll	\$155.229	\$175.597	\$178.369	\$180.880	\$183.389	\$188.425
Overtime	19.184	13.359	11.572	11.522	11.493	11.607
Health and Welfare	24.834	26.627	29.133	30.741	32.134	34.135
OPEB Current Payment	7.974	9.900	10.395	10.665	11.199	11.758
Pensions	44.911	41.982	43.245	43.750	44.144	45.218
Other Fringe Benefits	14.787	15.113	15.879	16.351	16.742	17.373
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$266.919</b>	<b>\$282.578</b>	<b>\$288.593</b>	<b>\$293.909</b>	<b>\$299.101</b>	<b>\$308.516</b>
<u>Non-Labor:</u>						
Electric Power	\$8.253	\$5.292	\$6.420	\$6.312	\$7.333	\$7.888
Fuel	2.238	1.589	1.622	1.547	1.456	1.494
Insurance	2.868	1.787	1.902	2.084	2.342	2.519
Claims	1.024	1.319	1.330	1.463	1.609	1.770
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	61.430	72.736	69.504	70.247	71.087	72.241
Professional Service Contracts	55.912	90.343	94.912	90.948	90.745	88.820
Materials & Supplies	-	-	-	-	-	-
<u>Other Business Expenses</u>						
MTA Internal Subsidy	4.200	14.000	18.600	18.600	18.600	18.600
Other Business Expenses	9.337	6.190	5.481	5.566	5.651	5.830
Total Other Business Expenses	13.537	20.190	24.081	24.166	24.251	24.430
<b>Total Non-Labor Expenses</b>	<b>\$145.262</b>	<b>\$193.256</b>	<b>\$199.771</b>	<b>\$196.767</b>	<b>\$198.823</b>	<b>\$199.162</b>
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$412.181</b>	<b>\$475.834</b>	<b>\$488.364</b>	<b>\$490.676</b>	<b>\$497.924</b>	<b>\$507.678</b>
Depreciation	41.922	31.043	36.180	40.425	40.669	32.784
OPEB Obligation	85.351	90.000	105.000	117.253	130.046	142.569
Environmental Remediation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$539.454</b>	<b>\$596.877</b>	<b>\$629.544</b>	<b>\$648.354</b>	<b>\$668.639</b>	<b>\$683.031</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$409.052)</b>	<b>(\$435.158)</b>	<b>(\$483.715)</b>	<b>(\$492.777)</b>	<b>(\$510.097)</b>	<b>(\$525.505)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	51.197	55.679	46.853	48.626	50.461	52.370
Advertising	115.025	118.946	122.782	126.420	130.168	134.028
Other	<u>9.481</u>	5.491	23.912	88.293	10.089	10.140
Total Other Operating Revenue	175.703	180.116	193.547	263.339	190.718	196.538
Capital and Other Reimbursements	65.820	99.092	89.051	97.012	98.096	95.122
<b>Total Receipts</b>	<b>\$241.523</b>	<b>\$279.208</b>	<b>\$282.598</b>	<b>\$360.351</b>	<b>\$288.814</b>	<b>\$291.660</b>
<b>Expenditures</b>						
<u><b>Labor:</b></u>						
Payroll	\$157.322	174.568	171.723	174.175	176.627	181.594
Overtime	19.184	13.359	11.572	11.522	11.493	11.607
Health and Welfare	23.325	25.454	28.015	29.601	30.969	32.945
OPEB Current Payment	7.974	9.900	10.395	10.665	11.199	11.758
Pensions	49.211	38.852	43.785	44.521	45.195	46.112
Other Fringe Benefits	14.843	15.051	15.814	16.286	16.677	17.308
GASB Account	1.451	0.990	0.000	0.000	0.000	0.112
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$273.310</b>	<b>\$278.173</b>	<b>\$281.304</b>	<b>\$286.770</b>	<b>\$292.160</b>	<b>\$301.436</b>
<u><b>Non-Labor:</b></u>						
Electric Power	\$4.291	\$6.285	\$6.420	\$6.312	\$7.333	\$7.888
Fuel	1.110	1.883	1.622	1.547	1.456	1.494
Insurance	1.905	1.768	1.883	2.063	2.319	2.494
Claims	1.721	1.319	1.330	1.463	1.609	1.770
Paratransit Service Contracts	-	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	51.871	72.975	66.654	67.367	68.172	69.279
Professional Service Contracts	44.228	95.607	88.146	84.486	84.303	82.529
Materials & Supplies	-	0.000	0.000	0.000	0.000	0.000
<u>Other Business Expenses</u>						
MTA Internal Subsidy	4.200	14.000	18.600	18.600	18.600	18.600
Other Business Expenses	<u>9.659</u>	60.597	26.666	5.025	5.096	5.264
Total Other Business Expenses	13.859	74.60	45.27	23.625	23.696	23.864
<b>Total Non-Labor Expenditures</b>	<b>\$118.985</b>	<b>\$254.432</b>	<b>\$211.321</b>	<b>\$186.863</b>	<b>\$188.888</b>	<b>\$189.318</b>
<u><b>Other Expenditure Adjustments:</b></u>						
Capital	11.740	63.268	40.606	29.716	18.316	58.316
Unallocated Service Enhancement Policy Action	-	-	-	-	-	-
<b>Total Other Expenditure Adjustments</b>	<b>\$11.740</b>	<b>\$63.268</b>	<b>\$40.606</b>	<b>\$29.716</b>	<b>\$18.316</b>	<b>\$58.316</b>
<b>Total Expenditures</b>	<b>\$404.035</b>	<b>\$595.873</b>	<b>\$533.231</b>	<b>\$503.349</b>	<b>\$499.364</b>	<b>\$549.070</b>
<b>Baseline Cash Deficit</b>	<b>(\$162.512)</b>	<b>(\$316.665)</b>	<b>(\$250.632)</b>	<b>(\$142.998)</b>	<b>(\$210.550)</b>	<b>(\$257.410)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	(0.237)	(1.563)	-	-	-	-
Advertising Revenue	115.025	118.946	122.782	126.420	130.168	134.028
Other Operating Revenue	(0.867)	(3.762)	13.987	78.354	0.104	0.106
Capital and Other Reimbursements	(2.800)	3.868	-	-	-	-
<b>Total Receipts</b>	<b>\$111.121</b>	<b>\$117.489</b>	<b>\$136.769</b>	<b>\$204.774</b>	<b>\$130.272</b>	<b>\$134.134</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	(\$2.093)	\$1.029	\$6.646	\$6.705	\$6.762	\$6.831
Overtime						
Health and Welfare	1.509	1.173	1.118	1.140	1.165	1.190
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(4.300)	3.130	(0.540)	(0.771)	(1.051)	(0.894)
Other Fringe Benefits	(0.056)	0.062	0.065	0.065	0.065	0.065
GASB Account	(1.451)	(0.990)	0.000	0.000	0.000	(0.112)
Reimbursable Overhead		0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>(\$6.391)</b>	<b>\$4.405</b>	<b>\$7.289</b>	<b>\$7.139</b>	<b>\$6.941</b>	<b>\$7.080</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$3.962	(\$0.993)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	1.128	(0.294)	-	-	-	-
Insurance	0.963	0.019	0.019	0.021	0.023	0.025
Claims	(0.697)	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.559	(0.239)	2.850	2.880	2.915	2.962
Professional Service Contracts	11.684	(5.264)	6.766	6.462	6.442	6.291
Materials & Supplies		0.000	0.000	0.000	0.000	0.000
<b><u>Other Business Expenses</u></b>						
<b><u>MTA Internal Subsidy</u></b>						
Other Business Expenses	(0.322)	(54.407)	(21.185)	0.541	0.555	0.566
Total Other Business Expenses	(0.322)	(54.407)	(21.185)	0.541	0.555	0.566
<b>Total Non-Labor Expenditures</b>	<b>\$26.277</b>	<b>(\$61.176)</b>	<b>(\$11.550)</b>	<b>\$9.904</b>	<b>\$9.935</b>	<b>\$9.844</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Capital	(\$11.740)	(\$63.268)	(\$40.606)	(\$29.716)	(\$18.316)	(\$58.316)
<b>Total Other Expenditure Adjustments</b>	<b>(\$11.740)</b>	<b>(\$63.268)</b>	<b>(\$40.606)</b>	<b>(\$29.716)</b>	<b>(\$18.316)</b>	<b>(\$58.316)</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b>	<b>\$119.267</b>	<b>(\$2.550)</b>	<b>\$91.902</b>	<b>\$192.101</b>	<b>\$128.832</b>	<b>\$92.742</b>
Depreciation Adjustment	41.922	31.043	36.180	40.425	40.669	32.784
OPEB Obligation	85.351	90.000	105.000	117.253	130.046	142.569
Environmental Remediation	-	-	-	-	-	-
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$246.540</b>	<b>\$118.493</b>	<b>\$233.082</b>	<b>\$349.779</b>	<b>\$299.547</b>	<b>\$268.095</b>

**MTA Headquarters**  
**2014 Mid-Year Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

<b>NON-REIMBURSABLE OVERTIME</b>	<b>Total</b>		
	<b>Hours</b>	<b>\$</b>	<b>%</b>
<u>Scheduled Service</u>	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>	57,804	\$2.662	38%
<u>Weather Emergencies</u>	0	\$0.000	0%
<u>Safety/Security/Law Enforcement</u>	92,139	\$3.988	57%
<u>Other</u>	9,269	\$0.356	5%
Subtotal	<b>159,213</b>	<b>\$7.006</b>	100%
<b>REIMBURSABLE OVERTIME</b>	140,017	\$6.353	
<b>TOTAL OVERTIME</b>	<b>299,230</b>	<b>\$13.359</b>	

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

**MTA HEADQUARTERS  
2015 Preliminary Budget  
July Financial Plan 2015-2018  
Year-to-Year Changes by Category - Baseline**

**Receipts:**

Rental and Other Income and Reimbursements

- In 2015 lower revenue reflects re-estimated charge-backs to Agencies for work performed by MTA Headquarters on their behalf, and lost rental revenues as a result of the Madison Avenue buildings' disposition, partly offset by New York State support of the Verrazano-Narrows Bridge Toll Rebate Program, and reimbursement of consolidation/relocation expenses from the disposition of the buildings, and higher advertising revenues.
- Cash revenues in 2016 are higher mainly due to the reimbursement of consolidation/relocation expenses from the disposition of the Madison Avenue buildings.
- Revenues in 2017 and 2018 are inflated by the CPI-Urban rate of 1.57% and 1.63%, respectively.

**Expenditures:**

Projections include additional Payroll, Overtime, Pension, Health & Welfare and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent PBA settlement.

Payroll

- Payroll changes in the 2014 Mid-Year Forecast primarily reflect re-estimated departmental costs, revised MTA PD labor costs, including retroactive wages in 2014, resulting from the PBA Collective Bargaining agreement, a higher vacation accrual, and an increase of 15 positions, primarily through New Needs.
- Payroll increases in 2015 primarily reflects the addition of 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor.
- MTA PD represented salaries are inflated in accordance to the terms agreed through the collective bargaining process and also reflect the increase in patrol force necessary to provide greater coverage on the Moynihan project in 2015, and the East Side Access (ESA) Project beginning in 2018.
- Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted.

Overtime

- Overtime expenses throughout the July Financial Plan are primarily related to MTA PD operations.

- In 2014, overtime expenses are reduced from 2013 mainly due to efficiencies agreed to in the ratified PBA Contract. The full-year impact of the overtime efficiencies are reflected in 2015.
- Expenses in 2016, 2017, and 2018 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 medical insurance family coverage rates are projected to increase at a rate of 5.0% in 2015, 2.6% in 2016, and 5.0% in 2017 and each year thereafter. Individual coverage rates in 2015 are projected to increase at a rate of 4.6%, 1.3% in 2016, and 3.8% in 2017 and each year thereafter.

#### OPEB Current Payment

- Year to year Increases are based on the projected medical insurance coverage rates to reflect higher coverage for retiree health benefit costs.

#### Pensions

- Reduced pension costs in 2014 primarily are based on estimated NYSLERS and MTA Defined Benefits contributions.
- NYSLERS Rates are inflated by CPI 3 + 1% from 2015 – 2018.
- MTA Defined Benefits contributions estimates are based on actuarial growth assumptions through 2018.

#### 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

- Lower maintenance expenses in 2015 primarily reflect the impact of the disposition of the Madison Avenue buildings.
- Expenses in 2016, 2017, and 2018 are inflated by the CPI-Urban rates of 1.74%, 1.57%, and 1.63%, respectively.

#### Professional Service Contracts

- Professional services are reduced in 2015 but include New Needs of \$13.7 million and re-estimates of \$4.9 million primarily for IT-related expenses.
- Professional services in 2016 are \$9.1 million favorable from 2015 mainly due to reduced IT New Needs and re-estimates 2015, and lower IT hosting expenses at the BSC.



- Professional services in 2018 increase by \$2.1 million over 2017 mainly due to inflation at the CPI-Urban rate of 1.63%, additional IT New Needs, and costs related to MTA PD staffing up for East Side Access (ESA) project.

#### MTA Internal Subsidy

- The MTA Internal Subsidy of \$14.0 million in 2014 is an increase of \$10.5 million over 2013 reflecting initiation of the Verrazano-Narrows Bridge Toll Rebate Program for part of the year. NYS' share of the program is captured as a reduction in operating expenses. Also captured in this category is the continuing support requirement for the Rockaway Resident Discount Program of \$3.5 million.
- In 2015 and beyond, the MTA Internal Subsidy includes annual support requirements for the Rockaway Resident Discount Program of \$4.6 million, and \$14.0 million for the Verrazano-Narrows Bridge Toll Rebate Program. Reimbursement for New York State's share of the Verrazano-Narrows Bridge Toll Rebate Program is reflected in MTAHQ Other Revenues.

#### Other Business Expenses

- Expenses are reduced in 2015 related to the move from Madison Avenue and consolidation/relocation of administrative offices to Two Broadway.
- In 2016, 2017 and 2018 expenses are normalized and are inflated by the CPI-Urban rates of 1.74%, 1.57%, and 1.63%, respectively.

#### **Other Expenditure Adjustments:**

##### Capital Expenditures

- Capital expenditures of \$40.6 million in 2015 reflect delayed spending on the BSC's Finance and Human Resources Upgrade.
- Capital expenditures of \$29.7 million in 2016 are unchanged from the Adopted Budget and reflect replacement of BSC equipment.
- Capital expenditures in 2017 are \$18.3 million reflecting normal spending, and \$58.3 million in 2018 reflecting further BSC Finance and Human Resources upgrades.

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	57.242	46.853	(10.389)	48.626	1.773	50.461	1.835	52.370	1.909
Other	9.253	9.925	0.672	9.939	0.014	9.985	0.046	10.034	0.049
Capital and Other Reimbursements									
<b>Total Revenue</b>	<b>\$66.495</b>	<b>\$56.778</b>	<b>(\$9.717)</b>	<b>\$58.565</b>	<b>\$1.787</b>	<b>\$60.446</b>	<b>\$1.881</b>	<b>\$62.404</b>	<b>\$1.958</b>
<b>Expenses</b>									
Labor:									
Payroll	\$171.759	\$174.225	(\$2.466)	\$176.664	(\$2.439)	\$179.107	(\$2.443)	\$184.073	(\$4.966)
Overtime	7.006	6.572	0.434	6.522	0.050	6.493	0.029	6.607	(0.114)
Health and Welfare	25.960	28.408	(2.448)	29.784	(1.376)	31.128	(1.344)	33.076	(1.948)
OPEB Current Payment	9.900	10.395	(0.495)	10.665	(0.270)	11.199	(0.534)	11.758	(0.559)
Pensions	41.280	42.523	(1.243)	43.008	(0.485)	43.381	(0.373)	44.433	(1.052)
Other Fringe Benefits	14.723	15.490	(0.767)	15.951	(0.461)	16.329	(0.378)	16.946	(0.617)
Reimbursable Overhead	(66.933)	(57.784)	(9.149)	(60.262)	2.478	(61.116)	0.854	(62.017)	0.901
<b>Total Labor Expenses</b>	<b>\$203.695</b>	<b>\$219.829</b>	<b>(\$16.134)</b>	<b>\$222.332</b>	<b>(\$2.503)</b>	<b>\$226.521</b>	<b>(\$4.189)</b>	<b>\$234.876</b>	<b>(\$8.355)</b>
Non-Labor:									
Electric Power	\$5.292	\$6.420	(\$1.128)	\$6.312	\$0.108	\$7.333	(\$1.021)	\$7.888	(\$0.555)
Fuel	1.589	1.622	(0.033)	1.547	0.075	1.456	0.091	1.494	(0.038)
Insurance	1.787	1.902	(0.115)	2.084	(0.182)	2.342	(0.258)	2.519	(0.177)
Claims	1.319	1.330	(0.011)	1.463	(0.133)	1.609	(0.146)	1.770	(0.161)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating									
Contracts	72.716	69.484	3.232	70.227	(0.743)	71.067	(0.840)	72.220	(1.153)
Professional Service Contracts	74.138	74.758	(0.620)	65.648	9.110	65.365	0.283	67.477	(2.112)
Materials & Supplies	-	-	-	-	-	-	-	-	-
MTA Internal Subsidy	14.000	18.600	(4.600)	18.600	-	18.600	-	18.600	-
Other Business Expenses	6.074	5.368	0.706	5.451	(0.083)	5.535	(0.084)	5.712	(0.177)
<b>Total Non-Labor Expenses</b>	<b>\$176.915</b>	<b>\$179.484</b>	<b>(\$2.569)</b>	<b>\$171.332</b>	<b>\$8.152</b>	<b>\$173.307</b>	<b>(\$1.975)</b>	<b>\$177.680</b>	<b>(\$4.373)</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before</b>									
<b>Depreciation and GASB Adj.</b>	<b>\$380.610</b>	<b>\$399.313</b>	<b>(\$18.703)</b>	<b>\$393.664</b>	<b>\$5.649</b>	<b>\$399.828</b>	<b>(\$6.164)</b>	<b>\$412.556</b>	<b>(\$12.728)</b>
Depreciation	31.043	36.180	(5.137)	40.425	(4.245)	40.669	(0.244)	32.784	7.885
OPEB Obligation	90.000	105.000	(15.000)	117.253	(12.253)	130.046	(12.793)	142.569	(12.523)
Environmental Remediation	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$501.653</b>	<b>\$540.493</b>	<b>(\$38.840)</b>	<b>\$551.342</b>	<b>(\$10.849)</b>	<b>\$570.543</b>	<b>(\$19.201)</b>	<b>\$587.909</b>	<b>(\$17.366)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$435.158)</b>	<b>(\$483.715)</b>	<b>(\$48.557)</b>	<b>(\$492.777)</b>	<b>(\$9.062)</b>	<b>(\$510.097)</b>	<b>(\$17.320)</b>	<b>(\$525.505)</b>	<b>(\$15.408)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	95.224	89.051	(6.173)	97.012	7.961	98.096	1.084	95.122	(2.974)
<b>Total Revenue</b>	<b>\$95.224</b>	<b>\$89.051</b>	<b>(\$6.173)</b>	<b>\$97.012</b>	<b>\$7.961</b>	<b>\$98.096</b>	<b>\$1.084</b>	<b>\$95.122</b>	<b>(\$2.974)</b>
<b>Expenses</b>									
Labor:									
Payroll	\$3.838	\$4.144	(\$0.306)	\$4.216	(\$0.072)	\$4.282	(\$0.066)	\$4.352	(\$0.070)
Overtime	6.353	5.000	1.353	5.000	-	5.000	-	5.000	-
Health and Welfare	0.667	0.725	(0.058)	0.957	(0.232)	1.006	(0.049)	1.059	(0.053)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	0.702	0.722	(0.020)	0.742	(0.020)	0.763	(0.021)	0.785	(0.022)
Other Fringe Benefits	0.390	0.389	0.001	0.400	(0.011)	0.413	(0.013)	0.427	(0.014)
Reimbursable Overhead	66.933	57.784	9.149	60.262	(2.478)	61.116	(0.854)	62.017	(0.901)
<b>Total Labor Expenses</b>	<b>\$78.883</b>	<b>\$68.764</b>	<b>\$10.119</b>	<b>\$71.577</b>	<b>(\$2.813)</b>	<b>\$72.580</b>	<b>(\$1.003)</b>	<b>\$73.640</b>	<b>(\$1.060)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating									
Contracts	0.020	0.020	-	0.020	-	0.020	-	0.021	(0.001)
Professional Service Contracts	16.205	20.154	(3.949)	25.300	(5.146)	25.380	(0.080)	21.343	4.037
Materials & Supplies	-	-	-	-	-	-	-	-	-
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other	0.116	0.113	0.003	0.115	(0.002)	0.116	(0.001)	0.118	(0.002)
<b>Total Non-Labor Expenses</b>	<b>\$16.341</b>	<b>\$20.287</b>	<b>(\$3.946)</b>	<b>\$25.435</b>	<b>(\$5.148)</b>	<b>\$25.516</b>	<b>(\$0.081)</b>	<b>\$21.482</b>	<b>\$4.034</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before</b>									
<b>Depreciation</b>	<b>\$95.224</b>	<b>\$89.051</b>	<b>\$6.173</b>	<b>\$97.012</b>	<b>(\$7.961)</b>	<b>\$98.096</b>	<b>(\$1.084)</b>	<b>\$95.122</b>	<b>\$2.974</b>
Depreciation	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$95.224</b>	<b>\$89.051</b>	<b>\$6.173</b>	<b>\$97.012</b>	<b>(\$7.961)</b>	<b>\$98.096</b>	<b>(\$1.084)</b>	<b>\$95.122</b>	<b>\$2.974</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS AND EXPENDITURES**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Revenue</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	55.679	46.853	(8.826)	48.626	1.773	50.461	1.835	52.370	1.909
Advertising	118.946	122.782	3.836	126.420	3.638	130.168	3.748	134.028	3.860
Other	5.491	23.912	18.421	88.293	64.381	10.089	(78.204)	10.140	0.051
Capital and Other Reimbursements	99.092	89.051	(10.041)	97.012	7.961	98.096	1.084	95.122	(2.974)
<b>Total Revenue</b>	<b>\$279.208</b>	<b>\$282.598</b>	<b>\$3.390</b>	<b>\$360.351</b>	<b>\$77.753</b>	<b>\$288.814</b>	<b>(\$71.537)</b>	<b>\$291.660</b>	<b>\$2.846</b>
<b><u>Expenses</u></b>									
<b>Labor:</b>									
Payroll	\$174.568	\$171.723	\$2.845	\$174.175	(\$2.452)	\$176.627	(\$2.452)	\$181.594	(\$4.967)
Overtime	13.359	11.572	1.787	11.522	0.050	11.493	0.029	11.607	(0.114)
Health and Welfare	25.454	28.015	(2.561)	29.601	(1.586)	30.969	(1.368)	32.945	(1.976)
OPEB Current Payment	9.900	10.395	(0.495)	10.665	(0.270)	11.199	(0.534)	11.758	(0.559)
Pensions	38.852	43.785	(4.933)	44.521	(0.736)	45.195	(0.674)	46.112	(0.917)
Other Fringe Benefits	15.051	15.814	(0.763)	16.286	(0.472)	16.677	(0.391)	17.308	(0.631)
GASB Account	0.990	-	0.990	-	-	-	-	0.112	(0.112)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$278.173</b>	<b>\$281.304</b>	<b>(\$3.131)</b>	<b>\$286.770</b>	<b>(\$5.466)</b>	<b>\$292.160</b>	<b>(\$5.390)</b>	<b>\$301.436</b>	<b>(\$9.276)</b>
<b>Non-Labor:</b>									
Electric Power	\$6.285	\$6.420	(\$0.136)	\$6.312	\$0.108	\$7.333	(\$1.021)	\$7.888	(\$0.555)
Fuel	1.883	1.622	0.261	1.547	0.075	1.456	0.091	1.494	(0.038)
Insurance	1.768	1.883	(0.115)	2.063	(0.180)	2.319	(0.256)	2.494	(0.175)
Claims	1.319	1.330	(0.011)	1.463	(0.133)	1.609	(0.146)	1.770	(0.161)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating									
Contracts	72.975	66.654	6.321	67.367	(0.713)	68.172	(0.805)	69.279	(1.107)
Professional Service Contracts	95.607	88.146	7.461	84.486	3.660	84.303	0.183	82.529	1.774
Materials & Supplies	-	-	-	-	-	-	-	-	-
MTA Internal Subsidy	14.000	18.600	(4.600)	18.600	-	18.600	-	18.600	-
Other Business Expenses	60.597	26.666	33.931	5.025	21.641	5.096	(0.071)	5.264	(0.168)
<b>Total Non-Labor Expenditures</b>	<b>\$254.432</b>	<b>\$211.321</b>	<b>\$43.111</b>	<b>\$186.863</b>	<b>\$24.458</b>	<b>\$188.888</b>	<b>(\$2.025)</b>	<b>\$189.318</b>	<b>(\$0.430)</b>
<b>Other Expenditure Adjustments:</b>									
Capital	63.268	40.606	22.662	29.716	10.890	18.316	11.400	58.316	(40.000)
<b>Total Other Expenditure Adjustment</b>	<b>\$63.268</b>	<b>\$40.606</b>	<b>\$22.662</b>	<b>\$29.716</b>	<b>\$10.890</b>	<b>\$18.316</b>	<b>\$11.400</b>	<b>\$58.316</b>	<b>(\$40.000)</b>
<b>Total Expenditures</b>	<b>\$595.873</b>	<b>\$533.231</b>	<b>\$62.642</b>	<b>\$503.349</b>	<b>\$29.882</b>	<b>\$499.364</b>	<b>\$3.985</b>	<b>\$549.070</b>	<b>(\$49.706)</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$316.665)</b>	<b>(\$250.633)</b>	<b>\$66.032</b>	<b>(\$142.998)</b>	<b>\$107.635</b>	<b>(\$210.550)</b>	<b>(\$67.552)</b>	<b>(\$257.411)</b>	<b>(\$46.861)</b>

**MTA HEADQUARTERS**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**  
**Summary of Plan-to-Plan Changes by Generic Category**

**2014: July Financial Plan vs. February Financial Plan**

**Operating Revenue Changes**

Other operating revenues are projected to increase from the 2014 Adopted Budget by \$9.3 million.

Major generic category changes include:

- Rental income is projected to increase by \$5.3 million due to increased Two Broadway rentals and Transit Museum revenues.
- Other revenues are projected to increase by \$4.0 million mainly reflecting the 2014 reversal to revenue of an expense accrued in 2013, coupled with recoveries from Irene.

**Operating Expense Changes**

Projections include additional Payroll, Overtime, Pension, Health & Welfare and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent PBA settlement.

Total expenses before depreciation and post-employment benefits increase by \$11.7 million. Total expenses including depreciation and post-employment benefits decrease by \$0.5 million.

Major generic category changes include:

- Payroll increases of \$11.2 million reflect re-estimated departmental costs, revised MTA PD labor costs, including retroactive wages, resulting from the PBA Collective Bargaining agreement, a higher vacation accrual, and an increase of 15 positions, primarily through New Needs.
- The MTA Internal Subsidy increases by \$10.5 million reflecting initiation of the Verrazano-Narrows Bridge Toll Rebate Program for part of the year.
- Higher Maintenance and Other Operating Contracts of \$6.4 million mainly due to higher Two Broadway real estate rentals due to the increase in the ground lease and IT New Needs.
- Higher Professional Services of \$5.7 million primarily reflect higher New Needs particularly related to the Enterprise Asset Management initiative.
- Higher Other Business Expenses of \$0.9 million due to higher metro mobility tax payments as well as reallocation of existing budgeted funds from other expense lines.

- Higher Other Fringe Benefits of \$0.7 million mainly reflecting revised MTA PD Labor adjustments and increased headcount.
- Higher reimbursable overhead of \$16.4 million mainly reflects prior year expense recoveries, recovery from the agencies for Enterprise Asset Management expenses, and higher MTA PD recoveries.
- Revised other post-employment benefits current payment of \$3.2 million to reflect actual level of required contributions.
- Lower overtime expenses of \$2.4 million due to efficiencies agreed to in the ratified PBA Contract.
- Lower electric power of \$1.5 million mainly due to revised Two Broadway needs.
- Lower pension costs of \$0.5 million mainly based on estimated NYSLERS and MTA Defined Benefits contributions.

## **2015: July Financial Plan vs. February Financial Plan**

### **Operating Revenue Changes**

Operating revenues are projected to increase from the February Plan by \$ 8.5 million mainly due to New York State support for the Verrazano-Narrows Bridge Toll Rebate Program, and higher Two Broadway rentals.

### **Operating Expense Changes**

Projections include additional Payroll, Overtime, Pension, Health & Welfare and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent PBA settlement.

Excluding depreciation and post-employment benefits decreases of \$15.1 million, operating expenses increased by \$31.6 million.

Major generic category changes include:

- The MTA Internal Subsidy increases by \$14.0 million reflecting the full year impact of the Verrazano-Narrows Bridge Toll Rebate Program (offset by NY's share in Other Revenues).
- Payroll increases of \$11.9 million primarily reflect revised MTA PD labor costs, including retroactive wages, resulting from the PBA Collective Bargaining agreement, and an increase of 76 positions, primarily through New Needs.
- Higher Professional Services of \$10.5 million primarily reflect higher New Needs particularly related to the Enterprise Asset Management initiative.
- Higher Maintenance and Other Operating Contracts of \$6.6 million mainly due to higher Two Broadway real estate rentals due to the higher ground lease and IT New Needs.
- Higher Other Fringe Benefits of \$0.9 million mainly reflecting increased headcount.
- Higher Health and Welfare costs are \$0.9 million higher than the February Financial Plan mainly due to increased headcount.

- Higher reimbursable overhead of \$6.5 million mainly reflects higher expenses recoverable from the benefiting agencies.
- Revised other post-employment benefits current payments are favorable by \$4.2 million.
- Lower overtime expenses of \$2.5 million due to efficiencies agreed to in the ratified PBA Contract.

## **2016 and 2017: July Financial Plan vs. February Financial Plan**

### **Operating Revenue Changes**

Operating revenues are projected to increase from the February Plan by \$8.6 million in 2016 and \$8.7 million in 2017 mainly due to New York State support for the Verrazano-Narrows Bridge Toll Rebate Program, and higher Two Broadway rental revenues.

### **Operating Expense Changes**

Projections include additional Payroll, Overtime, Pension, Health & Welfare and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent PBA settlement.

Excluding depreciation and post-employment benefits decreases of \$16.4 million in 2016 and \$11.0 million in 2017, operating expenses are unfavorable by \$19.7 million in 2016, and \$12.2 million in 2017.

Major generic category changes include:

- The MTA Internal Subsidy increases by \$14.0 million reflecting the full year impact of the Verrazano-Narrows Bridge Toll Rebate Program (offset by NYS's share in Other Revenues).
- Payroll increases of \$10.9 million in 2016 and \$8.0 million in 2017 primarily reflect revised MTA PD labor costs, including retroactive wages, resulting from the PBA Collective Bargaining agreement, and an increase of 46 positions in 2016 and 2 positions in 2017, primarily through New Needs.
- Higher Maintenance and Other Operating Contracts of \$6.6 million in 2016 and \$6.5 million in 2017 mainly due to higher Two Broadway real estate rentals and IT New Needs.
- Higher Professional Services of \$4.2 million and \$3.4 million in 2016 and 2017, respectively, primarily reflect higher IT New Needs and re-estimates.
- Higher Other Fringe Benefits of \$0.9 million and \$0.6 million in 2016 and 2017, respectively, mainly reflecting increased headcount.
- Higher reimbursable overhead of \$8.0 million in 2016 and \$8.1 million in 2017 mainly reflects higher expenses recoverable from the benefiting agencies.
- Revised other post-employment benefits current payments are \$5.5 million favorable in 2016 and \$6.6 million favorable in 2017.

- Lower overtime expenses of \$2.6 million, and \$2.8 million in 2016 and 2017, respectively, due to efficiencies agreed to in the ratified PBA Contract.
- Lower pension costs of \$1.1 million in 2016 and \$2.7 million in 2017 mainly based on estimated NYSLERS and MTA Defined Benefits contributions and the impact in the revised hiring schedule for MTA PD officers.



**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$326.570)</b>	<b>(\$198.020)</b>	<b>(\$136.533)</b>	<b>(\$207.227)</b>
<b><i>Baseline Changes</i></b>				
<b>Revenue</b>				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Rental Income	5.297	1.531	1.624	1.738
Advertising Revenue	-	-	-	-
Other	4.045	6.989	6.948	6.950
Capital and Other Reimbursement	-	-	-	-
<b>Total Revenue Changes</b>	<b>\$9.342</b>	<b>\$8.520</b>	<b>\$8.572</b>	<b>\$8.688</b>
<b>Expenses</b>				
<b><i>Labor:</i></b>				
Payroll	(\$11.235)	(\$11.867)	(\$10.870)	(\$7.997)
Overtime	2.397	2.520	2.599	2.800
Health and Welfare	0.115	(0.928)	(0.174)	1.022
OPEB Current Payment	3.180	4.245	5.535	6.561
Pensions	0.541	0.244	1.137	2.709
Other Fringe Benefits	(0.678)	(0.934)	(0.857)	(0.565)
Reimbursable Overhead	16.441	6.475	7.993	8.073
<b>Total Labor Expense Changes</b>	<b>10.761</b>	<b>(0.245)</b>	<b>5.363</b>	<b>12.603</b>
<b><i>Non-Labor:</i></b>				
Electric Power	1.485	0.020	0.298	(0.430)
Fuel	(0.331)	(0.454)	(0.418)	(0.294)
Insurance	0.087	0.096	0.107	0.118
Claims	(0.110)	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	(6.437)	(6.643)	(6.628)	(6.527)
Professional Service Contracts	(5.691)	(10.544)	(4.171)	(3.435)
Materials & Supplies	0.002	0.002	0.002	0.002
MTA Internal Subsidy	(10.500)	(14.000)	(14.000)	(14.000)
<u>Other Business Expenses</u>	<u>(0.917)</u>	<u>(0.293)</u>	<u>(0.280)</u>	<u>(0.277)</u>
<b>Total Non-Labor Expense Changes</b>	<b>(\$22.412)</b>	<b>(\$31.816)</b>	<b>(\$25.090)</b>	<b>(\$24.843)</b>
<b><i>Gap Closing Expenses :</i></b>				
<b>Total Gap Closing Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>(\$11.651)</b>	<b>(\$32.061)</b>	<b>(\$19.727)</b>	<b>(\$12.240)</b>
Depreciation	(\$3.768)	\$1.494	\$2.385	(\$2.857)
OPEB Obligation	\$15.962	\$13.600	\$13.985	\$13.829
<b>Total Expense Changes</b>	<b>\$0.543</b>	<b>(\$16.967)</b>	<b>(\$3.357)</b>	<b>(\$1.268)</b>
<b><i>Cash Adjustment Changes</i></b>				
Revenue Adjustments	(1.856)	0.742	4.147	0.000
Expense Adjustments	1.875	(44.908)	(15.826)	(10.744)
<b>Total Cash Adjustment Changes</b>	<b>\$0.019</b>	<b>(\$44.166)</b>	<b>(\$11.679)</b>	<b>(\$10.744)</b>
<b>Total Baseline Changes</b>	<b>\$9.904</b>	<b>(\$52.613)</b>	<b>(\$6.464)</b>	<b>(\$3.324)</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$316.665)</b>	<b>(\$250.632)</b>	<b>(\$142.998)</b>	<b>(\$210.550)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

**REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Rental Income	-	-	-	-
Advertising Revenue	-	-	-	-
Other	-	-	-	-
<u>Capital and Other Reimbursement</u>	<u>14.920</u>	<u>5.087</u>	<u>6.746</u>	<u>6.808</u>
<b>Total Revenue Changes</b>	<b>\$14.920</b>	<b>\$5.087</b>	<b>\$6.746</b>	<b>\$6.808</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	\$1.058	\$0.831	\$0.852	\$0.861
Overtime	(0.002)	-	-	-
Health and Welfare	0.220	0.217	0.040	0.048
OPEB Current Payment	-	-	-	-
Pensions	0.218	0.215	0.217	0.221
Other Fringe Benefits	(0.002)	0.040	0.044	0.045
<u>Reimbursable Overhead</u>	<u>(16.441)</u>	<u>(6.475)</u>	<u>(7.993)</u>	<u>(8.073)</u>
<b>Total Labor Expense Changes</b>	<b>(\$14.949)</b>	<b>(\$5.172)</b>	<b>(\$6.840)</b>	<b>(\$6.898)</b>
<b>Non-Labor:</b>				
Electric Power	-	-	-	-
Fuel	-	-	-	-
Insurance	-	-	-	-
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	0.001
Professional Services	0.031	0.080	0.089	0.085
Materials & Supplies	-	-	-	-
MTA Internal Subsidy	-	-	-	-
<u>Other Business Expenses</u>	<u>(0.001)</u>	<u>0.004</u>	<u>0.004</u>	<u>0.005</u>
<b>Total Non-Labor Expense Changes</b>	<b>\$0.030</b>	<b>\$0.084</b>	<b>\$0.093</b>	<b>\$0.091</b>
<b>Gap Closing Expenses :</b>				
<b>Total Gap Closing Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>(\$14.919)</b>	<b>(\$5.088)</b>	<b>(\$6.747)</b>	<b>(\$6.807)</b>
Depreciation	-	-	-	-
<b>Total Expense Changes</b>	<b>(\$14.920)</b>	<b>(\$5.087)</b>	<b>(\$6.746)</b>	<b>(\$6.808)</b>
<b>Cash Adjustment Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

**NON REIMBURSABLE/REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$326.570)</b>	<b>(\$198.020)</b>	<b>(\$136.533)</b>	<b>(\$207.227)</b>
<b><i>Baseline Changes</i></b>				
<b>Revenue</b>				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Rental Income	\$5.297	\$1.531	\$1.624	\$1.738
Advertising Revenue	-	-	-	-
Other	4.045	6.989	6.948	6.950
Capital and Other Reimbursement	14.920	5.087	6.746	6.808
<b><i>Total Revenue Changes</i></b>	<b>\$24.262</b>	<b>\$13.607</b>	<b>\$15.318</b>	<b>\$15.496</b>
<b>Expenses</b>				
<b><i>Labor:</i></b>				
Payroll	(\$10.177)	(\$11.036)	(\$10.018)	(\$7.136)
Overtime	2.395	2.520	2.599	2.800
Health and Welfare	0.335	(0.711)	(0.134)	1.070
OPEB Current Payment	3.180	4.245	5.535	6.561
Pensions	0.759	0.459	1.354	2.930
Other Fringe Benefits	(0.680)	(0.894)	(0.813)	(0.520)
<u>Reimbursable Overhead</u>	-	-	-	-
<b><i>Total Labor Expense Changes</i></b>	<b>(\$4.188)</b>	<b>(\$5.417)</b>	<b>(\$1.477)</b>	<b>\$5.705</b>
<b><i>Non-Labor:</i></b>				
Electric Power	1.485	0.020	0.298	(0.430)
Fuel	(0.331)	(0.454)	(0.418)	(0.294)
Insurance	0.087	0.096	0.107	0.118
Claims	(0.110)	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	(6.437)	(6.643)	(6.628)	(6.526)
Professional Services	(5.660)	(10.464)	(4.082)	(3.350)
Materials & Supplies	0.002	0.002	0.002	0.002
MTA Internal Subsidy	(10.500)	(14.000)	(14.000)	(14.000)
<u>Other Business Expenses</u>	(0.918)	(0.289)	(0.276)	(0.272)
<b><i>Total Non-Labor Expense Changes</i></b>	<b>(\$22.382)</b>	<b>(\$31.732)</b>	<b>(\$24.997)</b>	<b>(\$24.752)</b>
<b><i>Gap Closing Expenses :</i></b>				
<b>Total Gap Closing Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><i>Total Expenses before Depreciation</i></b>	<b>(\$26.570)</b>	<b>(\$37.149)</b>	<b>(\$26.474)</b>	<b>(\$19.047)</b>
Depreciation	(3.768)	1.494	2.385	(2.857)
OPEB Obligation	15.962	13.600	13.985	13.829
<b><i>Total Expense Changes</i></b>	<b>(\$14.377)</b>	<b>(\$22.054)</b>	<b>(\$10.103)</b>	<b>(8.076)</b>
<b><i>Cash Adjustment Changes</i></b>				
Revenue Adjustments	(1.856)	0.742	4.147	-
Expense Adjustments	1.875	(44.908)	(15.826)	(10.744)
<b><i>Total Cash Adjustment Changes</i></b>	<b>\$0.019</b>	<b>(\$44.166)</b>	<b>(\$11.679)</b>	<b>(\$10.744)</b>
<b>Total Baseline Changes</b>	<b>\$9.904</b>	<b>(\$52.613)</b>	<b>(\$6.464)</b>	<b>(\$3.324)</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$316.665)</b>	<b>(\$250.632)</b>	<b>(\$142.998)</b>	<b>(\$210.550)</b>

**MTA HEADQUARTERS**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**  
**Summary of Major Plan-to-Plan Changes**

**2014: July Financial Plan vs. February Financial Plan**

**Revenue Changes**

Total revenue is projected to increase from the 2014 Adopted Budget by \$24.3 million.

Major changes include:

- Higher reimbursable overhead of \$14.9 million mainly reflects higher expenses recoverable from the benefiting agencies.
- Rental income is projected to increase by \$5.3 million due to increased Two Broadway rentals and Transit Museum revenues.
- Other revenues are projected to increase by \$4.0 million mainly reflecting the 2014 reversal to revenue of an expense accrued in 2013, coupled with recoveries from Irene and other.

**Expense Changes**

Projections include additional Payroll, Overtime, Pension, Health & Welfare and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent PBA settlement.

Total expenses increased by \$14.4 million in 2014.

Major changes include:

**Unfavorable**

- New Needs of \$13.9 million include \$8.4 million of Administrative New Needs including 10 positions (discussed more thoroughly in the Positions section); Enterprise Asset Management consulting needs partly recoverable from the agencies; and other outside studies. BSC New Needs of \$1.1 million include funding for moving the MaBSTO A pension to the accounting/human resources environment and for consulting assistance for one year to support the Retroactive Wage Adjustment/Gross Wage Increase processes that will be needed once unions settle their individual contract disputes for retroactive wage adjustments and gross wage increases. Consolidation IT New Needs of \$4.1 million are primarily for security purposes. MTA PD New Needs of \$0.2 million are for relocation.
- Higher Support for Subsidiaries of \$5.3 million reflecting initiation of the Verrazano-Narrows Bridge Toll Rebate Program.
- Higher MTA PD labor costs of \$4.5 million mainly reflecting the impact of the 2014 Wage Settlement as a result of the PBA Collective Bargaining agreement.

- Revised Depreciation of \$3.8 million.
- Higher vacation accrual of \$3.0 million.
- Revised Two Broadway operating expenses of \$2.2 million.
- Re-estimated IT Professional Services costs of \$1.3 million.
- Higher Other Fringe Benefits of \$0.7 million mainly reflecting revised MTA PD labor adjustments and increased headcount.

### **Favorable**

- Revised OPEB obligation expense and OPEB current payments of \$19.1 million reflecting revised contribution amounts.

### **Cash Adjustments**

- Cash adjustments are virtually unchanged mainly due to favorable depreciation, operating capital and timing of MTAHQ relocation costs offset by unfavorable timing of payments for 2013 expenditures and the OPEB Obligation adjustment.

## **2015: July Financial Plan vs. February Financial Plan**

### **Revenue Changes**

Revenues are projected to increase from the February Plan by \$13.6 million.

Major changes include:

- New York State support for the Verrazano-Narrows Bridge Toll Rebate Program. Higher reimbursable overhead of \$5.1 million mainly reflects higher expenses recoverable from the benefiting agencies.
- Rental income is projected to increase by \$1.5 million due to increased Two Broadway rentals and Transit Museum revenues.

### **Expense Changes**

Projections include additional Payroll, Overtime, Pension, Health & Welfare and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent PBA settlement.

Total expenses are projected to increase by \$22.1 million.

Major changes include:

### **Unfavorable**

- Increased New Needs of \$23.2 million include \$2.8 million of Administrative New Needs including 10 positions (discussed more thoroughly in the Positions section); Enterprise Asset Management consulting needs; and other outside studies. BSC New Needs of \$1.4 million include funding for moving the MaBSTOA pension to the accounting/human resources system environment and

for consulting assistance for retroactive wage adjustments and gross wage increases. Consolidation IT New Needs of \$17.7 million are primarily for the addition of 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor, and for security purposes. MTA PD New Needs of \$1.3 million are for costs not previously incurred prior to relocation.

- Higher Support for Subsidiaries of \$14.0 million reflecting the Verrazano-Narrows Bridge Toll Rebate Program.
- Re-estimated IT Professional Services and Maintenance costs of \$5.5 million.
- Higher MTA PD labor costs of \$2.7 million mainly reflecting the impact of the 2014 Wage Settlement as a result of the PBA Collective Bargaining agreement.
- Change in Other Fringe Benefits of \$0.8 million mainly reflecting increased headcount.
- Revised Two Broadway operating expenses of \$0.8 million.

### **Favorable**

- Revised OPEB obligation expense and OPEB current payment of \$17.8 million reflecting revised contribution amounts.
- Revised Depreciation of \$1.5 million.
- BRPs of \$1.3 million mainly due to reduced MTA HQ use of outside vendors, consultants, and services, and MTA PD reduced contracts with outside vendors utilized primarily at MTA PD facilities.
- Allocation of Budget system costs of \$0.7 million to the agencies.

### **Cash Adjustments**

Cash adjustments are projected to be unfavorable by \$44.2 million primarily due to unfavorable OPEB Obligation, depreciation, operating capital and timing of MTAHQ relocation costs.

### **2016 and 2017: July Financial Plan vs. February Financial Plan**

#### **Revenue Changes**

Other operating revenues are projected to increase from the February Plan by \$15.3 million in 2016 and \$15.5 million in 2017.

Major changes include:

- New York State support for the Verrazano-Narrows Bridge Toll Rebate Program in 2016 and 2017.
- Higher reimbursable overhead of \$6.7 million, and \$6.8 million in 2016, and 2017, respectively, mainly reflects higher expenses recoverable from the benefiting agencies.
- Rental income is projected to increase by \$1.6 million, and \$1.7 million in 2016 and 2017, respectively, due to increased Two Broadway rentals and Transit Museum revenues.

## **Expense Changes**

Projections include additional Payroll, Overtime, Pension, Health & Welfare and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent PBA settlement.

Expenses increase by \$10.1 million in 2016 and by \$8.1 million in 2017.

Major changes include:

### **Unfavorable**

- New Needs of \$19.3 million, and \$19.1 million in 2016 and 2017 include \$2.8 and \$2.9 million in 2016 and 2017, respectively for Administrative New Needs including 10 positions (discussed more thoroughly in the Positions section), and Enterprise Asset Management consulting needs. BSC New Needs of \$0.6 million and \$0.3 million in 2016 and 2017, respectively, include funding for moving the MaBSTOA pension to the accounting/human resources system environment in 2016. Consolidation IT New Needs of \$14.6 million and \$14.5 million, in 2016 and 2017, respectively, are primarily for the addition of 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor, and for security purposes. MTA PD New Needs of \$1.3 million in 2016 and 2017 are for relocation.
- Higher Support for Subsidiaries of \$14.0 million in 2016 and 2017 reflecting the Verrazano-Narrows Bridge Toll Rebate Program.
- Re-estimated IT Professional Services and Maintenance costs of \$3.5 million in 2016 and \$3.2 million in 2017.
- Revised depreciation of \$2.9 million in 2017.
- Higher MTA PD labor costs of \$2.9 million in 2016 and \$2.1 million in 2017 mainly reflecting the impact of the 2014 PBA Wage Settlement.
- Higher MTA PD operating expenses of \$1.3 million in 2016 and 2017 are primarily for costs not incurred prior to relocation.
- Revised Two Broadway operating expenses of \$0.8 million in 2016 and 2017.

### **Favorable**

- Revised OPEB obligation expense and OPEB current payment of \$19.5 million, and \$20.4 million in 2016 and 2017 reflecting revised contribution amounts.
- Revised MTA PD costs of \$3.4 million in 2016 and \$8.8 million in 2017 resulting from hiring due to delay in East Side Access opening.
- Revised depreciation of \$2.4 million in 2016.
- Higher revenues of \$1.6 million and \$1.7 million in 2016 and 2017, mainly due to higher Two Broadway rentals.
- BRPs of \$1.3 million in 2016 and 2017 mainly due to reduced MTA HQ use of outside vendors, consultants, and services, and MTA PD reduced contracts with outside vendors utilized primarily at MTA PD facilities.

## **Cash Adjustments**

Cash adjustments are projected to be unfavorable by \$11.7 million in 2016 and \$10.7 million in 2017 primarily reflecting unfavorable OPEB Obligation adjustments.



**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$326.570)</b>	<b>(\$198.020)</b>	<b>(\$136.533)</b>	<b>(\$207.227)</b>
<b>Non-Reimbursable Major Changes</b>				
<b>Revenue</b>				
Revised Rental Revenues	5.297	1.531	1.624	1.738
Higher T.S. Irene reimbursement	0.161	-	-	-
NYS Support of VNB Toll Rebate Program	-	7.000	7.000	7.000
All Other	3.884	(0.011)	(0.052)	(0.050)
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$9.342</b>	<b>\$8.520</b>	<b>\$8.572</b>	<b>\$8.688</b>
<b>Expenses</b>				
MTAHQ Administrative New Needs (offsetting Recovery below)	(8.448)	(2.847)	(2.830)	(2.879)
IT New Needs (offsetting Savings in Recovery)	(4.105)	(17.683)	(14.606)	(14.518)
BSC New Needs	(1.100)	(1.367)	(0.592)	(0.348)
MTA Police Operating Expense increase due to relocation	(0.210)	(1.262)	(1.289)	(1.310)
Re-estimate of Professional Services (primarily IT costs)	(1.335)	(4.912)	(2.907)	(2.633)
Re-estimate of Maintenance costs	-	(0.600)	(0.557)	(0.565)
Higher Vacation Accrual	(3.000)	-	-	-
Revised MTAPD Labor (incl. higher 2014 retro wages)	(4.524)	(2.651)	(2.944)	(2.084)
VNB Toll Support net of NYS waiver of fees - 2014 only	(5.250)	-	-	-
VNB Toll Support - 2015 and beyond (NYS Share in Revenue)	-	(14.000)	(14.000)	(14.000)
Higher 2 Broadway operating expenses	(2.239)	(0.821)	(0.835)	(0.848)
Re-estimated Treasury Dept Expenses	(0.042)	(0.093)	(0.099)	(0.105)
Change in Other Fringe Benefits	(0.661)	(0.775)	(0.808)	(0.738)
Revised BSC wages	(0.460)	(0.335)	(0.348)	(0.433)
Change in Insurance & Claims	(0.023)	0.096	0.107	0.118
Out year Electric Expense adjust due to rate change	-	-	0.446	(0.275)
Out year Fuel Expense adjust due to rate change	-	-	(0.021)	(0.159)
Re-allocation of budget systems costs to Agencies	0.219	0.730	0.730	0.730
MTA PD Shift in ESA Hiring	-	-	3.444	8.844
OPEB Current Payments	3.180	4.245	5.535	6.561
Higher Recoverable Expenses (includes offsets for New Needs)	16.441	6.475	7.993	8.073
Change in Billed & Forecasted Pension (NYSLERS/MTADB)	0.510	0.587	0.667	0.950
Lower Health and Welfare	0.442	0.344	0.397	0.727
Inflation Adjustments	-	(0.041)	0.119	0.018
Change in Depreciation	(3.768)	1.494	2.385	(2.857)
Change in OPEB Obligation Expense	15.962	13.600	13.985	13.829
BRPs	-	1.244	1.264	1.286
Other	(1.048)	1.608	1.402	1.351
<b>Sub-Total Non-Reimbursable Expense Changes</b>	<b>\$0.543</b>	<b>(\$16.966)</b>	<b>(\$3.358)</b>	<b>(\$1.268)</b>
<b>Total Non-Reimbursable Major Changes</b>	<b>\$9.885</b>	<b>(\$8.446)</b>	<b>\$5.214</b>	<b>\$7.420</b>
<b>Reimbursable Major Changes</b>				
Revised Reimbursable Revenue	14.920	5.087	6.746	6.808
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$14.920</b>	<b>\$5.087</b>	<b>\$6.746</b>	<b>\$6.808</b>
<b>Expenses</b>				
Higher Recoverable Expenses	(16.441)	(6.475)	(7.993)	(8.073)
All Other	1.522	1.388	1.247	1.265
<b>Sub-Total Reimbursable Expense Changes</b>	<b>(\$14.920)</b>	<b>(\$5.087)</b>	<b>(\$6.746)</b>	<b>(\$6.808)</b>
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>\$9.885</b>	<b>(\$8.446)</b>	<b>\$5.214</b>	<b>\$7.420</b>
<b>Cash Adjustment Changes</b>				
Depreciation Adjustment	3.768	(1.494)	(2.385)	2.857
OPEB Obligation	(15.962)	(13.600)	(13.985)	(13.829)
Operating Capital adjustments	8.748	(9.340)	0.000	0.000
Timing of 2013 Expenses (not including Op Cap)	(8.223)	0.000	0.000	0.000
All Other Cash Adjustments	11.688	(19.732)	4.691	0.228
<b>Total Cash Adjustment Changes</b>	<b>\$0.019</b>	<b>(\$44.166)</b>	<b>(\$11.679)</b>	<b>(\$10.744)</b>
<b>Total Baseline Changes</b>	<b>\$9.904</b>	<b>(\$52.612)</b>	<b>(\$6.465)</b>	<b>(\$3.324)</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$316.665)</b>	<b>(\$250.632)</b>	<b>(\$142.998)</b>	<b>(\$210.550)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Summary**  
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018
<u>Administration</u>										
MTAPD Reductions		\$0.000		\$0.500		\$0.508		\$0.517		\$0.525
Professional Services Reductions		0.000		0.744		0.756		0.769		0.782
Subtotal Administration	-	0.000	-	1.244	-	1.265	-	1.287	-	1.307
<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>										
Transit Museum Rentals		0.000		0.100		0.100		0.100		0.100
Subtotal Revenue Enhancement	-	0.000	-	0.100	-	0.100	-	0.100	-	0.100
<u>Safety</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total</b>	-	<b>\$0.000</b>	-	<b>\$1.344</b>	-	<b>\$1.365</b>	-	<b>\$1.387</b>	-	<b>\$1.407</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** MTAPD Reductions

<b>Background Details:</b>	MTAPD has reduced other business expenses such as maintenance and repair costs at facilities and contracts for outside vendors such as for janitorial services.
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<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	1/1/2015	<b>When will savings begin?:</b>	1/1/2015
		<b>Are these savings recurring?:</b>	yes
<b>Other Issues: None</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.500	\$0.508	\$0.517	\$0.525

*Total Positions Required:*  
*(List Title of Positions)*

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Professional Service Reductions

<b>Background Details:</b>	MTAHQ has reduced leases and rentals, and reduced the use of financial services consultants, advertising, legal services, and other outside vendors, consultants, and services.
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<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	1/1/2015	<b>When will savings begin?:</b>	1/1/2015
		<b>Are these savings recurring?:</b>	yes
<b>Other Issues: None</b>			

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.744	\$0.756	\$0.769	\$0.782

*Total Positions Required:*

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:** Revenue Enhancement

**Program:** Transit Museum Rentals

<b>Background Details:</b>	The Museum's projected facility rental revenue in 2013 and continuing into 2014 exceeded projections due to an unexpected surge in interest. It seems clear that the surge was not an anomaly and as such the Museum projects revenue for this income stream to be at least \$100 K higher than previous budget projections.
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<b>Program Description/ Implementation Plan:</b>			
<b>Program Implementation Date:</b>	<b>When will savings begin?:</b>	<b>2015</b>	
	<b>Are these savings recurring?:</b>	<b>yes</b>	
<b>Other Issues: None</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>	\$0.000	\$0.100	\$0.100	\$0.100	\$0.100
Net Cash Savings (in millions)	\$0.000	\$0.100	\$0.100	\$0.100	\$0.100
<i>Total Positions Required:</i>					

**MTA HEADQUARTERS  
2015 Preliminary Budget  
July Financial Plan 2015-2018  
Positions**

**POSITION ASSUMPTIONS**

**2014: July Financial Plan vs. February Financial Plan**

Total baseline positions are projected to increase by 15 positions, due to the following:

New Needs (total increase of 13 Non-Reimbursable positions) include:

- Two General Counsel positions include an upgrade of a consulting to full-time administrative position, and an Associate Counsel for Procurement matters.
- Two Office Services mailroom clerks for the additional coverage required for Two Broadway.
- Two Enterprise Asset Management positions for oversight of asset management program governance.
- Two Capital Program Management positions for the direction of the marketing strategy of the 5-Year Capital Plan to MTA stakeholders.
- Two positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor.
- One Business Service center position for Enterprise Learning Management training support.
- One Human Resources position for the Chairman's Workforce Development initiative.
- One Real Estate administrative position for the increased duties resulting from the ramp-up in West Side Yards activity. This is partly reimbursed by Related Companies.

Change in Reimbursable Positions (total increase of 2 positions)

- One Pension position transferred from LIRR.
- One Chief Investment Officer with oversight of retirement assets of approximately \$10 billion.

The increase of 15 positions by function included 16 in Administration partly offset by a decrease of one Public Safety position due to an internal transfer.

Position changes by occupational group are: Managers/Supervisors increase by 136 positions, and Operational Hourlies decrease by 124 positions due to revised reporting definitions for occupational groups. Professional, Technical, Clerical positions increase by three positions.

## **2015: July Financial Plan vs. February Financial Plan**

Total baseline positions are projected to increase by 76 positions as follows:

### New Needs (total increase of 74 Non-Reimbursable positions) include:

- 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor.
- Two General Counsel positions include an upgrade of a contingent to full-time administrative position, and an Associate Counsel for Procurement matters.
- Two Office Services mailroom clerks for the additional coverage required for Two Broadway.
- Two Enterprise Asset Management positions for oversight of asset management program governance.
- Two Capital Program Management positions to direct the marketing strategy of the 5-Year Capital Plan to MTA stakeholders.
- One Business Service center position for Enterprise Learning Management training support.
- One Human Resources position for the Chairman's Workforce Development initiative.
- One Real Estate administrative position for the increased duties resulting from the ramp-up in West Side Yards activity. This is partly reimbursed by Related Companies.

### Change in Reimbursable Positions (total increase of 2 positions)

- One Pension position transferred from LIRR.
- One Chief Investment Officer with oversight of retirement assets of approximately \$10 billion.

The increase of 76 positions by function included 77 in Administration partly offset by a decrease of 1 Public Safety position due to an internal transfer.

Position changes by occupational group are: Managers/Supervisors increase by 177 positions, and Operational Hourlies decrease by 124 positions due to revised reporting definitions for occupational groups. Professional, Technical, Clerical positions increase by 23 positions.

## **2016 and 2017: July Financial Plan vs. February Financial Plan**

Total baseline positions are projected to increase by 46 positions in 2016 and 2 positions in 2017 as follows:

### New Needs (total increase of 74 Non-Reimbursable positions in each year) include:

- 63 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor.

- Two General Counsel positions include an upgrade of a contingent to full-time administrative position, and an Associate Counsel for Procurement matters.
- Two Office Services mailroom clerks for the additional coverage required for Two Broadway.
- Two Enterprise Asset Management positions for oversight of asset management program governance.
- Two Capital Program Management positions to direct the marketing strategy of the 5-Year Capital Plan to MTA stakeholders.
- One Business Service center position for Enterprise Learning Management training support.
- One Human Resources position for the Chairman's Workforce Development initiative.
- One Real Estate administrative position for the increased duties resulting from the ramp-up in West Side Yards activity. This is partly reimbursed by Related Companies.

Change in Reimbursable Positions (total increase of 2 positions in each year) include:

- One Pension position transferred from LIRR.
- One Chief Investment Officer with oversight of retirement assets of approximately \$10 billion.

Re-estimates and All Other (total decrease of 30 positions in 2016 and 74 positions in 2017):

- MTA PD reductions of 30 positions in 2016 and 74 positions in 2017 are due to revised hiring plans for East Side Access in anticipation of its delayed projected opening.

By function, the increase of 46 positions in 2016 and 2 positions in 2017 included 77 Administration positions in both years, and a reduction of 31 Public Safety positions in 2016, and 75 positions in 2017.

Position changes by occupational group are: Managers/Supervisors increase by 177 and 176 positions in 2016 and 2017, respectively, and Operational Hourlies decrease by 154 positions and 197 positions due to revised reporting definitions for occupational groups. Professional, Technical, Clerical positions increase by 23 positions.

## **Year over Year**

### **2015 over 2014**

Total headcount increases by 65 positions to 1,845 positions mainly due to non-reimbursable increases of 61 positions as part of the MTA IT Transformation initiative to provide desktop support for PCs and laptops at all the agencies by in-house staff rather than an off-site/off-shore vendor, five non-reimbursable Public Safety positions resulting from increases for the Moynihan project at Penn Station, partly offset by the elimination of the two-year Excelsior position in Capital Program Management that had been mandated by the New York State. Non-reimbursable positions are 1,782 in 2015, and



reimbursable positions are 63. Occupational group increases include 41 positions for Managers/Supervisors to 662 positions, 19 Professional, Technical, Clerical positions to 613, and five Operational Hourly positions to 570.

#### **2016 over 2015, 2017 over 2016**

Total headcount remains unchanged at 1,845 positions.

#### **2018 over 2017**

In 2018, headcount increases by 30 non-reimbursable MTA PD positions to 1,875 positions due to the revised MTA PD hiring plan for East Side Access in anticipation of its projected opening in 2021. Total non-reimbursable headcount increases to 1,812 positions while reimbursable positions remain unchanged at 63. Operational Hourly positions increase by 30 positions to 600 while Managers/Supervisors and Professional, Technical, Clerical remain unchanged at 662 and 613, respectively.

<b>MTA HEADQUARTERS</b> <b>July Financial Plan 2015-2018</b> Favorable/(Unfavorable)				
<b>Total Position Changes at a Glance</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2014 February Plan - Total Baseline Positions</b>	<b>1,765</b>	<b>1,769</b>	<b>1,799</b>	<b>1,843</b>
Total Plan-to-Plan Changes	(15)	(76)	(46)	(2)
<b>2014 July Plan - Total Baseline Positions</b>	<b>1,780</b>	<b>1,845</b>	<b>1,845</b>	<b>1,845</b>
Total Year-to-Year Changes, July Plan		(65)	0	0

<b>Total Plan-to-Plan Changes by Reporting Category:</b>				
<i>Non-Reimbursable</i>	(13)	(74)	(44)	0
<i>Reimbursable</i>	(2)	(2)	(2)	(2)
<b>Total</b>	<b>(15)</b>	<b>(76)</b>	<b>(46)</b>	<b>(2)</b>
<i>Full-Time</i>	(15)	(76)	(46)	(2)
<i>Full-Time Equivalents</i>				
<b>Total</b>	<b>(15)</b>	<b>(76)</b>	<b>(46)</b>	<b>(2)</b>
<i>By Function Category</i>				
- Administration	(16)	(77)	(77)	(77)
- Operations				
- Maintenance				
- Engineering/Capital				
- Public Safety	1	1	31	75
<b>Total</b>	<b>(15)</b>	<b>(76)</b>	<b>(46)</b>	<b>(2)</b>
<i>By Occupational Group</i>				
- Managers/Supervisors	(136)	(177)	(177)	(176)
- Professional, Technical, Clerical	(3)	(23)	(23)	(23)
- Operational Hourlies	124	124	154	197
<b>Total</b>	<b>(15)</b>	<b>(76)</b>	<b>(46)</b>	<b>(2)</b>

<b>Total Plan-to-Plan Changes by Major Category:</b>				
<i>2014 BRPs</i>				
New Needs	(13)	(74)	(74)	(74)
Change in Reimbursable Positions	(2)	(2)	(2)	(2)
Re-estimates & All Other			30	74
<b>Total</b>	<b>(15)</b>	<b>(76)</b>	<b>(46)</b>	<b>(2)</b>

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

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Administration</b>						
Office of Chairman	4	5	5	5	5	5
Office of Counselor to the Chairman	2	2	2	2	2	2
Office of Chief of Staff	6	6	6	6	6	6
General Counsel	53	36	36	36	36	36
Office of Diversity	25	29	29	29	29	29
Labor Relations	5	6	6	6	6	6
External Communication	11	13	13	13	13	13
PCAC	4	4	4	4	4	4
Audit	82	85	85	85	85	85
Chief Financial Officer	64	85	85	85	85	85
Real Estate	59	63	63	63	63	63
Chief Operating Officer	1	2	2	2	2	2
Federal Affairs	0	1	1	1	1	1
Environmental, Sustain. & Compliance	5	0	0	0	0	0
Spec. Project Develop/Planning	6	8	8	8	8	8
Corporate Account	0	4	4	4	4	4
Intergovernmental Relations	4	5	5	5	5	5
Information Technology	56	66	127	127	127	127
Corporate and Internal Communications	34	40	40	40	40	40
Human Resources	12	14	14	14	14	14
Pensions	19	58	58	58	58	58
Capital Programs	26	43	42	42	42	42
Business Service Center	371	406	406	406	406	406
<b>Total Administration</b>	<b>849</b>	<b>981</b>	<b>1,041</b>	<b>1,041</b>	<b>1,041</b>	<b>1,041</b>
<b>Public Safety</b>	<b>754</b>	<b>799</b>	<b>804</b>	<b>804</b>	<b>804</b>	<b>834</b>
 <b>Baseline Total Positions</b>	 <b>1,603</b>	 <b>1,780</b>	 <b>1,845</b>	 <b>1,845</b>	 <b>1,845</b>	 <b>1,875</b>
 <i>Non-Reimbursable</i>	 1,563	 1,717	 1,782	 1,782	 1,782	 1,812
<i>Reimbursable</i>	40	63	63	63	63	63
 <i>Full-Time</i>	 1,603	 1,780	 1,845	 1,845	 1,845	 1,875
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP		2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>							
	Managers/Supervisors	388	460	501	501	501	501
	Professional, Technical, Clerical	461	521	540	540	540	540
	Operational Hourlies						
	<b>Total Administration</b>	849	981	1,041	1,041	1,041	1,041
<b>Operations</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Operations</b>	-	-	-	-	-	-
<b>Maintenance</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Maintenance</b>	-	-	-	-	-	-
<b>Engineering/Capital</b>							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	<b>Total Engineering/Capital</b>	-	-	-	-	-	-
<b>Public Safety</b>							
	Managers/Supervisors	11	161	161	161	161	161
	Professional, Technical, Clerical	64	73	73	73	73	73
	Operational Hourlies (Uniformed)	679	565	570	570	570	600
	<b>Total Public Safety</b>	754	799	804	804	804	834
<b>Total Positions</b>							
	Managers/Supervisors	399	621	662	662	662	662
	Professional, Technical, Clerical	525	594	613	613	613	613
	Operational Hourlies	679	565	570	570	570	600
	<b>Total Baseline Positions</b>	1,603	1,780	1,845	1,845	1,845	1,875

## 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 2015 - 2018**  
**Accrual Statement of Operations by Major Function**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b><u>MTA Consolidated Functions</u></b>					
<b>Operating Revenue</b>	\$15.291	\$4.833	\$4.917	\$4.994	\$5.076
Labor Expenses	\$11.327	\$15.709	\$15.131	\$15.678	\$16.250
Non-Labor Expenses	19.331	19.958	16.159	15.902	16.684
Depreciation / OPEB Obligation	1.096	1.330	1.353	1.374	1.397
<b>Total Expenses</b>	<b>\$31.754</b>	<b>\$36.997</b>	<b>\$32.644</b>	<b>\$32.954</b>	<b>\$34.331</b>
<b>Baseline Deficit</b>	<b>(\$16.463)</b>	<b>(\$32.164)</b>	<b>(\$27.727)</b>	<b>(\$27.959)</b>	<b>(\$29.255)</b>
<b><u>MTA HQ, Policy &amp; Oversight</u></b>					
<b>Operating Revenue</b>	\$51.204	\$51.945	\$53.648	\$55.452	\$57.328
Labor Expenses	\$39.291	\$47.203	\$49.579	\$50.825	\$52.321
Non-Labor Expenses	127.974	129.360	129.081	131.118	133.533
Depreciation / OPEB Obligation	113.013	132.917	149.271	162.176	166.675
<b>Total Expenses</b>	<b>\$280.278</b>	<b>\$309.479</b>	<b>\$327.931</b>	<b>\$344.119</b>	<b>\$352.528</b>
<b>Baseline Deficit</b>	<b>(\$229.074)</b>	<b>(\$257.535)</b>	<b>(\$274.283)</b>	<b>(\$288.667)</b>	<b>(\$295.200)</b>
<b><u>Business Service Center</u></b>					
<b>Operating Revenue</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	\$39.271	\$39.924	\$41.070	\$42.143	\$43.261
Non-Labor Expenses	20.475	20.631	16.474	16.544	16.837
Depreciation / OPEB Obligation	-	-	-	-	-
<b>Total Expenses</b>	<b>\$59.746</b>	<b>\$60.555</b>	<b>\$57.544</b>	<b>\$58.686</b>	<b>\$60.098</b>
<b>Baseline Deficit</b>	<b>(\$59.746)</b>	<b>(\$60.555)</b>	<b>(\$57.544)</b>	<b>(\$58.686)</b>	<b>(\$60.098)</b>
<b><u>Public Safety</u></b>					
<b>Operating Revenue</b>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	\$113.806	\$116.992	\$116.551	\$117.875	\$123.044
Non-Labor Expenses	9.136	9.535	9.617	9.743	10.626
Depreciation / OPEB Obligation	6.933	6.933	7.054	7.165	7.281
<b>Total Expenses</b>	<b>\$129.875</b>	<b>\$133.460</b>	<b>\$133.222</b>	<b>\$134.782</b>	<b>\$140.951</b>
<b>Baseline Deficit</b>	<b>(\$129.875)</b>	<b>(\$133.460)</b>	<b>(\$133.222)</b>	<b>(\$134.782)</b>	<b>(\$140.951)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2015-2018**  
**Total Positions by Function**  
**Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents**

<b>FUNCTION</b>	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
MTA Consolidated Functions	258	329	328	328	328	328
MTA HQ, Policy & Oversight	220	246	307	307	307	307
Business Service Center	371	406	406	406	406	406
Public Safety	754	799	804	804	804	834
<b>Baseline Total Positions</b>	<b>1,603</b>	<b>1,780</b>	<b>1,845</b>	<b>1,845</b>	<b>1,845</b>	<b>1,875</b>
<b>Non-Reimbursable</b>	<b>1,563</b>	<b>1,717</b>	<b>1,782</b>	<b>1,782</b>	<b>1,782</b>	<b>1,812</b>
MTA Consolidated Functions	258	266	265	265	265	265
MTA HQ, Policy & Oversight	220	246	307	307	307	307
Business Service Center	371	406	406	406	406	406
Public Safety	754	799	804	804	804	834
	-	-	-	-	-	-
<b>Reimbursable</b>	<b>40</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>
MTA Consolidated Functions	40	63	63	63	63	63
MTA HQ, Policy & Oversight	-	-	-	-	-	-
Business Service Center	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
	-	-	-	-	-	-
<i>Full-Time</i>	1,603	1,780	1,845	1,845	1,845	1,875
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

**MTA INSPECTOR GENERAL**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**

**Financial Overview**

The forecast for the Office of Inspector General for the years 2015-2018 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.

**2014 Mid-Year Forecast**

In the 2014 Mid-Year Forecast a total of \$13.1 million is projected in baseline expenses, compared to \$13.7 million in the 2014 Adopted Budget. The variance is primarily the result of vacancy savings.

**2015 Preliminary Budget – Baseline**

In the 2015 Preliminary Budget, a total of \$13.9 million is projected in baseline expenses compared to \$14.0 million in the February Plan. The variance results from revised fringe benefit forecasting, which is partially offset by higher maintenance and other operating contracts resulting from the re-estimation of rental and telephone expenses.

**2016-2018 Projections**

The forecast for the Office of Inspector General for the years 2016-2018 reflects inflationary growth according to the prevailing guidelines and assumptions.



**MTA INSPECTOR GENERAL**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	11.986	13.067	13.930	14.123	14.420	14.735
<b>Total Revenue</b>	<b>\$11.986</b>	<b>\$13.067</b>	<b>\$13.930</b>	<b>\$14.123</b>	<b>\$14.420</b>	<b>\$14.735</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$6.133	\$7.165	\$7.510	\$7.661	\$7.787	\$7.913
Overtime	-	-	-	-	-	-
Health and Welfare	0.773	1.086	1.289	1.324	1.393	1.466
OPEB Current Payment	-	-	-	-	-	-
Pensions	1.132	1.278	1.355	1.390	1.425	1.464
Other Fringe Benefits	0.444	0.582	0.701	0.668	0.689	0.711
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$8.482</b>	<b>\$10.111</b>	<b>\$10.855</b>	<b>\$11.043</b>	<b>\$11.294</b>	<b>\$11.554</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.037	0.040	0.040	0.041	0.042	0.043
Insurance	0.018	0.028	0.031	0.033	0.037	0.041
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.375	2.610	2.646	2.692	2.734	2.778
Professional Service Contracts	0.911	0.140	0.196	0.204	0.202	0.206
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.109	0.118	0.107	0.110	0.111	0.113
<b>Total Non-Labor Expenses</b>	<b>\$3.450</b>	<b>\$2.936</b>	<b>\$3.020</b>	<b>\$3.080</b>	<b>\$3.126</b>	<b>\$3.181</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other						
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$11.932</b>	<b>\$13.047</b>	<b>\$13.875</b>	<b>\$14.123</b>	<b>\$14.420</b>	<b>\$14.735</b>
Depreciation	0.054	0.020	0.055	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$11.986</b>	<b>\$13.067</b>	<b>\$13.930</b>	<b>\$14.123</b>	<b>\$14.420</b>	<b>\$14.735</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2015 - 2018**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year</b>	<b>Preliminary</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
		<b>Forecast</b>	<b>Budget</b>			
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	11.932	13.047	13.875	14.123	14.420	14.735
<b>Total Receipts</b>	<b>\$11.932</b>	<b>\$13.047</b>	<b>\$13.875</b>	<b>\$14.123</b>	<b>\$14.420</b>	<b>\$14.735</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$6.133	\$7.165	\$7.510	\$7.661	\$7.787	\$7.913
Overtime	-	-	-	-	-	-
Health and Welfare	0.773	1.086	1.289	1.324	1.393	1.466
OPEB Current Payment	-	-	-	-	-	-
Pensions	1.132	1.278	1.355	1.390	1.425	1.464
Other Fringe Benefits	0.444	0.582	0.701	0.668	0.689	0.711
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$8.482</b>	<b>\$10.111</b>	<b>\$10.855</b>	<b>\$11.043</b>	<b>\$11.294</b>	<b>\$11.554</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.037	0.040	0.040	0.041	0.042	0.043
Insurance	0.018	0.028	0.031	0.033	0.037	0.041
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.375	2.610	2.646	2.692	2.734	2.778
Professional Service Contracts	0.911	0.140	0.196	0.204	0.202	0.206
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.109	0.118	0.107	0.110	0.111	0.113
<b>Total Non-Labor Expenditures</b>	<b>\$3.450</b>	<b>\$2.936</b>	<b>\$3.020</b>	<b>\$3.080</b>	<b>\$3.126</b>	<b>\$3.181</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other - Operating Capital	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$11.932</b>	<b>\$13.047</b>	<b>\$13.875</b>	<b>\$14.123</b>	<b>\$14.420</b>	<b>\$14.735</b>
<b>Baseline Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2015 - 2018**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	(0.054)	(0.020)	(0.055)	-	-	-
<b>Total Receipts</b>	<b>(\$0.054)</b>	<b>(\$0.020)</b>	<b>(\$0.055)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
<b>Total Non-Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other - Operating Capital	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditures Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>(\$0.054)</b>	<b>(\$0.020)</b>	<b>(\$0.055)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Depreciation	0.054	0.020	0.055	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Revenue</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	13.067	13.930	0.863	14.123	0.193	14.420	0.297	14.735	0.315
<b>Total Revenue</b>	<b>\$13.067</b>	<b>\$13.930</b>	<b>\$0.863</b>	<b>\$14.123</b>	<b>\$0.193</b>	<b>\$14.420</b>	<b>\$0.297</b>	<b>\$14.735</b>	<b>\$0.315</b>
<b><u>Expenses</u></b>									
Labor:									
Payroll	\$7.165	\$7.510	(\$0.345)	\$7.661	(\$0.151)	\$7.787	(\$0.126)	\$7.913	(\$0.126)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	1.086	1.289	(0.203)	1.324	(0.035)	1.393	(0.069)	1.466	(0.073)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	1.278	1.355	(0.077)	1.390	(0.035)	1.425	(0.035)	1.464	(0.039)
Other Fringe Benefits	0.582	0.701	(0.119)	0.668	0.033	0.689	(0.021)	0.711	(0.022)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$10.111</b>	<b>\$10.855</b>	<b>(\$0.744)</b>	<b>\$11.043</b>	<b>(\$0.188)</b>	<b>\$11.294</b>	<b>(\$0.251)</b>	<b>\$11.554</b>	<b>(\$0.260)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.040	0.040	0.000	0.041	(0.001)	0.042	(0.001)	0.043	(0.001)
Insurance	0.028	0.031	(0.003)	0.033	(0.002)	0.037	(0.004)	0.041	(0.004)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other									
Operating Contracts	2.610	2.646	(0.036)	2.692	(0.046)	2.734	(0.042)	2.778	(0.044)
Professional Service Contracts	0.140	0.196	(0.056)	0.204	(0.008)	0.202	0.002	0.206	(0.004)
Materials & Supplies	-	-	-	-	-	-	-	-	-
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.118	0.107	0.011	0.110	(0.003)	0.111	(0.001)	0.113	(0.002)
<b>Total Non-Labor Expenses</b>	<b>\$2.936</b>	<b>\$3.020</b>	<b>(\$0.084)</b>	<b>\$3.080</b>	<b>(\$0.060)</b>	<b>\$3.126</b>	<b>(\$0.046)</b>	<b>\$3.181</b>	<b>(\$0.055)</b>
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$13.047</b>	<b>\$13.875</b>	<b>(\$0.828)</b>	<b>\$14.123</b>	<b>(\$0.248)</b>	<b>\$14.420</b>	<b>(\$0.297)</b>	<b>\$14.735</b>	<b>(\$0.315)</b>
Depreciation	0.020	0.055	(0.035)	0.000	0.055	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$13.067</b>	<b>\$13.930</b>	<b>(\$0.863)</b>	<b>\$14.123</b>	<b>(\$0.193)</b>	<b>\$14.420</b>	<b>(\$0.297)</b>	<b>\$14.735</b>	<b>(\$0.315)</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Cash Basis**  
**(\$ in millions)**

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Receipts</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	13.047	13.875	0.828	14.123	0.248	14.420	0.297	14.735	0.315
<b>Total Receipts</b>	<b>\$13.047</b>	<b>\$13.875</b>	<b>\$0.828</b>	<b>\$14.123</b>	<b>\$0.248</b>	<b>\$14.420</b>	<b>\$0.297</b>	<b>\$14.735</b>	<b>\$0.315</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$7.165	\$7.510	(\$0.345)	\$7.661	(\$0.151)	\$7.787	(\$0.126)	\$7.913	(\$0.126)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	1.086	1.289	(0.203)	1.324	(0.035)	1.393	(0.069)	1.466	(0.073)
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	1.278	1.355	(0.077)	1.390	(0.035)	1.425	(0.035)	1.464	(0.039)
Other Fringe Benefits	0.582	0.701	(0.119)	0.668	0.033	0.689	(0.021)	0.711	(0.022)
GASB Account	-	-	-	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$10.111</b>	<b>\$10.855</b>	<b>(\$0.744)</b>	<b>\$11.043</b>	<b>(\$0.188)</b>	<b>\$11.294</b>	<b>(\$0.251)</b>	<b>\$11.554</b>	<b>(\$0.260)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.040	0.040	0.000	0.041	(0.001)	0.042	(0.001)	0.043	(0.001)
Insurance	0.028	0.031	(0.003)	0.033	(0.002)	0.037	(0.004)	0.041	(0.004)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other									
Operating Contracts	2.610	2.646	(0.036)	2.692	(0.046)	2.734	(0.042)	2.778	(0.044)
Professional Service Contracts	0.140	0.196	(0.056)	0.204	(0.008)	0.202	0.002	0.206	(0.004)
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.118	0.107	0.011	0.110	(0.003)	0.111	(0.001)	0.113	(0.002)
<b>Total Non-Labor Expenditures</b>	<b>\$2.936</b>	<b>\$3.020</b>	<b>(\$0.084)</b>	<b>\$3.080</b>	<b>(\$0.060)</b>	<b>\$3.126</b>	<b>(\$0.046)</b>	<b>\$3.181</b>	<b>(\$0.055)</b>
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$13.047</b>	<b>\$13.875</b>	<b>(\$0.828)</b>	<b>\$14.123</b>	<b>(\$0.248)</b>	<b>\$14.420</b>	<b>(\$0.297)</b>	<b>\$14.735</b>	<b>(\$0.315)</b>
<b>Baseline Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>0.000</b>

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2015 - 2018**  
**Summary of Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

**REIMBURSABLE**

	2014	2015	2016	2017
<b>2014 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline:</b>				
<b>Changes</b>				
<b>Revenue:</b>				
Capital and Other Reimbursements	(0.665)	(0.029)	(0.187)	(0.209)
<b>Sub-Total Revenue Changes</b>	<b>(\$0.665)</b>	<b>(\$0.029)</b>	<b>(\$0.187)</b>	<b>(\$0.209)</b>
<b>Expenses:</b>				
Payroll	\$0.345	\$0.124	\$0.126	\$0.129
Overtime	-	-	-	-
Health and Welfare	0.160	0.008	0.052	0.066
OPEB Current Payment	-	-	-	-
Pensions	0.068	0.027	0.027	0.028
Other Fringe Benefits	0.022	(0.047)	0.011	0.011
Reimbursable Overhead	-	-	-	-
Fuel	0.022	0.026	0.027	0.030
Insurance	(0.003)	(0.003)	(0.002)	(0.003)
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other				
Operating Contracts	(0.172)	(0.168)	(0.168)	(0.173)
Professional Service Contracts	0.139	0.088	0.085	0.091
Materials & Supplies	-	-	-	-
Other Business Expenses	0.016	0.029	0.029	0.030
Depreciation	0.068	(0.055)	0.000	0.000
<b>Sub-Total Expense Changes</b>	<b>\$0.665</b>	<b>\$0.029</b>	<b>\$0.187</b>	<b>\$0.209</b>
<b>Cash Adjustments:</b>				
Revenue				
Expense				
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2014 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2015 - 2018**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Administration</b>						
Office of the Inspector General	69	86	86	86	86	86
<b>Total Administration</b>	<b>69</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>
 <b>Baseline Total Positions</b>	 <b>69</b>	 <b>86</b>	 <b>86</b>	 <b>86</b>	 <b>86</b>	 <b>86</b>
 <b>Non-Reimbursable</b>	 -	 -	 -	 -	 -	 -
<b>Reimbursable</b>	69	86	86	86	86	86
<b>Total</b>	<b>69</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>
 <b>Total Full-Time</b>	 69	 86	 86	 86	 86	 86
<b>Total Full-Time Equivalents</b>	-	-	-	-	-	-

**First Mutual Transportation Assurance Co.  
(FMTAC)**



**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan for 2015 - 2018**

**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 Casualty Owner-Controlled Insurance Program (OCIP) programs which earn premium based on a percentage of contract completion calculation.

Additional expenses consist primarily of Claims and Other Business Expenses.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**

**2014 Mid-Year Forecast**

In the 2014 Mid-Year Forecast, a total of \$ 17.2 million is projected in Baseline Surplus compared to the \$2.6 million Baseline Deficit in the 2014 Adopted Budget. This consists of a \$23.9 million increase in revenues and \$4.1 million increase in expenses. The favorable outcome is primarily a result of higher Investment Income (change in net unrealized gains and losses from investments) and offset by decreased Insurance premium revenue (recorded as credits to the Insurance expense line) than projected in the 2014 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 2014.

**2015 Preliminary Budget**

In the 2015 Preliminary Budget, a total of \$ 22.2 million is projected in Baseline Surplus compared to the \$3.9 million Baseline Surplus in the February Plan. This consists of a \$24.2 million increase in revenues and \$5.9 million increase in expenses. The favorable outcome is primarily a result of higher Investment Income (change in net unrealized gains and losses from investments) and offset by decreased Insurance premium revenue (recorded as credits to the Insurance expense line) than projected in the 2014 Adopted Budget. Claims are based on actuarial analysis of claim activity on an estimated basis.

**2016 – 2018 Projections**

2016 – 2018 Projections are representative of 2014 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2014 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 2014 at a rate of 2% each year.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Operating Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	10.614	11.607	11.799	12.004	12.192	12.391
Investment Income	(7.768)	12.447	12.652	12.873	13.075	13.288
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$2.846</b>	<b>\$24.054</b>	<b>\$24.451</b>	<b>\$24.876</b>	<b>\$25.267</b>	<b>\$25.679</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(74.762)	(84.224)	(89.996)	(96.691)	(104.357)	(113.050)
Claims	90.810	79.291	80.188	76.992	82.012	81.764
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	12.061	11.793	12.029	12.269	12.515	12.765
<b>Total Non-Labor Expenses</b>	<b>\$28.109</b>	<b>\$6.860</b>	<b>\$2.221</b>	<b>(\$7.430)</b>	<b>(\$9.830)</b>	<b>(\$18.521)</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$28.109</b>	<b>\$6.860</b>	<b>\$2.221</b>	<b>(\$7.430)</b>	<b>(\$9.830)</b>	<b>(\$18.521)</b>
Depreciation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$28.109</b>	<b>\$6.860</b>	<b>\$2.221</b>	<b>(\$7.430)</b>	<b>(\$9.830)</b>	<b>(\$18.521)</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$25.263)</b>	<b>\$17.194</b>	<b>\$22.230</b>	<b>\$32.306</b>	<b>\$35.097</b>	<b>\$44.200</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2015 - 2018**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	10.614	11.607	11.799	12.004	12.192	12.391
Investment Income	(7.768)	12.447	12.652	12.873	13.075	13.288
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$2.846</b>	<b>\$24.054</b>	<b>\$24.451</b>	<b>\$24.876</b>	<b>\$25.267</b>	<b>\$25.679</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(74.762)	(84.224)	(89.996)	(96.691)	(104.357)	(113.050)
Claims	90.810	74.104	74.942	71.955	75.937	75.708
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	12.061	11.793	12.029	12.269	12.515	12.765
<b>Total Non-Labor Expenditures</b>	<b>\$28.109</b>	<b>\$1.673</b>	<b>(\$3.025)</b>	<b>(\$12.467)</b>	<b>(\$15.905)</b>	<b>(\$24.577)</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other - Restricted Cash Adjustment	(25.263)	\$22.381	\$27.476	\$37.343	\$41.172	\$50.256
<b>Total Other Expenditure Adjustments</b>	<b>(\$25.263)</b>	<b>\$22.381</b>	<b>\$27.476</b>	<b>\$37.343</b>	<b>\$41.172</b>	<b>\$50.256</b>
<b>Total Expenditures</b>	<b>\$2.846</b>	<b>\$24.054</b>	<b>\$24.451</b>	<b>\$24.876</b>	<b>\$25.267</b>	<b>\$25.679</b>
<b>Baseline Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2015 - 2018**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	5.187	5.246	5.037	6.075	6.056
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
<b>Total Non-Labor Expenditures</b>	<b>\$0.000</b>	<b>\$5.187</b>	<b>\$5.246</b>	<b>\$5.037</b>	<b>\$6.075</b>	<b>\$6.056</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	\$25.263	(\$22.381)	(\$27.476)	(\$37.343)	(\$41.172)	(\$50.256)
<b>Total Other Expenditures Adjustments</b>	<b>\$25.263</b>	<b>(\$22.381)</b>	<b>(\$27.476)</b>	<b>(\$37.343)</b>	<b>(\$41.172)</b>	<b>(\$50.256)</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>\$25.263</b>	<b>(\$17.194)</b>	<b>(\$22.230)</b>	<b>(\$32.306)</b>	<b>(\$35.097)</b>	<b>(\$44.200)</b>
Depreciation Adjustment	-	-	-	-	-	-
<b>Total Cash Conversion Adjustments</b>	<b>\$25.263</b>	<b>(\$17.194)</b>	<b>(\$22.230)</b>	<b>(\$32.306)</b>	<b>(\$35.097)</b>	<b>(\$44.200)</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2015 - 2018**  
**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 1, 2014.

**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 2014 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. 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%.

**Claims**

- Claims expenses are determined by actuarial projection for 2015 – 2018 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 2015 – 2018 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 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	11.607	11.799	0.192	12.004	0.205	12.192	0.188	12.391	0.199
Investment Income	12.447	12.652	0.205	12.873	0.220	13.075	0.202	13.288	0.213
Capital and Other Reimbursement									
<b>Total Revenue</b>	<b>\$24.054</b>	<b>\$24.451</b>	<b>\$0.397</b>	<b>\$24.876</b>	<b>\$0.425</b>	<b>\$25.267</b>	<b>\$0.391</b>	<b>\$25.679</b>	<b>\$0.412</b>
<b>Expenses</b>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	-	-	0.000	-	0.000	-	0.000	-	0.000
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Fringe Benefits	-	-	0.000	-	0.000	-	0.000	-	0.000
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Labor Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(84.224)	(89.996)	5.772	(96.691)	6.695	(104.357)	7.666	(113.050)	8.693
Claims	79.291	80.188	(0.897)	76.992	3.196	82.012	(5.020)	81.764	0.248
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	11.793	12.029	(0.236)	12.269	(0.241)	12.515	(0.245)	12.765	(0.250)
<b>Total Non-Labor Expenses</b>	<b>\$6.860</b>	<b>\$2.221</b>	<b>\$4.639</b>	<b>(\$7.430)</b>	<b>\$9.650</b>	<b>(\$9.830)</b>	<b>\$2.401</b>	<b>(\$18.521)</b>	<b>\$8.691</b>
Other Expenses Adjustments:									
Other	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$6.860</b>	<b>\$2.221</b>	<b>\$4.639</b>	<b>(\$7.430)</b>	<b>\$9.650</b>	<b>(\$9.830)</b>	<b>\$2.401</b>	<b>(\$18.521)</b>	<b>\$8.691</b>
Depreciation	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Expenses</b>	<b>\$6.860</b>	<b>\$2.221</b>	<b>\$4.639</b>	<b>(\$7.430)</b>	<b>\$9.650</b>	<b>(\$9.830)</b>	<b>\$2.401</b>	<b>(\$18.521)</b>	<b>\$8.691</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$17.194</b>	<b>\$22.230</b>	<b>\$5.036</b>	<b>\$32.306</b>	<b>\$10.076</b>	<b>\$35.097</b>	<b>\$2.791</b>	<b>\$44.200</b>	<b>\$9.103</b>



**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Receipts</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	11.607	11.799	0.192	12.004	0.205	12.192	0.188	12.391	0.199
Investment Income	12.447	12.652	0.205	12.873	0.220	13.075	0.202	13.288	0.213
Capital and Other Reimbursement									
<b>Total Receipts</b>	<b>\$24.054</b>	<b>\$24.451</b>	<b>\$0.397</b>	<b>\$24.876</b>	<b>\$0.425</b>	<b>\$25.267</b>	<b>\$0.391</b>	<b>\$25.679</b>	<b>\$0.412</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	-	-	0.000	-	0.000	-	0.000	-	0.000
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Fringe Benefits	-	-	0.000	-	0.000	-	0.000	-	0.000
GASB Account	-	-	0.000	-	0.000	-	0.000	-	0.000
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(84.224)	(89.996)	5.772	(96.691)	6.695	(104.357)	7.666	(113.050)	8.693
Claims	74.104	74.942	(0.838)	71.955	2.987	75.937	(3.982)	75.708	0.229
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	11.793	12.029	(0.236)	12.269	(0.241)	12.515	(0.245)	12.765	(0.250)
<b>Total Non-Labor Expenditures</b>	<b>\$1.673</b>	<b>(\$3.025)</b>	<b>\$4.698</b>	<b>(\$12.467)</b>	<b>\$9.441</b>	<b>(\$15.905)</b>	<b>\$3.439</b>	<b>(\$24.577)</b>	<b>\$8.672</b>
Other Expenditure Adjustments:									
Other	22.381	27.476	(5.095)	37.343	(9.867)	41.172	(3.829)	50.256	(9.084)
<b>Total Other Expenditure Adjustments</b>	<b>\$22.381</b>	<b>\$27.476</b>	<b>(\$5.095)</b>	<b>\$37.343</b>	<b>(\$9.867)</b>	<b>\$41.172</b>	<b>(\$3.829)</b>	<b>\$50.256</b>	<b>(\$9.084)</b>
<b>Total Expenditures</b>	<b>\$24.054</b>	<b>\$24.451</b>	<b>(\$0.397)</b>	<b>\$24.876</b>	<b>(\$0.425)</b>	<b>\$25.267</b>	<b>(\$0.391)</b>	<b>\$25.679</b>	<b>(\$0.412)</b>
<b>Baseline Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2015 - 2018**  
**Summary of Changes Between Financial Plans by Category**

**2014 – 2017 July Financial Plan vs February Financial Plan**

**Revenue**

Revenue changes from the February Plan over the 2014 – 2017 periods include:

- The increased baseline estimate for 2014 is due to increase investment income (change in net unrealized gains and losses from investments) for the first four months of 2014. For 2015 – 2017, the increased baseline estimate for 2014 is then projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts April 1, 2014.

**Expenses**

Expense changes from the February Plan over the 2014 – 2017 periods include:

- A decrease in Insurance (premium revenue) as projected in the 2014 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 increased due to updated estimates based on actual results through April 2014. The inflation rate for Other Business Expenses is expected to increase 2% per year.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	(0.397)	(0.399)	(0.422)	(0.418)
Investment Income	24.268	24.665	25.110	25.493
Capital and Other Reimbursement	-	-	-	-
<b>Total Revenue Changes</b>	<b>\$23.872</b>	<b>\$24.266</b>	<b>\$24.688</b>	<b>\$25.075</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare	-	-	-	-
OPEB Current Payment	-	-	-	-
Pensions	-	-	-	-
Other Fringe Benefits	-	-	-	-
Reimbursable Overhead	-	-	-	-
<b>Total Labor Expense Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(4.197)	(5.819)	(8.013)	(10.876)
Claims	1.432	1.252	4.127	(0.087)
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-
Materials & Supplies	-	-	-	-
Other Business Expenses	(1.315)	(1.341)	(1.368)	(1.395)
<b>Total Non-Labor Expense Changes</b>	<b>(\$4.080)</b>	<b>(\$5.908)</b>	<b>(\$5.254)</b>	<b>(\$12.358)</b>
<i>Total Expenses before Depreciation and GASB Adjs.</i>				
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	-	-	-	-
Environmental Remediation	-	-	-	-
<b>Total Expense Changes</b>	<b>(\$4.080)</b>	<b>(\$5.908)</b>	<b>(\$5.254)</b>	<b>(\$12.358)</b>
<b>Cash Adjustment Changes</b>				
<i>Revenue:</i>				
Other Operating Revenue	0.000	0.000	0.000	0.000
<i>Expenses:</i>				
Claims	(0.094)	(0.787)	(1.661)	(1.373)
Other Business Expenses	0.000	0.000	0.000	0.000
<b>Total Expense Changes</b>	<b>(0.094)</b>	<b>(0.787)</b>	<b>(1.661)</b>	<b>(1.373)</b>
Restricted Cash Adjustment	(19.698)	(17.571)	(17.773)	(11.344)
<b>Total Cash Adjustment Changes</b>	<b>(\$19.792)</b>	<b>(\$18.358)</b>	<b>(\$19.434)</b>	<b>(\$12.717)</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

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**New York City Transit**

**MTA NEW YORK CITY TRANSIT**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**

**FINANCIAL OVERVIEW**

MTA New York City Transit remains committed to providing safe, secure and reliable services. Reflecting the recent settlement with the Transport Workers Union (TWU), this July Plan assumes the same pattern settlement for employees represented by unions without contract agreements. This assumption projects costs that are in excess of the February Plan provision, and a portion of this additional cost will be funded by the suspension of contributions to the GASB account. Funding is also provided in this plan to fund several important initiatives critical in meeting NYCT's maintenance needs. A new Budget Reduction Program has been established, supported by several initiatives. 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:

- **Bus Maintenance-Overage Fleet.** 66 positions with costs of \$6.4 million in 2014, 48 positions with costs of \$4.7 million in 2015 and costs of \$2.8 million in 2016 are necessary to meet maintenance requirements associated with the significant population of buses over 12 years of age during this period.
- **Station Cleaning Headcount Support.** 44 positions are required for each year with costs of \$2.4 million in 2014 and \$3.3 million in subsequent years. These positions will replace current overtime coverage.
- **Track Construction Maintenance Workforce.** 35 positions are required in 2014 with costs of \$2.9 million and 25 positions with costs of \$2.3 million are required in subsequent years. These additional non-reimbursable positions will be converted from reimbursable Track Construction personnel to support weekday maintenance-specific tasks and result in a better alignment of personnel. This circumstance has arisen due to a recent concentration of reimbursable track-work on weekends, causing reimbursable personnel to do non-reimbursable work during weekdays in light of a shortage of reimbursable work on weekdays.
- **Rapid Transit Operations-Lengthened Training Periods.** 31 positions and costs of \$2.9 million are required in 2014 and 15 positions with costs of \$1.5 million are required in subsequent years to meet increased induction training days for several supervisor and hourly titles. These additional days are necessary to accommodate new course subjects to ensure new personnel receive the most appropriate instructions in order to meet their job responsibilities.

**The 2014 Budget Reduction Program** is comprised of the following initiatives:

- **EGWP (Employee Group Waiver Plan) Program.** Projected savings of \$12.2 million in 2014 and \$15.7 million in subsequent years are based on an Affordable Care Act prescription drug plan for Medicare-eligible members that is a more financially affordable alternative than other existing plans.
- **Medical Eligibility Initiative.** Projected savings of \$2.7 million in 2014 and \$2.8 million in subsequent years are planned, predicated on improving the efficiency of eliminating ineligibles and the automation of transferring Medicare eligibles to primary status.
- **Subways Availability-Reduce “Injury-on-Duty” Lost Days.** Projected Workers’ Compensation savings of \$1.7 million per year beginning 2015 to be achieved through a more comprehensive and aggressive monitoring and review of Injury-on-Duty claims to reduce the number of days employees are out of work long-term.
- **Subways Availability-Video “RTK” Training at Home.** Projected position reductions of 23 and savings of \$0.7 million for each year beginning 2015, by implementing a Right-To-Know (RTK) automated training tool at home, to result in increased Station Agent and Station Cleaner availability. RTK is a training module that deals with safety procedures for handling hazardous materials.
- **Subways Facility Cleaning Efficiency.** Projected position reductions of 28 for each year and savings of \$1.5 million in 2014 and \$2.9 million in subsequent years to be achieved by implementing improved processes for car and facility cleaning.
- **Revenue Collection Efficiencies.** Projected position reductions of 17 each year and savings of \$1.9 million in 2014 and \$1.5 million in subsequent years, based on the opportunity to reduce labor costs resulting from the implementation of the \$1 Green Fee charge which significantly reduced the number of new MetroCards produced. Positions to be reduced are in the areas of cashiers and revenue collecting agents.
- **Tower Operator Efficiencies.** Projected position reductions of 2 in 2014 and 12 in subsequent years, and \$1.2 million of annual savings for each year, based on a zero-based budget analysis of the Rapid Transit Subdivision B Tower Operator and Supervision functions.
- **Paratransit Savings-Prior Year Budget Reduction Program.** Savings of \$9.6 million in 2014, \$13.7 million in 2015, \$20.3 million in 2016, \$30.9 million in 2017 and \$41.1 million in 2018 are based on a projected reduction in trip activity, consistent with current trip levels, and a delay in full implementation of the Fare Incentive Savings Program.

## 2014 Mid-Year Forecast

MTA NYC Transit's 2014 Mid-Year-Forecast includes total expenses before depreciation and other post-employment benefits of \$8,234.5 million, consisting of \$7,283.7 million of non-reimbursable expenses and \$950.8 million of reimbursable expenses. Total revenues are projected to be \$5,566.9 million, of which \$4,616.1 million are operating revenues and \$950.8 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,447 (42,730 non-reimbursable positions and 4,717 reimbursable positions).

The 2014 net operating cash deficit is projected to increase by \$110.0 million from the 2014 Adopted Budget.

Major operating cash changes include:

- The impact of pattern labor adjustments, consistent with the recent TWU labor contract agreement, resulting in payments of \$159.8 million, including retro-payments of \$32.7 million.
- The adverse impact in early 2014 of multiple snowstorms, resulting in a cost of \$36.1 million.
- An unfavorable capital reimbursement volume/processing lag adjustment of \$40.0 million.
- New programmatic initiatives, mostly maintenance-related, costing \$14.7 million.
- Savings from a new 2014 Budget Reduction Program of \$19.6 million and \$16.7 million of additional paratransit expense savings applicable to a prior year BRP.
- The favorable timing of cash results arising from 2013 of \$93.0 million.
- A reduction in GASB account funding of \$35.4 million, needed to help fund excess cash requirements arising from the pattern labor adjustments.

Reimbursable expenses are projected to increase in 2014 by \$6.0 million, due primarily to the impact of the pattern labor adjustments and programmatic construction/engineering changes, partly offset by vacancies.

Total baseline positions are projected to increase by 136, including a non-reimbursable increase of 164 and a reimbursable decrease of 28. The non-reimbursable increase represents 176 in support of new programmatic initiatives (see beginning of this narrative for more detailed information). The reimbursable decrease is due mostly to 85 vacancies, partly offset by 54 positions required in support of Programmatic Construction/Engineering changes.



## 2015 Preliminary Budget

MTA New York City Transit's 2015 Preliminary Budget includes total expenses before depreciation and other post-employment benefits of \$8,364.5 million, consisting of \$7,410.0 million of non-reimbursable expenses and \$954.4 million of reimbursable expenses. Total revenues are projected to be \$5,564.9 million, of which \$4,610.4 million are operating revenues and \$954.4 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,134, including 42,470 non-reimbursable positions and 4,664 reimbursable positions.

The 2015 net operating cash deficit is projected to increase by \$20.5 million from the February Financial Plan.

Major operating cash variances include:

- The impact of pattern labor adjustments, consistent with the recent TWU labor contract agreement, resulting in payments of \$174.1 million, including retro-payments of \$32.9 million.
- New programmatic initiatives, mostly maintenance-related, costing \$11.8 million.
- A re-estimate of GASB account funding, resulting in a reduction of \$75.7 million, needed to help fund any excess cash requirement arising from the pattern labor adjustments.
- Savings from a new 2014 Budget Reduction Program of \$26.4 million and \$22.6 million of additional paratransit expense savings applicable to a prior year BRP.
- Updated inflation assumptions, resulting in lower expenses of \$43.7 million, mostly related to lower electric power prices.

Reimbursable expenses are projected to increase in 2015 by \$45.9 million, due primarily to the impact of pattern labor adjustments, programmatic construction/engineering changes, technical requirements and overhead rate adjustments.

Total baseline positions are projected to increase by 96, including a non-reimbursable increase of 26 and a reimbursable increase of 70. The non-reimbursable increase includes 132 positions in support of new programmatic initiatives (see beginning of this narrative for detailed information), partly offset by 75 position reductions as part of the 2014 Budget Reduction Program (also detailed at the beginning of this narrative). The reimbursable increase is due to 35 positions supporting technical requirements and 24 positions representing procurement requirements.

## 2016-2017 Projections

Net operating cash deficits are projected to decrease by \$85.2 million in 2016 and \$123.3 million in 2017, relative to the February Financial Plan.

Major operating cash changes include:

- A re-estimate of GASB account funding, resulting in reductions of \$83.2 million in 2016 and \$90.7 million in 2017, needed to help fund any excess cash requirement arising from the pattern labor adjustments.
- Savings from a new 2014 Budget Reduction Program of \$26.4 million in both 2016 and 2017, and \$33.5 million in 2016 and \$50.0 million in 2017 of additional paratransit expense savings applicable to a prior year BRP.
- Updated inflation assumptions, resulting in lower expenses of \$65.9 million in 2016 and \$45.2 million in 2017, mostly related to lower electric power prices.
- Re-estimates of pension expenses, resulting in savings of \$19.7 million in 2016 and \$35.2 million in 2017.
- The impact of pattern labor adjustments, consistent with the recent TWU labor contract agreement, resulting in payments of \$143.4 million in 2016 and \$137.3 million in 2017.

Reimbursable expenses are projected to increase in 2016 by \$40.9 million and by \$42.5 million in 2017, due primarily to the impact of pattern labor adjustments, technical requirements and overhead rate adjustments.

Total baseline positions are projected to decrease by 11 in 2016 and 20 in 2017, including non-reimbursable decreases of 49 in 2016 and 48 in 2017. Reimbursable increases are 38 in 2016 and 28 in 2017. The non-reimbursable decreases are due mostly to 80 position decreases in both years, resulting from the 2014 Budget Reduction Program. The reimbursable increases are due mostly to technical and procurement requirements.

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

<b>NON-REIMBURSABLE</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Operating Revenue</b>						
<b>Farebox Revenue:</b>						
Subway	3,030.746	3,123.375	3,172.108	3,223.225	3,250.798	3,275.560
Bus	941.063	946.280	956.511	965.965	969.260	975.720
Paratransit	16.465	16.993	18.525	19.821	21.209	22.693
Fare Media Liability	63.567	69.538	44.770	44.770	44.770	44.770
<b>Farebox Revenue</b>	<b>\$4,051.841</b>	<b>\$4,156.186</b>	<b>\$4,191.914</b>	<b>\$4,253.781</b>	<b>\$4,286.037</b>	<b>\$4,318.743</b>
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue:						
Fare Reimbursement	84.017	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	169.615	176.180	181.921	198.721	220.992	239.507
Other	260.073	199.684	152.595	155.961	159.425	162.990
<b>Other Operating Revenue</b>	<b>\$513.705</b>	<b>\$459.880</b>	<b>\$418.532</b>	<b>\$438.698</b>	<b>\$464.433</b>	<b>\$486.513</b>
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$4,565.546</b>	<b>\$4,616.066</b>	<b>\$4,610.446</b>	<b>\$4,692.479</b>	<b>\$4,750.470</b>	<b>\$4,805.256</b>
<b>Expenses</b>						
<b>Labor:</b>						
Payroll	2,890.643	3,034.814	3,101.227	3,158.369	3,224.367	3,270.027
Overtime	378.048	398.840	353.515	361.061	367.040	373.691
<b>Total Salaries &amp; Wages</b>	<b>3,268.691</b>	<b>3,433.654</b>	<b>3,454.742</b>	<b>3,519.430</b>	<b>3,591.407</b>	<b>3,643.718</b>
Health and Welfare	618.044	690.831	749.592	801.973	862.784	932.654
OPEB Current Payment	325.602	340.466	372.186	407.194	443.477	486.120
Pensions	918.909	959.963	958.825	954.870	938.913	946.087
Other Fringe Benefits	383.256	302.395	309.000	320.870	334.701	343.493
Total Fringe Benefits	2,245.811	2,293.655	2,389.603	2,484.907	2,579.875	2,708.354
Reimbursable Overhead	(209.291)	(198.066)	(202.228)	(196.729)	(195.339)	(198.280)
<b>Total Labor Expenses</b>	<b>\$5,305.211</b>	<b>\$5,529.243</b>	<b>\$5,642.117</b>	<b>\$5,807.608</b>	<b>\$5,975.943</b>	<b>\$6,153.792</b>
<b>Non-Labor:</b>						
Electric Power	298.593	334.855	307.582	321.511	371.603	402.991
Fuel	160.588	168.024	169.023	162.049	164.982	171.800
Insurance	62.492	68.090	77.076	88.570	101.828	117.361
Claims	144.022	94.676	99.866	104.051	106.333	108.671
Paratransit Service Contracts	366.751	382.004	391.754	427.124	480.292	522.580
Maintenance and Other Operating Contracts	168.003	188.124	192.278	203.562	194.516	193.739
Professional Service Contracts	144.929	137.228	138.423	136.070	138.345	142.800
Materials & Supplies	270.690	303.419	307.521	306.804	309.378	313.218
Other Business Expenses	62.965	78.057	84.402	86.121	82.607	84.117
<b>Total Non-Labor Expenses</b>	<b>\$1,679.033</b>	<b>\$1,754.477</b>	<b>\$1,767.925</b>	<b>\$1,835.862</b>	<b>\$1,949.884</b>	<b>\$2,057.277</b>
<b>Other Expense Adjustments:</b>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before</b>						
<b>Depreciation and GASB Adjustments</b>	<b>\$6,984.244</b>	<b>\$7,283.720</b>	<b>\$7,410.042</b>	<b>\$7,643.470</b>	<b>\$7,925.827</b>	<b>\$8,211.069</b>
Depreciation	1,421.011	1,544.334	1,638.144	1,688.144	1,863.292	1,913.292
OPEB Obligation	1,554.097	1,554.097	1,616.261	1,680.911	1,748.148	1,818.074
Environmental Remediation	24.121	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$9,983.473</b>	<b>\$10,382.151</b>	<b>\$10,664.447</b>	<b>\$11,012.525</b>	<b>\$11,537.267</b>	<b>\$11,942.435</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$5,417.927)</b>	<b>(\$5,766.085)</b>	<b>(\$6,054.001)</b>	<b>(\$6,320.046)</b>	<b>(\$6,786.797)</b>	<b>(\$7,137.179)</b>

MTA NEW YORK CITY TRANSIT  
 July Financial Plan 2015 - 2018  
 Accrual Statement of Operations by Category  
 (\$ in millions)

REIMBURSABLE						
	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Revenue</b>						
Farebox Revenue	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
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	965.068	950.797	954.419	936.142	921.284	935.281
<b>Total Revenue</b>	<b>\$965.068</b>	<b>\$950.797</b>	<b>\$954.419</b>	<b>\$936.142</b>	<b>\$921.284</b>	<b>\$935.281</b>
<b>Expenses</b>						
<b>Labor:</b>						
Payroll	342.023	384.124	399.279	390.244	380.750	386.587
Overtime	115.468	76.837	71.131	71.538	71.730	73.033
<b>Total Salaries &amp; Wages</b>	<b>457.491</b>	<b>460.961</b>	<b>470.410</b>	<b>461.782</b>	<b>452.480</b>	<b>459.620</b>
Health and Welfare	23.270	26.950	29.045	30.033	30.917	32.509
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	29.495	28.868	29.243	28.822	27.889	28.353
Other Fringe Benefits	119.064	131.348	133.347	130.012	126.288	128.147
Total Fringe Benefits	171.829	187.166	191.635	188.867	185.094	189.009
Reimbursable Overhead	209.291	198.066	202.228	196.729	195.339	198.280
<b>Total Labor Expenses</b>	<b>\$838.611</b>	<b>\$846.193</b>	<b>\$864.273</b>	<b>\$847.378</b>	<b>\$832.913</b>	<b>\$846.909</b>
<b>Non-Labor:</b>						
Electric Power	0.345	0.252	0.252	0.252	0.252	0.252
Fuel	0.019	0.023	0.023	0.023	0.023	0.023
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.964	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	38.736	29.031	25.896	25.896	26.022	26.023
Professional Service Contracts	22.910	17.779	16.239	16.592	16.324	16.324
Materials & Supplies	61.550	58.263	45.813	44.077	43.827	43.827
Other Business Expenses	1.933	(0.744)	1.923	1.924	1.923	1.923
<b>Total Non-Labor Expenses</b>	<b>\$126.457</b>	<b>\$104.604</b>	<b>\$90.146</b>	<b>\$88.764</b>	<b>\$88.371</b>	<b>\$88.372</b>
<b>Other Expense Adjustments:</b>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$965.068</b>	<b>\$950.797</b>	<b>\$954.419</b>	<b>\$936.142</b>	<b>\$921.284</b>	<b>\$935.281</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$965.068</b>	<b>\$950.797</b>	<b>\$954.419</b>	<b>\$936.142</b>	<b>\$921.284</b>	<b>\$935.281</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

<b>NON-REIMBURSABLE/REIMBURSABLE</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
<u><b>Farebox Revenue:</b></u>						
Subway	\$3,030.746	\$3,123.375	\$3,172.108	\$3,223.225	\$3,250.798	\$3,275.560
Bus	941.063	946.280	956.511	965.965	969.260	975.720
Paratransit	16.465	16.993	18.525	19.821	21.209	22.693
Fare Media Liability	63.567	69.538	44.770	44.770	44.770	44.770
<b>Farebox Revenue</b>	<b>\$4,051.841</b>	<b>\$4,156.186</b>	<b>\$4,191.914</b>	<b>\$4,253.781</b>	<b>\$4,286.037</b>	<b>\$4,318.743</b>
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u><b>Other Operating Revenue:</b></u>						
Fare Reimbursement	84.017	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	169.615	176.180	181.921	198.721	220.992	239.507
Other	260.073	199.684	152.595	155.961	159.425	162.990
<b>Other Operating Revenue</b>	<b>513.705</b>	<b>459.880</b>	<b>418.532</b>	<b>438.698</b>	<b>464.433</b>	<b>486.513</b>
Capital and Other Reimbursements	965.068	950.797	954.419	936.142	921.284	935.281
<b>Total Revenue</b>	<b>\$5,530.614</b>	<b>\$5,566.863</b>	<b>\$5,564.865</b>	<b>\$5,628.621</b>	<b>\$5,671.754</b>	<b>\$5,740.537</b>
<b>Expenses</b>						
<u><b>Labor:</b></u>						
Payroll	3,232.666	3,418.938	3,500.506	3,548.613	3,605.117	3,656.614
Overtime	493.516	475.677	424.646	432.599	438.770	446.724
<b>Total Salaries &amp; Wages</b>	<b>3,726.182</b>	<b>3,894.615</b>	<b>3,925.152</b>	<b>3,981.212</b>	<b>4,043.887</b>	<b>4,103.338</b>
Health and Welfare	641.314	717.781	778.637	832.006	893.701	965.163
OPEB Current Payment	325.602	340.466	372.186	407.194	443.477	486.120
Pensions	948.404	988.831	988.068	983.692	966.802	974.440
Other Fringe Benefits	502.320	433.743	442.347	450.882	460.989	471.640
<b>Total Fringe Benefits</b>	<b>2,417.640</b>	<b>2,480.821</b>	<b>2,581.238</b>	<b>2,673.774</b>	<b>2,764.969</b>	<b>2,897.363</b>
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$6,143.822</b>	<b>\$6,375.436</b>	<b>\$6,506.390</b>	<b>\$6,654.986</b>	<b>\$6,808.856</b>	<b>\$7,000.701</b>
<u><b>Non-Labor:</b></u>						
Electric Power	298.938	335.107	307.834	321.763	371.855	403.243
Fuel	160.607	168.047	169.046	162.072	165.005	171.823
Insurance	62.492	68.090	77.076	88.570	101.828	117.361
Claims	144.022	94.676	99.866	104.051	106.333	108.671
Paratransit Service Contracts	367.715	382.004	391.754	427.124	480.292	522.580
Maintenance and Other Operating Contracts	206.739	217.155	218.174	229.458	220.538	219.762
Professional Service Contracts	167.839	155.007	154.662	152.662	154.669	159.124
Materials & Supplies	332.240	361.682	353.334	350.881	353.205	357.045
Other Business Expenses	64.898	77.313	86.325	88.045	84.530	86.040
<b>Total Non-Labor Expenses</b>	<b>\$1,805.490</b>	<b>\$1,859.081</b>	<b>\$1,858.071</b>	<b>\$1,924.626</b>	<b>\$2,038.255</b>	<b>\$2,145.649</b>
<u><b>Other Expense Adjustments:</b></u>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before</b>						
<b>Depreciation and GASB Adjustments</b>	<b>\$7,949.312</b>	<b>\$8,234.517</b>	<b>\$8,364.461</b>	<b>\$8,579.612</b>	<b>\$8,847.111</b>	<b>\$9,146.350</b>
Depreciation	1,421.011	1,544.334	1,638.144	1,688.144	1,863.292	1,913.292
OPEB Obligation	1,554.097	1,554.097	1,616.261	1,680.911	1,748.148	1,818.074
Environmental Remediation	24.121	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$10,948.541</b>	<b>\$11,332.948</b>	<b>\$11,618.866</b>	<b>\$11,948.667</b>	<b>\$12,458.551</b>	<b>\$12,877.716</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$5,417.927)</b>	<b>(\$5,766.085)</b>	<b>(\$6,054.001)</b>	<b>(\$6,320.046)</b>	<b>(\$6,786.797)</b>	<b>(\$7,137.179)</b>

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2015 - 2018**  
**Cash Receipts & Expenditures**

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	4,086.772	4,141.649	4,202.145	4,264.012	4,296.268	4,328.974
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	99.052	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	167.124	179.452	181.597	198.491	220.795	239.434
Other	170.667	99.606	49.515	49.788	50.067	50.351
<b>Other Operating Revenue</b>	<b>\$436.843</b>	<b>\$363.074</b>	<b>\$315.128</b>	<b>\$332.295</b>	<b>\$354.878</b>	<b>\$373.801</b>
Capital and Other Reimbursements	893.332	1,074.846	963.157	939.442	923.872	931.858
<b>Total Receipts</b>	<b>\$5,416.947</b>	<b>\$5,579.569</b>	<b>\$5,480.430</b>	<b>\$5,535.749</b>	<b>\$5,575.018</b>	<b>\$5,634.633</b>
<b>Expenditures</b>						
<u>Labor:</u>						
Payroll	3,182.616	3,639.689	3,505.716	3,513.530	3,578.753	3,629.482
Overtime	470.666	506.390	425.278	428.322	435.561	443.409
<b>Total Salaries &amp; Wages</b>	<b>3,653.282</b>	<b>4,146.079</b>	<b>3,930.994</b>	<b>3,941.852</b>	<b>4,014.314</b>	<b>4,072.891</b>
Health and Welfare	657.042	712.331	772.231	825.120	886.298	957.205
OPEB Current Payment	325.601	340.466	372.186	407.194	443.477	486.120
Pensions	789.666	981.348	988.142	983.340	963.281	969.953
Other Fringe Benefits	375.254	414.499	403.018	406.897	416.513	425.830
Total Fringe Benefits	2,147.563	2,448.644	2,535.577	2,622.551	2,709.569	2,839.108
GASB Account	66.688	34.047	0.000	0.000	0.000	8.528
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$5,867.533</b>	<b>\$6,628.770</b>	<b>\$6,466.571</b>	<b>\$6,564.403</b>	<b>\$6,723.883</b>	<b>\$6,920.527</b>
<u>Non-Labor:</u>						
Electric Power	296.780	335.107	307.834	321.763	371.855	403.243
Fuel	164.316	168.047	169.046	162.072	165.005	171.823
Insurance	58.338	72.033	79.974	89.143	102.639	121.428
Claims	97.658	86.148	89.236	91.266	93.549	95.887
Paratransit Service Contracts	372.787	380.004	389.754	425.124	478.292	520.580
Maintenance and Other Operating Contracts	216.824	227.415	228.874	240.158	231.238	230.462
Professional Service Contracts	165.371	154.134	139.662	137.662	139.669	144.124
Materials & Supplies	357.783	347.682	349.334	346.881	349.205	353.045
Other Business Expenditures	70.395	77.726	86.325	88.045	84.530	86.040
<b>Total Non-Labor Expenditures</b>	<b>\$1,800.252</b>	<b>\$1,848.296</b>	<b>\$1,840.039</b>	<b>\$1,902.114</b>	<b>\$2,015.982</b>	<b>\$2,126.632</b>
<u>Other Expenditure Adjustments:</u>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$7,667.785</b>	<b>\$8,477.066</b>	<b>\$8,306.610</b>	<b>\$8,466.517</b>	<b>\$8,739.865</b>	<b>\$9,047.159</b>
<b>Net Cash Deficit</b>	<b>(\$2,250.838)</b>	<b>(\$2,897.497)</b>	<b>(\$2,826.180)</b>	<b>(\$2,930.768)</b>	<b>(\$3,164.847)</b>	<b>(\$3,412.526)</b>

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2015 - 2018**  
**Cash Conversion (Cash Flow Adjustments)**  
**(\$ in millions)**

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Receipts</b>						
Fare Revenue	34.931	(14.537)	10.231	10.231	10.231	10.231
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<b>Other Operating Revenue:</b>						
Fare Reimbursement	15.035	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	(2.491)	3.272	(0.324)	(0.230)	(0.197)	(0.073)
Other	(89.406)	(100.078)	(103.080)	(106.173)	(109.358)	(112.639)
<b>Other Operating Revenue</b>	<b>(\$76.862)</b>	<b>(\$96.806)</b>	<b>(\$103.404)</b>	<b>(\$106.403)</b>	<b>(\$109.555)</b>	<b>(\$112.712)</b>
Capital and Other Reimbursements	(71.736)	124.049	8.738	3.300	2.588	(3.423)
<b>Total Receipt Adjustments</b>	<b>(\$113.667)</b>	<b>\$12.706</b>	<b>(\$84.435)</b>	<b>(\$92.872)</b>	<b>(\$96.736)</b>	<b>(\$105.904)</b>
<b>Expenditures</b>						
<b>Labor:</b>						
Payroll	50.050	(220.751)	(5.210)	35.083	26.364	27.132
Overtime	22.850	(30.713)	(0.632)	4.277	3.209	3.315
<b>Total Salaries &amp; Wages</b>	<b>72.900</b>	<b>(251.464)</b>	<b>(5.842)</b>	<b>39.360</b>	<b>29.573</b>	<b>30.447</b>
Health and Welfare	(15.728)	5.450	6.406	6.886	7.403	7.958
OPEB Current Payment	0.001	0.000	0.000	0.000	0.000	0.000
Pensions	158.738	7.483	(0.074)	0.352	3.521	4.487
Other Fringe Benefits	127.066	19.244	39.329	43.985	44.476	45.810
Total Fringe Benefits	270.077	32.177	45.661	51.223	55.400	58.255
GASB Account	(66.688)	(34.047)	0.000	0.000	0.000	(8.528)
Reimbursable Overhead						
<b>Total Labor Expenditures</b>	<b>\$276.289</b>	<b>(\$253.334)</b>	<b>\$39.819</b>	<b>\$90.583</b>	<b>\$84.973</b>	<b>\$80.174</b>
<b>Non-Labor:</b>						
Electric Power	2.158	0.000	0.000	0.000	0.000	0.000
Fuel	(3.709)	0.000	0.000	0.000	0.000	0.000
Insurance	4.154	(3.943)	(2.898)	(0.573)	(0.811)	(4.067)
Claims	46.364	8.528	10.630	12.785	12.784	12.784
Paratransit Service Contracts	(5.072)	2.000	2.000	2.000	2.000	2.000
Maintenance and Other Operating Contracts	(10.085)	(10.260)	(10.700)	(10.700)	(10.700)	(10.700)
Professional Service Contracts	2.468	0.873	15.000	15.000	15.000	15.000
Materials & Supplies	(25.543)	14.000	4.000	4.000	4.000	4.000
Other Business Expenditures	(5.497)	(0.413)	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenditures</b>	<b>\$5.238</b>	<b>\$10.785</b>	<b>\$18.032</b>	<b>\$22.512</b>	<b>\$22.273</b>	<b>\$19.017</b>
<b>Other Expenditure Adjustments:</b>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditure Adjustments</b>	<b>\$281.527</b>	<b>(\$242.549)</b>	<b>\$57.851</b>	<b>\$113.095</b>	<b>\$107.246</b>	<b>\$99.191</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjustments</b>	<b>\$167.860</b>	<b>(\$229.843)</b>	<b>(\$26.584)</b>	<b>\$20.223</b>	<b>\$10.510</b>	<b>(\$6.713)</b>
Depreciation Adjustment	1,421.011	1,544.334	1,638.144	1,688.144	1,863.292	1,913.292
OPEB Obligation	1,554.097	1,554.097	1,616.261	1,680.911	1,748.148	1,818.074
Environmental Remediation	24.121	0.000	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$3,167.089</b>	<b>\$2,868.588</b>	<b>\$3,227.821</b>	<b>\$3,389.278</b>	<b>\$3,621.950</b>	<b>\$3,724.653</b>

**MTA New York City Transit**  
**2014 Mid-Year Forecast**  
**Non-Reimbursable/Reimbursable Overtime**  
(\$ in millions)

<b>NON-REIMBURSABLE OVERTIME</b>	<b>Total</b>		
	<b>Hours</b>	<b>\$</b>	<b>%</b>
<u>Scheduled Service</u>	3,809,365	\$115.681	29.0%
<u>Unscheduled Service</u>	3,302,645	\$100.293	25.1%
<u>Programmatic/Routine Maintenance</u>	3,968,213	\$120.505	30.2%
<u>Unscheduled Maintenance</u>	31,580	\$0.959	0.2%
<u>Vacancy/Absentee Coverage</u>	806,520	\$24.492	6.1%
<u>Weather Emergencies</u>	811,492	\$24.643	6.2%
<u>Safety/Security/Law Enforcement</u>	119,135	\$3.618	0.9%
<u>Other <sup>1</sup></u>	284,785	\$8.649	2.2%
Subtotal	<b>13,133,735</b>	<b>\$398.840</b>	100.0%
<b>REIMBURSABLE OVERTIME</b>	2,427,427	\$76.837	
<b>TOTAL OVERTIME</b>	<b>15,561,162</b>	<b>\$475.677</b>	

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



**MTA NEW YORK CITY TRANSIT**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**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.

**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 in 2014, which do not recur in 2015, thus resulting in most of the decrease from 2014 to 2015 of \$47.1 million.
- \$17.5 million of storm recoveries, originally assumed to be received in 2013, are now included in the 2014 forecast.

**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.
- 2014 includes \$95.4 million of reimbursements originally assumed to be received in 2013.

**TOTAL EXPENSES/EXPENDITURES**

Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefits, Other Business Expenses, and Reimbursable Overhead expenses attributable to the recent labor settlement with the TWU and the assumption that the same pattern will be applied for those employees without contract agreements.

**Payroll**

- Represented employee wage increase assumptions follow the TWU pattern upon expiration of existing contracts as follows: 0.87% , 0.95%, 2.23%, 2.22% and

1.88% for years 1,2,3,4, and 5. CPI-based increases of 2% are assumed for each year upon expiration of the pattern,

- Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted.
- 2014 includes \$1.7 million of favorable cash timing adjustments from 2013.

### **Overtime**

- 2015-2018 payroll wage rate increase assumptions apply.
- 2015 expenses decrease from 2014 by \$45.3 million, due to overtime requirements in covering adverse weather requirements in early 2014 and a leveling-off of some 2014 planning assumptions such as vacancy and absentee coverage.

### **Health & Welfare**

- Inflation assumptions for 2015-2018: Annual employees: 2015 = 5.7%, 2016 = 3.8%, 2017-2018 = 4.7%; hourly employees = 8.5% per year.

### **Pension**

- Projections are consistent with current actuarial information.

### **Other Fringe Benefits**

- Projected increases year-to-year reflect staffing levels, programmatic changes, and inflationary payroll rate assumptions.
- 2014 includes \$0.1 million of favorable cash timing adjustments from 2013.

### **Electric Power**

- The financial plan reflects projected New York Power Authority and Con Edison energy rate increases for both traction and non-traction power.
- 2014 includes \$3.7 million of unfavorable cash timing adjustments from 2013.

### **Fuel**

- The financial plan reflects diesel, CNG and heating fuel price assumptions.

### **Insurance**

- Annual expenses include premium rates provided by MTA.
- 2014 includes \$4.4 million of unfavorable cash timing adjustments from 2013.

### **Paratransit Service Contracts**

- The primary driver of expense increases is projected annual ridership growth of 7% effective 2015.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI.

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

- Inflation assumptions are as follows: 2015=1.74%, 2016=1.77% , 2017=1.85% and 2018=2.03%, based on a national CPI-U forecast.
- The year-to-year increase in 2015 of \$4.2 million is due to purchases of paratransit vehicles and the increase in 2016 over 2015 of \$11.3 million is due to the timing of bus shop requirements, which were essentially offset in 2016.
- 2014 includes \$7.9 million of unfavorable cash timing adjustments from 2013.

### **Professional Service Contracts**

- Inflation assumptions are as follows: 2015 =1.74%, 2016=1.77%, 2017=1.85% and 2018=2.03%, based on a national CPI-U forecast.
- 2014 includes \$3.0 million of unfavorable cash timing adjustments from 2013.

### **Materials and Supplies**

- Inflation assumptions are as follows: 2015=2.16%, 2016=1.63% , 2017=1.42% and 2018=1.36%.
- 2014 includes \$2.7 million of unfavorable cash timing adjustments from 2013.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance program requirements.

### **Other Business Expenses**

- Inflation assumptions are as follows: 2015=1.74%, 2016=1.77% , 2017=1.85% and 2018=2.03%.
- The increase in 2015 over 2014 of \$6.3 million and increase of \$1.7 million in 2016 are primarily due to the providing of railroad passes to TWU employees, based on the recent approved labor agreement. The decrease in 2017 from 2016 is mainly due to reimbursable account adjustments impacting non-reimbursable expenses.

### **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 2015 - 2018  
 Year-to-Year Changes by Category - Accrual Basis  
 (\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2014	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017
<b>Revenue</b>									
Farebox Revenue:									
Subway	\$3,123.375	\$3,172.108	\$48.733	\$3,223.225	\$51.117	\$3,250.798	\$27.573	\$3,275.560	\$24.762
Bus	\$946.280	956.511	10.231	965.965	9.454	969.260	3.295	975.720	6.460
Paratransit	16.993	18.525	1.532	19.821	1.296	21.209	1.388	22.693	1.484
Fare Media Liability	69.538	44.770	(24.768)	44.770	0.000	44.770	0.000	44.770	0.000
<b>Total Farebox Revenue</b>	<b>\$4,156.186</b>	<b>\$4,191.914</b>	<b>\$35.728</b>	<b>\$4,253.781</b>	<b>\$61.867</b>	<b>\$4,286.037</b>	<b>\$32.256</b>	<b>\$4,318.743</b>	<b>\$32.706</b>
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	84.016	84.016	0.000	84.016	0.000	84.016	0.000	84.016	0.000
Paratransit Reimbursement	176.180	181.921	5.741	198.721	16.800	220.992	22.271	239.507	18.515
Other	199.684	152.595	(47.089)	155.961	3.366	159.425	3.464	162.990	3.565
<b>Total Other Operating Revenue</b>	<b>459.880</b>	<b>418.532</b>	<b>(41.348)</b>	<b>438.698</b>	<b>20.166</b>	<b>464.433</b>	<b>25.735</b>	<b>486.513</b>	<b>22.080</b>
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$4,616.066</b>	<b>\$4,610.446</b>	<b>(\$5.620)</b>	<b>\$4,692.479</b>	<b>\$82.033</b>	<b>\$4,750.470</b>	<b>\$57.991</b>	<b>\$4,805.256</b>	<b>\$54.786</b>
<b>Expenses</b>									
Labor:									
Payroll	3,034.814	3,101.227	(66.413)	3,158.369	(57.142)	3,224.367	(65.998)	3,270.027	(45.660)
Overtime	398.840	353.515	45.325	361.061	(7.546)	367.040	(5.979)	373.691	(6.651)
<b>Total Salaries &amp; Wages</b>	<b>3,433.654</b>	<b>3,454.742</b>	<b>(21.088)</b>	<b>3,519.430</b>	<b>(64.688)</b>	<b>3,591.407</b>	<b>(71.977)</b>	<b>3,643.718</b>	<b>(52.311)</b>
Health and Welfare	690.831	749.592	(58.761)	801.973	(52.381)	862.784	(60.811)	932.654	(69.870)
OPEB Current Payment	340.466	372.186	(31.720)	407.194	(35.008)	443.477	(36.283)	486.120	(42.643)
Pensions	959.963	958.825	1.138	954.870	3.955	938.913	15.957	946.087	(7.174)
Other Fringe Benefits	302.395	309.000	(6.605)	320.870	(11.870)	334.701	(13.831)	343.493	(8.792)
Total Fringe Benefits	2,293.655	2,389.603	(95.948)	2,484.907	(95.304)	2,579.875	(94.968)	2,708.354	(128.479)
Reimbursable Overhead	(198.066)	(202.228)	4.162	(196.729)	(5.499)	(195.339)	(1.390)	(198.280)	2.941
<b>Total Labor Expenses</b>	<b>\$5,529.243</b>	<b>\$5,642.117</b>	<b>(\$112.874)</b>	<b>\$5,807.608</b>	<b>(\$165.491)</b>	<b>\$5,975.943</b>	<b>(\$168.335)</b>	<b>\$6,153.792</b>	<b>(\$177.849)</b>
Non-Labor:									
Electric Power	334.855	307.582	27.273	321.511	(13.929)	371.603	(50.092)	402.991	(31.388)
Fuel	168.024	169.023	(0.999)	162.049	6.974	164.982	(2.933)	171.800	(6.818)
Insurance	68.090	77.076	(8.986)	88.570	(11.494)	101.828	(13.258)	117.361	(15.533)
Claims	94.676	99.866	(5.190)	104.051	(4.185)	106.333	(2.282)	108.671	(2.338)
Paratransit Service Contracts	382.004	391.754	(9.750)	427.124	(35.370)	480.292	(53.168)	522.580	(42.288)
Mtce. and Other Operating Contracts	188.124	192.278	(4.154)	203.562	(11.284)	194.516	9.046	193.739	0.777
Professional Service Contracts	137.228	138.423	(1.195)	136.070	2.353	138.345	(2.275)	142.800	(4.455)
Materials & Supplies	303.419	307.521	(4.102)	306.804	0.717	309.378	(2.574)	313.218	(3.840)
Other Business Expenses	78.057	84.402	(6.345)	86.121	(1.719)	82.607	3.514	84.117	(1.510)
<b>Total Non-Labor Expenses</b>	<b>\$1,754.477</b>	<b>\$1,767.925</b>	<b>(\$13.448)</b>	<b>\$1,835.862</b>	<b>(\$67.937)</b>	<b>\$1,949.884</b>	<b>(\$114.022)</b>	<b>\$2,057.277</b>	<b>(\$107.393)</b>
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjustments</b>	<b>\$7,283.720</b>	<b>\$7,410.042</b>	<b>(\$126.322)</b>	<b>\$7,643.470</b>	<b>(\$233.428)</b>	<b>\$7,925.827</b>	<b>(\$282.357)</b>	<b>\$8,211.069</b>	<b>(\$285.242)</b>
Depreciation	1,544.334	1,638.144	(93.810)	1,688.144	(50.000)	1,863.292	(175.148)	1,913.292	(50.000)
OPEB Obligation	1,554.097	1,616.261	(62.164)	1,680.911	(64.650)	1,748.148	(67.237)	1,818.074	(69.926)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$10,382.151</b>	<b>\$10,664.447</b>	<b>(\$282.296)</b>	<b>\$11,012.525</b>	<b>(\$348.078)</b>	<b>\$11,537.267</b>	<b>(\$524.742)</b>	<b>\$11,942.435</b>	<b>(\$405.168)</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$5,766.085)</b>	<b>(\$6,054.001)</b>	<b>(\$287.916)</b>	<b>(\$6,320.046)</b>	<b>(\$266.045)</b>	<b>(\$6,786.797)</b>	<b>(\$466.751)</b>	<b>(\$7,137.179)</b>	<b>(\$350.382)</b>

MTA New York City Transit  
July Financial Plan 2015 - 2018  
Year-to-Year Changes by Category - Accrual Basis  
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2014	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital and Other Reimbursements	\$950.797	\$954.419	\$3.622	\$936.142	(\$18.277)	\$921.284	(\$14.858)	\$935.281	\$13.997
<b>Total Revenue</b>	<b>\$950.797</b>	<b>\$954.419</b>	<b>\$3.622</b>	<b>\$936.142</b>	<b>(\$18.277)</b>	<b>\$921.284</b>	<b>(\$14.858)</b>	<b>\$935.281</b>	<b>\$13.997</b>
<b>Expenses</b>									
Labor:									
Payroll	384.124	399.279	(15.155)	390.244	9.035	380.750	9.494	386.587	(5.837)
Overtime	76.837	71.131	5.706	71.538	(0.407)	71.730	(0.192)	73.033	(1.303)
<b>Total Salaries &amp; Wages</b>	<b>460.961</b>	<b>470.410</b>	<b>(9.449)</b>	<b>461.782</b>	<b>8.628</b>	<b>452.480</b>	<b>9.302</b>	<b>459.620</b>	<b>(7.140)</b>
Health and Welfare	26.950	29.045	(2.095)	30.033	(0.988)	30.917	(0.884)	32.509	(1.592)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	28.868	29.243	(0.375)	28.822	0.421	27.889	0.933	28.353	(0.464)
Other Fringe Benefits	131.348	133.347	(1.999)	130.012	3.335	126.288	3.724	128.147	(1.859)
Total Fringe Benefits	187.166	191.635	(4.469)	188.867	2.768	185.094	3.773	189.009	(3.915)
Reimbursable Overhead	198.066	202.228	(4.162)	196.729	5.499	195.339	1.390	198.280	(2.941)
<b>Total Labor Expenses</b>	<b>\$846.193</b>	<b>\$864.273</b>	<b>(\$18.080)</b>	<b>\$847.378</b>	<b>\$16.895</b>	<b>\$832.913</b>	<b>\$14.465</b>	<b>\$846.909</b>	<b>(\$13.996)</b>
Non-Labor:									
Electric Power	0.252	0.252	0.000	0.252	0.000	0.252	0.000	0.252	0.000
Fuel	0.023	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	29.031	25.896	3.135	25.896	0.000	26.022	(0.126)	26.023	(0.001)
Professional Service Contracts	17.779	16.239	1.540	16.592	(0.353)	16.324	0.268	16.324	0.000
Materials & Supplies	58.263	45.813	12.450	44.077	1.736	43.827	0.250	43.827	0.000
Other Business Expenses	(0.744)	1.923	(2.667)	1.924	(0.001)	1.923	0.001	1.923	0.000
<b>Total Non-Labor Expenses</b>	<b>\$104.604</b>	<b>\$90.146</b>	<b>\$14.458</b>	<b>\$88.764</b>	<b>\$1.382</b>	<b>\$88.371</b>	<b>\$0.393</b>	<b>\$88.372</b>	<b>(\$0.001)</b>
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$950.797</b>	<b>\$954.419</b>	<b>(\$3.622)</b>	<b>\$936.142</b>	<b>\$18.277</b>	<b>\$921.284</b>	<b>\$14.858</b>	<b>\$935.281</b>	<b>(\$13.997)</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$950.797</b>	<b>\$954.419</b>	<b>(\$3.622)</b>	<b>\$936.142</b>	<b>\$18.277</b>	<b>\$921.284</b>	<b>\$14.858</b>	<b>\$935.281</b>	<b>(\$13.997)</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>

MTA New York City Transit  
 July Financial Plan 2015 - 2018  
 Year-to-Year Changes by Category - Accrual Basis  
 (\$ in millions)

**NON-REIMBURSABLE and  
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017
<b>Revenue</b>									
Farebox Revenue:									
Subway	\$3,123.375	\$3,172.108	\$48.733	\$3,223.225	\$51.117	\$3,250.798	\$27.573	\$3,275.560	\$24.762
Bus	946.280	956.511	10.231	965.965	9.454	969.260	3.295	975.720	6.460
Paratransit	16.993	18.525	1.532	19.821	1.296	21.209	1.388	22.693	1.484
Fare Media Liability	69.538	44.770	(24.768)	44.770	0.000	44.770	0.000	44.770	0.000
<b>Total Farebox Revenue</b>	<b>\$4,156.186</b>	<b>\$4,191.914</b>	<b>\$35.728</b>	<b>\$4,253.781</b>	<b>\$61.867</b>	<b>\$4,286.037</b>	<b>\$32.256</b>	<b>\$4,318.743</b>	<b>\$32.706</b>
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	84.016	84.016	0.000	84.016	0.000	84.016	0.000	84.016	0.000
Paratransit Reimbursement	176.180	181.921	5.741	198.721	16.800	220.992	22.271	239.507	18.515
Other	199.684	152.595	(47.089)	155.961	3.366	159.425	3.464	162.990	3.565
Total Other Operating Revenue	459.880	418.532	(41.348)	438.698	20.166	464.433	25.735	486.513	22.080
Capital and Other Reimbursements	950.797	954.419	3.622	936.142	(18.277)	921.284	(14.858)	935.281	13.997
<b>Total Revenue</b>	<b>\$5,566.863</b>	<b>\$5,564.865</b>	<b>(\$1.998)</b>	<b>\$5,628.621</b>	<b>\$63.756</b>	<b>\$5,671.754</b>	<b>\$43.133</b>	<b>\$5,740.537</b>	<b>\$68.783</b>
<b>Expenses</b>									
Labor:									
Payroll	3,418.938	3,500.506	(81.568)	3,548.613	(48.107)	3,605.117	(56.504)	3,656.614	(51.497)
Overtime	475.677	424.646	51.031	432.599	(7.953)	438.770	(6.171)	446.724	(7.954)
<b>Total Salaries &amp; Wages</b>	<b>3,894.615</b>	<b>3,925.152</b>	<b>(30.537)</b>	<b>3,981.212</b>	<b>(56.060)</b>	<b>4,043.887</b>	<b>(62.675)</b>	<b>4,103.338</b>	<b>(59.451)</b>
Health and Welfare	717.781	778.637	(60.856)	832.006	(53.369)	893.701	(61.695)	965.163	(71.462)
OPEB Current Payment	340.466	372.186	(31.720)	407.194	(35.008)	443.477	(36.283)	486.120	(42.643)
Pensions	988.831	988.068	0.763	983.692	4.376	966.802	16.890	974.440	(7.638)
Other Fringe Benefits	433.743	442.347	(8.604)	450.882	(8.535)	460.989	(10.107)	471.640	(10.651)
Total Fringe Benefits	2,480.821	2,581.238	(100.417)	2,673.774	(92.536)	2,764.969	(91.195)	2,897.363	(132.394)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$6,375.436</b>	<b>\$6,506.390</b>	<b>(\$130.954)</b>	<b>\$6,654.986</b>	<b>(\$148.596)</b>	<b>\$6,808.856</b>	<b>(\$153.870)</b>	<b>\$7,000.701</b>	<b>(\$191.845)</b>
Non-Labor:									
Electric Power	335.107	307.834	27.273	321.763	(13.929)	371.855	(50.092)	403.243	(31.388)
Fuel	168.047	169.046	(0.999)	162.072	6.974	165.005	(2.933)	171.823	(6.818)
Insurance	68.090	77.076	(8.986)	88.570	(11.494)	101.828	(13.258)	117.361	(15.533)
Claims	94.676	99.866	(5.190)	104.051	(4.185)	106.333	(2.282)	108.671	(2.338)
Paratransit Service Contracts	382.004	391.754	(9.750)	427.124	(35.370)	480.292	(53.168)	522.580	(42.288)
Mtce. and Other Operating Contracts	217.155	218.174	(1.019)	229.458	(11.284)	220.538	8.920	219.762	0.776
Professional Service Contracts	155.007	154.662	0.345	152.662	2.000	154.669	(2.007)	159.124	(4.455)
Materials & Supplies	361.682	353.334	8.348	350.881	2.453	353.205	(2.324)	357.045	(3.840)
Other Business Expenses	77.313	86.325	(9.012)	88.045	(1.720)	84.530	3.515	86.040	(1.510)
<b>Total Non-Labor Expenses</b>	<b>\$1,859.081</b>	<b>\$1,858.071</b>	<b>\$1.010</b>	<b>\$1,924.626</b>	<b>(\$66.555)</b>	<b>\$2,038.255</b>	<b>(\$113.629)</b>	<b>\$2,145.649</b>	<b>(\$107.394)</b>
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$8,234.517</b>	<b>\$8,364.461</b>	<b>(\$129.944)</b>	<b>\$8,579.612</b>	<b>(\$215.151)</b>	<b>\$8,847.111</b>	<b>(\$267.499)</b>	<b>\$9,146.350</b>	<b>(\$299.239)</b>
Depreciation	1,544.334	1,638.144	(93.810)	1,688.144	(50.000)	1,863.292	(175.148)	1,913.292	(50.000)
OPEB Obligation	1,554.097	1,616.261	(62.164)	1,680.911	(64.650)	1,748.148	(67.237)	1,818.074	(69.926)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$11,332.948</b>	<b>\$11,618.866</b>	<b>(\$285.918)</b>	<b>\$11,948.667</b>	<b>(\$329.801)</b>	<b>\$12,458.551</b>	<b>(\$509.884)</b>	<b>\$12,877.716</b>	<b>(\$419.165)</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$5,766.085)</b>	<b>(\$6,054.001)</b>	<b>(\$287.916)</b>	<b>(\$6,320.046)</b>	<b>(\$266.045)</b>	<b>(\$6,786.797)</b>	<b>(\$466.751)</b>	<b>(\$7,137.179)</b>	<b>(\$350.382)</b>

MTA New York City Transit  
 July Financial Plan 2015 - 2018  
 Year-to-Year Changes by Category - Cash Basis  
 (\$ in millions)

	Favorable/(Unfavorable)								
	2014	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017
<b>Receipts</b>									
Farebox Revenue	\$4,141.649	\$4,202.145	\$60.496	\$4,264.012	\$61.867	\$4,296.268	\$32.256	\$4,328.974	\$32.706
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	\$179.452	\$181.597	\$2.145	\$198.491	\$16.894	\$220.795	\$22.304	\$239.434	\$18.639
Other	\$99.606	\$49.515	(\$50.091)	\$49.788	\$0.273	\$50.067	\$0.279	\$50.351	\$0.284
<b>Total Other Operating Revenue</b>	<b>\$363.074</b>	<b>\$315.128</b>	<b>(\$47.946)</b>	<b>\$332.295</b>	<b>\$17.167</b>	<b>\$354.878</b>	<b>\$22.583</b>	<b>\$373.801</b>	<b>\$18.923</b>
Capital and Other Reimbursements	\$1,074.846	\$963.157	(\$111.689)	\$939.442	(\$23.715)	\$923.872	(\$15.570)	\$931.858	\$7.986
<b>Total Receipts</b>	<b>\$5,579.569</b>	<b>\$5,480.430</b>	<b>(\$99.139)</b>	<b>\$5,535.749</b>	<b>\$55.319</b>	<b>\$5,575.018</b>	<b>\$39.269</b>	<b>\$5,634.633</b>	<b>\$59.615</b>
<b>Expenditures</b>									
Labor:									
Payroll	3,639.689	3,505.716	133.973	3,513.530	(7.814)	3,578.753	(65.223)	3,629.482	(50.729)
Overtime	506.390	425.278	81.112	428.322	(3.044)	435.561	(7.239)	443.409	(7.848)
<b>Total Salaries &amp; Wages</b>	<b>4,146.079</b>	<b>3,930.994</b>	<b>215.085</b>	<b>3,941.852</b>	<b>(10.858)</b>	<b>4,014.314</b>	<b>(72.462)</b>	<b>4,072.891</b>	<b>(58.577)</b>
Health and Welfare	712.331	772.231	(59.900)	825.120	(52.889)	886.298	(61.178)	957.205	(70.907)
OPEB Current Payment	340.466	372.186	(31.720)	407.194	(35.008)	443.477	(36.283)	486.120	(42.643)
Pensions	981.348	988.142	(6.794)	983.340	4.802	963.281	20.059	969.953	(6.672)
Other Fringe Benefits	414.499	403.018	11.481	406.897	(3.879)	416.513	(9.616)	425.830	(9.317)
<b>Total Fringe Benefits</b>	<b>2,448.644</b>	<b>2,535.577</b>	<b>(86.933)</b>	<b>2,622.551</b>	<b>(86.974)</b>	<b>2,709.569</b>	<b>(87.018)</b>	<b>2,839.108</b>	<b>(129.539)</b>
GASB Account	34.047	0.000	34.047	0.000	0.000	0.000	0.000	8.528	(8.528)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$6,628.770</b>	<b>\$6,466.571</b>	<b>\$162.199</b>	<b>\$6,564.403</b>	<b>(\$97.832)</b>	<b>\$6,723.883</b>	<b>(\$159.480)</b>	<b>\$6,920.527</b>	<b>(\$196.644)</b>
Non-Labor:									
Electric Power	335.107	307.834	27.273	321.763	(13.929)	371.855	(50.092)	403.243	(31.388)
Fuel	168.047	169.046	(0.999)	162.072	6.974	165.005	(2.933)	171.823	(6.818)
Insurance	72.033	79.974	(7.941)	89.143	(9.169)	102.639	(13.496)	121.428	(18.789)
Claims	86.148	89.236	(3.088)	91.266	(2.030)	93.549	(2.283)	95.887	(2.338)
Paratransit Service Contracts	380.004	389.754	(9.750)	425.124	(35.370)	478.292	(53.168)	520.580	(42.288)
Mtce. and Other Operating Contracts	227.415	228.874	(1.459)	240.158	(11.284)	231.238	8.920	230.462	0.776
Professional Service Contracts	154.134	139.662	14.472	137.662	2.000	139.669	(2.007)	144.124	(4.455)
Materials & Supplies	347.682	349.334	(1.652)	346.881	2.453	349.205	(2.324)	353.045	(3.840)
Other Business Expenditures	77.726	86.325	(8.599)	88.045	(1.720)	84.530	3.515	86.040	(1.510)
<b>Total Non-Labor Expenditures</b>	<b>\$1,848.296</b>	<b>\$1,840.039</b>	<b>\$8.257</b>	<b>\$1,902.114</b>	<b>(\$62.075)</b>	<b>\$2,015.982</b>	<b>(\$113.868)</b>	<b>\$2,126.632</b>	<b>(\$110.650)</b>
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$8,477.066</b>	<b>\$8,306.610</b>	<b>\$170.456</b>	<b>\$8,466.517</b>	<b>(\$159.907)</b>	<b>\$8,739.865</b>	<b>(\$273.348)</b>	<b>\$9,047.159</b>	<b>(\$307.294)</b>
<b>Net Cash Deficit</b>	<b>(\$2,897.497)</b>	<b>(\$2,826.180)</b>	<b>\$71.317</b>	<b>(\$2,930.768)</b>	<b>(\$104.588)</b>	<b>(\$3,164.847)</b>	<b>(\$234.079)</b>	<b>(\$3,412.526)</b>	<b>(\$247.679)</b>

MTA New York City Transit  
 July Financial Plan 2015 - 2018  
 Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)  
 (\$ in millions)

	Favorable/(Unfavorable)								
	2014	2015	Change 2015-2014	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017
<b><u>Receipts</u></b>									
Farebox Revenue	(\$14.537)	\$10.231	\$24.768	\$10.231	\$0.000	\$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	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Reimbursement	\$3.272	(\$0.324)	(\$3.596)	(\$0.230)	\$0.094	(\$0.197)	\$0.033	(\$0.073)	\$0.124
Other	(\$100.078)	(\$103.080)	(\$3.002)	(\$106.173)	(\$3.093)	(\$109.358)	(\$3.185)	(\$112.639)	(\$3.281)
<b>Total Other Operating Revenue</b>	<b>(\$96.806)</b>	<b>(\$103.404)</b>	<b>(\$6.598)</b>	<b>(\$106.403)</b>	<b>(\$2.999)</b>	<b>(\$109.555)</b>	<b>(\$3.152)</b>	<b>(\$112.712)</b>	<b>(\$3.157)</b>
Capital and Other Reimbursements	\$124.049	\$8.738	(\$115.311)	\$3.300	(\$5.438)	\$2.588	(\$0.712)	(\$3.423)	(\$6.011)
<b>Total Receipt Adjustments</b>	<b>\$12.706</b>	<b>(\$84.435)</b>	<b>(\$97.141)</b>	<b>(\$92.872)</b>	<b>(\$8.437)</b>	<b>(\$96.736)</b>	<b>(\$3.864)</b>	<b>(\$105.904)</b>	<b>(\$9.168)</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	(\$220.751)	(\$5.210)	\$215.541	\$35.083	\$40.293	\$26.364	(\$8.719)	\$27.132	\$0.768
Overtime	(\$30.713)	(\$0.632)	\$30.081	\$4.277	\$4.909	\$3.209	(\$1.068)	\$3.315	\$0.106
<b>Total Salaries &amp; Wages</b>	<b>(\$251.464)</b>	<b>(\$5.842)</b>	<b>\$245.622</b>	<b>\$39.360</b>	<b>\$45.202</b>	<b>\$29.573</b>	<b>(\$9.787)</b>	<b>\$30.447</b>	<b>\$0.874</b>
Health and Welfare	\$5.450	\$6.406	\$0.956	\$6.886	\$0.480	\$7.403	\$0.517	\$7.958	\$0.555
OPEB Current Payment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Pensions	\$7.483	(\$0.074)	(\$7.557)	\$0.352	\$0.426	\$3.521	\$3.169	\$4.487	\$0.966
Other Fringe Benefits	\$19.244	\$39.329	\$20.085	\$43.985	\$4.656	\$44.476	\$0.491	\$45.810	\$1.334
Total Fringe Benefits	\$32.177	\$45.661	\$13.484	\$51.223	\$5.562	\$55.400	\$4.177	\$58.255	\$2.855
GASB Account	(\$34.047)	\$0.000	\$34.047	\$0.000	\$0.000	\$0.000	\$0.000	(\$8.528)	(\$8.528)
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Labor Expenditures</b>	<b>(\$253.334)</b>	<b>\$39.819</b>	<b>\$293.153</b>	<b>\$90.583</b>	<b>\$50.764</b>	<b>\$84.973</b>	<b>(\$5.610)</b>	<b>\$80.174</b>	<b>(\$4.799)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(\$3.943)	(\$2.898)	\$1.045	(\$0.573)	\$2.325	(\$0.811)	(\$0.238)	(\$4.067)	(\$3.256)
Claims	\$8.528	\$10.630	\$2.102	\$12.785	\$2.155	\$12.784	(\$0.001)	\$12.784	\$0.000
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	(\$10.260)	(\$10.700)	(\$0.440)	(\$10.700)	\$0.000	(\$10.700)	\$0.000	(\$10.700)	\$0.000
Professional Service Contracts	\$0.873	\$15.000	\$14.127	\$15.000	\$0.000	\$15.000	\$0.000	\$15.000	\$0.000
Materials & Supplies	\$14.000	\$4.000	(\$10.000)	\$4.000	\$0.000	\$4.000	\$0.000	\$4.000	\$0.000
Other Business Expenditures	(\$0.413)	\$0.000	\$0.413	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Non-Labor Expenditures</b>	<b>\$10.785</b>	<b>\$18.032</b>	<b>\$7.247</b>	<b>\$22.512</b>	<b>\$4.480</b>	<b>\$22.273</b>	<b>(\$0.239)</b>	<b>\$19.017</b>	<b>(\$3.256)</b>
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditure Adjustments</b>	<b>(\$242.549)</b>	<b>\$57.851</b>	<b>\$300.400</b>	<b>\$113.095</b>	<b>\$55.244</b>	<b>\$107.246</b>	<b>(\$5.849)</b>	<b>\$99.191</b>	<b>(\$8.055)</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>(\$229.843)</b>	<b>(\$26.584)</b>	<b>\$203.259</b>	<b>\$20.223</b>	<b>\$46.807</b>	<b>\$10.510</b>	<b>(\$9.713)</b>	<b>(\$6.713)</b>	<b>(\$17.223)</b>
Depreciation Adjustment	\$1,544.334	\$1,638.144	\$93.810	\$1,688.144	\$50.000	\$1,863.292	\$175.148	\$1,913.292	\$50.000
OPEB Obligation	\$1,554.097	\$1,616.261	\$62.164	\$1,680.911	\$64.650	\$1,748.148	\$67.237	\$1,818.074	\$69.926
Environmental Remediation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$2,868.588</b>	<b>\$3,227.821</b>	<b>\$359.233</b>	<b>\$3,389.278</b>	<b>\$161.457</b>	<b>\$3,621.950</b>	<b>\$232.672</b>	<b>\$3,724.653</b>	<b>\$102.703</b>



**MTA NEW YORK CITY TRANSIT**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**Summary of Major Plan-to-Plan Changes by Generic Categories**

**2014: July Financial Plan vs. February Financial Plan**

**Operating Revenue Changes**

Operating revenues are projected to increase from the February Financial Plan by \$39.3 million.

Major generic category changes include:

- Farebox revenue increased by \$20.7 million, due primarily to an increase in projected fare media liability expiration revenues, consistent with the March 2013 fare increase.
- Other operating revenue improved by \$18.6 million, due largely to the favorable timing of storm recoveries from 2013 and an increase in paratransit urban tax revenue.

**Operating Expense Changes**

Excluding an increase in other post-employment benefit expenses, operating expenses increased from the February Financial Plan by \$166.9 million. Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefit, Other Business Expense, and Reimbursable Overhead expenses attributable to the recent labor settlement with the TWU and the assumption that the same pattern will be applied for those employees without contract agreements.

Major generic category changes include:

- Payroll is projected to increase by \$90.5 million, due mostly to the impact of pattern labor wage adjustments, consistent with the recent TWU labor contract agreement. Vacancies partly offset the wage adjustments.
- Overtime is projected to increase by \$70.5 million, due primarily to the impact of adverse weather in early 2014 and pattern labor adjustments.
- Health & welfare/OPEB current payment expenses are projected to decrease by \$31.3 million, due mostly to cost reduction programs and prior year credits.
- Pension expenses are projected to increase by \$14.5 million, based on current actuarial information and pattern labor adjustments.

- Other fringe benefits are projected to increase by \$13.9 million, due mainly to pattern labor adjustment increases.
- Electric power expenses are projected to increase by \$11.1 million, due mostly to updated inflationary assumptions indicating higher prices.
- Insurance expenses are projected to underrun by \$4.8 million, due to the timing of interagency payments.
- Paratransit service contract expenses are projected to decrease by \$12.2 million, due mostly to reduced completed trips.
- Maintenance contract expenses are projected to increase by \$3.0 million, due mostly to a rollover of SMS fleet maintenance expenses from 2013.
- Professional service contract expenses are projected to decrease by \$6.7 million, including Workers' Compensation Board savings, based on new legislation, partly offset by overruns in bond service and Information Technology expenses.
- Materials and supplies expenses are projected to increase by \$13.5 million, due primarily to a rollover from 2013 of SMS fleet maintenance expenses.
- Other business expenses are projected to increase by \$8.0 million, due to the providing of railroad passes to TWU employees, based on the recently approved labor agreement.

## **2015-2017: July Financial Plan vs. February Financial Plan**

### **Operating Revenue Changes**

Operating revenues are projected to decrease from the February Financial Plan by \$0.9 million in 2015, and to increase by \$1.8 million in 2016 and \$8.7 million in 2017.

Major generic category changes include:

- Increases in farebox revenue of \$3.3 million in 2015, \$9.7 million in 2016 and \$22.1 million in 2017, due primarily to higher employment projections.
- Other operating revenue decreases by \$4.1 million in 2015, \$7.9 million in 2016 and \$13.4 million in 2017, due largely to reductions in NYC paratransit reimbursements, consistent with additional paratransit expense savings.

## Operating Expense Changes

Excluding increases in other post-employment benefit expenses, operating expenses increased from the February Financial Plan by \$51.4 million in 2015, and decreased by \$0.7 million in 2016 and \$23.0 million in 2017. Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefit, Other Business Expense, and Reimbursable Overhead expenses attributable to the recent labor settlement with the TWU and the assumption that the same pattern will be applied for those employees without contract agreements.

Major generic category changes include:

- Payroll is projected to increase by \$98.8 million in 2015, \$97.5 million in 2016, and \$91.2 million in 2017, due mostly to the impact of pattern labor adjustments, consistent with the recent TWU labor contract agreement.
- Overtime is projected to increase by \$32.7 million in 2015, \$36.0 million in 2016, and \$36.7 million in 2017, due mostly to the right-sizing of overtime levels and the impact of pattern labor adjustments.
- Health & welfare/OPEB current payment expenses are projected to decrease by \$28.3 million in 2015, \$35.2 million in 2016 and \$38.6 million in 2017, due mostly to cost reduction programs.
- Pension expenses are projected to increase by \$7.8 million in 2015, and decrease by \$10.8 million in 2016 and \$23.8 million in 2017, based on current actuarial information and pattern labor adjustments.
- Other fringe benefit expenses are projected to increase by \$6.2 million in 2015, \$6.7 million in 2016 and \$6.8 million in 2017, caused by the impact of pattern labor adjustments.
- Electric power expenses are projected to decrease by \$42.1 million in 2015, \$51.8 million in 2016 and \$27.9 million in 2017, due mostly to updated inflationary assumptions indicating lower prices.
- Paratransit service contract expenses are projected to decrease by \$19.8 million in 2015, \$29.5 million in 2016 and \$45.4 million in 2017, due mostly to a projected reduction in completed trip levels.
- Other business expenses are projected to increase by \$12.5 million in 2015, \$12.6 million in 2016 and \$11.0 million in 2017, due mainly to the providing of railroad passes to TWU employees, based on the recent TWU labor agreement.

**MTA New York City Transit**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>February Financial Plan - Cash</b>	<b>(\$2,787.525)</b>	<b>(\$2,805.706)</b>	<b>(\$3,015.958)</b>	<b>(\$3,288.160)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$20.718	\$3.279	\$9.699	\$22.110
Other Operating Revenue	18.574	(4.136)	(7.882)	(13.426)
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
<b>Total Revenue Changes</b>	<b>\$39.292</b>	<b>(\$0.857)</b>	<b>\$1.817</b>	<b>\$8.684</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	(\$90.466)	(\$98.832)	(\$97.514)	(\$91.222)
Overtime	(70.496)	(32.708)	(36.002)	(36.737)
Health and Welfare	15.185	10.112	14.712	16.813
OPEB Current Payment	16.146	18.224	20.496	21.812
Pensions	(14.465)	(7.817)	10.823	23.833
Other Fringe Benefits	(13.896)	(6.165)	(6.723)	(6.788)
Reimbursable Overhead	7.474	16.687	15.327	16.317
<b>Total Labor Expense Changes</b>	<b>(\$150.518)</b>	<b>(\$100.499)</b>	<b>(\$78.881)</b>	<b>(\$55.972)</b>
<i>Non-Labor:</i>				
Electric Power	(\$11.087)	\$42.064	\$51.753	\$27.907
Fuel	(1.549)	(0.558)	6.403	7.449
Insurance	4.830	8.819	13.030	18.420
Claims	(2.994)	(5.276)	(5.995)	(5.799)
Paratransit Service Contracts	12.212	19.752	29.466	45.442
Maintenance and Other Operating Contracts	(3.043)	(3.148)	(2.407)	(3.424)
Professional Service Contracts	6.738	1.051	1.957	2.043
Materials & Supplies	(13.477)	(1.048)	(2.105)	(2.059)
Other Business Expenses	(8.043)	(12.543)	(12.560)	(11.005)
<b>Total Non-Labor Expense Changes</b>	<b>(\$16.413)</b>	<b>\$49.113</b>	<b>\$79.542</b>	<b>\$78.974</b>
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Expense Changes</b>	<b>(\$166.931)</b>	<b>(\$51.386)</b>	<b>\$0.661</b>	<b>\$23.002</b>
<b>Cash Adjustment Changes</b>				
Revenue	(26.375)	(6.389)	(6.548)	(6.828)
Expense	(0.751)	46.464	88.216	98.803
Depreciation	0.000	0.000	0.000	0.000
<b>Total Cash Adjustment Changes</b>	<b>(\$27.126)</b>	<b>\$40.075</b>	<b>\$81.668</b>	<b>\$91.975</b>
<b>Total Baseline Changes</b>	<b>(\$154.765)</b>	<b>(\$12.168)</b>	<b>\$84.146</b>	<b>\$123.661</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$2,942.290)</b>	<b>(\$2,817.874)</b>	<b>(\$2,931.812)</b>	<b>(\$3,164.499)</b>

**MTA New York City Transit**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

REIMBURSABLE				
	2014	2015	2016	2017
February Financial Plan - Cash	\$0.000	\$0.000	\$0.000	\$0.000
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue				
Other Operating Revenue				
Capital and Other Reimbursement	6.018	45.882	40.870	42.540
<b>Total Revenue Changes</b>	<b>\$6.018</b>	<b>\$45.882</b>	<b>\$40.870</b>	<b>\$42.540</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	\$9.677	(\$17.910)	(\$16.100)	(\$15.888)
Overtime	(7.346)	(4.657)	(4.358)	(5.881)
Health and Welfare	0.570	0.365	0.685	0.898
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	1.162	1.317	1.809	2.190
Other Fringe Benefits	(0.019)	(7.910)	(7.563)	(7.528)
Reimbursable Overhead	(7.474)	(16.687)	(15.327)	(16.317)
<b>Total Labor Expense Changes</b>	<b>(\$3.430)</b>	<b>(\$45.482)</b>	<b>(\$40.854)</b>	<b>(\$42.526)</b>
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance				
Claims		(0.002)	(0.002)	(0.002)
Paratransit Service Contracts				
Maintenance and Other Operating Contracts	(2.810)	0.175	0.175	0.175
Professional Service Contracts	(0.625)			
Materials & Supplies	(1.807)	(0.560)	(0.174)	(0.174)
Other Business Expenses	2.654	(0.013)	(0.015)	(0.013)
<b>Total Non-Labor Expense Changes</b>	<b>(\$2.588)</b>	<b>(\$0.400)</b>	<b>(\$0.016)</b>	<b>(\$0.014)</b>
<b>Total Expense Changes</b>	<b>(\$6.018)</b>	<b>(\$45.882)</b>	<b>(\$40.870)</b>	<b>(\$42.540)</b>
<b>Cash Adjustment Changes</b>				
Capital Reimbursement Timing	44.793	(8.306)	1.044	(0.348)
<b>Total Cash Adjustment Changes</b>	<b>\$44.793</b>	<b>(\$8.306)</b>	<b>\$1.044</b>	<b>(\$0.348)</b>
<b>Total Baseline Changes</b>	<b>\$44.793</b>	<b>(\$8.306)</b>	<b>\$1.044</b>	<b>(\$0.348)</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$44.793</b>	<b>(\$8.306)</b>	<b>\$1.044</b>	<b>(\$0.348)</b>

**MTA New York City Transit**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE				
	2014	2015	2016	2017
<b>February Financial Plan - Cash</b>	<b>(\$2,787.525)</b>	<b>(\$2,805.706)</b>	<b>(\$3,015.958)</b>	<b>(\$3,288.160)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	\$20.718	\$3.279	\$9.699	\$22.110
Other Operating Revenue	18.574	(4.136)	(7.882)	(13.426)
Capital and Other Reimbursement	6.018	45.882	40.870	42.540
<b>Total Revenue Changes</b>	<b>\$45.310</b>	<b>\$45.025</b>	<b>\$42.687</b>	<b>\$51.224</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	(\$80.789)	(\$116.742)	(\$113.614)	(\$107.110)
Overtime	(77.842)	(37.365)	(40.360)	(42.618)
Health and Welfare	15.755	10.477	15.397	17.711
OPEB Current Payment	16.146	18.224	20.496	21.812
Pensions	(13.303)	(6.500)	12.632	26.023
Other Fringe Benefits	(13.915)	(14.075)	(14.286)	(14.316)
Reimbursable Overhead	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$153.948)</b>	<b>(\$145.981)</b>	<b>(\$119.735)</b>	<b>(\$98.498)</b>
<i>Non-Labor:</i>				
Electric Power	(\$11.087)	\$42.064	\$51.753	\$27.907
Fuel	(1.549)	(0.558)	6.403	7.449
Insurance	4.830	8.819	13.030	18.420
Claims	(2.994)	(5.278)	(5.997)	(5.801)
Paratransit Service Contracts	12.212	19.927	29.641	45.617
Maintenance and Other Operating Contracts	(5.853)	(3.148)	(2.407)	(3.424)
Professional Service Contracts	6.113	1.051	1.957	2.043
Materials & Supplies	(15.284)	(1.608)	(2.279)	(2.233)
Other Business Expenses	(5.389)	(12.556)	(12.575)	(11.018)
<b>Total Non-Labor Expense Changes</b>	<b>(\$19.001)</b>	<b>\$48.713</b>	<b>\$79.526</b>	<b>\$78.960</b>
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Expense Changes</b>	<b>(\$172.949)</b>	<b>(\$97.268)</b>	<b>(\$40.209)</b>	<b>(\$19.538)</b>
<b>Cash Adjustment Changes</b>				
Revenue	(26.375)	(6.389)	(6.548)	(6.828)
Expense	(0.751)	46.464	88.216	98.803
Capital Reimbursement Timing	44.793	(8.306)	1.044	(0.348)
Depreciation	0.000	0.000	0.000	0.000
<b>Total Cash Adjustment Changes</b>	<b>\$17.667</b>	<b>\$31.769</b>	<b>\$82.712</b>	<b>\$91.627</b>
<b>Total Baseline Changes</b>	<b>(\$109.972)</b>	<b>(\$20.474)</b>	<b>\$85.190</b>	<b>\$123.313</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$2,897.497)</b>	<b>(\$2,826.180)</b>	<b>(\$2,930.768)</b>	<b>(\$3,164.847)</b>

**MTA NEW YORK CITY TRANSIT**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**Summary of Major Plan-to-Plan Changes**

**2014: July Financial Plan vs. February Financial Plan**

**Revenue Changes**

Total revenue changes from the February Financial Plan increased by \$45.3 million.

Major changes include:

- Farebox revenue increased by \$20.7 million, due primarily to an increase in projected fare media liability expiration revenues, consistent with the March 2013 fare increase.
- Other operating revenue improved by \$18.6 million, due largely to the favorable timing of storm recoveries from 2013 and an increase in paratransit urban tax revenue.
- Capital reimbursements increase by \$6.0 million to provide for reimbursement of reimbursable expense increases.

**Expense Changes**

Excluding an increase in other post-employment benefit expenses, total expenses increased from the February Financial Plan by \$172.9 million. Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefit, Other Business Expense, and Reimbursable Overhead expenses attributable to the recent labor settlement with the TWU and the assumption that the same pattern will be applied for those employees without contract agreements.

Major changes include:

- The impact of pattern labor adjustments, consistent with the recent TWU labor contract agreement, resulting in expense increases of \$127.1 million.
- The adverse impact in early 2014 of multiple snowstorms, resulting in a cost of \$36.1 million.
- The unfavorable timing of expenses of \$26.0 million from 2013.
- New programmatic initiatives, mostly maintenance-related, costing \$14.7 million.

- Savings from a new 2014 Budget Reduction Program of \$19.6 million and \$16.7 million of additional paratransit expense savings applicable to a prior year BRP.

### **Cash Adjustments**

Cash adjustments are projected to be a favorable by \$17.7 million.

Major changes include:

- Favorable 2014 cash timing of \$ 101.5 million from 2013, including \$95.4 million of capital reimbursement timing.
- A reduction in GASB account funding of \$35.4 million, needed to help fund excess cash requirements arising from pattern labor adjustments.
- An unfavorable capital reimbursement volume/processing lag adjustment of \$40.0 million.
- TWU labor contract retro payments of \$32.7 million.
- A reduction of farebox receipts of \$23.8 million, representing a negative cash receipt lag resulting from the March 2013 fare increase.

### **2015-2017: July Financial Plan vs. February Financial Plan**

#### **Revenue Changes**

Total revenue changes from the February Financial Plan result in increases of \$45.0 million in 2015, \$42.7 million in 2016 and \$51.2 million in 2017.

Major changes include:

- Increases in farebox revenue of \$3.3 million in 2015, \$9.7 million in 2016 and \$22.1 million in 2017, due primarily to higher employment projections.
- Other operating revenue decreased by \$4.1 million in 2015, \$7.9 million in 2016 and \$13.4 million in 2017, due largely to reductions in NYC paratransit reimbursement, consistent with additional paratransit expense savings.
- Capital reimbursements increase by \$45.9 million in 2015, \$40.9 million in 2016 and \$42.5 million in 2017 to provide for reimbursement of reimbursable expense increases.



## **Expense Changes**

Excluding increases in other post-employment benefit expenses, total expenses increased by \$97.3 million in 2015, \$40.2 million in 2016 and \$19.5 million in 2017. Projections include additional Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefit, Other Business Expense, and Reimbursable Overhead expenses attributable to the recent labor settlement with the TWU and the assumption that the same pattern will be applied for those employees without contract agreements.

Major changes include:

- The impact of pattern labor adjustments, consistent with the recent TWU labor contract agreement, resulting in expense increases of \$141.2 million in 2015, \$144.3 million in 2016 and \$138.6 million in 2017.
- Increased reimbursable expenses of \$45.9 million in 2015, \$40.9 million in 2016 and \$42.5 million in 2017, due mostly to pattern labor adjustments.
- New programmatic initiatives, mostly maintenance-related, costing \$11.8 million in 2015, \$10.0 million in 2016 and \$7.1 million in 2017.
- Updated inflation assumptions, resulting in lower expenses of \$43.7 million in 2015, \$65.9 million in 2016 and \$45.2 million in 2017, mostly related to lower electric power prices.
- Savings from a new 2014 Budget Reduction Program of \$26.4 million for each year and \$22.6 million in 2015, \$33.5 million in 2016 and \$50.0 million in 2017 of additional paratransit expense savings applicable to a prior year BRP.
- Pension re-estimates, resulting in savings of \$3.5 million in 2015, \$19.7 million in 2016 and \$35.2 million in 2017.

## **Cash Adjustments**

Cash adjustments are projected to be favorable by \$31.8 million in 2015, \$82.7 million in 2016 and \$91.6 million in 2017.

Major changes include:

- Reductions in GASB account funding of \$75.7 million in 2015, \$83.2 million in 2016 and \$90.7 million in 2017, needed to help fund excess cash requirements arising from pattern labor adjustments.
- TWU labor contract retro payments of \$32.9 million in 2015.

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2015- 2018**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**TOTAL NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$2,787.525)</b>	<b>(\$2,805.706)</b>	<b>(\$3,015.958)</b>	<b>(\$3,288.160)</b>
<b>Non-Reimbursable Major Changes</b>				
<b>Revenue</b>				
Farebox	\$20.718	\$3.279	\$9.699	\$22.110
Other Operating Revenue	18.574	(4.136)	(7.882)	(13.426)
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>\$39.292</b>	<b>(\$.857)</b>	<b>\$1.817</b>	<b>\$8.684</b>
<b>Expenses</b>				
<b>Inflation-Related:</b>				
Electric Power	(7.682)	42.158	51.847	28.001
Health & Welfare Rates	6.604	4.388	10.047	12.693
Bus/Heating Fuel	(\$1.646)	(\$1.202)	\$5.512	\$6.230
Materials, Rentals and Miscellaneous Expenses	0.000	(1.676)	(1.470)	(1.768)
<b>Sub-total Inflation-Related</b>	<b>(2.724)</b>	<b>43.668</b>	<b>65.936</b>	<b>45.156</b>
<b>Programmatic Initiatives:</b>				
Bus Maintenance-Overage Fleet	(6.405)	(4.681)	(2.849)	0.000
Station Cleaning Support	(2.438)	(3.292)	(3.292)	(3.292)
Ttrack Construction Maintenance Workforce	(2.944)	(2.274)	(2.274)	(2.274)
Rapid Transit Operations-Lengthened Training Periods	(\$2.940)	(\$1.545)	(\$1.545)	(\$1.545)
<b>Sub-total Programmatic Initiatives</b>	<b>(\$14.727)</b>	<b>(\$11.792)</b>	<b>(\$9.960)</b>	<b>(\$7.111)</b>
<b>Budget Reduction Programs:</b>				
EGWP Program	\$12.229	\$15.676	\$15.676	\$15.676
Medical Eligibility Initiative	2.720	2.798	2.798	2.798
Subways Availability-Reduce Injury On Duty Lost Days	0.000	1.729	1.729	1.729
Subways Availability-Video RTK Training at Home	0.000	0.651	0.651	0.651
Subways Car Equipment Division-Facility Cleaning Efficiency	1.480	2.864	2.864	2.864
Revenue Collection Efficiencies	1.895	1.518	1.518	1.518
Tower Operator Efficiencies	1.247	1.164	1.164	1.164
<b>Sub-total 2014 Budget Reduction Program</b>	<b>19.571</b>	<b>26.400</b>	<b>26.400</b>	<b>26.400</b>
Paratransit Savings-Prior Year BRP-Expense Savings Only	16.718	22.642	33.506	49.972
<b>Sub-total Budget Reduction Programs</b>	<b>\$36.289</b>	<b>\$49.042</b>	<b>\$59.906</b>	<b>\$76.372</b>
<b>Technical Adjustments/Re-estimates:</b>				
Pattern Labor Wage Adjustments	(\$127.101)	(\$141.249)	(\$144.295)	(\$138.613)
Adverse Weather	(36.073)	0.000	0.000	0.000
Timing of 2013 Results Impacting 2014	(25.978)	0.000	0.000	0.000
Pension Re-estimate	(\$6.637)	\$3.538	\$19.694	\$35.155
Workers' Compensation Board Reforecast	7.415	7.961	7.961	7.960
Insurance re-estimate	5.580	9.839	13.591	17.760
Public Liability	(2.992)	(5.274)	(5.993)	(5.797)
Bus Maintenance Overtime Adjustment	(4.500)	(4.941)	(4.941)	(4.941)
Availability/Pay Hour Adjustments	(8.558)	(8.118)	(8.118)	(8.118)
Reimbursable Adjustments	9.333	9.696	7.957	8.206
All Other	3.742	(3.756)	(1.077)	(3.027)
	<b>(185.769)</b>	<b>(132.304)</b>	<b>(115.221)</b>	<b>(91.415)</b>
<b>Sub-Total Non-Reimbursable Expense Changes*</b>	<b>(\$166.931)</b>	<b>(\$51.386)</b>	<b>\$6.61</b>	<b>\$23.002</b>
<b>Total Non-Reimbursable Major Change*</b>	<b>(\$127.639)</b>	<b>(\$52.243)</b>	<b>\$2.478</b>	<b>\$31.686</b>
<b>Reimbursable Major Changes</b>				
<b>Revenue</b>				
Increased Reimbursements-Higher Expenses	6.018	45.882	40.870	42.540
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>\$6.018</b>	<b>\$45.882</b>	<b>\$40.870</b>	<b>\$42.540</b>
<b>Expenses</b>				
Higher Expenses	(6.018)	(45.882)	(40.870)	(42.540)
<b>Sub-Total Reimbursable Expense Changes</b>	<b>(\$6.018)</b>	<b>(\$45.882)</b>	<b>(\$40.870)</b>	<b>(\$42.540)</b>
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>(\$127.639)</b>	<b>(\$52.243)</b>	<b>\$2.478</b>	<b>\$31.686</b>
<b>Cash Adjustment Changes</b>				
Timing of 2013 Results Impacting 2014	\$101.475	\$0.000	\$0.000	\$0.000
Capital Reimbursement Adjustments	(49.291)	(8.306)	1.044	(0.348)
Salaries & Wages-Mostly Labor Contract Retro Payments	(32.731)	(32.913)	0.894	1.300
GASB Account Payments	35.441	75.731	83.187	90.706
Fringe Benefit Payment Timing	(7.293)	(8.954)	(8.771)	(5.871)
Farebox Receipts	(23.768)	0.000	0.000	0.000
Other-Mostly Non-Labor Account Payment Timing	(6.166)	6.211	6.358	5.840
<b>Total Cash Adjustment Changes*</b>	<b>\$17.667</b>	<b>\$31.769</b>	<b>\$82.712</b>	<b>\$91.627</b>
<b>Total Baseline Changes</b>	<b>(\$109.972)</b>	<b>(\$20.474)</b>	<b>\$85.190</b>	<b>\$123.313</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$2,897.497)</b>	<b>(\$2,826.180)</b>	<b>(\$2,930.768)</b>	<b>(\$3,164.847)</b>

\*Excluding Other Post-Employment Benefit Long-Term Liability Changes

**MTA NEW YORK CITY TRANSIT**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**

**RIDERSHIP/ (UTILIZATION)**

The July 2014 Financial Plan baseline ridership forecast assumes that the weather adjusted January-April 2014 trend, which was 0.4% above budget for subway and 0.7% below budget for bus, will continue for the rest of the year. As a result of higher than expected 2014 subway ridership, lower than expected bus ridership, a slower than expected ridership increase due to fare evasion, and severe winter weather in January and February, projected 2014 subway and bus ridership is 22.5 million lower than the February 2014 Plan.

In developing the 2015 ridership forecast, 2014 ridership was adjusted upward to account for the severe winter weather in January and February 2014. 2015 subway ridership is projected to increase by approximately 1.6% based on the revised 2015 employment forecast, which was higher than the August 2013 forecast used in the February 2014 Plan. 2015 bus ridership is projected to increase by approximately 0.7%, 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 2015 forecast also includes an 8.3 million reduction in bus ridership recovered through fare evasion enforcement. As a result of lower bus ridership and a lower estimate of recoverable bus ridership from fare evasion enforcement, partially offset by higher subway ridership and a higher 2015 employment forecast, projected 2015 subway and bus ridership is 4.8 million lower than the February Plan.

Working off the revised 2015 baseline projection, 2016-2018 subway and bus ridership growth forecasts are based on the April 2014 employment forecast, which projects larger employment increases in 2016-2018 than the forecast used in the February 2014 Plan. The bus ridership increase due to fare evasion enforcement is projected to be lower than the February Plan by 10.0 million in 2016, 8.3 million in 2017, and 6.7 million in 2018. The resulting ridership is expected to be 1.6 million lower than the February Plan in 2016, and 5.9 million higher in 2017.

**MTA NEW YORK CITY TRANSIT**  
**July Financial Plan 2015- 2018**  
**Ridership/Traffic Volume (Utilization)**  
(\$ in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>RIDERSHIP</b>						
Subway	1,707.556	1,733.145	1,768.647	1,796.063	1,810.852	1,824.133
Bus	677.569	668.961	680.991	687.330	689.680	694.081
Paratransit	9.266	9.372	10.216	10.932	11.697	12.516
<b>Total Ridership</b>	<b>2,394.391</b>	<b>2,411.478</b>	<b>2,459.854</b>	<b>2,494.325</b>	<b>2,512.229</b>	<b>2,530.730</b>
<b>FAREBOX REVENUE (Excluding fare media liability)</b>						
Subway	3,030.746	3,123.375	3,172.108	3,223.225	3,250.798	3,275.560
Bus	941.063	946.280	956.511	965.965	969.260	975.720
Paratransit	16.465	16.993	18.525	19.821	21.209	22.693
<b>Total Farebox Revenue</b>	<b>3,988.274</b>	<b>4,086.648</b>	<b>4,147.144</b>	<b>4,209.011</b>	<b>4,241.267</b>	<b>4,273.973</b>

**NEW YORK CITY TRANSIT**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Summary**  
**(\$ in millions)**

	Favorable/(Unfavorable)									
<u>Administration</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>Pos.</u>	<u>2018</u>
EGWP Program	0	12.229	0	15.676	0	15.676	0	15.676	0	15.676
Medical Eligibility Initiative	0	<u>2.720</u>	0	<u>2.798</u>	0	<u>2.798</u>	0	<u>2.798</u>	0	<u>2.798</u>
<i>Subtotal Administration</i>	0	14.949	0	18.474	0	18.474	0	18.474	0	18.474
<u>Customer Convenience/Amenities</u>										
None	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>
<i>Subtotal Customer Convenience/Amenities</i>	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
<u>Maintenance</u>										
DOS Availability-Reduce IOD Lost Days	0	0.000	0	1.729	0	1.729	0	1.729	0	1.729
DOS Availability-Video RTK Training at Home	0	0.000	23	0.651	23	0.651	23	0.651	23	0.651
DCE Facility Cleaning Efficiency	<u>28</u>	<u>1.480</u>	<u>28</u>	<u>2.864</u>	<u>28</u>	<u>2.864</u>	<u>28</u>	<u>2.864</u>	<u>28</u>	<u>2.864</u>
<i>Subtotal Maintenance</i>	28	1.480	51	5.244	51	5.244	51	5.244	51	5.244
<u>Revenue Enhancement</u>										
None	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>
<i>Subtotal Revenue Enhancement</i>	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
<u>Safety</u>										
None	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>
<i>Subtotal Safety</i>	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
<u>Security</u>										
None	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>
<i>Subtotal Security</i>	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
<u>Service</u>										
Revenue Collection Efficiencies	17	1.895	17	1.518	17	1.518	17	1.518	17	1.518
Tower Operator Efficiencies	2	<u>1.247</u>	12	<u>1.164</u>	12	<u>1.164</u>	12	<u>1.164</u>	12	<u>1.164</u>
<i>Subtotal Service</i>	19	3.142	29	2.682	29	2.682	29	2.682	29	2.682
<u>Service Support</u>										
None	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>
<i>Subtotal Service Support</i>	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
<u>Other</u>										
None	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>	0	<u>0.000</u>
<i>Subtotal Other</i>	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
<b>Agency Submission</b>	<b>47</b>	<b>\$19.571</b>	<b>80</b>	<b>\$26.400</b>	<b>80</b>	<b>\$26.400</b>	<b>80</b>	<b>\$26.400</b>	<b>80</b>	<b>\$26.400</b>

**NEW YORK CITY TRANSIT**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:** **Health & Welfare - Administration**

**Program:** **Employee Group Waiver Plan (EGWP)**

<b>Background Details:</b>	<p>NYCT has been the recipient in recent years of an annual Retiree Drug Subsidy (RDS) from the federal government for continuing to offer a prescription drug plan to Medicare eligible members that is at least equal to a Medicare Part D prescription drug plan.</p> <p>The Affordable Care Act ("ACA"), through the Center for Medicare and Medicaid Services ("CMS"), makes provision for an Employer Group Waiver Plan (EGWP), which is more financially attractive alternative to RDS for Medicare eligible members.</p>
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<b>Program Description/Implementation Plan:</b>	<p>NYCT has implemented EGWP with partners UHC and Perscription Solutions, and the agency is currently receiving significant scheduled rebates for drug costs from both the Drug Manufacturers and CMS for employees whom have elected to enroll in EGWP.</p>
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<b>Program Implementation Date:</b>	<b>1/1/2014</b>	<b>When will savings begin?:</b>	<b>1/1/2014</b>
		<b>Are these savings recurring?:</b>	<b>Yes</b>
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>
<i>Financial Impact (Operating):</i>	\$12.229	\$15.676	\$15.676	\$15.676	\$15.676
<b>Net Cash Savings (in millions)</b>	<b>\$12.229</b>	<b>\$15.676</b>	<b>\$15.676</b>	<b>\$15.676</b>	<b>\$15.676</b>
<i>Total Positions Required:</i>	N/A	N/A	N/A	N/A	N/A

**NEW YORK CITY TRANSIT**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:** **Health & Welfare - Administration**

**Program:** **Medical Eligibility Initiative**

<b>Background Details:</b>	In collaboration with BSC and Audit, NYCTA has been refining employee eligibility transmission files to benefit providers. The approach has been two pronged: 1.) to clean up ineligible, and to 2.) automate transfer of medicare eligible employees to Medicare primary as they age into the cohort
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<b>Program Description/Implementation Plan:</b>	A cross functional workgroup has been meeting bi-weekly to address a backlog of ineligible employees in both PeopleSoft as well as the benefit provider files. The team has identified and addressed many technical hurdles to either resolve classification errors or to automate classification with better timing triggers, resulting in reduced medical claims expense paid by the
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<b>Program Implementation Date:</b>	<b>1/1/2014</b>	<b>When will savings begin?:</b>	<b>1/1/2014</b>
		<b>Are these savings recurring?:</b>	<b>Yes</b>

**Other Issues:**

	Favorable/(Unfavorable)				
	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>
<i>Financial Impact (Operating):</i>	\$2.720	\$2.798	\$2.798	\$2.798	\$2.798
<b>Net Cash Savings (in millions)</b>	<b>\$2.720</b>	<b>\$2.798</b>	<b>\$2.798</b>	<b>\$2.798</b>	<b>\$2.798</b>
<i>Total Positions Required:</i>	N/A	N/A	N/A	N/A	N/A

NEW YORK CITY TRANSIT  
July Financial Plan 2015-2018  
2014 Budget Reduction Plan Worksheet

**Category by Function:** Maintenance

**Program:** DOS Availability - Reduce IOD Lost Days

<b>Background Details:</b>	Worker's Compensation savings for hourly employee's in the Department of Subways.
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<b>Program Description/ Implementation Plan:</b>	Savings will be achieved through a more comprehensive and aggressive monitoring and review of IOD (Injury-on-Duty) claims by the Department of Subways through the Division of Operations Support and Administration to reduce the number of days employees are out of work long-term.
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<b>Labor agreement concerns?:</b>	No	If Yes, describe in Other Issues below.	N/A
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<b>Layoffs required?:</b>	No	If Yes, when?:	N/A
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<b>Program Implementation Date:</b>	1/1/2015	<b>When will savings begin?:</b>	1/1/2015
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<b>Are these savings recurring?:</b>	Yes
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**Other Issues:**

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$1.729	\$1.729	\$1.729	\$1.729
<i>Total Positions Required:</i>	N/A	N/A	N/A	N/A	N/A



NEW YORK CITY TRANSIT  
July Financial Plan 2015-2018  
2014 Budget Reduction Plan Worksheet

**Category by Function:** Maintenance

**Program:** DOS Availability - Video RTK Training at Home

<b>Background Details:</b>	Implement the Right To Know (RTK) Training at Home using the "Automated Tool" developed through the Bombardier Settlement to increase Station Agent and Station Cleaner availability while increasing UOT as training will be done at home. Given the automation of training, a reduction of 30% in training hours will be achieved. This results in eliminating the need for backfill, but incurring overtime for training offset by a reduction in the training hours.
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<b>Program Description/Implementation Plan:</b>	The RTK Training at Home will be implemented starting Jan 1, 2015. 13 Station Agents and 10 Cleaners will be reduced given the increase in availability and UOT will be applied to the reduced hours of training done at home.		
<b>Program Implementation Date:</b>	1/12015	<b>When will savings begin?:</b>	1/12015
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.651	\$0.651	\$0.651	\$0.651
<i>Total Positions Required:</i>	0	23	23	23	23

NEW YORK CITY TRANSIT  
July Financial Plan 2015-2018  
2014 Budget Reduction Plan Worksheet

**Category by Function:** Maintenance

**Program:** DCE Facility Cleaning Efficiency

<b>Background Details:</b>	Implement improved processes for car and facility cleaning that will result in cleaning position reductions and a decrease in OTPS expenses in Car Equipment's maintenance and overhaul shops.
<b>Program Description/Implementation Plan:</b>	Savings initiative will result in a 2% reduction in cleaner positions at 13 maintenance and 2 overhaul shops.
<b>Program Implementation Date:</b>	7/1/2014
<b>When will savings begin?:</b>	7/1/2014
<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>	

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.480	\$2.864	\$2.864	\$2.864	\$2.864
<i>Total Positions Required:</i>	28	28	28	28	28

**NEW YORK CITY TRANSIT**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:**                      **Service**

**Program:**                                      **Revenue Efficiencies**

This initiative reflects reductions in labor costs resulting from the implementation of the Green Fee and other operational efficiencies. With the implementation of the Green fee charge the number of Metrocards produced has decreased resulting in the need for (8) fewer cashier positions. Revenue collections has reduced the number of collecting agents (9) based on historical operations. 2014 includes vacancy savings as well. Unscheduled overtime has also been reduced based on the same operating trends beginning in 2015.

**Program Description/Implementation Plan:**

Reductions in budgeted staff began in January 2014 while overtime reductions begin in 2015.

**Program Implementation Date:**              **Jan-14**                      **When will savings begin?:**      **Jan-14**

**Are these savings recurring?:** **Yes**

**Other Issues:**

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	<b>\$1.895</b>	<b>\$1.518</b>	<b>\$1.518</b>	<b>\$1.518</b>	<b>\$1.518</b>
<i>Total Positions Required:</i>	17	17	17	17	17

**NEW YORK CITY TRANSIT**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:**                      **Service**

**Program:**                                      **Tower Operation Efficiencies**

<b>Background Details:</b>	RTO Subdivision B Tower Operator and Supervision reduction resulting from a Zero Base Budget (ZBB) analysis of the function. Subdivision A has already been done.
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<b>Program Description/ Implementation Plan:</b>	2014 savings are being achieved through existing Tower Operator and supervision vacancies projected to year-end. In 2015, 2 Train Dispatcher and 10 Tower Operator positions will be eliminated from the Spring and Fall Picks based on the ZBB.
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<b>Program Implementation Date:</b>	1/1/2014	<b>When will savings begin?:</b>	1/1/2014
		<b>Are these savings recurring?:</b>	Yes
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	<b>\$1.247</b>	<b>\$1.164</b>	<b>\$1.164</b>	<b>\$1.164</b>	<b>\$1.164</b>
<i>Total Positions Required:</i>	2	12	12	12	12

**MTA NEW YORK CITY TRANSIT**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**Positions**

**POSITION ASSUMPTIONS**

**2014: July Financial Plan vs. February Financial Plan**

Total baseline positions are projected to increase by 136, including a non-reimbursable increase of 164 and a reimbursable decrease of 28. Specifically:

New Needs (total increase of 176 positions) includes:

- 66 positions for Bus Maintenance – Overage Fleet
- 31 positions for RTO – Lengthened Training Periods
- 44 positions for Station Cleaning
- 35 positions for Track Construction Maintenance

(These initiatives are summarized at the beginning of the introductory narrative.)

BRPs (total decrease of 47 positions) includes:

- -28 positions for Car Equipment Facility Cleaning Efficiency
- -17 positions for Revenue Collection Efficiencies
- -2 positions for Tower Operations Efficiencies

Reimbursable and Re-estimate (net increase of 7 positions).

The breakdown of the 136 position increase by function is as follows:

Administration (total decrease of 84 positions) includes:

- -149 positions reflects the impact of the TWU labor settlement and capital engineering vacancy provisions.
- 37 positions to support procurement workload increase
- 28 positions for miscellaneous other

Operations (total increase of 104 positions) include:

- 60 positions in Buses mainly due to reallocation from maintenance.
- 52 positions for Subways Service Delivery training float adjustments
- -8 positions for miscellaneous other

Maintenance (total increase of 114 positions) includes:

- 105 positions in Subways mainly due to capital project requirements
- 9 position for miscellaneous other

Position increases by occupational group are: Managers/Supervisors +22, Professional, Technical, Clerical +25, and Operational Hourlies +89.

For further details, please see position tables.

### **2015: July Financial Plan vs. February Financial Plan**

New Needs (total increase of 132 positions) includes:

- 48 positions for Bus Maintenance – Overage Fleet
- 15 positions for RTO – Lengthened Training Periods
- 44 positions for Station Cleaning
- 25 positions for Track Construction Maintenance

BRPs (total decrease of 80 positions) includes:

- -28 positions for Car Equipment Facility Cleaning Efficiency
- -17 positions for Revenue Collection Efficiencies
- -23 positions for Subways availability improvement for video training at home
- -12 positions for Tower Operations Efficiencies

Reimbursable and Re-estimate (net increase of 44 positions) mainly due to Subways capital program support.

The breakdown of the 96 position increase by function is as follows:

- Administration (total decrease of 21 positions)
- Operations (total increase of 69 positions) – mainly due to platform budget changes and training float adjustments
- Maintenance (total increase of 43 positions) – mainly due to new needs noted above.
- Public Safety (total increase of 5 positions)

Position increases by occupational group are: Managers/Supervisors +63, Professional, Technical, Clerical +44, and Operational Hourlies -11.

### **2016 - 2017: July Financial Plan vs. February Financial Plan**

New Needs (total increase of 84 positions in 2016 and 2017) includes:

- 15 positions for RTO – Lengthened Training Periods
- 44 positions for Station Cleaning
- 25 positions for Track Construction Maintenance

BRPs (total decrease of 80 positions in 2016 and 2017) includes:

- -28 positions for Car Equipment Facility Cleaning Efficiency
- -17 positions for Revenue Collection Efficiencies

- -23 positions for Subways availability improvement for video training at home
- -12 positions for Tower Operations Efficiencies

Reimbursable and Re-estimate (net decrease of 15 positions in 2016, and 24 positions in 2017).

In 2016, the net decrease is 11 positions. In 2017, net decrease of 20 positions. There are no significant changes by functional category.

Position increases by occupational group in 2016 are: Managers/Supervisors +39, Professional, Technical, Clerical +33, and Operational Hourlies -83. In 2017, positions increase among Managers/Supervisors +38, and Professional, Technical, Clerical +31 and Operational Hourlies -89.

### **Year over Year**

#### **2015 over 2014**

Total positions decrease by 313. The decrease is mainly due to changes in Subways due to platform budget – normal budget increases and new needs, training float adjustments, SMS and capital project completion.

#### **2016 over 2015**

Total positions decrease by 445. The decrease is mainly due to changes in Subways due to platform budget – normal budget increases and new needs, training float adjustments, SMS and capital project completion.

#### **2017 over 2016**

Total positions increase by 121 positions, mainly due to operating staff requirements for 2<sup>nd</sup> Avenue Subway.

#### **2018 over 2017**

Total positions decrease by 45 positions, mainly due to changes in Subways SMS program.

<b>MTA NEW YORK CITY TRANSIT</b> <b>July Financial Plan 2015 - 2018</b> Favorable/(Unfavorable)				
<b>Total Position Changes at a Glance</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2014 February Plan - Total Baseline Positions</b>	<b>47,311</b>	<b>47,038</b>	<b>46,700</b>	<b>46,830</b>
Total Plan-to-Plan Changes	(136)	(96)	11	20
<b>2014 July Plan - Total Baseline Positions</b>	<b>47,447</b>	<b>47,134</b>	<b>46,689</b>	<b>46,810</b>
Total Year-to-Year Changes, July Plan	n/a	313	445	(121)

<b>Total Plan-to-Plan Changes by Reporting Category:</b>				
<i>Non-Reimbursable</i>	(164)	(26)	49	48
<i>Reimbursable</i>	28	(70)	(38)	(28)
<b>Total</b>	<b>(136)</b>	<b>(96)</b>	<b>11</b>	<b>20</b>
<i>Full-Time</i>	(136)	(96)	11	20
<i>Full-Time Equivalents</i>	0	0	0	0
<b>Total</b>	<b>(136)</b>	<b>(96)</b>	<b>11</b>	<b>20</b>
<i>By Function Category</i>				
- Administration	84	21	30	29
- Operations	(104)	(69)	(40)	(33)
- Maintenance	(114)	(43)	26	29
- Engineering/Capital	0	0	0	0
- Public Safety	(2)	(5)	(5)	(5)
<b>Total</b>	<b>(136)</b>	<b>(96)</b>	<b>11</b>	<b>20</b>
<i>By Occupational Group</i>				
- Managers/Supervisors	(22)	(63)	(39)	(38)
- Professional, Technical, Clerical	(25)	(44)	(33)	(31)
- Operational Hourlies	(89)	11	83	89
<b>Total</b>	<b>(136)</b>	<b>(96)</b>	<b>11</b>	<b>20</b>

<b>Total Plan-to-Plan Changes by Major Category:</b>				
<i>2014 BRPs</i>	47	80	80	80
<i>New Needs</i>	(176)	(132)	(84)	(84)
<i>Change in Reimbursable Positions</i>	28	(70)	(38)	(28)
<i>Re-estimates &amp; All Other<sup>1</sup></i>	(35)	26	53	52
<b>Total</b>	<b>(136)</b>	<b>(96)</b>	<b>11</b>	<b>20</b>

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



**MTA New York City Transit**  
**July Financial Plan 2015 - 2018**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>						
Office of the President	53	60	60	60	60	60
Law	267	278	278	277	277	277
Office of the EVP	40	42	42	40	40	40
Human Resources	247	219	215	214	214	214
Office of Management and Budget	36	40	40	40	40	40
Capital Planning & Budget	28	33	33	33	33	33
Corporate Communications	236	262	262	258	258	258
Technology & Information Services	427	447	444	442	442	442
Non-Departmental	1	(100)	(29)	(7)	(6)	(6)
Labor Relations	85	96	96	96	96	96
Materiel	237	290	281	263	262	262
Controller	142	137	137	130	130	130
<b>Total Administration</b>	<b>1,799</b>	<b>1,804</b>	<b>1,859</b>	<b>1,846</b>	<b>1,846</b>	<b>1,846</b>
<b>Operations</b>						
Subways Service Delivery	7,679	7,730	7,614	7,561	7,582	7,581
Subways Operation Support /Admin	366	369	369	369	369	369
Subways Stations	2,633	2,632	2,612	2,612	2,612	2,612
<b>Subtotal - Subways</b>	<b>10,678</b>	<b>10,731</b>	<b>10,595</b>	<b>10,542</b>	<b>10,563</b>	<b>10,562</b>
Buses	10,521	10,756	10,706	10,706	10,706	10,706
Paratransit	194	213	213	213	213	213
Operations Planning	395	404	377	371	371	371
Revenue Control	431	448	448	448	448	448
<b>Total Operations</b>	<b>22,219</b>	<b>22,552</b>	<b>22,339</b>	<b>22,280</b>	<b>22,301</b>	<b>22,300</b>
<b>Maintenance</b>						
Subways Operation Support /Admin	190	200	183	158	158	158
Subways Engineering	323	329	315	294	291	290
Subways Car Equipment	4,197	4,317	4,368	4,243	4,109	4,068
Subways Infrastructure	1,423	1,476	1,447	1,436	1,434	1,434
Subways Elevator & Escalators	370	401	401	403	403	403
Subways Stations	3,476	3,637	3,605	3,610	3,765	3,765
Subways Track	2,705	2,732	2,732	2,732	2,732	2,732
Subways Power	593	624	594	580	580	580
Subways Signals	1,408	1,443	1,382	1,360	1,360	1,360
Subways Electronics Maintenance	1,399	1,477	1,463	1,435	1,435	1,435
<b>Subtotal - Subways</b>	<b>16,084</b>	<b>16,636</b>	<b>16,490</b>	<b>16,251</b>	<b>16,267</b>	<b>16,225</b>
Buses	3,700	3,762	3,728	3,652	3,736	3,734
Revenue Control	137	137	137	137	137	137
Supply Logistics	561	561	558	558	558	558
System Safety	88	91	91	88	88	88
<b>Total Maintenance</b>	<b>20,570</b>	<b>21,187</b>	<b>21,004</b>	<b>20,686</b>	<b>20,786</b>	<b>20,742</b>
<b>Engineering/Capital</b>						
Capital Program Management	1,237	1,274	1,299	1,244	1,244	1,244
<b>Total Engineering/Capital</b>	<b>1,237</b>	<b>1,274</b>	<b>1,299</b>	<b>1,244</b>	<b>1,244</b>	<b>1,244</b>
<b>Public Safety</b>						
Security	587	630	633	633	633	633
<b>Total Public Safety</b>	<b>587</b>	<b>630</b>	<b>633</b>	<b>633</b>	<b>633</b>	<b>633</b>
<b>Total Baseline Positions</b>	<b>46,412</b>	<b>47,447</b>	<b>47,134</b>	<b>46,689</b>	<b>46,810</b>	<b>46,765</b>
Non-Reimbursable	42,459	42,730	42,470	42,303	42,563	42,535
Reimbursable	3,953	4,717	4,664	4,386	4,247	4,230
Total Full-Time	46,165	47,289	46,991	46,546	46,667	46,622
Total Full-Time Equivalents	247	158	143	143	143	143

**MTA New York City Transit**  
**July Financial Plan 2015 - 2018**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>						
Managers/Supervisors	573	615	669	654	653	653
Professional, Technical, Clerical	1,204	1,138	1,167	1,169	1,170	1,170
Operational Hourlies	22	51	23	23	23	23
<b>Total Administration</b>	<b>1,799</b>	<b>1,804</b>	<b>1,859</b>	<b>1,846</b>	<b>1,846</b>	<b>1,846</b>
<b>Operations</b>						
Managers/Supervisors	2,534	2,664	2,610	2,588	2,588	2,587
Professional, Technical, Clerical	476	485	481	478	478	478
Operational Hourlies	19,209	19,403	19,248	19,214	19,235	19,235
<b>Total Operations</b>	<b>22,219</b>	<b>22,552</b>	<b>22,339</b>	<b>22,280</b>	<b>22,301</b>	<b>22,300</b>
<b>Maintenance</b>						
Managers/Supervisors	3,666	3,818	3,797	3,744	3,746	3,738
Professional, Technical, Clerical	973	1,042	1,003	951	946	942
Operational Hourlies	15,931	16,327	16,204	15,991	16,094	16,062
<b>Total Maintenance</b>	<b>20,570</b>	<b>21,187</b>	<b>21,004</b>	<b>20,686</b>	<b>20,786</b>	<b>20,742</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	300	329	334	283	283	283
Professional, Technical, Clerical	935	943	963	959	959	959
Operational Hourlies	2	2	2	2	2	2
<b>Total Engineering/Capital</b>	<b>1,237</b>	<b>1,274</b>	<b>1,299</b>	<b>1,244</b>	<b>1,244</b>	<b>1,244</b>
<b>Public Safety</b>						
Managers/Supervisors	222	254	254	254	254	254
Professional, Technical, Clerical	32	40	40	40	40	40
Operational Hourlies	333	336	339	339	339	339
<b>Total Public Safety</b>	<b>587</b>	<b>630</b>	<b>633</b>	<b>633</b>	<b>633</b>	<b>633</b>
<b>Total Baseline Positions</b>						
Managers/Supervisors	7,295	7,680	7,664	7,523	7,524	7,515
Professional, Technical, Clerical	3,620	3,648	3,654	3,597	3,593	3,589
Operational Hourlies	35,497	36,119	35,816	35,569	35,693	35,661
<b>Total Baseline Positions</b>	<b>46,412</b>	<b>47,447</b>	<b>47,134</b>	<b>46,689</b>	<b>46,810</b>	<b>46,765</b>

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**MTA Bus Company**

**MTA BUS COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**

**FINANCIAL OVERVIEW**

MTA Bus Company remains committed to providing safe, secure, reliable and cost efficient transportation service that fosters the continued vibrancy and prosperity of the New York region. To that end, the July Financial Plan presents the means to meet those needs and includes funding for several important programmatic initiatives critical to meeting MTA Bus Company's operational and maintenance needs. All other expense/cash changes result from either re-estimates, adjustments reflecting the impact of inflation, or the projected timing of expenses, payments or reimbursements.

The salary and wage assumptions in the July Plan reflect the recent labor settlement with the Transport Workers Union (TWU), the MTA's largest union. The July Plan assumes the same pattern settlement for employees represented by unions without contract agreements. This assumption projects costs that are in excess of the February Plan provision; a portion of this additional cost will be funded by the suspension of contributions to the GASB Account.

**Important programmatic initiatives**, included in this financial plan, are summarized as follows:

- **Bus Maintenance – Overage Fleet.** 11 positions with a cost of \$1.1 million in 2014 and 2015 are necessary to meet maintenance requirements associated with the significant population of the buses over 12 years of age during this period.
- **Tires and Tubes for Low Floor Buses.** The fleet size at MTABC has remained relatively stable but the number of Low Floor (LF) buses since 2012 has increased from 389 to 601. The LF bus tires have a higher per mile cost than the high floor buses. This has led to an increase in tire costs and requires the budget to be adjusted to reflect the current mix of LF and HF tires. The increase is estimated at \$1.0 million in 2014 and subsequent years.
- **Farebox Maintenance Workforce.** 6 positions in 2015 and subsequent years, with costs of \$0.6 million in 2015 and 2016, and \$0.7 million in 2017 and 2018, which is needed to address the poor farebox reliability.
- **Minority, Women-owned and Disadvantaged Business Enterprise Program (MWDBE).** 1 position in 2014 and subsequent years with a cost of \$0.1 million in 2014, and \$0.2 million in 2015 and subsequent years. As part of the All-Agency MTA Initiative, MTABC is requesting a dedicated manager of Procurement for the oversight of the MWDBE program.

**The 2014 Budget Reduction Program** is comprised of the following initiatives:

- **Shop Overhaul Program.** Projected savings of \$10.2 million in 2015, \$5.1 million in 2016, \$1.0 million in 2017 and \$0.6 million in 2018, based on not overhauling the 2005 and 2006 MCI buses.
- **Completion of the Scheduled Operations Pick-up Program (SOPU)** Projected reductions of 6 positions in 2014 and subsequent years and projected savings of \$0.6 million in 2014-2016 and \$0.7 million in 2017 and 2018. This program has been successful in reversing the negative trend in MDBF and shifting the focus and culture from unscheduled reactive maintenance to the creation and establishment of a preventative maintenance mind set.

### **2014 Mid-Year Forecast**

MTA Bus Company's 2014 Mid-year Forecast includes total expenses before depreciation and other post-employment benefits of \$600.9 million, consisting of \$595.3 million of non-reimbursable expenses and \$5.7 million of reimbursable expenses. Total revenues are projected to be \$232.0 million, of which \$199.8 million is farebox revenues, \$26.5 million is other operating revenue and \$5.7 million is capital and other reimbursements. Total baseline full-time and full-time equivalent positions are 3,710 (3,672 non-reimbursable positions and 38 reimbursable positions).

The 2014 net operating cash deficit is projected to increase by \$83.0 million from the Adopted Budget.

Major operating cash changes include:

- The unfavorable 2013 timing adjustment of \$68.4 million impacting 2014.
- A Farebox Revenue decrease of \$1.7 million due to a lower proportion of express bus ridership (which has higher average fares than local bus), resulting in lower combined local and express average fares.
- Investments increase of \$2.1 million as a result of several programmatic initiatives (see detailed information at the beginning of this narrative).
- Payroll expenses net increase of \$13.4 million primarily due to represented labor assumptions and retro-wage accrual.
- Overtime expenses increase of \$6.1 million due to inclement weather, coverage for vacancies and absences and additional maintenance on an aging bus fleet in order to maintain MDBF gains.
- Health & Welfare re-estimate (including OPEB current payments), resulting in an expense decrease of \$4.6 million based on refining employee eligibility files and

implementing the Employee Group Waiver Plan (EGWP) with partners UHC and Prescription Solutions.

- A favorable GASB adjustment of \$2.4 million which represents a suspension of contributions to the GASB account to fund the increase in labor costs as a result of the labor settlement assumptions.
- An adjustment of \$68.4 million due to the 2013 timing of expenses. This includes \$0.8 million for Tropical Storm Irene.

Reimbursable expenses are projected to decrease by \$2.9 million as a result of re-classifying 26 positions to Non-reimbursable.

Total baseline positions are projected to increase by 6; this includes a Non-Reimbursable increase of 12 in support of new programmatic initiatives and a reduction of 6 positions for the BRP.

### **2015 Preliminary Budget**

MTA Bus Company's 2015 preliminary budget includes total expenses before depreciation and other post-employment benefits of \$641.4 million, consisting of \$635.7 million of non-reimbursable expenses and \$5.7 million of reimbursable expenses. Total revenues are projected to be \$227.6 million, of which \$201.4 million is farebox revenues, \$20.4 million is other operating revenue and \$5.7 million is capital and other reimbursements. Total baseline full-time and full-time equivalent positions are 3,720 (3,682 non-reimbursable positions and 38 reimbursable positions).

The 2015 net operating cash deficit is projected to decrease by \$15.6 million from the Adopted Budget.

Major operating cash changes include:

- A Farebox Revenue decrease of \$1.5 million due to a lower proportion of express bus ridership (which has higher average fares than local bus), resulting in lower combined local and express average fares.
- Investments increase of \$4.1 million mainly due to several programmatic initiatives (see detailed information at the beginning of this narrative).
- Payroll expenses increase of \$4.4 million reflects the recent labor settlement with the TWU. The July Plan assumes the same pattern settlement for employees represented by Unions without contract agreements.

- Health & Welfare (including OPEB current payments), resulting in an expense decrease of \$5.8 million based on refining employee eligibility files and implementing the EGWP with partners UHC and Prescription Solutions.
- Pension decrease of \$3.1 million based on the most current actuarial re-estimate.
- Fuel decrease of \$3.9 million as a result of fuel efficiencies and revised forecast assumptions.
- Maintenance and Other Operating Contracts decrease of \$1.1 million primarily due to Shop Overhaul changes partially offset by a re-estimate for Tires and Tubes.
- Materials & Supplies decrease of \$3.0 million primarily due to changes in the Shop Overhaul program.
- A favorable GASB adjustment of \$5.1 million which represents a suspension of contributions to the GASB account to fund the increase in labor costs as a result of the labor settlement assumptions.

Reimbursable expenses decreased by \$ 2.9 million as a result of re-classifying 26 positions to Non-Reimbursable.

Total baseline positions are projected to decrease by 62 mainly due to the changes in the Shop Overhaul Program.

## **2016 - 2018 Projections**

Net operating cash deficits are projected to decrease by \$14.2 million in 2016, \$3.8 million in 2017 and \$9.1 million in 2018, relative to the Adopted Budget.

Major operating cash changes include:

- Revenue decrease of \$1.6 million in 2016, \$1.7 million in 2017 and \$1.6 million in 2018, due to a lower proportion of express bus ridership (which has higher average fares than local bus), resulting in lower combined local and express average fares.
- Investments increase of \$2.9 million in 2016, \$3.0 million in 2017 and \$3.0 million in 2018, for several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Payroll increase of \$5.1 million in 2016, \$8.3 million in 2017 and \$5.8 million in 2018, primarily due to the recent labor settlement assumptions.



- Health & Welfare expense (including OPEB current payments), resulting in an expense decrease of \$6.7 million in 2016, \$6.2 million in 2017 and \$7.7 million in 2018, primarily due to refining employee eligibility files and implementing the Plan EGWP with partners UHC and Prescription Solutions.
- Pension decrease of \$3.3 million in 2016, \$2.9 million in 2017 and \$3.6 million in 2018 based on the most current actuarial re-estimate.
- Fuel decrease of \$5.6 million in 2016, \$5.9 million in 2017 and \$6.2 million in 2018 as a result of fuel efficiencies and revised forecast assumptions.
- A favorable GASB adjustments of \$5.2 million in 2016 and \$5.3 million in 2017 and 2018, which represents the suspension of contributions to the GASB account to fund the increase in labor costs as a result of the labor settlement assumptions.

Reimbursable expenses are projected to decrease by \$3.0 million in 2016 and \$3.3 million in 2017 and 2018 as a result of reclassifying 26 positions to Non-Reimbursable.

Total Baseline positions are projected to decrease by 42 in 2016, increase by 3 in 2017 and increase by 5 in 2018. The non-reimbursable decreases are primarily due to reduction in positions resulting from the 2014 Budget Reduction Program.

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Operating Revenue</b>						
Farebox Revenue	\$199.187	\$199.810	\$201.403	\$202.917	\$203.163	\$204.038
Other Operating Revenue	26.231	26.508	20.419	20.578	20.939	21.316
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$225.418</b>	<b>\$226.318</b>	<b>\$221.822</b>	<b>\$223.495</b>	<b>\$224.102</b>	<b>\$225.354</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$240.852	\$241.952	\$246.648	\$254.063	\$259.870	\$259.239
Overtime	49.106	50.123	45.608	46.588	47.433	47.972
Health and Welfare	43.429	50.132	52.755	57.071	62.341	67.017
OPEB Current Payment	18.539	18.505	20.905	22.499	24.514	26.807
Pensions	45.550	44.732	44.057	44.580	45.542	46.375
Other Fringe Benefits	45.923	46.170	46.318	49.034	48.822	51.681
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$443.399</b>	<b>\$451.614</b>	<b>\$456.291</b>	<b>\$473.835</b>	<b>\$488.522</b>	<b>\$499.091</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$1.555	\$1.949	\$1.789	\$1.865	\$2.130	\$2.301
Fuel	35.004	37.560	35.676	34.445	35.180	36.208
Insurance	2.562	3.400	3.849	4.543	5.633	6.354
Claims	19.108	22.256	28.000	29.000	29.447	29.977
Maintenance and Other Operating Contracts	19.595	20.805	50.041	45.856	35.546	21.938
Professional Service Contracts	16.907	20.618	20.597	20.599	20.912	21.261
Materials & Supplies	37.757	34.170	36.654	40.982	38.714	32.957
Other Business Expenses	4.698	2.880	2.753	2.907	5.019	5.094
<b>Total Non-Labor Expenses</b>	<b>\$137.186</b>	<b>\$143.638</b>	<b>\$179.359</b>	<b>\$180.197</b>	<b>\$172.581</b>	<b>\$156.090</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation &amp; GASB Adj.</b>	<b>\$580.585</b>	<b>\$595.252</b>	<b>\$635.650</b>	<b>\$654.032</b>	<b>\$661.103</b>	<b>\$655.181</b>
Depreciation	\$48.887	\$42.235	\$42.236	\$42.236	\$42.887	\$43.658
OPEB Obligation	100.150	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	1.742	-	-	-	-	-
<b>Total Expenses</b>	<b>\$731.364</b>	<b>\$737.637</b>	<b>\$778.036</b>	<b>\$796.418</b>	<b>\$804.140</b>	<b>\$798.989</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$505.946)</b>	<b>(\$511.319)</b>	<b>(\$556.214)</b>	<b>(\$572.923)</b>	<b>(\$580.038)</b>	<b>(\$573.635)</b>

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>REIMBURSABLE</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Farebox Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	6.357	5.663	5.738	5.812	5.625	5.723
<b>Total Revenue</b>	<b>\$6.357</b>	<b>\$5.663</b>	<b>\$5.738</b>	<b>\$5.812</b>	<b>\$5.625</b>	<b>\$5.723</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$3.304	\$2.684	\$2.714	\$2.743	\$2.530	\$2.576
Overtime	-	-	-	-	-	-
Health and Welfare	0.912	1.023	1.038	1.053	1.060	1.079
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.480	0.465	0.470	0.473	0.473	0.482
Other Fringe Benefits	0.668	0.456	0.462	0.469	0.472	0.481
Reimbursable Overhead	0.030	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$5.394</b>	<b>\$4.628</b>	<b>\$4.684</b>	<b>\$4.738</b>	<b>\$4.535</b>	<b>\$4.618</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.071	0.223	0.227	0.231	0.235	0.238
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	0.892	0.812	0.827	0.843	0.855	0.867
Other Business Expenses	-	-	-	-	-	-
<b>Total Non-Labor Expenses</b>	<b>\$0.963</b>	<b>\$1.035</b>	<b>\$1.054</b>	<b>\$1.074</b>	<b>\$1.090</b>	<b>\$1.105</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation &amp; GASB Adj.</b>	<b>\$6.357</b>	<b>\$5.663</b>	<b>\$5.738</b>	<b>\$5.812</b>	<b>\$5.625</b>	<b>\$5.723</b>
Depreciation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$6.357</b>	<b>\$5.663</b>	<b>\$5.738</b>	<b>\$5.812</b>	<b>\$5.625</b>	<b>\$5.723</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE / REIMBURSABLE</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Farebox Revenue	\$199.187	\$199.810	\$201.403	\$202.917	\$203.163	\$204.038
Other Operating Revenue	26.231	26.508	20.419	20.578	20.939	21.316
Capital and Other Reimbursements	6.357	5.663	5.738	5.812	5.625	5.723
<b>Total Revenue</b>	<b>\$231.775</b>	<b>\$231.981</b>	<b>\$227.560</b>	<b>\$229.307</b>	<b>\$229.727</b>	<b>\$231.077</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$244.156	\$244.636	\$249.362	\$256.806	\$262.400	\$261.815
Overtime	49.106	50.123	45.608	46.588	47.433	47.972
Health and Welfare	44.341	51.155	53.793	58.124	63.401	68.096
OPEB Current Payment	18.539	18.505	20.905	22.499	24.514	26.807
Pensions	46.030	45.197	44.527	45.053	46.015	46.857
Other Fringe Benefits	46.591	46.626	46.780	49.503	49.294	52.162
Reimbursable Overhead	0.030	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$448.793</b>	<b>\$456.242</b>	<b>\$460.975</b>	<b>\$478.573</b>	<b>\$493.057</b>	<b>\$503.709</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$1.555	\$1.949	\$1.789	\$1.865	\$2.130	\$2.301
Fuel	35.004	37.560	35.676	34.445	35.180	36.208
Insurance	2.562	3.400	3.849	4.543	5.633	6.354
Claims	19.108	22.256	28.000	29.000	29.447	29.977
Maintenance and Other Operating Contracts	19.666	21.028	50.268	46.087	35.781	22.176
Professional Service Contracts	16.907	20.618	20.597	20.599	20.912	21.261
Materials & Supplies	38.649	34.982	37.481	41.825	39.569	33.824
Other Business Expenses	4.698	2.880	2.753	2.907	5.019	5.094
<b>Total Non-Labor Expenses</b>	<b>\$138.149</b>	<b>\$144.673</b>	<b>\$180.413</b>	<b>\$181.271</b>	<b>\$173.671</b>	<b>\$157.195</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation &amp; GASB Adj.</b>	<b>\$586.942</b>	<b>\$600.915</b>	<b>\$641.388</b>	<b>\$659.844</b>	<b>\$666.728</b>	<b>\$660.904</b>
Depreciation	\$48.887	\$42.235	\$42.236	\$42.236	\$42.887	\$43.658
OPEB Obligation	100.150	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	1.742	-	-	-	-	-
<b>Total Expenses</b>	<b>\$737.721</b>	<b>\$743.300</b>	<b>\$783.774</b>	<b>\$802.230</b>	<b>\$809.765</b>	<b>\$804.712</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$505.946)</b>	<b>(\$511.319)</b>	<b>(\$556.214)</b>	<b>(\$572.923)</b>	<b>(\$580.038)</b>	<b>(\$573.635)</b>

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	\$197.285	\$200.610	\$201.403	\$202.917	\$203.163	\$204.038
Other Operating Revenue	26.059	27.288	20.419	20.578	20.939	21.316
Capital and Other Reimbursements	6.437	12.449	10.590	10.900	10.816	11.007
<b>Total Receipts</b>	<b>\$229.781</b>	<b>\$240.347</b>	<b>\$232.412</b>	<b>\$234.395</b>	<b>\$234.918</b>	<b>\$236.361</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$224.801	\$279.212	\$247.351	\$254.779	\$260.358	\$259.736
Overtime	49.529	50.123	45.608	46.588	47.433	47.972
Health and Welfare	53.676	50.744	53.379	57.707	62.981	67.668
OPEB Current Payment	18.537	18.505	20.905	22.499	24.514	26.807
Pensions	49.718	45.024	44.354	44.881	45.845	46.683
Other Fringe Benefits	37.454	48.377	46.609	49.330	49.121	51.985
GASB Account	4.909	2.586	0.001	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$438.624</b>	<b>\$494.571</b>	<b>\$458.207</b>	<b>\$475.784</b>	<b>\$490.252</b>	<b>\$500.851</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$2.480	\$1.949	\$1.789	\$1.865	\$2.130	\$2.301
Fuel	34.550	39.320	35.676	34.445	35.180	36.208
Insurance	0.428	6.294	3.849	4.543	5.633	6.354
Claims	18.150	23.680	24.000	25.000	25.385	25.842
Maintenance and Other Operating Contracts	17.866	29.228	50.268	46.087	35.782	22.176
Professional Service Contracts	14.676	24.893	20.597	20.599	20.912	21.261
Materials & Supplies	40.352	34.982	37.481	41.825	39.569	33.824
Other Business Expenses	2.175	4.874	2.753	2.908	5.019	5.094
<b>Total Non-Labor Expenditures</b>	<b>\$130.677</b>	<b>\$165.220</b>	<b>\$176.413</b>	<b>\$177.272</b>	<b>\$169.610</b>	<b>\$153.060</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$569.301</b>	<b>\$659.791</b>	<b>\$634.620</b>	<b>\$653.056</b>	<b>\$659.862</b>	<b>\$653.911</b>
<b>Baseline Cash Deficit</b>	<b>(\$339.520)</b>	<b>(\$419.444)</b>	<b>(\$402.208)</b>	<b>(\$418.661)</b>	<b>(\$424.944)</b>	<b>(\$417.550)</b>

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	(\$1.902)	\$0.800	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	(0.172)	0.780	-	-	-	-
Capital and Other Reimbursements	0.080	6.786	4.852	5.088	5.191	5.284
<b>Total Receipts</b>	<b>(\$1.994)</b>	<b>\$8.366</b>	<b>\$4.852</b>	<b>\$5.088</b>	<b>\$5.191</b>	<b>\$5.284</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$19.355	(\$34.576)	\$2.011	\$2.027	\$2.042	\$2.079
Overtime	(0.423)	-	-	-	-	-
Health and Welfare	(9.335)	0.411	0.414	0.417	0.420	0.428
OPEB Current Payment	0.002	-	-	-	-	-
Pensions	(3.688)	0.173	0.173	0.172	0.170	0.174
Other Fringe Benefits	9.137	(1.751)	0.171	0.173	0.173	0.177
GASB Account	(4.909)	(2.586)	(0.001)	-	-	-
Reimbursable Overhead	0.030	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$10.169</b>	<b>(\$38.329)</b>	<b>\$2.768</b>	<b>\$2.789</b>	<b>\$2.805</b>	<b>\$2.858</b>
<b><u>Non-Labor:</u></b>						
Electric Power	(\$0.925)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.454	(1.760)	-	-	-	-
Insurance	2.134	(2.894)	-	-	-	-
Claims	0.958	(1.424)	4.000	4.000	4.062	4.135
Maintenance and Other Operating Contracts	1.800	(8.200)	-	-	(0.001)	-
Professional Service Contracts	2.231	(4.275)	-	-	-	-
Materials & Supplies	(1.703)	-	-	-	-	-
Other Business Expenses	2.523	(1.994)	-	(0.001)	-	-
<b>Total Non-Labor Expenditures</b>	<b>\$7.472</b>	<b>(\$20.547)</b>	<b>\$4.000</b>	<b>\$3.999</b>	<b>\$4.061</b>	<b>\$4.135</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	-	-	-	-	-	-
<b>Total Other Expenditures Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>\$15.647</b>	<b>(\$50.510)</b>	<b>\$11.620</b>	<b>\$11.876</b>	<b>\$12.057</b>	<b>\$12.277</b>
Depreciation Adjustment	\$48.887	\$42.235	\$42.236	\$42.236	\$42.887	\$43.658
OPEB Obligation	100.150	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	1.742	-	-	-	-	-
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$166.426</b>	<b>\$91.875</b>	<b>\$154.006</b>	<b>\$154.262</b>	<b>\$155.094</b>	<b>\$156.085</b>

**MTA Bus Company  
2014 Mid-Year Forecast  
Non-Reimbursable/Reimbursable Overtime**

<b>NON-REIMBURSABLE OVERTIME</b>	<b>Total</b>		
	<b>Hours</b>	<b>\$</b>	<b>%</b>
<u>Scheduled Service</u>	592,023	\$25.097	50.1%
<u>Unscheduled Service</u>	82,332	\$3.375	6.7%
<u>Programmatic/Routine Maintenance</u>	182,046	\$7.755	15.5%
<u>Unscheduled Maintenance</u>	0	\$0.000	0.0%
<u>Vacancy/Absentee Coverage</u>	239,957	\$10.555	21.1%
<u>Weather Emergencies</u>	74,301	\$2.896	5.8%
<u>Safety/Security/Law Enforcement</u>	2,641	\$0.128	0.3%
<u>Other</u>	3,802	\$0.316	0.6%
<b>Sub-Total</b>	<b>1,177,101</b>	<b>\$50.123</b>	<b>100.0%</b>
<b>REIMBURSABLE OVERTIME</b>	0	\$0.000	
<b>TOTAL NR &amp; R OVERTIME</b>	<b>1,177,101</b>	<b>\$50.123</b>	

\* Numbers may not add precisely due to rounding.

**MTA BUS COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**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: 2015=0.8%; 2016=0.8%; 2017=0.1%; 2018=0.4%.
- An increase in farebox revenue as follows: \$1.6 million in 2015; \$1.5 million in 2016; \$0.2 million in 2017 and \$0.9 million in 2018.

**Other Operating Revenue**

- Other Operating Revenue decreased primarily due to the recovery of Super Storm Sandy related expenses in 2014.
- The changes in 2016 thru 2018 are primarily due to the annual increase in advertising revenues, which are based upon current contracts in place and other miscellaneous recoveries.

**Capital and Other Reimbursements**

- Year to year increases in capital and other reimbursements is as follows: \$0.1 million in 2015 and 2016; a decrease of \$0.2 million in 2017, and an increase of \$0.1 million in 2018.

**TOTAL EXPENSES/EXPENDITURES**

Projections include additional Payroll and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

**Payroll**

- Represented employee wage increase assumptions follow the TWU pattern upon expiration of existing contracts as follows: 0.87% 0.95% 2.23%, 2.22% and 1.88% for years 1,2,3,4, and 5, respectively. CPI-based increases of 2% are assumed for each year upon expiration of the pattern.
- Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted.



- Non-Reimbursable payroll expenses are projected to increase by \$4.7 million in 2015; \$7.4 million in 2016; \$5.8 million in 2017 and decrease by \$0.6 million in 2018. The increase in 2015 to 2017 is mainly due to the labor wage assumptions and reclassification of reimbursable positions to non-reimbursable, as well as changes in the Shop Overhaul Program.

#### **Overtime**

- Non-Reimbursable overtime expenses are projected to decrease by \$4.5 million in 2015 and increase by \$1.0 million in 2016, \$0.8 million in 2017 and \$0.5 million in 2018. The decrease in 2015 is mainly due to the elimination of overtime resulting from inclement weather and headcount to fund the maintenance of the overage fleet. The 2016 to 2018 increases are due to the impact of the Shop Overhaul Program changes and CPI based rate increases.

#### **Health & Welfare and OPEB Current**

- Inflation assumptions for 2015-2018 are: 2015=8.6%; 2016=8.5%; 2017=8.5%; 2018=8.5%. This financial plan includes savings based on refining employee eligibility files and implementing the EGWP with partners UHC and Prescription Solutions.

#### **Pension**

- Projections are consistent with current actuarial information.

#### **Other Fringe Benefits**

- Projected year-to-year increases reflect staffing levels, programmatic changes, inflationary payroll rate assumptions and the re-class of mobility tax to Other Business Expense.

#### **Electric Power**

- The financial plan reflects the projected NYPA, LIPA and Con Ed Delivery energy forecast guidelines.

#### **Fuel**

- Diesel fuel inflation assumptions are as follows: 2015= -3.32%; 2016= -3.46%; 2017= 1.63%; 2018= 2.80%.

#### **Insurance**

- On average, insurance premium rates reflect guidelines.

#### **Claims**

- Projections are consistent with the current actuarial information.

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

- The 2015 increase is mainly due to Shop Program changes for Hybrid Bus conversion, MCI engine and structural upgrades. The 2016 to 2018 decreases are mainly due to changes in the Shop Overhaul Program.

**Professional Service Contracts**

- 2015 – 2018 remained relatively unchanged.

**Materials and Supplies**

- The Shop Overhaul Program is complex and the annual Material and Supplies needs are based on the work scopes developed. As a result, the year-to-year changes in Materials and Supplies are primarily due to timing of the bus fleet maintenance program requirement.

**Other Business Expenses**

- Changes remain flat from 2015 and 2016. The 2017 and 2018 increase is due mainly to increased spending on office supplies, automatic fare collection and ticket printing fees/charges, training courses, and travel & meetings.

**Depreciation (non-cash)**

- Annual expense increases are due to projections of additional capital as sets reaching beneficial use.

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$199.810	\$201.403	\$1.593	\$202.917	\$1.514	\$203.163	\$0.246	\$204.038	\$0.875
Other Operating Revenue	26.508	20.419	(6.089)	20.578	0.159	20.939	0.361	21.316	0.377
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$226.318</b>	<b>\$221.822</b>	<b>(\$4.496)</b>	<b>\$223.495</b>	<b>\$1.673</b>	<b>\$224.102</b>	<b>\$0.607</b>	<b>\$225.354</b>	<b>\$1.252</b>
<b>Expenses</b>									
<b>Labor:</b>									
Payroll	\$241.952	\$246.648	(\$4.696)	\$254.063	(\$7.415)	\$259.870	(\$5.807)	\$259.239	\$0.631
Overtime	50.123	45.608	4.515	46.588	(0.980)	47.433	(0.845)	47.972	(0.539)
Health and Welfare	50.132	52.755	(2.623)	57.071	(4.316)	62.341	(5.270)	67.017	(4.676)
OPEB Current Payment	18.505	20.905	(2.400)	22.499	(1.594)	24.514	(2.015)	26.807	(2.293)
Pensions	44.732	44.057	0.675	44.580	(0.523)	45.542	(0.962)	46.375	(0.833)
Other Fringe Benefits	46.170	46.318	(0.148)	49.034	(2.716)	48.822	0.212	51.681	(2.859)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$451.614</b>	<b>\$456.291</b>	<b>(\$4.677)</b>	<b>\$473.835</b>	<b>(\$17.544)</b>	<b>\$488.522</b>	<b>(\$14.687)</b>	<b>\$499.091</b>	<b>(\$10.569)</b>
<b>Non-Labor:</b>									
Electric Power	\$1.949	\$1.789	0.160	\$1.865	(\$0.076)	\$2.130	(\$0.265)	\$2.301	(\$0.171)
Fuel	37.560	35.676	1.884	34.445	\$1.231	35.180	(\$0.735)	36.208	(\$1.028)
Insurance	3.400	3.849	(0.449)	4.543	(0.694)	5.633	(1.090)	6.354	(0.721)
Claims	22.256	28.000	(5.744)	29.000	(1.000)	29.447	(0.447)	29.977	(0.530)
Maintenance and Other Operating Contracts	20.805	50.041	(29.236)	45.856	4.185	35.546	10.310	21.938	13.608
Professional Service Contracts	20.618	20.597	0.021	20.599	(0.002)	20.912	(0.313)	21.261	(0.349)
Materials & Supplies	34.170	36.654	(2.484)	40.982	(4.328)	38.714	2.268	32.957	5.757
Other Business Expenses	2.880	2.753	0.127	2.907	(0.154)	5.019	(2.112)	5.094	(0.075)
<b>Total Non-Labor Expenses</b>	<b>\$143.638</b>	<b>\$179.359</b>	<b>(\$35.721)</b>	<b>\$180.197</b>	<b>(\$0.838)</b>	<b>\$172.581</b>	<b>\$7.616</b>	<b>\$156.090</b>	<b>\$16.491</b>
<b>Other Expenses Adjustments:</b>									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>\$595.252</b>	<b>\$635.650</b>	<b>(\$40.398)</b>	<b>\$654.032</b>	<b>(\$18.382)</b>	<b>\$661.103</b>	<b>(\$7.071)</b>	<b>\$655.181</b>	<b>\$5.922</b>
Depreciation	\$42.235	\$42.236	(0.001)	\$42.236	-	\$42.887	(0.651)	\$43.658	(0.771)
OPEB Obligation	\$100.150	\$100.150	-	\$100.150	-	\$100.150	-	\$100.150	-
Environmental Remediation	\$0.000	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-
<b>Total Expenses</b>	<b>\$737.637</b>	<b>\$778.036</b>	<b>(\$40.399)</b>	<b>\$796.418</b>	<b>(\$18.382)</b>	<b>\$804.140</b>	<b>(\$7.722)</b>	<b>\$798.989</b>	<b>\$5.151</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$511.319)</b>	<b>(\$556.214)</b>	<b>(\$44.895)</b>	<b>(\$572.923)</b>	<b>(\$16.709)</b>	<b>(\$580.038)</b>	<b>(\$7.115)</b>	<b>(\$573.635)</b>	<b>\$6.403</b>

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	-	-	-	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	5.663	5.738	0.075	5.812	0.074	5.625	(0.187)	5.723	0.098
<b>Total Revenue</b>	<b>\$5.663</b>	<b>\$5.738</b>	<b>\$0.075</b>	<b>\$5.812</b>	<b>\$0.074</b>	<b>\$5.625</b>	<b>(\$0.187)</b>	<b>\$5.723</b>	<b>\$0.098</b>
<b>Expenses</b>									
Labor:									
Payroll	\$2.684	\$2.714	(\$0.030)	\$2.743	(\$0.029)	\$2.530	\$0.213	\$2.576	(\$0.046)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	1.023	1.038	(0.015)	1.053	(0.015)	1.060	(0.007)	1.079	(0.019)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	0.465	0.470	(0.005)	0.473	(0.003)	0.473	-	0.482	(0.009)
Other Fringe Benefits	0.456	0.462	(0.006)	0.469	(0.007)	0.472	(0.003)	0.481	(0.009)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$4.628</b>	<b>\$4.684</b>	<b>(\$0.056)</b>	<b>\$4.738</b>	<b>(\$0.054)</b>	<b>\$4.535</b>	<b>\$0.203</b>	<b>\$4.618</b>	<b>(\$0.083)</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-
Fuel	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Claims	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.223	0.227	(0.004)	0.231	(0.004)	0.235	(0.004)	0.238	(0.003)
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	0.812	0.827	(0.015)	0.843	(0.016)	0.855	(0.012)	0.867	(0.012)
Other Business Expenses	-	-	-	-	-	-	-	-	-
<b>Total Non-Labor Expenses</b>	<b>\$1.035</b>	<b>\$1.054</b>	<b>(\$0.019)</b>	<b>\$1.074</b>	<b>(\$0.020)</b>	<b>\$1.090</b>	<b>(\$0.016)</b>	<b>\$1.105</b>	<b>(\$0.015)</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$5.663</b>	<b>\$5.738</b>	<b>(\$0.075)</b>	<b>\$5.812</b>	<b>(\$0.074)</b>	<b>\$5.625</b>	<b>\$0.187</b>	<b>\$5.723</b>	<b>(\$0.098)</b>
Depreciation	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$5.663</b>	<b>\$5.738</b>	<b>(\$0.075)</b>	<b>\$5.812</b>	<b>(\$0.074)</b>	<b>\$5.625</b>	<b>\$0.187</b>	<b>\$5.723</b>	<b>(\$0.098)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**CASH RECEIPTS AND EXPENDITURES**

	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Receipts</u></b>									
Farebox Revenue	\$200.610	\$201.403	\$0.793	\$202.917	\$1.514	\$203.163	\$0.246	\$204.038	\$0.875
Other Operating Revenue	27.288	20.419	(6.869)	20.578	0.159	20.939	0.361	21.316	0.377
Capital and Other Reimbursements	12.449	10.590	(1.859)	10.900	0.310	10.816	(0.084)	11.007	0.191
<b>Total Receipts</b>	<b>\$240.347</b>	<b>\$232.412</b>	<b>(\$7.935)</b>	<b>\$234.395</b>	<b>\$1.983</b>	<b>\$234.918</b>	<b>\$0.523</b>	<b>\$236.361</b>	<b>\$1.443</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	\$279.212	\$247.351	\$31.861	\$254.779	(\$7.428)	\$260.358	(\$5.579)	\$259.736	\$0.622
Overtime	50.123	45.608	4.515	46.588	(0.980)	47.433	(0.845)	47.972	(0.539)
Health and Welfare	50.744	53.379	(2.635)	57.707	(4.328)	62.981	(5.274)	67.668	(4.687)
OPEB Current Payment	18.505	20.905	(2.400)	22.499	(1.594)	24.514	(2.015)	26.807	(2.293)
Pensions	45.024	44.354	0.670	44.881	(0.527)	45.845	(0.964)	46.683	(0.838)
Other Fringe Benefits	48.377	46.609	1.768	49.330	(2.721)	49.121	0.209	51.985	(2.864)
GASB Account	2.586	0.001	2.585	-	0.001	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$494.571</b>	<b>\$458.207</b>	<b>\$36.364</b>	<b>\$475.784</b>	<b>(\$17.577)</b>	<b>\$490.252</b>	<b>(\$14.468)</b>	<b>\$500.851</b>	<b>(\$10.599)</b>
Non-Labor:									
Electric Power	\$1.949	\$1.789	\$0.160	\$1.865	(\$0.076)	\$2.130	(\$0.265)	\$2.301	(\$0.171)
Fuel	\$39.320	\$35.676	\$3.644	\$34.445	\$1.231	\$35.180	(\$0.735)	\$36.208	(\$1.028)
Insurance	6.294	3.849	2.445	4.543	(0.694)	5.633	(1.090)	6.354	(0.721)
Claims	23.680	24.000	(0.320)	25.000	(1.000)	25.385	(0.385)	25.842	(0.457)
Maintenance and Other Operating Contracts	29.228	50.268	(21.040)	46.087	4.181	35.782	10.305	22.176	13.606
Professional Service Contracts	24.893	20.597	4.296	20.599	(0.002)	20.912	(0.313)	21.261	(0.349)
Materials & Supplies	34.982	37.481	(2.499)	41.825	(4.344)	39.569	2.256	33.824	5.745
Other Business Expenses	4.874	2.753	2.121	2.908	(0.155)	5.019	(2.111)	5.094	(0.075)
<b>Total Non-Labor Expenditures</b>	<b>\$165.220</b>	<b>\$176.413</b>	<b>(\$11.193)</b>	<b>\$177.272</b>	<b>(\$0.859)</b>	<b>\$169.610</b>	<b>\$7.662</b>	<b>\$153.060</b>	<b>\$16.550</b>
Other Expenditure Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$659.791</b>	<b>\$634.620</b>	<b>\$25.171</b>	<b>\$653.056</b>	<b>(\$18.436)</b>	<b>\$659.862</b>	<b>(\$6.806)</b>	<b>\$653.911</b>	<b>\$5.951</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$419.444)</b>	<b>(\$402.208)</b>	<b>\$17.236</b>	<b>(\$418.661)</b>	<b>(\$16.453)</b>	<b>(\$424.944)</b>	<b>(\$6.283)</b>	<b>(\$417.550)</b>	<b>\$7.394</b>

**MTA BUS COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**Summary of Major Plan-to-Plan Changes by Generic Category**

**2014: July Financial Plan vs. February Financial Plan**

**Operating Revenue Changes**

Operating revenues are projected to decrease from the February Financial Plan by \$1.4 million.

Major generic category changes include:

- A decrease in Farebox Revenue of \$1.7 million due to a lower proportion of express bus ridership (which has higher average fares than local bus), resulting in lower combined local and express average fares.

**Operating Expense Changes**

Operating expenses increased from the February Plan by \$15.6 million.

Projections include additional Payroll and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

Major generic category changes include:

- Payroll is projected to increase by \$13.4 million which includes the recent labor settlement with the TWU. The July Plan assumes the same pattern settlement for employees represented by unions without contract agreements; and includes programmatic initiatives (discussed in the financial overview).
- Overtime is projected to increase by \$6.1 million due to inclement weather, coverage for vacancies and absences and additional maintenance on an aging bus fleet.
- Health & Welfare/OPEB current payment expenses are projected to decrease by a net \$4.6 million based on refining employee eligibility files and implementing the EGWP with partners UHC and Prescription Solutions.
- Fuel expenses are projected to decrease by \$2.8 million as a result of fuel efficiencies and revised forecast assumptions.

- A favorable GASB adjustment of \$2.4 million which represents a suspension of contributions to the GASB account to fund the increase in labor costs as a result of the labor settlement assumptions.
- An adjustment of \$68.4 million due to the 2013 timing of expenses. This includes a \$0.8 million for Tropical Storm Irene.

## **2015-2017: July Financial Plan vs. February Financial Plan**

### **Operating Revenue Changes**

Operating revenues are projected to decrease from the February Financial Plan by \$1.2 million in 2015; by \$1.6 million in 2016 and by \$1.7 million in 2017.

Major generic category changes include:

- A decrease in Farebox Revenue of \$1.5 million in 2015; \$1.6 million in 2016 and \$1.7 million in 2017 due to a lower proportion of express bus ridership (which has higher average fares than local bus), resulting in lower combined local and express average fares.

### **Operating Expense Changes**

Operating expenses decreased from the February Plan by \$11.7 million in 2015; \$10.6 million in 2016 and \$0.2 million in 2017.

Major generic category changes include:

- Payroll is projected to increase by \$4.4 million in 2015; \$5.1 million in 2016 and \$8.3 million in 2017 primarily due to labor settlement assumptions and programmatic initiatives (described above), and Shop Other Programs.
- Health & Welfare/OPEB current payment expenses are projected to decrease by \$5.8 million in 2015; \$6.7 million in 2016 and \$6.2 million in 2017 based on refining employee eligibility files and implementing the EGWP with partners UHC and Prescription Solutions.
- Pension expenses are projected to decrease by \$3.1 million in 2015; \$3.3 million in 2016 and \$2.9 million in 2017 based on the most current actuarial re-estimate.
- Fuel expenses are projected to decrease by \$3.9 million in 2015; \$5.6 million in 2016, and \$5.9 million in 2017 due to revised forecast assumptions and fuel efficiencies.

- Maintenance and Other Operating Contract expenses are projected to decrease by \$1.1 million in 2015 and 2016, and increase by \$2.5 million in 2017. This is primarily due to additional tire costs, CNG engines and transmission work, and Life Extension Work on the 22 MCI buses at MTABC.
- Materials and Supplies expenses are projected to decrease by \$3.0 million in 2015; increase by \$0.6 million in 2016 and \$2.9 million in 2017, primarily due to changes in the Shop Overhaul and Shop Other Programs.
- GASB decreases of \$5.1 million in 2015; \$5.2 million in 2016; and \$5.3 million in 2017 represents a suspension of contributions to the GASB account to fund the increase in labor costs as a result of the labor settlement assumptions.



**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$336.426)</b>	<b>(\$417.784)</b>	<b>(\$432.839)</b>	<b>(\$428.771)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	(\$1.674)	(\$1.486)	(\$1.640)	(\$1.670)
Other Operating Revenue	0.250	0.250	-	-
Capital and Other Reimbursements	-	-	-	-
<b>Total Revenue Changes</b>	<b>(\$1.424)</b>	<b>(\$1.236)</b>	<b>(\$1.640)</b>	<b>(\$1.670)</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	(\$13.369)	(\$4.442)	(\$5.099)	(\$8.265)
Overtime	(6.137)	0.199	0.128	0.037
Health and Welfare	2.933	4.898	5.498	5.001
OPEB Current Payment	1.661	0.939	1.180	1.155
Pensions	0.962	3.100	3.287	2.918
Other Fringe Benefits	(0.171)	0.708	0.618	0.287
Reimbursable Overhead	-	-	-	-
<b>Total Labor Expense Changes</b>	<b>(\$14.121)</b>	<b>\$5.402</b>	<b>\$5.612</b>	<b>\$1.133</b>
<b>Non-Labor:</b>				
Electric Power	(0.696)	(0.440)	(0.411)	(0.562)
Fuel	\$2.771	\$3.887	\$5.574	\$5.894
Insurance	0.013	0.230	0.327	0.187
Claims	-	-	-	-
Maintenance and Other Operating Contracts	(0.900)	1.069	1.055	(2.548)
Professional Service Contracts	(0.817)	(0.539)	(0.068)	(0.115)
Materials & Supplies	(0.924)	3.036	(0.565)	(2.869)
Other Business Expenses	(0.920)	(0.926)	(0.922)	(0.929)
<b>Total Non-Labor Expense Changes</b>	<b>(\$1.473)</b>	<b>\$6.317</b>	<b>\$4.990</b>	<b>(\$0.942)</b>
Other Expenditure Adjustments:				
Other	-	-	-	-
Total Other Expenditure Adjustments				
<b>Gap Closing Actions:</b>				
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Expenses before Depreciation and GASB Adjs.</b>	<b>(\$15.594)</b>	<b>\$11.719</b>	<b>\$10.602</b>	<b>\$0.191</b>
Depreciation	-	-	-	-
Depreciation	-	-	-	-
Environmental Remediation	-	-	-	-
<b>Total Expense Changes</b>	<b>(\$15.594)</b>	<b>\$11.719</b>	<b>\$10.602</b>	<b>\$0.191</b>
<b>Cash Adjustment Changes</b>				
GASB	\$2.389	\$5.093	\$5.216	\$5.306
Timing	(68.389)	-	-	-
<b>Total Cash Adjustment Changes</b>	<b>(\$66.000)</b>	<b>\$5.093</b>	<b>\$5.216</b>	<b>\$5.306</b>
<b>Total Baseline Changes</b>	<b>(\$83.018)</b>	<b>\$15.576</b>	<b>\$14.178</b>	<b>\$3.827</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$419.444)</b>	<b>(\$402.208)</b>	<b>(\$418.661)</b>	<b>(\$424.944)</b>

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

REIMBURSABLE				
	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	-	-	-	-
Vehicle Toll Revenue	-	-	-	-
Capital and Other Reimbursements	(\$2.888)	(\$2.941)	(\$2.997)	(\$3.252)
<b>Total Revenue Changes</b>	<b>(\$2.888)</b>	<b>(\$2.941)</b>	<b>(\$2.997)</b>	<b>(\$3.252)</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	\$2.888	\$2.941	\$2.997	\$3.252
Overtime	-	-	-	-
Health and Welfare	-	-	-	-
OPEB Current Payment	-	-	-	-
Pensions	-	-	-	-
Other Fringe Benefits	-	-	-	-
Reimbursable Overhead	-	-	-	-
<b>Total Labor Expense Changes</b>	<b>\$2.888</b>	<b>\$2.941</b>	<b>\$2.997</b>	<b>\$3.252</b>
<b>Non-Labor:</b>				
Electric Power	-	-	-	-
Fuel	-	-	-	-
Insurance	-	-	-	-
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-
Professional Service Contracts	-	-	-	-
Materials & Supplies	-	-	-	-
Other Business Expenses	-	-	-	-
<b>Total Non-Labor Expense Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Total Expenses before Depreciation</i>				
Depreciation	-	-	-	-
<b>Total Expense Changes</b>	<b>\$2.888</b>	<b>\$2.941</b>	<b>\$2.997</b>	<b>\$3.252</b>
<b>Cash Adjustment Changes</b>				
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA BUS COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**Summary of Major Plan-to-Plan Changes**

**2014: July Financial Plan vs. February Financial Plan**

**Revenue Changes**

Total revenue decreased by \$1.4 million from the February Financial Plan.

Major changes include:

- A decrease in Farebox Revenue of \$1.7 million due to a lower proportion of express bus ridership (which has higher average fares than local bus), resulting in lower combined local and express average fares.

**Expense Changes**

Operating expenses increased from the February Financial Plan by \$15.6 million.

Projections include additional Payroll and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

Major changes include:

- The impact of pattern labor adjustment reflects the recent labor settlement with the TWU resulting in expenses of \$13.4 million.
- The adverse impact of multiple snowstorms, coverage for vacancies and absences and additional maintenance on an aging bus fleet resulted in an adverse impact of \$6.1 million.
- New programmatic initiatives costing \$2.1 million.

**Cash Adjustments**

Cash Adjustment is projected to be unfavorable by \$66.0 million.

Major changes include:

- A favorable GASB adjustment of \$2.4 million representing a suspension of contributions to the GASB account to fund the increase in labor costs as a result of the labor settlement assumptions.

- An adjustment of \$68.4 million due to the 2013 timing of expenses. This includes a \$0.8 million for Tropical Storm Irene.

## **2015-2017: July Financial Plan vs. February Financial Plan**

### **Revenue Changes**

Total revenue changes from the February Financial Plan result in a decrease of \$1.2 million in 2015; \$1.6 million in 2016 and \$1.7 million in 2017.

Major changes include:

- A decrease in Farebox Revenue of \$1.5 million in 2015; \$1.6 million in 2016 and \$1.7 million in 2017 due to a lower proportion of express bus ridership (which has higher average fares than local bus), resulting in lower combined local and express average fares.

### **Expense Changes**

Excluding increases in other post-employment benefit expenses, total expenses decreased by \$11.7 million in 2015, \$10.6 million in 2016 and \$0.2 million in 2017. Projections include changes in Payroll, Over time, Pension, Health & Welfare, Other Fringe Benefit, and Other Business Expense, attributable to the recent labor settlement with the TWU and the assumption that the same pattern will be applied for those employees without contract agreements.

Major changes include:

- The impact of pattern labor adjustments, consistent with the recent TWU labor contract agreement, resulting in expense increases of \$6.0 million in 2015, \$5.5 million in 2016 and \$5.6 million in 2017.
- New programmatic initiatives costing \$4.1 million in 2015, \$2.9 million in 2016 and \$3.0 million in 2017.
- Savings from the 2014 Budget Reduction Program of \$10.8 million in 2015; \$5.7 million in 2016, \$1.6 million in 2017.
- Pension expenses are projected to decrease by \$3.1 million in 2015; \$3.3 million in 2016 and \$2.9 million in 2017 based on the most current actuarial re-estimate.

## **Cash Adjustments**

Cash adjustments are projected to be favorable due t o GASB decrease of \$5.1 million in 2015, \$5.2 million in 2016, and \$5.3 million in 2017. This represents a suspension of contributions to the GASB account to fund the increase in labor costs as a result of the labor settlement assumptions.

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

**TOTAL NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$336.426)</b>	<b>(\$417.784)</b>	<b>(\$432.839)</b>	<b>(\$428.771)</b>
<b>Non-Reimbursable Major Changes</b>				
<b>Revenue</b>				
Farebox Revenue	(1.674)	(1.486)	(1.640)	(1.670)
Other Operating Revenue	0.250	0.250	-	-
<b>Sub-Total Non-Reimbursable Revenue Changes</b>	<b>(\$1.424)</b>	<b>(\$1.236)</b>	<b>(\$1.640)</b>	<b>(\$1.670)</b>
<b>Expenses</b>				
<b>Programs:</b>				
Farebox Mtr	-	(0.619)	(0.631)	(0.683)
Procurement Mgr	(0.080)	(0.160)	(0.163)	(0.177)
Overage Fleet	(1.088)	(1.108)	-	-
Catastrophic Accidents	-	(0.166)	(0.169)	(0.172)
Pension Imaging Project	-	(0.150)	-	-
Budget Analyst	-	(0.205)	(0.209)	(0.226)
Budget System	(0.614)	(0.133)	(0.096)	(0.096)
SOPU	0.580	0.591	0.602	0.653
<b>Sub-Total Programs</b>	<b>(\$1.202)</b>	<b>(\$1.950)</b>	<b>(\$0.666)</b>	<b>(\$0.701)</b>
<b>Major Re-estimates/Technical Adjustments/Other:</b>				
Tires & Tubes	(0.946)	(0.961)	(0.979)	(0.994)
Misc. Base Pay	-	(0.700)	(0.700)	(0.700)
\$7.5 m Capital & Other Reimbursement	(7.500)	-	-	-
Shop Other Program	-	2.722	1.059	(5.094)
Weather	(2.100)	-	-	-
Electric Power	(0.696)	(0.440)	(0.411)	(0.562)
Represented Labor retro	(4.410)	-	-	-
Represented Labor charge	(5.428)	(6.047)	(5.467)	(5.623)
CPI - Maintenance	0.046	(0.015)	0.060	(0.030)
CPI - Materials & Supplies	0.076	(0.012)	0.053	(0.032)
CPI - Professional	0.047	(0.006)	0.028	(0.019)
CPI - Other Business	0.005	(0.001)	0.003	(0.004)
Health & Welfare	3.548	4.378	5.311	5.648
Fuel	2.127	3.264	4.973	5.283
Fuel MPG efficiencies	0.644	0.623	0.601	0.611
Mobility Tax	-	-	-	-
Insurance	0.013	0.230	0.327	0.187
Pension	1.659	2.727	3.140	3.333
Reimbursable Positions reclass to Non Reimbursable	(2.888)	(2.941)	(2.997)	(3.252)
Shop Overhaul	-	10.159	5.087	0.985
capital rev loss	-	-	-	-
opeb	1.661	0.939	1.180	1.155
Bus Study	(0.250)	(0.250)	-	-
Sub-Total Major Changes	(\$14.392)	\$13.669	\$11.268	\$0.892
<b>Total Non-Reimbursable Major Changes</b>	<b>(\$17.018)</b>	<b>\$10.483</b>	<b>\$8.962</b>	<b>(\$1.479)</b>
<b>Reimbursable Major Changes</b>				
<b>Revenue</b>				
Reimbursable Positions reclass to Non Reimbursable	(2.888)	(\$2.941)	(\$2.997)	(\$3.252)
<b>Sub-Total Reimbursable Revenue Changes</b>	<b>(\$2.888)</b>	<b>(\$2.941)</b>	<b>(\$2.997)</b>	<b>(\$3.252)</b>
<b>Expenses</b>				
Reimbursable Positions reclass to Non Reimbursable	2.888	\$2.941	\$2.997	\$3.252
<b>Sub-Total Reimbursable Expense Changes</b>	<b>\$2.888</b>	<b>\$2.941</b>	<b>\$2.997</b>	<b>\$3.252</b>
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>(\$17.018)</b>	<b>\$10.483</b>	<b>\$8.962</b>	<b>(\$1.479)</b>
<b>Cash Adjustment Changes</b>				
GASB	\$2.389	\$5.093	\$5.216	\$5.306
Timing	(68.389)	-	-	-
<b>Total Cash Adjustment Changes</b>	<b>(\$66.000)</b>	<b>\$5.093</b>	<b>\$5.216</b>	<b>\$5.306</b>
<b>Total Baseline Changes</b>	<b>(\$83.018)</b>	<b>\$15.576</b>	<b>\$14.178</b>	<b>\$3.827</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$419.444)</b>	<b>(\$402.208)</b>	<b>(\$418.661)</b>	<b>(\$424.944)</b>

**MTA BUS COMPANY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 – 2018**  
**RIDERSHIP/ (UTILIZATION)**

**Ridership**

The 2014 July Financial Plan baseline ridership forecast assumes that the weather adjusted January-April 2014 local bus ridership trend, which was 1.1% above budget, and the March-April express bus trend, which was 5.2% below budget, will continue for the rest of the year. As a result of higher than expected local bus ridership, lower than expected express bus ridership and severe winter weather in January and February, projected 2014 local and express ridership is 1.2 million lower than the 2014 Adopted Budget.

In developing the 2015 local and express bus ridership forecast, 2014 ridership was adjusted upward to account for lower ridership resulting from multiple snowstorms in January and February 2014. The 2015 local and express bus ridership is projected to increase by approximately 0.7% from the weather adjusted 2014 base, based on a 40% factor applied to the most recent (April 2014) employment forecast, which projects a higher employment increase in 2015 than the forecast used in the February Plan. The February Plan used the 40% factor for local bus, but used the full employment forecast for express bus. The factor is based on an analysis of historical bus ridership showing lower employment elasticity on bus than on subway. The factor is now being used for express bus as well as local bus, due to several years of declining express bus ridership despite rising employment. The resulting projected 2015 local and express ridership is slightly (0.1 million) higher than the February Plan.

Working off the revised 2015 baseline projection, 2016-2018 local and express bus ridership growth forecasts are based on the 2014 April employment forecast (with a 40% factor), which projects higher employment increases in 2016-2018 than the forecast used in the February Plan. The resulting ridership is expected to be 0.2 million higher than the February Plan in 2016 and 2017, and 0.3 million higher in 2018.

**Revenue**

Projected Farebox Revenue is \$1.7 million lower than the February Plan in 2014, \$1.5 million lower in 2015, \$1.6 million lower in 2016, \$1.7 million lower in 2017, and \$1.6 million lower in 2018. The negative revenue variances compared to mostly positive ridership variances are due to a lower proportion of express bus ridership (which has higher average fares than local bus), resulting in lower combined local and express average fares.

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Ridership/(Utilization)**  
(in millions)

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b><u>RIDERSHIP</u></b>						
Fixed Route	124.951	123.461	125.424	126.284	126.415	126.916
<b>Baseline Total Ridership</b>	<b>124.951</b>	<b>123.461</b>	<b>125.424</b>	<b>126.284</b>	<b>126.415</b>	<b>126.916</b>
<b><u>FAREBOX REVENUE</u></b>						
Fixed Route	\$199.187	\$199.810	\$201.403	\$202.917	\$203.163	\$204.038
<b>Baseline Total Revenue</b>	<b>\$199.187</b>	<b>\$199.810</b>	<b>\$201.403</b>	<b>\$202.917</b>	<b>\$203.163</b>	<b>\$204.038</b>



**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**2014 Budget Reduction Plan Summary**  
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018
<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>										
SOPU	6	0.580	6	0.591	6	0.602	6	0.653	6	0.665
Shop Overhaul	-	0.000	57	10.159	29	5.087	5	0.985	2	0.603
Subtotal Maintenance	6	0.580	63	10.750	35	5.689	11	1.638	8	1.268
<u>Revenue Enhancement</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<b>Agency Submission</b>	<b>6</b>	<b>\$0.580</b>	<b>63</b>	<b>\$10.750</b>	<b>35</b>	<b>\$5.689</b>	<b>11</b>	<b>\$1.638</b>	<b>8</b>	<b>\$1.268</b>

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Scheduled Operation Pick-up (SOPU)

<b>Background Details:</b>	<b>SOPU:</b> Completion of the scheduled operations (SO) pickup program to shift focus from unscheduled work to a preventive maintenance culture.		
<b>Program Description/Implementation Plan:</b>			
<b>Program Implementation Date:</b>	<b>When will savings begin?:</b>	<b>1/1/2014</b>	
	<b>Are these savings recurring?:</b>		
<b>Other Issues:</b>			

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>	\$0.580	\$0.591	\$0.602	\$0.653	\$0.665
Net Cash Savings (in millions)					
 <i>Total Positions Required:</i>	 6	 6	 6	 6	 6

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**2014 Budget Reduction Plan Worksheet**

**Category by Function:** Maintenance

**Program:** Shop Overhaul

<b>Background Details:</b>	<b>Shop Overhaul:</b> The Shop program is complex with significant issues including the following: Savings generated by not overhauling MCI '05 & '06 due to planned retirement in 2017. As a result of extending and eliminating MCI overhauls, 2011 CNGs have been accelerated to a 4 year overhaul cycle. MTA Bus is in the process of doing a tear down of the MCI engines ('06, '07 & '09) to finalize the scope of work. As a result, the number of MCI engines in 2015 has been reduced until the final workscope is determined, and the balance was reallocated to 2016 and 2017.
<b>Program Description/ Implementation Plan:</b>	
<b>Program Implementation Date:</b>	<b>When will savings begin?:</b> 1/1/2015  <b>Are these savings recurring?:</b>
<b>Other Issues:</b>	

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>	<b>\$0.000</b>	<b>\$10.159</b>	<b>\$5.087</b>	<b>\$0.985</b>	<b>\$0.603</b>
Net Cash Savings (in millions)					
<i>Total Positions Required:</i>		57	29	5	2

**MTA BUS COMPANY**  
**2015 Preliminary Budget**  
**July Plan 2015 – 2018**  
**Positions**

**POSITION ASSUMPTIONS**

**2014: July Financial Plan vs. February Financial Plan**

The total positions for 2014 in the February Plan were 3,704. There is a net increase of 6 positions which will result in 3,710 positions for 2014 in the July Plan. The changes are as follows:

- 1 position in support of the MTA wide MWDBE Program
- 11 Overage Fleet Maintenance positions
- -6 positions due to the completion of the SOPS Program

Reimbursable positions decrease by 26 mainly due to the transfer of Salvage and Scrap Program positions to Non-Reimbursable.

**2015: July Financial Plan vs. February Financial Plan**

The total positions for 2015 in the February Plan were 3,782. There is a net decrease of 62 positions which will result in the sum of 3,720 positions for 2015 in the July Plan. The changes are as follows:

- 1 position in support of the MTA wide MWDBE Program
- 11 Overage Fleet Maintenance positions
- -6 positions due the completion of the SOPS Program
- 2 positions in support of Buses Real Time bus information and MTA corporate wide Asset Management initiatives
- 6 positions in support of Farebox Maintenance
- -76 positions due to changes in the Shop Overhaul Program

Reimbursable positions decrease by 26 mainly due to the transfer of Salvage and Scrap Program positions to Non-Reimbursable.

**2016: July Financial Plan vs. February Financial Plan**

The total positions for 2016 in the February Plan were 3,797. This is a net decrease of 42 positions which will result in 3,755 positions for 2016 in the July Plan. The changes are as follows:

- 1 position in support of the MTA wide MWDBE Program
- -6 positions due the completion of the SOPS Program
- 2 positions in support of Buses real time bus information and MTA corporate-wide Asset Management initiative
- 6 positions in support of Farebox Maintenance
- -45 position due to changes in the Shop Overhaul Program

Reimbursable positions decrease by 26 mainly due to the transfer of Salvage and Scrap Program positions to Non-Reimbursable.

### **2017: July Financial Plan vs. February Financial Plan**

The total positions for 2017 in the February Plan were 3,763. This is a net increase of 3 positions which will result in the sum of 3,766 positions for 2017 in the July Plan. The changes are as follows:

- 1 position in support of the MTA wide MWDBE Program
- -6 positions due the completion of the SOPS Program
- 2 positions in support of Buses Real Time bus information and MTA corporate-wide Asset Management initiative
- 6 positions in support of Farebox Maintenance

Reimbursable positions decrease by 26 mainly due to the transfer of Salvage and Scrap Program positions to Non-Reimbursable.

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

#### **2015 Changes Over 2014:**

The total number of positions in 2015 increase by 10 for a total of 3,720. The changes are as follows:

2015 - Net increase of 10 Positions

- 2 positions in support of the Shop Hybrid Program
- 6 positions in support of Farebox Maintenance
- 2 positions in support of Buses Real Time bus information and MTA corporate-wide Asset Management initiative
- 6 positions in support of the Shop Overhaul Program
- -6 positions for the completion of shifting buses from Far Rockaway to JFK Depot

**2016 Changes Over 2015:**

The total number of positions in 2016 increase by 35 for a total of 3,755. The changes are as follows:

2016 - Net increase of 35 Positions

- 4 positions in support of Buses Real Time bus information and MTA corporate-wide Asset Management initiative
- 31 positions in support of the Shop Overhaul Program

**2017 Changes Over 2016:**

The total number of positions in 2017 increase by 11 for a total of 3,766. The changes are as follows:

2017 - Net Change increase of 11 Positions

- 11 positions increase for Shop Overhaul Program

**2018 Changes Over 2017:**

The total number of positions in 2018 decrease by 48 for a total of 3,718. The changes are as follows:

2018 - Net decrease of 48 Positions

- 48 positions decrease for Shop Overhaul Program

<b>MTA BUS COMPANY</b> <b>July Financial Plan 2015-2018</b> Favorable/(Unfavorable)				
<b>Total Position Changes at a Glance</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2014 February Plan - Total Baseline Positions</b>	<b>3,704</b>	<b>3,782</b>	<b>3,797</b>	<b>3,763</b>
Total Plan-to-Plan Changes	(6)	62	42	(3)
<b>2014 July Plan - Total Baseline Positions</b>	<b>3,710</b>	<b>3,720</b>	<b>3,755</b>	<b>3,766</b>
Total Year-to-Year Changes, July Plan		(10)	(35)	(11)

<b>Total Plan-to-Plan Changes by Reporting Category:</b>				
<i>Non-Reimbursable</i>	(32)	36	16	(29)
<i>Reimbursable</i>	26	26	26	26
<b>Total</b>	<b>(6)</b>	<b>62</b>	<b>42</b>	<b>(3)</b>
<i>Full-Time</i>	(6)	62	42	(3)
<i>Full-Time Equivalents</i>	0	0	0	0
<b>Total</b>	<b>(6)</b>	<b>62</b>	<b>42</b>	<b>(3)</b>
<i>By Function Category</i>				
- Administration	6	4	4	4
- Operations	(1)	(7)	(7)	(7)
- Maintenance	(11)	65	45	0
- Engineering/Capital	0	0	0	0
- Public Safety	0	0	0	0
<b>Total</b>	<b>(6)</b>	<b>62</b>	<b>42</b>	<b>(3)</b>
<i>By Occupational Group</i>				
- Managers/Supervisors	(3)	(3)	(1)	(1)
- Professional, Technical, Clerical	0	(2)	(2)	(2)
- Operational Hourlies	(3)	67	45	0
<b>Total</b>	<b>(6)</b>	<b>62</b>	<b>42</b>	<b>(3)</b>

<b>Total Plan-to-Plan Changes by Major Category:</b>				
<i>2014 BRPs</i>	<b>6</b>	<b>63</b>	<b>35</b>	<b>11</b>
<i>New Needs</i>	<b>(12)</b>	<b>(20)</b>	<b>(9)</b>	<b>(9)</b>
<i>Change in Reimbursable Positions</i>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
<i>Re-estimates &amp; All Other <sup>1</sup></i>	<b>(26)</b>	<b>(7)</b>	<b>(10)</b>	<b>(31)</b>
<b>Total</b>	<b>(6)</b>	<b>62</b>	<b>42</b>	<b>(3)</b>

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

**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Total Positions by Function & Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents**

FUNCTION/DEPARTMENT	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>						
Office of the EVP	2	3	3	3	3	3
Human Resources	9	6	6	6	6	6
Office of Management and Budget	12	14	16	16	16	16
Technology & Information Services	16	16	16	16	16	16
Materiel	14	19	19	19	19	19
Controller	19	15	15	15	15	15
Office of the President	5	6	6	6	6	6
System Safety Administration	1	5	5	5	5	5
Law	23	24	24	24	24	24
Corporate Communications	3	3	3	3	3	3
Strategic Office	11	12	12	16	16	16
Labor Relations	-	4	4	4	4	4
Non Departmental	-	11	14	6	10	4
<b>Total Administration</b>	<b>115</b>	<b>138</b>	<b>143</b>	<b>139</b>	<b>143</b>	<b>137</b>
<b>Operations</b>						
Buses	2,142	2,211	2,211	2,211	2,211	2,211
Office of the Executive Vice President, Regional	1	1	1	1	1	1
Safety & Training	46	28	28	28	28	28
Road Operations	112	117	117	117	117	117
Transportation Support	21	20	20	20	20	20
Operations Planning	28	32	32	32	32	32
Revenue Control	20	21	27	27	27	27
<b>Total Operations</b>	<b>2,370</b>	<b>2,430</b>	<b>2,436</b>	<b>2,436</b>	<b>2,436</b>	<b>2,436</b>
<b>Maintenance</b>						
Buses	738	765	685	705	750	750
Maintenance Support/CMF	173	157	236	255	217	175
Facilities	43	73	73	73	73	73
Supply Logistics	90	92	92	92	92	92
<b>Total Maintenance</b>	<b>1,044</b>	<b>1,087</b>	<b>1,086</b>	<b>1,125</b>	<b>1,132</b>	<b>1,090</b>
<b>Engineering/Capital</b>						
Capital Program Management	31	37	37	37	37	37
<b>Public Safety</b>						
Office of the Senior Vice President	16	18	18	18	18	18
<b>Total Positions</b>	<b>3,576</b>	<b>3,710</b>	<b>3,720</b>	<b>3,755</b>	<b>3,766</b>	<b>3,718</b>
Non-Reimbursable	3,520	3,672	3,682	3,717	3,728	3,680
Reimbursable	56	38	38	38	38	38
Total Full-Time	3,559	3,695	3,705	3,740	3,751	3,703
Total Full-Time Equivalents	17	15	15	15	15	15



**MTA BUS COMPANY**  
**July Financial Plan 2015 - 2018**  
**Total Positions by Function and Occupation**

<b>FUNCTION/OCCUPATIONAL GROUP</b>	<b>2013 Actual</b>	<b>2014 Mid-Year Forecast</b>	<b>2015 Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Administration</b>						
Managers/Supervisors	42	57	57	57	57	57
Professional, Technical, Clerical	73	70	72	76	76	76
Operational Hourlies	-	11	14	6	10	4
<b>Total Administration</b>	<b>115</b>	<b>138</b>	<b>143</b>	<b>139</b>	<b>143</b>	<b>137</b>
<b>Operations</b>						
Managers/Supervisors	293	298	298	298	298	298
Professional, Technical, Clerical	54	52	52	52	52	52
Operational Hourlies	2,023	2,080	2,086	2,086	2,086	2,086
<b>Total Operations</b>	<b>2,370</b>	<b>2,430</b>	<b>2,436</b>	<b>2,436</b>	<b>2,436</b>	<b>2,436</b>
<b>Maintenance</b>						
Managers/Supervisors	196	207	209	207	207	205
Professional, Technical, Clerical	15	17	17	17	17	17
Operational Hourlies	833	863	860	901	908	868
<b>Total Maintenance</b>	<b>1,044</b>	<b>1,087</b>	<b>1,086</b>	<b>1,125</b>	<b>1,132</b>	<b>1,090</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	16	21	21	21	21	21
Professional, Technical, Clerical	15	16	16	16	16	16
Operational Hourlies	-	-	-	-	-	-
<b>Total Engineering/Capital</b>	<b>31</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
<b>Public Safety</b>						
Managers/Supervisors	10	14	14	14	14	14
Professional, Technical, Clerical	4	4	4	4	4	4
Operational Hourlies	2	-	-	-	-	-
<b>Total Public Safety</b>	<b>16</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>Total Positions</b>						
Managers/Supervisors	557	597	599	597	597	595
Professional, Technical, Clerical	161	159	161	165	165	165
Operational Hourlies	2,858	2,954	2,960	2,993	3,004	2,958
<b>Total Baseline Positions</b>	<b>3,576</b>	<b>3,710</b>	<b>3,720</b>	<b>3,755</b>	<b>3,766</b>	<b>3,718</b>

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# **Staten Island Railway**

**MTA STATEN ISLAND RAILWAY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**

**FINANCIAL OVERVIEW**

The 2014 Mid-Year Forecast, 2015 Preliminary Budget and projections for the years 2016-2018 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. Reflecting the recent labor settlement with the Transport Workers Union (TWU), MTA's largest union, the July Plan assumes the same pattern settlement for employees represented by unions without contract agreements. This assumption projects costs that are in excess of the February Plan provision, and a portion of this additional cost will be funded by the suspension of contributions to the GASB Account. Performance indicators including mean distance between failures and on-time performance remain within targeted levels.

The primary **new need** included in this plan represents the necessity to upgrade damaged and eroded gasoline and diesel fuel tanks located at 293 Bay Street in order to avoid more erosion that could result in serious risks. The cost of this upgrade is estimated at \$0.283 million.

**A 2014 Budget Reduction Program (BRP)** is included in this financial plan and projects annual savings of \$0.211 million, beginning in 2015. These savings are to result from the process of delaying hiring to fill vacancies, based on the assessment of vacant position functions and risks.

**2014 Mid-Year Forecast**

MTA Staten Island Railway's 2014 Mid-Year Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$50.957 million, including \$44.908 million of non-reimbursable expenses and \$6.049 million of reimbursable expenses. Total revenues are projected to be \$16.142 million, of which \$10.093 million are operating revenues and \$6.049 million represent capital reimbursements. Total full-time positions are 305, including 268 non-reimbursable positions and 37 reimbursable positions.

The 2014 Mid-Year Forecast operating cash deficit is projected to increase by \$6.520 million in comparison with the 2014 Adopted Budget. Major variances include:

- The unfavorable timing of cash results originating from 2013 of \$3.332 million.
- An update in wage pattern assumptions, consistent with the recent TWU labor contract agreement, resulting in additional salaries and wages of \$1.066 million and estimated retro-wage payments of \$1.879 million applicable to previous years since the current labor contracts expired.

- A cost of \$0.283 million to upgrade damaged/eroded fuel tanks.

## **2015 Preliminary Budget**

MTA Staten Island Railway's 2015 Preliminary Budget reflects total expenses before depreciation and OPEB of \$55.891 million, including \$49.842 million of non-reimbursable expenses and \$6.049 million of reimbursable expenses. Total revenues are projected to be \$14.289 million, of which \$8.240 million are operating revenues and \$6.049 million represent capital reimbursements. Total full-time positions are 305, including 268 non-reimbursable positions and 37 reimbursable positions.

The 2015 Preliminary Budget operating cash deficit is projected to increase by \$0.053 million. Major changes include:

- An update in wage pattern assumptions, consistent with the recent TWU labor contract agreement, resulting in additional salaries and wages of \$1.137 million.
- Revised inflation assumptions, resulting in savings of \$0.783 million, mostly in the areas of electric power and insurance expenses.
- Budget reduction savings of \$0.211 million, based on a managed delay in filling vacancies.

## **Financial Plan 2016-2017 Projections**

Operating cash deficits are projected to increase by \$7.993 million in 2016 and decrease by \$8.765 million in 2017. Included in these projections:

- A change in the timing of implementation of an R44 car fleet maintenance program, reducing the maintenance period from two years to eighteen months, resulting in accelerating \$8.466 million of expenses from 2017 to 2016.
- An update in wage pattern assumptions, consistent with the recent TWU labor contract agreement, resulting in additional salaries and wages of \$1.181 million in 2016 and \$1.234 million in 2017.
- Revised inflation assumptions, resulting in savings of \$1.307 million in 2016 and \$1.061 million in 2017, mostly in the areas of electric power and insurance expenses.
- Budget reduction savings of \$0.211 million each year, based on a managed delay in filling vacancies.

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Operating Revenue</b>						
Farebox Revenue	\$5.504	\$5.750	\$5.876	\$5.964	\$6.012	\$6.064
Toll Revenue						
Other Operating Revenue	4.251	4.343	2.364	2.385	2.407	2.430
Capital and Other Reimbursements						
<b>Total Revenue</b>	<b>\$9.755</b>	<b>\$10.093</b>	<b>\$8.240</b>	<b>\$8.349</b>	<b>\$8.419</b>	<b>\$8.494</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$17.149	\$18.572	\$18.930	\$19.338	\$19.783	\$20.208
Overtime	2.369	2.269	0.734	0.748	0.761	0.775
Health and Welfare	3.005	4.089	4.285	4.375	4.571	4.778
OPEB Current Payment	1.745	0.874	0.917	0.938	0.981	1.027
Pensions	5.832	5.751	5.751	5.851	5.851	5.951
Other Fringe Benefits	4.322	2.610	1.623	1.650	1.677	1.709
Reimbursable Overhead	(0.954)	(2.205)	(2.205)	(1.102)	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$33.468</b>	<b>\$31.960</b>	<b>\$30.035</b>	<b>\$31.798</b>	<b>\$33.624</b>	<b>\$34.448</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$3.957	\$6.012	\$5.413	\$5.590	\$6.461	\$6.982
Fuel	0.334	0.359	0.349	0.335	0.324	0.331
Insurance	0.588	1.345	1.608	1.767	2.055	2.152
Claims	0.014	0.083	0.088	0.093	0.099	0.104
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.869	3.041	10.815	18.970	1.786	1.824
Professional Service Contracts	0.731	0.727	0.491	0.482	0.491	0.498
Materials & Supplies	2.295	1.551	1.038	1.344	1.654	1.681
Other Business Expenses	0.592	(0.170)	0.005	0.005	0.005	0.006
<b>Total Non-Labor Expenses</b>	<b>\$9.380</b>	<b>\$12.948</b>	<b>\$19.807</b>	<b>\$28.586</b>	<b>\$12.875</b>	<b>\$13.578</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB A</b>	<b>\$42.848</b>	<b>\$44.908</b>	<b>\$49.842</b>	<b>\$60.384</b>	<b>\$46.499</b>	<b>\$48.026</b>
Depreciation	\$8.114	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	1.413	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$52.375</b>	<b>\$55.508</b>	<b>\$60.442</b>	<b>\$70.984</b>	<b>\$57.099</b>	<b>\$58.626</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$42.620)</b>	<b>(\$45.415)</b>	<b>(\$52.202)</b>	<b>(\$62.635)</b>	<b>(\$48.680)</b>	<b>(\$50.132)</b>

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	4.073	6.049	6.049	3.864	1.680	1.680
<b>Total Revenue</b>	<b>\$4.073</b>	<b>\$6.049</b>	<b>\$6.049</b>	<b>\$3.864</b>	<b>\$1.680</b>	<b>\$1.680</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$1.328	\$2.449	\$2.449	\$1.369	\$0.288	\$0.288
Overtime	0.552	0.707	0.707	0.705	0.704	0.704
Health and Welfare	0.000	0.517	0.517	0.517	0.517	0.517
OPEB Current Payment	0.022	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.094	0.094	0.094	0.094	0.094
Other Fringe Benefits	0.152	0.077	0.077	0.077	0.077	0.077
Reimbursable Overhead	0.954	2.205	2.205	1.102	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$3.008</b>	<b>\$6.049</b>	<b>\$6.049</b>	<b>\$3.864</b>	<b>\$1.680</b>	<b>\$1.680</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$0.017	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	1.048	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenses</b>	<b>\$1.065</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other						
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$4.073</b>	<b>\$6.049</b>	<b>\$6.049</b>	<b>\$3.864</b>	<b>\$1.680</b>	<b>\$1.680</b>
Depreciation						
<b>Total Expenses</b>	<b>\$4.073</b>	<b>\$6.049</b>	<b>\$6.049</b>	<b>\$3.864</b>	<b>\$1.680</b>	<b>\$1.680</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE / REIMBURSABLE</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenue</b>						
Farebox Revenue	\$5.504	\$5.750	\$5.876	\$5.964	\$6.012	\$6.064
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	4.251	4.343	2.364	2.385	2.407	2.430
Capital and Other Reimbursements	4.073	6.049	6.049	3.864	1.680	1.680
<b>Total Revenue</b>	<b>\$13.828</b>	<b>\$16.142</b>	<b>\$14.289</b>	<b>\$12.213</b>	<b>\$10.099</b>	<b>\$10.174</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$18.477	\$21.021	\$21.379	\$20.707	\$20.071	\$20.496
Overtime	2.921	2.976	1.441	1.453	1.465	1.479
Health and Welfare	3.005	4.606	4.802	4.892	5.088	5.295
OPEB Current Payment	1.767	0.874	0.917	0.938	0.981	1.027
Pensions	5.832	5.845	5.845	5.945	5.945	6.045
Other Fringe Benefits	4.474	2.687	1.700	1.727	1.754	1.786
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$36.476</b>	<b>\$38.009</b>	<b>\$36.084</b>	<b>\$35.662</b>	<b>\$35.304</b>	<b>\$36.128</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$3.974	\$6.012	\$5.413	\$5.590	\$6.461	\$6.982
Fuel	0.334	0.359	0.349	0.335	0.324	0.331
Insurance	0.588	1.345	1.608	1.767	2.055	2.152
Claims	0.014	0.083	0.088	0.093	0.099	0.104
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.869	3.041	10.815	18.970	1.786	1.824
Professional Service Contracts	0.731	0.727	0.491	0.482	0.491	0.498
Materials & Supplies	3.343	1.551	1.038	1.344	1.654	1.681
Other Business Expenses	0.592	(0.170)	0.005	0.005	0.005	0.006
<b>Total Non-Labor Expenses</b>	<b>\$10.445</b>	<b>\$12.948</b>	<b>\$19.807</b>	<b>\$28.586</b>	<b>\$12.875</b>	<b>\$13.578</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$46.921</b>	<b>\$50.957</b>	<b>\$55.891</b>	<b>\$64.248</b>	<b>\$48.179</b>	<b>\$49.706</b>
Depreciation	\$8.114	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	1.413	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$56.448</b>	<b>\$61.557</b>	<b>\$66.491</b>	<b>\$74.848</b>	<b>\$58.779</b>	<b>\$60.306</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$42.620)</b>	<b>(\$45.415)</b>	<b>(\$52.202)</b>	<b>(\$62.635)</b>	<b>(\$48.680)</b>	<b>(\$50.132)</b>



**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Cash Receipts & Expenditures**  
(\$ in millions)

**CASH RECEIPTS AND EXPENDITURES**

	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Receipts</b>						
Farebox Revenue	\$5.567	\$5.267	\$5.875	\$5.964	\$6.012	\$6.064
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	3.497	5.726	2.364	2.385	2.407	2.430
Capital and Other Reimbursements	3.367	7.398	6.049	3.864	1.680	1.680
<b>Total Receipts</b>	<b>\$12.431</b>	<b>\$18.391</b>	<b>\$14.288</b>	<b>\$12.213</b>	<b>\$10.099</b>	<b>\$10.174</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$15.568	\$24.236	\$21.379	\$20.707	\$20.071	\$20.496
Overtime	2.627	3.270	1.441	1.453	1.465	1.479
Health and Welfare	5.070	4.606	4.802	4.892	5.088	5.295
OPEB Current Payment	1.136	0.874	0.917	0.938	0.981	1.027
Pensions	3.974	7.585	5.845	5.945	5.945	6.045
Other Fringe Benefits	0.901	1.821	1.700	1.727	1.754	1.786
GASB Account	0.000	0.587	0.000	0.000	0.000	0.012
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$29.276</b>	<b>\$42.979</b>	<b>\$36.084</b>	<b>\$35.662</b>	<b>\$35.304</b>	<b>\$36.140</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$3.995	\$6.512	\$5.413	\$5.590	\$6.461	\$6.982
Fuel	0.354	0.359	0.349	0.335	0.324	0.331
Insurance	0.803	1.722	1.608	1.767	2.055	2.152
Claims	0.017	0.083	0.088	0.093	0.099	0.104
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.356	3.041	10.815	18.970	1.786	1.824
Professional Service Contracts	0.654	0.727	0.491	0.482	0.491	0.498
Materials & Supplies	2.625	2.251	1.038	1.344	1.654	1.681
Other Business Expenses	0.005	(0.170)	0.005	0.005	0.005	0.006
<b>Total Non-Labor Expenditures</b>	<b>\$11.809</b>	<b>\$14.525</b>	<b>\$19.807</b>	<b>\$28.586</b>	<b>\$12.875</b>	<b>\$13.578</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other						
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$41.085</b>	<b>\$57.504</b>	<b>\$55.891</b>	<b>\$64.248</b>	<b>\$48.179</b>	<b>\$49.718</b>
<b>Baseline Cash Deficit</b>	<b>(\$28.654)</b>	<b>(\$39.113)</b>	<b>(\$41.603)</b>	<b>(\$52.035)</b>	<b>(\$38.080)</b>	<b>(\$39.544)</b>

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>			
	<b>Actual</b>	<b>Mid-Year</b>	<b>Preliminary</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
		<b>Forecast</b>	<b>Budget</b>			
<b>Receipts</b>						
Farebox Revenue	\$0.063	(\$0.483)	(\$0.001)	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.754)	1.383	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	(0.706)	1.349	0.000	0.000	0.000	0.000
<b>Total Receipts</b>	<b>(\$1.397)</b>	<b>\$2.249</b>	<b>(\$0.001)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$2.909	(\$3.215)	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.294	(0.294)	0.000	0.000	0.000	0.000
Health and Welfare	(2.065)	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.631	0.000	0.000	0.000	0.000	0.000
Pensions	1.858	(1.740)	0.000	0.000	0.000	0.000
Other Fringe Benefits	3.573	0.866	0.000	0.000	0.000	0.000
GASB Account	0.000	(0.587)	0.000	0.000	0.000	(0.012)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$7.200</b>	<b>(\$4.970)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.012)</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	(\$0.021)	(\$0.500)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	(0.020)	0.000	0.000	0.000	0.000	0.000
Insurance	(0.215)	(0.377)	0.000	0.000	0.000	0.000
Claims	(0.003)	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	(2.487)	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.077	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.718	(0.700)	0.000	0.000	0.000	0.000
Other Business Expenditures	0.587	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenditures</b>	<b>(\$1.364)</b>	<b>(\$1.577)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expenditures Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation and GASB Adjs.</b>	<b>\$4.439</b>	<b>(\$4.298)</b>	<b>(\$0.001)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.012)</b>
Depreciation Adjustment	\$8.114	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	1.413	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$13.966</b>	<b>\$6.302</b>	<b>\$10.599</b>	<b>\$10.600</b>	<b>\$10.600</b>	<b>\$10.588</b>
<b>Total Cash Conversion Adjustments</b>	<b>\$13.966</b>	<b>\$6.302</b>	<b>\$10.599</b>	<b>\$10.600</b>	<b>\$10.600</b>	<b>\$10.588</b>

**MTA STATEN ISLAND RAILWAY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015 - 2018**  
**Year-to-Year Changes by Category-Baseline**

**TOTAL REVENUES/RECEIPTS**

**Farebox Revenue**

- Farebox revenue improves by \$0.126 million or 2.2% in 2015, due largely to a projected increase in employment. Farebox revenue is also projected to increase by \$0.088 million or 1.5% in 2016, \$0.048 million or 0.8% in 2017, and \$0.052 million or 0.9% in 2018 due to updated employment projections. 2014 includes an unfavorable cash timing adjustment of \$0.483 million, due to the timing of farebox receipt settlements with NYCT from 2013.

**Other Operating Revenue**

- The major unfavorable change in 2015 over 2014 of \$1.979 million or 45.6% was due to estimated Sandy and Irene recoveries in 2014 not recurring in 2015. 2014 includes a favorable cash timing adjustment of \$1.456 million, due to delays in 2013 of receipt of student fare reimbursements.

**Capital and Other Reimbursements**

- 2014 includes \$1.349 million of reimbursements delayed from 2013.

**TOTAL EXPENSES/EXPENDITURES**

Projections include additional Payroll and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

**Payroll**

- Represented employee wage increase assumptions follow the TWU pattern upon expiration of existing contracts as follows: 0.87% , 0.95%, 2.23%, 2.22% and 1.88% for years 1,2,3,4, and 5. CPI-based increases of 2% are assumed for each year upon expiration of the pattern,
- Salaries for non-represented employees, who have not received a general salary increase during the last five years, are assumed to follow CPI-based increases. The 2014 Mid-Year Forecast baseline includes the compounding of raises for 2012 and 2013; however, as of the July Plan, no raises have been granted.
- 2014 includes \$1.470 million of unfavorable payment timing from 2013.

**Overtime**

- Includes projected wage inflation increases as noted above for represented employees.
- 2014 includes \$0.294 million of unfavorable payment timing from 2013.

**Health & Welfare/OPEB Current Payment**

- 2015-2018 includes projected rate increases of 4.87%, 2.17%, 4.60% and 4.60%, respectively.

**Pension**

- Projections are based on current actuarial information.
- 2014 includes \$1.740 million of unfavorable payment timing from 2013.

**Other Fringe Benefits**

- 2015-2018 includes inflation increases of 1.74%, 1.77%, 1.85% and 2.03%, respectively.

**Electric Power (Traction/Non-Traction)**

- 2015-2018 inflation assumptions are based on projected New York Power Authority (NYPA)/Con Edison rate increases provided by MTA.
- 2014 includes \$0.500 million of unfavorable payment timing from 2013.

**Fuel (Heating/Diesel)**

- 2015-2018 reflects inflationary assumptions provided by MTA.

**Insurance**

- 2015-2018 reflects inflationary assumptions provided by MTA.
- 2014 includes \$0.377 million of unfavorable payment timing from 2013.

**Claims**

- 2015-2018 reflects inflationary assumptions of 1.74%, 1.77%, 1.85% and 2.03%, respectively.

**Maintenance and Other Operating Contracts**

- 2015-2018 reflects inflationary increases of 1.74%, 1.77%, 1.85% and 2.03%, respectively. The increase in 2015 from 2014 of \$7.774M is due mostly to the mid-year 2015 beginning of an 18 month R44 car fleet maintenance program. The 2016 increase over 2015 increase of \$8.155 million represents the full year cost of the fleet maintenance program in 2016, versus a half year program segment in 2015.

**Professional Service Contracts**

- 2015-2018 reflects inflationary increases of 1.74%, 1.77%, 1.85% and 2.03%, respectively.

**Materials and Supplies**

- 2015-2018 reflects inflationary increases of 2.16%, 1.63%, 1.42% and 1.36%, respectively. 2014 includes \$0.700 million of unfavorable payment timing from 2013.

**Other Business Expenses**

- 2015-2018 reflects inflationary increases of 1.74%, 1.77%, 1.85% and 2.03%, respectively.

**Depreciation**

- Annual expenses of \$8.3 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 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b>Revenue</b>									
Farebox Revenue	\$5.750	\$5.876	\$0.126	\$5.964	\$0.088	\$6.012	\$0.048	\$6.064	\$0.052
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	4.343	2.364	(1.979)	2.385	0.021	2.407	0.022	2.430	0.023
Capital and Other Reimbursements	0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000
<b>Total Revenue</b>	<b>\$10.093</b>	<b>\$8.240</b>	<b>(\$1.853)</b>	<b>\$8.349</b>	<b>\$0.109</b>	<b>\$8.419</b>	<b>\$0.070</b>	<b>\$8.494</b>	<b>\$0.075</b>
<b>Expenses</b>									
Labor:									
Payroll	\$18.572	\$18.930	(0.358)	\$19.338	(0.408)	\$19.783	(0.445)	\$20.208	(0.425)
Overtime	2.269	0.734	1.535	0.748	(0.014)	0.761	(0.013)	0.775	(0.014)
Health and Welfare	4.089	4.285	(0.196)	4.375	(0.090)	4.571	(0.196)	4.778	(0.207)
OPEB Current Payment	0.874	0.917	(0.043)	0.938	(0.021)	0.981	(0.043)	1.027	(0.046)
Pensions	5.751	5.751	0.000	5.851	(0.100)	5.851	0.000	5.951	(0.100)
Other Fringe Benefits	2.610	1.623	0.987	1.650	(0.027)	1.677	(0.027)	1.709	(0.032)
Reimbursable Overhead	(2.205)	(2.205)	0.000	(1.102)	(1.103)	0.000	(1.102)	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$31.960</b>	<b>\$30.035</b>	<b>\$1.925</b>	<b>\$31.798</b>	<b>(\$1.763)</b>	<b>\$33.624</b>	<b>(\$1.826)</b>	<b>\$34.448</b>	<b>(\$0.824)</b>
Non-Labor:									
Electric Power	6.012	5.413	0.599	5.590	(0.177)	6.461	(0.871)	6.982	(0.521)
Fuel	0.359	0.349	0.010	0.335	0.014	0.324	0.011	0.331	(0.007)
Insurance	1.345	1.608	(0.263)	1.767	(0.159)	2.055	(0.288)	2.152	(0.097)
Claims	0.083	0.088	(0.005)	0.093	(0.005)	0.099	(0.006)	0.104	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	3.041	10.815	(7.774)	18.970	(8.155)	1.786	17.184	1.824	(0.038)
Professional Service Contracts	0.727	0.491	0.236	0.482	0.009	0.491	(0.009)	0.498	(0.007)
Materials & Supplies	1.551	1.038	0.513	1.344	(0.306)	1.654	(0.310)	1.681	(0.027)
Other Business Expenses	(0.170)	0.005	(0.175)	0.005	0.000	0.005	0.000	0.006	(0.001)
<b>Total Non-Labor Expenses</b>	<b>\$12.948</b>	<b>\$19.807</b>	<b>(\$6.859)</b>	<b>\$28.586</b>	<b>(\$8.779)</b>	<b>\$12.875</b>	<b>\$15.711</b>	<b>\$13.578</b>	<b>(\$0.703)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation and GASB Adj.</b>	<b>\$44.908</b>	<b>\$49.842</b>	<b>(\$4.934)</b>	<b>\$60.384</b>	<b>(\$10.542)</b>	<b>\$46.499</b>	<b>\$13.885</b>	<b>\$48.026</b>	<b>(\$1.527)</b>
Depreciation	8.300	8.300	0.000	8.300	0.000	8.300	0.000	8.300	0.000
OPEB Obligation	2.300	2.300	0.000	2.300	0.000	2.300	0.000	2.300	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$55.508</b>	<b>\$60.442</b>	<b>(\$4.934)</b>	<b>\$70.984</b>	<b>(\$10.542)</b>	<b>\$57.099</b>	<b>\$13.885</b>	<b>\$58.626</b>	<b>(\$1.527)</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$45.415)</b>	<b>(\$52.202)</b>	<b>(\$6.787)</b>	<b>(\$62.635)</b>	<b>(\$10.433)</b>	<b>(\$48.680)</b>	<b>\$13.955</b>	<b>(\$50.132)</b>	<b>(\$1.452)</b>

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Revenue</u></b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	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	6.049	6.049	\$0.000	3.864	(\$2.185)	1.680	(\$2.184)	1.680	\$0.000
<b>Total Revenue</b>	<b>\$6.049</b>	<b>\$6.049</b>	<b>\$0.000</b>	<b>\$3.864</b>	<b>(\$2.185)</b>	<b>\$1.680</b>	<b>(\$2.184)</b>	<b>\$1.680</b>	<b>\$0.000</b>
<b><u>Expenses</u></b>									
Labor:									
Payroll	\$2.449	\$2.449	0.000	\$1.369	1.080	\$0.288	1.081	\$0.288	0.000
Overtime	0.707	0.707	0.000	0.705	0.002	0.704	0.001	0.704	0.000
Health and Welfare	0.517	0.517	0.000	0.517	0.000	0.517	0.000	0.517	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.094	0.094	0.000	0.094	0.000	0.094	0.000	0.094	0.000
Other Fringe Benefits	0.077	0.077	0.000	0.077	0.000	0.077	0.000	0.077	0.000
Reimbursable Overhead	2.205	2.205	0.000	1.102	1.103	0.000	1.102	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$6.049</b>	<b>\$6.049</b>	<b>\$0.000</b>	<b>\$3.864</b>	<b>\$2.185</b>	<b>\$1.680</b>	<b>\$2.184</b>	<b>\$1.680</b>	<b>\$0.000</b>
Non-Labor:									
Electric Power	\$0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$6.049</b>	<b>\$6.049</b>	<b>\$0.000</b>	<b>\$3.864</b>	<b>\$2.185</b>	<b>\$1.680</b>	<b>\$2.184</b>	<b>\$1.680</b>	<b>\$0.000</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$6.049</b>	<b>\$6.049</b>	<b>\$0.000</b>	<b>\$3.864</b>	<b>\$2.185</b>	<b>\$1.680</b>	<b>\$2.184</b>	<b>\$1.680</b>	<b>\$0.000</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE/REIMBURSABLE**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Revenue</u></b>									
Farebox Revenue	\$5.750	\$5.876	\$0.126	\$5.964	\$0.088	\$6.012	\$0.048	\$6.064	\$0.052
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	4.343	2.364	(1.979)	2.385	0.021	2.407	0.022	2.430	0.023
Capital and Other Reimbursements	6.049	6.049	\$0.000	3.864	(\$2.185)	1.680	(\$2.184)	1.680	\$0.000
<b>Total Revenue</b>	<b>\$16.142</b>	<b>\$14.289</b>	<b>(\$1.853)</b>	<b>\$12.213</b>	<b>(\$2.076)</b>	<b>\$10.099</b>	<b>(\$2.114)</b>	<b>\$10.174</b>	<b>\$0.075</b>
<b><u>Expenses</u></b>									
Labor:									
Payroll	\$21.021	\$21.379	(0.358)	\$20.707	0.672	\$20.071	0.636	\$20.496	(0.425)
Overtime	2.976	1.441	1.535	1.453	(0.012)	1.465	(0.012)	1.479	(0.014)
Health and Welfare	4.606	4.802	(0.196)	4.892	(0.090)	5.088	(0.196)	5.295	(0.207)
OPEB Current Payment	0.874	0.917	(0.043)	0.938	(0.021)	0.981	(0.043)	1.027	(0.046)
Pensions	5.845	5.845	0.000	5.945	(0.100)	5.945	0.000	6.045	(0.100)
Other Fringe Benefits	2.687	1.700	0.987	1.727	(0.027)	1.754	(0.027)	1.786	(0.032)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$38.009</b>	<b>\$36.084</b>	<b>\$1.925</b>	<b>\$35.662</b>	<b>\$0.422</b>	<b>\$35.304</b>	<b>\$0.358</b>	<b>\$36.128</b>	<b>(\$0.824)</b>
Non-Labor:									
Electric Power	6.012	5.413	0.599	5.590	(0.177)	6.461	(0.871)	6.982	(0.521)
Fuel	0.359	0.349	0.010	0.335	0.014	0.324	0.011	0.331	(0.007)
Insurance	1.345	1.608	(0.263)	1.767	(0.159)	2.055	(0.288)	2.152	(0.097)
Claims	0.083	0.088	(0.005)	0.093	(0.005)	0.099	(0.006)	0.104	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Operating Contracts	3.041	10.815	(7.774)	18.970	(8.155)	1.786	17.184	1.824	(0.038)
Professional Service Contracts	0.727	0.491	0.236	0.482	0.009	0.491	(0.009)	0.498	(0.007)
Materials & Supplies	1.551	1.038	0.513	1.344	(0.306)	1.654	(0.310)	1.681	(0.027)
Other Business Expenses	(0.170)	0.005	(0.175)	0.005	0.000	0.005	0.000	0.006	(0.001)
<b>Total Non-Labor Expenses</b>	<b>\$12.948</b>	<b>\$19.807</b>	<b>(\$6.859)</b>	<b>\$28.586</b>	<b>(\$8.779)</b>	<b>\$12.875</b>	<b>\$15.711</b>	<b>\$13.578</b>	<b>(\$0.703)</b>
<b>Total Expenses before Depreciation and GASB Adjts.</b>	<b>\$50.957</b>	<b>\$55.891</b>	<b>(\$4.934)</b>	<b>\$64.248</b>	<b>(\$8.357)</b>	<b>\$48.179</b>	<b>\$16.069</b>	<b>\$49.706</b>	<b>(\$1.527)</b>
Depreciation	8.300	8.300	0.000	8.300	0.000	8.300	0.000	8.300	0.000
OPEB Obligation	2.300	2.300	0.000	2.300	0.000	2.300	0.000	2.300	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$61.557</b>	<b>\$66.491</b>	<b>(\$4.934)</b>	<b>\$74.848</b>	<b>(\$8.357)</b>	<b>\$58.779</b>	<b>\$16.069</b>	<b>\$60.306</b>	<b>(\$1.527)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$45.415)</b>	<b>(\$52.202)</b>	<b>(\$6.787)</b>	<b>(\$62.635)</b>	<b>(\$10.433)</b>	<b>(\$48.680)</b>	<b>\$13.955</b>	<b>(\$50.132)</b>	<b>(\$1.452)</b>



**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Year-to-Year Changes by Category - Cash Receipts and Expenditures**  
**(\$ in millions)**

	Favorable/(Unfavorable)								
	2014	2015	Change 2015 - 2014	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017
<b><u>Receipts</u></b>									
Farebox Revenue	\$5.267	\$5.875	\$0.608	\$5.964	\$0.089	\$6.012	\$0.048	\$6.064	\$0.052
Other Operating Revenue	5.726	2.364	(3.362)	2.385	0.021	2.407	0.022	2.430	0.023
Capital and Other Reimbursements	7.398	6.049	(1.349)	3.864	(2.185)	1.680	(2.184)	1.680	0.000
<b>Total Receipts</b>	<b>\$18.391</b>	<b>\$14.288</b>	<b>(\$4.103)</b>	<b>\$12.213</b>	<b>(\$2.075)</b>	<b>\$10.099</b>	<b>(\$2.114)</b>	<b>\$10.174</b>	<b>\$0.075</b>
<b><u>Expenditures</u></b>									
Labor:									
Payroll	24.236	21.379	2.857	20.707	0.672	20.071	0.636	20.496	(0.425)
Overtime	3.270	1.441	1.829	1.453	(0.012)	1.465	(0.012)	1.479	(0.014)
Health and Welfare	4.606	4.802	(0.196)	4.892	(0.090)	5.088	(0.196)	5.295	(0.207)
OPEB Current Payment	0.874	0.917	(0.043)	0.938	(0.021)	0.981	(0.043)	1.027	(0.046)
Pensions	7.585	5.845	1.740	5.945	(0.100)	5.945	0.000	6.045	(0.100)
Other Fringe Benefits	1.821	1.700	0.121	1.727	(0.027)	1.754	(0.027)	1.786	(0.032)
GASB Account	0.587	0.000	0.587	0.000	0.000	0.000	0.000	0.012	(0.012)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$42.979</b>	<b>\$36.084</b>	<b>\$6.895</b>	<b>\$35.662</b>	<b>\$0.422</b>	<b>\$35.304</b>	<b>\$0.358</b>	<b>\$36.140</b>	<b>(\$0.836)</b>
Non-Labor:									
Electric Power	6.512	5.413	1.099	5.590	(0.177)	6.461	(0.871)	6.982	(0.521)
Fuel	0.359	0.349	0.010	0.335	0.014	0.324	0.011	0.331	(0.007)
Insurance	1.722	1.608	0.114	1.767	(0.159)	2.055	(0.288)	2.152	(0.097)
Claims	0.083	0.088	(0.005)	0.093	(0.005)	0.099	(0.006)	0.104	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	3.041	10.815	(7.774)	18.970	(8.155)	1.786	17.184	1.824	(0.038)
Professional Service Contracts	0.727	0.491	0.236	0.482	0.009	0.491	(0.009)	0.498	(0.007)
Materials & Supplies	2.251	1.038	1.213	1.344	(0.306)	1.654	(0.310)	1.681	(0.027)
Other Business Expenses	(0.170)	0.005	(0.175)	0.005	0.000	0.005	0.000	0.006	(0.001)
<b>Total Non-Labor Expenditures</b>	<b>\$14.525</b>	<b>\$19.807</b>	<b>(\$5.282)</b>	<b>\$28.586</b>	<b>(\$8.779)</b>	<b>\$12.875</b>	<b>\$15.711</b>	<b>\$13.578</b>	<b>(\$0.703)</b>
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$57.504</b>	<b>\$55.891</b>	<b>\$1.613</b>	<b>\$64.248</b>	<b>(\$8.357)</b>	<b>\$48.179</b>	<b>\$16.069</b>	<b>\$49.718</b>	<b>(\$1.539)</b>
<b>Net Cash Deficit</b>	<b>(\$39.113)</b>	<b>(\$41.603)</b>	<b>(\$2.490)</b>	<b>(\$52.035)</b>	<b>(\$10.432)</b>	<b>(\$38.080)</b>	<b>\$13.955</b>	<b>(\$39.544)</b>	<b>(\$1.464)</b>

**MTA STATEN ISLAND RAILWAY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**  
**Summary of Plan to Plan Changes-Baseline**

**2014: July Financial Plan vs. February Financial Plan**

**Major Revenue Re-estimates**

- An increase in farebox revenue of \$0.023 million, due mostly to projected higher ridership.
- An increase in other operating revenue of \$0.194 million, due mostly to the inclusion of estimated Tropical Storm Irene reimbursements, resulting from the timing of revenues from 2013 and a reimbursement re-estimate.

**Major Expense Re-estimates**

Projections include additional Payroll and Other Fringe Benefits expenses for those employees without contract agreements that are patterned after the recent TWU settlement.

- An update in wage pattern assumptions, consistent with the recent TWU labor contract agreement, resulting in additional salaries & wages of \$1.066 million.
- An increase of \$1.000 million of other fringe benefit expenses, specifically for higher Workers' Compensation reserve requirements.
- A cost increase of \$0.307 million in support of the installation of a new MTA-wide budgeting system.
- A cost of \$0.283 million to upgrade damaged/eroded fuel tanks.
- A pension expense re-estimate, resulting in an expense increase of \$0.200 million.
- Revised inflation assumptions, resulting in expense savings of \$0.083 million.

**Cash Adjustments**

- Unfavorable cash timing originating from 2013 of \$3.332 million.

- Estimated retro-wage payments of \$1.879 million, resulting from an update in wage pattern assumptions and applicable to the previous years since the current labor contracts expired.
- A favorable cash adjustment of \$1.000 million to offset the non-cash expense increase based on additional Workers' Compensation reserve requirements.

## **2015-2017: July Financial Plan vs. February Financial Plan**

### **Major Revenue Re-estimates**

- Increases in farebox revenue of \$0.070 million in 2015, \$0.087 million in 2016 and \$0.101 million in 2017, due to rider ship increases based on projected increases in employment.
- Other operating revenues are projected to increase by \$0.006 million each year, based on a re-estimate of advertising revenues.

### **Major Expense Re-estimates**

- An update in wage pattern assumptions, consistent with the recent TWU labor contract agreement, resulting in additional salaries & wages of \$1.137 million in 2015, \$1.181 million in 2016, and \$1.234 million in 2017.
- Expense timing regarding an R44 car fleet maintenance program, accelerating \$8.466 million of expenses from 2017 to 2016.
- Budget reduction savings of \$0.211 million each year, based on a managed delay in filling vacancies.
- Pension expense re-estimates, resulting in expense increases of \$0.100 million in 2015 and 2016.
- Cost increases of \$0.066 million in 2015, and \$0.048 million in both 2016 and 2017 in support of the installation of a new MTA-wide budgeting system.
- Revised inflation assumptions, resulting in expense savings of \$0.783 million in 2015, \$1.307 million in 2016 and \$1.061 million in 2017, mostly in the areas of electric power and insurance.

### **Cash Adjustments**

- A re-estimate of OPEB GASB account payments, resulting in cash savings of \$0.180 million in 2015, \$0.191 million in 2016 and \$0.202 million in 2017.

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

<b>NON-REIMBURSABLE</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$32.593)</b>	<b>(\$41.550)</b>	<b>(\$44.042)</b>	<b>(\$46.845)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	0.023	0.070	0.087	0.101
Other Operating Revenue	0.194	0.006	0.006	0.006
Capital and Other Reimbursement				
<b>Total Revenue Changes</b>	<b>\$0.217</b>	<b>\$0.076</b>	<b>\$0.093</b>	<b>\$0.107</b>
<b>Expenses</b>				
<b>Labor:</b>				
Payroll	(0.811)	(0.860)	(0.901)	(0.951)
Overtime	0.000	0.000	0.000	0.000
Health and Welfare	0.123	0.068	0.211	0.262
OPEB Current Payment	(0.015)	(0.030)	(0.001)	0.007
Pensions	(0.200)	(0.100)	(0.100)	0.000
Other Fringe Benefits	(1.075)	(0.065)	(0.066)	(0.068)
Reimbursable Overhead	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$1.978)</b>	<b>(\$0.987)</b>	<b>(\$0.857)</b>	<b>(\$0.750)</b>
<b>Non-Labor:</b>				
Traction and Propulsion Power	(0.369)	0.504	0.697	0.181
Fuel for Buses and Trains	0.009	0.001	0.000	0.018
Insurance	0.335	0.251	0.407	0.601
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	(0.281)	0.001	(8.462)	8.470
Professional Service Contracts	(0.307)	(0.066)	(0.047)	(0.047)
Materials & Supplies	(0.023)	(0.013)	(0.015)	(0.017)
Other Business Expenses	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expense Changes</b>	<b>(\$0.636)</b>	<b>\$0.678</b>	<b>(\$7.420)</b>	<b>\$9.206</b>
<b>Total Expense Changes before Depreciation &amp; GASB Adjs.</b>	<b>(\$2.614)</b>	<b>(\$0.309)</b>	<b>(\$8.277)</b>	<b>\$8.456</b>
Depreciation	0.000	0.000	0.000	0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
<b>Total Depreciation and GASB Adjs. Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Adjustment Changes</b>				
Cash Timing from 2013	(3.332)	0.000	0.000	0.000
Retro-Wage Adjustments	(1.879)	0.000	0.000	0.000
GASB Account Revision	0.088	0.180	0.191	0.202
Cash Adjustment-Workers' Compensation Reserve Adjustment	1.000			
<b>Total Cash Adjustment Changes</b>	<b>(\$4.123)</b>	<b>\$0.180</b>	<b>\$0.191</b>	<b>\$0.202</b>
<b>Total Baseline Changes</b>	<b>(\$6.520)</b>	<b>(\$0.053)</b>	<b>(\$7.993)</b>	<b>\$8.765</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$39.113)</b>	<b>(\$41.603)</b>	<b>(\$52.035)</b>	<b>(\$38.080)</b>

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

REIMBURSABLE				
	2014	2015	2016	2017
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue				
Other Operating Revenue				
Capital and Other Reimbursement				
<b>Total Revenue Changes</b>	\$0.000	\$0.000	\$0.000	\$0.000
<b>Expenses</b>				
<b>Labor:</b>				
Payroll				
Health and Welfare				
OPEB Current Payment				
Pensions				
Other Fringe Benefits				
Reimbursable Overhead				
<b>Total Labor Expense Changes</b>	\$0.000	\$0.000	\$0.000	\$0.000
<b>Non-Labor:</b>				
Traction and Propulsion Power				
Fuel for Buses and Trains				
Insurance				
Claims				
Paratransit Service Contracts				
Maintenance and Other Operating Contracts				
Materials & Supplies				
Other Business Expenses				
<b>Total Non-Labor Expense Changes</b>	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Expense Changes</b>	\$0.000	\$0.000	\$0.000	\$0.000
<b>Cash Adjustment Changes</b>				
<b>Total Cash Adjustment Changes</b>	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Baseline Changes</b>	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Changes Between Financial Plans by Generic Categories**  
**(\$ in millions)**

<b>NON-REIMBURSABLE/REIMBURSABLE</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$32.593)</b>	<b>(\$41.550)</b>	<b>(\$44.042)</b>	<b>(\$46.845)</b>
<b>Baseline Changes</b>				
<b>Revenue</b>				
Farebox Revenue	0.023	0.070	0.087	0.101
Other Operating Revenue	0.194	0.006	0.006	0.006
Capital and Other Reimbursement				
<b>Total Revenue Changes</b>	<b>\$0.217</b>	<b>\$0.076</b>	<b>\$0.093</b>	<b>\$0.107</b>
<b>Expenses</b>				
<i>Labor:</i>				
Payroll	(0.811)	(0.860)	(0.901)	(0.951)
Overtime	0.000	0.000	0.000	0.000
Health and Welfare	0.123	0.068	0.211	0.262
OPEB Current Payment	(0.015)	(0.030)	(0.001)	0.007
Pensions	(0.200)	(0.100)	(0.100)	0.000
Other Fringe Benefits	(1.075)	(0.065)	(0.066)	(0.068)
Reimbursable Overhead	0.000	0.000	0.000	0.000
<b>Total Labor Expense Changes</b>	<b>(\$1.978)</b>	<b>(\$0.987)</b>	<b>(\$0.857)</b>	<b>(\$0.750)</b>
<i>Non-Labor:</i>				
Traction and Propulsion Power	(0.369)	0.504	0.697	0.181
Fuel for Buses and Trains	0.009	0.001	0.000	0.018
Insurance	0.335	0.251	0.407	0.601
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	(0.281)	0.001	(8.462)	8.470
Professional Service Contracts	(0.307)	(0.066)	(0.047)	(0.047)
Materials & Supplies	(0.023)	(0.013)	(0.015)	(0.017)
Other Business Expenses	0.000	0.000	0.000	0.000
<i>Additional Actions for Budget Balance: Expense Impact</i>				
<b>Total Non-Labor Expense Changes</b>	<b>(\$0.636)</b>	<b>\$0.678</b>	<b>(\$7.420)</b>	<b>\$9.206</b>
<b>Total Expense Changes before Depreciation &amp; GASB Adjs.</b>	<b>(\$2.614)</b>	<b>(\$.309)</b>	<b>(\$8.277)</b>	<b>\$8.456</b>
Depreciation	0.000	0.000	0.000	0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
<b>Total Depreciation and GASB Adjs. Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Adjustment Changes</b>				
Cash Timing from 2013	(3.332)	0.000	0.000	0.000
Retro-Wage Adjustments	(1.879)	0.000	0.000	0.000
GASB Account Revision	0.088	0.180	0.191	0.202
Cash Adjustment-Workers' Compensation Reserve Adjustment	1.000	0.000	0.000	0.000
<b>Total Cash Adjustment Changes</b>	<b>(\$4.123)</b>	<b>\$0.180</b>	<b>\$0.191</b>	<b>\$0.202</b>
<b>Total Baseline Changes</b>	<b>(\$6.520)</b>	<b>(\$0.053)</b>	<b>(\$7.993)</b>	<b>\$8.765</b>
<b>Total Changes</b>	<b>(\$6.520)</b>	<b>(\$0.053)</b>	<b>(\$7.993)</b>	<b>\$8.765</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$39.113)</b>	<b>(\$41.603)</b>	<b>(\$52.035)</b>	<b>(\$38.080)</b>

**MTA Staten Island Railway**  
**July Financial Plan 2015-2018**  
**Summary of Major Programmatic Changes Between Financial Plans**  
**(\$ in millions)**

**NON-REIMBURSABLE and REIMBURSABLE**

	2014	2015	2016	2017
<b>February Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$32.593)</b>	<b>(\$41.550)</b>	<b>(\$44.042)</b>	<b>(\$46.845)</b>
<b><i>Non-Reimbursable Major Changes</i></b>				
<b>Revenue</b>				
Farebox Revenue	0.023	0.070	0.087	0.101
Other Operating Revenue	0.194	0.006	0.006	0.006
Sub-Total Non-Reimbursable Revenue Changes	0.217	0.076	0.093	0.107
<b>Expenses</b>				
Wage Pattern Adjustment Impact	(1.066)	(1.137)	(1.181)	(1.234)
R44 Fleet Maintenance Timing	0.000	0.000	(8.466)	8.466
Upgrade of Two Damaged Fuel Tanks	(0.283)	0.000	0.000	0.000
Savings Programs	0.000	0.211	0.211	0.211
Pension Re-estimates	(0.200)	(0.100)	(0.100)	0.000
Workers' Compensation Additional Reserve Requirements	(1.000)	0.000	0.000	0.000
Costs to Install and New MTA-Wide Budgeting System	(0.307)	(0.066)	(0.048)	(0.048)
Revised Inflation Assumptions/Other Changes	0.242	0.783	1.307	1.061
Sub-Total Non-Reimbursable Expense Changes	(\$2.614)	(\$.309)	(\$8.277)	\$8.456
<b>Total Non-Reimbursable Major Changes</b>	<b>(\$2.397)</b>	<b>(\$.233)</b>	<b>(\$8.184)</b>	<b>\$8.563</b>
<b><i>Reimbursable Major Changes</i></b>				
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
<b>Total Reimbursable Major Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Accrual Changes</b>	<b>(\$2.397)</b>	<b>(\$0.233)</b>	<b>(\$8.184)</b>	<b>\$8.563</b>
<b><i>Cash Adjustment Changes</i></b>				
Cash Timing from 2013	(3.332)	0.000	0.000	0.000
Retro-Wage Adjustments	(1.879)	0.000	0.000	0.000
GASB Account Revision	0.088	0.180	0.191	0.202
Cash Adjustment-Workers' Compensation Reserve Adjustment	1.000	0.000	0.000	0.000
<b>Total Cash Adjustment Changes</b>	<b>(\$4.123)</b>	<b>\$0.180</b>	<b>\$0.191</b>	<b>\$0.202</b>
<b>Total Baseline Changes</b>	<b>(\$6.520)</b>	<b>(\$0.053)</b>	<b>(\$7.993)</b>	<b>\$8.765</b>
<b>July Financial Plan - Cash Surplus/(Deficit)</b>	<b>(\$39.113)</b>	<b>(\$41.603)</b>	<b>(\$52.035)</b>	<b>(\$38.080)</b>

**MTA STATEN ISLAND RAILWAY**  
**2015 Preliminary Budget**  
**July Financial Plan 2015-2018**  
**Ridership/(Utilization)**

- A re-estimate of non- student ridership is projected to increase ridership above the February Financial Plan by 0.007 million in 2014.
- 2015-2018 ridership growth projects slightly higher annual employment growth in 2015-2018 than the August 2013 forecast used for the February Financial Plan. As a result of the new employment forecast, ridership increases from the February Plan grow throughout the plan period.
- Annual ridership is projected to be above the February Financial Plan by 0.033 million in 2015, 0.043 million in 2016, 0.052 million in 2017 and 0.060 million in 2018.



**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Ridership/(Utilization)**  
**(in millions)**

	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
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**RIDERSHIP**

Fixed Route	4.221	4.327	4.403	4.458	4.488	4.521
	-	-	-	-	-	-

<b>Baseline Total Ridership</b>	<b>4.221</b>	<b>4.327</b>	<b>4.403</b>	<b>4.458</b>	<b>4.488</b>	<b>4.521</b>
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**FAREBOX REVENUE**

Fixed Route	\$5.504	\$5.750	\$5.876	\$5.964	\$6.012	\$6.064
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<b>Baseline Total Revenue</b>	<b>\$5.504</b>	<b>\$5.750</b>	<b>\$5.876</b>	<b>\$5.964</b>	<b>6.012</b>	<b>6.064</b>
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**MTA Staten Island Railway**  
**July Financial Plan 2015-2018**  
**2014 Budget Reduction Proposals - Accrual Basis**  
**(\$ in millions)**

	Favorable/(Unfavorable)									
	Pos.	2014	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018
<u>Administration</u>										
Vacancy Maintenance/Management	-	0.000	-	0.211	-	0.211	-	0.211	-	0.211
Subtotal Administration	-	0.000	-	0.211	-	\$0.211	-	\$0.211	-	\$0.211
<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>										
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>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<b>Agency Submission</b>	-	<b>\$0.000</b>	-	<b>\$0.211</b>	-	<b>\$0.211</b>	-	<b>\$0.211</b>	-	<b>\$0.211</b>

**MTA Staten Island Railway  
July Financial Plan 2015-2018  
2014 Budget Reduction Plan Worksheet**

**Category by Function:** Administration

**Program:** Vacancy Maintenance/Management

<b>Background Details:</b>	After review, it has been determined that the current SIR staffing level will need to be maintained in order to meet operations, maintenance and administrative requirements. In order to achieve the MTA savings target of \$211K annually beginning 2015, SIR will manage a process of delaying hiring to fill vacancies, based on assessment of vacant position functions and risks.
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<b>Program Description/ Implementation Plan:</b>	See background details above.
<b>Program Implementation Date:</b>	<p><b>When will savings begin?:</b> January 2015</p> <p><b>Are these savings recurring?:</b> Yes</p>
<b>Other Issues:</b>	

	Favorable/(Unfavorable)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.211	\$0.211	\$0.211	\$0.211
<i>Total Positions Required:</i>					

**MTA STATEN ISLAND RAILWAY  
2015 Preliminary Budget  
July Financial Plan 2015-2018  
Positions**

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

There were no position changes reflected in this financial Plan.

**Year over Year change**

**2016 over 2015**

Total positions decrease by 34. The decrease is due to the planned completion of Sandy reimbursable capital construction requirements.

<b>MTA Staten Island Railroad</b> <b>July Financial Plan 2015-2018</b> Favorable/(Unfavorable)				
<b>Total Position Changes at a Glance</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>2014 February Plan - Total Baseline Positions</b>	<b>305</b>	<b>305</b>	<b>271</b>	<b>271</b>
Total Plan-to-Plan Changes	0	0	0	0
<b>2014 July Plan - Total Baseline Positions</b>	<b>305</b>	<b>305</b>	<b>271</b>	<b>271</b>
Total Year-to-Year Changes, July Plan		0	34	0

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

<b>Total Plan-to-Plan Changes by Major Category:</b>				
<i>2014 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 &amp; All Other</i> <sup>1</sup>	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Department**  
**Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents**

FUNCTION/DEPARTMENT	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>						
Executive	16	13	13	13	13	13
General Office	5	6	6	6	6	6
Purchasing/Stores	6	6	6	6	6	6
<b>Total Administration</b>	<b>27</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Operations</b>						
Transportation	92	91	91	91	91	91
<b>Maintenance</b>						
Mechanical	40	43	43	43	43	43
Electronic/Electrical	12	15	15	15	15	15
Power/Signals	25	26	26	26	26	26
Maintenance of Way	44	46	46	46	46	46
Infrastructure	27	25	25	25	25	25
<b>Total Maintenance</b>	<b>148</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>
<b>Engineering/Capital</b>						
None	-	34	34	-	-	-
<b>Public Safety</b>						
Police	-	-	-	-	-	-
<b>Baseline Total Positions</b>	<b>267</b>	<b>305</b>	<b>305</b>	<b>271</b>	<b>271</b>	<b>271</b>
Non-Reimbursable	259	268	268	268	268	268
Reimbursable	8	37	37	3	3	3
Total Full-Time	267	305	305	271	271	271
Total Full-Time Equivalents	-	-	-	-	-	-

**MTA STATEN ISLAND RAILWAY**  
**July Financial Plan 2015-2018**  
**Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP	2013 Actual	2014 Mid-Year Forecast	2015 Preliminary Budget	2016	2017	2018
<b>Administration</b>						
Managers/Supervisors	13	14	14	14	14	14
Professional, Technical, Clerical	14	11	11	11	11	11
Operational Hourlies	-	-	-	-	-	-
<b>Total Administration</b>	<b>27</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Operations</b>						
Managers/Supervisors	2	5	5	5	5	5
Professional, Technical, Clerical	2	3	3	3	3	3
Operational Hourlies	88	83	83	83	83	83
<b>Total Operations</b>	<b>92</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>
<b>Maintenance</b>						
Managers/Supervisors	12	8	8	8	8	8
Professional, Technical, Clerical	2	3	3	3	3	3
Operational Hourlies	134	144	144	144	144	144
<b>Total Maintenance</b>	<b>148</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	-	4	4	-	-	-
Professional, Technical, Clerical	-	2	2	-	-	-
Operational Hourlies	-	28	28	-	-	-
<b>Total Engineering/Capital</b>	<b>-</b>	<b>34</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Safety</b>						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
<b>Total Public Safety</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Positions</b>						
Managers/Supervisors	27	31	31	27	27	27
Professional, Technical, Clerical	18	19	19	17	17	17
Operational Hourlies	222	255	255	227	227	227
<b>Baseline Total Positions</b>	<b>267</b>	<b>305</b>	<b>305</b>	<b>271</b>	<b>271</b>	<b>271</b>