

MTA 2016 Preliminary Budget

July Financial Plan 2016-2019



**Volume 2
July 2015**



Metropolitan Transportation Authority

OVERVIEW

MTA 2016 PRELIMINARY BUDGET JULY FINANCIAL PLAN 2016-2019 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 any 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 2016 Preliminary Budget and the Financial Plan for 2016 through 2019. Also included are the Agency sections which incorporate descriptions of Agency Programs with supporting baseline tables and required information related to the MTA Capital Program.

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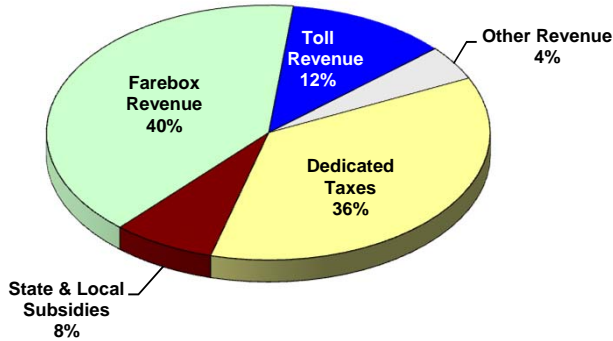
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I. MTA Consolidated 2016-2019 Financial Plan

MTA 2016 Preliminary Budget
Baseline Expenses Before Below-the-Line Adjustments
Non-Reimbursable

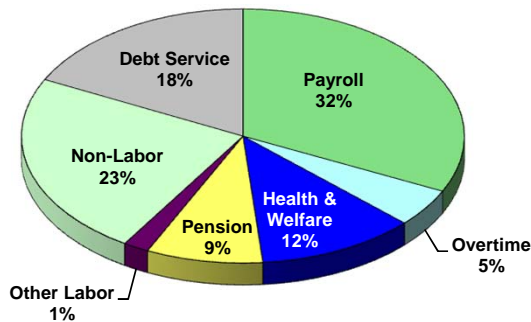
Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$6,100
Toll Revenue	1,791
Other Revenue	671
Dedicated Taxes	5,513
State & Local Subsidies	1,135
Total ¹	\$15,211

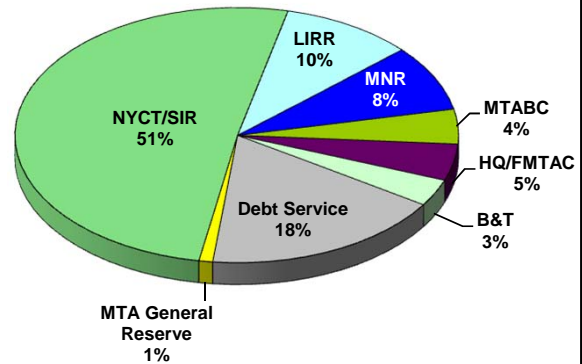
Where the Dollars Go ...

By Expense Category



By Expense Category ² (\$ in millions)	
Payroll	\$4,846
Overtime	732
Health & Welfare	1,742
Pension	1,283
Other Labor	282
Non-Labor	3,525
Debt Service	2,662
Total ¹	\$15,071

By MTA Agency



By MTA Agency ² (\$ in millions)	
NYCT/SIR	\$7,666
LIRR	1,459
MNR	1,264
MTABC	660
HQ/FMTAC	697
B&T	513
Debt Service	2,662
MTA General Reserve	150
Total ¹	\$15,071

¹ Totals may not add due to rounding.

² Expenses exclude Depreciation, OPEB Obligation and Environmental Remediation. MTA Capital Construction is not included, 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, carry-over balances and those "below-the-line" adjustments that are captured in Volume 1. 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 2016-2019
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.		2014	2015	2016			
	Non-Reimbursable	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
10	<u>Operating Revenue</u>						
11	Farebox Revenue	\$5,709	\$5,929	\$6,100	\$6,126	\$6,155	\$6,182
12	Toll Revenue	1,676	1,769	1,791	1,801	1,813	1,827
13	Other Revenue	682	668	671	691	711	737
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$8,068	\$8,365	\$8,563	\$8,618	\$8,680	\$8,746
17	<u>Operating Expense</u>						
18	Labor Expenses:						
19	Payroll	\$4,672	\$4,704	\$4,846	\$4,967	\$5,075	\$5,179
20	Overtime	730	759	732	743	759	774
21	Health & Welfare	962	1,072	1,179	1,248	1,331	1,423
22	OPEB Current Payment	479	511	563	605	658	715
23	Pensions	1,304	1,277	1,283	1,251	1,240	1,266
24	Other-Fringe Benefits	784	637	656	680	710	731
25	Reimbursable Overhead	(350)	(382)	(374)	(368)	(360)	(364)
26	Sub-total Labor Expenses	\$8,582	\$8,578	\$8,885	\$9,125	\$9,411	\$9,724
28	Non-Labor Expenses:						
29	Electric Power	\$516	\$509	\$529	\$554	\$586	\$624
30	Fuel	267	193	202	208	229	252
31	Insurance	51	53	58	65	75	86
32	Claims	269	255	240	246	249	254
33	Paratransit Service Contracts	366	383	407	426	463	502
34	Maintenance and Other Operating Contracts	552	651	692	707	645	657
35	Professional Service Contracts	283	453	411	379	381	389
36	Materials & Supplies	527	583	602	602	595	619
37	Other Business Expenses	177	203	190	190	200	198
38	Sub-total Non-Labor Expenses	\$3,007	\$3,282	\$3,330	\$3,377	\$3,424	\$3,580
40	Other Expense Adjustments:						
41	Other	\$45	\$43	\$45	\$46	\$47	\$49
42	General Reserve	0	140	150	155	160	165
43	Sub-total Other Expense Adjustments	\$45	\$183	\$195	\$201	\$207	\$214
45	Total Operating Expense before Non-Cash Liability Adj.	\$11,634	\$12,042	\$12,410	\$12,703	\$13,042	\$13,518
47	Depreciation	\$2,266	\$2,395	\$2,475	\$2,669	\$2,726	\$2,792
48	OPEB Obligation	2,035	2,022	2,114	2,199	2,287	2,378
49	Environmental Remediation	21	7	7	7	7	7
51	Total Operating Expense after Non-Cash Liability Adj.	\$15,956	\$16,466	\$17,005	\$17,578	\$18,062	\$18,696
53	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$4,322	\$4,424	\$4,595	\$4,875	\$5,020	\$5,178
55	Debt Service (excludes Service Contract Bonds)	(2,249)	(2,454)	(2,662)	(2,827)	(2,934)	(2,974)
57	Total Operating Expense with Debt Service	\$13,882	\$14,496	\$15,071	\$15,530	\$15,976	\$16,492
59	Dedicated Taxes and State/Local Subsidies	\$6,375	\$6,557	\$6,648	\$6,817	\$6,938	\$7,144
61	Net Surplus/(Deficit) After Subsidies and Debt Service	\$561	\$427	\$140	(\$95)	(\$359)	(\$602)
63	Conversion to Cash Basis: GASB Account	(50)	(0)	0	0	(10)	(20)
64	Conversion to Cash Basis: All Other	(496)	(346)	(165)	(216)	(264)	(246)
66	CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	\$15	\$81	(\$25)	(\$311)	(\$632)	(\$869)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
MTA Consolidated Accrued Statement of Operations By Agency
(\$ in millions)

Line No	Non-Reimbursable	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
9	<u>Total Operating Revenue</u>						
10	New York City Transit	\$4,628	\$4,778	\$4,926	\$4,947	\$4,983	\$5,021
11	Bridges and Tunnels	1,703	1,796	1,811	1,821	1,833	1,847
12	Long Island Rail Road	710	739	749	756	755	757
13	Metro-North Railroad	712	737	756	771	782	791
14	MTA Bus Company	224	229	233	233	234	235
15	MTA Headquarters	66	60	61	63	66	67
16	Staten Island Railway	8	9	9	9	9	9
17	First Mutual Transportation Assurance Company	16	17	17	18	18	18
18	Total	\$8,068	\$8,365	\$8,563	\$8,618	\$8,680	\$8,746
20	<u>Total Operating Expenses before Non-Cash Liability Adjs. ¹</u>						
21	New York City Transit	7,353	7,364	7,590	7,787	8,030	8,343
22	Bridges and Tunnels	444	510	513	519	538	562
23	Long Island Rail Road	1,452	1,438	1,458	1,495	1,580	1,653
24	Metro-North Railroad	1,237	1,220	1,263	1,299	1,340	1,380
25	MTA Bus Company	663	633	660	698	660	670
26	MTA Headquarters	385	625	650	632	630	646
27	Staten Island Railway	50	53	64	54	48	49
28	First Mutual Transportation Assurance Company	5	13	2	(2)	(10)	(17)
29	Other	45	188	210	221	227	232
30	Total	\$11,634	\$12,042	\$12,410	\$12,703	\$13,042	\$13,518
32	<u>Depreciation</u>						
33	New York City Transit	\$1,520	\$1,638	\$1,688	\$1,863	\$1,913	\$1,965
34	Bridges and Tunnels	104	112	120	128	137	146
35	Long Island Rail Road	325	330	334	337	341	344
36	Metro-North Railroad	232	226	234	234	234	234
37	MTA Bus Company	49	42	42	43	44	44
38	MTA Headquarters	29	39	48	55	49	51
39	Staten Island Railway	8	8	8	8	8	8
40	First Mutual Transportation Assurance Company	0	0	0	0	0	0
41	Total	\$2,266	\$2,395	\$2,475	\$2,669	\$2,726	\$2,792
43	<u>Other Post Employment Benefits</u>						
44	New York City Transit	\$1,638	\$1,616	\$1,681	\$1,748	\$1,818	\$1,891
45	Bridges and Tunnels	71	72	74	77	81	85
46	Long Island Rail Road	75	75	77	79	81	84
47	Metro-North Railroad	58	68	68	68	68	68
48	MTA Bus Company	105	100	100	100	100	100
49	MTA Headquarters	86	89	111	124	135	147
50	Staten Island Railway	2	2	2	2	2	2
51	Total	\$2,035	\$2,022	\$2,114	\$2,199	\$2,287	\$2,378
53	<u>Environmental Remediation</u>						
54	New York City Transit	\$12	\$0	\$0	\$0	\$0	\$0
55	Bridges and Tunnels	0	0	0	0	0	0
56	Long Island Rail Road	6	2	2	2	2	2
57	Metro-North Railroad	2	5	5	5	5	5
58	MTA Bus Company	1	0	0	0	0	0
59	Staten Island Railway	(0)	0	0	0	0	0
60	Total	\$21	\$7	\$7	\$7	\$7	\$7
62	<u>Net Surplus/(Deficit) ¹</u>						
63	New York City Transit	(\$5,895)	(\$5,840)	(\$6,033)	(\$6,451)	(\$6,778)	(\$7,177)
64	Bridges and Tunnels	1,084	1,103	1,104	1,097	1,077	1,054
65	Long Island Rail Road	(1,148)	(1,106)	(1,122)	(1,158)	(1,249)	(1,326)
66	Metro-North Railroad	(817)	(782)	(814)	(836)	(866)	(897)
67	MTA Bus Company	(593)	(546)	(569)	(608)	(569)	(579)
68	MTA Headquarters	(433)	(692)	(749)	(748)	(748)	(777)
69	Staten Island Railway	(52)	(54)	(65)	(55)	(49)	(51)
70	First Mutual Transportation Assurance Company	11	4	15	20	28	35
71	Other	(45)	(188)	(210)	(221)	(227)	(232)
	Total	(\$7,888)	(\$8,101)	(\$8,442)	(\$8,960)	(\$9,382)	(\$9,950)

Notes: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
MTA Consolidated Cash Receipts and Expenditures
(\$ in millions)

Line No		2014	2015	2016			
		Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
7	Cash Receipts and Expenditures						
10	Receipts						
11	Farebox Revenue	\$5,734	\$5,967	\$6,138	\$6,164	\$6,193	\$6,220
12	Other Operating Revenue	\$705	\$758	\$719	\$855	\$779	821
13	Capital and Other Reimbursements	\$1,492	\$1,871	\$1,768	\$1,655	\$1,605	1,609
14	Total Receipts	\$7,931	\$8,595	\$8,625	\$8,673	\$8,577	\$8,650
16	Expenditures						
17	<u>Labor:</u>						
18	Payroll	\$5,257	\$5,310	\$5,281	\$5,391	\$5,478	\$5,581
19	Overtime	875	883	822	832	844	861
20	Health and Welfare	975	1,112	1,205	1,277	1,354	1,446
21	OPEB Current Payment	470	500	554	596	648	705
22	Pensions	1,351	1,301	1,332	1,297	1,286	1,300
23	Other Fringe Benefits	738	803	804	815	836	855
24	Contribution to GASB Fund	50	0	0	0	10	20
25	Reimbursable Overhead	0	(0)	0	0	0	0
26	Total Labor Expenditures	\$9,716	\$9,909	\$10,000	\$10,209	\$10,456	\$10,769
28	<u>Non-Labor:</u>						
29	Electric Power	\$520	\$507	\$526	\$550	\$581	\$619
30	Fuel	264	190	198	204	225	246
31	Insurance	41	54	54	60	68	79
32	Claims	251	289	214	219	222	227
33	Paratransit Service Contracts	366	381	405	424	461	500
34	Maintenance and Other Operating Contracts	526	591	648	647	557	561
35	Professional Service Contracts	304	497	413	366	363	360
36	Materials & Supplies	691	705	749	724	707	731
37	Other Business Expenditures	233	251	197	202	210	208
38	Total Non-Labor Expenditures	\$3,196	\$3,464	\$3,402	\$3,396	\$3,396	\$3,532
40	<u>Other Expenditure Adjustments:</u>						
41	Other	25	122	109	108	116	120
42	General Reserve	0	140	150	155	160	165
43	Total Other Expenditure Adjustments	\$25	\$262	\$259	\$263	\$276	\$285
45	Total Expenditures	\$12,936	\$13,636	\$13,661	\$13,867	\$14,127	\$14,585
47	Net Cash Deficit Before Subsidies and Debt Service	(\$5,005)	(\$5,040)	(\$5,036)	(\$5,194)	(\$5,550)	(\$5,935)
49	Dedicated Taxes and State/Local Subsidies	\$6,666	\$6,927	\$7,004	\$7,021	\$7,147	\$7,312
50	Debt Service (excludes Service Contract Bonds)	(\$1,646)	(\$1,806)	(\$1,994)	(\$2,138)	(\$2,229)	(2,246)
52	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$15	\$81	(\$25)	(\$311)	(\$632)	(\$869)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
MTA Consolidated Cash Statement of Operations By Agency
(\$ in millions)

Line Number		2014	2015	2016			
		Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
9	<u>Total Receipts</u>						
10	New York City Transit	\$5,510	\$5,853	\$5,920	\$5,879	\$5,878	\$5,915
11	Long Island Rail Road	\$967	\$1,066	\$1,042	\$1,033	\$1,028	1030
12	Metro-North Railroad	\$903	\$1,022	\$1,026	\$1,024	\$1,019	1034
13	MTA Bus Company	\$230	\$243	\$242	\$244	\$245	249
14	MTA Headquarters	\$263	\$347	\$327	\$425	\$336	352
15	Staten Island Railway	\$11	\$13	\$13	\$13	\$13	13
16	Capital Construction Company	\$30	\$36	\$38	\$39	\$40	40
17	First Mutual Transportation Assurance Company	\$16	\$17	\$17	\$18	\$18	18
18	Total	\$7,931	\$8,595	\$8,625	\$8,673	\$8,577	\$8,650
19							
20	<u>Total Expenditures</u>						
21	New York City Transit	\$8,467	\$8,447	\$8,537	\$8,726	\$8,936	\$9,258
22	Long Island Rail Road	\$1,777	\$1,749	\$1,759	\$1,775	\$1,861	1,939
23	Metro-North Railroad	\$1,429	\$1,619	\$1,595	\$1,593	\$1,602	1,635
24	MTA Bus Company	\$667	\$650	\$659	\$697	\$659	670
25	MTA Headquarters	\$529	\$906	\$817	\$778	\$772	780
26	Staten Island Railway	\$49	\$62	\$68	\$58	\$52	53
27	Capital Construction Company	\$30	\$36	\$38	\$39	\$40	40
28	First Mutual Transportation Assurance Company	\$16	\$17	\$17	\$18	\$18	18
29	Other	(\$28)	\$150	\$172	\$184	\$190	193
30	Total	\$12,936	\$13,636	\$13,661	\$13,867	\$14,127	\$14,585
31							
32	<u>Net Cash Surplus/(Deficit)</u>						
33	New York City Transit	(\$2,956)	(\$2,594)	(\$2,616)	(\$2,848)	(\$3,058)	(\$3,343)
34	Long Island Rail Road	(\$810)	(\$683)	(\$716)	(\$743)	(\$833)	(909)
35	Metro-North Railroad	(\$526)	(\$597)	(\$569)	(\$569)	(\$583)	(601)
36	MTA Bus Company	(\$437)	(\$408)	(\$417)	(\$453)	(\$413)	(421)
37	MTA Headquarters	(\$266)	(\$559)	(\$490)	(\$353)	(\$435)	(427)
38	Staten Island Railway	(\$38)	(\$49)	(\$55)	(\$44)	(\$39)	(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	\$28	(\$150)	(\$172)	(\$184)	(\$190)	(193)
42	Total	(\$5,005)	(\$5,040)	(\$5,036)	(\$5,194)	(\$5,550)	(\$5,935)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
MTA Consolidated July Financial Plan Compared with February Financial Plan
Cash Reconciliation
(\$ in millions)

	Favorable/(Unfavorable)			
	2015	2016	2017	2018
FEBRUARY FINANCIAL PLAN 2015-2018				
NET CASH SURPLUS/(DEFICIT)	(\$166)	(\$87)	(\$509)	(\$818)
Agency Baseline Adjustments	\$50	\$77	\$285	\$215
<i>Farebox/Toll Revenue</i>	45	84	52	30
<i>Rates:</i>				
<i>Pension</i>	79	72	89	108
<i>Energy</i>	66	62	101	102
<i>Insurance</i>	7	9	11	8
<i>Health & Welfare (including retirees)</i>	7	(35)	(14)	(5)
<i>Weather Impacts</i> ¹	(54)	(4)	(4)	(4)
<i>Overtime (includes rebaselining)</i> ²	(25)	(27)	(26)	(26)
<i>LI Bus Post-Termination Costs</i>	(58)	(8)	(8)	(8)
<i>Public Liability Claims</i>	(27)	(11)	(11)	(12)
<i>Other Baseline Re-estimates (includes timing)</i> ³	10	(65)	95	19
New Needs/Investments	(\$139)	(\$202)	(\$198)	(\$169)
<i>Service Adjustments/Service Support</i>	(20)	(37)	(36)	(44)
<i>Maintenance/Operations</i>	(45)	(53)	(64)	(65)
<i>Safety & Security</i>	(9)	(9)	(10)	(12)
<i>Information Technology</i>	(30)	(40)	(39)	(14)
<i>New NYS-Mandated Annual Compliance Training</i>	(16)	(21)	(21)	(21)
<i>All Other New Needs</i>	(21)	(42)	(28)	(12)
Savings Programs	\$39	\$44	\$74	\$79
<i>2015 BRP (New Savings Programs)</i>	39	33	39	36
<i>NYCT Paratransit - Additional Net Savings</i>	1	11	35	43
MTA Adjustments	(\$1)	(\$8)	(\$8)	(\$8)
<i>General Reserve</i>	-	(5)	(5)	(5)
<i>FMTAC Reserves</i>	(1)	(3)	(3)	(3)
Changes in Subsidies	\$294	\$89	\$42	\$5
<i>Real Estate Taxes</i>	299	94	47	6
<i>Petroleum Business Tax</i>	15	14	14	14
<i>Payroll Mobility Tax</i>	(6)	(7)	(6)	(3)
<i>MTA Aid</i>	(13)	(13)	(13)	(13)
Other Subsidy Adjustments	(\$14)	\$137	\$66	\$74
<i>CDOT Subsidy</i>	6	13	10	12
<i>B&T Surplus Transfer</i>	80	46	57	63
<i>Forward Energy Contracts</i>	(37)	(11)	(0)	-
<i>Other Subsidies</i>	(62)	88	(1)	(1)
Debt Service	\$17	(\$75)	(\$62)	(\$10)
JULY FINANCIAL PLAN 2016-2019				
NET CASH SURPLUS/(DEFICIT)	\$81	(\$25)	(\$311)	(\$632)

* Totals may not add due to rounding

¹ Includes loss of farebox revenue and overtime.

² Excludes overtime for New York State's new mandated annual training requirements and NYCT track maintenance, which are captured in the New Needs/Investments section.

³ The changes capture timing differences, including recoveries from the disposition of the Madison Avenue buildings; changes in reimbursable assumptions; revised inflation forecasts; and adjustments for operating capital and cash.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Baseline Farebox Recovery and Farebox Operating Ratios

FAREBOX RECOVERY RATIOS

	2015 Mid-Year Forecast	2016 Preliminary Budget	2017 Plan	2018 Plan	2019 Plan
New York City Transit	37.6%	37.4%	36.0%	34.8%	33.7%
Staten Island Railway	11.2%	10.0%	11.4%	12.5%	12.2%
Long Island Rail Road	31.6%	31.3%	30.6%	29.1%	28.1%
Metro-North Railroad	41.0%	40.5%	40.3%	39.7%	39.2%
Bus Company	<u>27.7%</u>	<u>27.1%</u>	<u>25.9%</u>	<u>27.3%</u>	<u>27.0%</u>
MTA Total Agency Average	36.6%	36.3%	35.1%	34.2%	33.1%

FAREBOX OPERATING RATIOS

	2015 Mid-Year Forecast	2016 Preliminary Budget	2017 Plan	2018 Plan	2019 Plan
New York City Transit	60.2%	60.3%	58.9%	57.3%	55.4%
Staten Island Railway	15.7%	13.4%	15.9%	18.0%	17.5%
Long Island Rail Road	46.8%	47.6%	46.6%	44.1%	42.2%
Metro-North Railroad	58.4%	57.4%	58.2%	57.7%	57.2%
Bus Company	<u>35.2%</u>	<u>34.3%</u>	<u>32.4%</u>	<u>34.5%</u>	<u>34.0%</u>
MTA Total Agency Average	56.5%	56.4%	55.3%	54.1%	52.4%

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 (the “Plan”) consists of the 2015 Mid-Year Forecast, the 2016 Preliminary Budget, and 2017 to 2019 projections. Plan-to-plan changes compare the July Plan with the February Plan through 2018, capturing programmatic changes and re-estimates of revenues and expenses. 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 proposed for 2017 and 2019, and savings targets that have not yet been approved and implemented.

In developing the Plan, Agencies were instructed to adhere to the spending envelope contained in the February Plan. Each Agency was apportioned a share of \$40 million in recurring savings that had been unidentified and captured “below-the-line” in February; Agencies met this target and have identified additional efficiency savings. The July Plan also captures favorable re-estimates of expenses and toll revenue.

The July Plan captures operating expenses associated with “mega” projects including the Fulton Street Transit Center, 7 Line Extension, Second Avenue Subway, and East Side Access. The Plan funds new investments in safety, service, maintenance, and information technology while retaining the funding made in these areas in recent years, including the 2014 Safety Initiative. New investments in service and service platform adjustments will increase the frequency of service, maintain loading and headway guidelines, and increase on-time performance. Other investments are being made to improve the performance of subway cars, buses and the commuter fleet. Detailed descriptions of these and other investments follow later in this section as well as within individual Agency sections.

Baseline Changes from February Plan

The major Plan additions and adjustments are identified in the reconciliation table on the following page, highlighted in the proceeding narratives, explained by generic category later in this section, and detailed further in Agency sections.

AGENCY BASELINE
JULY CHANGES FROM FEBRUARY PLAN

Favorable/(Unfavorable)
(\$ in millions)

	2015	2016	2017	2018
Agency Baseline Adjustments	\$50	\$77	\$285	\$215
Farebox/Toll Revenue	45	84	52	30
Rates:				
Pensions	79	72	89	108
Energy	66	62	101	102
Insurance	7	9	11	8
Health & Welfare (including retirees)	7	(35)	(14)	(5)
Weather Impacts ¹	(54)	(4)	(4)	(4)
Overtime (includes rebaselining) ²	(25)	(27)	(26)	(26)
LI Bus Post-Termination Costs/Con Edison Recovery	(58)	(8)	(8)	(8)
Public Liability Claims	(27)	(11)	(11)	(12)
Other Baseline Re-estimates (includes timing) ³	10	(65)	95	19
New Needs/Investments	(\$139)	(\$202)	(\$198)	(\$169)
Service Adjustments/Service Support	(20)	(37)	(36)	(44)
Maintenance/Operations	(45)	(53)	(64)	(65)
Safety & Security	(9)	(9)	(10)	(12)
Information Technology	(30)	(40)	(39)	(14)
New NYS Mandated Annual Compliance Training	(16)	(21)	(21)	(21)
All Other New Needs	(21)	(42)	(28)	(12)
Savings Programs	\$39	\$44	\$74	\$79
2015 BRP (New Savings Programs)	39	33	39	36
NYCT Paratransit - Additional Net Savings	1	11	35	43
MTA Adjustments	(\$1)	(\$8)	(\$8)	(\$8)
General Reserve	0	(5)	(5)	(5)
FMTAC Reserves	(1)	(3)	(3)	(3)
Net Cash Baseline Changes	(\$51)	(\$89)	\$153	\$117

¹ Includes loss of farebox revenue and overtime.

² Excludes overtime for New York State's new mandated annual training requirements and NYCT track maintenance, which are captured in the New Needs/Investments section.

³ Changes capture timing differences including recoveries from the disposition of the Madison Avenue buildings. They also capture changes in reimbursable assumptions, revised inflation forecasts, and adjustments for operating capital and cash.

Agency Baseline Adjustments:

The July Plan captures favorable expense re-estimates for pensions, energy, paratransit, pensions and insurance, as well as toll revenue that is projected to be significantly favorable. Offsetting a portion of these favorable changes were costs associated with harsh winter weather in the first quarter of 2015, additional overtime requirements, public

liability claims, and the removal of recoveries that were presumed for settlement with: Nassau County for Long Island Bus expenses and, Con Edison for the 2013 New Haven Line power outage.

Overtime

In May, the Finance Committee was presented with a special report on overtime when March YTD overages exceeded the budget by \$38 million. The report revealed that of the \$38 million unfavorable variance, severe winter weather conditions, which impacted all of the operating Agencies, accounted for two-thirds or \$24 million of that variance. The other contributors included higher vacancies or absenteeism experienced mainly at NYCT and the Commuter Railroads, and greater demands for maintenance work on bus fleet retained for service beyond their expected life at NYCT and MTA Bus. Higher levels of track maintenance performed at NYCT and at the LIRR, the result of increased track inspections, and increased subway service delays and overcrowding caused by record ridership levels as well as bus traffic at NYCT rounded-out the remaining top reasons for the overrun.

The report concluded that although some of the YTD overage was offset with straight-time payroll savings due to vacancies, Agencies would reforecast overtime in areas where realistic increases were necessary. Accordingly, the July Plan incorporates the above noted overage as well as additional adjustments deemed appropriate to reflect improved forecasting and coverage requirements for further anticipated track and fleet maintenance work, a NYS edict on MTA-wide annual compliance training/certifications (noted below), trend-based vacancies/absentees coverage, and new/platform service and service-related adjustments. The five-year rolling average methodology established to improve forecasting for weather coverage remains unchanged from the 2014 November Plan. Adjusted for the above noted first quarter overage, the Plan captures an annual average increase of \$61 million over the course of the Plan.

Implementing sustainable overtime management 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. Agencies describe some of those efforts within their financial overview section. Areas that continue to be internally scrutinized and require particular focus include: vacancies and employee accidents, optimizing overtime vs. straight-time, including impacts on pensions; overtime use for non-essential work; and overtime intensity. Further analysis of overtime will be conducted, and it is expected that efficiencies can be identified that will result in realistic savings.

New Needs/Investments:

The MTA continues to take steps to improve the reliability, efficiency and performance of its fleet, facilities and infrastructure. The Baseline captures new mandated annual compliance training and policy certifications for all employees, and numerous MTA-wide information technology-related investments, which are captured within Headquarters.

Below lists major Plan investments by subject:

Service Adjustments/Service Support:

- NYCT will launch the Mitigation of Subway Delays Initiative, which will increase the number of platform passenger controllers, reduce station dwell times, enhance Road Car Inspector coverage, track maintenance and defect repairs to mitigate delays on the right-of-way;
- NYCT and MTA Bus intend to expand Select Bus Service (Bus Rapid Transit) and improve bus performance, including off-board fare collection, bus lanes, real-time information, low-floor hybrid-electric buses and service reliability; and increase “platform” service adjustments required to improve reliability and frequency of service in response to ridership trends and maintenance requirements; and
- SIR will improve On-Time-Performance by adding two additional crews, improve ferry boat connections, and increase rush hour express service.

Maintenance/Operations:

- NYCT will perform greater levels of maintenance to prolong the serviceability and safety of bus fleet that are 15 years or older until new buses arrive. Similarly, R32 subway cars will be retained in service by performing complete overhauls until the R179 replacement subway cars are delivered;
- LIRR plans to replace critical components of the communications control unit on the bi-level C3 coach cars. The unit controls the public announcement system, radio, passenger emergency intercom, ASI system, control display unit and panel;
- LIRR will develop a maintenance and replacement strategy for the M7 propulsion inverters, which are nearing the conclusion of their useful life, and upgrade intrusion alarms at passenger stations to ensure code compliance;
- MNR plans to centralize the traffic control signal system, providing administrators with an updated network monitoring and management system; and upgrade the M7 Cab information system;
- B&T has commenced biennial tunnel inspections and will increase the use of design-build procurement strategies for capital work; increase engineering staff to meet project management and quality assurance demands associated with the higher workload resulting from the Sandy Restoration and Mitigation Program; and
- Additional investments are being made to fund key elements of the MTA-wide Enterprise Asset Management improvement initiative that were identified through preliminary “gap assessments” currently underway at operating Agencies. Further

adjustments are expected once all assessments are finalized and the scope of the initiative is better defined for inclusion in the November Plan.

Safety & Security:

- MNR will augment its 2014 Safety Initiatives by establishing a dedicated crossing gang tasked with upgrading all sixty highway grade crossings located in Connecticut; reducing the backlog of rail maintenance conditions; forming weekend and peak construction gangs responsible for mitigating 3rd rail arcing events that occur in the DC territory; installing cameras and audio equipment on West of Hudson rolling stock; and starting a dedicated platform track rehabilitation gang at Grand Central Terminal;
- MNR will increase the clearance of overhead structures on the New Haven Line to allow continued operation of freight trains as well as to protect and ensure the integrity and reliability of the catenary system, and procure the services of a property manager to provide essential building services and maintenance functions for the New Haven Component Change-Out Shop; and
- The LIRR will fund investments for fire code compliance and emergency response training.

Information Technology:

- MTAHQ will enhance comprehensive disaster recovery operations, including the establishment of a new back-up disaster recovery site for financial systems; augment and upgrade PeopleSoft and migrate to a Windows Server 2012R2 operating system, increase resources to upgrade and protect the integrity of MTA information technology assets, and safeguard critical infrastructure from cyber-attacks.

New NYS Mandated Annual Compliance Training:

- The Governor's Office of Employee Relations instituted a series of mandated compliance training courses and policy certifications for all employees, which must be re-taken annually. The training will include but is not limited to courses covering equal employment opportunity, sexual harassment, workplace violence, reasonable accommodation and cyber security. For most represented employees, overtime will be charged or used to cover an employee's absence due to testing.

Other New Needs:

- An Energy Management System will be implemented. This program, headed by MNR and supported by MTAHQ, is a comprehensive All-Agency initiative utilizing automated metering infrastructure and energy management software that will

provide a management portal to view and monitor electric, gas, water, steam, fuel oil, and other utility usage data in support of energy management initiatives;

- MTAHQ will launch the MTA-wide Procure-to-Pay Program, improving the procurement platform with suppliers, providing an interface with suppliers and a real-time virtual marketplace.

Savings Programs

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

In addition to these strategies, the MTA continues to identify new opportunities for efficiencies and raising the savings bar. In this Plan, the MTA is committing to achieving additional efficiency savings in annual increments of \$25 million beginning in 2018 (see Volume I).

METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2016 - 2019 (\$ in millions)

Favorable/(Unfavorable)

2015 Budget Reduction Program by Agency and Category										
	2015		2016		2017		2018		2019	
	Pos	\$	Pos	\$	Pos	\$	Pos	\$	Pos	\$
Agency:										
New York City Transit/SIR	14	1.6	47	4.6	67	7.3	67	7.8	67	7.8
Long Island Rail Road	-	2.4	-	5.7	-	7.6	-	4.6	-	4.6
Metro-North Railroad	-	0.0	-	3.6	-	3.6	-	3.6	-	3.6
Bridges & Tunnels	-	5.6	-	0.5	-	0.5	-	0.5	-	0.5
MTA Headquarters	59	26.5	59	16.7	59	16.5	59	16.6	59	16.7
Total (Excluding MTA Bus)	73	\$36.1	106	\$31.1	126	\$35.6	126	\$33.1	126	\$33.2
MTA Bus	-	2.5	-	1.9	-	3.0	-	3.0	-	3.0
Total	73	\$38.6	106	\$33.0	126	\$38.6	126	\$36.1	126	\$36.2
Category:										
Administration	59	26.6	89	21.3	109	23.8	109	24.4	109	24.5
Customer Convenience/Amenities	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Maintenance/Inventory	6	0.4	8	2.1	8	2.1	8	2.1	8	2.1
Revenue Enhancement	-	0.0	-	0.0	-	4.3	-	1.3	-	1.3
Safety/Security	1	0.8	2	1.2	2	1.2	2	1.2	2	1.2
Service	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Service Support	7	0.6	7	0.6	7	0.6	7	0.6	7	0.6
Other	-	7.7	-	5.8	-	3.4	-	3.4	-	3.4
Total (Excluding MTA Bus)	73	\$36.1	106	\$31.1	126	\$35.6	126	\$33.1	126	\$33.2
MTA Bus - Other	-	2.5	-	1.9	-	3.0	-	3.0	-	3.0
Total	73	\$38.6	106	\$33.0	126	\$38.6	126	\$36.1	126	\$36.2

The 2015 MTA Budget Reduction Program identifies approximately \$182 million in greater savings over the course of the July Plan. These savings reduce the deficit by \$39 million in 2015, \$33 million in 2016, \$39 million in 2017, and \$36 million in 2018, as well as reflect a decrease of 126 positions by the end of the Plan period. All BRPs have been incorporated into Agency baselines within the category construct of the MTA's traditional financial statements.

When combined with additional MTA Efficiency savings, captured as "below-the-line" Plan adjustments in Volume I, total annual savings are projected to rise to \$1.3 billion in 2015, \$1.5 billion in 2016, and reach \$1.8 billion by 2019.

Major budget reduction initiatives, comprising the total 2015 BRPs—Programmatic are summarized below by Agency. Specific details can be found in the BRP worksheets located in Agency sections.

NYCT BRP Savings:

- Centralize select timekeeping functions of the Department of Subways;
- Generate supply logistics savings by improving the management of warehouse stores and the receipt, processing and delivery of materials;
- Implement efficiencies within the revenue collection process;
- Identify operational efficiencies within security function processes;
- Adjust *FasTrack* support based on revised planned occurrences; and
- Utilize in-house resources in Corporate Communications instead of outside graphic artist services.

LIRR BRP Savings:

- Enforce tighter management controls and increase oversight of non-payroll budgets, with a particular emphasis on contractual services;
- Eliminate leases for replacement work locomotives;
- Increase reimbursement from Amtrak for a portion of the property insurance for Penn Station New York and PSCC under the Level A Lease amendment;
- Extend a freight contract that is expected to result in higher revenue; and
- Reduce material usage for specific rolling stock maintenance tasks.

MNR BRP Savings:

- Realize vacancy savings that are expected to exceed budgeted levels due to the combination of high attrition levels and challenges in hiring;
- Enforce tighter management controls and increase oversight of non-payroll budgets, with a particular emphasis on contractual services; and
- Utilize internal and external websites for commutations and information sharing, reducing dependency on corporate printing spending.

B&T BRP Savings:

- Realize vacancy savings that are expected to exceed budgeted levels in 2015; and
- Reduce procured services and utilize in-house resources.

MTAHQ BRP Savings:

- Realize reductions in headcount and non-payroll expenses that are expected to result from efficiencies realized through the MTA Headquarters' Information Technology (IT) Transformation initiative;
- Realize vacancy savings that are expected to exceed budgeted levels in 2015;
- Eliminate Unisys desktop support and EDP consultant costs; and
- Reduce MTA PD expenses for facilities maintenance and repairs, outside consultants, and fuel.

SIR BRP Savings:

- Realize lower costs for Workers' Compensation, tire/tube and diesel valve costs, and savings resulting from delayed hiring and vacancies.

MTA Bus BRP Savings:

- Enforce tighter management controls and increase oversight of non-payroll budgets, with a particular emphasis on contractual and professional services.

Operating Budget Impacts of Capital “Mega” Projects

Agency baselines capture the impact of “mega-projects” scheduled to come into or ramping-up for service within the next five years. The relevant operating expense projections remain unchanged from the February Plan and now include 2019.

METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2016-2019 Operating Budget Impacts of Capital "Mega" Projects (\$ in millions)

		2015 Mid-Year Forecast		2016 Preliminary Budget		2017		2018		2019	
		Pos	(\$000)	Pos	(\$000)	Pos	(\$000)	Pos	(\$000)	Pos	(\$000)
East Side Access											
<i>Revenue Service Date: Year 2022</i>											
LIRR		0	-	0	-	19	2.250	203	26.993	335	51.668
MTAHQ		-	-	-	-	-	-	-	-	30	2.441
Subtotal		0	\$ -	0	\$ -	19	\$ 2.250	203	\$ 26.993	365	\$ 54.110
2nd Avenue Subway											
<i>Revenue Service Date: January 2017</i>											
NYCT		0	\$ -	0	\$ -	301	\$ 31.642	301	\$ 32.885	301	\$ 34.207
7-Line Extension											
<i>Revenue Service Date: 2nd Qtr 2015</i>											
NYCT		175	\$ 18.150	182	\$ 18.494	184	\$ 18.863	184	\$ 19.550	184	\$ 20.280
Fulton St Transit Center											
<i>Revenue Service Date: Nov 2014</i>											
NYCT		35	\$ 9.548	35	\$ 9.333	35	\$ 9.333	35	\$ 9.704	35	\$ 10.098
TOTAL		210	\$ 27.698	217	\$ 27.827	539	\$ 62.088	723	\$ 89.131	885	\$ 118.695

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.

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 services 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, and as the regional economy has gradually recovered, employment levels have steadily improved, and utilization, as measured by 12-month average ridership levels, now exceeds its pre-recession level. The July Financial Plan includes updated forecasts of regional employment, and these revisions partly explain new expectations of system-wide utilization. Compared with projections used in the development of the February Plan, employment is slightly higher through 2016, but is lower for 2017 and 2018, the 2018 employment forecast 0.6% lower than projected for the February Plan. By 2019, the number of jobs in New York City is expected to reach 4.24 million.

While economic conditions are an important influence on system-wide utilization, one of the most significant determinants in 2015 was the severe winter weather during the first three months of the year. Weather conditions during the first quarter turned out to be worse than in 2014 and included significant snowfall totals, record cold temperatures and the “Juno” blizzard in January which brought more than 17 inches of snow to parts of Nassau County, 30 inches to Suffolk County and more than 10 inches to some parts of Westchester County. The first quarter was also quite cold: while February was the coldest February since complete records were first kept in 1948, January and March temperatures were also colder than average. Moreover, March had the greatest total snowfall for that month since 1940, with snowfall in excess of seven inches occurring four times during the month.

All MTA agencies are continuing with measures to improve customer satisfaction by making transportation safe, convenient and reliable. B&T continues with its efforts to expand E-ZPass usage, which now constitutes 85.0% of all traffic and is up 0.7% from January to April compared with the same period last year. In recognition of the far-reaching potential of electronic tolling, B&T has received approval to continue its All Electronic Toll (AET) collection pilot program at Henry Hudson Bridge, which has been operative since 2012; the expansion of the pilot program to the Marine Parkway and Cross Bay facilities in 2016 is under consideration. NYCT, challenged by record-breaking subway ridership levels, this year initiated a comprehensive delay mitigation program to reduce dwell times at stations; to quickly respond to right-of-way service disruptions, the agency is building upon last year's initiative to add critical maintenance staff by further

adding Road Car Inspectors to respond to car equipment breakdowns. Countering an unfavorable trend in bus ridership in New York City brought on by increased traffic congestion, NYCT will also add three Select Bus Service (SBS) routes, which will reduce travel times in key corridors in Manhattan, Brooklyn and Queens; MTA Bus will also introduce SBS routes in 2016. LIRR and MNR continue to collaborate on the implementation of mobile ticketing, which will allow customers to purchase tickets using mobile devices and then display an on-screen ticket for railroad conductors. Technological developments continue to improve the delivery of service information to customers.

In addition to those factors influencing ridership and traffic, farebox and toll revenue reflect the 4 percent average fare and toll increases that went into effect in late March 2015. On a year-to-year basis, this results in three quarters of 2015 at higher fare and toll rates than 2014. Similarly, 2016 farebox and toll revenue is based on a fully annualized impact of the 4 percent increase, affecting the year to year comparison with 2015. B&T traffic and toll revenue are also favorably impacted – in 2015 and subsequent years – from less traffic loss than anticipated from the toll increase.

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. Nor is utilization for MNR's west-of-Hudson operations 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 2015 Mid-Year Forecast for MTA consolidated ridership is projected to total 2,732 million passengers, while crossings at B&T facilities are expected to reach 292 million. The NYCT combined subway and bus ridership forecast for the 2015 July Forecast is 2,431 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 2015 ridership projected to be 87 million for LIRR and 84 million for MNR's East-of-Hudson operations. Ridership for MTA Bus is projected to be 126 million, and accounts for 5% of MTA consolidated ridership, while SIR ridership is projected to be 5 million (0.2% of MTA ridership).

MTA consolidated farebox revenue for the 2015 Mid-Year Forecast is expected to be \$5,866 million, and toll revenue is expected to be \$1,769 million. NYCT combined subway and bus farebox revenue is forecast at \$4,290 million, while LIRR is projecting \$686 million in farebox revenue and MNR \$675 million in farebox revenue for its East-of-Hudson operations. MTA Bus farebox revenue is expected to be \$209 million, and SIR farebox revenue is expected to be \$6 million.

The 2015 Mid-Year Forecast for MTA consolidated ridership is expected to increase by 15 million trips (0.5%) compared with 2014, reflecting, in part, continued improvement in the regional economy. Ridership at NYCT is expected to increase by 12 million (0.5%); and ridership levels at MNR, LIRR, MTA Bus and SIR are also expected to rise in 2015, combining for an increase of 2 million trips (0.8%). Traffic crossings at B&T facilities are

expected to increase by 5 million trips (1.8%) compared with 2014, partly the result of significantly lower gasoline prices. The 2015 Mid-Year Forecast projects a consolidated farebox revenue increase of \$226 million (4.0%) in 2015, reflecting higher collections at all agencies, while B&T toll revenue is expected to exceed 2014 toll revenue by \$92 million (5.5%). The variances for both farebox and toll revenue, in addition to echoing higher ridership and traffic levels, reflect the impact from the 4 percent increase in fares and tolls implemented in March 2015.

MTA consolidated ridership for the 2015 Mid-Year Forecast is expected to fall short of the 2015 Adopted Budget forecast by 22 million trips (0.8%); ridership at NYCT is projected to decline by an equal amount (22 million trips), while a 600 thousand decline at MNR is offset by an equal increase at LIRR and MTA Bus and SIR are unchanged from the Adopted Budget ridership forecast. The ridership decrease of 22 million trips (0.9%) at NYCT reflects 18 million fewer bus trips and 4 million fewer subway trips. The fall in bus ridership was partly due to the unusually harsh winter weather in the first quarter, but NYCT also reduced its estimate of ridership recovery from fare evasion enforcement by 1.7 million. Although LIRR has improved its ridership forecast by 600 thousand (0.7%) over the Adopted Budget – partly the result of improved forecasts of 2015 employment levels, relative to those used in February – this has been met by a similar decline at MNR largely because of lower than expected commutation and non-commutation ridership because of the service suspension in January from Winter Storm Juno, continuous adverse effects of winter weather disruptions and the February collision in Valhalla. And while expectations at MTA Bus are virtually the same as in the Adopted Budget, SIR has improved its ridership forecast by 0.8%. The Mid-Year Forecast expects that B&T crossings will improve compared with the Adopted Budget by 8 million trips (2.8%), reflecting the steep decline in gasoline prices that began in the fall of 2014 and has continued into 2015, and also because of a lower than expected impact of the March toll increase.

MTA consolidated farebox revenue in the 2015 Mid-Year Forecast is expected to be lower than the Adopted Budget forecast by \$8 million (0.1%), with declines at MNR, NYCT and MTA Bus partly offset by improved expectations for LIRR and SIR. Unfavorable revisions of farebox revenues at MNR, now forecast \$9 million lower, at NYCT, now \$2 million lower, and at MTA Bus Company, now \$0.5 million lower than the Adopted Budget reflect the impact of poor weather conditions during the first quarter of the year. LIRR forecasts of farebox revenues have improved by \$4 million, while SIR expects revenues to be favorable by \$0.1 million (or one percent). B&T toll revenue is also projected to exceed expectations by \$52 million (3.1%) better than the Adopted Budget forecast.

The 2016 Preliminary Budget continues to anticipate year-to-year improvements in ridership and farebox revenues, as the regional economy and the associated employment picture continues to improve; B&T traffic and toll receipts are also expected to improve over 2015. Farebox and toll revenue are both favorably impacted by the full annualization of the March 2015 fare and toll increases, which were in effect for only nine months in 2015. Additionally, the negligible impact on traffic from the toll increase which resulted in higher than anticipated toll revenue in 2015 reverberates in 2016 and subsequent years.

Year-to-year, MTA consolidated ridership is expected to increase by 63 million trips (2.3%) compared to 2015, and B&T vehicular crossings are expected to increase by 2 million trips (0.7%). Farebox revenue is projected to increase \$169 million (2.9%) over 2015, while toll revenue is forecast to improve by \$22 million (1.3%).

MTA consolidated ridership for the 2016 Preliminary Budget is expected to be higher than the February Plan projection by 5 million trips (0.2%), mostly the result of improved expectations for ridership at NYCT: while subway ridership is anticipated to be 13 million higher than previously forecast, the NYCT bus ridership projection has been revised downward by 9 million, resulting in a net improvement of 4 million (0.2%) more rides. LIRR and SIR also contribute to the positive plan-to-plan ridership variance for 2016, with LIRR favorable by 1 million (0.7%), and SIR by 100,000 (2.1%). The 2016 ridership forecast for MTA Bus Company is unchanged, while MNR expects 1 million fewer riders (0.7%). At B&T facilities, the Preliminary Budget shows an increase of 9 million (3.1%) more vehicular crossings in 2016 than forecast in the February Plan. Consistent with the rise in ridership, MTA consolidated farebox revenue for 2016 in the Preliminary Budget is expected to exceed the projections in the February Plan by \$30 million (0.5%), with only MNR showing an unfavorable variance. B&T toll revenue for 2016 is expected to be \$53 million (3.1%) above the February Plan forecast.

Annual Utilization Growth Rates -- Traffic & Ridership					
	2015	2016	2017	2018	2019
Traffic: Bridges & Tunnels	1.8%	0.7%	0.7%	0.8%	0.9%
Long Island Rail Road	0.8%	0.8%	0.1%	0.3%	0.3%
Metro-North Railroad	1.5%	2.0%	1.6%	1.1%	1.2%
MTA Bus Company	0.2%	0.5%	0.2%	0.4%	0.1%
New York City Transit	0.5%	2.5%	0.3%	0.3%	0.3%
Staten Island Railway	3.8%	2.7%	0.3%	0.4%	0.3%
Ridership	0.5%	2.3%	0.3%	0.4%	0.3%

Annual Utilization Growth Rates -- Toll & Farebox Revenue					
	2015	2016	2017	2018	2019
Toll Revenue: Bridges & Tunnels	5.5%	1.3%	0.6%	0.7%	0.8%
Long Island Rail Road	4.1%	1.5%	0.3%	0.1%	0.2%
Metro-North Railroad	3.9%	2.9%	1.9%	1.4%	1.2%
MTA Bus Company	2.6%	1.6%	(0.1%)	0.3%	0.2%
New York City Transit	4.1%	3.2%	0.2%	0.4%	0.3%
Staten Island Railway	7.9%	3.0%	0.3%	0.5%	0.4%
Farebox Revenue	4.0%	2.9%	0.4%	0.5%	0.4%

MTA consolidated ridership and farebox revenue are both expected to increase each year from 2017 to 2019: by 2019, consolidated ridership is projected to reach 2,822 million passengers, and farebox revenue is expected to reach \$6,113 million. B&T crossings are also projected to increase each year, reaching 301 million crossings in 2019, with toll revenue forecast to reach \$1,827 million.

Compared with the February Plan, MTA consolidated ridership for both 2017 and 2018 are unfavorable, by 0.3% for 2017 and by 0.8% for 2018. Most of this decline is determined by reduced ridership expectations at NYCT, affected by employment growth rates that are forecast slightly lower than in the February Plan as well as the reduced improvement in bus ridership from fare evasion enforcement. The forecasts of traffic at B&T facilities are higher than in the February Plan for both 2017 through 2018 (by 3.2% and 3.4%, respectively). MTA consolidated farebox revenue is expected to be 0.1% lower in 2017, and 0.5% lower in 2018 than was expected in the February Plan, while B&T toll revenue is projected to be 3.2% higher in 2017 and 3.6% higher in 2018.

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

July Financial Plan					
	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Traffic					
Bridges & Tunnels	291.5	293.5	295.5	298.0	300.7
Ridership					
Long Island Rail Road	86.6	87.3	87.4	87.7	87.9
Metro-North Railroad ¹	84.3	85.9	87.3	88.3	89.4
MTA Bus Company	125.8	126.4	126.6	127.2	127.3
New York City Transit ^{2, 3}	2,430.7	2,490.9	2,497.2	2,505.4	2,513.1
Staten Island Railway	4.5	4.7	4.7	4.7	4.7
<i>Total Ridership</i>	<i>2,731.8</i>	<i>2,795.2</i>	<i>2,803.2</i>	<i>2,813.2</i>	<i>2,822.4</i>
February Financial Plan					
	2015 Adopted Budget	2016	2017	2018	2019
Traffic					
Bridges & Tunnels	283.5	284.8	286.4	288.3	290.1
Ridership					
Long Island Rail Road	86.0	86.6	86.9	87.4	87.5
Metro-North Railroad ¹	84.8	86.3	88.1	89.3	90.2
MTA Bus Company	125.8	126.4	126.6	127.2	127.3
New York City Transit ^{2, 3}	2,452.9	2,486.7	2,506.6	2,526.6	2,532.3
Staten Island Railway	4.5	4.6	4.6	4.6	4.6
<i>Total Ridership</i>	<i>2,754.0</i>	<i>2,790.5</i>	<i>2,812.8</i>	<i>2,835.1</i>	<i>2,842.0</i>
Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2015	2016	2017	2018	2019
Traffic					
Bridges & Tunnels	8.0	8.7	9.2	9.7	10.6
Ridership					
Long Island Rail Road	0.6	0.7	0.5	0.3	0.4
Metro-North Railroad ¹	(0.6)	(0.4)	(0.8)	(1.0)	(0.8)
MTA Bus Company	0.0	0.0	0.0	0.0	0.0
New York City Transit ^{2, 3}	(22.2)	4.2	(9.3)	(21.2)	(19.3)
Staten Island Railway	0.0	0.1	0.1	0.1	0.1
<i>Total Ridership</i>	<i>(22.1)</i>	<i>4.7</i>	<i>(9.5)</i>	<i>(21.9)</i>	<i>(19.6)</i>

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

² Excludes Paratransit Operations.

³ Excludes Fare Media Liability.

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

July Financial Plan					
	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Toll Revenue					
Bridges & Tunnels	\$1,768.8	\$1,791.0	\$1,801.0	\$1,813.0	\$1,827.2
Fare Revenue					
Long Island Rail Road	685.7	695.9	698.2	699.2	700.8
Metro-North Railroad ¹	675.4	694.8	708.2	718.0	726.6
MTA Bus Company	208.9	212.4	212.2	212.8	213.2
New York City Transit ^{2, 3}	4,289.8	4,426.1	4,435.0	4,451.5	4,465.9
Staten Island Railway	6.4	6.6	6.6	6.6	6.6
<i>Total Farebox Revenue</i>	<i>\$5,866.2</i>	<i>\$6,035.6</i>	<i>\$6,060.3</i>	<i>\$6,088.1</i>	<i>\$6,113.2</i>
February Financial Plan					
	2015 Adopted Budget	2016	2017	2018	2019
Toll Revenue					
Bridges & Tunnels	\$1,716.3	\$1,737.8	\$1,745.1	\$1,753.9	\$1,763.0
Fare Revenue					
Long Island Rail Road	681.9	692.3	696.3	698.7	699.7
Metro-North Railroad ¹	684.1	702.3	719.1	731.3	738.2
MTA Bus Company	209.4	212.3	212.6	213.6	213.9
New York City Transit ^{2, 3}	4,292.2	4,392.7	4,430.3	4,467.7	4,478.5
Staten Island Railway	6.3	6.5	6.5	6.6	6.6
<i>Total Farebox Revenue</i>	<i>\$5,873.9</i>	<i>\$6,006.1</i>	<i>\$6,064.9</i>	<i>\$6,118.0</i>	<i>\$6,136.9</i>
Plan-to-Plan Changes: Favorable / (Unfavorable)					
	2015	2016	2017	2018	2019
Toll Revenue					
Bridges & Tunnels	\$52.5	\$53.2	\$55.9	\$59.1	\$64.2
Fare Revenue					
Long Island Rail Road	3.9	3.5	1.9	0.5	1.2
Metro-North Railroad ¹	(8.7)	(7.5)	(10.8)	(13.4)	(11.6)
MTA Bus Company	(0.5)	0.1	(0.4)	(0.8)	(0.7)
New York City Transit ^{2, 3}	(2.4)	33.4	4.7	(16.2)	(12.6)
Staten Island Railway	0.1	0.1	0.1	0.0	0.0
<i>Total Farebox Revenue</i>	<i>(\$7.7)</i>	<i>\$29.6</i>	<i>(\$4.6)</i>	<i>(\$29.9)</i>	<i>(\$23.7)</i>

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

² Excludes Paratransit Operations.

³ Excludes Fare Media Liability.

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, student and senior 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.

Other Operating Revenue July Financial Plan 2016-2019 (\$ in millions)					
	2015 Mid-Year <u>Forecast</u>	2016 Preliminary <u>Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Rental Income</i>	\$99	\$100	\$102	\$106	\$108
<i>Advertising</i>	145	149	153	158	162
<i>Paratransit Reimbursement</i>	186	192	199	213	232
<i>Fare Reimbursement (students/seniors)</i>	98	98	98	98	98
<i>Concessions</i>	8	8	8	8	9
<i>Parking</i>	18	18	19	19	19
<i>All Other (Investment Income, MetroCard "Green" Fee, Recoveries, etc)</i>	114	107	111	109	109
Total Other Operating Revenue	\$668	\$671	\$691	\$711	\$737

Over the course of the Plan, year-to-year changes reflect an increase of \$4 million in 2016 and an average \$21 million in each year thereafter. The increase in 2016 mainly reflects higher NYC reimbursements for paratransit services and advertising revenue at NYCT of \$10 million. Partially offsetting this is an unfavorable prior period adjustment (from 2015) for E-ZPass and administrative fees of \$8 million at B&T.

Year-to-year revenue growth from 2017 through 2019 is mainly attributable to the same factors noted above for NYCT, growing by \$11 million in 2017, \$18 million in 2018 and \$22 million in 2019. Additionally, 2017 reflects a one-time increase of \$3 million in freight revenue at the LIRR per the current contract with New York Atlantic Railway.

Compared with the February Plan, Other Operating Revenues decrease by \$21 million in 2015, increase \$6 million in 2016, and decrease by \$4 million in 2017 and \$8 million in 2018. The decrease in 2015 primarily reflects the expected elimination of Sandy- related recoveries across the Agencies and lower investment income at FMTAC. Partially offsetting these revenue decreases are increases at B&T primarily due to a one-time adjustment for E-ZPass and other administrative fees; reimbursement of farebox revenue associated with NYCT inter-agency reimbursements at the LIRR and MNR; higher federal reimbursements for storms at the LIRR; higher GCT retail revenue at MNR; and higher advertising revenue at NYCT. The revenue increases in 2016 are for the aforementioned reasons at MNR, the LIRR, and NYCT, as well as New York State support for the Verrazano-Narrows Bridge toll rebate program at MTAHQ. Partially offsetting these revenue increases in 2016 are lower revenue at NYCT primarily due to reductions in NYC paratransit reimbursements for paratransit service, consistent with additional paratransit expense savings and higher Urban Tax receipts and the aforementioned reasons given for FMTAC. The revenue decreases for 2017 and 2018 are primarily caused by the same

factors previously noted for NYCT and FMTAC, partially offset by revenue increases at the Commuter Railroads and MTAHQ. Excluding the projected decreases in investment income, other operating revenues decrease by \$17 million in 2015, increases \$10 million in 2016, \$0.3 million in 2017 and decrease by \$4 million in 2018.

PAYROLL

MTA Consolidated Payroll expenses from 2015 through 2019 are influenced by a number of factors including position levels, inflation assumptions, labor agreements, programs and initiatives, and capital project activity. In 2015, Information Technology (IT) service and support functions across the agencies were consolidated into a single organizational structure at Headquarters.

In 2014, the MTA reached agreement with the vast majority of its represented employees. The July Plan captures the projected cost of these contracts and assumes pattern settlements for any remaining unions. The Plan assumes annual inflation-based growth of 2% for any years beyond the contract period. For non-represented employee salaries, the Plan assumes a 2% raise, effective July 1 2015, and an annual 2% increase effective January 1 for 2016 and future Plan years.

July Plan payroll expenses are projected at \$4,704 million in 2015, \$4,846 million in 2016, \$4,967 million in 2017, \$5,075 million in 2018, and \$5,179 million in 2019. On a year-to-year basis, expenses increase by \$142 million in 2016, \$121 million in 2017, \$108 million in 2018 and \$104 million in 2019.

Projected growth in 2016 over 2015 reflects the contractual and inflationary growth factors previously mentioned and re-estimated vacancy assumptions. The 2016 Preliminary Budget also captures headcount growth related to Delay-Mitigation, Bus Fleet Maintenance, R32 Fleet Schedules Maintenance Services (SMS) Programs, and Select Bus Service (SBS) expansion at NYCT. At MTAHQ, It captures increases resulting from one-time 2015 salary underruns (vacancies) and the addition of personnel to support the IT Transformation initiative. The Plan also captures adjustments to the Reliability Centered Maintenance (RCM) program at the LIRR and the addition of Maintenance of Way employees in support of initiatives aimed at enhancing safety or improving maintenance practices at MNR. AT MTA Bus, increases result from adjustments to the Shop Overhaul, EAM, and Bus Technology programs. Resources are being invested at B&T supporting the EAM initiative, construction and engineering requirements stemming from new Federal mandates for tunnel inspections, additional project management efforts to meet NYS guidelines governing design-build capital projects, and increased goals in the Small Business Mentoring Program. The expense reduction at SIR in 2016 is reflective of non-recurring accumulated retroactive wage adjustments in 2015.

Aside from wage growth assumptions for both non-represented and represented employees, year-to-year average annual expense growth from 2017 to 2019 mainly reflects a continuation of the projects noted above at NYCT, East Side Access (ESA) readiness efforts at the LIRR, Maintenance of Way programs at MNR, and the Shop

Overhaul program at MTA Bus. Annual changes are 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 at other Agencies. See agency sections for specific program details and headcount implications.

Compared with the February Plan, Payroll expenses decrease by \$33 million in 2015, remain flat in 2016, with increases of \$18 million in 2017, and \$33 million in 2018. Plan-to-plan reductions in 2015 by and large reflect the impact of vacancy savings at MTAHQ (\$15 million), MNR (\$14 million), the LIRR (\$10 million), B&T (\$2 million). It should also be noted that reductions are further influenced by higher anticipated levels of attrition at MNR and lower reserves for vacation pay and sick leave buyout at the LIRR. The above noted reductions are partially offset by expense growth at NYCT (\$4 million) resulting from additional support for new service/service quality investments, mainly the Delay Mitigation program, SIR (\$3 million) resulting a labor settlement with the UTU and MTA Bus (\$1 million) resulting from a labor settlement with the TWU.

While 2016 plan-to-plan expense growth is flat, 2017-2019 growth mainly reflects a continuation of wage pattern growth for non-represented and represented employees and also includes additional resources necessary to support new and existing efforts, which include: support for the Delay-Mitigation, R32 Fleet SMS, and Bus Fleet Maintenance Programs at NYCT; EAM, Construction, Engineering, and Capital Project requirements at B&T.

OVERTIME

MTA Consolidated Overtime expenses are influenced by a number of factors including vacancies, employee availability, wage growth assumptions, project activity, weather, work rules and recently required MTA-wide annual compliance training certification.

July Plan expenses are projected at \$759 million in 2015, \$732 million in 2016, \$743 million in 2017, \$759 million in 2018, and \$774 million in 2019, reflecting a year-to-year decrease of \$27 million in 2016 and increases of \$11 million in 2017, \$16 million in 2018, and \$15 million in 2019.

The year-to-year expense reduction in 2016 captures decreases of \$15 million at NYCT and \$13 million at the LIRR, reflecting mainly the presumption that winter weather in 2016 will not be as severe as 2015. The year-to-year increases in 2017 through 2019 reflect the impact of planned wage increases at NYCT and the LIRR, as well as the impact across all agencies of an increase in employee training hours resulting from a New York State edict requiring annual training and certifications.

In the July Plan, Agencies have re-forecasted overtime projections to more realistically reflect operating requirements. Adjustments better reflect coverage requirements for additional anticipated track and fleet maintenance work, a NYS edict on MTA-wide annual compliance training/certifications, trend-based vacancies/absentees coverage, and

new/platform service and service-related adjustments. The five-year rolling average methodology established to improve forecasting for weather coverage remains unchanged from the 2014 November Plan. Adjusted for the above noted first quarter overage, the Plan captures an annual average increase of \$61 million over the course of the Plan.

When compared with the February Plan, overtime expenses increase by \$90 million in 2015, \$62 million in 2016, \$57 million in 2017, and \$59 million in 2018. Of the 2015 plan-to-plan change, \$24 million is attributable to overages incurred during the first quarter of the year that was caused by severe winter weather conditions and are now captured within Agency baselines. Other plan-to-plan increases are attributable to: NYCT (\$49 million in 2015 followed by average annual increases of \$45 million over the course of the Plan) for increased track work, the FasTrack Program, service and other operational needs. Increases at the LIRR (\$8 million in 2015, followed by average annual increases of \$3 million thereafter) are mainly due to additional training needs; while increases at MNR (\$2 million in 2015, followed by average annual increases of \$6 million thereafter) are due to higher employee training hours for New York State mandated employee compliance and certification training. MTA Bus increases (\$3 million in 2015, followed by average annual increases of \$3 million thereafter) mostly reflect higher maintenance requirements for the overage fleet.

HEALTH & WELFARE

Empire Plan premium rates provided in April 2015 by the New York State Department of Civil Service are used as the primary assumption for per-employee Health & Welfare premium expenses in 2015 and 2016. Premium forecasts for 2017 through 2019 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 \$1,072 million for the 2015 Mid-Year Forecast. July Plan Health & Welfare expenses for the 2016 Preliminary Budget are projected to be \$1,179 million, \$107 million (9.9%) greater than 2015 expenses, primarily due to higher costs for premiums and anticipated increases in positions. MTA Consolidated Health & Welfare expenses are forecast to increase annually by 5.8%, 6.7% and 7.0%, respectively, for 2017 through 2019, when expenses are projected to reach \$1,423 million.

In comparison with the February Plan, the July Plan is slightly favorable by \$4 million in 2015, but unfavorable by \$29 million, \$13 million and \$5 million in 2016-2018, respectively. The unfavorable changes beginning in 2016 are primarily due to premium increases that more closely reflect the projected increase in claim trend.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) and GASB FUND

OPEB

The July Plan accrued baseline reflects, for each Agency, the pay-as-you-go component for the Other Post-Employment Benefit (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 \$3 million 2015, unfavorable by \$7 million, \$1 million and \$40 thousand in 2016 through 2018, respectively. The favorable variances primarily reflect changes in employer premium assumptions.

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 of OPEB costs over a period that approximates the employee’s years of service, 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 actuarial accrued liability contained in the most recent valuation dated January 1, 2012 is \$20.2 billion, with an annual OPEB expense in excess of \$2.0 billion in each year of the financial plan period. These amounts, reflecting the change in liability, are captured in the statement of operations under “Non-Cash Liabilities.”

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, the MTA has moved \$300 million from the GASB Fund Reserve to the OPEB Trust. Currently, \$148 million remains in the GASB Fund Reserve.

In 2014, the MTA is funded a portion of the settlement impact with the suspension of contributions to the GASB fund from mid-2014 through 2017, with reduced contributions to resume in 2018. The MTA remains fully committed to the importance of funding this growing obligation, and opportunities to increase contributions will be evaluated in future plans should MTA’s financial situation improve. In 2014, \$50 million was contributed to

the GASB fund. There are no projected contributions through 2017, followed by annual contributions of \$10 million in 2018 and \$20 million in 2019.

In comparison with the February Plan, there is no significant impact of the changes to the Contribution to GASB Fund cash expenditures through 2018, which has favorable adjustments of \$0.202 million.

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 the impact of a new pension tier—Tier 6—which applies to new participants hired after April 1, 2012 of NYCERS, NYSLRS and MaBSTOA, as well as MTA Police members of the MTA Defined Benefit Plan.

Total projected pension expenses total \$1,277 million in 2015 and remain relatively flat over the Plan period, reflecting positive investment returns. Pension expenses are based on actuarial projections; where projections are unavailable, the forward three-year average CPI plus one percent—which is a proxy intended to capture anticipated impacts from demographic changes of employees and retirees—is applied to projections.

Compared with the February Financial Plan, expenses are favorable by \$79 million, \$72 million, \$89 million and \$108 million in 2015-2018, respectively. Plan-to-plan variances are primarily due to lower expenses at NYCT for NYCERS, which posted actuarial gains due to: higher returns on investments than the assumed actuarial return in FY13 and FY14; labor contracts settling more favorable than the actuarial assumptions; and the impact of increasing membership in the lower cost Tier 6. Some \$11 million of the favorable variance in each year reflects the \$80 million in 2013 made to reduce the pension liability of the LIRR Additional Plan.

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. The LIRR and MNR expenses for Federal Employees Liability Act

(FELA) and Railroad Retirement taxes (RRT), which are similar in nature to Worker's Compensation and FICA, are also included in this category, as are miscellaneous employee expenses.

July Plan Expenses are projected at \$637 million in 2015, \$656 million in 2016, \$680 million in 2017, \$710 million in 2018, and \$731 million in 2019. Over the course of the Plan, on a year-to-year basis, this results in an increase of expenses totaling \$19 million in 2016, followed by average annual increases of \$25 million from 2017 through 2019.

The year-to-year increase in 2016 is mainly at MNR (\$6 million), NYCT (\$5 million), the LIRR (\$3 million), MTA Bus (\$3 million), MTAHQ (\$2 million), and B&T (\$1 million) and reflects the overall impact of staffing levels, programmatic changes, and inflationary payroll rate assumptions at all Agencies, as well as the latest RRT, railroad unemployment assumptions and employee claims adjustments at the Commuter Railroads. Specific payroll rate assumptions as well as detailed position impacts are discussed further in the Agency sections.

For the years 2017 through 2019, year-to-year average annual expense growth is \$12 million at NYCT, \$6 million at the LIRR, \$3 million at MNR, \$2 million at MTA Bus, and \$1 million at both B&T and MTAHQ, and is consistent with changes in staffing levels, employee injury claims, payroll rate assumptions, Worker's Compensation assumptions at NYCT, and a continuation of the RRT and railroad unemployment assumptions at the Commuter Railroads as noted above.

Compared with the February Plan, total Other Fringe Benefits are projected to decrease by \$3 million in 2015 and \$4 million in 2016, and increase by \$1 million in 2017 and \$6 million in 2018. The 2015 expense decrease primarily captures the impact of favorable direct overhead credits, driven by significant increases in reimbursable program requirements, partly offset by the reclassification of costs associated with railroad passes for TWU employees from other business expenses, totaling \$5 million at NYCT; RRT decreases due to vacant positions totaling \$1 million at the LIRR; and decreases by \$1 million due to vacant positions at MTAHQ. These expense reductions are partially offset by projected increases of \$2 million at MNR, reflecting revised RRT assumptions and adjustments to employee claims, and \$1 million at SIR, resulting from changes in payroll rate adjustments consistent with recent labor settlements.

For the years 2016 through 2018, on a plan-to-plan basis, expenses decrease on average by \$10 million at NYCT and \$2 million at the LIRR, while average annual expense growth is \$10 million at MNR, \$2 million at MTAHQ, and \$1 million each at SIR, B&T, and MTA Bus. These changes reflect the continuation of the prevailing assumptions described above, as well as changes in staffing levels, programmatic activity, and inflationary payroll rate assumptions.

ELECTRIC POWER

Electric Power is supplied to the MTA by the New York Power Authority (NYPA), PSEG Long Island (PSEGLI) – the successor to the Long Island Power Authority – 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, including 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 operational share in the Astoria II power plant located in Queens.

Expenses associated with the NYPA LTA are based on NYPA's final 2015 cost of service estimate, amended to reflect actuals through February and NYPA's March revision for the remainder of the year. Projections for 2016 through the end of the financial plan period 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 approved by the State Public Service Commission (PSC); for subsequent years, annual delivery rate increases of 10% are assumed.

The forecast for NYPA-supplied electricity costs for the 2015 Mid-Year Forecast is projected to decrease 11.4% for both traction and non-traction power compared with 2014 costs; this primarily reflects lower prices for natural gas, the primary variable cost in the generation of electricity. The 2015 Adopted Budget assumed a decrease of 11.0% for NYPA-supplied power. Con Ed delivery rates are projected to be 1.6% greater than charges incurred in 2014; the Adopted Budget assumed Con Ed delivery rates would be unchanged from 2014.

The rate for NYPA-supplied electricity for the 2016 Preliminary Budget, compared with the 2015 Mid-Year Forecast, is projected to increase 6.8% for both traction and all other purposes, reflecting a projected rise in natural gas prices along with increases in other NYPA operating expenses. This change also reflects a one-time accounting adjustment cost expected in 2016; without that adjustment, the year-to-year increase would be 4.6%. In the February Plan, 2016 NYPA expenses were projected to increase 6.8%. Con Ed delivery rates are projected to increase 10.0% from 2014; in the February Plan, it was assumed Con Ed delivery rates would increase 15.0%.

NYPA rates, both for traction and for all other uses, are expected to increase 1.1% in 2017, 4.1% in 2018 and 5.6% in 2019. The February Plan assumed NYPA rates would increase 15.9% in 2017 and 7.2% in 2018. For 2017 through 2019, Con Ed delivery rates are projected to increase 10% each year, unchanged from the February Plan assumption.

Price projections for electricity supplied by PSEGLI and CL&P are based on Producer Price Index for Electric Power forecasts, and are projected to decrease 0.4% in 2015, compared with the 2.0% increase assumed in the Adopted Budget. The PSEGLI and CL&P rates for electricity are estimated to increase 0.3% in 2015, somewhat lower than the 0.7% projection in the February Plan. For 2017, PSEGLI and CL&P rates are expected to increase 3.9% (compared with 3.4% projected in the July Plan), increase 3.6% in 2018 (compared with 3.7% in the July Plan), and increase 2.9% in 2019.

MTA Consolidated Electric Power expenses of \$509 million for the 2015 Mid-Year Forecast are \$6 million (1.2%) lower than 2014 expenses, and primarily reflects the impact of lower natural gas prices on rates, as well as the delay into 2016 of the NYPA non-recurring accounting adjustment. This estimate is \$4 million (0.9%) unfavorable compared with the Adopted Budget.

Expenses for the 2016 Preliminary Budget are expected to be \$529 million, an increase of \$20 million (3.9%) from the 2015 Mid-Year Forecast, primarily reflecting the impact of higher natural gas prices on annual rate changes and the additional expense in 2016 of the NYPA non-recurring accounting adjustment. Compared with the February Plan, 2016 is \$8 million (1.5%) favorable, due to lower than previously projected electric rates. MTA Consolidated Electric Power expenses are forecast to increase by 4.8% in 2017, 5.7% in 2018 and 6.5% in 2019, reaching \$623 million in 2019. Compared with the February Plan, forecasts are \$46 million (7.7%) favorable in 2017 and \$58 million (9.1%) favorable in 2018.

FUEL

Diesel and natural gas prices for the 2015 July Financial Plan include actual prices through April 21, 2015 and reflect commodity futures prices as of April 23, 2015. Where commodity futures prices are unavailable, price changes are projected using IHS Economics forecasts (March 2015) 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 significantly from the projections in the February Plan. On a year-to-year basis, Ultra Low Sulfur Diesel (ULSD) prices are projected to decrease by 30.8% from 2014 to 2015, then increase by 8.2%, 3.2%, 8.8% and 8.0% from 2015 through 2019, respectively. For Compressed Natural Gas (CNG), prices are forecast to decrease by 30.6% from 2014 to 2015, then increase by 1.4% in 2016, remain unchanged from 2016 in 2017, increase by 0.4% in 2018 and increase by 2.7% in 2019.

Since 2008, the MTA has used financial instruments to hedge a portion of its projected fuel expense to reduce budgetary risk from price volatility.¹ 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.

¹ Financial impacts from fuel hedge settlements are reflected in cash subsidies, not in the fuel expense category.

Fuel expenses of \$193 million for the 2015 Mid-Year Forecast are \$70 million favorable from the 2015 Adopted Budget. The 2015 Mid-Year Forecast price for ULSD is estimated to be \$0.99 per gallon lower, while CNG prices are estimated to be \$0.14 per MMBTU (million metric British thermal unit) higher than price assumptions in the 2015 Adopted Budget.

Fuel expenses for the 2016 Preliminary Budget are estimated to be \$202 million, \$54 million less than projected in the February Plan. The price for ULSD is estimated to be \$0.76 per gallon lower than assumed in the February Plan, CNG prices are projected to be \$0.07 per MMBTU higher than the February Plan.

July Plan Fuel expenses in 2017 are estimated to be \$208 million, \$55 million less than projected in the February Plan. The price for ULSD is estimated to be \$0.73 per gallon lower and CNG prices are also estimated to be \$0.65 per MMBTU lower than the February Plan.

July Plan Fuel expenses in 2018 are estimated to be \$229 million, \$44 million less than projected in the February Plan. The price for ULSD is estimated to be \$0.62 per gallon lower and CNG prices are estimated to be \$0.86 per MMBTU lower than the February Plan.

July Plan Fuel expenses in 2019 are estimated to be \$252 million where the price for ULSD is estimated to be \$2.67 per gallon and the price of CNG is estimated to be \$4.16 per MMBTU.

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)²
- All-Agency Protective Liability (Primary)
- All-Agency Protective Liability (Excess)
- All-Agency Protective Liability (LORAM)
- All-Agency Property Policy³
- All-Agency Sabotage & Terrorism³
- Comprehensive Automobile Liability⁴
- Paratransit (Access-A-Ride)⁴
- Station Liability – LIRR & MNR
- Force Account – LIRR & MNR
- Premises Liability

² A portion is insured through FMTAC and the remainder is insured in the global market.

³ These policies are insured through FMTAC and then reinsured in the global market.

⁴ Only the deductible portion of these policies is captured within FMTAC.

The following table measures MTA Consolidated Insurance expenses:

MTA CONSOLIDATED INSURANCE EXPENSES						
Non-Reimbursable						
(\$ in millions)						
	2014	2015	2016			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Insurance Expenses</u>						
NYCT	\$69	\$73	\$78	\$86	\$97	\$110
LIRR	23	23	25	27	30	33
MNR	17	20	22	24	26	28
SIR	2	1	2	2	2	2
MTA Bus	3	5	6	7	7	8
B&T	17	15	16	17	19	20
MTAHQ	3	3	2	2	2	2
Total Gross Insurance Expenses	\$135	\$140	\$151	\$165	\$183	\$203
<u>Insurance Credits</u>						
FMTAC	(\$84)	(\$87)	(\$93)	(\$100)	(\$108)	(\$117)
Net Insurance Expenses	\$51	\$53	\$58	\$65	\$75	\$86

The table captures gross insurance expenses by Agency, including some costs that are contracted between MTA Risk Management and the commercial marketplace on behalf of MTA Agencies. 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 and the commercial marketplace on behalf of an Agency, as well as for FMTAC policies that are then re-insured in the commercial marketplace.

Insurance expenses include 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 \$7 million in 2015, \$9 million in 2016, \$11 million in 2017 and \$8 million in 2018. The favorable variances reflect the renewal of several large policies at prior year rates.

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 \$255 million in 2015, \$240 million in 2016, \$246 million in 2017, \$249 million in 2018 and \$254 million in 2019. In comparison with the February Financial Plan, Claims expenses are unfavorable by \$33 million in 2015, \$16 million in 2016 and \$14 million in each of 2017 and 2018, reflecting the latest actuarial valuation of projected claims.

PARATRANSIT SERVICE CONTRACTS

Paratransit Service Contracts are third-party contracts for federally mandated transportation services for the benefit of people covered under the Americans with Disabilities Act, as well as for their accompanying 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 adherence to eligibility requirements, and the conversion of contracted trips to fixed route feeder trips where available and permissible.

July Plan expenses are projected to be \$383 million in 2015, \$407 million in 2016, \$426 million in 2017, \$463 million in 2018, and \$502 million in 2019, reflecting year-to-year increases of \$24 million in 2016, \$20 million in 2017, \$37 million in 2018, and \$39 million in 2019. These increases mainly reflect projected annual trip growth of 6.5% and CPI inflationary adjustments on paratransit carrier contracts.

Compared with the February Financial Plan, Paratransit Service Contract expenses are projected to decrease by \$3 million in 2015, \$14 million in 2016, \$48 million in 2017, and \$53 million in 2018. The savings are primarily the result of reductions in trips, the result

of actions taken to better enforce eligibility and to direct trips to lower cost providers and the fixed route system.

For a complete income statement on Paratransit, please refer to Section II, Major Assumptions 2015-2019 Subsidies, 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 \$651 million in 2015, \$692 million in 2016, \$705 million in 2017, \$645 million in 2018 and \$657 million in 2019, reflecting year-to-year increases of \$41 million in 2016 and \$13 million in 2017, followed by a decrease of \$60 million in 2018, and an increase of \$12 million in 2019.

The year-to-year increase in 2016 is attributable to: SIR (\$15 million) mostly due to the full year cost of the R44 car fleet maintenance program verses the single month in 2015 when the program began -- this work will enable the over-40 year old fleet to remain in service until 2020 and ensure they function safely and reliably until new cars arrive. The increase at NYCT (\$14 million) is mainly due to bus shop requirements, a leased/facility build-out, and the purchase of a track grinder. At MNR, the (\$10 million) year-to-year increase is mostly due to the overhaul of locomotives, replacement of the M7 Centralized Diagnostic System and upgrade to the Centralized Traffic Control system, implementation of the Track Undercutting Program, greater police coverage on the New Haven Line, and to the New Haven Line Grade Crossing Project. The increase at MTA Bus (\$5 million) is caused by Shop Program changes in Hybrid Bus conversion work. These unfavorable projections are partially offset by lower expenses at the LIRR (\$8 million), resulting from the completion of the elevator maintenance overhaul program, various security initiatives, and lower construction services; and at MTAHQ (\$4 million) mainly due to the reclassification of Two Broadway expenses to Material and Supplies from this category, as well as IT Transformation expenses.

The year-to-year increase in 2017 is mainly driven by: MTA Bus (\$29 million), mainly due to adjustments to the Shop Overhaul Program; and at the LIRR (\$3 million), mostly for contractual and normal inflationary increases. These unfavorable projections are partially offset by lower expenses at NYCT (\$11 million), mainly due to the timing of bus shop requirements; and SIR (\$10 million), reflecting reduced fleet maintenance work.

The year-to-year decrease in 2018 is mainly attributable to: MTA Bus (\$43 million), resulting from the completion of the Hybrid Bus Repower Conversion Program; NYCT (\$20 million) mainly due to the timing of bus shop requirements; SIR (\$7 million) mostly

due to the completion of the R44 fleet maintenance work in 2017; MTAHQ (\$2 million) mainly due to the reclassification of Two Broadway expenses to Materials and Supplies from this category and IT Transformation expenses. Partially offsetting these lower expense are higher expenses at B&T (\$8 million), mostly due to E-ZPass Customer Service Center costs; and MNR (\$4 million) mainly due to M7 software support and normal inflationary increases.

The year-to-year increase in 2019 is mainly driven by the LIRR (\$8 million), mostly due to East Side Access readiness efforts and contractual and normal inflationary increases; B&T (\$7 million) mostly due to higher E-ZPass expenses; and MTAHQ (\$2 million) mainly due to the reclassification of Two Broadway expenses and IT Transformation expenses. This unfavorable projection is partially offset by reduced expenses at MTA Bus (\$2 million), resulting from the completion of the Hybrid Bus Repower Conversion Program.

Compared with the February Plan, Maintenance and Other Operating Contracts increase by \$12 million in 2015, \$23 million in 2016, \$19 million in 2017 and \$8 million in 2018. In 2015, plan-to-plan increases are driven Tropical Storm Sandy-related restoration work at B&T; an accounting adjustment at MNR for the amortization of the Graybar Building, the addition of M7 Centralized Diagnostic System implementation and software support costs at MNR; start-up costs for the introduction of SBS routes at MTA Bus; and the impact of the Delayed Mitigation Program implementation at NYCT. These projections are partially offset by lower expenses at SIR, reflecting a deferral of the implementation of a R44 car fleet 18-month maintenance program; and reclassified expenses from the IT Transformation initiative at MTAHQ. In 2016, including the previously mentioned reasons at B&T, MNR, MTA Bus, additional increases are driven by Centralized Traffic Control Signal System upgrades, the Track Undercutting program, and substitute busing for the New Haven Line Grade Crossing Project at MNR; and bus radio repairs, janitorial services, and the Jamaica terminal lease agreement at MTA Bus. These unfavorable projections are partially offset by lower expenses for the aforementioned reasons at MTAHQ. In 2017 and 2018, plan-to-plan increases are driven by the aforementioned reasons at MNR, as well as increases primarily due to the timing of the implementation of the R44 car maintenance program deferred in 2015 at SIR. These unfavorable projections are partially offset by lower expenses driven by bus shop requirements at NYCT; and above noted reasons at MTAHQ.

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* and *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 contracted engineering, legal, auditing, and market research services.

July Plan annual expenses are projected at \$453 million in 2015, \$411 million in 2016, \$379 million in 2017, \$381 million in 2018, and \$389 million in 2019, reflecting decreases of approximately \$42 million in 2016, and \$32 million in 2017, followed by annual increases of \$2 million in 2018 and \$9 million in 2019.

The reduction in expenses for 2016 reflects the conclusion of certain projects and studies during 2015. At NYCT, this totals \$17 million and includes the completion of the safety-related Bus Pedestrian Warning System Pilot, the Structures Study, the Medical Standards Project, and the Verizon LAN installation. Expense reductions of \$17 million at MTAHQ, in addition to project completions, reflects the elimination of IT-related projects deemed redundant or nonessential. B&T expense reduction of \$6 million is due to non-recurring EAM startup costs, and reduced need for consultancy services associated with the new E-ZPass customer service contract and for contracted engineering services. The completion of the Intelligent Vehicle Network (IVN) installation eliminates \$2 million in expenses at MTA Bus.

Year-to-year average annual changes from 2017 through 2019 reflect the impact of inflationary adjustments and revised IT requirements, as well as procured services consistent with anticipated project activity levels. MTAHQ expenses are forecasted to decrease by \$29 million in 2017 and by \$7 million in 2018; they will increase by \$4 million in 2019 -- these fluctuations are indicative of the nature and timing of IT projects. Year-over-year changes at the remaining agencies are modest and mostly reflective of inflationary adjustments.

Compared with the February Plan, expenses increase by \$55 million in 2015, \$56 million in 2016, \$31 million in 2017, and \$24 million 2018. The major contributors are:

- MTAHQ: expense increases of \$45 million in 2015, \$48 million in 2016, \$27 million in 2017, and \$20 million in 2018 reflect funding for several high priority MTA-wide initiatives, including an Energy Management System with automated metering, security projects aimed at protecting critical infrastructure from cyber threats and unauthorized access, IT consulting and application expenses and a newly designed procurement module providing an improved platform experience through the Procure-to-Pay Initiative. The Energy and Procure-to-Pay investments will ultimately yield operating savings.
- B&T: expense increases of \$2 million in 2015, \$1 million in 2016, and approximately \$3 million in 2017 and 2018 mainly reflect revised general engineering service requirements and inflationary adjustments.
- LIRR: expense increases of \$2 million in 2015, and \$4 million annually in 2016 through 2018 mainly reflect higher homeless outreach expenses, and the reclassification to this category of recruitment expenses from Other Business Expenses, as well as global positioning system-related expenses from Maintenance and Other Operating Contracts.

- NYCT: expense increase of \$3 million in 2016, followed by slight annual decreases through 2019, reflect IT project rescheduling and higher real estate rental expenses.
- MNR: Expense levels remain basically unchanged from the February Plan.

MATERIALS AND SUPPLIES

Materials and 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 2016 through 2019 are inflated primarily by regional CPI-U forecasts.

July Plan expenses are projected at \$583 million in 2015, \$602 million in both 2016 and 2017, \$595 million in 2018, and \$619 million in 2019, reflecting a year-to-year increase of \$19 million in 2016, remaining flat in 2017, a decrease of \$7 million in 2018, and an increase of \$23 million in 2019.

The year-to-year increase in 2016 is mostly attributable to the timing of bus shop and subways fleet maintenance requirements at NYCT (\$15 million) and MTA Bus (\$4 million).

Year-to-year changes for 2017 through 2019 mainly reflect the timing of subway and bus fleet maintenance requirements at NYCT, the timing of activity for the change-out of M7 obsolete materials and the start of the 15/20 year Truck Reliability Centered Maintenance Program (RCM) at the LIRR, and fluctuations in the timing of bus fleet maintenance requirements at MTA Bus.

Compared with the February Plan, expenses increase by \$19 million in 2015, \$12 million in 2016, and \$14 million in both 2017 and 2018. The plan-to-plan increase in 2015 is primarily attributable to: the LIRR (\$13 million) due to the timing of M7 obsolete material changeouts and station fire alarm upgrades; NYCT (\$4 million) due to scheduled subway maintenance requirements; and MTA Bus (\$2 million) for greater maintenance requirements for overage fleet. For 2016 through 2018, expense increases are mainly driven by scheduled subway and bus maintenance requirements at NYCT and MTA Bus; additional safety investments to address new mandates and ensure compliance with regulatory requirements at MNR; the timing of M7 obsolete material changeouts and new purchases for the Propulsion Control Unit at the LIRR; and finally, the reclassification of Two Broadway expenses at MTAHQ to this category of expense from Maintenance & Other Operating Contracts.

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 (e.g. toll rebate programs).

July Plan expenses are projected at \$203 million in 2015, \$190 million in 2016, \$190 million in 2017, \$200 million in 2018 and \$198 million in 2019, reflecting a year-to-year decrease of \$13 million in 2016, unchanged in 2017, an increase of \$11 million in 2018, and a decrease of \$2 million in 2019.

The year-to-year decrease in 2016 is mostly attributable to lower net expenses at MNR (\$10 million), primarily reflecting increased Amtrak cost recoveries in accordance to the Passenger Rail Investment and Improvement Act (PRIIA); and at NYCT (\$4 million) mainly due to the reclassification of TWU commuter rail pass expenses to other fringe benefits.

The slight year-to-year increase in 2017 is mostly attributable to higher expenses at MNR (\$2 million) mainly related to West-of-Hudson service and normal inflationary increases; and at MTA Bus (\$1 million) mainly due to increased spending on office supplies, automatic fare collection, ticket printing, training courses, and travel and meetings. These variances were partly offset by lower expenses at NYCT (\$4 million) mostly due to the suspension of the TWU Apprenticeship Program.

The year-to-year increase in 2018 is mostly attributable to higher expenses at the LIRR (\$6 million) for M3 fleet decommissioning work; and MNR (\$2 million) mainly as a result of West-of-Hudson service enhancements and normal inflationary increases. The year-to-year decrease in 2019 is mostly driven by non-recurring 2018 costs for the decommissioning of the M3 fleet at the LIRR (\$5 million) and is partly offset by higher expenses at MNR (\$2 million) mainly due to previously scheduled West-of-Hudson service additions and normal inflationary increases.

Compared with the February Plan, expenses increase by \$20 million in 2015, and decrease by \$3 million in 2016, \$5 million in 2017, and \$4 million in 2018. The decreases from 2016 through 2018 are mainly driven by the reclassification of TWU commuter rail pass expenses to other fringe benefits at NYCT; and increased Amtrak cost recoveries at MNR. These favorable projections are partially offset by higher expenses at MTAHQ and MNR mainly due to the removal of recoveries that were presumed for settlement with Nassau County for Long Island Bus expenses, and Con Edison for the 2013 New Haven Line power outage, as well as additional support for the Verrazano Narrows Bridge toll rebate program and the write-off of rolling stock damaged in an accident.

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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 2015 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 at the end of this section. (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 75%; the 2015 real estate tax forecast remains 16% lower than actual receipts in 2007.

Combined State Dedicated Tax revenues trend higher reflecting favorable economic growth projections in the MTA Commuter Transportation District. This favorable variance reflects an increase in the projections for Metropolitan Mass Transportation Operating Assistance (MMTOA) from the prior year for 2016 through 2019, which is projected to grow at an average annual rate of 4% due to higher revenue estimates for sales taxes and corporate surcharges on businesses in the district. Payroll Mobility Tax estimates, which are also projected to increase at an annual average rate of 4% reflect projected growth in regional wage and salary disbursements. MTA Aid projections decrease in 2015 due to unfavorable YTD collections but increase in the two subsequent years, about 1% annually, reflecting a moderate increase in the number of transactions subject to these taxes. The Petroleum Business Tax (PBT) receipts are expected to decrease by 6% from the prior year in 2015 and by less than 1% in 2015 and 2016; PBT receipts increase slightly in 2017 and 2018.

On an *accrual basis*, the 2015 Mid-Year Forecast of Total Dedicated Taxes and State & Local Subsidies are projected to be \$6,557 million, which is \$182 million (3%) higher than 2014. The growth is due primarily to a higher forecast of Payroll Mobility Tax and favorable regional economic activity affecting overall real estate tax revenues. This forecast is \$278 million (4%) above the Adopted Budget estimate. The favorable variance to the Adopted Budget is primarily the result of higher Urban Tax and Mortgage Recording Tax transaction receipts, higher Petroleum Business Tax revenues and higher City Subsidy for MTA Bus, partially offset by unfavorable MTA Aid and Payroll Mobility Tax receipts. The 2015 MMTOA appropriation was unchanged from the 2014 appropriation, however, in the 2015-2016 NYS Enacted Budget an amount of \$104 million of MMTOA was appropriated to fund the MTA Capital Program in 2015.

Year-over-year, total Dedicated Taxes and State & Local Subsidies are projected to increase from the prior year by \$91 million (1%) in 2016, \$169 million (3%) in 2017, \$121 million (2%) in 2018 and \$206 million (3%) in 2018. Compared with the February Financial Plan, the July Financial Plan forecasts are higher by \$102 million in 2016, \$49 million in 2017 and \$7 million in 2018, due primarily to net favorable real estate taxes, higher Petroleum Business Taxes and CDOT Subsidy, offset by unfavorable MTA Aid and Payroll Mobility Taxes (PMT).

On a *cash basis*, total 2015 MTA Dedicated Taxes and State & Local Subsidies is \$6,285 million or \$241 million (4%) higher than 2014. The cash forecast is \$201 million above the Adopted Budget estimate, and this variance mostly reflects favorable Urban Tax transaction receipts of \$252 million, favorable Mortgage Recording Taxes transaction receipts of \$47 million, and higher PBT of \$15 million. This is offset primarily by unfavorable City Subsidy to MTA Bus of \$66 million, an unfavorable cash adjustment for energy hedges of \$37 million, lower MTA Aid of \$13 million and PMT of \$6 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 increase from the prior year by \$110 million (2%) in 2016, by \$33 million (1%) in 2017, by \$149 million (2%) in 2018 and \$198 million (3%) in 2019. Compared to the February Financial Plan, the July Financial Plan estimates are higher by \$179 million in 2016, \$51 million in 2017, \$15 million in 2018, due primarily to net favorable real estate transactions receipts, higher Business Tax and CDOT Subsidy, partially offset by favorable MTA Aid, City Subsidy to MTA Bus and PMT.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Consolidated Subsidies
Accrual Basis
(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,563.9	\$1,563.9	\$1,703.6	\$1,771.1	\$1,851.5	\$1,927.9
Petroleum Business Tax (PBT) Receipts	659.4	622.9	619.4	618.9	620.1	622.0
Mortgage Recording Tax (MRT)	366.6	405.9	406.5	415.8	428.3	440.2
MRT Transfer to Suburban Counties	(1.7)	(3.1)	(3.0)	(3.0)	(3.3)	(3.6)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Interest	4.7	4.9	5.1	5.3	5.3	5.3
Urban Tax	799.5	902.5	808.5	807.2	809.7	840.9
Investment Income	<u>1.0</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
	\$3,383.5	\$3,488.1	\$3,531.2	\$3,606.5	\$3,703.0	\$3,824.0
PMT and MTA Aid						
Payroll Mobility Tax	\$1,262.6	\$1,309.7	\$1,369.2	\$1,430.7	\$1,491.4	\$1,559.6
Payroll Mobility Tax Replacement Funds	309.3	309.3	309.3	309.3	309.3	309.3
MTA Aid	<u>313.2</u>	<u>301.9</u>	<u>303.3</u>	<u>305.6</u>	<u>307.6</u>	<u>307.6</u>
	\$1,885.1	\$1,920.9	\$1,981.7	\$2,045.5	\$2,108.3	\$2,176.5
State and Local Subsidies						
State Operating Assistance	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	187.9	187.9	187.9	187.9	187.9	187.9
CDOT Subsidy	98.0	150.8	118.9	119.1	122.9	127.4
Station Maintenance	<u>163.7</u>	<u>166.8</u>	<u>169.4</u>	<u>172.0</u>	<u>175.1</u>	<u>178.5</u>
	\$637.5	\$693.4	\$664.1	\$666.9	\$673.8	\$681.8
Subtotal Dedicated Taxes & State and Local Subsidies	\$5,906.1	\$6,102.4	\$6,177.1	\$6,318.9	\$6,485.1	\$6,682.3
City Subsidy for MTA Bus	436.0	409.9	419.1	455.1	415.4	422.9
City Subsidy for SIRT OA	<u>33.4</u>	<u>45.0</u>	<u>52.0</u>	<u>42.8</u>	<u>37.2</u>	<u>38.7</u>
	\$469.4	\$454.9	\$471.0	\$497.9	\$452.6	\$461.5
Total Dedicated Taxes & State and Local Subsidies	\$6,375.5	\$6,557.3	\$6,648.1	\$6,816.8	\$6,937.7	\$7,143.8
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	\$637.6	\$622.0	\$608.6	\$592.6	\$568.6	\$534.7
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>
	\$637.6	\$622.0	\$608.6	\$592.6	\$568.6	\$534.7
GROSS SUBSIDIES	\$7,013.0	\$7,179.3	\$7,256.7	\$7,409.4	\$7,506.3	\$7,678.5

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

	2015	2016	2017	2018
<u>Subsidies</u>				
Dedicated Taxes				
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax (PBT) Receipts	14.5	14.4	14.4	14.5
Mortgage Recording Tax (MRT)	41.0	25.3	23.9	22.5
MRT Transfer to Suburban Counties	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0
Urban Tax	219.6	64.6	19.3	(15.4)
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$275.1	\$104.3	\$57.6	\$21.6
PMT and MTA Aid				
Payroll Mobility Tax	(\$6.3)	(\$6.8)	(\$6.0)	(\$2.7)
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0
MTA Aid	<u>(12.8)</u>	<u>(12.9)</u>	<u>(13.0)</u>	<u>(13.0)</u>
	(\$19.1)	(\$19.6)	(\$19.0)	(\$15.8)
State and Local Subsidies				
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance	0.0	0.0	0.0	0.0
CDOT Subsidy	6.0	12.9	9.8	11.5
Station Maintenance	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.4)</u>
	\$5.6	\$12.4	\$9.4	\$11.1
Subtotal Dedicated Taxes & State and Local Subsidies	\$261.6	\$97.1	\$48.0	\$16.9
City Subsidy for MTA Bus	\$13.9	\$3.0	(\$6.5)	(\$9.6)
City Subsidy for SIRT OA Recovery	<u>2.4</u>	<u>1.9</u>	<u>7.7</u>	<u>0.1</u>
	\$16.2	\$4.9	\$1.2	(\$9.6)
Total Dedicated Taxes & State and Local Subsidies	\$277.8	\$101.9	\$49.2	\$7.3
Inter-agency Subsidy Transactions				
B&T Operating Surplus Transfer	\$62.3	\$44.7	\$58.4	\$64.0
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$62.3	\$44.7	\$58.4	\$64.0
GROSS SUBSIDIES	\$340.1	\$146.6	\$107.7	\$71.3

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Consolidated Subsidies
Cash Basis
(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>Subsidies</u>						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA) ¹	\$1,563.9	\$1,563.9	\$1,703.6	\$1,771.1	\$1,851.5	\$1,927.9
Petroleum Business Tax (PBT) Receipts	627.2	623.2	619.5	618.8	620.0	621.8
Mortgage Recording Tax (MRT)	359.5	410.8	405.8	414.8	427.4	439.2
MRT Transfer to Suburban Counties	(3.4)	(1.7)	(3.1)	(3.0)	(3.0)	(3.3)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(24.9)	(24.9)	(24.9)	(24.9)	(23.8)	(23.8)
Interest	4.7	4.9	5.1	5.3	5.3	5.3
Urban Tax	806.1	929.5	808.6	807.3	807.3	837.2
Investment Income	<u>1.0</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
	\$3,324.1	\$3,496.7	\$3,505.7	\$3,580.5	\$3,675.7	\$3,795.6
PMT and MTA Aid						
Payroll Mobility Tax	\$1,262.6	\$1,309.7	\$1,369.2	\$1,430.7	\$1,491.4	\$1,559.6
Payroll Mobility Tax Replacement Funds	309.3	309.3	309.3	309.3	309.3	309.3
MTA Aid	<u>313.2</u>	<u>301.9</u>	<u>303.3</u>	<u>305.6</u>	<u>307.6</u>	<u>307.6</u>
	\$1,885.1	\$1,920.9	\$1,981.7	\$2,045.5	\$2,108.3	\$2,176.5
State and Local Subsidies						
State Operating Assistance	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	187.8	187.9	187.9	187.9	187.9	187.9
CDOT Subsidy	98.0	150.8	118.9	119.1	122.9	127.4
Station Maintenance	<u>162.2</u>	<u>164.6</u>	<u>167.5</u>	<u>170.0</u>	<u>172.6</u>	<u>175.9</u>
	\$635.9	\$691.3	\$662.2	\$665.0	\$671.3	\$679.1
Other Subsidy Adjustments						
Resource to Reduce Pension Liability	(\$165.0)	\$25.5	\$22.4	\$24.0	\$25.7	\$27.5
GASB Reserves to fund Labor Settlements	254.5	0.0	0.0	0.0	0.0	0.0
Reserve for Retroactive Payments	(109.3)	109.3	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)	(6.9)	(38.5)	(11.4)	(0.2)	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Repayment of Loan to Capital Financing Fund	(100.0)	(100.0)	0.0	0.0	0.0	0.0
Committed to Capital ¹	<u>(144.8)</u>	<u>(260.0)</u>	<u>(290.0)</u>	<u>(363.0)</u>	<u>(368.9)</u>	<u>(347.2)</u>
	(\$285.6)	(\$277.6)	(\$292.9)	(\$353.1)	(\$357.2)	(\$333.7)
Subtotal Dedicated Taxes & State and Local Subsidies	\$5,559.5	\$5,831.2	\$5,856.6	\$5,937.9	\$6,098.2	\$6,317.5
City Subsidy for MTA Bus	\$460.2	\$420.2	\$492.7	\$437.1	\$435.2	\$419.1
City Subsidy for SIRTOA	<u>24.0</u>	<u>33.4</u>	<u>45.0</u>	<u>52.0</u>	<u>42.8</u>	<u>37.2</u>
	\$484.2	\$453.5	\$537.7	\$489.0	\$478.0	\$456.4
Total Dedicated Taxes & State and Local Subsidies	\$6,043.7	\$6,284.8	\$6,394.4	\$6,426.9	\$6,576.2	\$6,773.9
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	<u>\$622.8</u>	<u>\$642.5</u>	<u>\$609.9</u>	<u>\$594.2</u>	<u>\$571.0</u>	<u>\$538.1</u>
	\$622.8	\$642.5	\$609.9	\$594.2	\$571.0	\$538.1
GROSS SUBSIDIES	\$6,666.5	\$6,927.3	\$7,004.3	\$7,021.1	\$7,147.2	\$7,312.0

¹ To offset the reduction for the redirection of MMTOA monies to fund the Capital Program, the MTA will reduce its 2015 Committed to Capital contribution by an identical \$68 million.

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

	2015	2016	2017	2018
<u>Subsidies</u>				
Dedicated Taxes				
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax (PBT) Receipts	14.5	14.4	14.4	14.5
Mortgage Recording Tax (MRT)	47.3	25.4	24.0	22.2
MRT Transfer to Suburban Counties	1.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0
MTA Bus Debt Service	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0
Urban Tax	251.7	68.4	22.5	(16.1)
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$314.6	\$108.2	\$61.0	\$20.6
PMT and MTA Aid				
Payroll Mobility Tax	(\$6.3)	(\$6.8)	(\$6.0)	(\$2.7)
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0
MTA Aid	<u>(12.8)</u>	<u>(12.9)</u>	<u>(13.0)</u>	<u>(13.0)</u>
	(\$19.1)	(\$19.6)	(\$19.0)	(\$15.8)
State and Local Subsidies				
State Operating Assistance	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0
CDOT Subsidy	6.0	12.9	9.8	11.5
Station Maintenance	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.4)</u>
	\$5.6	\$12.4	\$9.4	\$11.1
Other Subsidy Adjustments				
Resource to Reduce Pension Liability	\$4.2	(\$0.3)	(\$0.4)	(\$0.4)
GASB Reserves to fund Labor Settlements	0.0	0.0	0.0	0.0
Reserve for Retroactive Payments	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	(37.4)	(10.7)	(0.2)	0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0
Repayment of Loan to Capital Financing Fund	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>
	(\$33.2)	(\$11.0)	(\$0.5)	(\$0.4)
Subtotal Dedicated Taxes & State and Local Subsidies	\$267.8	\$89.9	\$50.9	\$15.5
City Subsidy for MTA Bus	(\$65.7)	\$86.7	(\$1.7)	(\$8.1)
City Subsidy for SIRT OA	<u>(1.3)</u>	<u>2.4</u>	<u>1.9</u>	<u>7.7</u>
	(\$67.0)	\$89.1	\$0.2	(\$0.4)
Total Dedicated Taxes & State and Local Subsidies	\$200.8	\$179.0	\$51.0	\$15.1
Inter-agency Subsidy Transactions				
B&T Operating Surplus Transfer	<u>\$80.1</u>	<u>\$46.4</u>	<u>\$57.1</u>	<u>\$63.5</u>
	\$80.1	\$46.4	\$57.1	\$63.5
GROSS SUBSIDIES	\$280.9	\$225.4	\$108.1	\$78.6

METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)

Metropolitan Mass Transportation Operating Assistance (MMTOA) supplements general operating subsidies for the MTA and other downstate transportation systems. MMTOA funds are derived from the Mass Transportation Operating Assistance (MTOA) Fund¹. In addition to MMTOA, these funds are also appropriated to the Public Transportation Systems Operating Assistance Account and the Urban Mass Transit Operating Assistance Account.

The Metropolitan Mass Transportation Operating Assistance (MMTOA) Account consists of:

- 55% of the MTOA PBT, which is collected Statewide;
- 100% of the sales and use tax imposed in the MCTD;
- 80% of the tax on transportation and transmission companies imposed statewide;
- 100% of the receipts from the corporate surcharge imposed within the MCTD.

Tax law changes governing the corporate franchise tax were implemented in January 2015, with corporations now taxable in New York for purposes of the corporate franchise tax and the metropolitan tax (MTA) surcharge if they derive \$1 million or more of receipts from activity in New York, or if they are part of a combined group with New York-derived receipts totaling \$1 million or more. In effect, the changes merge Article 32 of the New York Tax Law, applicable to banking corporations, into Article 9-A, applicable to general corporations. The impact of these tax changes is intended to be revenue-neutral to the MTA by adjusting, on an annual basis, the rate of the MTA surcharge to reflect a dollar amount equal to the financial projections in the State's enacted budget. For the 2015 tax year, the MTA Surcharge is increased from 17 percent to 25.6 percent.

2015 Mid-Year Forecast

The estimate of total taxes in the MMTOA Fund for Downstate transit properties for 2015 is \$2,059 million. Of this allotment, \$1,564 million in non-18b funds is

¹MTOA consists of revenues from a small portion of the basic Petroleum Business Tax (PBT) imposed on petroleum businesses operating within New York State, a sales tax imposed on sales and uses of certain tangible personal property and services, corporate franchise taxes imposed on certain transportation and transmission companies, and temporary corporate surcharges imposed on the portion of the franchise and other taxes of certain businesses attributable to the conduct of business within the Metropolitan Commuter Transportation District (MCTD).

appropriated for the benefit of MTA, with \$1,036 million for NYCT/SIR and \$528 million for the Commuter Railroads. The combined MTA Share is unchanged from the 2014 and Adopted Budget levels. The 2015-2016 NYS Enacted Budget appropriated \$104 million of MMTOA monies to fund the MTA Capital Program; of that amount, \$36 million represented a proposed increase in total capital funding and \$68 million was redirected from MTA's operating budget to its capital program. To offset the reduction in operating funding, an identical \$68 million was transferred from the 2015 committed-to-capital contribution to the MTA operating budget.

Additionally, \$190 million is earmarked to fund the State's 18-b obligation, which includes \$175 million for the MTA. The 2015 Mid-Year Forecast assumes that the State's funding of its 18-b obligations to the MTA remains at the 2014 level of \$175 million, which includes \$154 million for NYCT/SIR and \$21 million for the Commuter Railroads and is unchanged from the Adopted Budget.

The 2015 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 the NYS 2015-16 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.

2016 Preliminary Budget

For 2016, total estimated MTA MMTOA revenue is \$1,704 million, which is \$140 million (9%) more than the 2015 Mid-Year Forecast and unchanged 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 2015 level by 8% and 13%, respectively, while revenue from the Petroleum Business Tax is expected to decline by 4%. There is no change expected in the level of Corporate Franchise Tax, which remains flat through the Plan period. Of the total, \$1,133 million is earmarked for NYCT and SIR and \$570 million is earmarked for the Commuter Railroads. The 2016 Preliminary Budget assumes that the State's funding of its 18-b obligation for NYCT and Commuter Railroads will remain at the 2015 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.

2017 – 2019

MTA MMTOA forecasts are \$1,771 million in 2017, \$1,852 million in 2018, and \$1,928 million in 2019. Year-over-year, MTA MMTOA revenues are expected to increase \$67 million (4%) in 2017, \$80 million (5%) in 2018 and \$76 million (4%) in 2019. These forecasts are unchanged from the February Plan. For 2016 through 2019, the Plan assumes the following growth rates from the prior year levels for the component taxes of MMTOA based on NYSDOB growth projections:

Growth Rate for the Individual Components of MMTOA (from prior year level)					
		2016	2017	2018	2019
Sales Tax		8%	3%	3%	4%
Petroleum Business Tax		-4%	0%	1%	4%
Corporate Franchise Tax		0%	0%	0%	0%
Corporate Tax Surcharge		13%	4%	5%	4%

MMTOA STATE DEDICATED TAXES
July Financial Plan 2016-2019
(\$ in millions)

	ACTUAL	FORECAST				
	2014	2015	2016	2017	2018	2019
<u>Forecast of MMTOA Gross Receipts (SFY):</u>						
Sales Tax	\$894.5	\$894.5	\$967.5	\$996.5	\$1,030.5	\$1,069.0
PBT	135.1	135.1	130.1	130.1	130.8	135.7
Corporate Franchise	60.0	60.0	60.0	60.0	60.0	62.2
Corporate Surcharge	1,018.0	1,018.0	1,148.0	1,199.0	1,260.0	1,307.1
Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
Total Gross Receipts Available for Allocation	\$2,107.6	\$2,107.6	\$2,305.6	\$2,385.6	\$2,481.3	\$2,574.1
<u>Allocation of Total Gross Receipts to Downstate:</u>						
Total Gross Receipts	\$2,107.6	\$2,107.6	\$2,305.6	\$2,385.6	\$2,481.3	\$2,574.1
Less: Upstate Share of PBT	(60.8)	(60.8)	(58.5)	(58.5)	(58.9)	(61.1)
Less: Upstate Share of Transmission	(19.8)	(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	2.88%	2.88%	2.54%	2.45%	2.37%	2.37%
Less: Upstate Share of Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
Total Net Downstate Share Available for Allocation	\$2,059.3	\$2,059.3	\$2,227.3	\$2,307.3	\$2,402.6	\$2,493.3
Less: 18-B Adjustment	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)
Adjusted Total Net Downstate Share for Allocation	\$1,869.8	\$1,869.8	\$2,037.7	\$2,117.7	\$2,213.1	\$2,303.7
Add: NYS Reimbursement	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Total Net Downstate Share + Other	\$1,869.8	\$1,869.8	\$2,037.7	\$2,117.7	\$2,213.1	\$2,303.7
<u>Allocation of Total Net Downstate Share to NYCT/SIR:</u>						
NYCT/SIR Share	57.77%	57.77%	57.79%	57.79%	57.79%	57.79%
From Total Net Downstate Share	\$1,189.6	\$1,189.6	\$1,287.0	\$1,333.3	\$1,388.4	\$1,440.8
Less: 18-B Adjustment	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)
Adjusted Total Net Downstate Share	\$1,035.8	\$1,035.8	\$1,133.2	\$1,179.4	\$1,234.5	\$1,286.9
From Carryover	0.0	0.0	0.0	0.0	0.0	0.0
Total NYCT/SIR Share of Net Downstate Share	\$1,035.8	\$1,035.8	\$1,133.2	\$1,179.4	\$1,234.5	\$1,286.9
Total SIR Share (Cash)	3.6	3.6	4.0	4.1	4.3	4.5
Total NYCT Share of Net Downstate Share	\$1,032.1	\$1,032.1	\$1,129.2	\$1,175.3	\$1,230.2	\$1,282.4
<u>Allocation of Total Net Downstate Share to MTA:</u>						
MTA Share	26.68%	26.68%	26.56%	26.56%	26.56%	26.56%
From Total Net Downstate Share	\$549.3	\$549.3	\$591.6	\$612.8	\$638.2	\$662.2
Less: 18-B Adjustment	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)
Adjusted Total Net Downstate Share	\$528.1	\$528.1	\$570.4	\$591.6	\$617.0	\$641.0
From Carryover	0.0	0.0	0.0	0.0	0.0	0.0
Total MTA Share of Net Downstate Share	\$528.1	\$528.1	\$570.4	\$591.6	\$617.0	\$641.0

PETROLEUM BUSINESS TAXES (PBT)

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

- Petroleum business taxes - a business privilege tax imposed on petroleum businesses;
- 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 State Law, 34% of the Dedicated Funds Pool is deposited in the Mass Transportation Trust Fund (MTTF) for MTA's benefit, while 63% is earmarked for State uses, including upstate highways and other transportation needs, and the remaining 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 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. 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.

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.

2015 Mid-Year Forecast

The 2015 MTA Mid-Year Forecast for PBT, on a cash basis, is \$623 million, which is \$4 million below the 2014 level. This is \$14 million above the Adopted Budget, an upward revision that reflects actual receipts through June. Of the total PBT allocation, \$530 million (85%) is earmarked for New York City Transit and \$93 million (15%) for the commuter railroads.

2016 Preliminary Budget

The 2016 Preliminary Budget for MTA PBT, on a cash basis, is \$619 million, which is \$4 million (0.6%) lower than the 2015 Mid-Year Forecast. This is \$14 million above the February Plan estimate, reflecting a revised base estimate in the prior year due to higher than anticipated year-to-date actual receipts.

2017 - 2019

PBT cash estimates are \$619 million in 2017, \$620 million in 2018 and \$622 million in 2019, reflecting year-to-year declines of \$1 million (0.1%) in 2017 and year-to-year increases of \$1 million (0.2%) in 2018 and \$2 million (0.3%) in 2019, reflecting the impact of the revised estimate of the 2015 base. Compared to the February Plan, these estimates are higher by \$14 million both in 2017 and 2018.

PETROLEUM BUSINESS TAX PROJECTIONS
July Financial Plan 2016-2019
(\$ in millions)

	ACTUAL	FORECAST				
	2014	2015	2016	2017	2018	2019
Total Net PBT Collections Available for Distribution	\$1,844.8	\$1,832.9	\$1,821.9	\$1,820.1	\$1,823.4	\$1,829.0

Distribution Shares:

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

Amount of Total Net Collections Available for the MTA:

MTA Total	\$627.2	\$623.2	\$619.5	\$618.8	\$620.0	\$621.8
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Accrued

NYCT/SIR Share of MTA Total	\$560.5	\$529.4	\$526.5	\$526.1	\$527.1	\$528.7
Commuter Railroad Share of MTA Total	<u>98.9</u>	<u>93.4</u>	<u>92.9</u>	<u>92.8</u>	<u>93.0</u>	<u>93.3</u>
MTA Total of Net Collections	\$659.4	\$622.9	\$619.4	\$618.9	\$620.1	\$622.0

Cash

NYCT/SIR Share of MTA Total	\$533.2	\$529.7	\$526.5	\$526.0	\$527.0	\$528.6
Commuter Railroad Share of MTA Total	<u>94.1</u>	<u>93.5</u>	<u>92.9</u>	<u>92.8</u>	<u>93.0</u>	<u>93.3</u>
MTA Total of Net Collections	\$627.2	\$623.2	\$619.5	\$618.8	\$620.0	\$621.8

MORTGAGE RECORDING TAXES (MRT)

The Mortgage Recording Taxes consist of two distinct 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 within 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 2015, with forecasts for the second half of the year and subsequent years consistent with projections in the City of New York's May 2015 Executive Budget and, for the suburban counties, projections of real estate activity provided by IHS, Inc.

2015 Mid-Year Forecast

MRT receipts are forecast to be \$411 million in 2015, a \$51 million (14%) increase over 2014 receipts. This is the fifth successive year of increases following four years of declines from 2007 to 2010. Despite this recent growth, the 2015 projection remains 46 percent lower than when MRT receipts peaked in 2006. Compared with 2014, MRT-1, which is collected on mortgages for both commercial and residential properties, is projected to increase \$37 million (14%) while MRT-2, which is paid only on residential properties with fewer than seven units in the structure, is forecast to increase \$15 million (16%).

The 2015 Mid-Year Forecast for MRT is \$47 million (13%) more than the Adopted Budget. This favorable plan-to-plan variance is attributable to unusually large real estate transactions that took place during the first half of 2015 that yielded \$9 million in MRT revenue, and to an overall increase in MRT-1 receipts derived in New York City. There was no similarly large variance for MRT-2, indicating that the strong mortgage activity during the first half of 2015 reflects the recording of mortgages for commercial properties. MRT-1 is estimated to be \$39 million (15%) more than the Adopted Budget, while MRT-2 is projected to be \$8 million (8%) more than the Mid-Year Forecast.

2016 Preliminary Budget

MRT receipts are projected to be \$406 million in 2016, \$5 million (1%) less than estimated for the 2015 Mid-Year Forecast; MRT-1 receipts are projected to decrease \$11 million (4%), while MRT-2 receipts are forecast to increase \$6 million (5%). The forecast assumes that the \$9 million in MRT receipts from unusually large transactions in 2015 will not recur, and that while year-over-year residential mortgage activity will improve, New York City commercial mortgage activity will pull back from its 2015 level.

The 2015 Final Proposed Budget for MRT is \$25 million (7%) more than the February Plan forecast, reflecting a higher 2015 base along with stronger residential mortgage activity. MRT-1 is estimated to be \$13 million (5%) more, while MRT-2 is projected to be \$12 million (12%) more than the February Plan forecast.

2017 - 2019

Following the single-year decline in 2016, MRT receipts are expected to resume annual growth, increasing \$9 million in 2017, \$13 million in 2018, and \$12 million in 2019. 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, 2019 MRT receipts, which are projected to reach \$439 million, will still be 42 percent below receipts from thirteen years earlier, when MRT receipts peaked in 2006.

Compared with the February Plan, MRT receipts are \$24 million (6%) higher in 2017 and \$22 million (5%) higher in 2018. These forecasts reflect a higher 2016 base and slightly weaker year-to-year growth through the Plan period than the growth projected in the February Plan.

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

	2015	2016	2017	2018	2019
MRT-1	14%	(4)%	2%	3%	3%
MRT-2	16%	5%	3%	4%	3%
TOTAL	14%	(1)%	2%	3%	3%

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 2015 through 2019.

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 bus companies, 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 2016-2019
(\$ in millions)

Cash Basis

	ACTUAL	FORECAST				
	2014	2015	2016	2017	2018	2019
MORTGAGE RECORDING TAX #261-1						

Receipts Available for Transfer to NYCT and CRs:

Total Gross Receipts	\$264.8	\$301.3	\$290.3	\$295.9	\$303.7	\$311.9
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	(347.5)	(603.1)	(637.5)	(624.5)	(613.0)	(629.9)
Receipts Available for Transfer	(\$82.7)	(\$301.8)	(\$347.1)	(\$328.6)	(\$309.3)	(\$318.0)
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	82.7	301.8	347.1	328.6	309.3	318.0
Adjusted Receipts Available for Transfer	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Allocation of Net Receipts to NYCT/SIR Account:

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

Allocation of Net Receipts to Commuter Railroad Account:

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

MORTGAGE RECORDING TAX #261-2

Receipts Available

Total Receipts to Corporate Account	\$94.6	\$109.5	\$115.4	\$118.8	\$123.6	\$127.3
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)	(23.8)	(23.8)
General Reserve	0.0	(140.0)	(150.0)	(155.0)	(160.0)	(165.0)
Investment Income	4.7	4.9	5.1	5.3	5.3	5.3
Total Receipts Available for Transfer	\$64.4	(\$60.5)	(\$64.4)	(\$65.7)	(\$64.9)	(\$66.2)

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	(7.8)	(6.2)	(7.5)	(7.5)	(7.5)	(7.7)
Less: Transfer to MTAHQ Funds	(82.7)	(301.8)	(347.1)	(328.6)	(309.3)	(318.0)
Net Receipts Available	(\$21.7)	(\$364.0)	(\$414.6)	(\$397.3)	(\$377.2)	(\$387.5)

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 assigned as subsidy for the New York City private franchise buses, and the City applies these funds toward its reimbursement of 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 2015 consist of actual receipts through June, with forecasts for the second half of the year and subsequent years consistent with projections in the City of New York's May 2015 Executive Budget, with receipts from unusually large transactions¹ excluded from the base that is used to project Urban Tax receipts for the second half of 2015 and subsequent years. The 2015 forecast also captures the projected tax revenues from two large transactions that have been announced but not yet formally recorded with the City.

2015 Mid-Year Forecast

Urban Tax receipts are forecast to be \$929 million in 2015, \$123 million (15%) more than 2014 receipts. Ninety-four percent of the Urban Tax growth over the 2014 level is derived from RPTT receipts, which are projected to increase \$116 million (21%), while MRT receipts are forecast to increase \$7 million (3%). The year-to-year variance is attributable both to increases in tax receipts from unusually large transactions, particularly for RPTT, and from an overall increase in tax-generating real estate activity.

The 2015 forecast is \$780 million (521%) greater than the 2009 nadir, when Urban Tax receipts totaled just \$150 million in the aftermath of the \$734 million (83%) decline that occurred between 2007 and 2009. The 2015 forecast, benefiting from the \$125 million in tax revenue generated from the unusually large real estate transactions, will be the first time since the decline that annual receipts surpass the 2007 high mark, exceeding it by \$46 million (5%).

Compared with the Adopted Budget, the Mid-Year Forecast is favorable by \$252 million, a 37% improvement. RPTT receipts comprise 87% of the growth, and favorable by \$220 million (48%), while MRT receipts are \$32 million (14%) favorable. The revenues derived

¹ Forecasts exclude those transactions in excess of \$500 million. The level of large transactions is unpredictable and cannot be relied on with any certainty.

from the unusually large 2015 transactions account for half of this improvement, both for RPTT and MRT.

2016 Preliminary Budget

Urban Tax receipts are forecast to be \$809 million in 2016; the \$121 million (13%) decline from the 2015 Mid-Year Forecast reflects the tax receipts from the large transactions in 2015 that were removed from the base used to develop the 2016 projection. If those large 2015 transactions were removed from the variance calculation, the year-to-year change would be \$5 million (1%) favorable. RPTT receipts are forecast to decline by 12% while MRT receipts are expected to decrease by 15%. If adjusted to exclude the large 2015 transactions, RPTT receipts would be up 4% and MRT receipts would be down 9% over the 2015 Mid-Year Forecast.

The 2016 Preliminary Budget is \$68 million more (9%) than the 2016 forecast in the February Plan, with RPTT favorable by \$100 million (20%) while MRT is unfavorable by \$31 million (13%).

2017 - 2019

Urban Tax receipts are expected to be essentially flat in 2017 and 2018 – down \$1 million in 2017 and unchanged in 2018, reflecting the City's fiscal year 2017 through 2019 forecasts – and then improving by \$30 million in 2019. Receipts in 2019 are projected to be \$837 million, 5 percent below the 2007 pre-recession peak. Urban Tax in 2017 is projected to exceed the February Plan by \$23 million (3%), but fall short for 2018 of the February Plan by \$16 million (2%).

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

	2015	2016	2017	2018	2019
Real Property Transfer Tax	21%	(12)%	(0) %	0%	3%
Mortgage Recording Tax	3%	(15)%	(0)%	0%	5%
TOTAL	15%	(13)%	(0)%	0%	4%

PAYROLL MOBILITY TAX (PMT)

The Payroll Mobility Tax (PMT), also referred to as the Metropolitan Commuter Transportation Mobility Tax (MCTMT), was enacted in 2009¹ by New York State (Chapter 25, Laws of 2009) to provide a stable source of revenues for the MTA that would also address the MTA's revenue shortfall and operating budget gap. Legislation enacted in December 2011 significantly changed the Payroll Mobility Tax, effective April 1, 2012. The new legislation, referred to as the "December Act", eliminates the payroll mobility tax imposed within the MTA Commuter Transportation District ("MCTD") for the following taxpayers:

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

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

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

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

The NYS 2015-16 Enacted Budget eliminates the PMT levy on all public library systems as well as public and free association libraries; this exemption is scheduled to take effect on January 1, 2016. An initial analysis by the New York State Division of the

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

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

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

Budget estimates PMT revenue will decline by \$2 million per year as a consequence of the library exemption, which is reflected in the July Plan forecasts.

2015 Mid-Year Forecast

The 2015 Mid-Year forecast of PMT revenues of \$1,310 million is \$6 million below the Adopted Budget estimate. This reflects year-to-date actual collections through June and year-over-year trends for the remainder of 2015.

Total PMT revenues for 2015 including the replacement funds are \$1,619.0 million, which is \$6 million below the Adopted Budget estimate.

2016 Preliminary Budget

The 2016 Preliminary Budget forecast for PMT is \$1,369 million, which is \$59 million higher than the 2015 Mid-Year forecast. This is \$7 million below the February Plan. When combined with the PMT replacement funds of \$309 million, Total PMT revenues in 2016 are \$1,678 million. The July Plan projections for the 2016 Preliminary Budget and subsequent years are based on IHS, Inc. (formerly Global Insight) forecasts for regional Wage and Salary Disbursements.

2017 - 2019

The July Plan forecast of PMT revenues is \$1,431 million for 2017, \$1,491 million for 2018 and \$1,560 for 2019. When combined with the replacement funds, total MTA PMT revenues are \$1,740 million in 2017, \$1,801 million in 2018 and \$1,869 million in 2019. These estimates are \$6 million below the February Plan in 2017 and \$3 million lower in 2018.

MTA AID TRUST REVENUES

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

- License Fee - a supplemental fee of one dollar for each six month period of validity of a learner's permit or driver's license issued to individuals residing in the Metropolitan Commuter Transportation District (MCTD);
- Auto Registration Fee - a \$25 increase in automobile registration fees in the MTA region, on an annual basis, to be paid by automobile registrants in increments of \$50, since car registrations cover a two-year period;
- Taxicab Tax – a tax of \$0.50 per ride imposed on taxicab owners for each taxicab ride that originates in New York City and terminates within the 12-county MTA region;
- Auto Rental Tax – a supplemental tax of five-percent (5%) of the cost of automobile rentals within the MCTD.

The legislation establishing these new tax streams:

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

2015 Mid-Year Forecast

The 2015 Mid-Year Forecast of total MTA Aid taxes is \$302 million, which is \$11 million below the 2014 actual and \$13 million below the Adopted Budget estimate. The estimate was revised downward to reflect unfavorable year-to-date collections through June and year-over-year trends for the rest of 2015.

2016 Preliminary Budget

The MTA Aid forecast for the 2016 Preliminary Budget is \$303 million, which is \$1 million higher than the 2015 Mid-Year Forecast. This is \$13 million lower than the February Plan, due to revised 2015 base year revenue estimate.

2017 - 2019

For 2017 through 2019, the July Plan estimates of MTA Aid are \$306 million in 2017, \$308 million in 2018 and \$308 million in 2019. These estimates are higher than the prior year's estimate by \$2 million in both 2017 and 2018, and remains flat in 2019. Compared to the February Plan, these estimates are lower by \$13 million in each year and reflect the impact of the revised estimate of the 2015 base.

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 for the Connecticut share of expenses associated with the operation of the New Haven Line and the Connecticut branch lines.
- *New York City Subsidy for MTA Bus* - New York City reimbursement to the MTA of the cost of MTA Bus operations. Per an agreement with the MTA, the City of New York pays 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 were designated for the former private buses (that became MTA Bus) continue to be paid directly to the City and can be 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.

2015 Mid-Year Forecast

The 2015 Mid-Year Forecast of State and Local subsidy, on a cash basis, (excluding New York City Subsidy for MTA Bus and SIR) is \$691 million, or \$55 million higher than 2014. This estimate is \$6 million higher than the Adopted Budget estimate, and the change is primarily due to higher CDOT subsidies.

The 2015 Mid-Year cash forecast of City Subsidy to MTA Bus of \$420 million is \$40 million below 2014 and \$66 million below the Adopted Budget estimate; this was primarily due to unfavorable cash timing adjustments. The 2015 cash forecast for City

Subsidy to Staten Island Railroad is \$33 million. This is \$9 million higher than the 2014 forecast. Compared with the Adopted Budget, the estimate decreased by \$1 million due to favorable re-estimates of revenues and expenses.

2016 Preliminary Budget

The 2016 Preliminary Budget for State and Local Subsidy, on a cash basis, (excluding City Subsidy for MTA Bus and SIR), is \$29 million below the 2015 estimate. It is \$12.0 million above the Adopted Budget estimate.

The 2016 Preliminary Budget cash forecast of City Subsidy to MTA Bus of \$493 million is \$73 million higher than the previous year. The estimate is \$87 million higher than the Adopted Budget estimate primarily due to favorable cash timing adjustments. The 2016 cash forecast for City Subsidy to Staten Island Railroad is \$45 million, which is \$12 million higher than the 2015 forecast. Compared with the Adopted Budget, the estimate increased by \$2 million due to favorable re-estimates of revenues and expenses.

2017 - 2019

The Forecast for total State and Local Subsidy is above the prior year's estimate by \$3 million in 2017, by \$6 million in 2018 and \$8 million in 2019. Compared with Adopted Budget estimates, these forecasts are higher by \$9 million in 2017 and \$11 million in 2018. This was due primarily to favorable re-estimates of CDOT subsidies to MNR, reflecting lower revenues and higher expenses.

The July Plan forecasts of City Subsidy to MTA Bus are \$437 million for 2017, \$435 for 2018 and \$419 for 2019, reflecting a year-over-year decline of \$56 million in 2017, \$2 million in 2018 and \$16 million in 2019. Compared to the February Plan, these estimates are lower by \$2 million in 2017 and \$8 million in 2018 due to unfavorable cash timing adjustments. The cash forecasts for City Subsidy to Staten Island Railroad are \$52 million in 2017, \$43 million in 2018 and \$37 million in 2019, reflecting year-over-year increases of \$7 million in 2017 and declines of \$9 million in 2018 and \$6 million in 2019. Compared with the Adopted Budget, the estimates increased by \$2 million in 2017 and \$8 million in 2018, due to favorable re-estimate of revenues and expenses.

OTHER SUBSIDY ADJUSTMENTS

In addition to the adjustments to MRT-2, which are discussed in the MRT Section, the July Plan includes other subsidy adjustments for 2015 through 2019.

Resource to Reduce Pension Liability - MTA employees belong to a number of different pension plans. LIRR employees that began employment before 1988 are members of the “LIRR Additional Plan,” which is the least funded of the MTA Plans at only 24% as of December 2013, with a \$1.3 billion unfunded liability. In keeping with the MTA’s ongoing efforts to address previously considered “uncontrollable” costs by using non-recurring revenues, receipts and resources to make one-time payments toward reduction of long-term obligations, the MTA made a “one-shot” investment of \$80 million in 2013 and \$30 million in 2014, funded by excess real estate transaction tax receipts, to reduce the LIRR’s unfunded pension obligations. The MTA also adopted a policy of using monies remaining in the general reserve at year-end to reduce long-term obligations. In 2013, the MTA invested \$130 million of the remaining general reserve and, in 2014, \$135 million was invested. It is anticipated that this will increase the “funded ratio” to 47% by year end. Changes from February represent timing differences between when monies are invested and how that actuarially impacts the required annual contribution (ARC).

Reserve for Retroactive Payment – In 2014, the MTA reached agreement with the vast majority of its represented force. Those unions that have not signed are expected to follow similar wage cost patterns. These agreements resulted in significant retroactive wage costs that in many cases were not paid until this year. A reserve account of \$109 million was established in 2014 to fund these 2015 payments.

Forward Energy Contracts Program - 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.

To effectuate the strategy of reducing the budgetary impact from price volatility, new fuel hedges are entered into during both price increases and decreases; with about 50% of MTA’s fuel needs covered by hedges at any time, the net effect is essentially a halving of adverse impact from price increases, but also a halving of savings during price declines. Over time, however, these impacts tend to offset each other. In fact, from the start of this hedge program in 2008 through the third quarter of 2014 (just before the recent decline in fuel prices began), total savings from hedges that were favorable to MTA equaled the total cost of hedges that were unfavorable to MTA. The value of the hedges is not to achieve financial

savings – which are speculative in nature – but rather to smooth the financial impacts of fuel price changes.

Compared with the February Plan, it is projected that hedges are unfavorable by \$37 million in 2015, \$11 million in 2016, and \$200 thousand in 2017. These impacts, however, are offset by favorable changes in fuel expenditures of \$70 million in 2015, \$54 million in 2016 and \$55 million in 2017.

Recent hedges entered into by MTA have effectively locked in currently low prices. Since mid-December 2014, seven new hedges have been secured at an average price of \$1.99 per gallon for Ultra Low Sulfur Diesel. These hedges run over varying time frames with the first hedge commencing in December 2015 and the most recent hedge expiring in May 2017. Should prices stabilize and remain at current lows, these hedges will have limited impact on MTA finances, but when prices rise (and they are expected to increase), these hedges will offset some of unfavorable impact of fuel price increases on MTA finances.

MNR Repayment for 525 North Broadway - In 2007, an arrangement was made whereby MTA Capital would advance the funds for Metro-North Railroad's capital project at 525 North Broadway in North White Plains, for which MTA Capital would be reimbursed through 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.

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, amounting to \$11.5 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 money earmarked for MTA Bus is 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].

Repayment of Loan to Capital Financing Fund – Consistent with prior plans, the July Plan assumes payment of the final \$100 million annual installment 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).

Committed to Capital - A portion of the new tax revenues authorized by New York State in May 2009 is used for the MTA Capital Program. For 2015 and the subsequent Plan years, there are no changes from the Adopted Budget forecasts. The July Financial Plan continues to assume the transfer of operating funds to the Capital Program which began in 2012 with an initial payment of \$150

million increasing by increments of \$50 million annually through 2018 and steady payment of \$450 million thereafter. 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. Committed to Capital funding that is not used for debt service is used as Pay-Go funding. Approximately \$247 million of Pay-Go funding during the 2015-2019 forecast period will be used for approved transit and commuter projects.

Additional Support for Capital Program – The July Financial Plan baseline continues the assumption that the operating budget will contribute \$290 million per year to support the 2015-2019 Capital Program. Any changes to this proposed funding level will be captured in Volume I Policy Actions.

MTA NEW YORK CITY TRANSIT SUBSIDY ALLOCATION

July Financial Plan 2016-2019

Cash Basis

(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,032.1	\$1,032.1	\$1,129.2	\$1,175.3	\$1,230.2	\$1,282.4
Petroleum Business Tax (PBT) Receipts	533.2	529.7	526.5	526.0	527.0	528.6
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Urban Tax	<u>806.1</u>	<u>929.5</u>	<u>808.6</u>	<u>807.3</u>	<u>807.3</u>	<u>837.2</u>
	\$2,371.4	\$2,491.3	\$2,464.3	\$2,508.5	\$2,564.4	\$2,648.1
<i>New State Taxes and Fees</i>						
Payroll Mobility Tax	\$845.9	\$831.7	\$874.9	\$986.4	\$1,050.7	\$1,069.9
Payroll Mobility Tax Replacement Funds	207.2	196.4	197.6	213.2	217.9	212.1
MTA Aid	<u>209.9</u>	<u>191.7</u>	<u>193.8</u>	<u>210.7</u>	<u>216.7</u>	<u>211.0</u>
	\$1,263.0	\$1,219.7	\$1,266.3	\$1,410.4	\$1,485.3	\$1,493.1
<i>State and Local Subsidies</i>						
State Operating Assistance	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1
Local Operating Assistance	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>
	\$316.2	\$316.2	\$316.2	\$316.2	\$316.2	\$316.2
<i>Other Subsidy Adjustments</i>						
Resource to Reduce Pension Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
GASB Reserves to fund Labor Settlements	178.5	0.0	0.0	0.0	0.0	0.0
Reserve for Retroactive Payments	(23.0)	23.0	0.0	0.0	0.0	0.0
Interagency Loan	0.0	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)	(4.9)	(27.0)	(8.0)	(0.1)	0.0	0.0
Repayment of Loan to Capital Financing Fund	(100.0)	(100.0)	0.0	0.0	0.0	0.0
Committed to Capital	<u>(176.2)</u>	<u>(284.9)</u>	<u>(319.0)</u>	<u>(379.5)</u>	<u>(387.1)</u>	<u>(372.7)</u>
	(\$137.1)	(\$400.3)	(\$338.5)	(\$391.1)	(\$398.6)	(\$384.2)
Total Dedicated Taxes & State and Local Subsidies	\$3,813.5	\$3,626.9	\$3,708.4	\$3,844.0	\$3,967.4	\$4,073.2
<i>Inter-agency Subsidy Transactions</i>						
B&T Operating Surplus Transfer	<u>\$254.8</u>	<u>\$262.6</u>	<u>\$249.5</u>	<u>\$241.1</u>	<u>\$229.9</u>	<u>\$213.0</u>
	\$254.8	\$262.6	\$249.5	\$241.1	\$229.9	\$213.0
GROSS SUBSIDIES	\$4,068.3	\$3,889.5	\$3,957.9	\$4,085.2	\$4,197.3	\$4,286.2

MTA COMMUTER RAILROAD SUBSIDY ALLOCATION

July Financial Plan 2016-2019

Cash Basis

(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$528.1	\$528.1	\$570.4	\$591.6	\$617.0	\$641.0
Petroleum Business Tax (PBT) Receipts	94.1	93.5	92.9	92.8	93.0	93.3
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	<u>1.0</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
	\$623.3	\$622.7	\$664.4	\$685.7	\$711.2	\$735.5
New State Taxes and Fees						
Payroll Mobility Tax	\$416.7	\$478.0	\$494.3	\$444.2	\$440.7	\$489.7
Payroll Mobility Tax Replacement Funds	102.1	112.9	111.6	96.0	91.4	97.1
MTA Aid	<u>103.4</u>	<u>110.2</u>	<u>109.5</u>	<u>94.9</u>	<u>90.9</u>	<u>96.6</u>
	\$622.1	\$701.1	\$715.4	\$635.1	\$623.0	\$683.4
State and Local Subsidies						
State Operating Assistance	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3
Local Operating Assistance	29.2	29.3	29.3	29.3	29.3	29.3
CDOT Subsidy	98.0	150.8	118.9	119.1	122.9	127.4
Station Maintenance	<u>162.2</u>	<u>164.6</u>	<u>167.5</u>	<u>170.0</u>	<u>172.6</u>	<u>175.9</u>
	\$318.6	\$374.0	\$344.9	\$347.6	\$354.0	\$361.8
Other Subsidy Adjustments						
Resource to Reduce Pension Liability	(\$165.0)	\$25.5	\$22.4	\$24.0	\$25.7	\$27.5
GASB Reserves to fund Labor Settlements	76.0	0.0	0.0	0.0	0.0	0.0
Reserve for Retroactive Payments	(86.3)	86.3	0.0	0.0	0.0	0.0
Inter-agency Loan	0.0	0.0	0.0	0.0	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Forward Energy Contracts Program - Gain/(Loss)	(2.1)	(11.6)	(3.4)	(0.0)	0.0	0.0
Repayment of Loan to Capital Financing Fund	0.0	0.0	0.0	0.0	0.0	0.0
Committed to Capital	<u>31.4</u>	<u>24.9</u>	<u>29.0</u>	<u>16.5</u>	<u>18.2</u>	<u>25.5</u>
	(\$148.5)	\$122.7	\$45.6	\$38.0	\$41.4	\$50.6
Total Dedicated Taxes & State and Local Subsidies	\$1,415.4	\$1,820.5	\$1,770.3	\$1,706.4	\$1,729.6	\$1,831.3
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	<u>\$368.0</u>	<u>\$379.9</u>	<u>\$360.4</u>	<u>\$353.0</u>	<u>\$341.1</u>	<u>\$325.1</u>
	\$368.0	\$379.9	\$360.4	\$353.0	\$341.1	\$325.1
GROSS SUBSIDIES	\$1,783.4	\$2,200.4	\$2,130.7	\$2,059.5	\$2,070.7	\$2,156.4

MTA STATEN ISLAND RAILWAY SUBSIDY ALLOCATION

July Financial Plan 2016-2019

Cash Basis

(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$3.6	\$3.6	\$4.0	\$4.1	\$4.3	\$4.5
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>
	\$3.6	\$3.6	\$4.0	\$4.1	\$4.3	\$4.5
<i>State and Local Subsidies</i>						
State Operating Assistance	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
Local Operating Assistance	0.6	0.6	0.6	0.6	0.6	0.6
SIRTOA Recovery	<u>24.0</u>	<u>33.4</u>	<u>45.0</u>	<u>52.0</u>	<u>42.8</u>	<u>37.2</u>
	\$25.1	\$34.5	\$46.1	\$53.1	\$43.9	\$38.4
Total Dedicated Taxes & State and Local Subsidies	\$28.8	\$38.1	\$50.1	\$57.2	\$48.2	\$42.9
<i>Inter-agency Subsidy Transactions</i>						
MTA Subsidy to Subsidiaries	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
GROSS SUBSIDIES	\$28.8	\$38.1	\$50.1	\$57.2	\$48.2	\$42.9

MTA HEADQUARTERS SUBSIDY ALLOCATION

July Financial Plan 2016-2019

Cash Basis

(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>Subsidies</u>						
Net Funding of MTA Headquarters	(\$347.5)	(\$603.1)	(\$637.5)	(\$624.5)	(\$613.0)	(\$629.9)
<u>Dedicated Taxes</u>						
<u>Mortgage Recording Tax-1</u>						
Net Receipts After Agency Transfers	\$264.8	\$301.3	\$290.3	\$295.9	\$303.7	\$311.9
<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	<u>82.7</u>	<u>301.8</u>	<u>347.1</u>	<u>328.6</u>	<u>309.3</u>	<u>318.0</u>
	\$82.7	\$301.8	\$347.1	\$328.6	\$309.3	\$318.0
Net Available MRT-1 Funds for MTA HQ	\$347.5	\$603.1	\$637.5	\$624.5	\$613.0	\$629.9
Unallocated MRT-1 Receipts	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<u>Mortgage Recording Tax - 2</u>						
Net Receipts	\$94.6	\$109.5	\$115.4	\$118.8	\$123.6	\$127.3
<u>Adjustments to MRT-2</u>						
Funding of General Reserve	\$0.0	(\$140.0)	(\$150.0)	(\$155.0)	(\$160.0)	(\$165.0)
Diversion of MRT to Suburban Counties	(3.4)	(1.7)	(3.1)	(3.0)	(3.0)	(3.3)
Investment Income	4.7	4.9	5.1	5.3	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)	(23.8)	(23.8)
Transfer to MRT-1	<u>(82.7)</u>	<u>(301.8)</u>	<u>(347.1)</u>	<u>(328.6)</u>	<u>(309.3)</u>	<u>(318.0)</u>
	(\$116.4)	(\$473.5)	(\$530.0)	(\$516.1)	(\$500.8)	(\$514.8)
Unallocated MRT-2 Receipts	(\$21.7)	(\$364.0)	(\$414.6)	(\$397.3)	(\$377.2)	(\$387.5)

MTA BUS COMPANY SUBSIDY ALLOCATION

July Financial Plan 2016-2019

Cash Basis

(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>Subsidies</u>						
City Subsidy for MTA Bus Company	\$460.2	\$420.2	\$492.7	\$437.1	\$435.2	\$419.1

MTA BRIDGES & TUNNELS
July Financial Plan 2016-2019
Surplus Transfer
(\$ in millions)

	ACTUAL	FORECAST				
	2014	2015	2016	2017	2018	2019
Net Surplus/(Deficit)	\$1,259.351	\$1,286.966	\$1,298.196	\$1,303.212	\$1,295.972	\$1,286.602

Deductions from Net Operating Income:

Total Debt Service	576.687	622.296	644.252	663.743	679.288	701.550
Capitalized Assets	17.218	16.142	17.927	18.348	18.767	20.335
Reserves	26.161	26.382	26.881	27.338	27.824	28.306
GASB Reserves	1.594	0.000	0.000	0.000	0.165	0.337
Total Deductions from Net Operating Income	\$621.660	\$664.820	\$689.060	\$709.429	\$726.045	\$750.527
Net Income Available for Transfer to MTA and NYCT	\$637.691	\$622.146	\$609.136	\$593.783	\$569.927	\$536.074

Distributable Income:

Distribution of Funds to MTA:

Investment Income in Current Year	\$0.137	\$0.140	\$0.575	\$1.195	\$1.327	\$1.327
Accrued Current Year Allocation	371.984	366.292	359.733	352.302	339.853	323.484
Accrued Amount Distributed to MTA	\$372.121	\$366.432	\$360.307	\$353.497	\$341.181	\$324.811

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	241.570	231.714	224.828	216.286	204.747	187.263
Accrued Amount Distributed to NYCT	\$265.570	\$255.714	\$248.828	\$240.286	\$228.747	\$211.263
Total Distributable Income:	\$637.691	\$622.146	\$609.136	\$593.783	\$569.927	\$536.074

Cash Transfers:

Actual Cash Transfer to MTA and NYCT:

From Current Year Surplus	\$367.957	\$379.938	\$360.389	\$353.045	\$341.098	\$325.121
Investment Income in Prior Year	0.131	0.137	0.140	0.575	1.195	1.327
Cash Amount Distributed to MTA	\$368.088	\$380.075	\$360.528	\$353.620	\$342.293	\$326.448
Cash Amount Distributed to NYCT	\$254.811	\$262.589	\$249.517	\$241.140	\$229.901	\$213.012
Total Cash Transfer:	\$622.899	\$642.665	\$610.045	\$594.760	\$572.194	\$539.460

MTA BRIDGES & TUNNELS
July Financial Plan 2016-2019
Surplus Transfer
(\$ in millions)

	ACTUAL	FORECAST				
	2014	2015	2016	2017	2018	2019
<u>Debt Service Detail by Agency:</u>						
B&T Own Purpose Debt Service	\$221.617	\$257.448	\$278.529	\$295.104	\$313.114	\$332.278
NYCT Transportation Debt Service	242.742	249.713	250.313	252.328	250.641	252.746
MTA Transportation Debt Service	112.328	115.135	115.409	116.311	115.534	116.526
Total Debt Service by Agency	\$576.687	\$622.296	\$644.252	\$663.743	\$679.288	\$701.550

Total Accrued Amount for Transfer to MTA and NYCT:

Total Adjusted Net Income Available for Transfer	\$1,214.241	\$1,244.302	\$1,252.813	\$1,256.331	\$1,247.889	\$1,236.297
Less: B&T Total Debt Service	(221.617)	(257.448)	(278.529)	(295.104)	(313.114)	(332.278)
Less: first \$24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
Remainder of Total Accrued Amount for Transfer	\$968.624	\$962.854	\$950.284	\$937.227	\$910.775	\$880.019

Calculation of Actual Cash Transfer to MTA:

<u>Distribution of Remainder to MTA</u>						
Fifty Percent of Total Accrued Amount for Transfer	\$484.312	\$481.427	\$475.142	\$468.613	\$455.388	\$440.010
Less: MTA Total Debt Service	(112.328)	(115.135)	(115.409)	(116.311)	(115.534)	(116.526)
MTA's Accrued Current Year Allocation	\$371.984	\$366.292	\$359.733	\$352.302	\$339.853	\$323.484
<u>Cash Conversion of MTA's Accrued Amount</u>						
Current Year Amount	\$321.708	\$329.663	\$323.759	\$317.072	\$305.868	\$291.135
Balance of Prior Year	46.249	50.276	36.629	35.973	35.230	33.985
Cash Transfer to MTA	\$367.957	\$379.938	\$360.389	\$353.045	\$341.098	\$325.121

Calculation of Actual Cash Transfer to NYCT:

<u>Distribution of Remainder to NYCT</u>						
Fifty Percent of Total Accrued Amount for Transfer	\$484.312	\$481.427	\$475.142	\$468.613	\$455.388	\$440.010
Less: NYCT Total Debt Service	(242.742)	(249.713)	(250.313)	(252.328)	(250.641)	(252.746)
Plus: first \$24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000	24.000
NYCT's Accrued Current Year Allocation	\$265.570	\$255.714	\$248.828	\$240.286	\$228.747	\$211.263
<u>Cash Conversion of NYCT's Accrued Amount</u>						
Current Year Amount	\$233.124	\$230.143	\$223.946	\$216.257	\$205.872	\$190.137
Balance of Prior Year	21.687	32.446	25.571	24.883	24.029	22.875
Cash Transfer to NYCT	\$254.811	\$262.589	\$249.517	\$241.140	\$229.901	\$213.012

SUMMARY
MTA STATEN ISLAND RAILWAY
2015 JULY FINANCIAL PLAN
2016-2019
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2014	2015	2016	2017	2018	2019
9							
10	<u>Revenue Summary:</u>						
11							
12	Farebox Revenue	\$5.9	\$6.4	\$6.6	\$6.6	\$6.6	\$6.6
13	Other Revenue	2.6	2.5	2.6	2.6	2.6	2.6
14	State/City Subsidies	4.7	4.7	5.1	5.2	5.4	5.6
15							
16	Total Revenues	\$13.2	\$13.6	\$14.2	\$14.4	\$14.6	\$14.9
17							
18	<u>Non-Reimbursable Expense Summary:</u>						
19							
20	Labor Expenses	\$39.3	\$38.5	\$36.5	\$36.5	\$37.1	\$38.1
21	Non-Labor Expenses	10.5	14.2	27.4	17.2	10.6	11.1
22	Depreciation	7.9	8.3	8.3	8.3	8.3	8.3
23	OPEB Obligation	2.4	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	Total Non-Reimbursable Expenses	\$60.1	\$63.2	\$74.5	\$64.3	\$58.3	\$59.8
27							
28							
29	Total Net Revenue/(Deficit)	(\$46.9)	(\$49.6)	(\$60.3)	(\$49.9)	(\$43.7)	(\$44.9)
30							
31	<u>Cash Adjustment Summary:</u>						
32	Operating Cash Adjustments	\$14.1	\$5.8	\$10.6	\$10.6	\$10.6	\$10.6
33	GASB Cash Adjustments	(0.5)	0.0	0.0	0.0	(0.0)	(0.0)
34	Subsidy Cash Adjustments (Other than SIRT OA Recovery)	0.0	0.0	0.0	0.0	0.0	0.0
35							
36	Total Cash Adjustments	\$13.7	\$5.8	\$10.6	\$10.6	\$10.6	\$10.6
37	Gross Cash Balance	(\$33.2)	(\$43.9)	(\$49.7)	(\$39.3)	(\$33.1)	(\$34.4)
38							
39	<u>Other Adjustments:</u>						
40	Debt Service	(0.1)	(1.1)	(2.3)	(3.5)	(4.2)	(4.3)
41							
42	Total Billable Adjusted Cash Balance after Debt Service	(\$33.4)	(\$45.0)	(\$52.0)	(\$42.8)	(\$37.2)	(\$38.7)
43							
44	<u>City Subsidy Cash Adjustments:</u>						
45	Cash Balance Due from the City of New York	33.4	45.0	52.0	42.8	37.2	38.7
46	Cash Subsidy Received from City of New York for SIRT OA	24.0	33.4	45.0	52.0	42.8	37.2
47	Subsidy Cash Timing	(\$9.3)	(\$11.6)	(\$7.0)	\$9.2	\$5.6	(\$1.4)
48							
49	Net Cash Balance from Previous Year	(24.0)	(33.4)	(45.0)	(52.0)	(42.8)	(37.2)
50							
51	Baseline Net Cash Surplus/(Deficit)	(\$33.4)	(\$45.0)	(\$52.0)	(\$42.8)	(\$37.2)	(\$38.7)
52							

SUMMARY
MTA BUS COMPANY
2015 JULY FINANCIAL PLAN
2016-2019
(\$ in millions)

Line
Number

	ACTUAL	FORECAST				
	2014	2015	2016	2017	2018	2019
<u>Revenue Summary:</u>						
Farebox Revenue	\$203.6	\$208.9	\$212.4	\$212.2	\$212.8	\$213.2
Other Revenue	20.1	20.6	20.7	21.1	21.5	21.7
Total Revenues	\$223.7	\$229.5	\$233.1	\$233.3	\$234.3	\$234.8
<u>Non-Reimbursable Expense Summary:</u>						
Labor Expenses	\$501.9	\$471.7	\$487.8	\$497.2	\$503.5	\$511.1
Non-Labor Expenses	160.8	161.5	172.3	201.2	156.4	159.2
Depreciation	48.5	42.2	42.2	42.9	43.7	43.7
OPEB Obligation	105.0	100.2	100.2	100.2	100.2	100.2
Environmental Remediation	0.6	0.0	0.0	0.0	0.0	0.0
Total Non-Reimbursable Expenses	\$816.9	\$775.6	\$802.5	\$841.5	\$803.6	\$814.1
Total Net Revenue/(Deficit)	(\$593.3)	(\$546.1)	(\$569.4)	(\$608.1)	(\$569.3)	(\$579.2)
<u>Cash Adjustment Summary:</u>						
Operating Cash Adjustments	\$159.3	\$138.3	\$152.4	\$155.1	\$156.1	\$158.5
GASB Cash Adjustments	(2.6)	(0.0)	0.0	0.0	0.0	(0.1)
Total Cash Adjustments	\$156.7	\$138.3	\$152.4	\$155.1	\$156.1	\$158.4
Gross Cash Balance	(\$436.5)	(\$407.9)	(\$417.0)	(\$453.1)	(\$413.2)	(\$420.8)
<u>Other Adjustments:</u>						
Non-Billable GASB Cash Adjustments	2.6	0.0	0.0	0.0	0.0	0.1
Debt Service	(\$28.9)	(\$24.0)	(\$21.3)	(\$21.7)	(\$21.9)	(\$22.0)
Non-Billable Debt Service (2005-2011 Capital Program)	26.8	21.9	19.3	19.6	19.8	19.9
Total Billable Adjusted Cash Balance after Debt Service	(\$436.0)	(\$409.9)	(\$419.1)	(\$455.1)	(\$415.4)	(\$422.9)
<u>City Subsidy Cash Adjustments:</u>						
Cash Balance Due from NYC (adjusted for Non-Billable GASB)	\$436.0	\$409.9	\$419.1	\$455.1	\$415.4	\$422.9
Cash Subsidy Received from City of New York for MTA Bus	<u>460.2</u>	<u>420.2</u>	<u>492.7</u>	<u>437.1</u>	<u>435.2</u>	<u>419.1</u>
Subsidy Cash Timing	\$24.2	\$10.3	\$73.7	(\$18.0)	\$19.9	(\$3.8)
Net Cash Balance from Previous Year	(\$137.7)	(\$113.5)	(\$103.2)	(\$29.5)	(\$47.5)	(\$27.7)
Baseline Net Cash Surplus/(Deficit)	(\$113.5)	(\$103.2)	(\$29.5)	(\$47.5)	(\$27.7)	(\$31.4)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2016-2019
Paratransit Operations
(\$ in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>ADA Trips:</u>	6,376,036	6,911,721	7,360,983	7,839,447	8,349,011
<i>Pct Change from Previous Year</i>	-0.6%	8.4%	6.5%	6.5%	6.5%

<u>Revenue:</u>					
Fares	\$ 17,823	\$ 19,751	\$ 21,034	\$ 22,402	23,858
Urban Tax	60,168	53,897	53,817	53,983	56,062
<i>Sub-total</i>	<u>\$ 77,991</u>	<u>\$ 73,648</u>	<u>\$ 74,851</u>	<u>\$ 76,385</u>	<u>\$ 79,920</u>
City Reimbursements	125,778	137,870	145,499	159,158	175,742
Total Revenue	\$ 203,769	\$ 211,518	\$ 220,350	\$ 235,543	\$ 255,662
<u>Expenses:</u>					
Operating Expenses:					
Salaries & Benefits	\$ 23,763	\$ 23,763	\$ 23,763	\$ 23,763	\$ 23,763
Carrier Service Costs					
Rental & Miscellaneous	450,113	482,431	506,753	549,678	603,466
Total Expenses	\$ 473,876	\$ 506,194	\$ 530,516	\$ 573,441	\$ 627,229
Net Paratransit Surplus/(Deficit)	<u>\$ (270,107)</u>	<u>\$ (294,676)</u>	<u>\$ (310,166)</u>	<u>\$ (337,898)</u>	<u>\$ (371,567)</u>

Paratransit Details					
Total Paratransit Reimbursement:	\$ 185,946	\$ 191,767	\$ 199,316	\$ 213,141	\$ 231,804
Urban Tax	\$ 60,168	\$ 53,897	\$ 53,817	\$ 53,983	\$ 56,062
City Reimbursements	125,778	137,870	145,499	159,158	175,742

Rental & Miscellaneous Expense:

Paratransit Service Contracts

Carrier Services	\$ 348,957	\$ 369,587	\$ 386,220	\$ 420,710	\$ 456,388
Command Center	24,419	26,959	29,394	32,051	34,954
Eligibility Certification	4,100	4,550	5,050	5,050	5,050
Other	5,537	5,538	5,538	5,537	5,539
Subtotal	\$ 383,013	\$ 406,635	\$ 426,202	\$ 463,348	\$ 501,931

Other Than Personnel Service:

Insurance	35,526	39,739	44,323	51,520	60,359
Fuel	16,381	18,463	19,019	22,229	25,758
Other	13,961	16,362	15,976	11,348	14,185
Subtotal	\$ 65,868	\$ 74,564	\$ 79,318	\$ 85,097	\$ 100,303

<i>Non-City Reimbursable OTPS:</i>	\$ 1,232	\$ 1,232	\$ 1,233	\$ 1,233	\$ 1,232
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Total Rental & Miscellaneous Expense	\$ 450,113	\$ 482,431	\$ 506,753	\$ 549,678	\$ 603,466
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Annual Growth in Total Expenses	4.1%	6.8%	4.8%	8.1%	9.4%
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Debt Service

Debt Service in the Financial Plan

The following table includes debt service projections for 2015 through 2019 in connection with the bond financed portion of the *approved* Capital Programs. The overall increase in baseline debt service from the February Financial Plan is due primarily to the projected capital projects cash flow timing, offset by lower fixed-rate interest rates assumptions.

Debt Service Forecast (in millions)*			
Year	February Plan Debt Service	July Plan Debt Service	Difference Favorable (Unfavorable)
2015	\$2,482	\$2,454	\$28
2016	2,590	2,662	(71)
2017	2,772	2,827	(55)
2018	2,936	2,934	1
2019	N/A	2,974	N/A
Total 2015-2019	\$10,780	\$13,850	(\$97)

*Totals may not add due to rounding.

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

Debt Issuance Assumptions:

Forecasted Borrowing Schedule*	2015	2016	2017	2018	2019
<i>(\$ in millions)</i>					
TR and DTF New Money Bonds	\$2,804	\$2,232	\$1,498	\$801	\$107
TBTA New Money Bonds	<u>180</u>	<u>194</u>	<u>296</u>	<u>349</u>	<u>205</u>
Total New Money Bonds	\$2,985	\$2,426	\$1,794	\$1,150	\$312
Assumed Fixed-Rates					
Transportation Revenue Bonds	4.31%	4.47%	4.60%	4.68%	4.73%
Dedicated Tax Fund Bonds	4.20%	4.36%	4.48%	4.56%	4.61%
Triborough Bridge & Tunnel Authority	4.20%	4.36%	4.48%	4.56%	4.61%
Assumed Variable Rates					
	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates ¹					
Transportation Revenue Bonds	4.28%	4.42%	4.54%	4.61%	4.65%
Dedicated Tax Fund Bonds	4.18%	4.32%	4.43%	4.51%	4.55%
Triborough Bridge & Tunnel Authority	4.18%	4.32%	4.43%	4.51%	4.55%

* TR stands for Transportation Revenue; DTF stands for Dedicated Tax Fund. 2015 New Money Bonds include \$850 million of Transportation Revenue New Money Bonds and \$180 million of TBTA New Money Bonds.

¹ Weighted Average of fixed and variable forecasted rates calculated.

- All debt is assumed to be issued as 30-year level debt service debt with principal amortized over the life of the bonds, except for \$967 million of PTC project costs as explained further below.
- Assumes \$967 million of PTC project costs at 2.38% Railroad Rehabilitation and Improvement Financing (RRIF) loan amortized over 20 years on a level debt service basis.
- Current fixed-rate estimates derived from prevailing Fair Market Yield BVAL Curves for A and AA- rated Transportation issuers, as introduced by Bloomberg Information Service in the fall of 2014, and increased by 0.5% for market volatility. Financial Plan years 2015–2019 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of May 2015).
- 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 projects assume an annual target split of 35-40% under the DTF credit and 60-65% under the Transportation credit, subject to satisfying the additional bonds test under the DTF Resolution. No DTF bonds is assumed for commuter projects.
- All bonds issued to finance TBTA capital projects issued under the TBTA General Revenue Resolution.
- Build America Bonds subsidy has been reduced by 7.2% annually through and including Federal Fiscal Year 2023 reflecting the sequester reduction for payments to issuers of direct pay bonds.
- No reserve funds.

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2016-2019

Summary of Total Budgeted Debt Service

(\$ in millions)

Line Number		ACTUAL		FORECAST			
		2014	2015	2016	2017	2018	2019
9	<u>New York City Transit:</u>						
10	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$830.676	\$878.361	\$893.182	\$910.610	\$924.607	\$925.401
11	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	45.153	117.793	162.624	181.902	183.837
12	2 Broadway Certificates of Participation - NYCT Share	17.773	18.369	16.340	18.605	19.395	13.625
13	2 Broadway Certificates of Participation - Additional NYCT Share of MTA Lease Portion	0.000	1.403	2.262	2.575	2.685	1.886
13	Transportation Resolution Commercial Paper and Bond Anticipation Notes	0.306	7.832	19.169	19.169	19.169	19.169
14	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	307.058	298.264	317.165	320.004	318.665	313.991
15	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	<u>0.000</u>	<u>0.000</u>	<u>18.105</u>	<u>45.435</u>	<u>55.688</u>	<u>56.717</u>
16	Sub-Total MTA Paid Debt Service	\$1,155.812	\$1,249.382	\$1,384.017	\$1,479.021	\$1,522.112	\$1,514.628
17							
18	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$175.655	\$176.709	\$177.414	\$178.352	\$177.413	\$179.633
19	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	<u>59.463</u>	<u>73.003</u>	<u>73.424</u>	<u>74.892</u>	<u>74.368</u>	<u>74.295</u>
20	Sub-Total B&T Paid Debt Service	\$235.118	\$249.713	\$250.838	\$253.244	\$251.781	\$253.928
21							
22	Total NYCT Debt Service	\$1,390.930	\$1,499.094	\$1,634.855	\$1,732.265	\$1,773.893	\$1,768.556
23							
24	<u>Commuter Railroads:</u>						
25	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$501.172	\$553.442	\$565.214	\$576.242	\$585.100	\$585.602
26	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	13.251	48.166	89.892	131.851	157.078
27	Transportation Resolution Commercial Paper and Bond Anticipation Notes	0.196	5.065	12.397	12.397	12.397	12.397
28	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	67.176	63.158	66.268	66.861	66.581	65.605
29	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
30	Sub-Total MTA Paid Debt Service	\$568.544	\$634.917	\$692.044	\$745.391	\$795.929	\$820.681
31							
32	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$82.565	\$83.060	\$83.392	\$83.832	\$83.391	\$84.435
33	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	<u>26.126</u>	<u>32.075</u>	<u>32.259</u>	<u>32.904</u>	<u>32.674</u>	<u>32.642</u>
34	Sub-Total B&T Paid Debt Service	\$108.691	\$115.135	\$115.651	\$116.737	\$116.065	\$117.077
35							
36	Total CRR Debt Service	\$677.234	\$750.052	\$807.695	\$862.128	\$911.994	\$937.758
37							
38	<u>Bridges and Tunnels:</u>						
39	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$212.007	\$234.221	\$250.050	\$251.372	\$250.049	\$253.177
40	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	23.489	28.838	29.004	29.584	29.377	29.348
41	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	5.840	20.698	40.427	57.480
42	2 Broadway Certificates of Participation - TBTA Share	2.513	2.684	2.450	2.789	2.908	2.043
43	2 Broadway Certificates of Participation - Additional TBTA Share of MTA Lease Portion	0.000	0.112	0.181	0.206	0.215	0.151
44	Total B&T Debt Service	\$238.009	\$265.855	\$287.525	\$304.649	\$322.975	\$342.198
45							
46	<u>MTA Bus:</u>						
47	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$28.963	\$23.701	\$20.673	\$21.077	\$21.401	\$21.419
48	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.256	0.513	0.513	0.513	0.513
49	Transportation Resolution Commercial Paper and Bond Anticipation Notes	0.005	0.098	0.240	0.240	0.240	0.240
50							
51	Total MTA Bus Debt Service	\$28.968	\$24.055	\$21.426	\$21.829	\$22.153	\$22.172
52							
53	<u>Staten Island Railway (SIRTOA):</u>						
54	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$0.124	\$0.541	\$0.465	\$0.474	\$0.482	\$0.482
55	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.549	1.846	3.069	3.692	3.842
56	Transportation Resolution Commercial Paper and Bond Anticipation Notes	0.000	0.000	0.000	0.000	0.000	0.000
57							
58	Total SIRTOA Debt Service	\$0.124	\$1.091	\$2.311	\$3.544	\$4.173	\$4.324
59							
60	Total MTA HQ Debt Service for 2 Broadway Certificates of Participation	\$2.438	\$2.713	\$2.552	\$2.906	\$3.029	\$2.128

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2016-2019

Summary of Total Budgeted Debt Service

(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2014	2015	2016	2017	2018	2019
61	<u>MTA Total:</u>						
62							
63	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$1,360.935	\$1,456.046	\$1,479.535	\$1,508.403	\$1,531.589	\$1,532.904
64	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	374.234	361.422	383.433	386.864	385.246	379.596
65	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	470.227	493.990	510.856	513.556	510.854	517.244
66	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	109.078	133.916	134.688	137.380	136.418	136.286
67	2 Broadway Certificates of Participation	22.724	25.281	23.785	27.081	28.232	19.832
68	Transportation Resolution Commercial Paper and Bond Anticipation Notes	0.506	12.995	31.807	31.807	31.807	31.807
69	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	59.209	168.317	256.097	317.957	345.269
70	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	18.105	45.435	55.688	56.717
71	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	5.840	20.698	40.427	57.480
72							
73	Total Debt Service	\$2,337.705	\$2,542.859	\$2,756.365	\$2,927.321	\$3,038.218	\$3,077.136
74							
75	<u>MTA Investment Income by Resolution</u>						
76							
77	Investment Income from Transportation Revenue Bond Debt Service Fund	\$0.000	\$0.000	(\$3.419)	(\$7.234)	(\$9.525)	(\$9.673)
78	Investment Income from Dedicated Tax Fund Debt Service Fund	0.000	0.000	(0.833)	(1.772)	(2.271)	(2.247)
79	Investment Income from TBTA (B&T) General Revenue Debt Service Fund	0.000	0.000	(1.072)	(2.190)	(2.839)	(2.960)
80	Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund	0.000	0.000	(0.279)	(0.285)	(0.283)	(0.283)
81	Investment Income from 2 Broadway Certificates of Participation Debt Service Fund	0.000	0.000	0.000	0.000	0.000	0.000
82							
83	Total MTA Investment Income	\$0.000	\$0.000	(\$5.604)	(\$11.482)	(\$14.918)	(\$15.162)
84							
85	<u>MTA Net Total</u>						
86							
87	Net Transportation Revenue Bonds Debt Service	\$1,360.935	\$1,515.255	\$1,644.433	\$1,757.266	\$1,840.021	\$1,868.501
88	Transportation Resolution Commercial Paper and Bond Anticipation Notes	0.506	12.995	31.807	31.807	31.807	31.807
89	Net Dedicated Tax Fund Bonds Debt Service	374.234	361.422	400.705	430.527	438.663	434.066
90	Net TBTA (B&T) General Revenue Bonds Debt Service	470.227	493.990	515.624	532.063	548.442	571.764
91	Net TBTA (B&T) Subordinate Revenue Bonds Debt Service	109.078	133.916	134.408	137.095	136.135	136.003
92	Net 2 Broadway Certificates of Participation Debt Service	22.724	25.281	23.785	27.081	28.232	19.832
93	Build America Bonds Interest Subsidy - TRB	(54.447)	(54.470)	(54.477)	(54.330)	(54.167)	(53.580)
94	Build America Bonds Interest Subsidy - DTF	(26.302)	(26.312)	(26.326)	(26.326)	(26.326)	(26.175)
95	Build America Bonds Interest Subsidy - TBTA GR Bonds	(8.417)	(8.406)	(8.411)	(8.411)	(8.411)	(8.411)
96							
97	Total MTA Net Debt Service	\$2,248.538	\$2,453.671	\$2,661.547	\$2,826.772	\$2,934.396	\$2,973.807

Debt Service Affordability Statement

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METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2016-2019

Debt Affordability Statement ⁽¹⁾

\$ in millions

Forecasted Debt Service and Borrowing Schedule	Notes	2014 ACTL	2015	2016	2017	2018	2019
Combined MTA/TBTA Forecasted Debt Service Schedule	1, 2, 3	\$2,225.8	\$2,428.4	\$2,637.8	\$2,799.7	\$2,906.2	\$2,954.0
Forecasted New Money Bonds Issued	4	2,119.0	2,984.6	2,426.3	1,794.0	1,149.6	312.1
Forecasted Debt Service by Credit ⁹	Notes	2014 ACTL	2015	2016	2017	2018	2019
Transportation Revenue Bonds							
Pledged Revenues	5	\$12,549.0	\$13,048.2	\$13,226.4	\$13,315.9	\$13,478.3	\$13,671.5
Debt Service		1,307.0	1,473.8	1,621.8	1,734.7	1,817.7	1,846.7
Debt Service as a % of Pledged Revenues		10%	11%	12%	13%	13%	14%
Dedicated Tax Fund Bonds							
Pledged Revenues	6	\$627.2	\$623.2	\$619.5	\$618.8	\$620.0	\$621.8
Debt Service		347.9	335.1	374.4	404.2	412.3	407.9
Debt Service as a % of Pledged Revenues		55%	54%	60%	65%	67%	66%
Triborough Bridge and Tunnel Authority General Revenue Bonds							
Pledged Revenues	7	\$1,214.2	\$1,244.3	\$1,252.8	\$1,256.3	\$1,247.9	\$1,236.3
Debt Service		461.8	485.6	507.2	523.7	540.0	563.4
Debt Service as a % of Total Pledged Revenues		38%	39%	40%	42%	43%	46%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds							
Pledged Revenues	8	\$752.4	\$758.7	\$745.6	\$732.7	\$707.9	\$672.9
Debt Service		109.1	133.9	134.4	137.1	136.1	136.0
Debt Service as a % of Total Pledged Revenues		14%	18%	18%	19%	19%	20%
Cumulative Debt Service (Excluding State Service Contract Bonds)	Notes	2014 ACTL	2015	2016	2017	2018	2019
Total Debt Service	1, 2, 3	\$2,225.8	\$2,428.4	\$2,637.8	\$2,799.7	\$2,906.2	\$2,954.0
Fare and Toll Revenues		\$7,385.6	\$7,697.6	\$7,891.2	\$7,927.1	\$7,968.2	\$8,009.0
Total Debt Service as a % of Fare and Toll Revenue		30%	32%	33%	35%	36%	37%
Operating Revenues (including Fare and Toll Revenues) and Subsidies		\$14,443.5	\$14,922.5	\$15,210.7	\$15,434.8	\$15,617.3	\$15,889.6
Total Debt Service as a % of Operating Revenues and Subsidies		15%	16%	17%	18%	19%	19%
Non-Reimbursable Expenses with Non-Cash Liabilities		\$15,955.8	\$16,466.1	\$17,004.7	\$17,578.0	\$18,061.8	\$18,695.8
Total Debt Service as % of Non-reimbursable Expenses		14%	15%	16%	16%	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 2015, 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 August 30, 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 SIRTQA.*
- 7 Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.*
- 8 Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.*
- 9 Debt service schedules for each credit are attached as addendum hereto.*

Special Notes

- ⁽¹⁾ 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 30, 2015 (\$ in millions)

	Transportation Revenue Resolution			Dedicated Tax Fund Resolution			TBTA General Revenue Resolution			TBTA Subordinate Resolution			MTA and TBTA Debt Service		
Fiscal Year	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined
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	1,312.3	5.4	1,317.7	349.3	-	349.3	461.7	-	461.7	112.8	-	112.8	2,236.1	5.4	2,241.5
2015	1,414.6	59.2	1,473.8	335.1	-	335.1	485.6	-	485.6	133.9	-	133.9	2,369.2	59.2	2,428.4
2016	1,456.9	168.3	1,625.2	357.1	18.1	375.2	502.4	5.8	508.3	134.7	-	134.7	2,451.1	192.3	2,643.4
2017	1,485.9	256.1	1,742.0	360.5	45.4	406.0	505.1	20.7	525.8	137.4	-	137.4	2,488.9	322.2	2,811.2
2018	1,509.2	318.0	1,827.2	358.9	55.7	414.6	502.4	40.4	542.9	136.4	-	136.4	2,507.0	414.1	2,921.1
2019	1,511.1	345.3	1,856.4	353.4	56.7	410.1	508.8	57.5	566.3	136.3	-	136.3	2,509.7	459.5	2,969.1
2020	1,507.0	348.6	1,855.6	354.9	56.7	411.6	501.2	68.0	569.3	135.9	-	135.9	2,499.0	473.3	2,972.4
2021	1,506.8	348.6	1,855.4	353.3	56.7	410.0	498.6	74.9	573.5	136.6	-	136.6	2,495.3	480.3	2,975.5
2022	1,496.0	348.6	1,844.6	350.1	56.7	406.8	502.5	79.0	581.6	136.1	-	136.1	2,484.7	484.3	2,969.1
2023	1,509.7	348.6	1,858.4	351.6	56.7	408.3	495.5	80.4	575.9	136.6	-	136.6	2,493.5	485.7	2,979.2
2024	1,503.0	348.6	1,851.6	350.0	56.7	406.7	490.4	80.4	570.7	136.7	-	136.7	2,480.0	485.7	2,965.7
2025	1,487.4	348.6	1,836.0	349.9	56.7	406.6	490.1	80.4	570.5	136.7	-	136.7	2,464.1	485.7	2,949.8
2026	1,520.6	348.6	1,869.2	347.0	56.7	403.7	489.7	80.4	570.0	136.9	-	136.9	2,494.2	485.7	2,979.9
2027	1,516.9	348.6	1,865.5	339.9	56.7	396.6	493.2	80.4	573.6	136.8	-	136.8	2,486.9	485.7	2,972.6
2028	1,515.0	348.6	1,863.6	348.3	56.7	405.0	505.0	80.4	585.4	137.0	-	137.0	2,505.4	485.7	2,991.1
2029	1,514.9	348.6	1,863.5	346.5	56.7	403.3	504.0	80.4	584.4	136.8	-	136.8	2,502.2	485.7	2,987.9
2030	1,517.2	348.6	1,865.8	345.4	56.7	402.2	506.2	80.4	586.6	136.9	-	136.9	2,505.8	485.7	2,991.5
2031	1,530.4	348.6	1,879.0	343.0	56.7	399.7	523.3	80.4	603.6	129.9	-	129.9	2,526.6	485.7	3,012.2
2032	1,450.4	348.6	1,799.0	347.2	56.7	403.9	443.0	80.4	523.3	76.6	-	76.6	2,317.1	485.7	2,802.8
2033	1,176.3	348.6	1,524.9	333.2	56.7	389.9	249.2	80.4	329.5	-	-	-	1,758.7	485.7	2,244.4
2034	1,177.4	348.6	1,526.0	182.6	56.7	239.3	260.1	80.4	340.4	-	-	-	1,620.0	485.7	2,105.7
2035	1,150.2	335.4	1,485.5	131.2	56.7	187.9	289.9	80.4	370.2	-	-	-	1,571.2	472.4	2,043.7
2036	968.0	314.1	1,282.2	146.8	56.7	203.5	283.7	80.4	364.1	-	-	-	1,398.5	451.2	1,849.7
2037	937.2	301.0	1,238.2	334.0	56.7	390.7	284.7	80.4	365.0	-	-	-	1,555.9	438.1	1,994.0
2038	879.3	290.0	1,169.2	322.7	56.7	379.4	262.9	80.4	343.2	-	-	-	1,464.8	427.1	1,891.9
2039	811.3	284.2	1,095.4	270.4	56.7	327.1	108.8	80.4	189.2	-	-	-	1,190.5	421.3	1,611.7
2040	707.0	284.2	991.2	29.8	56.7	86.5	66.1	80.4	146.4	-	-	-	802.8	421.3	1,224.1
2041	556.3	284.2	840.5	-	56.7	56.7	46.2	80.4	126.6	-	-	-	602.5	421.3	1,023.8
2042	493.1	284.2	777.3	-	56.7	56.7	44.5	80.4	124.8	-	-	-	537.6	421.3	958.8
2043	350.4	284.2	634.5	-	56.7	56.7	32.1	80.4	112.4	-	-	-	382.4	421.3	803.7
2044	207.8	284.2	492.0	-	56.7	56.7	27.2	80.4	107.5	-	-	-	235.0	421.3	656.2
2045	96.7	238.2	335.0	-	56.7	56.7	13.7	80.4	94.1	-	-	-	110.5	375.3	485.8
2046	35.0	150.3	185.4	-	38.6	38.6	13.7	74.5	88.2	-	-	-	48.8	263.5	312.2
2047	23.6	75.7	99.3	-	11.3	11.3	13.7	59.7	73.4	-	-	-	37.3	146.7	184.0
2048	15.7	24.8	40.6	-	1.0	1.0	13.7	39.9	53.7	-	-	-	29.4	65.8	95.2
2049	15.7	3.3	19.1	-	-	-	13.7	22.9	36.6	-	-	-	29.4	26.2	55.7
2050	15.7	0.0	15.7	-	-	-	12.0	12.4	24.3	-	-	-	27.7	12.4	40.0
2051	15.7	0.0	15.7	-	-	-	-	5.4	5.4	-	-	-	15.7	5.4	21.1
2052	15.7	0.0	15.7	-	-	-	-	1.3	1.3	-	-	-	15.7	1.3	17.0
2053	15.7	0.0	15.7	-	-	-	-	-	-	-	-	-	15.7	0.0	15.7
2054	15.7	0.0	15.7	-	-	-	-	-	-	-	-	-	15.7	0.0	15.7
2055	13.7	0.0	13.7	-	-	-	-	-	-	-	-	-	13.7	0.0	13.7

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.

Positions (Headcount)

POSITIONS (Headcount)

The information contained in this section presents MTA headcount by Agency, function, and occupational group. It also captures the position impacts of programmatic initiatives and re-estimates. 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 and expand the MTA network. To that end, the July Plan reflects changes to strategic resources, including reductions in areas where operations can be made more efficient while also adding positions where more personnel are required.

Positions are added to meet the requirements of a myriad of initiatives and activities scheduled or already underway, including: critical operational and maintenance needs, Enterprise Asset Management (EAM), safety initiatives, IT support, and new service and platform budget adjustments. These additional positions are referenced on the following pages and detailed in Agency sections.

METROPOLITAN TRANSPORTATION AUTHORITY July Financial Plan 2016-2019 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2015	2016	2017	2018
2015 February Plan - Total Baseline Positions¹	69,717	69,143	69,188	69,061
Total Plan-to-Plan Changes	(503)	(659)	(726)	(604)
2015 July Plan - Total Baseline Positions¹	70,220	69,802	69,914	69,665
Total Year-to-Year Changes, July Plan		418	(112)	249
Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(399)	(442)	(536)	(519)
<i>Reimbursable</i>	(104)	(217)	(190)	(85)
Total	(503)	(659)	(726)	(604)
<i>Full-Time</i>	(502)	(658)	(725)	(603)
<i>Full-Time Equivalents</i>	(1)	(1)	(1)	(1)
Total	(503)	(659)	(726)	(604)
By Function Category				
- Administration	(36)	(11)	(38)	(38)
- Operations	(448)	(348)	(332)	(332)
- Maintenance	50	(193)	(249)	(128)
- Engineering/Capital	(56)	(94)	(94)	(94)
- Public Safety	(13)	(13)	(13)	(12)
Total	(503)	(659)	(726)	(604)
By Occupational Group				
- Managers/Supervisors	108	87	125	181
- Professional, Technical, Clerical	(180)	(166)	(184)	(189)
- Operational Hourlies	(431)	(580)	(667)	(596)
Total	(503)	(659)	(726)	(604)
Total Plan-to-Plan Changes by Major Category:				
<i>2015 BRPs</i>	73	106	126	126
<i>New Needs</i>	(288)	(427)	(548)	(527)
<i>Change in Reimbursable Positions</i>	(106)	(219)	(192)	(87)
<i>Re-estimates & All Other²</i>	(182)	(119)	(112)	(116)
Total	(503)	(659)	(726)	(604)

¹ Reflects positions at year end (December 31).

² Includes Full-time Equivalents

Year-to-Year Position Changes

2016 vs. 2015

Consolidated 2016 baseline positions are 69,802, an overall net decrease of 418 positions from the 2015 level. This is primarily due to:

- **NYCT** – a total position decrease of 508 positions (406 reimbursable, 102 non-reimbursable), mainly due to capital project completion, including Sandy-related projects and BRP savings.
- **LIRR** – a total decrease of 45 reimbursable positions, partially offset by an increase of one non-reimbursable position, mostly related to changes in capital project activity.

Partially offsetting these decreases:

- **MNR** – an increase of 95 positions, including an additional 84 non-reimbursable Maintenance of Way positions to enhance safety and improve maintenance practices.
- **B&T** – an increase of 17 non-reimbursable positions, including nine positions for the Enterprise Asset Management program and eight engineering positions primarily to cover expanded needs stemming from Federal mandates for tunnel inspections, additional project management efforts to meet NYS guidelines governing design-build capital projects, and increasing support for the Small Business Mentoring Program.
- **MTA Headquarters** – headcount increase by six non-reimbursable positions related to IT.
- **MTA Bus** – a net increase of 16 non-reimbursable positions mainly reflects an increase of 31 positions in support of the Shop Overhaul Program, partially offset by a 21 position decrease expected from improvements in employee availability.

Positions by Function decrease between 2015 and 2016 mainly for the following reasons:

- **Administration** decreases of 51 positions are primarily the result of: NYCT (-66), partially offset by MNR (+8), MTAHQ (+6) and LIRR (+1).
- **Operations** decreases of 144 positions are mostly driven by: NYCT (-117) due to changes in capital project activity, including Sandy staffing expiration, and MTA Bus (-23) due to the anticipated improvement of employee availability.
- **Maintenance** decreases of 161 positions are generally due to: NYCT (-250) and LIRR (-38) related to capital project completions, partially offset by B&T (+4) and MNR (+84) for positions in Maintenance of Way to enhance safety, and MTA Bus (+39) mainly for the Shop Overhaul Program.
- **Engineering/Capital** decreases of 63 positions are mainly attributable to: NYCT (-75) mainly due to capital project completion; partially offset by additional positions at

B&T (+12) for project management to cover expanded needs stemming from new Federal mandates for tunnel inspections, additional project management efforts to meet NYS guidelines governing design-build capital projects, and increasing goals in the Small Business Mentoring Program.

- **Public Safety** increase of one position at B&T to support safety and security programs.

2017 – 2019

Total positions are projected at 69,914 in 2017, representing an increase of 112 positions from 2016. Total positions include an increase of 361 non-reimbursable positions, partially offset by a decrease of 249 reimbursable positions. Net increases in positions are expected to be 156 at NYCT, comprised of 324 non-reimbursable position increases, partially offset by decreases of 168 reimbursable positions. The net change is mainly attributable to operating staff requirements for the 2nd Avenue Subway, and changes reflective of reduced Sandy labor requirements and capital project completion. Staffing levels decrease by a net 40 positions at LIRR, comprised of a decrease in 50 reimbursable positions, resulting from changes in project activity and the completion of the safety-related Positive Train Control initiative, partially offset by an increase of 10 non-reimbursable positions. Net decreases in positions are expected to be 15 at MNR, reflecting 31 reimbursable position decreases related to the completion of Positive Train Control and Sandy projects, partially offset by an increase in 16 non-reimbursable positions, mainly related to the inspection and maintenance of the new interlocking in support of the Walk Bridge replacement project. Non-reimbursable positions at MTA Bus will increase by 11 in support of the Shop Overhaul Program.

Total forecasted positions are projected at 69,665 in 2018, a decrease of 249 positions from 2017, reflecting a decrease of 306 reimbursable positions partially offset by an additional 57 non-reimbursable positions. Total decreases in positions are expected to be 394 at NYCT, comprised of 298 reimbursable and 96 non-reimbursable positions, mainly due to changes in the Subways SMS program, Sandy labor reduction and capital project completion and decreases of 49 non-reimbursable positions at MTA Bus, mainly in the Shop Overhaul Program. Net position increases at the LIRR are expected to be 191, comprised of 199 non-reimbursable position increases primarily related to East Side Access readiness efforts, partially offset by eight reimbursable position decreases. Net increases at MNR include three non-reimbursable positions in the Transportation Department to support projected ridership growth.

Total forecasted positions are projected 69,790 in 2019, an increase of 125 positions from 2018. Total positions include an increase of 187 non-reimbursable positions, partially offset by 62 reimbursable position decreases. Total position decreases of 44 at NYCT include 26 non-reimbursable and 18 reimbursable positions, mainly due to changes in the Subways SMS program. Net position increases at the LIRR are expected to be 100, primarily related to East Side Access readiness efforts, partially offset by 18 reimbursable position decreases. Increases at MTAHQ include 30 non-reimbursable MTA Police positions related to East Side Access readiness efforts. SIR positions are projected to decrease by 26 reimbursable positions, reflecting the assumption that these positions will be absorbed

through attrition by the end of 2019, subject to the identification of additional program requirements to be presented in subsequent plan updates. MTA Bus net positions are expected to increase by 65 positions, comprised of an increase of 66 non-reimbursable positions for the Shop Overhaul Program, partially offset by a decrease of one position supporting bus technology.

July Plan vs. February Plan Position Changes

2015

Total positions of 70,220 reflect an increase of 503 positions from the February Plan, primarily due to:

- **NYCT** – increases by 478 positions, including non-reimbursable increases of 271 and reimbursable increase of 207 positions. Position increases reflect additional headcount requirements: to address increases in subway delays resulting from historic ridership growth (Mitigation of Subway Delays); WEP administration; support for car fleet expansion maintenance; bus technology; operations planning; and positions in connection with other initiatives, including EAM, 21st Century Service Delivery, Station Cleaning, EEO and Employee Availability Administration. Reimbursable re-estimates include additional positions to support the following: subways and buses capital programs; infrastructure capital construction program (ICC); signals and critical signals program; and the station cleaning capital program. Re-estimates to positions also include those related to the platform budget, station painting, and M86 Select Bus Service. Partially offsetting these are 14 BRP position decreases related to revenue collection and security efficiencies as well as reductions in Operations Planning for FasTrack support.
- **LIRR** – decreases by 24 positions, including 102 reimbursable positions, partially offset by 78 non-reimbursable position increases. Reimbursable decreases reflect lower expected capital project activity, while non-reimbursable increases reflect the redeployment of Engineering's existing workforce to maintenance activities.
- **MNR** – increases by 13 positions, 12 of which are non-reimbursable, including support for the new Component Change-Out facility in New Haven, agreement rail traffic controllers, increased support for recruiting efforts and additional positions to meet mandated or regulatory requirements.
- **B&T** – increases by 11 non-reimbursable positions for the following initiatives: dedicated EAM staffing; safety and security programs; new employee training and customer service headcount to process toll inquiries and payments.
- **MTA Headquarters** – increases by 12 non-reimbursable positions, primarily for administrative functions and the BSC, safety and security requirements, and increases to support various IT projects, partially offset by efficiency reductions associated with the IT consolidation.
- **Staten Island Railway** – increase by 10 non-reimbursable positions, which consists of four transportation hourly train crew positions to help meet on-time performance, three administrative supervisory positions to meet additional training requirements, and a reclassification of three reimbursable positions as non-reimbursable, which also decreases by three reimbursable positions.

- **MTA CC** – increases by one reimbursable position in support of its mix of engineering and design activities.
- **MTA Bus** – increases by five non-reimbursable positions in support of the Employee Availability Unit, Dispatchers in the Command Center and Bus Technology.

2016

Total positions of 69,802 reflect an increase of 659 positions from the February Plan, mainly attributable to:

- **NYCT** – increases by 447 positions, including 280 non-reimbursable increases and reimbursable increases of 167 positions. In addition to continuing the aforementioned 2015 programmatic initiatives, 2016 includes positions in connection with the Bus Overage Fleet program, which addresses additional maintenance requirements associated with buses older than 15 years. Re-estimates to positions continue to reflect those related to the platform budget, station painting, and M86 Select Bus Service. BRP proposals include additional headcount reductions resulting from efficiencies in supply logistics and the consolidation of timekeeping at Subways.
- **LIRR** – increases by 49 positions, including 24 non-reimbursable and 25 reimbursable positions. Non-reimbursable increases primarily reflect safety initiatives including additional onboard camera installation and monitoring, greater resources for training based on projected hiring plans, Communication field positions to support various security projects, and additional Transportation supervisory resources in train yards. Reimbursable increases reflect requirements associated with capital project activity, East Side Access and Positive Train Control.
- **MNR** – increases by 101 positions, consisting of 100 non-reimbursable and one reimbursable position. Included in the non-reimbursable increase are 50 safety-related positions, 11 maintenance positions, 20 Maintenance of Way track maintenance positions for infrastructure improvement, and increases in connection with managing mandated and regulatory compliance work.
- **B&T** – increases by 28 non-reimbursable positions in connection with the preliminary “gap assessment” on EAM as well as positions primarily to cover expanded needs stemming from new Federal mandates for tunnel inspections, additional project management efforts to meet NYS guidelines governing design-build capital projects, and increasing goals with the Small Business Mentoring Program.
- **MTA Headquarters** – increases by 12 non-reimbursable positions and continues to reflect initiatives that carry forward from 2015.
- **SIR** – increases by 33 positions, consisting of 10 non-reimbursable and 23 reimbursable position increases. The reimbursable increases represent the expansion of a two-year program originally established in 2013 primarily in support of Sandy-related capital construction requirements but which is now being reconfigured into a 5-year reimbursable program as well as several other capital projects.
- **MTA CC** – increases by one reimbursable position in support of its mix of engineering and design activities.

- **MTA Bus** – decreases by 12 non-reimbursable positions, reflecting anticipated headcount reductions in connection with improved employee availability due to the implementation of the Employment Availability Unit, partially offset by an additional new need in support of EAM.

2017

Total positions of 69,914 positions in 2017 reflect increases of 726 from the February Plan. These unfavorable variances are mainly due to:

- **NYCT** – increases by 499 positions, including 368 non-reimbursable and 131 reimbursable positions. In addition to continuing the aforementioned 2015 programmatic initiatives, 2017 includes an increase of 132 positions for R32 Scheduled Maintenance Service (SMS) resulting from delays in the delivery of R179 replacement cars and increased revenue service requirements. Additional BRP headcount reductions are projected to increase in 2017 related to efficiencies from the consolidation of timekeeping at Subways.
- **LIRR** – increases by 58 positions, comprised of 24 non-reimbursable and 34 reimbursable positions, and reflect the continued impact of 2016 programmatic initiatives.
- **MNR** – increases by 107 positions, consisting of 106 non-reimbursable and one reimbursable position. In addition to the positions that carry forward from 2016, additional positions are included in 2017 for the inspection and maintenance of the new interlocking to support the Walk Bridge replacement project in Connecticut.
- **B&T** – increases by 28 non-reimbursable positions that carry forward from 2016.
- **MTA Headquarters** – increases by 12 non-reimbursable positions that carry forward from 2015.
- **SIR** – increases by 33 positions, consisting of 10 non-reimbursable and 23 reimbursable position increases that carry forward from 2016.
- **MTA CC** – increases by one reimbursable position in support of its mix of engineering and design activities.
- **MTA Bus** – decreases by 12 non-reimbursable positions that carry forward from 2016.

2018

Total positions of 69,665 positions in 2018 reflect increases of 604 positions from the February Plan. These unfavorable variances are mainly due to:

- **NYCT** – increases by 382 positions, consisting of 351 non-reimbursable and 31 reimbursable positions and continue to reflect the programmatic initiatives that carry forward from 2015.
- **LIRR** – increases by 53 positions, comprised of 24 non-reimbursable and 29 reimbursable positions, and reflect the impact of the 2016 programmatic initiatives.
- **MNR** – increases by 107 positions, consisting of 106 non-reimbursable and one reimbursable position increase that carry forward from 2017.
- **B&T** – increases by 28 non-reimbursable that carry forward from 2016.

- **MTA Headquarters** – increases by 12 non-reimbursable positions that carry forward from 2015.
- **SIR** – increases by 33 positions, consisting of 10 non-reimbursable and 23 reimbursable position increases that carry forward from 2016.
- **MTA CC** – increases by one reimbursable position in support of its mix of engineering and design activities.
- **MTA Bus** – decreases by 12 non-reimbursable positions that carry forward from 2016.

New Needs

Programmatic changes referred to earlier and explained further in Agency sections address new hire training, Enterprise Asset Management, safety initiatives, IT support, new service and platform budget adjustments, and critical operational and maintenance needs. These New Needs result in increases in comparison to the February Plan of: 288 positions in 2015; 427 positions in 2016; 548 positions in 2017; and 527 positions in 2018. Major New Needs are listed in the following table:

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2016-2019				
Favorable/(Unfavorable)				
Position Impacts of New Needs				
	2015	2016	2017	2018
NYCT				
Delay Mitigation	(120)	(134)	(131)	(131)
WEP Administration - Additional Headcount	(17)	(17)	(17)	(17)
Car Fleet Expansion	(10)	(10)	(10)	(14)
Bus Technology Headcount	(9)	(6)	(6)	(3)
Operations Planning - Increase Support	(8)	(9)	(9)	(9)
EEO Headcount	(7)	(7)	(7)	(7)
Employee Availability Administration	(3)	(4)	(4)	(4)
Law Additional Support	0	(2)	(2)	(2)
Bus Overage Fleet	0	(35)	(21)	(21)
R32 Fleet SMS	0	0	(132)	(110)
Stations Cleaning	(5)	(5)	(5)	(5)
Enterprise Asset Management	(5)	(5)	(5)	(5)
21st Century Service Delivery	(5)	(5)	(5)	(5)
Total	(189)	(239)	(354)	(333)
LIRR				
Station Appearance Maintainer at New Wyandanch Station	0	(1)	(1)	(1)
Total	0	(1)	(1)	(1)
MNR				
Corporate Compliance And Strategic Development	0	(3)	(3)	(3)
Labor Relations - Departmental Hearings & Investigations	0	(3)	(3)	(3)
NYS-Mandated MWBE Policy, Procedures & Quality Req.	(1)	(1)	(1)	(1)
Legal - Labor Employment	0	(1)	(1)	(1)
Mt Vernon - Track Maintenance Gang For Satellite Subdivision	0	(5)	(5)	(5)
New Haven Yard - Track Maintenance Gang	0	(3)	(3)	(3)
Power Department Field Managers	0	(3)	(3)	(3)
New Haven Component Change Out (CCO) Shop	(4)	(4)	(4)	(4)
NHL Branch Line Grade Crossing Track Gang - CDOT Capital	0	(13)	(13)	(13)
New Haven Line Bridge & Culvert Structures Gang Mtce	0	(13)	(13)	(13)
Third Rail Power System Construction	0	(12)	(12)	(12)
GCT Platform Track Rehabilitation Gang	0	(8)	(8)	(8)
NHL East Norwalk To Southport Ct Signal Inspection/Mtce	0	0	(6)	(6)
Track Inspection Quality Assurance Team	0	(2)	(2)	(2)
Power Department Code Compliance	0	(1)	(1)	(1)
Office Of System Safety Community Outreach And Education	(1)	(1)	(1)	(1)
Video Management Expansion	0	(1)	(1)	(1)
Total	(6)	(74)	(80)	(80)
B&T				
Training Specialist	(1)	(1)	(1)	(1)
Revenue Mgmt Customer Service Coordinator	(1)	(1)	(1)	(1)
Enterprise Asset Management	(7)	(16)	(16)	(16)
Engineering & Construction	0	(6)	(6)	(6)
Small Business Mentoring Program	0	(1)	(1)	(1)
Electronic Security Systems	(1)	(1)	(1)	(1)
Total	(10)	(26)	(26)	(26)
Headquarters				
Administrative Requirements	(23)	(23)	(23)	(23)
BSC New Needs	(10)	(10)	(10)	(10)
IT Consolidation	(32)	(32)	(32)	(32)
Safety/Security/MTAPD	(5)	(5)	(5)	(5)
Total	(70)	(70)	(70)	(70)
SIR				
On-Time Performance-Critical New Need	(4)	(4)	(4)	(4)
Training Function Requirements-Critical New Need	(3)	(3)	(3)	(3)
Total	(7)	(7)	(7)	(7)
MTACC				
Capital Program Support	(1)	(1)	(1)	(1)
Total	(1)	(1)	(1)	(1)
MTA Bus Co				
Employee Availability Unit	(2)	(2)	(2)	(2)
Dispatchers for Command Center	(2)	(2)	(2)	(2)
Bus Technology	(1)	(3)	(3)	(3)
Enterprise Asset Management (EAM)	0	(2)	(2)	(2)
Total	(5)	(9)	(9)	(9)
Total New Needs	(288)	(427)	(548)	(527)

Changes in Reimbursable Positions

Long-term restoration and mitigation projects resulting from Sandy require greater position support in order to complete work, and to either catch-up or resume normal project activity levels. Major reimbursable positions in comparison with the February Plan are listed below.

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2016-2019				
Favorable/(Unfavorable)				
Position Impact of Reimbursable				
	2015	2016	2017	2018
NYCT				
Subways Capital Program Support	(63)	(22)	(17)	(8)
Buses for Capital Program Support	(12)	(12)	0	0
ICC Support	(77)	(77)	(77)	(22)
Signals Critical Signals Program	(21)	(42)	(24)	0
Stations Capital Program Support	(26)	(26)	(26)	(14)
Other Capital Support	(8)	12	13	13
Total	(207)	(167)	(131)	(31)
LIRR				
Reimbursable Headcount & Overtime Adjustments	50	(15)	(24)	(20)
Shift of Reimb positions to Non-Reimb	52	(10)	(10)	(9)
Total	102	(25)	(34)	(29)
MNR				
Reimbursable Headcount & Overtime Adjustments	(1)	(1)	(1)	(1)
Total	(1)	(1)	(1)	(1)
B&T				
None	0	0	0	0
Total	0	0	0	0
Headquarters				
None	0	0	0	0
Total	0	0	0	0
SIR				
Sandy and Other Capital Construction Requirements	0	(26)	(26)	(26)
Total	0	(26)	(26)	(26)
MTA CC				
None	0	0	0	0
Total	0	0	0	0
MTA Bus Co				
None	0	0	0	0
Total	0	0	0	0
Total Reimbursable	(106)	(219)	(192)	(87)

Re-Estimates & All Other

Combined, Agencies show net increases in positions of 182, 119, 112 and 166 in 2015 through 2018, respectively, in comparison with the February Plan. Major drivers of the change are captured in the table below, with more information contained in Agency sections:

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2016-2019				
Favorable/(Unfavorable)				
Position Impact of Re-Estimates				
	2015	2016	2017	2018
NYCT				
Platform Budget - Normal Business	(26)	(26)	(26)	(26)
Station Painting	(36)	(36)	(36)	(36)
Select Bus Service - M86	(14)	(14)	(14)	(14)
Lost Property Unit Staffing	(8)	(8)	(8)	(8)
Miscellaneous/Other	(12)	(4)	3	(1)
Total	(96)	(88)	(81)	(85)
LIRR				
Administrative and Service Support	(10)	(9)	(9)	(9)
Structural and Fleet Maintenance	(2)	(3)	(3)	(2)
Security	(5)	(5)	(5)	(5)
Safety	(7)	(14)	(14)	(14)
Customer Service	(2)	(2)	(2)	(2)
Shift of Reimb positions to Non-Reimb	(52)	10	10	9
Total	(78)	(23)	(23)	(23)
MNR				
HR Recruiters	(4)	(4)	(4)	(4)
Rail Traffic Controllers	(3)	(3)	(3)	(3)
Other	1	(19)	(19)	(19)
Total	(6)	(26)	(26)	(26)
B&T				
VP Safety Programs & Initiatives and Engineering Support	(1)	(2)	(2)	(2)
Total	(1)	(2)	(2)	(2)
Headquarters				
Re-estimate	(1)	(1)	(1)	(1)
Total	(1)	(1)	(1)	(1)
SIR				
None	0	0	0	0
Total	0	0	0	0
MTACC				
None	0	0	0	0
Total	0	0	0	0
MTA Bus Co				
Employment Availability Improvement	0	21	21	21
Total	0	21	21	21
Total Re-Estimates	(182)	(119)	(112)	(116)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency

Category	2014 Actual ¹	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Baseline Total Positions	67,445	70,220	69,802	69,914	69,665	69,790
NYC Transit	47,089	47,788	47,280	47,436	47,042	46,998
Long Island Rail Road	6,906	7,082	7,038	6,998	7,189	7,289
Metro-North Railroad	6,136	6,703	6,798	6,783	6,786	6,786
Bridges & Tunnels	1,522	1,727	1,744	1,744	1,744	1,744
Headquarters	1,680	2,713	2,719	2,719	2,719	2,749
Staten Island Railway	289	316	316	316	316	290
Capital Construction Company	126	140	140	140	140	140
Bus Company	3,697	3,751	3,767	3,778	3,729	3,794
Non-Reimbursable	61,727	63,196	63,229	63,590	63,647	63,834
NYC Transit	42,996	42,728	42,626	42,950	42,854	42,828
Long Island Rail Road	6,060	6,241	6,242	6,252	6,451	6,569
Metro-North Railroad	5,681	6,002	6,097	6,113	6,116	6,116
Bridges & Tunnels	1,434	1,640	1,657	1,657	1,657	1,657
Headquarters	1,624	2,583	2,589	2,589	2,589	2,619
Staten Island Railway	268	290	290	290	290	290
Capital Construction Company	-	-	-	-	-	-
Bus Company	3,664	3,713	3,729	3,740	3,691	3,756
Reimbursable	5,718	7,023	6,572	6,323	6,017	5,955
NYC Transit	4,093	5,060	4,654	4,486	4,188	4,170
Long Island Rail Road	846	841	796	746	738	720
Metro-North Railroad	455	701	701	670	670	670
Bridges & Tunnels	88	87	87	87	87	87
Headquarters	56	130	130	130	130	130
Staten Island Railway	21	26	26	26	26	-
Capital Construction Company	126	140	140	140	140	140
Bus Company	33	38	38	38	38	38
Total Full-Time	67,196	70,062	69,644	69,756	69,507	69,632
NYC Transit	46,856	47,646	47,138	47,294	46,900	46,856
Long Island Rail Road	6,906	7,082	7,038	6,998	7,189	7,289
Metro-North Railroad	6,135	6,702	6,797	6,782	6,785	6,785
Bridges & Tunnels	1,522	1,727	1,744	1,744	1,744	1,744
Headquarters	1,680	2,713	2,719	2,719	2,719	2,749
Staten Island Railway	289	316	316	316	316	290
Capital Construction Company	126	140	140	140	140	140
Bus Company	3,682	3,736	3,752	3,763	3,714	3,779
Total Full-Time-Equivalents	249	158	158	158	158	158
NYC Transit	233	142	142	142	142	142
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	1	1	1	1	1	1
Bridges & Tunnels	-	-	-	-	-	-
Headquarters	-	-	-	-	-	-
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	15	15	15	15	15	15

¹2014 Actuals represent paid positions and are net of vacancies. For 2015 and beyond, the table captures authorized positions at year end (December 31).

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

Function	2014 Actual¹	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration	4,139	4,648	4,597	4,626	4,623	4,628
NYC Transit	1,824	1,391	1,325	1,350	1,348	1,347
Long Island Rail Road	600	503	504	504	512	519
Metro-North Railroad	512	574	582	582	582	582
Bridges & Tunnels	128	87	87	87	87	87
Headquarters	915	1,902	1,908	1,908	1,908	1,908
Staten Island Railway	23	28	28	28	28	28
Capital Construction Company	14	17	17	17	17	17
Bus Company	123	146	146	150	141	140
Operations	29,665	30,605	30,461	30,575	30,560	30,651
NYC Transit	22,392	23,012	22,895	23,029	22,857	22,857
Long Island Rail Road	2,322	2,392	2,385	2,365	2,519	2,610
Metro-North Railroad	1,802	1,884	1,887	1,887	1,890	1,890
Bridges & Tunnels	592	758	758	758	758	758
Headquarters	-	-	-	-	-	-
Staten Island Railway	94	107	107	107	107	107
Capital Construction Company	-	-	-	-	-	-
Bus Company	2,463	2,452	2,429	2,429	2,429	2,429
Maintenance	30,045	31,187	31,026	30,995	30,765	30,791
NYC Transit	20,927	21,430	21,180	21,177	20,958	20,915
Long Island Rail Road	3,826	4,003	3,965	3,945	3,974	3,977
Metro-North Railroad	3,731	4,130	4,214	4,199	4,199	4,199
Bridges & Tunnels	339	371	375	375	375	375
Headquarters	-	-	-	-	-	-
Staten Island Railway	154	155	155	155	155	155
Capital Construction Company	-	-	-	-	-	-
Bus Company	1,068	1,098	1,137	1,144	1,104	1,170
Engineering/Capital	1,947	2,041	1,978	1,978	1,978	1,951
NYC Transit	1,343	1,319	1,244	1,244	1,244	1,244
Long Island Rail Road	158	184	184	184	184	183
Metro-North Railroad	91	115	115	115	115	115
Bridges & Tunnels	197	237	249	249	249	249
Headquarters	-	-	-	-	-	-
Staten Island Railway	18	26	26	26	26	-
Capital Construction Company	112	123	123	123	123	123
Bus Company	28	37	37	37	37	37
Public Safety	1,649	1,739	1,740	1,740	1,739	1,769
NYC Transit	603	636	636	636	635	635
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-	-
Bridges & Tunnels	266	274	275	275	275	275
Headquarters	765	811	811	811	811	841
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	15	18	18	18	18	18

¹2014 Actuals represent paid positions and are net of vacancies. For 2015 and beyond, the table captures authorized positions at year end (December 31).

Metropolitan Transportation Authority
July Financial Plan 2016-2019
Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP		2014 Actual ¹	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration							
	Managers/Supervisors	1,482	1,499	1,470	1,447	1,446	1,443
	Professional, Technical, Clerical	2,632	3,056	3,056	3,094	3,098	3,106
	Operational Hourlies	26	92	70	84	78	78
	Total Administration	4,139	4,648	4,597	4,626	4,623	4,628
Operations							
	Managers/Supervisors	3,447	3,772	3,746	3,746	3,729	3,728
	Professional, Technical, Clerical	970	890	888	885	885	885
	Operational Hourlies	25,248	25,944	25,828	25,945	25,947	26,039
	Total Operations	29,665	30,605	30,461	30,575	30,560	30,651
Maintenance							
	Managers/Supervisors	5,251	5,444	5,377	5,372	5,326	5,313
	Professional, Technical, Clerical	1,830	1,909	1,846	1,833	1,819	1,810
	Operational Hourlies	22,963	23,835	23,804	23,791	23,621	23,669
	Total Maintenance	30,045	31,187	31,026	30,995	30,765	30,791
Engineering/Capital							
	Managers/Supervisors	549	602	550	550	550	546
	Professional, Technical, Clerical	1,383	1,417	1,406	1,406	1,406	1,403
	Operational Hourlies	15	22	22	22	22	2
	Total Engineering/Capital	1,947	2,041	1,978	1,978	1,978	1,951
Public Safety							
	Managers/Supervisors	439	475	474	474	473	473
	Professional, Technical, Clerical	677	154	155	155	155	155
	Operational Hourlies	533	1,110	1,111	1,111	1,111	1,141
	Total Public Safety	1,649	1,739	1,740	1,740	1,739	1,769
Baseline Total Positions							
	Managers/Supervisors	11,168	11,792	11,617	11,589	11,524	11,503
	Professional, Technical, Clerical	7,491	7,426	7,351	7,373	7,363	7,359
	Operational Hourlies	48,786	51,002	50,834	50,952	50,778	50,928
	Baseline Total Positions	67,445	70,220	69,802	69,914	69,665	69,790

¹2014 Actuals represent paid positions and are net of vacancies. For 2015 and beyond, the table captures authorized positions at year end (December 31).

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
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 2015-2016	Change 2016-2017	Change 2017-2018	Change 2018-2019
Baseline Total Positions	418	(112)	249	(125)
NYC Transit	508	(156)	394	44
Long Island Rail Road	44	40	(191)	(100)
Metro-North Railroad	(95)	15	(3)	-
Bridges & Tunnels	(17)	-	-	-
Headquarters	(6)	-	-	(30)
Staten Island Railway	-	-	-	26
Capital Construction Company	-	-	-	-
Bus Company	(16)	(11)	49	(65)
Non-Reimbursable	(33)	(361)	(57)	(187)
NYC Transit	102	(324)	96	26
Long Island Rail Road	(1)	(10)	(199)	(118)
Metro-North Railroad	(95)	(16)	(3)	-
Bridges & Tunnels	(17)	-	-	-
Headquarters	(6)	-	-	(30)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(16)	(11)	49	(65)
Reimbursable	451	249	306	62
NYC Transit	406	168	298	18
Long Island Rail Road	45	50	8	18
Metro-North Railroad	-	31	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	26
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
Total Full-Time	418	(112)	249	(125)
NYC Transit	508	(156)	394	44
Long Island Rail Road	44	40	(191)	(100)
Metro-North Railroad	(95)	15	(3)	-
Bridges & Tunnels	(17)	-	-	-
Headquarters	(6)	-	-	(30)
Staten Island Railway	-	-	-	26
Capital Construction Company	-	-	-	-
Bus Company	(16)	(11)	49	(65)
Total Full-Time-Equivalents	-	-	-	-
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 2016-2019
Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents
Favorable/(Unfavorable)

FUNCTION/DEPARTMENT	Change 2015-2016	Change 2016-2017	Change 2017-2018	Change 2018-2019
<i>Administration</i>	51	(29)	3	(5)
NYC Transit	66	(25)	2	1
Long Island Rail Road	(1)	-	(8)	(7)
Metro-North Railroad	(8)	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	(6)	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	(4)	9	1
<i>Operations</i>	144	(114)	15	(91)
NYC Transit	117	(134)	172	-
Long Island Rail Road	7	20	(154)	(91)
Metro-North Railroad	(3)	-	(3)	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	23	-	-	-
<i>Maintenance</i>	161	31	230	(26)
NYC Transit	250	3	219	43
Long Island Rail Road	38	20	(29)	(3)
Metro-North Railroad	(84)	15	-	-
Bridges & Tunnels	(4)	-	-	-
Headquarters	-	-	-	-
Long Island Bus	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(39)	(7)	40	(66)
<i>Engineering/Capital</i>	63	-	-	27
NYC Transit	75	-	-	-
Long Island Rail Road	-	-	-	1
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	(12)	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	26
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
<i>Public Safety</i>	(1)	-	1	(30)
NYC Transit	-	-	1	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	(1)	-	-	-
Headquarters	-	-	-	(30)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
<i>Baseline Total Positions</i>	418	(112)	249	(125)

Metropolitan Transportation Authority
July Financial Plan 2016-2019
Year to Year Changes for Positions by Function and Occupational Group
Baseline Total Full-time Positions and Full-time Equivalents
Non-Reimbursable and Reimbursable
Favorable/(Unfavorable)

FUNCTION/OCCUPATIONAL GROUP	Change 2015-2016	Change 2016-2017	Change 2017-2018	Change 2018-2019
Administration				
Managers/Supervisors	29	23	1	3
Professional, Technical, Clerical	(0)	(38)	(4)	(8)
Operational Hourlies	22	(14)	6	-
Total Administration	51	(29)	3	(5)
Operations				
Managers/Supervisors	26	-	17	1
Professional, Technical, Clerical	2	3	-	-
Operational Hourlies	116	(117)	(2)	(92)
Total Operations	144	(114)	15	(91)
Maintenance				
Managers/Supervisors	67	5	46	13
Professional, Technical, Clerical	63	13	14	9
Operational Hourlies	31	13	170	(48)
Total Maintenance	161	31	230	(26)
Engineering/Capital				
Managers/Supervisors	52	-	-	4
Professional, Technical, Clerical	11	-	-	3
Operational Hourlies	-	-	-	20
Total Engineering/Capital	63	-	-	27
Public Safety				
Managers/Supervisors	1	-	1	-
Professional, Technical, Clerical	(1)	-	-	-
Operational Hourlies	(1)	-	-	(30)
Total Public Safety	(1)	-	1	(30)
Baseline Total Positions				
Managers/Supervisors	175	28	65	21
Professional, Technical, Clerical	75	(22)	10	4
Operational Hourlies	168	(118)	174	(150)
Baseline Total Positions	418	(112)	249	(125)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Baseline Change Between 2015 July Financial Plan vs. 2015 February Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency
Favorable/(Unfavorable)

Category	2015	2016	2017	2018
<i>Baseline Total Positions</i>	(503)	(659)	(726)	(604)
NYC Transit	(478)	(447)	(499)	(382)
Long Island Rail Road	24	(49)	(58)	(53)
Metro-North Railroad	(13)	(101)	(107)	(107)
Bridges & Tunnels	(11)	(28)	(28)	(28)
Headquarters	(12)	(12)	(12)	(12)
Staten Island Railway	(7)	(33)	(33)	(33)
Capital Construction Company	(1)	(1)	(1)	(1)
Bus Company	(5)	12	12	12
<i>Non-Reimbursable</i>	(399)	(442)	(536)	(519)
NYC Transit	(271)	(280)	(368)	(351)
Long Island Rail Road	(78)	(24)	(24)	(24)
Metro-North Railroad	(12)	(100)	(106)	(106)
Bridges & Tunnels	(11)	(28)	(28)	(28)
Headquarters	(12)	(12)	(12)	(12)
Staten Island Railway	(10)	(10)	(10)	(10)
Capital Construction Company	-	-	-	-
Bus Company	(5)	12	12	12
<i>Reimbursable</i>	(104)	(217)	(190)	(85)
NYC Transit	(207)	(167)	(131)	(31)
Long Island Rail Road	102	(25)	(34)	(29)
Metro-North Railroad	(1)	(1)	(1)	(1)
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Long Island Bus	-	-	-	-
Staten Island Railway	3	(23)	(23)	(23)
Capital Construction Company	(1)	(1)	(1)	(1)
Bus Company	-	-	-	-
<i>Total Full-Time</i>	(502)	(658)	(725)	(603)
NYC Transit	(477)	(446)	(498)	(381)
Long Island Rail Road	24	(49)	(58)	(53)
Metro-North Railroad	(13)	(101)	(107)	(107)
Bridges & Tunnels	(11)	(28)	(28)	(28)
Headquarters	(12)	(12)	(12)	(12)
Staten Island Railway	(7)	(33)	(33)	(33)
Capital Construction Company	(1)	(1)	(1)	(1)
Bus Company	(5)	12	12	12
<i>Total Full-Time-Equivalents</i>	(1)	(1)	(1)	(1)
NYC Transit	(1)	(1)	(1)	(1)
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Baseline Change Between 2015 July Financial Plan vs. 2015 February Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency
Favorable/(Unfavorable)

Function	2015	2016	2017	2018
Administration	(36)	(11)	(38)	(38)
NYC Transit	(47)	(9)	(33)	(33)
Long Island Rail Road	32	31	28	28
Metro-North Railroad	(13)	(21)	(21)	(21)
Bridges & Tunnels	7	7	7	7
Headquarters	(7)	(7)	(7)	(7)
Staten Island Railway	(3)	(3)	(3)	(3)
Capital Construction Company	-	-	-	-
Bus Company	(5)	(9)	(9)	(9)
Operations	(448)	(348)	(332)	(332)
NYC Transit	(410)	(330)	(317)	(317)
Long Island Rail Road	(9)	(10)	(10)	(10)
Metro-North Railroad	(27)	(27)	(24)	(24)
Bridges & Tunnels	(1)	(1)	(1)	(1)
Headquarters	-	-	-	-
Staten Island Railway	(4)	(4)	(4)	(4)
Capital Construction Company	-	-	-	-
Bus Company	3	24	24	24
Maintenance	50	(193)	(249)	(128)
NYC Transit	(19)	(107)	(148)	(32)
Long Island Rail Road	45	(26)	(32)	(27)
Metro-North Railroad	29	(51)	(60)	(60)
Bridges & Tunnels	(2)	(6)	(6)	(6)
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(3)	(3)	(3)	(3)
Engineering/Capital	(56)	(94)	(94)	(94)
NYC Transit	-	-	-	-
Long Island Rail Road	(44)	(44)	(44)	(44)
Metro-North Railroad	(2)	(2)	(2)	(2)
Bridges & Tunnels	(9)	(21)	(21)	(21)
Headquarters	-	-	-	-
Staten Island Railway	-	(26)	(26)	(26)
Capital Construction Company	(1)	(1)	(1)	(1)
Bus Company	-	-	-	-
Public Safety	(13)	(13)	(13)	(12)
NYC Transit	(2)	(1)	(1)	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	(6)	(7)	(7)	(7)
Headquarters	(5)	(5)	(5)	(5)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
Baseline Total Positions	(503)	(659)	(726)	(604)

Metropolitan Transportation Authority
July Financial Plan 2016-2019
Baseline Change Between 2015 July Financial Plan vs. 2015 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		2015	2016	2017	2018
Administration					
	Managers/Supervisors	355	361	382	389
	Professional, Technical, Clerical	(282)	(278)	(318)	(325)
	Operational Hourlies	(109)	(94)	(102)	(102)
	Total Administration	(36)	(11)	(38)	(38)
Operations					
	Managers/Supervisors	(185)	(180)	(170)	(167)
	Professional, Technical, Clerical	132	129	131	128
	Operational Hourlies	(395)	(297)	(293)	(293)
	Total Operations	(448)	(348)	(332)	(332)
Maintenance					
	Managers/Supervisors	(20)	(45)	(38)	7
	Professional, Technical, Clerical	(8)	16	36	41
	Operational Hourlies	78	(164)	(247)	(176)
	Total Maintenance	50	(193)	(249)	(128)
Engineering/Capital					
	Managers/Supervisors	(39)	(47)	(47)	(47)
	Professional, Technical, Clerical	(17)	(27)	(27)	(27)
	Operational Hourlies	-	(20)	(20)	(20)
	Total Engineering/Capital	(56)	(94)	(94)	(94)
Public Safety					
	Managers/Supervisors	(3)	(2)	(2)	(1)
	Professional, Technical, Clerical	(5)	(6)	(6)	(6)
	Operational Hourlies	(5)	(5)	(5)	(5)
	Total Public Safety	(13)	(13)	(13)	(12)
Baseline Total Positions					
	Managers/Supervisors	108	87	125	181
	Professional, Technical, Clerical	(180)	(166)	(184)	(189)
	Operational Hourlies	(431)	(580)	(667)	(596)
	Baseline Total Positions	(503)	(659)	(726)	(604)

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III. Other MTA Consolidated Materials

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.						
7	Non-Reimbursable					
8		2014	2015	2016		
9		Actual	Mid-Year Forecast	Preliminary Budget	2017	2018
10	Operating Revenue					2019
11	Farebox Revenue	\$5,709	\$5,929	\$6,100	\$6,126	\$6,155
12	Toll Revenue	1,676	1,769	1,791	1,801	1,813
13	Other Revenue	682	668	671	691	711
14	Capital and Other Reimbursements	0	0	0	0	0
15	Total Operating Revenue	\$8,068	\$8,365	\$8,563	\$8,618	\$8,680
16						
17	Operating Expense					
18	Labor Expenses:					
19	Payroll	\$4,672	\$4,704	\$4,846	\$4,967	\$5,075
20	Overtime	730	759	732	743	759
21	Health & Welfare	962	1,072	1,179	1,248	1,331
22	OPEB Current Payment	479	511	563	605	658
23	Pensions	1,304	1,277	1,283	1,251	1,240
24	Other-Fringe Benefits	784	637	656	680	710
25	Reimbursable Overhead	(350)	(382)	(374)	(368)	(360)
26	Sub-total Labor Expenses	\$8,582	\$8,578	\$8,885	\$9,125	\$9,411
27						
28	Non-Labor Expenses:					
29	Electric Power	\$516	\$509	\$529	\$554	\$586
30	Fuel	267	193	202	208	229
31	Insurance	51	53	58	65	75
32	Claims	269	255	240	246	249
33	Paratransit Service Contracts	366	383	407	426	463
34	Maintenance and Other Operating Contracts	552	651	692	707	645
35	Professional Service Contracts	283	453	411	379	381
36	Materials & Supplies	527	583	602	602	595
37	Other Business Expenses	177	203	190	190	200
38	Sub-total Non-Labor Expenses	\$3,007	\$3,282	\$3,330	\$3,377	\$3,424
39						
40	Other Expense Adjustments:					
41	Other	\$45	\$43	\$45	\$46	\$47
42	General Reserve	0	140	150	155	160
43	Sub-total Other Expense Adjustments	\$45	\$183	\$195	\$201	\$207
44						
45	Total Operating Expense before Non-Cash Liability Adj.	\$11,634	\$12,042	\$12,410	\$12,703	\$13,042
46						
47	Depreciation	\$2,266	\$2,395	\$2,475	\$2,669	\$2,726
48	OPEB Obligation	2,035	2,022	2,114	2,199	2,287
49	Environmental Remediation	21	7	7	7	7
50						
51	Total Operating Expense after Non-Cash Liability Adj.	\$15,956	\$16,466	\$17,005	\$17,578	\$18,062
52						
53	Conversion to Cash Basis: Non-Cash Liability Adj.	\$4,322	\$4,424	\$4,595	\$4,875	\$5,020
54						
55	Debt Service (excludes Service Contract Bonds)	(2,249)	(2,454)	(2,662)	(2,827)	(2,934)
56						
57	Total Operating Expense with Debt Service	\$13,882	\$14,496	\$15,071	\$15,530	\$15,976
58						
59	Dedicated Taxes and State/Local Subsidies	\$6,375	\$6,557	\$6,648	\$6,817	\$6,938
60						
61	Net Surplus/(Deficit) After Subsidies and Debt Service	\$561	\$427	\$140	(\$95)	(\$359)
62						
63	Conversion to Cash Basis: GASB Account	(50)	(0)	0	0	(10)
64	Conversion to Cash Basis: All Other	(496)	(346)	(165)	(216)	(264)
65						
66	CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	\$15	\$81	(\$25)	(\$311)	(\$869)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line							
No							
7	Reimbursable		2015				
8		2014	Mid-Year				
9		Actual	Forecast	2016	2017	2018	2019
10	Operating Revenue						
11	Farebox Revenue	\$0	\$0	\$0	\$0	\$0	\$0
12	Toll Revenue	0	0	0	0	0	0
13	Other Revenue	0	0	0	0	0	0
14	Capital and Other Reimbursements	1,688	1,831	1,798	1,716	1,665	1,675
15	Total Operating Revenue	\$1,688	\$1,831	\$1,798	\$1,716	\$1,665	\$1,675
16							
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$537	\$650	\$641	\$628	\$614	\$621
20	Overtime	196	126	121	119	117	118
21	Health & Welfare	52	63	65	65	66	68
22	OPEB Current Payment	7	8	9	9	10	10
23	Pensions	74	83	81	78	78	78
24	Other-Fringe Benefits	178	207	206	202	195	197
25	Reimbursable Overhead	348	381	372	366	358	362
26	Subtotal Labor Expenses	\$1,391	\$1,519	\$1,495	\$1,467	\$1,438	\$1,454
27							
28	Non-Labor Expenses:						
29	Electric Power	\$1	\$1	\$1	\$0	\$0	\$0
30	Fuel	0	0	0	0	0	0
31	Insurance	8	11	11	11	11	11
32	Claims	0	0	0	0	0	0
33	Paratransit Service Contracts	1	0	0	0	0	0
34	Maintenance and Other Operating Contracts	76	59	82	63	53	54
35	Professional Service Contracts	72	81	54	44	43	36
36	Materials & Supplies	128	162	151	127	116	117
37	Other Business Expenses	10	(2)	3	3	3	3
38	Subtotal Non-Labor Expenses	\$296	\$312	\$303	\$249	\$227	\$221
39							
40	Other Expense Adjustments:						
41	Other	\$0	\$0	\$0	\$0	\$0	\$0
42	Subtotal Other Expense Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
43							
44	Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
45	OPEB Obligation	0	0	0	0	0	0
46	Environmental Remediation	0	0	0	0	0	0
47							
48	Total Operating Expense	\$1,688	\$1,831	\$1,798	\$1,716	\$1,665	\$1,675
49							
50	Baseline Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	\$0

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line Number		2014	2015	2016	2017	2018	2019
	Non-Reimbursable / Reimbursable	Actual	Mid-Year Forecast				
10	Operating Revenue						
11	Farebox Revenue	\$5,709	\$5,929	\$6,100	\$6,126	\$6,155	\$6,182
12	Toll Revenue	1,676	1,769	1,791	1,801	1,813	1,827
13	Other Revenue	682	668	671	691	711	737
14	Capital and Other Reimbursements	1,688	1,831	1,798	1,716	1,665	1,675
15	Total Operating Revenue	\$9,756	\$10,196	\$10,361	\$10,334	\$10,344	\$10,421
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$5,209	\$5,353	\$5,487	\$5,595	\$5,689	\$5,799
20	Overtime	926	885	853	862	875	892
21	Health & Welfare	1,014	1,136	1,244	1,313	1,397	1,491
22	OPEB Current Payment	487	519	572	614	667	725
23	Pensions	1,378	1,361	1,363	1,329	1,318	1,344
24	Other-Fringe Benefits	962	844	862	882	904	928
25	Reimbursable Overhead	(2)	(1)	(2)	(2)	(2)	(2)
26	Sub-total Labor Expenses	\$9,973	\$10,096	\$10,380	\$10,592	\$10,849	\$11,178
28	Non-Labor Expenses:						
29	Electric Power	\$517	\$510	\$530	\$555	\$586	\$624
30	Fuel	268	193	202	208	229	252
31	Insurance	59	64	69	76	86	98
32	Claims	269	255	240	246	249	254
33	Paratransit Service Contracts	367	383	407	426	463	502
34	Maintenance and Other Operating Contracts	627	710	774	770	698	710
35	Professional Service Contracts	355	534	465	423	424	425
36	Materials & Supplies	655	745	753	730	712	735
37	Other Business Expenses	187	201	193	193	204	201
38	Sub-total Non-Labor Expenses	\$3,303	\$3,594	\$3,633	\$3,627	\$3,651	\$3,801
40	Other Expense Adjustments:						
41	Other	\$45	\$43	\$45	\$46	\$47	\$49
42	General Reserve	0	140	150	155	160	165
43	Sub-total Other Expense Adjustments	\$45	\$183	\$195	\$201	\$207	\$214
45	Total Operating Expense before Non-Cash Liability Adjs.	\$13,321	\$13,873	\$14,208	\$14,419	\$14,707	\$15,194
47	Depreciation	\$2,266	\$2,395	\$2,475	\$2,669	\$2,726	\$2,792
48	OPEB Obligation	2,035	2,022	2,114	2,199	2,287	2,378
49	Environmental Remediation	21	7	7	7	7	7
51	Total Operating Expense	\$17,643	\$18,297	\$18,803	\$19,294	\$19,727	\$20,371
53	Net Operating Deficit Before Subsidies and Debt Service	(\$7,888)	(\$8,101)	(\$8,442)	(\$8,960)	(\$9,382)	(\$9,950)
55	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$4,322	\$4,424	\$4,595	\$4,875	\$5,020	\$5,178
57	Debt Service (excludes Service Contract Bonds)	(2,249)	(2,454)	(2,662)	(2,827)	(2,934)	(2,974)
59	Total Operating Expense with Debt Service	\$15,570	\$16,327	\$16,869	\$17,246	\$17,641	\$18,167
61	Dedicated Taxes and State/Local Subsidies	\$6,375	\$6,557	\$6,648	\$6,817	\$6,938	\$7,144
63	Net Deficit After Subsidies and Debt Service	\$561	\$427	\$140	(\$95)	(\$359)	(\$602)
65	Conversion to Cash Basis: GASB Account	(50)	(0)	0	0	(10)	(20)
66	Conversion to Cash Basis: All Other	(496)	(346)	(165)	(216)	(264)	(246)
68	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$15	\$81	(\$25)	(\$311)	(\$632)	(\$869)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
MTA Consolidated Cash Receipts and Expenditures
(\$ in millions)

Line No		2014	2015	2016			
		Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
7	Cash Receipts and Expenditures						
10	Receipts						
11	Farebox Revenue	\$5,734	\$5,967	\$6,138	\$6,164	\$6,193	\$6,220
12	Other Operating Revenue	\$705	\$758	\$719	\$855	\$779	821
13	Capital and Other Reimbursements	\$1,492	\$1,871	\$1,768	\$1,655	\$1,605	1,609
14	Total Receipts	\$7,931	\$8,595	\$8,625	\$8,673	\$8,577	\$8,650
16	Expenditures						
17	<u>Labor:</u>						
18	Payroll	\$5,257	\$5,310	\$5,281	\$5,391	\$5,478	\$5,581
19	Overtime	875	883	822	832	844	861
20	Health and Welfare	975	1,112	1,205	1,277	1,354	1,446
21	OPEB Current Payment	470	500	554	596	648	705
22	Pensions	1,351	1,301	1,332	1,297	1,286	1,300
23	Other Fringe Benefits	738	803	804	815	836	855
24	Contribution to GASB Fund	50	0	0	0	10	20
25	Reimbursable Overhead	0	(0)	0	0	0	0
26	Total Labor Expenditures	\$9,716	\$9,909	\$10,000	\$10,209	\$10,456	\$10,769
28	<u>Non-Labor:</u>						
29	Electric Power	\$520	\$507	\$526	\$550	\$581	\$619
30	Fuel	264	190	198	204	225	246
31	Insurance	41	54	54	60	68	79
32	Claims	251	289	214	219	222	227
33	Paratransit Service Contracts	366	381	405	424	461	500
34	Maintenance and Other Operating Contracts	526	591	648	647	557	561
35	Professional Service Contracts	304	497	413	366	363	360
36	Materials & Supplies	691	705	749	724	707	731
37	Other Business Expenditures	233	251	197	202	210	208
38	Total Non-Labor Expenditures	\$3,196	\$3,464	\$3,402	\$3,396	\$3,396	\$3,532
40	<u>Other Expenditure Adjustments:</u>						
41	Other	25	122	109	108	116	120
42	General Reserve	0	140	150	155	160	165
43	Total Other Expenditure Adjustments	\$25	\$262	\$259	\$263	\$276	\$285
45	Total Expenditures	\$12,936	\$13,636	\$13,661	\$13,867	\$14,127	\$14,585
47	Net Cash Deficit Before Subsidies and Debt Service	(\$5,005)	(\$5,040)	(\$5,036)	(\$5,194)	(\$5,550)	(\$5,935)
49	Dedicated Taxes and State/Local Subsidies	\$6,666	\$6,927	\$7,004	\$7,021	\$7,147	\$7,312
50	Debt Service (excludes Service Contract Bonds)	(\$1,646)	(\$1,806)	(\$1,994)	(\$2,138)	(\$2,229)	(2,246)
52	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$15	\$81	(\$25)	(\$311)	(\$632)	(\$869)

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2016-2019

Cash Conversion Detail

(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>Depreciation</u>						
New York City Transit	\$1,520	\$1,638	\$1,688	\$1,863	\$1,913	\$1,965
Long Island Rail Road	325	330	334	337	341	344
Metro-North Railroad	232	226	234	234	234	234
MTA Headquarters	29	39	48	55	49	51
MTA Bus Company	49	42	42	43	44	44
Staten Island Railway	8	8	8	8	8	8
Bridges & Tunnels	104	112	120	128	137	146
<i>Sub-Total</i>	2,266	2,395	2,475	2,669	2,726	2,792
<u>Other Post Employment Benefits</u>						
New York City Transit	\$1,638	\$1,616	\$1,681	\$1,748	\$1,818	\$1,891
Long Island Rail Road	75	75	77	79	81	84
Metro-North Railroad	58	68	68	68	68	68
MTA Headquarters	86	89	111	124	135	147
MTA Bus Company	105	100	100	100	100	100
Staten Island Railway	2	2	2	2	2	2
Bridges & Tunnels	71	72	74	77	81	85
<i>Sub-Total</i>	2,035	2,022	2,114	2,199	2,287	2,378
<u>Environmental Remediation</u>						
New York City Transit	12	0	0	0	0	0
Long Island Rail Road	6	2	2	2	2	2
Metro-North Railroad	2	5	5	5	5	5
MTA Bus Company	1	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>	21	7	7	7	7	7
<u>Net Operating Surplus/(Deficit)</u>						
New York City Transit	(231)	(9)	47	(8)	(11)	(22)
Long Island Rail Road	(68)	16	(7)	(4)	(8)	(13)
Metro-North Railroad	(1)	(115)	(63)	(41)	(25)	(12)
MTA Headquarters	53	6	99	216	129	152
MTA Bus Company	3	(4)	10	12	12	15
Staten Island Railway	3	(5)	0	0	(0)	(0)
First Mutual Transportation Assurance Company	(11)	(4)	(15)	(20)	(28)	(35)
Other	27	21	16	17	17	17
<i>Sub-Total</i>	(226)	(94)	88	172	86	100
<u>Subsidies</u>						
New York City Transit	(170)	(366)	(338)	(390)	(400)	(386)
Commuter Railroads	(161)	134	44	37	40	50
MTA Headquarters	(34)	(19)	(26)	(26)	(25)	(24)
MTA Bus Company	54	10	74	(18)	20	(4)
Staten Island Railway	(9)	(12)	(7)	9	6	(1)
<i>Sub-Total</i>	(320)	(252)	(252)	(388)	(359)	(367)
Total Cash Conversion	\$3,776	\$4,078	\$4,430	\$4,659	\$4,747	\$4,911

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Changes Year-to-Year By Category

Favorable/(Unfavorable)
(\$ in millions)

Line Number		2015	2016	Change		Change		Change		Change
	Non-Reimbursable	Mid-Year Forecast	Preliminary Budget	2015 - 2016	2017	2016 - 2017	2018	2017 - 2018	2019	2018 - 2019
12	Operating Revenue									
13	Farebox Revenue	\$5,929	\$6,100	\$171	\$6,126	\$26	\$6,155	\$29	\$6,182	\$27
14	Toll Revenue	1,769	1,791	22	1,801	10	1,813	12	1,827	14
15	Other Revenue	668	671	4	691	19	711	20	737	25
16	Capital and Other Reimbursements	0	0	0	0	0	0	0	0	0
17	Total Operating Revenue	\$8,365	\$8,563	\$197	\$8,618	\$55	\$8,680	\$62	\$8,746	\$66
19	Operating Expense									
20	Labor Expenses:									
21	Payroll ¹	\$4,704	\$4,846	(\$142)	\$4,967	(\$121)	\$5,075	(\$108)	\$5,179	(\$104)
22	Overtime	759	732	27	743	(11)	759	(16)	774	(15)
23	Health & Welfare	1,072	1,179	(107)	1,248	(69)	1,331	(83)	1,423	(93)
24	OPEB Current Payment	511	563	(53)	605	(42)	658	(52)	715	(58)
25	Pensions	1,277	1,283	(5)	1,251	32	1,240	10	1,266	(25)
26	Other-Fringe Benefits	637	656	(19)	680	(24)	710	(30)	731	(21)
27	Reimbursable Overhead	(382)	(374)	(9)	(368)	(6)	(360)	(7)	(364)	4
28	Sub-total Labor Expenses	\$8,578	\$8,885	(\$307)	\$9,125	(\$240)	\$9,411	(\$286)	\$9,724	(\$312)
30	Non-Labor Expenses:									
31	Traction and Propulsion Power	\$509	\$529	(\$20)	\$554	(\$25)	\$586	(\$32)	\$624	(\$38)
32	Fuel for Buses and Trains	193	202	(9)	208	(6)	229	(21)	252	(23)
33	Insurance	53	58	(5)	65	(7)	75	(10)	86	(11)
34	Claims	255	240	15	246	(6)	249	(3)	254	(4)
35	Paratransit Service Contracts	383	407	(24)	426	(20)	463	(37)	502	(39)
36	Maintenance and Other Operating Contracts	651	692	(41)	707	(15)	645	62	657	(12)
37	Professional Service Contracts	453	411	42	379	32	381	(2)	389	(9)
38	Materials & Supplies	583	602	(19)	602	(0)	595	7	619	(23)
39	Other Business Expenses	203	190	13	190	(0)	200	(11)	198	2
40	Sub-total Non-Labor Expenses	\$3,282	\$3,330	(\$48)	\$3,377	(\$47)	\$3,424	(\$46)	\$3,580	(\$157)
42	Other Expense Adjustments:									
43	Other	\$43	\$45	(2)	\$46	(1)	\$47	(1)	\$49	(2)
44	General Reserve	140	150	(10)	155	(5)	160	(5)	165	(5)
45	Sub-total Other Expense Adjustments	\$183	\$195	(\$12)	\$201	(\$6)	\$207	(\$6)	\$214	(\$7)
47	Depreciation	2,395	2,475	(80)	2,669	(194)	2,726	(57)	2,792	(66)
48	OPEB Obligation	2,022	2,114	(91)	2,199	(85)	2,287	(88)	2,378	(91)
49	Environmental Remediation	7	7	(0)	7	(0)	7	(0)	7	(0)
51	Total Operating Expense after Non-Cash Liability Adj.	\$16,466	\$17,005	(\$539)	\$17,578	(\$573)	\$18,062	(\$484)	\$18,696	(\$634)
53	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$4,424	\$4,595	(\$208)	\$4,875	(\$165)	\$5,020	(\$108)	\$5,178	(\$39)
55	Debt Service (excludes Service Contract Bonds)	(2,454)	(2,662)	(208)	(2,827)	(165)	(2,934)	(108)	(2,974)	(39)
57	Total Operating Expense with Debt Service	\$14,496	\$15,071	\$575	\$15,530	\$459	\$15,976	\$446	\$16,492	\$516
59	Dedicated Taxes and State/Local Subsidies	\$6,557	\$6,648	\$91	\$6,817	\$169	\$6,938	\$121	\$7,144	\$206
61	Net Surplus/(Deficit) After Subsidies and Debt Service	\$427	\$140	(\$287)	(\$95)	(\$234)	(\$359)	(\$264)	(\$602)	(\$243)
63	Conversion to Cash Basis: GASB Account	(0)	0	(0)	0	0	(10)	10	(20)	10
64	Conversion to Cash Basis: All Other	(346)	(165)	(181)	(216)	51	(264)	48	(246)	(18)
65	Net Cash Balance from Previous Year	221	221	0	165	(56)	102	(63)	0	(102)
66	CASH BALANCE BEFORE PRIOR YEAR CARRYOVER	\$81	(\$25)	(106)	(\$311)	(286)	(\$632)	(321)	(\$869)	(236)

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2016-2019

Non-Recurring Revenue and Savings

(\$ in millions)

		2015 Mid-Year Forecast	2016 Plan	2017 Plan	2018 Plan	2019 Plan
		Explanation	Explanation	Explanation	Explanation	Explanation
LIRR	2014 Prepaid Pension	\$ 28.0 Prepayment was made to MTA DB plan at end of 2014	\$ -	\$ -	\$ -	\$ -
LIRR	Federal Reimbursement for major weather events	\$ 1.5 NEMO, Irene, Rainstorm of 2010	\$ -	\$ -	\$ -	\$ -
Total Non-Recurring Resources (> or = \$1 million)		\$ 29.5	\$ -	\$ -	\$ -	\$ -

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2016-2019
Operating Budget Reserves - Baseline
(\$ in millions)

	<u>2015 Mid-Year Forecast</u>	<u>2016 Preliminary Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
MTA General Reserve (annual)	\$140.0	\$150.0	\$155.0	\$160.0	\$165.0
GASB Fund Reserve ^{1,2,3}	\$147.4	\$147.4	\$147.4	\$157.4	\$178.0
MTA Retiree Welfare Benefits Trust ¹	\$300.0	\$300.0	\$300.0	\$300.0	\$300.0

¹ Cumulative balances

² MTA will occasionally move funds from the GASB Fund Reserve into the MTA Retiree Welfare Benefits Trust Fund.

³ These figures reflect the below-the-line adjustments that were made to the GASB Fund Reserve, as noted in the 2014 July Plan, which included a withdrawal of \$254 million in 2014 and a total of \$533 million in suspended contributions from 2014 to 2017 to fund labor settlements.

IV. MTA Capital Program Information

New York City Transit
2015 Commitments Goal
All \$ in millions

ACEP	Project Description	2015 Commitments
2005-2009		
T50414/19	Intermodal: Rockaway Parkway / Canarsie	\$ 1.4
	Element Total	\$ 1.4
T50806/22	PA/CIS: B Division Furnish/Install CIS 89 Stations	\$ 8.4
	Element Total	\$ 8.4
T51199/03	Yard Rehabilitation: Yard Fencing: 2 Locations	\$ 12.9
T51199/04	Yard Rehabilitation: Yard Fencing: Fresh Pond Yard	\$ 8.3
	Element Total	\$ 21.2
T51203/10	Replacement of Existing Roof - Ph1 @ E. NY Bus Depot [SBMP]	\$ 3.1
T51203/11	Replacement of Existing Roof - Ph2 @ E. NY Bus Depot [SBMP]	\$ 2.8
	Element Total	\$ 5.9
T51204/08	BRT: Traffic Signal Priority Hardware (SBS)-200 Buses(Pilot)	\$ 2.1
T51204/13	Replace Generator at Casey Stengel Depot	\$ 4.3
T51204/16	Ulmer Park Depot: Roof Replacement	\$ 2.4
T51204/28	Ulmer Park Depot: Mezzanine Extension [SBMP]	\$ 2.6
	Element Total	\$ 11.3
2010-2014		
ES0702/15	Sandy Repairs: Tower B Employee Facilities - Long Term	\$ 1.5
	Element Total	\$ 1.5
ET0402/19	Sandy Repairs: South Ferry Station Rooms [SBFP]	\$ 3.3
	Element Total	\$ 3.3
ET0403	Sandy Mitigation: Costal Storm MCD	\$ 101.2
ET0403/12	Sandy Mitigation: Stairway Cvr'sMarine Doors"A"Low Mnh-6 Stns[SBFP]	\$ 4.1
ET0403/14	Sandy Mitigation: Stairwell Prot (Flexgates) - 8 stations	\$ 23.5
ET0403/15	Sandy Mitigation: Hatches (5 of 8 Stations) [SBFP]	\$ 3.0
	Element Total	\$ 131.8
ET0502/12	Sandy Repairs: Track - 53 St Tube QBL	\$ 10.5
	Element Total	\$ 10.5
ET0602/16	Sandy Repairs: Tunnel Lighting - Joralemon Tube	\$ 22.0
	Element Total	\$ 22.0
ET0603	Sandy Mitigation: Fan Plant 7207, South Ferry, Manhattan	\$ 98.7
ET0603/06	Sandy Mitigation:14 Fan - Above Grade Surface Protect [SBFP]	\$ 4.6
ET0603/08	Sandy Mitigation:Hatch Repl/MCD Prototype 'A' 14 Fan Plant [SBFP]	\$ 4.3
ET0603/09	Sandy Mitigation:Hatch Repl 'B' 14 Fan Plant [SBFP]	\$ 4.5
ET0603/10	Sandy Mitigation:Conduit/Duct Penetrations-Fac&Mhnhole[SBFP]	\$ 2.3
	Element Total	\$ 114.4
ET0802/15	Sandy Repairs: Signals - 53 St Tube QBL	\$ 11.1
ET0802/19	Sandy Repairs: Revenue Facility Microwave Comm System	\$ 1.8
	Element Total	\$ 12.9
ET0902/18	Sandy Repairs: Substation Equipment - Joralemon Tube	\$ 4.7
ET0902/21	Sandy Repairs: Comm/Power Cable & Ducts - Joralemon Tube	\$ 30.4
ET0902/25	Sandy Repairs: Comm/Power Cable Replacement- 53 St Tube QBL (2014 "Major" Goal Slip)	\$ 40.6
ET0902/26	Sandy Repairs: CBH (#565 & 603) 53 St Tube QBL	\$ 7.9

New York City Transit
2015 Commitments Goal
All \$ in millions

ACEP	Project Description	2015 Commitments
ET0902/38	Sandy Repairs: Substation Equipment (SS#216) - 53 St Tube	\$ 17.0
	Element Total	\$ 100.6
ET1002/09	Sandy Repairs: Power Cable Replacement - 148th St Yard	\$ 10.1
	Element Total	\$ 10.1
ET1003	Long-Term Perimeter Protection, 148 St Yard	\$ 125.0
	Element Total	\$ 125.0
S60701	SIR: Power: New Power Substation: Tottenville *	\$ 5.3
	Element Total	\$ 5.3
T60302/15	Purchase 231 Articulated Buses (2014 "Major" Goal Slip)	\$ 202.0
T60302/17	Purchase 30 Paratransit Vehicles	\$ 1.7
T60302/29	On-Board Audio Visual (OBAV) PILOT: Software Platform Devel	\$ 2.9
T60302	Purchase 138 Standard CNG Buses *	\$ 0.3
T60302/30	Purchase 72 Standard Diesel Buses	\$ 41.8
	Element Total	\$ 248.7
T60404/01	HEET NR Electronics Replacement Ph I	\$ 42.7
	Element Total	\$ 42.7
T60407/05	Elevator Replacement: 7 Hydraulic Elevators / Lexington	\$ 21.2
	Element Total	\$ 21.2
T60412	Station Ventilators: Ph 8 - 3 Loc / Southeast Brooklyn	\$ 5.9
T60412/17	Station Renewal: Kings Highway / Sea Beach (2014 "Major" Goal Slip)	\$ 31.7
T60412/20	Station Renewal: Avenue U / Sea Beach (2014 "Major" Goal Slip)	\$ 33.4
T60412/21	Station Renewal: 86 Street / Sea Beach (2014 "Major" Goal Slip)	\$ 27.4
T60412/60	Station Component: 4 Stations / Jamaica	\$ 37.8
T60412/93	Station Component: 2 Locations / QBL	\$ 10.1
T60412/98	Street Stairs: Ditmars Blvd / Astoria (S2/S3) [SBMP]	\$ 1.3
T60412/A2	Street Stairs: Grand St / Canarsie [SBMP]	\$ 2.2
T60412/A4	Station Component: Eastchester-Dyre Av / Dyre	\$ 22.3
T60412/C2	Station Component: Aqueduct-North Conduit Av / RKY	\$ 3.8
T60412/C3	Station Component: Station Components: 2 Locations / Canarsie	\$ 10.9
T60412/C4	Station Components: 4 Locations / 8th Avenue	\$ 21.3
T60412/C5	2 Street Stairs: Broadway / Astoria (S1/S3) [SBMP]	\$ 1.3
T60412/C7	Station Component: 3 Street Stairs: Rector Street / Broadway (NB) [SBMP]	\$ 2.7
T60412/F2	Station Ventilators: Ph 7 - 8 Loc /Lower Manhattan	\$ 5.1
T60412/F6	4 Street Stairs: Avenue N / Culver [SBMP]	\$ 4.3
T60412/F7	Station Painting at Component Locations: 3 Loc / Jamaica	\$ 4.4
T60412/F8	Platform Components: 50 Street / 8th Avenue (Lower Level)	\$ 2.1
T60412/G1	4 Street Stairs: 23 Street / 8th Avenue (S1-S4) [SBMP]	\$ 1.3
T60412	Station Renewal: Astoria Boulevard / Astoria *	\$ 1.6
T60414	Station Signage (2016) *	\$ 0.5
T60412/G2	5 Street Stairs: 23 Street / 8th Avenue (S7-S11) [SBMP]	\$ 1.5
T60412/G3	Station Component: 2 Street Stairs: 23 Street / 8th Avenue (S5/S6) [SBMP]	\$ 0.8
	Element Total	\$ 233.6
T60413/04	ADA: Platform Gap Retrofit Phase 1 - 14 Stations	\$ 0.2
T60413/07	ADA: 68 St-Hunter College / Lexington	\$ 1.0

New York City Transit
2015 Commitments Goal
All \$ in millions

ACEP	Project Description	2015 Commitments
T60413/11	ADA: Phase 2: 57 Street - 7 Avenue / Broadway (2014 "Major" Goal Slip)	\$ 37.3
	Element Total	\$ 38.4
T60502/15	Mainline Track:2015 DES/EFA	\$ 2.9
T60502	Mainline Track Replacement 2015 / Canarsie *	\$ 158.6
T60502/07	Continuous Welded Rail 2015 / QBL *	\$ 11.8
T60502/21	Mainline Track Replacement 2011 at Dyre Av	\$ 1.1
	Element Total	\$ 174.4
T60503	Mainline Track Switches 2015 / 6th Avenue *	\$ 9.9
T60503/06	Mainline Switches - 2015 DES/EFA	\$ 3.3
	Element Total	\$ 13.2
T60604/04	Pumps: 2 Locations - Manhattan	\$ 0.4
	Element Total	\$ 0.4
T60703/12	Rehab Retaining Walls / Sea Beach (Southern 3)	\$ 19.2
T60703/16	Subway Tunnel Rehabilitation: Priority Repairs: 4th Avenue	\$ 0.5
T60703	Overcoating: Williamsburg Bridge - Myrtle Avenue / Jamaica *	\$ 4.0
T60703/32	Overcoating: Bridge Work at Dyre Ave Station	\$ 2.7
	Element Total	\$ 26.4
T60803/19	CBTC Queens Boulevard West - 50 Street to 71 Av: Phase 1	\$ 213.6
T60803	AC to DC Line Relay Conversions Phase 2 / FUL *	\$ 13.5
T60803/24	CBTC: Equipment Supplier Interoperability	\$ 38.4
	Element Total	\$ 265.5
T60806/05	Comm Room Upgrade And Expansion-Phase 1	\$ 16.9
T60806/10	PBX Upgrade, Phase I	\$ 22.4
T60806/20	Hydrogen Gas Ventilation:19 Communications Rooms	\$ 4.8
T60806/28	ISIMt B-Div: Module 1 GRP1	\$ 12.3
T60806/29	ISIMt B-Div: Module 1 GRP2	\$ 19.1
T60806/30	ISIMt B-Div: Module 1 GRP3	\$ 11.7
T60806/31	Public Address/Customer Info Systems: ISIM B-Div Module 2: Comm Room Upgrades	\$ 45.5
T60806/32	Help Point: 6 Stations (Transit Wireless Ph 3, Part 1)	\$ 16.9
T60806/42	Communications Systems: Penta Radio Communications Consoles	\$ 0.8
T60806/44	Help Point: 2 Stations / New Lots & Jerome [SBMP]	\$ 1.2
T60806	Help Point 80 Stations *	\$ 46.8
T60806	Copper Cable Upgrade/Replacement Phase 4 *	\$ 0.4
T60806/45	Help Point: 2 Stations / Canarsie [SBMP]	\$ 1.2
	Element Total	\$ 200.0
T60902/06	Substation Hatchways: Phase 3	\$ 13.6
	Element Total	\$ 13.6
T60904/08	Negative Cables: 4th Avenue - Phase 2	\$ 3.4
	Element Total	\$ 3.4
T61004/01	HVAC Repair and Maintenance for DCE Facilities, Ph2 (2014 "Major" Goal Slip)	\$ 53.6
T61004/08	Heavy Shop Equipment Replacement	\$ 12.0
T61004/27	Car Washer Repairs: 3 Yards	\$ 12.3
T61004	Yard Lighting: 207th Street *	\$ 1.0
T61004/10	Yard Track - 2015 *	\$ 1.0

New York City Transit
2015 Commitments Goal
All \$ in millions

ACEP	Project Description	2015 Commitments
T61004/16	Yard Switches - 2015 *	\$ 2.0
T61004/28	Car Washer Repairs at Coney Island Yard	\$ 5.3
Element Total		\$ 87.3
T61203/09	Chassis Wash Lift Replacement @ MJ Quill Bus Depot [SBMP]	\$ 3.1
T61203/10	Fireproofing Repair - Tuskegee Airmen's Depot [SBMP]	\$ 1.2
T61203/11	Upgrade 3rd Floor HVAC & Rehab Office - ENY	\$ 4.5
Element Total		\$ 8.8
T61204/03	Bus Radio System - NYCT	\$ 215.0
T61204/14	Automated Fuel Management System Upgrade	\$ 2.5
T61204/22	Manhattanville: Comprehensive Facade Repairs	\$ 8.7
T61204/29	Bus Command Center Construction - NYCT (2014 "Major" Goal Slip)	\$ 50.9
T61204/32	Paint Booth Replacement at Queens Village Bus Depot [SBMP]	\$ 2.0
T61204	Storage Tank Replacement *	\$ 1.0
T61204/34	Chassis Wash Installation at Queens Village Bus Depot [SBMP]	\$ 1.3
T61204/36	Replacement of Oil-Water Separators at 5 Locations	\$ 1.0
Element Total		\$ 282.3
T61302/02	Purchase 54 Flat Cars	\$ 33.5
T61302/07	Work Train & Special Equipment: Vacuum Train	\$ 34.6
Element Total		\$ 68.0
T61604/02	Replace HP SAN: 130 Livingston Plaza	\$ 3.0
T61604/04	Enterprise LAN/WAN Replacement	\$ 9.6
Element Total		\$ 12.6
T61605/11	Concrete Batch Plant (2012)	\$ 0.3
Element Total		\$ 0.3
T61606/06	Fire Alarm: 207 Street Overhaul Shop	\$ 4.2
Element Total		\$ 4.2
T61607/03	RTO Master Tower Hardening	\$ 2.0
T61607/05	Employee Facilities: Chambers St / Nassau Loop	\$ 6.5
T61607/12	Power Upgrade: RCC, PCC	\$ 20.3
T61607/19	DOS Roof Replacement Phase 4	\$ 13.6
T61607/20	RTO Facilities Hardening Ph 2	\$ 7.9
T61607/28	Facilities: Upgrade HVAC 130 Livingston Plaza Data Center	\$ 1.8
Element Total		\$ 52.2
Total 2015 Commitments (includes 2014 "Major" slips)		\$ 2,377.5

MTA Long Island Rail Road
2015 Commitments Goal
All \$ in Millions

ACEP	Project Description	2015 Commitments
2005-2009		
L502042E	NEW ELEVATORS-FLUSHING MAIN	\$ 0.63
L502042M	METS WILLETS POINT STATION	\$ -
	Element Total	\$ 0.63
L50206VJ	STATION MASTERS OFFICE DESIGN	\$ 0.34
	Element Total	\$ 0.34
L50304TQ	MLC-HICKSVILLE NORTH SIDING	\$ 1.20
L50304TR	MLC-HICKSVILLE STATION	\$ 55.39
L50304TS	MLC - DIVIDE SUPERVISORY	\$ 0.05
L50304TT	MLC-ELLISON AVENUE BRIDGE	\$ 12.54
	Element Total	\$ 69.18
2010-2014		
PNYH	ROLLING STOCK SUPPORT EQUIPMENT *	\$ 10.00
L60101MD	ALTERNATIVE DIESEL EQUIP	\$ 78.00
	Element Total	\$ 88.00
L60204UE	ESA/ GCT SUPPORT	\$ 8.23
	Element Total	\$ 8.23
L60206VL	PENN STATION HVAC	\$ 1.88
	Element Total	\$ 1.88
PNWA	2015 TRACK PROGRAM *	\$ 25.00
L60301TG	ATLANTIC BRANCH 1/2 TIES	\$ 1.03
	Element Total	\$ 26.03
L60304TU	JAMAICA CAPACITY IMPROVEMENTS	\$ 93.95
L60304TV	MASSAPEQUA POCKET TRACK	\$ 0.20
L60304TX	2ND MAIN LINE TRACK FARM TO KO	\$ 1.28
	Element Total	\$ 95.44
L60502LA	POSITIVE TRAIN CONTROL	\$ 0.70
L60502LC	SPEONK - MONTAUK SIGNALIZATION	\$ 0.50
	Element Total	\$ 1.20
L60601YN	NEW MID SUFFOLK ELECTRIC YARD	\$ 0.58
	Element Total	\$ 0.58
L60604YT	REHAB OF EMPLOYEE FACILITIES	\$ 0.22
	Element Total	\$ 0.22
L60701AR	REPLACEMENT OF RICHMOND HILL	\$ 3.77
L60701AS	PENN STATION TRACTION	\$ 3.00
	Element Total	\$ 6.76
L60904N3	20 SUBSTATIONS CHLORDANE	\$ 0.96
L60904N4	YAPHANK LANDFILL REMEDIATION	\$ 0.13
L60904N6	SMITHTOWN VIADUCT REMEDIATION	\$ 0.24
PNNQ	2015 PROGRAM ADMINISTRATION *	\$ 12.50
L60904NB	PROGRAM DEVELOPMENT	\$ 0.84
	Element Total	\$ 14.66
EL0602ZD	WESTERN RAIL YARDS - (WSY & LIC):	\$ 1.40
EL0602ZL	LONG ISLAND CITY YARD	\$ 1.53
	Element Total	\$ 2.93
EL0303ZH	EMERGENCY MANAGEMENT	\$ 7.45
	Element Total	\$ 7.45
EL0402ZB	SYSTEM-WIDE ASSESS./VAR.	\$ 2.93

MTA Long Island Rail Road
 2015 Commitments Goal
 All \$ in Millions

ACEP	Project Description	2015 Commitments
	Element Total	\$ 2.93
EL0502ZC	LONG BEACH BRANCH - SYS.	\$ 13.40
	Element Total	\$ 13.40
EL0702ZE	SUBSTATION REPLACEMENTS:	\$ 7.00
EL0702ZM	1ST AVENUE SUBSTATION	\$ 2.20
	Element Total	\$ 9.20
	Total 2015 Commitments	\$ 349.06

MTA Metro-North Railroad
2015 Commitments Goal
All \$ in Millions

ACEP	Project Description	2015 Commitments
2005-2009		
M501-01-12	Rolling Stock Signals (PTC)	\$ 0.7
	Element Total	\$ 0.7
M502-02-02	Croton Harmon/Peekskill Station Improvements	\$ 0.2
M502-02-06	Station Building Rehabilitation	\$ 0.0
	Element Total	\$ 0.2
2010-2014		
M602-01-01	GCT Trainshed/Tunnel Structure	\$ -
M602-01-05	GCT Leaks Remediation Phase II	\$ 0.0
M602-01-06	GCT Elevator Rehab Phase 4	\$ 1.7
M602-01-08	GCT Utilities	\$ 21.3
	Element Total	\$ 23.0
M602-02-04	Station Building Rehabilitation/Net Lease	\$ 1.2
M602-02-08	Customer Communications/Connectivity Improve	\$ 0.5
	Element Total	\$ 1.7
M603-01-04	Turnouts - Yards/Sidings	\$ 0.8
M603-01-05	M o f W Equipment/RS	\$ 0.9
M603-01	GCT Turnouts/Switch Renewal *	\$ 3.0
M603-01-14	2014 Cyclical Track Program (2014)	\$ 12.7
	Element Total	\$ 17.4
M603-02-02	Rehab Culverts/Railtop Culvert	\$ 0.1
M603-02-10	Replace/Repair Undergrade Bridges Program	\$ 10.7
M603-02	Replace Timbers-Undergrade Bridges *	\$ 1.0
M603-02-12	Overhead Bridge Program - E of H	\$ 2.1
M603-02-14	Park Avenue Viaduct Direct Fixation	\$ 1.7
	Element Total	\$ 14.7
M604-01-01	Positive Train Control	\$ 17.9
M604-01-02	West of Hudson Signal Improvements	\$ 5.3
M604-01-04	Replace Field code System - Mott Haven	\$ 0.5
M604-01-06	Centralized Train Control/SCADA Intrusion Testing	\$ 0.9
M604-01-18	Harlem & Hudson Wayside Communication & Signal Systems	\$ 0.5
	Element Total	\$ 25.1
M605-01-03	Harlem & Hudson Lines Power Improvements	\$ 1.3
M605-01-04	Replace Motors Alternators	\$ 1.1
M605-01-09	Replace 3rd Rail Brackets - Park Avenue Tunnel	\$ 1.2
	Element Total	\$ 3.5
M606-01-01	Harmon Shop Improvements	\$ 3.6
	Element Total	\$ 3.6
M608-01-01	Systemwide Lead/Asbestos Abatement	\$ 0.5
M608-01-03	Railroad Protective Liability	\$ 0.9
M608-01	2015 Program Administration *	\$ 2.0
M608-01	2015 Program Scope Development *	\$ 1.0
M608-01-04	Independent Engineer	\$ 0.6
M608-01-05	Mentoring Program Administration	\$ 0.4
M608-01-09	Systemwide Security Initiatives	\$ 4.0
	Element Total	\$ 6.4
EM03-03-01	Specialized Equipment (Resiliency)	\$ 6.0
	Element Total	\$ 6.0

MTA Metro-North Railroad
2015 Commitments Goal
All \$ in Millions

ACEP	Project Description	2015 Commitments
EM04-02-05	Comm & Signal Infrastructure Restoration Phase 1	\$ 64.1
EM04-02-06	Comm & Signal Infrastructure Restoration Phase 2	\$ 2.6
EM04-02-07	Comm & Signal Infrastr Restoration Eqpmt Replcmt	\$ 3.0
	Element Total	\$ 69.8
EM05-02-06	Power Infrastructure Restoration-Phase 1	\$ 53.3
EM05-02-07	Power Infrastructure Restoration-Phase 2	\$ 4.3
EM05-02-08	Power Infrastructure Restoration-Substations (2014)	\$ 49.1
EM05-02-10	Power Infrastr Restoration-Remote Terminal Houses	\$ 1.3
	Element Total	\$ 107.9
Total 2015 Commitments (includes 2014 "Major" slips)		\$ 279.9

MTA Bus
2015 Commitments Goal
All \$ in millions

ACEP	Project Description	2015 Commitments
2005-2009		
U5030204	Emergency Generators: 6 Depots - Installation	\$8.4M
U5030225	Security Upgrade: Far Rockaway and Baisley Park	\$9.8M
U5030216	Additional Fueling Capacity: JFK, Baisley Park and LaGuardia	\$3.8M
Element Total		\$22.00
2010-2014		
U6030208	New Apron: JFK	\$3.5M
U6030226	Bus Radio System	\$58.5M
U6030225	Bus Command Center (2014 "Major" Goal Slip)	\$17.0M
EU030201	Hurricane Sandy Depot Rehabilitation at Far Rockaway (2014 "Major" Goal Slip)	\$25.0M
Element Total		\$104.0M
Total 2015 Commitments (includes 2014 "Major" slips - current forecasts)		\$126.05

MTA Bridges & Tunnels
2015 Commitments Goal
All \$ in millions

ACEP	Project Description	2015 Commitments
2010-2014		
D601MP	MPB Misc. Steel Repairs & Structural Rehabilitation *	\$ 25.3
	Element Total	\$ 25.3
D601QM18	Entrance and Exit Plazas Structural Rehabilitation	\$ 7.8
D601QM40	Tunnel Wall and Ceiling Repairs and Leak Control	\$ 63.1
	Element Total	\$ 71.0
D601RK23	Miscellaneous Rehab - Manhattan Approach Ramps	\$ 1.5
	Element Total	\$ 1.5
D602HH88	Replace Upper & Lower Level Plza & Southbnd. Appr.	\$ 9.4
	Element Total	\$ 9.4
D602MP21	Rehabilitate Rockaway Point Blvd	\$ 8.7
	Element Total	\$ 8.7
D602RK	RFK Construction of New Harlem River Drive Ramp *	\$ 15.0
D602RK75	Interim Repairs - Toll Plaza Deck	\$ 8.5
	Element Total	\$ 23.5
D602TN49	Suspended Span Replacement - Phase A	\$ 8.5
	Element Total	\$ 8.5
D602VN03	Toll Plaza - East & West Bound Ramps Improvements	\$ 1.3
D602VN80	Replace Upper Level Suspended Span	\$ 0.6
	Element Total	\$ 1.9
D604MP	MPB Rehab. PLC & Mechanical System *	\$ 28.2
D604MP03	Programmable Logic Controller & Mechanical Rehab.	\$ 3.5
	Element Total	\$ 31.6
D606AW22	Miscellaneous	\$ 0.3
	Element Total	\$ 0.3
D607MP	Painting of MPB Roadway Structures *	\$ 19.6
	Element Total	\$ 19.6
ED010228	Restore Hugh L. Carey Tunnel - Structural	\$ 1.2
ED010240	Restore Queens Midtown Tunnel - Structural	\$ 106.8
	Element Total	\$ 108.0
ED010304	Queens Midtown Tunnel Mitigation-Flood Gates&Other	\$ 0.5
	Element Total	\$ 0.5
ED020203	Restore Queens Midtown Tunnel Roadway	\$ 1.1
	Element Total	\$ 1.1
ED050301	Flood Mitigation-Backup Communication Room	\$ 5.7
	Element Total	\$ 5.7
ED040207	Replace MPB Electrical Equipmt at North Abutment	\$ 4.3
ED040210	Repl CBB Mech&Elect Equip-S. Abutment & Svc Bldg	\$ 7.5
ED040281	Restore QMT Cntrl/Comm Sys, CCTV,Traffic Signals	\$ 54.0
	Element Total	\$ 65.8
ED040303	Flood Mitigation-Generator at GIVB	\$ 3.3
	Element Total	\$ 3.3
ED050201	Restore CBB Service Bldg	\$ 3.3
ED050203	Queens Midtown Tunnel Environmental Cleanup	\$ 24.1
	Element Total	\$ 27.4
Total 2015 Commitments		\$ 412.9

MTA Capital Construction
2015 Commitments Goal
All \$ in Millions

ACEP	Project Description	2015 Commitments
2010-2014		
T60414	Cortlandt Station Reconstruction (MTA CC Managed)	\$110.00
	Element Total	\$110.00
G6090101	Program Manangement - URS	\$6.85
G6090102	Engineering	\$18.75
G6090103	MTA Management	\$8.42
G6090113	Construction Management - LIRR	\$24.79
G6090114	GCT Concrse&Facilities (14A)	\$7.98
G6090115	Vertical Circulation Elements (VM014)	\$40.21
G6090118	Procure Harold Materials Stage 4	\$16.31
G6090131	250 Hz Track Circuits	\$17.84
G6090149	Preparatory Work @ 415 Madison Ave	\$8.45
G6090153	Existing Facilities Maintenance & GCT Final Clean Up	\$5.00
G6090154	Park & Madison Building Owner Work	\$0.57
Multiple	GCT Concourse & Cavern Finishes (CM014B) (2014)	\$324.4
Multiple	Harold Structures Part 3 D Approach, 48th ST Bridge, Loop Box Structure (CH057) (2014)	\$122.5
	Element Total	\$602.01
Security	Penn Station Perimeter Protection -7th Ave	\$0.95
Security	Penn Station - Consequence Management Phase I - FLS LIRR Edges	\$5.50
Security	2010-14 Security	\$28.52
	Element Total	\$34.97
Total 2015 Commitments (includes 2014 "Major" slips - current forecasts)		\$746.98

MTA Police Department
2015 Commitments Goal
All \$ in Millions

ACEP	Project Description	2015 Commitments
2005-2009		
N5100109	MTA PD Metro21 Equipment Install	\$0.6
N5100109	MTA PD Radio Project Penn Station Head End Equip	\$0.5
N5100109	MTA PD Radio Project Install Mobile Units	\$0.1
N5100109	MTA PD Radio D-B (2014)	\$30.0
Element Total		\$31.2
2010-2014		
E6100102	Staten Island District Office Design	\$0.1
E6100101	MTA PD Radio D-B (2014)	\$60.0
Element Total		\$60.1
Total 2015 Commitments (includes 2014 "Major" slips - current forecasts)		\$91.3

New York City Transit
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T40409/PW	PA/CIS Wrap-Up (TIS)	\$2.66	Jan-15
T60407/03	Escalator Replacement: 2 Escalators Roosevelt Av / QBL	\$11.16	Jan-15
T40806/T1	TIS Command Center At RCC	\$1.30	Jan-15
S40701/15	SIR: Passenger Stations: Station Security Initiatives	\$22.24	Jan-15
T61607/02	Jay St Systems Reloc: Signal Facility at 14 St / 8 Ave	\$5.83	Jan-15
T51605/01	MTA-Indep Engineering Consultant 2009-2010	\$10.52	Jan-15
T60412/E2	Station Components: High St 8AV / York St 6AV	\$0.70	Jan-15
ET0403/08	Sandy Mitig: Lower Mhtrn Hatch Installation - 6 Stns [SBFP]	\$1.33	Feb-15
T61607/13	Consolidated Employee Facilities:Subways: 207 Street / 8th Avenue	\$8.84	Feb-15
ET1003/06	Sandy Mitigation:Near Term Perimeter Protection Coney Isl Yd	\$13.23	Feb-15
ET0802/18	Sandy Repairs: Install PLC Signal Equipment - Rockaway Line	\$6.03	Feb-15
T60806/22	Help Point: 8 Stations (In-House PSLAN Locations)	\$1.02	Feb-15
T60803/26	ATS-A: Normal Replacement of Hardware & Operating System	\$5.90	Mar-15
T60902/09	Roof and Enclosure: E. 180th Street, Morris Park [SBMP]	\$2.52	Mar-15
T60412/B6	Station Component: 3 Locs / BWY	\$10.47	Mar-15
T60412/B7	Station Component: 2 Locs / BWY	\$6.57	Mar-15
T61204/28	4 Bus Washers at 2 Depots (East NY & Yukon) [SBFP]	\$4.17	Mar-15
ET0902/09	Sandy Repairs: Two Substations (Montague Tube)	\$1.36	Mar-15
T61204/27	4 Bus Washers-2 Depots/Flatbush&Ulmer Pk [SBFP]	\$3.97	Mar-15
ET0902/07	Sandy Repairs: 3 CBHs (Montague Tube)	\$10.86	Mar-15
ET0602/07	Sandy Repairs: Tunnel Lighting Montague Tube	\$32.34	Mar-15
ET0502/06	Sandy Repairs: Track (Montague Tube)	\$27.96	Mar-15
T61604/03	Enterprise Securty Network Infrastructure	\$10.39	Mar-15
ET0903/02	Sandy Mitigation: Power Cable & Ducts Montague Tube	\$56.36	Mar-15
ET0502/08	Mainline Track Switches: Sandy Repairs: Mainline Switches Montague Tube	\$3.30	Mar-15
ET0602/08	Sandy Repairs: 2 Pump Room (Montague Tube)	\$9.41	Mar-15
ET0602/09	Sandy Repairs: 1 Fan Plant (Montague Tube)	\$5.11	Mar-15
T61602/23	Help Point: 2 Stations / Flushing [SBMP]	\$1.51	Mar-15
T61602/22	Help Point: 2 Stations / White Plains Road & Flushing [SBMP]	\$1.55	Mar-15
T61602/21	Help Point: Ave I & Bay Pkwy / Culver [SBMP]	\$1.47	Mar-15
ET0902/08	Sandy Repairs: Power Cable & Ducts Montague Tube	\$77.93	Mar-15
T61602/20	Help Point: Ave N & Ave X / Culver [SBMP]	\$1.60	Mar-15
ET0802/22	Sandy Repairs: CCTV, Cranberry Tube	\$2.09	Mar-15
T60502/09	Continuous Welded Rail - 2012	\$9.05	Mar-15
T60503/20	Mainline Track Switches 2013 at Brighton	\$4.78	Mar-15
T60412/12	Station Rehabilitation: Smith-9 Streets / Prospect Park Line	\$34.94	Mar-15
T60803/29	AC to DC Line Relay Conversions Phase 2/FUL - 24 Locations	\$5.81	Mar-15
ET0802/21	Sandy Repairs: CCTV, Rutgers Tube	\$2.04	Mar-15
T61604/02	Enterprise-Wide SAN/Disaster Recovery Phase 2	\$11.68	Mar-15
T60502/69	Mainline Track Replacement 2013 at Canarsie	\$19.09	Mar-15
T60502/70	Mainline Track Replacement 2013 at Concourse	\$6.57	Mar-15
T60412/01	Station Component: 4 Avenue / Culver	\$12.17	Mar-15
T60412/D3	Station Ventilators:Clin-Wash Aves (W of Wvrlly) / BCT [SBMP]	\$1.06	Apr-15
T60904/12	Install Positive & Control Power Cable 141-147 St / LNX	\$2.44	Apr-15
T60412/C9	Station Component: 1 Street Stair: Jay Street-Metro Tech / Broadway [SBMP]	\$1.01	Apr-15
T60806/19	Communication Room Waterproofing:14 Locations	\$10.23	Apr-15
T60502/84	Mainline Track Replacement 2014 / 8th Avenue	\$12.76	Apr-15
T61602/24	Help Point: 2 Stations / Jerome [SBMP]	\$1.28	Apr-15
T60412/D5	Station Component: 2 Street Stairs: 9 St / 4 Av [SBMP]	\$1.04	Apr-15
ET0602/12	Sandy Repairs: 1 Fan Plant BCT (Greenpoint Tube)	\$9.70	Apr-15
ET0403/09	Sandy Mitig Manhole Castings & Duct/Cable - 6 Stns [SBFP]	\$1.68	Apr-15
T61004/21	Yard Switches - 2014	\$2.11	Apr-15
ET0602/11	Sandy Repairs: Pump Room (54 Av-Vernon Blvd) Greenpoint Tube	\$5.25	Apr-15
T60412/D1	Station Ventilators: Elmhurst Av (S of Bwy) / QBL [SBMP]	\$1.57	Apr-15
T60412/D2	Station Ventilators: Grand Street / Canarsie [SBMP]	\$1.57	Apr-15
T60902/11	Substn Roof and Enclosure: Secor / Dyre; Astor Pl / WPR	\$5.18	Apr-15
ET0602/10	Sandy Repairs: Tunnel Lighting Greenpoint Tube	\$37.67	Apr-15
T60803/25	Replacement of ATS-A & CBTC Status Boards at RCC	\$6.63	Apr-15
T51204/05	Bus Time Customer Information System: NYCT	\$48.76	Apr-15
T60803/04	Repl Solid State Sig Equip - 6 Locs	\$10.43	Apr-15
T60412/D4	Station Component: 1 Interior Stair: 49 Street / Broadway (P2) [SBMP]	\$1.04	Apr-15
T60412/A5	Station Ventilators: Ph 5 - 5 Loc / Various	\$5.50	Apr-15
T60502/87	Mainline Track Replacement 2014 / White Plains Road	\$19.96	Apr-15

New York City Transit
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T61004/15	Yard Track - 2014	\$1.46	Apr-15
T60806/27	Security: Track Intrusion Detection Pilot	\$5.35	May-15
T61203/10	Fireproofing Repair - Tuskegee Airmen's Depot [SBMP]	\$0.04	May-15
T60503/21	Mainline Track Switches 2014 / Eastern Parkway	\$6.19	May-15
ET1602/09	Sandy Repairs: Procure Keene Machines and Audit System	\$1.07	May-15
T60502/83	Mainline Track Replacement 2014 / 4th Avenue	\$5.07	May-15
O00103/01	Security: Backup IESS C3 Center: Graybar Bldg.	\$13.37	May-15
ET0403/07	Sandy Mitigation: Lower Mhtrn Flood Doors / Hatches [SBFP]	\$2.18	May-15
T60806/32	Help Point: 6 Stations (Transit Wireless Ph 3, Part 1)	\$2.02	May-15
ET0802/08	Sandy Repairs: Security Equipment Montague Tube	\$3.22	May-15
E61404/05	Security: 2011-TSG: Electronic Security - URT Phase 2	\$30.95	May-15
T60502/88	Mainline Track Replacement 2014 / Eastern Parkway	\$4.78	May-15
T60502/91	Mainline Track Replacement 2014 / Pelham	\$20.81	Jun-15
T60806/32	Help Point: 8 Stations (Transit Wireless Ph 2B Part 1)	\$2.69	Jun-15
T60502/90	Mainline Track Replacement 2014 / Lexington Ave & 42 Shuttle	\$13.56	Jun-15
T60503/23	Mainline Track Switches 2014 / Queens Blvd	\$6.12	Jun-15
T60502/86	Mainline Track Replacement 2014 / Queens Blvd	\$14.70	Jun-15
T60502/93	Mainline Track Replacement 2014 / Brighton	\$28.41	Jun-15
T60806/32	Help Point: 3 Stations (Transit Wireless Ph 2C)	\$1.01	Jun-15
T61004/25	207 St Overhaul: Equipment for Car HVAC Repair & Maintenance	\$2.24	Jun-15
T61204/02	BRT - Bus Rapid Transit 2010-2014 (SBS)	\$25.00	Jun-15
T60502/16	Continuous Welded Rail - 2014	\$18.44	Jun-15
T51204/31	Concrete Floor Replacement @ Manhattanville Depot [SBMP]	\$1.33	Jun-15
T61204/33	Depot Equipment And Machinery: Removal of In-ground Lifts at 5 Depots	\$3.26	Jun-15
T60412/E4	Station Paint at Comp Loc: Van Cortland Pk-242nd St-Bway/7Av	\$1.13	Jun-15
T60803/12	Signal Control Modifications Phase 5	\$10.00	Jun-15
T60414/02	Station Rehabilitation: Station Entrance Railings	\$4.02	Jun-15
T61604/02	Replace High Speed Printers: 130 LVP and 2 Broadway	\$0.60	Jul-15
T61004/04	207 St Maintenance Shop: DC Power Upgrade	\$15.58	Jul-15
T60412/D8	Station Component: 3 Street Strs: Rockaway Avenue / Fulton (S2/S4/S8) [SBMP]	\$1.16	Jul-15
T60412/D9	Station Component: 3 Street Stairs: Rockaway Avenue / Fulton (S1/S3/S7) [SBMP]	\$1.17	Jul-15
T50803/23	CBTC Test Track Pilot/ Culver Line	\$15.51	Jul-15
T60803/11	CBTC Test Track, Phase 2 / Culver	\$84.90	Jul-15
T60412/D6	Station Component: 3 Street Stairs: Clinton-Washington / FUL (S2/S4/S6) [SBMP]	\$1.51	Jul-15
T60412/D7	Station Component: 3 Street Stairs: Clinton-Washington Av/FUL (S1/S3/S5) [SBMP]	\$1.22	Jul-15
T60703/21	Structural Repairs: Steinway Tube	\$14.45	Jul-15
T61203/08	Sliding Gate Replacement at Jackie Gleason Bus Depot [SBMP]	\$1.16	Jul-15
T60803/22	Duct Rehabilitation & Negative Cable: Steinway / Flushing	\$49.66	Jul-15
S50701/12	SIR: Line Equipment: Signl Sys Mod: St.George-Tottnvil/Wrap-Up	\$1.19	Jul-15
T60412/C6	Station Component: Street Stair: Broadway / Astoria (S2/M2) [SBMP]	\$0.92	Jul-15
ET0602/21	Sandy Repairs: Pump Room Steinway Tube FLS	\$14.06	Jul-15
S60701/01	SIR: Passenger Stations: Station Structural Repairs, 8 Locations	\$16.26	Jul-15
T60604/05	Pump Rehabilitation: Pumps #3 and #4, Steinway Tube, FLS	\$3.07	Jul-15
T50904/14	Misc: Power: Cathodic Protection Manhole Relocation at Queensbridge Park	\$3.50	Jul-15
T60902/04	Substations (IND): Cabling: Central Substation / 6th Av - Phase 2	\$15.00	Jul-15
ET0502/14	Sandy Repairs: Track (Steinway Tube)	\$8.21	Jul-15
T60414/03	Water Condition Remedy - 2013	\$2.80	Aug-15
T61602/01	Capital Revolving Fund - 2010	\$5.00	Aug-15
T60412/08	Station Renewal: Middletown Road / Pelham	\$27.94	Aug-15
T60412/10	Station Renewal: Castle Hill Avenue / Pelham	\$26.79	Aug-15
T60412/07	Station Renewal: Buhre Avenue / Pelham	\$24.67	Aug-15
T60412/09	Station Renewal: Zerega Avenue / Pelham	\$22.57	Aug-15
T60412/06	Station Component: Pelham Bay Park / Pelham	\$6.61	Aug-15
T60414/04	Scrubber Room Drainage: 191 & 181 Sts / Broadway-7th Avenue	\$0.48	Aug-15
T60412/E3	Station Component: Van Cortlandt Park-242 Street / Broadway-7 Avenue	\$4.19	Aug-15
T51204/08	BRT: Traffic Signal Priority Hardware (SBS)-200 Buses(Pilot)	\$3.75	Aug-15
ET0403/10	Sandy Mitig: Sidewalk Vent Covers - 6 Stations [SBFP]	\$2.93	Aug-15
T61302/01	Purchase 87 Non-Revenue Vehicles - 2011	\$13.42	Aug-15
T60412/F4	Station Rehabilitation: Hard Rail Track Panel @ 9 Stations/Sea Beach	\$8.06	Aug-15

New York City Transit
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T61607/	Facilities: Upgrade HVAC 130 Livingston Plaza Data Center	\$1.84	Sep-15
T60302/29	Radio & Data Communication: On-Board Audio Visual (OBAV) PILOT: 200 Buses	\$1.78	Sep-15
E61404/07	Electronic Security: Wall St Station/Clark St Line (ESS)	\$9.71	Sep-15
T61607/23	Facilities: Sidewalk Shed: Livingston Plaza [SBMP]	\$1.16	Sep-15
ET0402/11	Sandy Repairs: District Office 34: Stillwell Terminal	\$1.16	Sep-15
ET0402/10	Stillwell Terminal Employee Facilities	\$13.26	Sep-15
T60703/13	Structure Repairs / Dyre Avenue Line	\$11.16	Sep-15
T61606/01	Asbestos Abatement: Priority 7	\$5.00	Sep-15
T60703/02	Rehab Emergency Exits: 75 Locs	\$18.00	Sep-15
E61404/02	Electronic Security: 10TSG Boro Hall-Court St	\$18.52	Sep-15
T60412/A3	Station Component: Mezzanine Ceiling/Walls: Morgan Avenue / Canarsie [SBMP]	\$1.48	Sep-15
T61606/08	Consult: UST & Remed (2011)	\$6.00	Oct-15
T60703/03	Elevated Structure Rehabilitation: Culver Viaduct Rehabilitation Phase 3 - Underside	\$63.62	Oct-15
T61607/09	Roofing Repair & Replacement: DOS Roof Replacement Phase 3	\$12.42	Oct-15
ET0603/09	Sandy Mitign:Hatch Repl 'B' 14 Fan Plant [SBFP]	\$4.07	Oct-15
T50703/22	Steel Repair and Abutments: La Salle - 133 St / Bway-7th Ave	\$9.67	Oct-15
T60703/22	122 St &135 St Portal Repairs / Broadway-7th Avenue	\$20.33	Oct-15
T60302/17	Purchase 147 Paratransit Vehicles	\$6.85	Oct-15
T60806/32	Help Point: 14 Stations (JACOBS Package 4, Part 1)	\$4.86	Nov-15
T60806/32	Help Point: 70 Stations - Material Only	\$2.73	Dec-15
T60806/32	Help Point: 70 Stations - EFA & TAL	\$4.84	Dec-15
T30803/CN	Mainline Track Rehabilitation: CBTC Canarsie: I/H Track Wrap-Up	\$5.19	Dec-15
T60806/32	Help Point: 6 Stations (JACOBS Package 5, Part 1)	\$2.08	Dec-15
T60502/21	Mainline Track Replacement 2011 at Dyre Av	\$1.08	Dec-15
ET0902/36	Sandy Repairs: 2 Circuit Breaker Houses (207-8 & 209)	\$6.03	Dec-15
T61604/02	Replace Server Hardware: RCC and BCC	\$1.10	Dec-15
T61604/02	Replace HP SAN: 130 Livingston Plaza	\$1.30	Dec-15
ET0902/37	Sandy Repairs: 2 Circuit Breaker Houses (206 & 212)	\$5.96	Dec-15
T60806/04	PA/CIS: 45 Stations: Install Cable	\$56.06	Dec-15
T60414/07	Station Signage: Station Signage	\$4.83	Dec-15
T60703/06	Demolition of Abandoned Structures - Various - Ph1	\$15.15	Dec-15
T41204/01	Radio & Data Communication: AVL: Paratransit - 2,273 Vehicles	\$39.18	Dec-15
T51302/10	Diesel Particulate Filters: Non-Rev Fleet	\$4.97	Dec-15
T60902/08	Roof and Enclosure: Jerome/Kingsbridge [SBFP]	\$4.33	Dec-15
T61605/04	Independent Eng'g Consultant 2010-2014	\$19.48	Dec-15
T60503/22	Mainline Track Switches 2014 / White Plains Road	\$17.10	Dec-15
T60502/15	Mainline Track:2015 DES/EFA	\$2.00	Dec-15
T61004/26	East 180 St Maintenance Shop: Facility Waterproofing [SBMP]	\$5.61	Dec-15
T60412/95	Station Ventilators: Ph 6 - 5 Loc / Upper Manhattan & Bronx	\$5.87	Dec-15
T61204/34	Chassis Wash Installation at Queens Village Bus Depot [SBMP]	\$1.46	Dec-15
T60902/07	Roof and Enclosure: Concourse E. 144th St [SBMP]	\$1.40	Dec-15
T61302/06	Purchase 65 Non-Rev Vehicles	\$11.22	Dec-15
T61605/08	Construction Support Reserve 2010	\$9.81	Dec-15
T60503/06	Mainline Switches - 2015 DES/EFA	\$2.90	Dec-15
T60703/20	Elevated Structure Rehabilitation: Trackway Stabilization / Franklin Shuttle	\$3.21	Jan-16
T61607/26	Security: Perimeter Hardening: RCC [SBFP]	\$4.60	Jan-16
T60806/34	Help Point: 2 Stations / Myrtle Avenue & Canarsie [SBMP]	\$1.37	Jan-16
T60806/33	Help Point: 2 Stations / Jamaica [SBMP]	\$1.41	Jan-16
T61606/05	Spr & Alarm Sys, Ph 2: 14 St /8 Av Fire Sprinkl & #2 Egres	\$7.16	Jan-16
T60904/05	Rehab CBH 403 Vanderbilt / Flushing	\$15.49	Jan-16
T60806/44	Help Point: 2 Stations / New Lots & Jerome [SBMP]	\$1.21	Jan-16
T60806/22	Help Point Infrastructure: 168 St / BW7	\$0.86	Jan-16
T60412/74	Station Component: 157 Street / Broadway-7th Ave	\$3.39	Jan-16
T60904/04	CBH 74 Havermeyer & 74A Bridge / Jamaica	\$18.94	Jan-16
T60603/03	Vent Plant: Mulry Square / 8AV & BW7	\$71.81	Jan-16
T60412/22	Station Component: Brick Arch Repair: 168 Street & 181 Street / Broadway-7th Av	\$65.33	Jan-16
T61004/09	Yard Lighting: Yard Lighting: (Jerome, Pelham)	\$15.34	Jan-16
T60806/45	Help Point: 2 Stations / Canarsie [SBMP]	\$1.20	Jan-16
T60806/21	PSLAN: 30 Stations	\$26.53	Feb-16

New York City Transit
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T51203/10	Replacement of Existing Roof - Ph1 @ E. NY Bus Depot [SBMP]	\$0.06	Feb-16
T61204/32	Paint Booth Replacement at Queens Village Bus Depot [SBMP]	\$2.17	Feb-16
T60101/01	Purchase 103 A Division Cars - R188 Option	\$272.39	Feb-16
ET0603/07	Sandy Mitigation: Deployable Vent Covers - 14 FPs [SBFP]	\$3.56	Feb-16
T60803/05	CBTC Flushing: 370 R-142A Conversions	\$224.78	Feb-16
T51204/13	Depot Equipment And Machinery: Depot Equipment 2009	\$5.59	Feb-16
T40404/M6	AFC System Wrap-Up	\$8.10	Feb-16
T51203/11	Replacement of Existing Roof - Ph2 @ E. NY Bus Depot [SBMP]	\$0.06	Mar-16
T61602/02	Capital Revolving Fund - 2011	\$5.00	Mar-16
T60806/32	Help Point: 103 St & 111 St / Flushing [SBMP]	\$1.30	Mar-16
T60412/36	Station Renewal: 80 Street / Liberty	\$15.79	Mar-16
T60806/32	Help Point: 90 St-Elmhurst Ave / Flushing [SBMP]	\$0.65	Mar-16
ET1002/12	Sandy Repairs: Power Cable Replacement - Rockaway Park	\$1.13	Mar-16
T60412/76	Station Component: Mezzanine Ceiling/Walls: Hoyt Street / Eastern Parkway	\$0.89	Mar-16
T60412/33	Station Renewal: 111 Street / Liberty	\$15.02	Mar-16
T60412/31	Station Renewal: 104 Street / Liberty	\$15.64	Mar-16
T60412/34	Station Renewal: Rockaway Boulevard / Liberty	\$15.93	Mar-16
T60412/83	Station Component: 2 Locations / 4 Av	\$13.69	Mar-16
T60412/35	Station Renewal: 88 Street / Liberty	\$15.50	Mar-16
T61204/10	Depot Equipment And Machinery: HVAC Upgrades - Yukon Depot	\$16.95	Mar-16
T61203/09	Chassis Wash Lift Replacement @ MJ Quill Bus Depot [SBMP]	\$3.39	Mar-16
T61204/30	3 Bus Washers at MJQ: 1 New and 2 Rehab	\$5.45	Mar-16
T51204/16	Ulmer Park Depot: Roof Replacement	\$2.44	Mar-16
T60413/12	ADA: Ozone Park-Lefferts Blvd / Liberty	\$21.56	Apr-16
T60806/15	Copper Cable Upgrade/Replacement Phase 3	\$9.80	Apr-16
S60701/08	SIR: Passenger Stations: Station Construction: Arthur Kill	\$27.41	Apr-16
T60413/10	ADA: 23 Street / Lexington	\$20.01	Apr-16
T60703/24	Structural Steel Repair, Lower Level, 9th Ave, West End Ln	\$18.43	Apr-16
ET0402/18	Sandy Repairs: Purchase of Emergency Alarms for South Ferry	\$0.13	May-16
ET0902/40	Sandy Repairs: Purchase of Emergency Alarms for 6 Tubes	\$3.91	May-16
T61607/20	RTO Facilities Hardening Ph 2	\$8.81	May-16
T60412/F2	Station Ventilators: Ph 7 - 8 Loc /Lower Manhattan	\$5.11	May-16
T60806/06	Communications - RTO: RTO: Portable Radio Unit Replacement	\$6.76	May-16
T61004/07	Shop Repairs/ Upgrades: Pitkin and Concourse	\$18.00	Jun-16
T60806/22	Help Point: EFA & TAL	\$1.08	Jun-16
EU0302/01	Reserve: Hurricane Sandy: Depot Rehabilitation, Far Rockaway	\$25.00	Jun-16
T60412/C7	Station Component: 3 Street Stairs: Rector Street / Broadway (NB) [SBMP]	\$2.74	Jun-16
T60302/25	Purchase 300 Express Buses	\$188.88	Jun-16
T60407/04	Elevator Replacement: Replace 11 Hydraulic Elevators	\$27.72	Jul-16
T60302/24	Purchase 324 Standard Buses (Nova)	\$163.32	Jul-16
T60404/07	PSLAN: 8 Stations - Partial Systems	\$3.56	Jul-16
T50302/18	Purchase 90 Standard Buses (Nova)	\$52.42	Jul-16
T60302/28	Purchase 276 Standard Buses (New Flyer)	\$152.49	Jul-16
T60806/08	Communications Systems: VHF Radio System Upgrade	\$220.39	Jul-16
T60404/08	PSLAN: 20 Stations	\$19.97	Jul-16
T60806/20	Hydrogen Gas Ventilation:19 Communications Rooms	\$6.33	Aug-16
T61203/11	Upgrade 3rd Floor HVAC & Rehab Office - ENY	\$0.30	Aug-16
T61604/04	Enterprise LAN/WAN Replacement	\$9.61	Aug-16
ET0402/17	Sandy Repairs: Purchase and Install AFC Equipment	\$10.94	Aug-16
E61404/03	Electronic Security: 10TSG Atlantic/Pacific	\$21.49	Aug-16
T50806/16	HVAC at 7 Locations, Wrap up at 10 Locations	\$12.58	Aug-16
T60803/18	Signal Key-By Circuit Mods: Phase 3	\$13.56	Aug-16
ET0602/20	Sandy Repairs: Pump #2057 / 8 Ave	\$3.43	Aug-16
ET0602/28	Sandy Repairs: 200 St - 207 St Yard Tunnel Lighting	\$17.99	Aug-16
ET0802/19	Facilities: Sandy Repairs: Revenue Facility Microwave Comm System	\$0.49	Aug-16
T60703/19	Overcoating: Broadway Junction - New Lots Avenue / CNR	\$28.18	Sep-16
T60412/C3	Station Component: Station Components: 2 Locations / Canarsie	\$10.88	Sep-16
T60604/03	Pumps: 4 Locations / Pelham - Jerome - Lenox	\$19.05	Sep-16
T60412/32	Station Renewal: Ozone Park-Lefferts Blvd / Liberty	\$7.39	Oct-16
T60412/98	Street Stairs: Ditmars Blvd / Astoria (S2/S3) [SBMP]	\$1.29	Oct-16
T61302/05	Purchase 91 Non-Rev Vehicles 2013	\$15.79	Oct-16
T60703/09	Overcoating: Portal - East 180 Street / White Plains	\$32.01	Oct-16
T60603/04	Vent Plant: 46th Street-Northern Blvd / Queens Blvd Line	\$87.35	Oct-16

New York City Transit
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60803/06	CBTC Flushing: Additional Support Costs	\$141.04	Nov-16
T50803/08	CBTC Flushing Line	\$384.83	Nov-16
T51204/28	Ulmer Park Depot: Mezzanine Extension [SBMP]	\$2.89	Nov-16
ET1602/08	Facilities: Sandy Repairs: Facilities Restoration (Vehicle Portion)	\$3.78	Nov-16
T61004/01	HVAC Repair and Maintenance for DCE Facilities, Ph2	\$53.59	Nov-16
ET0902/21	Sandy Repairs: Comm/Power Cable & Ducts - Joralemon Tube	\$2.66	Nov-16
T60803/14	Roosevelt Interlocking / Queens Blvd	\$103.57	Dec-16
T60412/A2	Street Stairs:Grand St / Canarsie [SBMP]	\$2.35	Dec-16
T50803/19	CBTC CNR: Equip R156 Locomotives	\$1.22	Dec-16
T60302/27	Radio & Data Communication: On-Board Audio Visual System (OBAV)	\$26.22	Dec-16
T61607/15	Consolidated Employee Facilities:Subways: 9 Locations / Crosstown	\$7.51	Dec-16
T61607/08	Emergency Generator at Livingston Plaza	\$10.39	Jan-17
T60404/01	AFC Replacement, Phase 2: Electronic Boards	\$30.00	Jan-17
ET0902/25	Sandy Repairs: Comm/Power Cable Replacement- 53 St Tube QBL	\$3.84	Jan-17
ET0602/24	Sandy Repairs: 3 Fan Plants (Southern Manhattan)	\$25.68	Jan-17
ET0602/18	Sandy Repairs: 2 Pump Rooms (Southern Manhattan)	\$7.22	Jan-17
T61607/05	Employee Facilities: Chambers St / Nassau Loop	\$7.07	Jan-17
ET0902/26	Sandy Repairs: CBH (#565 & 603) 53 St Tube QBL	\$0.22	Jan-17
T60302/18	Replace Integrated Farebox Unit (IFU) Components, Phase 2	\$21.94	Jan-17
T61204/22	Manhattanville: Comprehensive Facade Repairs	\$10.00	Feb-17
ES0702/14	Sandy Repairs: St. George Interlocking	\$104.96	Mar-17
ES0702/13	Sandy Repairs: Tower B Restoration - Long Term	\$5.41	Mar-17
S60701/03	SIR: Track: St. George Interlocking	\$14.21	Mar-17
ET0902/20	Sandy Repairs: Comm/Power Cable - Cranberry Tube	\$41.31	Mar-17
ET0602/31	Sandy Repairs: Fan Plant (#6330, #6332)/Cranberry Tube	\$16.62	Mar-17
ET0802/14	Sandy Repairs: Signals in the Cranberry Tube	\$18.04	Mar-17
ET0902/33	Sandy Repairs: Substation Equipment (SS#90)/ Cranberry Tube	\$3.87	Mar-17
ET0902/32	Sandy Repairs: CBH #502/Cranberry Tube	\$1.43	Mar-17
ET0602/30	Sandy Repairs: 2 Pump Rooms (Cranberry Tube)	\$12.50	Mar-17
T51605/24	Concrete Cylinder Testing	\$0.72	Apr-17
T51605/21	Materiel: Concrete Batch Plant Inspection	\$1.15	Apr-17
T61602/03	Capital Revolving Fund - 2012	\$5.00	Apr-17
T60803/10	2 Interlockings: Union Turnpike & 71 Av	\$310.74	Apr-17
S60701/05	SIR: Power: New Power Substation: Prince's Bay	\$25.19	Apr-17
T60806/28	Integrated Service Information & Mngmnt B-Div: Module 1 GRP1	\$12.32	Apr-17
T60412/94	Station Component: 6 Locations / Canarsie	\$1.51	Apr-17
T60806/29	Integrated Service Information & Mngmnt B-Div: Module 1 GRP2	\$19.14	Apr-17
T60806/30	Integrated Service Information & Mngmnt B-Div: Module 1 GRP3	\$11.72	Apr-17
T61605/14	Boring Services: Bklyn, Qns & SI	\$1.89	May-17
T61605/13	Boring Services: Manhattan & Bronx	\$2.13	May-17
T60414/05	Access Improvements: Grand Central / LEX	\$20.80	May-17
T60703/32	Overcoating: Bridge Work at Dyre Ave Station	\$2.68	May-17
T60412/A4	Station Component: Eastchester-Dyre Av / Dyre	\$24.25	May-17
T60602/03	Tunnel Lighting: 36 St To Jackson-Roosevelt / Queens Blvd	\$52.15	Jun-17
ET0602/23	Sandy Repairs: Fan Plant South Ferry	\$7.31	Jun-17
ET0602/27	Sandy Repairs: South Ferry Tunnel Lighting	\$9.20	Jun-17
ET0402/13	Sandy Repairs: South Ferry Station Complex	\$178.73	Jun-17
T61204/29	Bus Command Center Construction - NYCT	\$54.48	Jun-17
T61204/14	Automated Fuel Management System Upgrade	\$2.50	Jun-17
T61607/27	RTO Facility Hardening: South Ferry Terminal BW7	\$1.19	Jun-17
T50803/32	Alstom Relay Replacement - Room @ 211th St/BW	\$0.21	Jun-17
T60412/F3	Water Conditions Remedy: South Ferry Leak Mitigation	\$11.33	Jun-17
ET0902/35	Sandy Repairs: South Ferry CBHs # 367 & 368	\$18.89	Jun-17
ET0502/16	Sandy Repairs: Mainline Switches South Ferry	\$6.75	Jun-17
ET0802/01	Sandy Repairs: South Ferry Interlocking	\$64.72	Jun-17
ET0502/13	Sandy Repairs: South Ferry Track	\$16.84	Jun-17
ET1602/11	Sandy Repairs: Employee Facility at Whitehall Station BWY	\$2.83	Jun-17
ET0602/17	Sandy Repairs: 1 Pump Room (South Ferry)	\$5.40	Jun-17

New York City Transit
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
ET2301/02	Perimeter Protection: Livingston Plaza	\$0.50	Jul-17
T61607/17	Facilities: Livingston Plaza: Elevators, Roof, Facade	\$27.26	Jul-17
T61607/07	Security: Perimeter Hardening: 130 Livingston	\$7.28	Jul-17
T61605/15	Test Pits Contract (2014)	\$5.41	Jul-17
T60803/13	Dyre Avenue Line Signals	\$226.19	Jul-17
T61607/19	Roofing Repair & Replacement: DOS Roof Replacement Phase 4	\$14.36	Aug-17
ET0403/14	Sandy Mitigation: Stairwell Prot (Flexgates) - 8 stations	\$0.40	Aug-17
T61606/10	Asbestos/Lead: Air Monitor	\$9.12	Sep-17
T61606/04	Asbestos Disposal	\$0.91	Sep-17
T61606/09	Asbestos Abatement - 2013	\$9.66	Sep-17
T61606/06	Fire Alarm: 207 Street Overhaul Shop	\$5.54	Oct-17
T50806/15	PA/CIS: 45 Stns: Furnish-Install Cabinets	\$18.88	Dec-17
T50806/15	PA/CIS: 44 Stns: Furnish-Install Cabinets	\$9.76	Dec-17
T60412/F6	Station Component: 4 Street Stairs: Avenue N / Culver [SBMP]	\$4.28	Dec-17
T60806/31	Public Address/Customer Info Systems: ISIM B-Div: Module 2	\$46.65	Dec-17
T60412/81	Station Component: 2 Locations / Culver	\$20.80	Jan-18
T60412/44	Station Renewal: Avenue I / Culver	\$17.32	Jan-18
T60412/42	Station Renewal: 18 Avenue / Culver	\$19.87	Jan-18
T60412/38	Station Renewal: Avenue X / Culver	\$16.35	Jan-18
T60412/43	Station Renewal: Ditmas Avenue / Culver	\$19.30	Jan-18
T60412/41	Station Renewal: Bay Parkway / Culver	\$13.67	Jan-18
T60412/40	Station Renewal: Avenue P / Culver	\$15.14	Jan-18
T60412/39	Station Renewal: Avenue U / Culver	\$16.89	Jan-18
T60101/02	Purchase 300 B Division Cars - R179	\$735.56	Jan-18
T61606/07	Groundwater & Soil Remed - 2011	\$6.50	Feb-18
T60806/05	Comm Room Upgrade And Expansion-Phase 1	\$17.74	Mar-18
T61605/11	Concrete Batch Plant (2012)	\$1.29	Apr-18
T60603/05	Replace Vent Controls: 22 Locations	\$16.61	Apr-18
T61602/04	Capital Revolving Fund - 2013	\$5.00	Apr-18
ET0802/07	Sandy Repairs: Signals: 200 St - 207 St / 8th Ave	\$3.08	Apr-18
T60412/49	Station Renewal: Sutter Avenue-Rutland Road / New Lots	\$11.98	Jun-18
T60806/10	PBX Upgrade, Phase I	\$23.16	Jun-18
T60412/47	Station Renewal: Saratoga Avenue / New Lots	\$11.58	Jun-18
T60412/45	Station Renewal: Pennsylvania Avenue / New Lots	\$11.20	Jun-18
T60412/92	Station Component: New Lots Av Station / New Lots Line	\$2.68	Jun-18
T60412/48	Station Renewal: Junius Street / New Lots	\$12.44	Jun-18
T61204/36	Replacement of Oil-Water Separators at 5 Locations	\$10.90	Jun-18
T60412/50	Station Renewal: Van Siclen Avenue / New Lots	\$13.42	Jun-18
T60412/46	Station Renewal: Rockaway Avenue / New Lots	\$10.49	Jun-18
T61605/12	Concrete Cylinder Testing (2012)	\$0.75	Aug-18
T60703/16	Subway Tunnel Rehabilitation: Priority Repairs: 4th Avenue	\$15.07	Aug-18
T60806/13	Antenna Cable Upgrade/Replacement Ph 1	\$12.89	Aug-18
T61607/11	Facilities: AFC Equip Qtr: 8Av Str/Sea Beach Ln	\$2.20	Sep-18
T60703/12	Rehab Retaining Walls / Sea Beach (Southern 3)	\$2.82	Sep-18
T60412/14	Station Renewal: 8 Avenue / Sea Beach	\$37.90	Sep-18
T60412/15	Station Renewal: Fort Hamilton Parkway / Sea Beach	\$32.87	Sep-18
T60413/18	ADA: 8 Avenue Northbound Ramp / Sea Beach	\$12.88	Sep-18
T60412/19	Station Renewal: Bay Parkway / Sea Beach	\$41.97	Sep-18
T60412/20	Station Renewal: Avenue U / Sea Beach	\$42.17	Sep-18
T60412/21	Station Renewal: 86 Street / Sea Beach	\$42.66	Sep-18
T60413/17	ADA: New Utrecht Av-62 St. Complex / Sea Beach	\$17.92	Sep-18
T60412/16	Station Renewal: 18 Avenue / Sea Beach	\$37.31	Sep-18
T60412/13	Station Renewal: 20 Avenue/ Sea Beach	\$29.85	Sep-18
T60412/17	Station Renewal: Kings Highway / Sea Beach	\$39.36	Sep-18
T60703/12	Rehab Retaining Walls / Sea Beach (Northern 6)	\$29.71	Sep-18
T60412/18	Station Renewal: New Utrecht Av / Sea Beach	\$29.88	Sep-18
T61606/05	Sprinkler & Fire Alarm System, Ph 2: 6 Av Passageway	\$0.79	Sep-18
T60803/15	Interlocking Modernization: 34 St / 6th Avenue	\$180.06	Sep-18
T60803/16	West 4 St Interlocking / 6th Avenue	\$174.17	Sep-18
T61004/10	Yard Rehabilitation: Yard CCTV, Phase 2	\$17.38	Sep-18
T60803/06	CBTC Flushing: Equipment Removals	\$12.00	Nov-18
T60412/E1	Station Component: 3 Locations / Fulton	\$6.52	Nov-18
T60412/C8	Station Component: 5 Street Stairs: Rector Street / Broadway (SB) [SBMP]	\$3.62	Dec-18

Long Island Rail Road
2015-18 Completions

Project #	Project	Project Amount (\$ in Mil)	Planned Completion Date
PNAP	PNAP NEGATIVE REACTOR UPGRADE	\$ 4.0	Jan-15
PNZN	PNZN LIC SUBSTATION RESTORATION	\$ 1.3	Feb-15
PNAC	PNAC SIGNAL POWER MOTOR GENERATOR REPLACEMENT	\$ 2.0	Mar-15
PNAA	PNAA REPLACE HILLSIDE & KEW GARDENS SUBS.	\$ 25.5	Apr-15
PNTK	PNTK ROW-DRAINAGE CONTROL	\$ 3.5	Apr-15
PNAP	PNAP NEGATIVE REACTOR UPGRADE	\$ 4.0	Jan-15
PNBP	PNBP ERT FIRE & LIFE SAFETY	\$ 16.6	May-15
PNUB	PNUB MASSAPEQUA STATION PLATFORM REPLACEMENT	\$ 20.5	May-15
PNAA	PNAA REPLACE HILLSIDE & KEW GARDENS SUBS.	\$ 25.5	Apr-15
PNBD	PNBD BROADWAY BRIDGE REHABILITATION	\$ 4.8	Jun-15
PNL1	PNL1 FIBER OPTIC NETWORK	\$ 10.0	Jun-15
PNLF	PNLF CENTRALIZED TRAFFIC CONTROL	\$ 12.9	Jun-15
PNTL	PNTL ROW-FENCING	\$ 8.0	Jun-15
PNZN	PNZN LIC SUBSTATION RESTORATION	\$ 1.3	Jun-15
PNTJ	PNTJ ROW-CULVERTS	\$ 2.5	Jul-15
PNU1	PNU1 WYANDANCH PARKING FACILITY	\$ 29.0	Aug-15
PNUB	PNUB MASSAPEQUA STATION PLATFORM REPLACEMENT	\$ 20.5	Aug-15
PNUF	PNUF METS/WILLETS PT STATION RENOVATION	\$ 1.6	Aug-15
PNBB	PNBB BRIDGE PROGRAM	\$ 24.6	Sep-15
PNYN	PNYN NEW MID SUFFOLK ELECTRIC YARD	\$ 3.1	Sep-15
PNBB	PNBB BRIDGE PROGRAM	\$ 24.6	Sep-15
PNAG	PNAG THIRD RAIL SYSTEM - PROTECTION BOARD	\$ 9.2	Dec-15
PNUH	PNUH ELEVATOR REPLACEMENT PROGRAM	\$ 5.0	Jan-16
PNYB	PNYB HILLSIDE FACILITY BLDG REHAB (ROOF)	\$ 4.3	Jan-16
PNAD	PNAD SUBSTATION PILOT WIRE & RELAY REPLACEMENT	\$ 2.0	Feb-16
PNL4	PNL4 IMPROVED RADIO COVERAGE INITIATIVE	\$ 10.3	Jun-16
PNTT	PNTT MLC-ELLISON AVENUE BRIDGE	\$ 10.8	Jun-16
PNL2	PNL2 PBX-WAYSIDE PHONE REPLACEMENT	\$ 9.1	Jul-16
PNZM	PNZM 1ST AVENUE SUBSTATION RESTORATION	\$ 6.3	Jul-16
PNUD	PNUD ESCALATOR REPLACEMENT PROGRAM	\$ 10.9	Sep-16
PNVJ	PNVJ STATION MASTERS OFFICE DESIGN	\$ 1.2	Sep-16
PNVJ	PNVJ STATION MASTERS OFFICE DESIGN	\$ 1.2	Sep-16
PNVL	PNVL PENN STATION HVAC	\$ 1.5	Mar-17
PNLC	PNLC SPEONK - MONTAUK SIGNALIZATION	\$ 53.7	Apr-17
PNYT	PNYT REHAB OF EMPLOYEE FACILITIES	\$ 6.2	Apr-16
PNZB	PNZB SYSTEM-WIDE ASSESS./VAR. REPLACE: SANDY	\$ 2.9	Apr-17
PNZC	PNZC LONG BEACH BRANCH - SYS. RESTORE: SANDY	\$ 18.3	Apr-17
PNAQ	PNAQ REPLACEMENT OF PT. WASH SUBSTATION	\$ 7.3	Dec-17
PNZL	PNZL LONG ISLAND CITY YARD RESTORATION	\$ 0.6	Jun-17
PNTQ	PNTQ MLC-HICKSVILLE NORTH SIDING	\$ 2.3	Jul-17
PNY1	PNY1 Pt. Washington Yard Renconfiguration - Design	\$ 0.5	Aug-17
PNTV	PNTV MASSAPEQUA POCKET TRACK	\$ 19.5	Oct-17
PNZB	PNZB SYSTEM-WIDE ASSESS./VAR. REPLACE: SANDY	\$ 2.9	Apr-17
PNZK	PNZK LONG ISLAND CITY YARD RESILIENCY	\$ 1.9	Nov-17
PNZL	PNZL LONG ISLAND CITY YARD RESTORATION	\$ 0.6	Jun-17
PNAQ	PNAQ REPLACEMENT OF PT. WASH SUBSTATION	\$ 7.3	Dec-17
PN2E	PN2E NEW ELEVATORS-FLUSHING MAIN STREET	\$ 3.5	Jan-18
PNMA	PNMA M9 PURCHASE FOR M3 REPLACEMENT	\$ 0.4	Apr-18
PNZE	PNZE SUBSTATION REPLACEMENTS: SANDY	\$ 19.5	Jan-18
PNUC	PNUC WANTAGH STATION PLATFORM REPLACEMENT	\$ 1.5	Mar-18
PNMA	PNMA M9 PURCHASE FOR M3 REPLACEMENT	\$ 0.4	Mar-18
PNYN	PNYN NEW MID SUFFOLK ELECTRIC YARD	\$ 3.1	Apr-18
PNTU	PNTU JAMAICA CAPACITY IMPROVEMENTS	\$ 69.8	Aug-18
PNZE	PNZE SUBSTATION REPLACEMENTS: SANDY	\$ 19.5	Oct-18
PNLA	PNLA POSITIVE TRAIN CONTROL	\$ 187.2	Dec-18
PNSM	PNSM PTC DESIGN	\$ 9.5	Dec-18
PNTW	PNTW COLONIAL RD IMPRO PROJ-POCKET TRK & DRAN	\$ 23.2	Dec-18
PNUE	PNUE ESA/ GCT SUPPORT	\$ 8.3	Dec-18

Metro-North
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
M8 Cars	M8 Cars; 2 Cars Acceptance (M5010107-M6010101/02)	\$ 1.76	Jan-15
M603-03-06	West of Hudson Rockslope Remediation	\$ 3.65	Jan-15
M604-01-07	Refurbish/Replace Electrical Switch Machine	\$ 0.20	Jan-15
M604-01-11	PBX Equipment Upgrade	\$ 2.43	Feb-15
M603-02-09	Employee Welfare and Storage Facility	\$ 10.00	Mar-15
EM05-02-09	Power Infrastructure Restoration-HRLB	\$ 5.12	Apr-15
M603-02-01	Replace Timbers Undergrade Bridges	\$ 4.98	May-15
M8 S Cars	M8 S Cars; 23 Cars Acceptance (M6010101/02)	\$ 26.68	May-15
M508-01-12	WHRTAS Phase II Study	\$ 4.01	Jun-15
M603-02-05	Bridge Walkways Installation	\$ 0.92	Jun-15
N612-01-03	Tappan Zee Bridge Rail Study	\$ 0.90	Jun-15
M402-03-13	North White Plains Parking Garage	\$ 41.80	Jun-15
M602-02-01	Poughkeepsie Station Building	\$ 1.44	Jul-15
M603-01-05	M o f W Equipment/RS	\$ 5.39	Jul-15
M603-02-11	Harlem River Lift Bridge Cable	\$ 10.50	Aug-15
M605-01-07	Har. River Lift Bridge Breaker Houses/Controls	\$ 14.89	Aug-15
M404-01-07	Optimize Signal Relay Circuits	\$ 2.61	Sep-15
M603-02-02	Rehab Culverts/Railtop Culvert	\$ 2.40	Oct-15
M604-01-09	Replace High Cycle Relays	\$ 0.63	Dec-15
M603-02-04	DC Substation/Signal House	\$ 1.40	Jan-16
M603-01-14	2014 Cyclical Track Program	\$ 13.58	Jan-16
M608-01-01	Systemwide Lead/Asbestos Abatement	\$ 0.50	Jan-16
M608-01-04	Independent Engineer	\$ 6.73	Jan-16
M605-01-09	Replace 3rd Rail Brackets - Park Avenue Tunnel	\$ 6.66	Jan-16
EM03-02-02	Right of Way Restoration: Various Locations	\$ 8.00	Jan-16
M502-02-11	System Wide Vending Machines	\$ 0.57	Jan-16
M603-02-14	Park Avenue Viaduct Direct Fixation	\$ 1.80	Jan-16
M603-01-04	Turnouts - Yards/Sidings	\$ 4.41	Jan-16
M603-03-01	West of Hudson Track Program	\$ 19.78	Jan-16
M502-02-09	Bronx Stations/Capacity Improvements	\$ 10.43	Jan-16
M608-01-03	Railroad Protective Liability	\$ 4.15	Jan-16
M603-01-08	Drainage Improvements	\$ 13.55	Jan-16
M503-02-18	Systemwide Flood Control	\$ 2.17	Jan-16
M608-01-02	Environmental Remediation	\$ 0.20	Jan-16
M608-01-05	Mentoring Program Administration	\$ 0.80	Feb-16
M602-02-02	Fordham Station Improvements	\$ 19.21	Feb-16
M604-01-04	Replace Field code System - Mott Haven	\$ 1.76	Apr-16
M605-01-01	Substation Bridge 23 - Construction	\$ 50.95	Apr-16
M604-01-03	Replace Fiber/Communication & Signals Cables	\$ 4.89	Apr-16
M604-01-18	Harlem & Hudson Wayside Communication & Signal Systems	\$ 10.40	May-16
M502-02-06	Station Building Rehabilitation	\$ 11.31	Jun-16
EM03-03-01	Specialized Equipment (Resiliency)	\$ 12.00	Jul-16
M603-01-07	Rock Slope Remediation	\$ 7.00	Sep-16
EM05-02-10	Power Infrastr Restoration-Remote Terminal Houses	\$ 1.28	Sep-16
M604-01-06	Centralized Train Control/SCADA Intrusion Testing	\$ 0.92	Sep-16
M602-01-06	GCT Elevator Rehab Phase 4	\$ 9.62	Oct-16
M501-01-10	M-9 Specification Development	\$ 2.52	Oct-16
M504-01-07	Signal System Replacement	\$ 54.51	Dec-16
M602-01-05	GCT Leaks Remediation Phase II	\$ 32.22	Dec-16
M603-03-05	W of H Replace/Renew Undergrade Bridges	\$ 7.26	Dec-16
M605-01-03	Harlem & Hudson Lines Power Improvements	\$ 35.74	Jan-17
EM05-02-08	Power Infrastructure Restoration-Substations	\$ 39.54	Jan-17
M503-02-06	Overhead Bridge Program-E of H (MNR Share)	\$ 19.13	Feb-17
M602-01-01	GCT Trainshed/Tunnel Structure	\$ 29.03	Feb-17
M603-01-02	Turnouts - Mainline/High Speed	\$ 63.86	Feb-17
M307-01-06	Penn Station Access	\$ 8.62	Apr-17
EM04-02-05	Comm & Signal Infrastructure Restoration Phase 1	\$ 66.76	May-17
EM05-02-06	Power Infrastructure Restoration-Phase 1	\$ 70.92	May-17
M602-03-02	Strategic Facilities	\$ 16.59	Jul-17
M602-01-08	GCT Utilities	\$ 27.39	Oct-17
M603-02-06	Remove Obsolete Facilities	\$ 3.00	Dec-17
EM04-02-07	Comm & Signal Infrastr Restoration Eqpmnt Replcmt	\$ 18.93	Dec-17
M606-01-03	Other Shops/Yards Renewal	\$ 9.33	Dec-17
M602-02-03	Harlem Line Station Renewal	\$ 3.95	Dec-17
M606-01-01	Harmon Shop Improvements	\$ 315.59	Jan-18
M503-02-12	Clearance Inventory and Video	\$ 1.50	Mar-18
M604-01-02	West of Hudson Signal Improvements	\$ 67.60	Jun-18
M605-01-04	Replace Motors Alternators	\$ 8.00	Dec-18
M604-01-01	Positive Train Control	\$ 259.40	Dec-18

MTACC
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
G4090126	Harold Structures (Part 2A)	\$ 34.7	Apr-15
G5090155	Harold Structures (Part 2A)	\$ 32.7	Apr-15
G6090112	55th St. Ventilation Facility	\$ 58.9	Apr-15
G6090114	GCT Concrse&Facilities (14A)	\$ 66.1	May-15
G5090117	Harold Structures (Part 1)	\$ 209.5	May-15
G6090122	Harold Structures (Part 1)	\$ 106.7	May-15
G5110106	Site A Fac; Finishes and Systems	\$ 594.3	Jun-15
G5100108	Contract 3: 63rd St Stn Rehab	\$ 203.3	Sep-15
G6100108	Contract 3: 63rd St Stn Rehab	\$ 5.6	Sep-15
G4120107	FSTC 4F-Transit Center Enclosure	\$ 228.2	Dec-15
G6090141	Manhattan South Structures	\$ 250.1	Feb-16
G6090120	Plaza Substation & Structures	\$ 245.8	Mar-16
G5110112	Construction: Core&Shell (Site P)	\$ 96.4	Apr-16
G6100104	5C: Station Finishes/MEP 86 St	\$ 239.0	Jul-16
G6140103	Harold Structures Part 3A: W-Bnd By-Pass	\$ 147.7	Aug-16
G5100104	Cntract 6: SAS Systems	\$ 321.8	Sep-16
G6100102	4C: Station Finishes/MEP 72 St	\$ 289.5	Sep-16
G6100101	2B/C: Shell/Finishes/MEP 96 St	\$ 378.4	Oct-16
G6090142	Manhattan North Structures	\$ 340.3	Nov-16
G6140112	Harold Structures - Part 3A	\$ 47.8	Mar-17
G6090123	Harold Structures - Part 3A	\$ 94.5	Mar-17
G5090119	Harold & Point CIL	\$ 39.5	Jun-17
G5090118	Harold Interlocking Stage 1-4	\$ 128.8	Dec-17

B&T
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
D602BW89	Deck Replacement - Elevated and On Grade Approach	\$142.5	Jan-15
D503AW37	Operation Centers TS Systems	\$3.3	Jan-15
D602TN82	Rehabilitate Orthotropic Deck - Phase B	\$29.7	Apr-15
D603AW36	Installation of CCTV / Fiber Optic Cable	\$17.3	Apr-15
D607TN82	Paint - Bronx and Queens Approach Spans	\$38.4	May-15
D604BW15	Necklace Lighting	\$12.5	Jul-15
D602VN03	Toll Plaza - East & West Bound Ramps Improvements	\$63.9	Aug-15
D601MP06	Substructure & Underwater Scour Protection	\$26.5	Oct-15
D505QM01	Service & FE Building Rehab	\$13.3	Nov-15
D607AW95	Miscellaneous Agency Wide Painting	\$0.0	Jan-16
D605BB21	Service Building Rehabilitation	\$8.5	Jan-16
D605BB43	Misc. Repairs at BP Garage	\$1.5	Jan-16
D601TN52	Miscellaneous Structural Rehabilitation	\$22.0	May-16
D604VN87	Substation #1 Rehabilitation	\$16.6	Jun-16
D601RK76	Miscellaneous Structural Repair	\$11.2	Jul-16
D602TN49	Suspended Span Replacement - Phase A	\$25.5	Aug-16
D602MP21	Rehabilitate Rockaway Point Blvd Overpass	\$10.8	Sep-16
D607MP21	Paint - Rockaway Point Overpass	\$0.0	Sep-16
D602HH88	Replace Upper & Lower Level Plza & Southbnd. Apr.	\$49.4	Oct-16
D603AW35	Weather Information Systems	\$2.5	Dec-16
D603AW48	2nd Generation E-Zpass In-Lane	\$21.4	Dec-16
D604AW80	Advanced Traveler Information Systems	\$10.3	Dec-16
D703AW61	AVLC - Auto Vehicle Location System	\$2.5	Dec-16
D601VN35	Steel Repair & Concrete Rehab. & Drainage Systems	\$13.6	Jun-17
D607VN35	Paint - Brooklyn&Staten Island Lower Level Ramps	\$17.0	Jun-17
D601RK23	Miscellaneous Rehab - Manhattan Approach Ramps	\$116.0	Jul-17
D604QM30	Tunnel Ventilation Building Electrical Upgrade	\$56.2	Aug-17
D605AW65	Signs	\$6.5	Sep-17
D704BW39	Implementation of Facility-wide Electronic Monitoring and Detection System	\$33.2	Dec-17
D704RK60	Implement Facility-wide Electronic Monitoring and Detection Systems - RFI	\$35.1	Dec-17
D701BW84	Cable Investigation, Replacement of Suspender Ropes, and Eyebar Rehab	\$15.1	Feb-18
D701BW14	Miscellaneous Structural Rehabilitation	\$27.8	Feb-18
D604MP03	Programmable Logic Controller & Mechanical Rehab.	\$8.0	Mar-18
D704TN60	Anchorage Dehumidification	\$17.5	Jun-18
D707BW84	Paint tower interior Base Cells and Struts	\$24.1	Aug-18
D701HH89	Skewback Retrofit	\$104.1	Dec-18
D704RK21	Installation of Fire Standpipe & Upgrade of Fire Protection System	\$26.8	Dec-18

MTA Bus

2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
U5030209	Upgrade Parking Lot: JFK and Baisley Park	\$9.2M	Jul-14
U5030205	Relocate Fuel Tanks/Rehabilitation at Eastchester	\$13.5M	Sep-14
U5030204	Emergency Generators: 6 Depots - Purchase (portable: FR/Yonkers)	\$.8M	May-15
U5030226	Far Rockaway Roof Deck Replacement	\$1.7M	Jul-15
U5030205	Eastchester Depot: Purchase AFC Equipment	\$.4M	Sep-15
U6030208	New Apron: JFK	\$2.3M	Jan-16
U6030228	Chassis Wash: LaGuardia and Baisley Park	\$3.3M	Mar-16
U4030214	Bus Time Customer Information System: MTA Bus	\$10.5M	Apr-16
U5030223	Bus Time Customer Information System: Misc Items	\$1.7M	Apr-16
U5030225	Security Upgrade: Far Rockaway and Baisley Park	\$6.8M	May-16
EU030201	Hurricane Sandy Depot Rehabilitation at Far Rockaway	\$25.0M	Nov-16
U5030204	Emergency Generators: 6 Depots - Installation	\$8.2M	Dec-16
U5030216	Additional Fueling Capacity: JFK, Baisley Park and LaGuardia	\$3.5M	Dec-16
U6030217	45 Diesel Buses	\$23.8M	Dec-16
U6030219	75 Articulated Buses	\$61.6M	Dec-16
U6030214	Storeroom Expansion - Baisley Park & JFK	\$3.0M	May-17
U6030225	Bus Command Ctr	\$14.2M	Jun-17
U6030212	CNG Upgrade - College Point	\$5.1M	Dec-17
U6030204	Security Improvements: JFK & Spring Creek	\$9.2M	Sep-18

MTA PD
2015-18 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
N5100104	K-9 Facility	\$ 15.80	Apr-15
N5100109	MTAPD Metro21 Procure Equip. Penn Station	\$ 0.50	Jun-16
N5100109	MTAPD Metro21 Equipment Install	\$ 0.60	Jul-17
N5100109	MTAPD Radio Project Tower Design/Build	\$ 2.00	Jul-17
N5100109	MTAPD Radio Project "In-Building" D/B	\$ 25.00	Dec-17
Multiple ACEPs	MTAPD Radio Project Design/Build	\$ 90.00	Dec-18

OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2015-2018

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), and 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. This will result in \$1.2 million in additional annual expenses.

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 annual impacts of \$18.0 million in additional expenses are expected.

Project: Fulton Street Transit Center Complex. This is a reconfiguration and reconstruction of an existing complex of subway stations. There is an additional underground 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 opened in late 2014. There will be full impacts of \$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. 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 are projected to begin in 2017 when much 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: Main Line Second Track. The 17.9-mile LIRR Main Line between Ronkonkoma and Farmingdale comprises 12.6 miles of single electrified track and 5.3 miles of double electrified track. The project calls for the addition of a second track and crossovers in the remaining single-track segments of the ROW. The project also includes new, unimproved maintenance roadways parallel to the tracks within the ROW in certain locations, new side-platforms at existing stations (Wyandanch and Pinelawn) and some new retaining walls where required. Construction is underway for Phase 1 from Ronkonkoma to west of Central Islip. Phase 2 begins in the Central Islip area and continues west to Farmingdale and will be divided into east and west segments. Headcount increase is required for Track, Signal and Power maintenance. As the project is being phased in, the full need will not be required until the full project is completed. At completion in 2019 the project is expected to have an operating budget impact of cost of \$1.25M.

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 composed 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 \$4 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 composed five core elements: On-Board Equipment, a Wireless Communication Network, Central Servers, a Dispatching System, and Wayside Equipment. There is an anticipated steady-state Operating Budget Impact of approximately \$4 million in costs for this project (NYS portion).

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. The West of Hudson Signal Improvements project anticipates a steady-state Operating Budget Impact of approximately \$1 million (NYS portion).

Project: Harmon Shop Replacement-Phase V . The project involves the continuation of MTA Metro-North Railroad's Harmon Shop Replacement Program. Phase V is a two-stage program to design and construct a new Electric Car Shop with a Consist Shop Facility and new Running Repair and Support Shop to replace the existing Harmon Old Main Shop Building. There is a potential for annual savings in excess of \$1 million that could be realized in facility and equipment maintenance and train operations costs.

MTA POLICE DEPARTMENT CAPITAL PROJECTS

Project: Upgrade Police Radio System. This project provides for the upgrade and enhancement of the MTAPD radio system and associated infrastructure through strategic partnerships with local and state agencies, as well as the installation of contemporary equipment and technologies throughout the 14 counties served by the MTAPD. It is expected that at completion the project will result in increased maintenance expenses of approximately \$4.4 million or more per year. These expenses will be partially offset by an estimated \$2.4 million per year of savings as MTAPD moves from 2 person patrols to 1 person patrols in districts outside of New York City. Full budget impacts of the project are expected after 2018.

OTHER AGENCIES

Other MTA agencies have no capital projects entering beneficial use in 2015-2018 that have impacts on the operating budget over \$1 million.

V. Agency Financial Plans

Bridges and Tunnels

MTA BRIDGES AND TUNNELS
2016 Preliminary Budget
July Financial Plan 2016–2019

FINANCIAL OVERVIEW

MTA Bridges and Tunnels (B&T) continues to be a strong source of fiscal stability to the MTA. In 2015 and 2016 combined, B&T is projected to contribute over \$1.9 billion in Support to Mass Transit.

B&T is able to provide this substantial support to mass transit by efficiently carrying out its operations and maintaining its facilities in a state of good repair, 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 and matrix management principles between Engineering, Operations, Health and Safety and other departments 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. Through April 2015, the collision rate was 4.4 per million vehicles, which was 6.5% 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 2015, more than 68,000 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 2,600 potholes were repaired and over 3,100 miles of roadway were swept across all facilities. Traffic mobility at all facilities was consistently smooth, with 81% of vehicle crossings at bridges during weekday peak periods traveling above 30 mph, and 56% of vehicle crossings at the tunnels (where lower speeds are posted during measured peak periods) traveling above 25 mph.

Another 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 April of this year, E-ZPass usage averaged 85.0% of total traffic, which is 0.7% 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 2015, over 550,000 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 122,000 cards have been issued to customers and nearly 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 enrolled in this program pay for their tolls each day through an Automated Clearinghouse (ACH) deduction from their checking account. To date, over 47,000 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 94.3 percent of crossings at the HHB are processed through E-ZPass and 5.6 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. In 2015, tolls have been and will continue to be collected through the AET system used for the AET pilot, with vehicles traveling in gateless, channelized lanes and tolling equipment mounted on the existing infrastructure. B&T is considering the expansion of AET through a pilot program at the Marine Parkway and Cross Bay in 2016. Unlike the HHB, the program at the Rockaway crossings would include commercial vehicles.

In the fall of 2016 or early 2017, a gantry-based Open Road Tolling (ORT) system will be put into revenue service at the HHB 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.

- In November 2014, the remaining three unused eastbound toll booths were removed, a new two-lane approach to the lower level was constructed, the Staten Island Expressway approach to the upper level was re-aligned and all on-ramps were reconstructed, improving traffic flow and access to the bridge as part of the overall improvement and rehabilitation of the eastbound toll plaza. This project was completed ahead of schedule.
- 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 allow for 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 along with the upper level reconstruction, will allow for a connection to the 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 August 2014, B&T completed a \$50 million design/build contract which reconstructed the Manhattan/Queens ramp at the Robert F. Kennedy Bridge, providing customers with an improved transition and shoulder, resulting in a much smoother ride through the bridge complex.

At the Bronx Whitestone Bridge, the Bronx and Queens approaches were entirely reconstructed over the past few years providing drivers with wider 12-foot lanes and new safety shoulders. The Bronx approach was completed in August 2012 at a cost of \$212 million and the Queens approach was completed in January 2015 at a cost of \$114 million.

Overtime

B&T utilizes overtime as a managerial tool to maximize operational effectiveness and cost efficiency. Overtime is used to address challenges stemming from:

- Changes in workforce availability due to factors such as short- and long-term absences, training, holidays, FMLA, etc.
- Inclement weather, which requires additional labor for storm preparation measures, snow and debris removal, etc.
- Conditions in the operating environment impacted by security concerns, heavy traffic, law enforcement, special events and maintenance.

Key management programs in place to control overtime expenses include:

- SWEAP (Security, Weather, Emergency, Availability and Pre-Planned), a program that enables more efficient categorization and management of overtime usage.
- A Central Operations Notification Unit which manages absences through centralized reporting and recording of all unscheduled absences.
- A Central Control Unit that manages absences through timekeeping functions.
- An IOD (Injuries on Duty) System which includes extensive case management protocols.

For this July Financial Plan, overtime has been increased by approximately \$4.0 million each year above February Financial Plan levels. Around \$1.1 million of this is for additional needs resulting from greater capital project activity and will therefore be reimbursed from the Capital Program. The remaining \$2.9 million is required primarily to cover NYS mandated annual compliance training and other coverage needs affecting availability.

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

2015 Mid-Year Forecast

In the 2015 Mid-Year Forecast, a total of \$1,287.0 million is projected in baseline operating income compared to \$1,239.3 million in the 2015 Adopted Budget, an increase of \$47.7 million.

Total revenues are \$1,819.3 million, which is \$63.3 million greater than the Adopted Budget. Toll revenue accounts for 97% of all revenues and is projected at \$1,768.8 million, which is \$52.5 million above the Adopted Budget. The higher revenue forecast is based on actual favorable traffic trends through May and revised upward projections for the rest of the year based on a continuation of relatively low gas prices, modest improvements in the regional economy and less of an impact from the March 2015 toll increase than originally projected. Favorable results are also occurring in Other

Operating Revenue, mainly from income generated by a variety of E-ZPass and other administrative fees. These and other small revenue sources add a combined \$10.2 million to July Plan operating income.

The 2015 Mid-Year Forecast includes expenses totaling \$532.3 million before depreciation and GASB adjustments. Labor costs are \$285.9 million and non-labor costs are \$246.4 million. Total expenses are \$15.6 million above the Adopted Budget.

Labor expenses have been increased by \$10.5 million. Pension costs are \$10.8 million higher based on current projections provided by the NYC Employees' Retirement System (NYCERS). Overtime expenses have been increased by \$3.9 million (including \$1.1 million in expenses reimbursable from the Capital Program) primarily to cover staffing needs created by unfilled vacant positions and NYS mandated annual compliance training. Vacancies are estimated to save approximately \$4.7 million in payroll costs this year, which is partially offset by \$1.9 million in additional salary expenses associated with the timing of contract settlements, and \$0.2 million for 11 new positions expected to begin in September, mainly in the Operations and Maintenance areas. These payroll and overtime changes, along with other re-estimates, result in a net \$1.8 million reduction across the fringe benefit categories (Health and Welfare, OPEB, and Other Fringe Benefits).

Non-labor expenses are higher by \$5.2 million primarily due to the timing of delayed projects from 2014, including restoration work related to Tropical Storm Sandy (\$5.9 million), security surveillance equipment upgrades (\$0.9 million), and several small engineering projects totaling \$1.5 million, offset by favorable re-estimates for insurance (\$1.4 million), electricity (\$1.2 million) and fuel (0.5 million).

Total Support to Mass Transit is \$987.0 million compared to \$942.6 million in the 2015 Adopted Budget, an increase of over \$44.4 million resulting from \$47.7 million more in baseline operating income (\$63.3 million in revenue gains offset by \$15.6 million in higher expenses) less \$3.3 million in additional B&T debt service.

In 2015, total planned year-end headcount is 1,727, including 87 capital reimbursable full-time equivalents. Headcount is 11 positions higher than the Adopted Budget level of 1,716 due to additional staffing needs mainly in Operations and Maintenance areas.

2016 Preliminary Budget - Baseline

In the 2016 Preliminary Budget, a total of \$1,298.2 million is projected in baseline operating income compared to \$1,260.0 million in the February Financial Plan, an increase of \$38.2 million.

Total revenues are \$1,834.8 million, which is \$55.3 million greater than the February Financial Plan. Toll revenues are increased by \$53.2 million, reflecting the higher plan-to-plan traffic trends from 2015. Other Operating Revenue has also been adjusted upward by \$2.5 million to incorporate favorable re-estimates of E-ZPass and other administrative fees.

Expenses before depreciation and GASB adjustments total \$536.6 million and are comprised of \$293.1 million in labor costs and \$243.5 million in non-labor expenses. Overall expenses are \$17.1 million higher than the February Financial Plan.

Labor costs are projected to be greater by \$14.5 million, with 45%, or \$6.6 million of the increase due to upward revisions in NYCERS' current forecast for pension expenses. Additional overtime increases labor costs by another \$4.0 million, including over \$2.8 million in non-reimbursable overtime, primarily to cover NYS mandated annual compliance training and other coverage needs, and over \$1.1 million in reimbursable overtime associated with capital project work. The 2016 Preliminary Budget also calls for 28 new positions across Administrative, Engineering, Operations, Maintenance, and Public Safety areas, which adds \$3.0 million in payroll and fringe benefits costs. The majority of these positions, 16, will be dedicated to continuing the advancement of the MTA-wide Enterprise Asset Management (EAM) initiative. EAM is aimed at managing B&T's assets throughout their lifecycles by identifying a structured sequence of maintenance, preservation, repair, rehabilitation, and replacement actions that will achieve and sustain a desired state of good repair. Of the remaining 12 new positions (i.e., those not dedicated to EAM), 8 Engineering lines are required primarily to cover expanded needs stemming from new Federal mandates for tunnel inspections, additional project management efforts to meet NYS guidelines governing design-build capital projects, and increasing goals in the Small Business Mentoring Program. In addition, 2 new positions are being added to enhance B&T's safety and security programs, 1 additional line is required to develop and implement various new employee training programs, and 1 new position will be dedicated to customer service interactions primarily related to toll inquiries and payment processing.

Non-labor expenses are higher by \$2.6 million primarily due to the timing of Tropical Storm Sandy restoration work that will begin in 2015 and extend into 2016 (\$5.9 million) and higher plan-to-plan inflationary assumptions (\$0.9 million), partially offset by favorable re-estimates for insurance (\$2.7 million), electricity (\$1.4 million) and various other smaller areas.

Total Support to Mass Transit is \$974.9 million compared to \$938.9 million in the February Financial Plan, an increase of \$36.0 million resulting from \$38.2 more in baseline operating income (\$55.3 million in revenue gains partially offset by \$17.1 million in higher expenses) less \$2.2 million in additional B&T debt service.

In 2016, total headcount is budgeted at 1,744, including 87 reimbursable positions, which is 28 positions higher than the February Financial Plan due to the previously discussed new staffing needs required across Administrative, Engineering, Operations, Maintenance, and Public Safety areas.

2017-2019 Projections

The 2017 projection for baseline operating income is \$1,303.2 million compared to \$1,254.4 million in the February Financial Plan. This consists of \$1,846.1 million in

revenues less \$542.9 million in expenses. The expenses are comprised of nearly \$298.6 million in labor costs and nearly \$244.4 million in non-labor expenses.

The 2018 projection for Baseline operating income is \$1,296.0 million compared to \$1,245.6 million in the February Financial Plan. This consists of \$1,858.6 million in revenues, offset by \$562.6 million in expenses. The expenses are comprised of \$307.0 million in labor costs and \$255.6 million in non-labor expenses.

In 2019, the projection for Baseline operating income is \$1,286.6 million. This consists of \$1,873.0 million in revenues, offset by \$586.4 million in expenses. The expenses are comprised of \$319.9 million in labor costs and \$266.5 million in non-labor expenses.

In 2017 to 2019, the total baseline planned headcount will be 1,744, which includes 87 capitally-reimbursable positions.

Details for year-to-year changes, and reconciliations of the July Financial Plan to the February Financial Plan, and assumptions guiding traffic and headcount projections are discussed in the sections that follow.

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(in millions)

NON-REIMBURSABLE

	2014	2015	2016			
	Actual	Mid-Year	Preliminary	2017	2018	2019
		Forecast	Budget			
Operating Revenue						
Vehicle Toll Revenue	\$1,676.445	\$1,768.803	\$1,791.021	\$1,800.988	\$1,812.980	\$1,827.184
Other Operating Revenue	26.521	27.660	20.093	20.093	20.093	20.093
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.137	0.140	0.575	1.195	1.327	1.327
Total Revenue	\$1,703.103	\$1,796.603	\$1,811.689	\$1,822.276	\$1,834.400	\$1,848.604
Operating Expenses						
<u>Labor:</u>						
Payroll	\$127.814	\$139.236	\$145.691	\$149.941	\$153.578	\$160.472
Overtime	21.421	26.272	26.309	26.658	27.190	27.740
Health and Welfare	26.378	28.074	31.090	32.371	33.888	35.490
OPEB Current Payment	15.978	16.617	18.013	18.301	19.125	19.986
Pensions	31.232	39.124	34.483	33.049	34.082	33.985
Other Fringe Benefits	23.235	18.988	19.514	19.756	20.130	23.010
Reimbursable Overhead	(7.530)	(5.074)	(5.123)	(5.368)	(5.151)	(5.150)
Total Labor Expenses	\$238.528	\$263.235	\$269.977	\$274.708	\$282.843	\$295.533
<u>Non-Labor:</u>						
Electric Power	\$5.699	\$5.587	\$6.029	\$6.286	\$6.684	\$7.173
Fuel	3.152	2.463	3.177	3.136	3.129	3.349
Insurance	16.978	15.276	15.760	17.058	18.500	20.090
Claims	0.135	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	108.892	144.523	144.922	143.066	150.677	157.561
Professional Service Contracts	33.303	44.728	39.174	39.430	40.330	41.152
Materials & Supplies	3.396	4.332	4.084	4.225	4.340	4.440
Other Business Expenses	33.669	29.493	30.371	31.155	31.926	32.705
Total Non-Labor Expenses	\$205.224	\$246.401	\$243.516	\$244.356	\$255.586	\$266.470
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$443.752	\$509.637	\$513.493	\$519.064	\$538.428	\$562.003
Add: Depreciation	\$104.039	\$111.667	\$119.521	\$127.853	\$136.766	\$146.300
Add: OPEB Obligation	71.148	71.700	73.806	77.496	81.371	85.439
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$618.939	\$693.004	\$706.820	\$724.414	\$756.565	\$793.742
Less: Depreciation	\$104.039	\$111.667	\$119.521	\$127.853	\$136.766	\$146.300
Less: OPEB Obligation	71.148	71.700	73.806	77.496	81.371	85.439
Total Expenses	\$443.752	\$509.637	\$513.493	\$519.064	\$538.428	\$562.003
Net Income/(Deficit)	\$1,259.351	\$1,286.966	\$1,298.196	\$1,303.212	\$1,295.972	\$1,286.602

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(in millions)

REIMBURSABLE

	2014	2015	2016			
	Actual	Mid-Year	Preliminary	2017	2018	2019
Revenue						
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	20.980	22.652	23.151	23.873	24.157	24.403
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$20.980	\$22.652	\$23.151	\$23.873	\$24.157	\$24.403
Expenses						
<u>Labor:</u>						
Payroll	\$8.378	\$9.741	\$9.823	\$9.904	\$9.986	\$10.071
Overtime	0.141	1.531	1.558	1.587	1.616	1.646
Health and Welfare	2.115	2.269	2.427	2.587	2.764	2.835
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	1.791	2.688	2.847	3.008	3.182	3.202
Other Fringe Benefits	1.025	1.349	1.373	1.419	1.458	1.499
Reimbursable Overhead	7.530	5.074	5.123	5.368	5.151	5.150
Total Labor Expenses	\$20.980	\$22.652	\$23.151	\$23.873	\$24.157	\$24.403
<u>Non-Labor:</u>						
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
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$20.980	\$22.652	\$23.151	\$23.873	\$24.157	\$24.403
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Add: OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$20.980	\$22.652	\$23.151	\$23.873	\$24.157	\$24.403
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Less: OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$20.980	\$22.652	\$23.151	\$23.873	\$24.157	\$24.403
Net Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(in millions)

NON-REIMBURSABLE / REIMBURSABLE
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	2014	2015	2016			
	Actual	Mid-Year	Preliminary	2017	2018	2019
		Forecast	Budget			
Revenue						
Vehicle Toll Revenue	\$1,676.445	\$1,768.803	\$1,791.021	\$1,800.988	\$1,812.980	\$1,827.184
Other Operating Revenue	26.521	27.660	20.093	20.093	20.093	20.093
Capital and Other Reimbursements	20.980	22.652	23.151	23.873	24.157	24.403
Investment Income	0.137	0.140	0.575	1.195	1.327	1.327
Total Revenue	\$1,724.083	\$1,819.255	\$1,834.840	\$1,846.149	\$1,858.557	\$1,873.008
Expenses						
<u>Labor:</u>						
Payroll	\$136.192	\$148.977	\$155.514	\$159.845	\$163.564	\$170.543
Overtime	21.562	27.803	27.868	28.245	28.806	29.386
Health and Welfare	28.493	30.343	33.517	34.958	36.652	38.325
OPEB Current Payment	15.978	16.617	18.013	18.301	19.125	19.986
Pensions	33.023	41.812	37.330	36.057	37.264	37.187
Other Fringe Benefits	24.260	20.337	20.887	21.175	21.588	24.510
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$259.508	\$285.888	\$293.128	\$298.581	\$306.999	\$319.936
<u>Non-Labor:</u>						
Electric Power	\$5.699	\$5.587	\$6.029	\$6.286	\$6.684	\$7.173
Fuel	3.152	2.463	3.177	3.136	3.129	3.349
Insurance	16.978	15.276	15.760	17.058	18.500	20.090
Claims	0.135	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	108.892	144.523	144.922	143.066	150.677	157.561
Professional Service Contracts	33.303	44.728	39.174	39.430	40.330	41.152
Materials & Supplies	3.396	4.332	4.084	4.225	4.340	4.440
Other Business Expenses	33.669	29.493	30.371	31.155	31.926	32.705
Total Non-Labor Expenses	\$205.224	\$246.401	\$243.516	\$244.356	\$255.586	\$266.470
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$464.732	\$532.289	\$536.645	\$542.937	\$562.585	\$586.406
Add: Depreciation	\$104.039	\$111.667	\$119.521	\$127.853	\$136.766	\$146.300
Add: OPEB Obligation	71.148	71.700	73.806	77.496	81.371	85.439
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$639.919	\$715.656	\$729.971	\$748.286	\$780.722	\$818.146
Less: Depreciation	\$104.039	\$111.667	\$119.521	\$127.853	\$136.766	\$146.300
Less: OPEB Obligation	71.148	71.700	73.806	77.496	81.371	85.439
Total Expenses	\$464.732	\$532.289	\$536.645	\$542.937	\$562.585	\$586.406
Net Income/(Deficit)	\$1,259.351	\$1,286.966	\$1,298.196	\$1,303.212	\$1,295.972	\$1,286.602

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(in millions)

NON-REIMBURSABLE / REIMBURSABLE
Page 2 of 2

	2014 <u>Actual</u>	2015 <u>Mid-Year Forecast</u>	2016 <u>Preliminary Budget</u>	2017	2018	2019
Net Income/(Deficit)	\$1,259.351	\$1,286.966	\$1,298.196	\$1,303.212	\$1,295.972	\$1,286.602
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$17.218	\$16.142	\$17.927	\$18.348	\$18.767	\$20.335
Reserves	26.161	26.382	26.881	27.338	27.824	28.306
GASB 45 Reserves	1.594	0.000	0.000	0.000	0.165	0.337
Adjusted Net Income/(Deficit)	\$1,214.378	\$1,244.442	\$1,253.388	\$1,257.526	\$1,249.216	\$1,237.624
Less: Debt Service	576.687	622.296	644.252	663.743	679.288	701.550
Income Available for Distribution	\$637.691	\$622.146	\$609.136	\$593.783	\$569.927	\$536.074
<u>Distributable To:</u>						
MTA - Investment Income	\$0.137	\$0.140	\$0.575	\$1.195	\$1.327	\$1.327
MTA - Distributable Income	371.984	366.292	359.733	352.302	339.853	323.484
NYCT - Distributable Income	265.570	255.714	248.828	240.286	228.747	211.263
Total Distributable Income:	\$637.691	\$622.146	\$609.136	\$593.783	\$569.927	\$536.074
<u>Actual Cash Transfers:</u>						
MTA - Investment Income	\$0.131	\$0.137	\$0.140	\$0.575	\$1.195	\$1.327
MTA - Transfers	367.957	379.939	360.389	353.045	341.098	325.121
NYCT - Transfers	254.811	262.589	249.517	241.140	229.901	213.012
Total Cash Transfers:	\$622.900	\$642.665	\$610.045	\$594.760	\$572.194	\$539.460
<u>SUPPORT TO MASS TRANSIT:</u>						
Total Revenues	\$1,724.083	\$1,819.255	\$1,834.840	\$1,846.149	\$1,858.557	\$1,873.008
Less: Net Operating Expenses	464.732	532.289	536.645	542.937	562.585	586.406
Net Operating Income:	\$1,259.351	\$1,286.966	\$1,298.196	\$1,303.212	\$1,295.972	\$1,286.602
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$221.617	\$257.448	\$278.529	\$295.104	\$313.114	\$332.278
Capitalized Assets	17.218	16.142	17.927	18.348	18.767	20.335
Reserves	26.161	26.382	26.881	27.338	27.824	28.306
GASB Reserves	1.594	0.000	0.000	0.000	0.165	0.337
Total Deductions from Operating Income:	\$266.590	\$299.972	\$323.337	\$340.790	\$359.870	\$381.255
Total Support to Mass Transit:	\$992.761	\$986.994	\$974.858	\$962.421	\$936.102	\$905.346

MTA BRIDGES AND TUNNELS
2015 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE OVERTIME	Total		
	Hours		%
OPERATIONS & MAINTENANCE			
<u>Scheduled Service</u>	56,509	\$3.687	14.0%
<u>Unscheduled Service</u>	10,465	0.664	2.5%
<u>Programmatic/Routine Maintenance</u>	11,617	0.927	3.5%
<u>Unscheduled Maintenance</u>	11,293	0.932	3.5%
<u>Vacancy/Absentee Coverage</u>	181,852	12.313	46.9%
<u>Weather Emergencies</u>	19,640	1.462	5.6%
<u>Safety/Security/Law Enforcement</u>	37,921	2.421	9.2%
<u>Other</u>	4,097	0.321	1.2%
<u>All Other Departments and Accruals¹</u>		3.544	13.5%
Subtotal	333,394	\$26.272	100.0%
REIMBURSABLE OVERTIME	21,851	\$1.531	
TOTAL OVERTIME	355,245	\$27.803	

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

MTA BRIDGES AND TUNNELS
2016 Preliminary Budget
July Financial Plan 2016–2019
Year-to-Year Changes by Category - Baseline

Toll Revenue

- At current crossing charges, toll revenue is estimated at \$1,768.8 million in 2015 and \$1,791.0 million in 2016, an increase of \$22.2 million primarily due to additional traffic volume resulting from forecast regional employment growth of 1.3%, regional inflation of 2.4%, a full year impact of the toll increase implemented in March 2015, and an extra day in the 2016 leap year. Traffic estimates grow from 291.5 million crossings in 2015 to 293.5 million in 2016.
- Toll revenue increases to \$1,801.0 million in 2017, \$1,813.0 million in 2018 and \$1,827.2 million in 2019, reflecting traffic volume increases from projected regional employment growth of 0.7% in 2017, 0.2% in 2018 and 0.3% in 2019, and average annual regional inflation of approximately 2.7%. Traffic levels are forecast at 295.5 million crossings in 2017, 298.0 million in 2018, and 300.7 million in 2019.

Other Operating Revenue

- Other Operating Revenue is estimated at \$27.7 million in 2015 and \$20.1 million in 2016, a year-to-year decline of \$7.6 million. Revenue in 2015 includes a one-time adjustment of \$7.7 million for E-ZPass and other administrative fees collected in prior years.
- Other Operating Revenue is expected to remain at a level of approximately \$20.1 million from 2017 through 2019.

Capital and Other Reimbursements

- Capital and Other Reimbursements range from \$22.7 million in 2015 to \$24.4 million in 2019 and are tied to expected work to be performed through the Capital Programs.

Investment Income

- The Investment Income plan for 2015 through 2019 reflects earnings on estimated fund balances based on projected short-term investment yields, which continue to be forecast at very low interest rates. This income source is estimated at \$0.1 million in 2015, \$0.6 million in 2016, and between \$1.2 million and \$1.3 million each year thereafter.

Payroll

- Payroll costs grow from \$149.0 million in 2015 to \$155.5 million in 2016, an increase of \$6.5 million, reflecting the 28 additional positions discussed in the Financial Overview (16 for the Enterprise Asset Management Program, 8 for mandated and other Engineering programs, 2 for safety and security programs, 1 for employee training and 1 for customer service functions), contractual step-up increases, the filling of 2015 vacancies and inflationary adjustments.
- Thereafter, contractual step-up increases and inflationary adjustments explain most of the growth in payroll costs, which range from \$159.8 million in 2017 to \$170.5 million in 2019.
- 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 of 2.0% assumed thereafter.
- Wage inflation for non-represented employees is 2.0% annually from 2016 on.

Overtime

- Overtime increases by \$0.1 million in 2016, to \$27.9 million, which is the result of \$0.5 million in wage inflation partially offset by the non-recurrence of a \$0.4 million expense in 2015 associated with the timing of contract settlements.
- Wage inflation rates for overtime are the same as for payroll and result in growth between \$0.4 million and \$0.6 million each year from 2017 through 2019.

Health and Welfare/OPEB Current Payments

- In 2016, there is an increase of \$4.6 million from 2015 primarily due to forecast inflation for defined medical programs and the additional 28 positions previously discussed.
- Expenses increase by \$1.7 million in 2017 and by \$2.5 million each year thereafter, primarily reflecting forecast inflation for defined medical programs.
- Inflation rates for defined medical programs are 8.4% in 2016, 1.6% in 2017, and 4.5% each year thereafter.

Pension

- Pension expenses incorporate current projections for NYCERS provided by the NYC Office of the Actuary.
- Costs decline in 2016 and 2017, by \$4.5 million and \$1.3 million respectively, and then increase by \$1.2 million in 2018 and \$0.1 million in 2019.

Other Fringe Benefits

- Year-to-year growth in Other Fringe Benefits is generally proportionate to changes in payroll and overtime.
- Other Fringe Benefits range between \$20.3 million in 2015 to \$24.5 million in 2019.

Electric Power

- Electricity costs increase between \$0.3 million and \$0.5 million in each year of the plan period based on the most recent rate projections.

Fuel

- The expense plan for fuel is driven mainly by the most recent forecast for heating fuel. Expenses grow from \$2.5 million in 2015 to \$3.2 million in 2016, and are then projected to remain at that approximate level with minor year-to-year fluctuations through 2019.

Insurance

- Based on current insurance policy growth assumptions, costs increase by \$0.5 million in 2016 and between \$1.3 million and \$1.6 million each year thereafter.

Maintenance and Other Operating Contracts

- Inflationary adjustments account for much of the year-to-year changes in Maintenance and all the other expense categories that follow. Inflation is based on a national CPI-U forecast of 2.12% in 2016, 2.35% in 2017, 2.58% in 2018 and 2.30% in 2019.
- Year-to-year expenses are projected to be \$0.4 million higher in 2016 primarily due to inflationary adjustments.
- Expenses decrease by \$1.9 million in 2017 due to the expected completion of certain Tropical Storm Sandy restoration projects (\$5.9 million), partially offset by higher E-ZPass Customer Service Center costs driven largely by projected growth in active accounts (\$1.7 million), additional needs in major maintenance (\$1.6 million), and inflationary adjustments.
- Expenses grow by 5.0% each year in 2018 and 2019. The only areas that are growing significantly above inflation are E-ZPass Customer Service Center costs, again primarily due to expected account growth, and E-ZPass tag expenses, which are driven by the cyclical nature of the Tag Replacement Program. Of the \$7.6 million in total year-to-year expense growth for 2018, \$5.1 million is due to E-ZPass costs. In 2019, expenses grow \$6.9 million, which includes \$4.7 million in additional E-ZPass expenses.

Professional Service Contracts

- In 2016, expenses decline by \$5.6 million primarily due to certain costs expected in 2015 for implementing and developing the EAM initiative that have not as yet been formulated into 2016 baseline projections (\$2.5 million), a reduced need for outside engineering services (\$2.4 million), and a non-recurring 2015 expense of \$1.2 million in consulting costs for developing a Request for Proposal for a new E-ZPass customer service contract. These favorable year-to-year changes are partially offset by inflationary adjustments in other areas.
- Expenses grow between \$0.3 million and \$0.9 million from 2017-2019 and are mainly due to inflationary adjustments.

Materials and Supplies

- Expenses are \$0.2 million lower in 2015, largely reflecting a return to baseline projections for de-icing materials after the severe winter of 2015, followed by expense growth of \$0.1 million each year thereafter based on inflationary adjustments.

Other Business Expenses

- Expenses increase by \$0.9 million in 2016 and by \$0.8 million each year thereafter due to inflationary adjustments.

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Revenue									
Vehicle Toll Revenue	\$ 1,768.803	\$ 1,791.021	\$ 22.218	\$ 1,800.988	\$ 9.967	\$ 1,812.980	\$ 11.992	\$ 1,827.184	\$ 14.204
Other Operating Revenue	27.660	20.093	(7.567)	20.093	-	20.093	-	20.093	-
Capital and Other Reimbursements	0.000	0.000	-	0.000	-	0.000	-	0.000	-
Investment Income	0.140	0.575	0.435	1.195	0.620	1.327	0.132	1.327	-
Total Revenue	\$ 1,796.603	\$ 1,811.689	\$ 15.086	\$ 1,822.276	\$ 10.587	\$ 1,834.400	\$ 12.124	\$ 1,848.604	\$ 14.204
Expenses									
Labor:									
Payroll	\$ 139.236	\$ 145.691	\$ (6.455)	\$ 149.941	\$ (4.251)	\$ 153.578	\$ (3.637)	\$ 160.472	\$ (6.893)
Overtime	26.272	26.309	(0.038)	26.658	(0.348)	27.190	(0.532)	27.740	(0.550)
Health and Welfare	28.074	31.090	(3.016)	32.371	(1.281)	33.888	(1.517)	35.490	(1.601)
OPEB Current Payment	16.617	18.013	(1.396)	18.301	(0.288)	19.125	(0.824)	19.986	(0.861)
Pensions	39.124	34.483	4.640	33.049	1.434	34.082	(1.033)	33.985	0.097
Other Fringe Benefits	18.988	19.514	(0.526)	19.756	(0.242)	20.130	(0.374)	23.010	(2.880)
Reimbursable Overhead	(5.074)	(5.123)	0.049	(5.368)	0.245	(5.151)	(0.217)	(5.150)	(0.001)
Total Labor Expenses	\$ 263.235	\$ 269.977	\$ (6.741)	\$ 274.708	\$ (4.731)	\$ 282.843	\$ (8.135)	\$ 295.533	\$ (12.690)
Non-Labor:									
Electric Power	\$ 5.587	\$ 6.029	\$ (0.442)	\$ 6.286	\$ (0.257)	\$ 6.684	\$ (0.398)	\$ 7.173	\$ (0.489)
Fuel	2.463	3.177	(0.714)	3.136	0.041	3.129	0.008	3.349	(0.220)
Insurance	15.276	15.760	(0.483)	17.058	(1.298)	18.500	(1.443)	20.090	(1.590)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	144.523	144.922	(0.400)	143.066	1.857	150.677	(7.611)	157.561	(6.884)
Professional Service Contracts	44.728	39.174	5.554	39.430	(0.256)	40.330	(0.899)	41.152	(0.822)
Materials & Supplies	4.332	4.084	0.248	4.225	(0.142)	4.340	(0.115)	4.440	(0.100)
Other Business Expenses	29.493	30.371	(0.878)	31.155	(0.785)	31.926	(0.771)	32.705	(0.779)
Total Non-Labor Expenses	\$ 246.401	\$ 243.516	\$ 2.885	\$ 244.356	\$ (0.840)	\$ 255.586	\$ (11.229)	\$ 266.470	\$ (10.885)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation and GASB Adjs.	\$ 509.637	\$ 513.493	\$ (3.856)	\$ 519.064	\$ (5.571)	\$ 538.428	\$ (19.364)	\$ 562.003	\$ (23.575)
Add: Depreciation	\$ 111.667	\$ 119.521	\$ (7.854)	\$ 127.853	\$ (8.332)	\$ 136.766	\$ (8.913)	\$ 146.300	\$ (9.534)
Add: OPEB Obligation	71.700	73.806	(2.106)	77.496	(3.690)	81.371	(3.875)	85.439	(4.069)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	\$ 693.004	\$ 706.820	\$ (13.816)	\$ 724.414	\$ (17.594)	\$ 756.565	\$ (32.151)	\$ 793.742	\$ (37.177)
Less: Depreciation	111.667	119.521	(7.854)	127.853	(8.332)	136.766	(8.913)	146.300	(9.534)
Less: OPEB Obligation	71.700	73.806	(2.106)	77.496	(3.690)	81.371	(3.875)	85.439	(4.069)
Total Expenses	\$ 509.637	\$ 513.493	\$ (3.856)	\$ 519.064	\$ (5.571)	\$ 538.428	\$ (19.364)	\$ 562.003	\$ (23.575)
Net Income/(Deficit)	\$ 1,286.966	\$ 1,298.196	\$ 11.230	\$ 1,303.212	\$ 5.016	\$ 1,295.972	\$ (7.239)	\$ 1,286.602	\$ (9.371)

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)									
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018	
Revenue										
Vehicle Toll Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Operating Revenue	-	-	-	-	-	-	-	-	-	
Capital and Other Reimbursements	22.652	23.151	0.499	23.873	0.722	24.157	0.284	24.403	0.247	
Investment Income	-	-	-	-	-	-	-	-	-	
Total Revenue	\$ 22.652	\$ 23.151	\$ 0.499	\$ 23.873	\$ 0.722	\$ 24.157	\$ 0.284	\$ 24.403	\$ 0.247	
Expenses										
Labor:										
Payroll	\$ 9.741	\$ 9.823	\$ (0.082)	\$ 9.904	\$ (0.081)	\$ 9.986	\$ (0.082)	\$ 10.071	\$ (0.085)	
Overtime	1.531	1.558	(0.027)	1.587	(0.029)	1.616	(0.029)	1.646	(0.030)	
Health and Welfare	2.269	2.427	(0.158)	2.587	(0.160)	2.764	(0.177)	2.835	(0.071)	
OPEB Current Payment	-	-	-	-	-	-	-	-	-	
Pensions	2.688	2.847	(0.159)	3.008	(0.161)	3.182	(0.174)	3.202	(0.020)	
Other Fringe Benefits	1.349	1.373	(0.024)	1.419	(0.046)	1.458	(0.039)	1.499	(0.042)	
Reimbursable Overhead	5.074	5.123	(0.049)	5.368	(0.245)	5.151	0.217	5.150	0.001	
Total Labor Expenses	\$ 22.652	\$ 23.151	\$ (0.499)	\$ 23.873	\$ (0.722)	\$ 24.157	\$ (0.284)	\$ 24.403	\$ (0.247)	
Non-Labor:										
Electric Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fuel	-	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	-	-	
Claims	-	-	-	-	-	-	-	-	-	
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-	
Professional Service Contracts	-	-	-	-	-	-	-	-	-	
Materials & Supplies	-	-	-	-	-	-	-	-	-	
Other Business Expenses	-	-	-	-	-	-	-	-	-	
Total Non-Labor Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Expenses Adjustments:										
Other	-	-	-	-	-	-	-	-	-	
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses before Depreciation and GASB Adjs.	\$ 22.652	\$ 23.151	\$ (0.499)	\$ 23.873	\$ (0.722)	\$ 24.157	\$ (0.284)	\$ 24.403	\$ (0.247)	
Add: Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Add: OPEB Obligation	-	-	-	-	-	-	-	-	-	
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-	
Total Expenses after Depreciation and GASB Adjs.	\$ 22.652	\$ 23.151	\$ (0.499)	\$ 23.873	\$ (0.722)	\$ 24.157	\$ (0.284)	\$ 24.403	\$ (0.247)	
Less: Depreciation	-	-	-	-	-	-	-	-	-	
Less: OPEB Obligation	-	-	-	-	-	-	-	-	-	
Total Expenses	\$ 22.652	\$ 23.151	\$ (0.499)	\$ 23.873	\$ (0.722)	\$ 24.157	\$ (0.284)	\$ 24.403	\$ (0.247)	
Net Income/(Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 1 of 2)

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Revenue									
Vehicle Toll Revenue	\$ 1,768.803	\$ 1,791.021	\$ 22.218	\$ 1,800.988	\$ 9.967	\$ 1,812.980	\$ 11.992	\$ 1,827.184	\$ 14.204
Other Operating Revenue	27.660	20.093	(7.567)	20.093	-	20.093	-	20.093	-
Capital and Other Reimbursements	22.652	23.151	0.499	23.873	0.722	24.157	0.284	24.403	0.247
Investment Income	0.140	0.575	0.435	1.195	0.620	1.327	0.132	1.327	-
Total Revenue	\$ 1,819.255	\$ 1,834.840	\$ 15.585	\$ 1,846.149	\$ 11.309	\$ 1,858.557	\$ 12.408	\$ 1,873.008	\$ 14.451
Expenses									
Labor:									
Payroll	\$ 148.977	\$ 155.514	\$ (6.537)	\$ 159.845	\$ (4.332)	\$ 163.564	\$ (3.719)	\$ 170.543	\$ (6.978)
Overtime	27.803	27.868	(0.065)	28.245	(0.377)	28.806	(0.562)	29.386	(0.580)
Health and Welfare	30.343	33.517	(3.174)	34.958	(1.441)	36.652	(1.694)	38.325	(1.672)
OPEB Current Payment	16.617	18.013	(1.396)	18.301	(0.288)	19.125	(0.824)	19.986	(0.861)
Pensions	41.812	37.330	4.481	36.057	1.273	37.264	(1.207)	37.187	0.077
Other Fringe Benefits	20.337	20.887	(0.550)	21.175	(0.288)	21.588	(0.413)	24.510	(2.922)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$ 285.888	\$ 293.128	\$ (7.240)	\$ 298.581	\$ (5.453)	\$ 306.999	\$ (8.419)	\$ 319.936	\$ (12.937)
Non-Labor:									
Electric Power	\$ 5.587	\$ 6.029	\$ (0.442)	\$ 6.286	\$ (0.257)	\$ 6.684	\$ (0.398)	\$ 7.173	\$ (0.489)
Fuel	2.463	3.177	(0.714)	3.136	0.041	3.129	0.008	3.349	(0.220)
Insurance	15.276	15.760	(0.483)	17.058	(1.298)	18.500	(1.443)	20.090	(1.590)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	144.523	144.922	(0.400)	143.066	1.857	150.677	(7.611)	157.561	(6.884)
Professional Service Contracts	44.728	39.174	5.554	39.430	(0.256)	40.330	(0.899)	41.152	(0.822)
Materials & Supplies	4.332	4.084	0.248	4.225	(0.142)	4.340	(0.115)	4.440	(0.100)
Other Business Expenses	29.493	30.371	(0.878)	31.155	(0.785)	31.926	(0.771)	32.705	(0.779)
Total Non-Labor Expenses	\$ 246.401	\$ 243.516	\$ 2.885	\$ 244.356	\$ (0.840)	\$ 255.586	\$ (11.229)	\$ 266.470	\$ (10.885)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation and GASB Adjs.	\$ 532.289	\$ 536.645	\$ (4.355)	\$ 542.937	\$ (6.293)	\$ 562.585	\$ (19.648)	\$ 586.406	\$ (23.821)
Add: Depreciation	\$ 111.667	\$ 119.521	\$ (7.854)	\$ 127.853	\$ (8.332)	\$ 136.766	\$ (8.913)	\$ 146.300	\$ (9.534)
Add: OPEB Obligation	71.700	73.806	(2.106)	77.496	(3.690)	81.371	(3.875)	85.439	(4.069)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	\$ 715.656	\$ 729.971	\$ (14.315)	\$ 748.286	\$ (18.315)	\$ 780.722	\$ (32.435)	\$ 818.146	\$ (37.424)
Less: Depreciation	111.667	119.521	(7.854)	127.853	(8.332)	136.766	(8.913)	146.300	(9.534)
Less: OPEB Obligation	71.700	73.806	(2.106)	77.496	(3.690)	81.371	(3.875)	85.439	(4.069)
Total Expenses	\$ 532.289	\$ 536.645	\$ (4.355)	\$ 542.937	\$ (6.293)	\$ 562.585	\$ (19.648)	\$ 586.406	\$ (23.821)
Net Income/(Deficit)	\$ 1,286.966	\$ 1,298.196	\$ 11.230	\$ 1,303.212	\$ 5.016	\$ 1,295.972	\$ (7.239)	\$ 1,286.602	\$ (9.371)

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 2 of 2)

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Net Income/(Deficit)	\$ 1,286.966	\$ 1,298.196	\$ 11.230	\$ 1,303.212	\$ 5.016	\$ 1,295.972	\$ (7.239)	\$ 1,286.602	\$ (9.371)
<u>Deductions from Income:</u>									
Less: Capitalized Assets	\$ 16.142	\$ 17.927	\$ (1.786)	\$ 18.348	\$ (0.421)	\$ 18.767	\$ (0.419)	\$ 20.335	\$ (1.568)
Reserves	26.382	26.881	(0.499)	27.338	(0.457)	27.824	(0.487)	28.306	(0.481)
GASB 45 Reserves	-	-	-	-	-	0.165	(0.165)	0.337	(0.172)
Adjusted Net Income/(Deficit)	\$ 1,244.442	\$ 1,253.388	\$ 8.945	\$ 1,257.526	\$ 4.138	\$ 1,249.216	\$ (8.310)	\$ 1,237.624	\$ (11.592)
Less: Debt Service	622.296	644.252	(21.956)	663.743	(19.491)	679.288	(15.546)	701.550	(22.261)
Income Available for Distribution	\$ 622.146	\$ 609.136	\$ (13.011)	\$ 593.783	\$ (15.353)	\$ 569.927	\$ (23.855)	\$ 536.074	\$ (33.853)
Distributable To:									
MTA - Investment Income	\$ 0.140	\$ 0.575	\$ 0.435	\$ 1.195	\$ 0.620	\$ 1.327	\$ 0.132	\$ 1.327	\$ -
MTA - Distributable Income	366.292	359.733	(6.559)	352.302	(7.430)	339.853	(12.449)	323.484	(16.370)
NYCT - Distributable Income	255.714	248.828	(6.886)	240.286	(8.543)	228.747	(11.539)	211.263	(17.483)
Total Distributable Income:	\$ 622.146	\$ 609.136	\$ (13.011)	\$ 593.783	\$ (15.353)	\$ 569.927	\$ (23.855)	\$ 536.074	\$ (33.853)
Actual Cash Transfers:									
MTA - Investment Income	\$ 0.137	\$ 0.140	\$ 0.003	\$ 0.575	\$ 0.435	\$ 1.195	\$ 0.620	\$ 1.327	\$ 0.132
MTA - Transfers	379.939	360.389	(19.550)	353.045	(7.343)	341.098	(11.947)	325.121	(15.978)
NYCT - Transfers	262.589	249.517	(13.072)	241.140	(8.377)	229.901	(11.239)	213.012	(16.889)
Total Cash Transfers:	\$ 642.665	\$ 610.045	\$ (32.619)	\$ 594.760	\$ (15.286)	\$ 572.194	\$ (22.566)	\$ 539.460	\$ (32.734)
SUPPORT TO MASS TRANSIT:									
Total Revenues	\$1,819.255	\$1,834.840	\$15.585	\$1,846.149	\$11.309	\$1,858.557	\$12.408	\$1,873.008	\$14.451
Less: Net Operating Expenses	532.289	536.645	(4.355)	542.937	(6.293)	562.585	(19.648)	586.406	(23.821)
Net Operating Income:	\$ 1,286.966	\$ 1,298.196	\$ 11.230	\$ 1,303.212	\$ 5.016	\$ 1,295.972	\$ (7.239)	\$ 1,286.602	\$ (9.371)
Deductions from Operating Income:									
B&T Debt Service	\$257.448	\$278.529	(\$21.081)	\$295.104	(\$16.575)	\$313.114	(\$18.009)	\$332.278	(\$19.164)
Capitalized Assets	16.142	17.927	(1.786)	18.348	(0.421)	18.767	(0.419)	20.335	(1.568)
Reserves	26.382	26.881	(0.499)	27.338	(0.457)	27.824	(0.487)	28.306	(0.481)
GASB 45 Reserves	-	-	-	-	-	0.165	(0.165)	0.337	(0.172)
Total Deductions from Operating Inc:	\$ 299.972	\$ 323.337	\$ (23.365)	\$ 340.790	\$ (17.453)	\$ 359.870	\$ (19.080)	\$ 381.255	\$ (21.385)
Total Support to Mass Transit:	\$ 986.994	\$ 974.858	\$ (12.135)	\$ 962.421	\$ (12.437)	\$ 936.102	\$ (26.319)	\$ 905.346	\$ (30.756)

MTA BRIDGES AND TUNNELS
2016 Preliminary Budget
July Financial Plan 2016–2019
Summary of Major Plan-to-Plan Changes

Non-Reimbursable

2015: July Financial Plan vs. February Financial Plan

Revenues

Revenue adjustments from the February Plan generate an additional \$62.1 million. The major changes include:

- Additional toll revenues of \$52.5 million stemming from recent favorable traffic trends compared to the Adopted Budget.
- Increased Other Operating Revenue of \$10.2 million primarily due to a one-time adjustment of \$7.7 million for E-ZPass and other administrative fees collected in prior years, plus \$2.5 million in favorable fee re-estimates for the current year.
- Investment Income has been adjusted downward by \$0.6 million to reflect recent investment activities and yields.

Expenses

Non-reimbursable expenses are projected to be \$14.4 million greater than the February Plan. Labor costs are nearly \$9.3 million higher and non-labor expenses are nearly \$5.2 million higher. The major variances include:

Labor

- Lower Payroll expenses of \$2.4 million due to savings from vacancies totaling \$4.7 million, partially offset by additional expenses for the timing of contract settlements (\$1.9 million), 11 new positions expected to begin in September as discussed in the Financial Overview (\$0.2 million), and re-estimates of existing staff salaries (\$0.2 million).
- Higher Overtime totaling \$2.8 million primarily to cover staffing needs created by unfilled vacant positions, heightened security coverage and NYS mandated annual compliance training.
- An increase of \$10.8 million in Pension costs based on NYCERS' current projections.
- A net decrease of \$1.9 million across all other fringe benefit categories (Health and Welfare, OPEB Current Payment and Other Fringe Benefits) primarily due to vacancies in both represented and non-represented personnel.

Non-Labor

- Lower energy costs totaling \$1.7 million based on revised forecasts for electricity (\$1.2 million) and fuel (\$0.5 million).
- Lower insurance costs of \$1.4 million based on revised policy assumptions.
- Higher expenses in Maintenance and Other Operating Contracts (\$5.9 million) resulting primarily from the timing of Tropical Storm Sandy-related restoration work (\$5.9 million) and security surveillance system upgrades (\$0.9 million), partially

offset by several small favorable re-estimates across numerous routine maintenance areas.

- Higher Professional Service Contracts (\$2.2 million) primarily due to re-estimates of general engineering service needs.

Deductions from Operating Income

B&T debt service has been revised upward by \$3.3 million.

Reimbursable

Reimbursable revenue and expenses have both been increased by \$1.2 million to reflect additional overtime needs for projects included in the Capital Program.

2016-2019: July Financial Plan vs. February Financial Plan

Revenues

Total revenues are being increased by \$54.1 million in 2016, \$56.7 million in 2017 and \$59.9 million in 2018.

- The toll revenue forecast has been increased by \$53.2 million in 2016, \$55.9 million in 2017 and \$59.1 million in 2018 to reflect the higher baseline traffic from 2015 and current projections for regional employment and inflation (See Traffic/Utilization).
- Other Operating Revenue is \$2.5 million greater each year due to revised estimates for E-ZPass and other administrative fee collections.
- Investment Income is between \$1.6 million and \$1.7 million lower each year based on expected investment activities and yields from projected short-term interest rates.

Expenses

Non-reimbursable expenses increase by \$15.9 million in 2016, \$7.9 million in 2017, and \$9.6 million in 2018.

Labor

Expenses increase by \$13.3 million in 2016, \$11.2 million in 2016, and \$12.1 million in 2018 based on the following major changes:

- Higher Payroll costs and associated fringe benefits ranging from \$3.0 million to \$3.7 million each year for the 28 new positions discussed in the Financial Overview.
- Additional Overtime ranging between \$2.8 million and \$3.0 million each year for NYS mandated annual compliance training and other coverage needs.
- Higher baseline pension costs of \$6.6 million in 2016, \$5.2 million in 2017, and \$6.0 million in 2018 based on the most recent forecast provided by the NYC Office of the Actuary.

- Revised inflationary assumptions for defined medical plans result in an unfavorable Health and Welfare/OPEB variance of \$0.8 million in 2016, and favorable annual variances of \$0.1 million thereafter.

Non-Labor

Non-Labor expenses increase by \$2.6 million in 2016, and decline by \$3.4 million in 2017 and \$2.5 million in 2018 based on the following major changes:

- In 2016, additional expenses due to the timing of Tropical Storm Sandy restoration work (\$5.9 million) and higher plan-to-plan inflationary assumptions (\$0.9 million) are partially offset by favorable re-estimates for insurance (\$2.7 million), electricity (\$1.4 million) and various other smaller areas.
- The favorable variances in 2017 and 2018 are primarily the result of lower projections for electricity, insurance, and various maintenance contracts (a total reduction of \$6.8 million in 2017 and \$6.2 million in 2018), partially offset by higher Professional Service Contracts (\$3.3 million in 2017 and \$3.6 million in 2018) mainly attributable to re-estimates of outside engineering service needs and inflationary adjustments.

Deductions from Operating Income

B&T Debt Service has been increased by \$2.2 million in 2016, and decreased by \$1.0 million in 2017 and \$6.6 million in 2018.

Reimbursable

Reimbursable revenue and expenses have both been increased between \$1.2 million and \$1.3 million each year to incorporate additional overtime needed for projects included in the Capital Program.

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2015	2016	2017	2018
2015 February Financial Plan - Net Surplus/(Deficit)	\$1,196.782	\$1,215.186	\$1,208.715	\$1,198.831
Baseline Changes				
Revenue				
Vehicle Toll Revenue	\$52.494	\$53.229	\$55.856	\$59.061
Other Operating Revenue	10.206	2.500	2.500	2.500
Investment Income	(0.597)	(1.605)	(1.671)	(1.634)
Total Revenue Changes	\$62.103	\$54.124	\$56.685	\$59.927
Expenses				
<i>Labor:</i>				
Payroll	\$2.380	(\$2.516)	(\$2.592)	(\$2.681)
Overtime	(2.783)	(2.839)	(2.896)	(2.953)
Health and Welfare	1.864	(0.173)	0.088	(0.005)
OPEB Current Payment	0.256	(0.583)	0.018	0.128
Pensions	(10.751)	(6.608)	(5.246)	(5.957)
Other Fringe Benefits	(0.237)	(0.592)	(0.606)	(0.625)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$9.270)	(\$13.311)	(\$11.233)	(\$12.093)
<i>Non-Labor:</i>				
Electric Power	\$1.196	\$1.359	\$2.100	\$2.397
Fuel	0.452	(0.320)	(0.346)	(0.272)
Insurance	1.357	2.742	2.863	2.984
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	(5.930)	(5.462)	1.877	0.822
Professional Service Contracts	(2.178)	(1.160)	(3.337)	(3.567)
Materials & Supplies	(0.004)	0.312	0.296	0.276
Other Business Expenses	(0.064)	(0.081)	(0.094)	(0.110)
Total Non-Labor Expense Changes	(\$5.172)	(\$2.611)	\$3.359	\$2.529
Total Expenses before Depreciation and GASB Adj.	(\$14.443)	(\$15.922)	(\$7.874)	(\$9.564)
Add: Depreciation				
OPEB Obligation				
Environmental Remediation	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses after Depreciation and GASB Adj.	(\$14.443)	(\$15.922)	(\$7.874)	(\$9.564)
Less: Depreciation				
OPEB Obligation				
Total Expense Changes	(\$14.443)	(\$15.922)	(\$7.874)	(\$9.564)
Total Net Surplus/(Deficit) Changes	\$47.660	\$38.202	\$48.811	\$50.363
Deductions from Income				
Capitalized Assets	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.000	0.000	0.022
Total Deductions from Income	\$0.000	\$0.000	\$0.000	\$0.022
Total Adjusted Net Surplus/(Deficit) Changes	\$47.660	\$38.202	\$48.811	\$50.385
2015 July Financial Plan - Net Surplus/(Deficit)	\$1,244.442	\$1,253.388	\$1,257.526	\$1,249.216

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2015	2016	2017	2018
2015 February Financial Plan - Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	1.202	1.226	1.250	1.275
Investment Income	0.000	0.000	0.000	0.000
Total Revenue Changes	\$1.202	\$1.226	\$1.250	\$1.275
Expenses				
<i>Labor:</i>				
Payroll	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	(1.116)	(1.139)	(1.161)	(1.185)
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	(0.085)	(0.087)	(0.089)	(0.091)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$1.202)	(\$1.226)	(\$1.250)	(\$1.275)
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	(\$1.202)	(\$1.226)	(\$1.250)	(\$1.275)
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expenses after Depreciation and GASB Adjs.	(\$1.202)	(\$1.226)	(\$1.250)	(\$1.275)
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$1.202)	(\$1.226)	(\$1.250)	(\$1.275)
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Net Surplus/(Deficit) Changes	\$0.000	\$0.000	\$0.000	\$0.000
Deductions from Income				
Capitalized Assets	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.000	0.000	0.000
Total Deductions from Income	\$0.000	\$0.000	\$0.000	\$0.000
Total Adjusted Net Surplus/(Deficit) Changes	\$0.000	\$0.000	\$0.000	\$0.000
2015 July Financial Plan - Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
2015 February Financial Plan - Net Surplus/(Deficit)	\$1,196.782	\$1,215.186	\$1,208.715	\$1,198.831
Baseline Changes				
Revenue				
Vehicle Toll Revenue	\$52.494	\$53.229	\$55.856	\$59.061
Other Operating Revenue	10.206	2.500	2.500	2.500
Capital and Other Reimbursement	1.202	1.226	1.250	1.275
Investment Income	(0.597)	(1.605)	(1.671)	(1.634)
Total Revenue Changes	\$63.304	\$55.349	\$57.935	\$61.202
Expenses				
<i>Labor:</i>				
Payroll	\$2.380	(\$2.516)	(\$2.592)	(\$2.681)
Overtime	(3.899)	(3.977)	(4.057)	(4.138)
Health and Welfare	1.864	(0.173)	0.088	(0.005)
OPEB Current Payment	0.256	(0.583)	0.018	0.128
Pensions	(10.751)	(6.608)	(5.246)	(5.957)
Other Fringe Benefits	(0.322)	(0.679)	(0.695)	(0.716)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$10.472)	(\$14.536)	(\$12.484)	(\$13.369)
<i>Non-Labor:</i>				
Electric Power	\$1.196	\$1.359	\$2.100	\$2.397
Fuel	0.452	(0.320)	(0.346)	(0.272)
Insurance	1.357	2.742	2.863	2.984
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	(5.930)	(5.462)	1.877	0.822
Professional Service Contracts	(2.178)	(1.160)	(3.337)	(3.567)
Materials & Supplies	(0.004)	0.312	0.296	0.276
Other Business Expenses	(0.064)	(0.081)	(0.094)	(0.110)
Total Non-Labor Expense Changes	(\$5.172)	(\$2.611)	\$3.359	\$2.529
Total Expenses before Depreciation and GASB Adjs.	(\$15.644)	(\$17.148)	(\$9.124)	(\$10.840)
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expenses after Depreciation and GASB Adjs.	(\$15.644)	(\$17.148)	(\$9.124)	(\$10.840)
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$15.644)	(\$17.148)	(\$9.124)	(\$10.840)
Total Baseline Changes	\$47.660	\$38.202	\$48.811	\$50.363
Deductions from Income				
Capitalized Assets	\$0.000	\$0.000	\$0.000	\$0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.000	0.000	0.022
Total Deductions from Income	\$0.000	\$0.000	\$0.000	\$0.022
Total Adjusted Baseline Changes	\$47.660	\$38.202	\$48.811	\$50.385
2015 July Financial Plan - Net Surplus/(Deficit)	\$1,244.442	\$1,253.388	\$1,257.526	\$1,249.216

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Summary of Major Programmatic Changes Between Financial Plans
(in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net Surplus/(Deficit)	\$1,196.782	\$1,215.186	\$1,208.715	\$1,198.831
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Additional Toll Revenue Due to Higher Traffic	\$52.494	\$53.229	\$55.856	\$59.061
Retroactive Administrative Fee Adjustments				
E-ZPass Administrative Fee Re-Estimates	10.206	2.500	2.500	2.500
Revised Investment Income Forecast	(0.597)	(1.605)	(1.671)	(1.634)
Sub-Total Non-Reimbursable Revenue Changes	\$62.103	\$54.124	\$56.685	\$59.927
Expenses				
Vacant Positions	\$5.181	\$0.000	\$0.000	\$0.000
Additional Staff For Enterprise Asset Management Initiative	(0.204)	(1.488)	(1.586)	(1.887)
Additional Engineering Staff for Fed and NYS Mandates	0.000	(0.660)	(0.674)	(0.806)
Other New Headcount for Various Programs	(0.089)	(0.508)	(0.533)	(0.619)
Overtime for NYS Mandated Compliance Testing	(1.392)	(1.420)	(1.448)	(1.477)
Overtime for Vacancy/Absenteeism, Security, and Other Coverage Needs	(1.604)	(1.636)	(1.669)	(1.702)
Timing Adjustments:				
Union Contract Settlements	(2.550)	0.000	0.000	0.000
Superstorm Sandy Restoration Projects	(5.901)	(5.901)	0.000	0.000
Delayed Engineering Projects	(1.500)	0.000	0.000	0.000
Delayed Toll Plaza Equipment upgrades	(0.925)	0.000	0.000	0.000
Inflationary Adjustments				
Health & Welfare	2.136	(0.670)	0.194	0.214
Pension	(10.751)	(6.608)	(5.246)	(5.957)
Insurance	1.357	2.745	2.869	2.993
Electricity	1.196	1.359	2.100	2.397
Fuel	0.404	(0.365)	(0.350)	(0.264)
Other Non-Labor	0.000	(0.922)	(1.667)	(2.562)
Re-estimates Across Several Small Maintenance Areas	0.199	0.152	0.135	0.105
Sub-Total Non-Reimbursable Expense Changes	(\$14.443)	(\$15.922)	(\$7.874)	(\$9.564)
Total Non-Reimbursable Major Changes	\$47.660	\$38.202	\$48.811	\$50.363
<i>Reimbursable Major Changes</i>				
Revenue				
Capital Reimbursements	\$1.202	\$1.226	\$1.250	\$1.275
Sub-Total Reimbursable Revenue Changes	\$1.202	\$1.226	\$1.250	\$1.275
Expenses				
Higher Overtime Required for Capital Projects	(\$1.202)	(\$1.226)	(\$1.250)	(\$1.275)
Sub-Total Reimbursable Expense Changes	(\$1.202)	(\$1.226)	(\$1.250)	(\$1.275)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$47.660	\$38.202	\$48.811	\$50.363
Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Deductions From Income				
GASB Reserve Re-Estimate	\$0.000	\$0.000	\$0.000	\$0.022
Total Net Changes	\$47.660	\$38.202	\$48.811	\$50.385
July Financial Plan - Net Surplus/(Deficit)	\$1,244.442	\$1,253.388	\$1,257.526	\$1,249.216

MTA BRIDGES AND TUNNELS
2016 Preliminary Budget
July Financial Plan 2016–2019
Traffic/Utilization

Year-to-Year

Paid traffic is forecast at 291.5 million crossings in 2015 and increases to 293.5 million crossings in 2016 based primarily on projected regional employment growth of 1.3%, a regional inflation rate of 2.4%, and an extra day in the 2016 leap year. The traffic forecast developed for 2017 through 2019 incorporates the most recent economic projections, which include regional employment growth of 0.7% in 2017, 0.2% in 2018 and 0.3% in 2019, and average annual regional inflation of approximately 2.7%. Paid traffic is forecast at 295.5 million crossings in 2017, 298.0 million in 2018, and 300.7 million in 2019.

Plan-to-Plan

Paid traffic volume is projected to reach 291.5 million crossings in 2015, which is 8.0 million vehicles above the Adopted Budget level. Actual volume through May was higher than the Adopted forecast by 3.0 million crossings, or 2.6%, primarily due to the continuation of relatively low gas prices, modest improvements in the economy, and less of an impact from the March toll increase than originally projected. These favorable plan-to-plan trends are expected to continue through the end of the year.

In addition to the positive 2015 traffic trend, the July Plan assumptions for regional employment and inflation have a net favorable plan-to-plan impact on volume. All of these factors combined result in plan-to-plan traffic growth of 8.7 million crossings in 2016, 9.2 million in 2017, 9.7 million in 2018 and 10.6 million in 2019.

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Traffic Volume (Utilization)
(\$ in millions)

	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
<u>Traffic Volume</u>	286.418	291.521	293.503	295.539	297.968	300.714
<u>Toll Revenue</u>	\$ 1,676.445	\$ 1,768.803	\$ 1,791.021	\$ 1,800.988	\$ 1,812.980	\$ 1,827.184

MTA BRIDGES & TUNNELS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	<u>Pos.</u>	<u>2015</u>	<u>Pos.</u>	<u>2016</u>	<u>Pos.</u>	<u>2017</u>	<u>Pos.</u>	<u>2018</u>	<u>Pos.</u>	<u>2019</u>
<u>Administration</u>										
Miscellaneous Consulting	-	0.385	-	0.473	-	0.495	-	0.495	-	0.495
Subtotal Administration	-	0.385	-	0.473	-	0.495	-	0.495	-	0.495
<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/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>										
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>										
Vacancies	-	5.181	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	5.181	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	-	\$5.566	-	\$0.473	-	\$0.495	-	\$0.495	-	\$0.495

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: Various

Background Details: B&T re-evaluated a variety of planning, research and administrative areas that have historically utilized outside consulting services against the skills and competencies available among current staff in these areas. It was determined that cost reductions could be achieved by relying less on consultants and utilizing existing staff more for certain projects and activities.

Program Description/

Implementation Plan: Various consulting budget lines will be reduced.

Program Implementation Date: June 1, 2015

When will savings begin?: June 1, 2015

Are these savings recurring?: Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.385	\$0.473	\$0.495	\$0.495	\$0.495

Total Positions Required:

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Other

Program: Toll Collection

Background Details: Bridge and Tunnel Officer vacancies will achieve payroll and fringe benefit savings in the current fiscal year.

Program Description/

Implementation Plan: Vacancies will remain unfilled until December 2015

Program Implementation Date: January 1, 2015

When will savings begin?: January 1, 2015

Are these savings recurring?: No

Other Issues:

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$5.181				
<i>Total Positions Required:</i>					

MTA BRIDGES AND TUNNELS
2016 Preliminary Budget
July Financial Plan 2016–2019
Positions

Position Assumptions

Year-to-Year

Total 2015 year-end headcount is budgeted at 1,727. Year-end headcount grows by 17 positions in 2016, to 1,744, and stays at that level through the rest of the financial plan period. The additional headcount includes 9 positions for the Enterprise Asset Management (EAM) program and 8 Engineering lines primarily to cover expanded needs stemming from new Federal mandates for tunnel inspections, additional project management efforts to meet NYS guidelines governing design-build capital projects, and increasing goals in the Small Business Mentoring Program.

Total headcount includes 87 capital reimbursable positions in each year of the financial plan.

Plan-to-Plan

Total 2015 year-end headcount for the Mid-Year Forecast is 1,727, including 87 capital reimbursable positions, which is 11 positions above the Adopted Budget. The additional headcount includes: 7 positions dedicated to EAM; 2 positions for enhanced safety and security programs; 1 line to develop and implement various new employee training programs; and 1 position devoted to customer service interactions primarily related to toll inquiries and payment processing. Total headcount for 2016 through 2019 is 1,744, including 87 capital reimbursable positions, which is 28 positions above the Adopted Budget level of 1,716. In addition to the 11 positions beginning in 2015, 9 more positions are needed for the EAM program and 8 Engineering lines are required primarily to cover expanded needs stemming from new Federal mandates for tunnel inspections, additional project management efforts to meet NYS guidelines governing design-build capital projects, and increasing goals in the Small Business Mentoring Program.

MTA BRIDGES AND TUNNELS July Financial Plan 2016-2019 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2015	2016	2017	2018
2015 February Plan - Total Positions	1,716	1,716	1,716	1,716
Total Plan-to-Plan Changes	(11)	(28)	(28)	(28)
2015 July Plan - Total Positions	1,727	1,744	1,744	1,744
Total Year-to-Year Changes, July Plan		(17)	0	0
Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(11)	(28)	(28)	(28)
<i>Reimbursable</i>	0	0	0	0
Total	(11)	(28)	(28)	(28)
<i>Full-Time</i>	(11)	(28)	(28)	(28)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(11)	(28)	(28)	(28)
<i>By Function Category</i>				
- Administration	7	7	7	7
- Operations	(1)	(1)	(1)	(1)
- Maintenance	(2)	(6)	(6)	(6)
- Engineering/Capital	(9)	(21)	(21)	(21)
- Public Safety	(6)	(7)	(7)	(7)
Total	(11)	(28)	(28)	(28)
<i>By Occupational Group</i>				
- Managers/Supervisors	(25)	(28)	(28)	(28)
- Professional, Technical, Clerical	21	11	11	11
- Operational Hourlies	(7)	(11)	(11)	(11)
Total	(11)	(28)	(28)	(28)
Total Plan-to-Plan Changes by Major Category:				
2015 BRPs	0	0	0	0
New Needs	(10)	(26)	(26)	(26)
Change in Reimbursable Positions	0	0	0	0
Re-estimates & All Other ¹	(1)	(2)	(2)	(2)
Total	(11)	(28)	(28)	(28)

¹ Includes Full-time Equivalents

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Executive	2	7	7	7	7	7
Law ⁽¹⁾	19	12	12	12	12	12
CFO ⁽²⁾	26	30	30	30	30	30
2 Administration ⁽³⁾	33	36	36	36	36	36
Technology	47	0	0	0	0	0
EEO	1	2	2	2	2	2
Total Administration	128	87	87	87	87	87
Operations						
Revenue Management	36	42	42	42	42	42
Operations (Non-Security)	556	716	716	716	716	716
Total Operations	592	758	758	758	758	758
Maintenance						
Maintenance	169	190	194	194	194	194
Operations - Maintainers	157	173	173	173	173	173
Internal Security - Tech Svcs	13	8	8	8	8	8
Total Maintenance	339	371	375	375	375	375
Engineering/Capital						
Engineering & Construction	158	181	192	192	192	192
Safety & Health	8	11	11	11	11	11
Law ⁽¹⁾	15	22	22	22	22	22
Planning & Budget Capital	16	23	24	24	24	24
Total Engineering/Capital	197	237	249	249	249	249
Public Safety						
Operations (Security)	232	232	232	232	232	232
Internal Security - Operations	34	42	43	43	43	43
Total Public Safety	266	274	275	275	275	275
Total Positions	1,522	1,727	1,744	1,744	1,744	1,744
<i>Non-Reimbursable</i>	1,434	1,640	1,657	1,657	1,657	1,657
<i>Reimbursable</i>	88	87	87	87	87	87
<i>Total Full-Time</i>	1,522	1,727	1,744	1,744	1,744	1,744
<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 Administration, Central Control Unit, Human Resources and Labor Relations staff

MTA BRIDGES AND TUNNELS
July Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Managers/Supervisors	38	34	34	34	34	34
Professional, Technical, Clerical	90	53	53	53	53	53
Operational Hourlies	-	-	-	-	-	-
Total Administration	128	87	87	87	87	87
Operations						
Managers/Supervisors	163	211	211	211	211	211
Professional, Technical, Clerical	34	39	39	39	39	39
Operational Hourlies ⁽¹⁾	395	508	508	508	508	508
Total Operations	592	758	758	758	758	758
Maintenance						
Managers/Supervisors	12	17	17	17	17	17
Professional, Technical, Clerical	15	17	17	17	17	17
Operational Hourlies ⁽²⁾	312	337	341	341	341	341
Total Maintenance	339	371	375	375	375	375
Engineering/Capital						
Managers/Supervisors	39	58	61	61	61	61
Professional, Technical, Clerical	158	179	188	188	188	188
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	197	237	249	249	249	249
Public Safety						
Managers/Supervisors	39	42	42	42	42	42
Professional, Technical, Clerical	29	33	34	34	34	34
Operational Hourlies ⁽³⁾	198	199	199	199	199	199
Total Public Safety	266	274	275	275	275	275
Total Positions						
Managers/Supervisors	291	362	365	365	365	365
Professional, Technical, Clerical	326	321	331	331	331	331
Operational Hourlies	905	1,044	1,048	1,048	1,048	1,048
Total Positions	1,522	1,727	1,744	1,744	1,744	1,744

(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
2016 Preliminary Budget
July Financial Plan 2016-2019

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.

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.

2015 Mid-Year Forecast

MTACC's 2015 Mid-Year Forecast revenue is projected to be \$36.0 million reflecting a \$0.6 million decrease from the 2015 Adopted Budget. Labor costs are expected to come in at \$25.4 million, a decrease of 9.4%, with a staffing level of 140 by year-end.

Non-Labor costs are projected at \$10.6 million, an increase of \$2.0 million, 23.4%, from the 2015 Adopted Budget. The revised projections for the Small Business Mentoring Program, MTACC's office space at 2 Broadway and the payment of 2014 budget system implementation expenses in 2015 have contributed to the increase in Non-Labor costs. In addition, funds for risk management software, budget system implementation, reimbursement of NYCT for administrative support staff and services, specialized consultants, and other office costs, including computer equipment upgrades and supplies, are budgeted in the July Plan.

2016 Preliminary Budget – Baseline

MTACC's 2016 Preliminary Budget is projected to be \$1.7 million higher than the 2015 Mid-Year Forecast. Labor costs will increase by \$2.4 million, 9.4% due to payroll, fringe

and escalation rates. Small Business Mentoring Program and budget system expenses are anticipated to decrease within the Non-Labor costs. The year-end staffing level will continue to remain at 140.

MTACC anticipates 2016 expenses to be at \$37.6 million, an increase of 2.5% from the February Plan, and a headcount of 140 by year-end. Staffing expenditures will be reimbursed by each of the “mega” projects for those employees directly working on projects. Overall Labor and fringe expenses are projected at \$27.8 million reflecting a 3.3% decrease from the February Plan. The decrease of \$0.9 million in Labor is due to lower fringe and escalation rates in the July Plan.

Non-Labor costs are expected to come in at \$9.8 million, 23.5% higher than the February Plan. This increase of \$1.9 million is primarily due to the Small Business Mentoring Program, office space at 2 Broadway, All Agency Protective Liability insurance and MTA Audit chargebacks. All other forecasted expenses included within the July Plan are on par with the February Plan. The July Plan includes the reimbursement of NYCT for administrative support staff and services, temporary expert services (such as indefinite quantity consultants and firms to support project controls, change order and claims management), legal and engineering services, workforce development through employee training, and other office costs such as communications and computer equipment.

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

2017 - 2019 Projections

MTACC expenses are expected to increase by \$1.0 and \$1.5 million in 2017 and 2018 respectively. Labor costs will increase by \$0.6 and \$0.7 million in 2017 and 2018 as a result of payroll projections, benefits and escalation rates. Non-Labor costs will also increase primarily due to office space and maintenance charges at 2 Broadway. By 2019, overall expenses are expected to decrease to \$39.6 million. The increase of \$0.7 million in Labor costs are offset by the anticipation of fewer engineering and program management consulting support expenses as MTACC mega projects approach the completion stage.

Overall MTACC expenses are projected to increase by \$1.0 and \$2.8 million respectively, in 2017 and 2018 when compared to the February Financial Plan. From 2017 to 2018, Labor costs will be lower than the February Plan by \$1.1 and \$1.2 respectively as a result of revised payroll projections, benefits and escalation rates. Non-Labor expenses are projected to increase from the February Plan primarily due to re-estimates for MTA Audit chargebacks, office space and maintenance at 2 Broadway, All Agency Protective Liability insurance, legal, engineering and program management consulting support. Funds have also been budgeted for risk management software, budget system post-implementation, reimbursement of NYCT for administrative support staff and services, archeological services, specialized consultants and other office costs in the July Plan and

are on par with the February Plan. In addition, year-end staffing levels of 140 employees remain constant through 2019.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	29.754	35.980	37.641	38.635	40.116	39.553
Total Revenue	\$29.754	\$35.980	\$37.641	\$38.635	\$40.116	\$39.553
Expenses						
<u>Labor:</u>						
Payroll	\$14.395	\$16.421	\$17.938	\$18.281	\$18.632	\$18.990
Overtime						
Health and Welfare	1.847	2.541	2.910	2.985	3.125	3.272
OPEB Current Payment						
Pensions	2.439	3.254	3.613	3.764	3.922	4.098
Other Fringe Benefits	3.107	3.207	3.348	3.407	3.465	3.524
Reimbursable Overhead						
Total Labor Expenses	\$21.788	\$25.423	\$27.809	\$28.437	\$29.143	\$29.883
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	0.012	0.007	0.007	0.007	0.008
Insurance	0.081	0.475	0.523	0.575	0.632	0.696
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	-	2.982	3.410	3.926	4.490	5.137
Professional Service Contracts	2.680	6.914	5.710	5.508	5.651	3.639
Materials & Supplies	0.015	-	-	-	-	-
Other Business Expenses	5.190	0.175	0.182	0.182	0.191	0.191
Total Non-Labor Expenses	\$7.966	\$10.557	\$9.832	\$10.198	\$10.972	\$9.670
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$29.754	\$35.980	\$37.641	\$38.635	\$40.116	\$39.553
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$29.754	\$35.980	\$37.641	\$38.635	\$40.116	\$39.553
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	29.754	35.980	37.641	38.635	40.116	39.553
Total Receipts	\$29.754	\$35.980	\$37.641	\$38.635	\$40.116	\$39.553
Expenditures						
<u>Labor:</u>						
Payroll	\$14.395	\$16.421	\$17.938	\$18.281	\$18.632	\$18.990
Overtime						
Health and Welfare	1.847	2.541	2.910	2.985	3.125	3.272
OPEB Current Payment						
Pensions	2.439	3.254	3.613	3.764	3.922	4.098
Other Fringe Benefits	3.107	3.207	3.348	3.407	3.465	3.524
Reimbursable Overhead	-					
Total Labor Expenditures	\$21.788	\$25.423	\$27.809	\$28.437	\$29.143	\$29.883
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	0.012	0.007	0.007	0.007	0.008
Insurance	0.081	0.475	0.523	0.575	0.632	0.696
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	-	2.982	3.410	3.926	4.490	5.137
Professional Service Contracts	2.680	6.914	5.710	5.508	5.651	3.639
Materials & Supplies	0.015	-	-	-	-	-
Other Business Expenses	5.190	0.175	0.182	0.182	0.191	0.191
Total Non-Labor Expenditures	\$7.966	\$10.557	\$9.832	\$10.198	\$10.972	\$9.670
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$29.754	\$35.980	\$37.641	\$38.635	\$40.116	\$39.553
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
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	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION COMPANY
2016 Preliminary Budget
July Financial Plan 2016-2019
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:

- 2016 payroll costs reflect a full year of staffing levels of 140.
- Payroll expenditures will increase annually by 2.0% from 2017 to 2019. Annual staffing levels will continue to remain at 140 throughout the plan.

Other Fringe Benefits:

- In 2016, Health and Welfare, Pension and Other Fringe Benefits costs will increase by 14.5%, 11.0% and 4.4% respectively, due to the different agency billing rates for MTACC employees residing on various payrolls.
- Overall Fringe Benefit expenditures will increase by 2.9%, 3.5% and 3.6% respectively, from 2017 to 2019, as a result of projected escalation rates from multi-agency payrolls.

Fuel:

- 2016 costs are projected to decrease by 41.7% due to a multi-agency fuel card contract initiative. From 2017 to 2019, expenditures will remain relatively constant.

Insurance:

- Insurance costs are expected to increase annually by 10.0% from 2016 to 2019.

Maintenance and Other Operating Contracts:

- Expenditures will increase by 14.4% in 2016 and 15.1% in 2017 due to expenses associated with garage parking for non-revenue vehicles, office space and maintenance at 2 Broadway.
- Overall costs are expected to increase annually by 14.4% from 2018 to 2019.

Professional Service Contracts:

- 2016 Professional Services will decrease by 17.4% related to a decrease in Small Businesses Mentoring Program and budget system post-implementation expenses.
- Expenditures will decrease by 3.5% due to fewer costs associated with Small Business Mentoring Program and archeological services in 2017. Costs will increase in 2018 by 2.6% due to IT equipment upgrades and the timing of required engineering and temporary experts working on the mega projects. By 2019, Professional Services will sharply decline to \$3.6 million, 35.6%, due to fewer engineering and program management consulting support expenses as MTACC mega projects approach the completion stage.

Other Business Expenses:

- Expenditures remain relatively constant from 2016 through 2019.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue									
Other Operating Revenue									
Capital and Other Reimbursements	35.980	37.641	1.661	38.635	0.994	40.116	1.480	39.553	(0.562)
Total Revenue	\$35.980	\$37.641	\$1.661	\$38.635	\$0.994	\$40.116	\$1.480	\$39.553	(\$0.562)
Expenses									
Labor:									
Payroll	\$16.421	\$17.938	(\$1.517)	\$18.281	(\$0.343)	\$18.632	(\$0.350)	\$18.990	(\$0.358)
Overtime									
Health and Welfare	2.541	2.910	(0.369)	2.985	(0.075)	3.125	(0.140)	3.272	(0.146)
OPEB Current Payment									
Pensions	3.254	3.613	(0.359)	3.764	(0.151)	3.922	(0.158)	4.098	(0.176)
Other Fringe Benefits	3.207	3.348	(0.141)	3.407	(0.058)	3.465	(0.058)	3.524	(0.059)
Reimbursable Overhead									
Total Labor Expenses	\$25.423	\$27.809	(\$2.387)	\$28.437	(\$0.628)	\$29.143	(\$0.707)	\$29.883	(\$0.739)
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.012	0.007	0.005	0.007	(0.000)	0.007	(0.000)	0.008	(0.000)
Insurance	0.475	0.523	(0.048)	0.575	(0.052)	0.632	(0.057)	0.696	(0.063)
Claims									
Paratransit Service Contracts									
Maintenance and Other Operating Contracts	2.982	3.410	(0.429)	3.926	(0.516)	4.490	(0.564)	5.137	(0.647)
Professional Service Contracts	6.914	5.710	1.205	5.508	0.202	5.651	(0.143)	3.639	2.012
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.175	0.182	(0.007)	0.182	0.000	0.191	(0.009)	0.191	0.000
Total Non-Labor Expenses	\$10.557	\$9.832	\$0.726	\$10.198	(\$0.367)	\$10.972	(\$0.774)	\$9.671	\$1.301
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$35.980	\$37.641	(\$1.661)	\$38.635	(\$0.994)	\$40.116	(\$1.480)	\$39.553	\$0.562
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$35.980	\$37.641	(\$1.661)	\$38.635	(\$0.994)	\$40.116	(\$1.480)	\$39.553	\$0.562
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Receipts									
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	35.980	37.641	1.661	38.635	0.994	40.116	1.480	39.553	(0.562)
Total Receipts	\$35.980	\$37.641	\$1.661	\$38.635	\$0.994	\$40.116	\$1.480	\$39.553	(\$0.562)
Expenditures									
Labor:									
Payroll	\$16.421	\$17.938	(\$1.517)	\$18.281	(\$0.343)	\$18.632	(\$0.350)	\$18.990	(\$0.358)
Overtime									
Health and Welfare	2.541	2.910	(0.369)	2.985	(0.075)	3.125	(0.140)	3.272	(0.146)
OPEB Current Payment									
Pensions	3.254	3.613	(0.359)	3.764	(0.151)	3.922	(0.158)	4.098	(0.176)
Other Fringe Benefits	3.207	3.348	(0.141)	3.407	(0.058)	3.465	(0.058)	3.524	(0.059)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$25.423	\$27.809	(\$2.387)	\$28.437	(\$0.628)	\$29.143	(\$0.707)	\$29.883	(\$0.739)
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.012	0.007	0.005	0.007	(0.000)	0.007	(0.000)	0.008	(0.000)
Insurance	0.475	0.523	(0.048)	0.575	(0.052)	0.632	(0.057)	0.696	(0.063)
Claims									
Paratransit Service Contracts									
Maintenance and Other Operating Contracts	2.982	3.410	(0.429)	3.926	(0.516)	4.490	(0.564)	5.137	(0.647)
Professional Service Contracts	6.914	5.710	1.205	5.508	0.202	5.651	(0.143)	3.639	2.012
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.175	0.182	(0.007)	0.182	0.000	0.191	(0.009)	0.191	0.000
Total Non-Labor Expenditures	\$10.557	\$9.832	\$0.726	\$10.198	(\$0.367)	\$10.972	(\$0.774)	\$9.671	\$1.301
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$35.980	\$37.641	(\$1.661)	\$38.635	(\$0.994)	\$40.116	(\$1.480)	\$39.553	\$0.562
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION COMPANY
2016 Preliminary Budget
July Financial Plan 2016-2019
Summary of Major Plan-to-Plan Changes

Differences in generic categories between the July Financial Plan and the February Financial plan are partially due to remapping of expenses as a result of the implementation of a new budget system.

2015: July Financial Plan vs. February Financial Plan

The July Financial Plan is projected at \$36.0 million reflecting a decrease of 1.7% from the 2015 Adopted Budget. Labor expenses are \$2.6 million lower than the February Plan, with a staffing level of 140. Meanwhile, Non-Labor costs are expected to increase by \$2.0 million as a result of the Small Business Mentoring Program, MTACC's office space at 2 Broadway and the payment of budget system implementation expenses.

2016 - 2018: July Financial Plan vs. February Financial Plan

Overall expenses are anticipated to come in higher than the February Financial Plan by \$0.9, \$1.0, and \$2.8 million, respectively, from 2016 to 2018. These increases are primarily due to the anticipated costs associated with the Small Business Mentoring Program, MTACC's office space at 2 Broadway, MTA Audit chargebacks and All Agency Protective Liability insurance.

Professional Services are anticipated to increase from the February Plan by \$1.3 million in 2016 due to MTA Audit chargebacks, mapping of IT expenses from Other Business Expenses, legal and engineering support services. Costs will continue to increase by \$1.1 million in 2017 due to MTA Audit chargebacks, IT wireless network and software such as risk management and project management. In conjunction with the timing of required engineers and temporary experts working on the mega projects and IT equipment life cycles, expenses are projected to increase by \$2.5 million in 2018 due to re-estimates in MTA Audit chargebacks, consulting support services and IT equipment upgrades.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue				
Capital and Other Reimbursement	(0.628)	0.924	1.012	2.820
Total Revenue Changes	(\$0.628)	\$0.924	\$1.012	\$2.820
Expenses				
<i>Labor:</i>				
Payroll	(\$0.317)	(\$1.513)	(\$1.530)	(\$1.547)
Health and Welfare	0.204	(0.059)	0.026	0.057
OPEB Current Payment				
Pensions	0.118	(0.098)	(0.106)	(0.114)
Other Fringe Benefits	2.622	2.620	2.709	2.788
Reimbursable Overhead				
Total Labor Expense Changes	\$2.627	\$0.949	\$1.098	\$1.185
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(0.012)	(0.007)	(0.007)	(0.007)
Insurance	(0.164)	(0.180)	(0.198)	(0.218)
Claims				
Paratransit Service Contracts				
Maintenance and Other Operating Contracts	(2.982)	(3.410)	(3.926)	(4.490)
Professional Service Contracts	(1.870)	(1.304)	(1.116)	(2.543)
Materials & Supplies	0.020	0.020	0.015	0.020
Other Business Expenses	3.008	3.009	3.122	3.234
Total Non-Labor Expense Changes	(\$2.000)	(\$1.873)	(\$2.111)	(\$4.005)
Total Expense Changes	\$0.628	(\$0.924)	(\$1.012)	(\$2.820)
<i>Other Expense Adjustments/Gap Closing Actions</i>				
Other - Restricted Cash Adjustment				
Total Other Expenditure AdjustmentsChanges	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net 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	(\$0.628)	\$0.924	\$1.012	\$2.820
Sub-Total Reimbursable Revenue Changes	(\$0.628)	\$0.924	\$1.012	\$2.820
Expenses	\$0.628	(\$0.924)	(\$1.012)	(\$2.820)
Sub-Total Reimbursable Expense Changes	\$0.628	(\$0.924)	(\$1.012)	(\$2.820)
<i>Total Reimbursable Major Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
Total Accrual Changes	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION COMPANY
2016 Preliminary Budget
July Financial Plan 2016-2019
Positions

Position Assumptions

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

- Second Avenue Subway – 21 positions
- East Side Access – 20 positions
- 7 Line Extension – 12 positions
- Fulton Center – 16 positions
- Security Program -11 positions

Annual staffing levels are projected to be at 140 total positions and are comprised of 60 administrative positions and 80 “direct” project positions. Of the 60 positions, 43 are engineering/capital MTACC technical employees who will be directly charged to the mega projects, based on work assignments.

All costs are reimbursable from the MTA Capital Program. The July Financial Plan projects 2015 year end staffing of 140 and remains constant at that level through 2019.

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. The July Plan will have 1 position more than the February Plan’s year end projected employee quota of 139.

The breakdown of the year-end staffing level of 140 is as follows: 17 MTACC administrative positions and 123 positions implementing East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program.

*Employees of other agencies under temporary management by MTACC

MTA Capital Construction Company
July Financial Plan 2016-2019
Favorable/(Unfavorable)

Total Position Changes at a Glance

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
2015 February Plan - Total Baseline Positions	139	139	139	139
Total Plan-to-Plan Changes	(1)	(1)	(1)	(1)
2015 July Plan - Total Baseline Positions	140	140	140	140
Total Year-to-Year Changes, July Plan		0	0	0

Total Plan-to-Plan Changes by Reporting Category:

<i>Non-Reimbursable</i>	0	0	0	0
<i>Reimbursable</i>	(1)	(1)	(1)	(1)
Total	(1)	(1)	(1)	(1)
<i>Full-Time</i>	(1)	(1)	(1)	(1)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(1)	(1)	(1)	(1)
<i>By Function Category</i>				
- Administration	0	0	0	0
- Operations	0	0	0	0
- Maintenance	0	0	0	0
- Engineering/Capital	(1)	(1)	(1)	(1)
- Public Safety	0	0	0	0
Total	(1)	(1)	(1)	(1)
<i>By Occupational Group</i>				
- Managers/Supervisors	0	0	0	0
- Professional, Technical, Clerical	(1)	(1)	(1)	(1)
- Operational Hourlies	0	0	0	0
Total	(1)	(1)	(1)	(1)

Total Plan-to-Plan Changes by Major Category:

<i>2015 BRPs</i>	0	0	0	0
<i>New Needs</i>	(1)	(1)	(1)	(1)
<i>Change in Reimbursable Positions</i>	0	0	0	0
<i>Re-estimates & All Other¹</i>	0	0	0	0
Total	(1)	(1)	(1)	(1)

¹ Includes Full-time Equivalents

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
MTACC	14	17	17	17	17	17
Engineering/Capital						
MTACC	41	43	43	43	43	43
East Side Access	19	20	20	20	24	24
Second Avenue Subway	18	21	21	21	28	28
Security Program	8	11	11	11	11	11
Lower Manhattan Projects	15	16	16	16	17	17
7 Line Extension	11	12	12	12	0	0
Total Engineering/Capital	112	123	123	123	123	123
Total Baseline Positions	126	140	140	140	140	140
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	126	140	140	140	140	140
<i>Total Full-Time</i>	126	140	140	140	140	140
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA CAPITAL CONSTRUCTION
July Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration							
	Managers/Supervisors						
	Professional, Technical, Clerical	14	17	17	17	17	17
	Operational Hourlies						
	Total Administration	14	17	17	17	17	17
Operations							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Operations	-	-	-	-	-	-
Maintenance							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Maintenance	-	-	-	-	-	-
Engineering/Capital							
	Managers/Supervisors						
	Professional, Technical, Clerical	112	123	123	123	123	123
	Operational Hourlies						
	Total Engineering/Capital	112	123	123	123	123	123
Public Safety							
	Managers/Supervisors						
	Professional, Technical, Clerical						
	Operational Hourlies						
	Total Public Safety	-	-	-	-	-	-
Total Baseline Positions							
	Managers/Supervisors						
	Professional, Technical, Clerical	126	140	140	140	140	140
	Operational Hourlies						
	Total Baseline Positions	126	140	140	140	140	140

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Long Island Rail Road

MTA LONG ISLAND RAIL ROAD

2016 Preliminary Budget

July Financial Plan 2016 - 2019

FINANCIAL OVERVIEW

The July Financial Plan 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, which is the provision of safe transportation services to its customers, employees and the local community.

Safety Initiatives

While the LIRR's safety-first philosophy is longstanding, a series of rail safety incidents during the past few years, both locally and nationally, led to 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. Further, the LIRR voluntarily invites the American Public Transportation Association (APTA) to conduct an audit of our plan every three years.

In spite of the strength of its existing program, the LIRR recently launched several initiatives designed to improve rail safety. All initiatives are progressing and the July Financial Plan continues to provide funding for these safety initiatives.

- *Quarterly Safety Stand-Downs* – Each quarter since December 2013 the LIRR has 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 provides 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. The system became operational in March 2015.
- *Rail Resource Management Training (RRM)* –The purpose of the RRM is to focus on teamwork, technical proficiency, situational awareness, communication, and assertiveness to evaluate and reduce conditions that could result in human error at the Long Island Rail Road. Working with the Texas Transportation Institute (TTI) and the Federal Railroad Administration (FRA), the program was successfully implemented in 2012 and continues to be conducted today.
- *Accident Investigation Unit* - This unit is 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 LIRR is progressing on several initiatives first identified in 2014 stemming from studies on track maintenance practices by an outside consultant group, recommendations from the MTA Blue Ribbon Panel on Track Safety, the FRA's analysis and Deep Dive Report reviews.

The Rail Joint Bar Elimination Initiative will 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 plans to install a Wheel Impact Load Detection and Measurement system that will 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 due to wheel flat spots.

Another key safety proposal will 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. Installation will start in 2016 and is scheduled to be completed by 2018.

The July Financial Plan also reflects additional investments in infrastructure maintenance. Specifically, additional resources are provided to address obsolete parts and update the Reliability Centered Maintenance (RCM) schedules. These efforts are designed to ensure continued high levels of reliability.

The LIRR is upgrading and replacing fire alarm and fire suppression systems throughout its employee facilities and stations. Funding is provided through the LIRR Operating and Capital budgets.

Operational Initiatives

The LIRR's rolling stock maintenance investments are achieving very positive results. Mean Distance Between Failure (MDBF) in 2014 totaled 201,550 miles, or 30% above target. Through May of 2015, the MDBF is 215,714 miles, or 22% above target. The strong performance is led by the M7 cars, which have a MDBF of 556,048 miles through May 2015. A key ingredient of fleet reliability performance is the LIRR's Reliability Centered Maintenance (RCM) program. Reliability Centered Maintenance is the process of determining the most effective maintenance approach to maintaining rolling stock systems and components. Most importantly, RCM requires that maintenance decisions are based on sound technical and economic justification. The RCM philosophy employs a combination of maintenance techniques in an integrated manner to increase the probability that the equipment will function in the manner required over the cars life cycle with cost effective maintenance. An effective RCM program requires constant feedback by incorporating maintenance effectiveness reviews, root cause analysis, condition based monitoring, and an effective means to revise the plans. The financial plan includes funding to support RCM, including 10-year cycle work on M7 trucks and 15-year cycle work on diesel locomotive engines. In addition, the budget reflects funding to replace obsolete parts on the M7 cars and C3 coaches.

Efficiency Initiatives

The 2015 July Financial Plan includes several initiatives designed to reduce cost or increase non-farebox revenue as part of the MTA's financial efficiency initiatives. The LIRR initiatives include: tighter controls on material procurement and inventory planning and lower projected costs for materials and supplies; increased oversight on contract budgeting; and increased revenue from freight activities and insurance reimbursement. The LIRR continues to subject all areas of the budget to intensive review, specifically payroll-related operational costs, overtime, inventory and administration.

Overtime Management

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.

Compared with February, overtime expenses increase by \$15.6 million in 2015. The primary factors of which are due to: higher weather-related overtime in the first quarter of the year, \$6.1 million, vacant positions that were backfilled on overtime, \$3.7 million, new state annual mandated training, \$2.8 million, and lower employee availability, \$0.8 million.

Overtime funding for the years 2016 through 2019 increase by an average \$3.0 million in each year, reflecting new state annual mandated training. Additionally, employee unavailability levels in certain titles are expected to be slightly higher, resulting in additional overtime costs for coverage.

The LIRR will continue with efforts to drill into targeted areas that have posed challenges in recent years. In 2015, through an internal interdepartmental Overtime Task Force, the LIRR is continuing to focus on several strategic areas, including: developing an enhanced train crew staffing model to right size headcount and overtime while improving the oversight of overtime due to extra assignments; developing tighter controls on the assignment of extra jobs in Stations; filling open jobs in all craft positions; developing a more realistic projection for Engineering maintenance overtime; and exploring opportunities to assign track work in such a way as to minimize overtime. In addition, the LIRR is in the process of conducting a review of internal controls at the department/field level to ensure sufficient controls are in place to govern the overtime approval and verification processes, ensuring the procedures are in compliance with the corporate overtime strategy.

Ridership and Revenue

Through May 2015 ridership is 1.5% greater than 2014 levels (adjusted for the same number of work days) and 0.2% greater than the 2015 Budget assumption. In fact, ridership has exceeded prior year levels in 15 out of the last 16 months with March 2015 marking one of the highest levels of commutation ridership in the post-World War II period.

The LIRR has posted favorable trends in both Commutation and Non-Commutation ridership, despite the March 2015 fare increase. Gains in the local job market continue to support ridership growth in the Commutation market. The Non-Commutation market was influenced favorably by continuing ridership growth to Brooklyn, where ridership has increased due to an impressive line-up of performances and sporting events at Barclays Center. Other factors influencing ridership growth included: local sports teams reaching their respective post seasons; the emergence of Forest Hills Stadium as a more popular entertainment venue; new promotional partnerships with local sports teams including the NY Mets and the NY Cosmos; sustained ridership growth at JFK

AirTrain and a new bus connection to LaGuardia Airport. Overall, the ridership outlook for the rest of the year remains strong with a comprehensive summer getaway program and the NY Islanders making Barclays Center their home, ridership is expected to experience healthy growth in 2015.

2015 Mid-Year Forecast

The LIRR's 2015 Mid-Year Forecast is comprised of Non-Reimbursable revenue totaling \$738.7 million and Non-Reimbursable expenses including depreciation, other post-employment benefits and environmental remediation of \$1,844.2 million that generate an operating deficit of (\$1,105.6) million. The 2015 Mid-Year Forecast Reimbursable revenue and expenses each total \$333.4 million.

Total Non-Reimbursable revenue is \$7.9 million higher than the Adopted Budget. Farebox Revenue is \$3.9 million higher due to higher overall ridership than was projected. Other Operating Revenue is \$4.0 million higher due to reimbursement of farebox revenue associated with inter-agency reimbursements, partially offset by lower than anticipated revenue from an air rights sale.

Total Non-Reimbursable expenses (excluding depreciation and Other Post-Employment Benefits (OPEB) are lower by \$31.5 million primarily as a result of lower rates for Fuel, Electric and Health & Welfare, lower Pension costs based on latest actuarial estimates and MTA IT related adjustments, vacant positions and associated fringe costs. This is partially offset by higher weather, maintenance and vacancy/absentee related overtime and higher materials costs.

The major cash adjustments from the Adopted Budget include non-cash accounting adjustments related to vacation/sick leave buyout reserve adjustments and Depreciation/OPEB/Environmental remediation, inventory savings, Claims/FELA reserves and insurance.

Full-time positions total 7,082 in the 2015 Mid-Year Forecast, with 6,241 Non-Reimbursable positions and 841 Reimbursable positions.

2016 Preliminary Budget - Baseline

The LIRR's Financial Plan is geared toward achieving several key operational goals in 2016, this includes: maintaining a high level of rolling stock reliability and continually improving on-time performance and 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 Adopted Budget.

The 2016 Preliminary Budget includes revenue totaling \$1,047.2 million, of which \$749.4 million is Non-Reimbursable revenue and \$297.9 million is Reimbursable revenue. The total expense budget is \$2,168.8 million, of which \$1,756.0 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 \$1,458.2 million in the 2016 Preliminary Budget, while reimbursable expenses are \$297.9 million.

The cash budget for the 2016 Preliminary Budget incorporates \$1,042.4 million in cash receipts and \$1,758.8 million in cash disbursements. The baseline cash requirement of \$716.3 million is driven by operating expenses and revenues anticipated in the 2016 Preliminary Budget and other adjustments to cash flow.

On an accrued basis, revenues and expenses are lower in the 2016 Preliminary Budget than the 2015 Mid-Year Forecast. Total revenues for 2016 are \$1,047.2 million, \$24.9 million lower than 2015 with Non-Reimbursable revenues increasing by \$10.7 million and Reimbursable revenues decreasing by \$35.5 million. Ridership in the 2016 Preliminary Budget increases over the 2015 Mid-Year Forecast by 0.7 million rides, or 0.8%. Total operating expenses before depreciation and OPEB of \$1,756.0 million reflects a decrease of \$15.2 million over 2015. Non-Reimbursable expenses increase by \$20.3 million and Reimbursable expenses decrease by \$35.5 million. The resulting total operating baseline deficit including non-cash items such as depreciation, OPEB, and environmental remediation increases by \$16.0 million to \$1,121.6 million in the 2016 Preliminary Budget. The projected baseline cash deficit (or subsidy requirement) of \$716.3 million in the 2016 Preliminary Budget is \$33.0 million higher than 2015.

Full-time positions total 7,038 in the 2016 Preliminary Budget, with 6,242 Non-Reimbursable positions and 796 Reimbursable positions. Compared to the 2015 Mid-Year Forecast, this reflects a total decrease of 44 positions, an increase of 1 Non-Reimbursable positions and a decrease of 45 Reimbursable positions. The Reimbursable decrease is related to changes in Capital Project activity. Compared with the Adopted Budget, there was a total position increase of 49 positions, an increase of 25 Reimbursable positions and 24 Non-Reimbursable positions. The net increase of 25 Reimbursable positions is driven primarily by capital project activity including Sandy related work, East Side Access activity, and Positive Train Control. The net increase of 24 Non-Reimbursable positions results primarily from safety initiatives including on board camera installation and monitoring, additional training resources based on projected hiring plans, Communication field positions to support various security projects and additional Transportation supervisory resources in train yards.

Financial Plan 2017-2019 Projections

The baseline projections for 2017 - 2019 reflect continuing initiatives launched in 2015. 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 2017 - 2019, the LIRR financial plan reflects ramp-up costs for East Side Access readiness efforts.

The baseline projections for 2017 - 2019 reflect these various impacts. Non-Reimbursable revenues grow by less than 1% each year thereafter, while Reimbursable revenues decrease by 6.1% in 2017 and remain flat in 2018 and 2019.

The pace of expense growth is higher than the projected revenue growth, driven by rates that exceed inflation in “uncontrollable costs”, such as health insurance (active employees and retirees), Electric Power and Pension costs. Non-Reimbursable expenses (before depreciation) grow by 2.5% from \$1,458.2 million in 2016 to \$1,495.0 million in 2017. They continue to rise by 5.7% in 2018 and 4.6% in 2019, reaching \$1,652.5 million. The higher rate of growth in the out-years is primarily due to East Side Access readiness efforts. Reimbursable expenses decrease by 6.1% in 2017 and remain flat in 2018 and 2019.

On a year-to-year basis, baseline positions decrease by 40 positions in 2017 and increase by 191 positions in 2018 and 100 positions in 2019. Non-Reimbursable positions increase by 10 positions in 2017, 199 in 2018 and 118 in 2019. The 2017 through 2019 increases are primarily related to East Side Access readiness efforts. For the period 2017 - 2019, Reimbursable positions decrease by 50 in 2017, 8 in 2018 and 18 in 2019, reflecting the anticipated level of capital activity and the completion of Sandy reconstruction projects and Maintenance of Equipment Positive Train Control efforts.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$658.822	\$685.732	\$695.854	\$698.235	\$699.223	\$700.845
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	51.233	52.941	53.508	57.631	55.290	55.998
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$710.055	\$738.673	\$749.362	\$755.866	\$754.513	\$756.843
Operating Expenses						
<u>Labor:</u>						
Payroll	\$547.678	\$498.466	\$515.015	\$524.922	\$559.464	\$583.912
Overtime	125.497	125.114	112.016	118.012	122.972	123.963
Health and Welfare	92.372	87.321	97.379	99.654	109.632	117.135
OPEB Current Payment	56.655	61.257	66.700	68.144	71.573	75.155
Pensions	177.707	154.586	157.655	158.922	161.820	171.365
Other Fringe Benefits	117.951	124.557	127.498	131.544	139.868	145.157
Reimbursable Overhead	(28.252)	(34.610)	(32.374)	(27.875)	(27.536)	(27.364)
Total Labor Expenses	\$1,089.609	\$1,016.691	\$1,043.889	\$1,073.323	\$1,137.793	\$1,189.323
<u>Non-Labor:</u>						
Electric Power	\$101.726	\$98.722	\$99.440	\$103.929	\$108.485	\$113.287
Fuel	27.766	19.348	20.264	20.809	22.651	24.388
Insurance	23.378	22.697	24.965	27.311	29.869	32.708
Claims	6.459	4.229	4.303	4.370	4.370	4.419
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	62.379	73.880	65.884	69.278	68.783	76.311
Professional Service Contracts	26.008	25.697	25.273	24.021	27.563	28.679
Materials & Supplies	105.335	160.844	158.686	156.349	158.773	166.897
Other Business Expenses	9.825	15.776	15.485	15.628	21.384	16.514
Total Non-Labor Expenses	\$362.877	\$421.193	\$414.300	\$421.695	\$441.878	\$463.203
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adj.	\$1,452.486	\$1,437.884	\$1,458.189	\$1,495.018	\$1,579.671	\$1,652.526
Depreciation	324.840	329.820	333.956	337.280	340.637	344.028
OPEB Obligation	74.558	74.538	76.774	79.077	81.450	83.893
Environmental Remediation	5.878	2.000	2.000	2.000	2.000	2.000
Total Expenses	\$1,857.762	\$1,844.242	\$1,870.919	\$1,913.375	\$2,003.758	\$2,082.447
Baseline Surplus/(Deficit)	(\$1,147.706)	(\$1,105.569)	(\$1,121.557)	(\$1,157.509)	(\$1,249.245)	(\$1,325.604)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$324.840	\$329.820	\$333.956	\$337.280	\$340.637	\$344.028
Operating/Capital	(14.948)	(32.790)	(10.292)	(10.202)	(13.247)	(13.168)
Other Cash Adjustment	27.495	125.193	81.567	87.616	88.845	85.567
Total Cash Conversion Adjustments	\$337.387	\$422.223	\$405.231	\$414.694	\$416.235	\$416.427
Net Cash Surplus/(Deficit)	(\$810.319)	(\$683.346)	(\$716.326)	(\$742.815)	(\$833.010)	(\$909.177)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	279.992	333.395	297.855	279.753	279.700	279.783
Total Revenue	\$279.992	\$333.395	\$297.855	\$279.753	\$279.700	\$279.783
Expenses						
<u>Labor:</u>						
Payroll	\$89.227	\$102.077	\$102.153	\$99.317	\$98.981	\$98.938
Overtime	27.688	24.826	18.668	16.242	15.695	15.588
Health and Welfare	17.988	22.406	21.572	20.476	20.220	20.169
OPEB Current Payment	-	-	-	-	-	-
Pensions	31.150	36.757	35.049	33.268	32.852	32.769
Other Fringe Benefits	19.951	22.297	22.059	20.938	20.676	20.624
Reimbursable Overhead	28.252	34.610	32.374	27.875	27.536	27.364
Total Labor Expenses	\$214.255	\$242.973	\$231.875	\$218.116	\$215.960	\$215.452
<u>Non-Labor:</u>						
Electric Power	\$0.545	\$0.789	\$0.635	\$0.141	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	4.403	6.552	6.653	6.354	6.236	6.219
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	12.170	17.035	14.453	12.374	11.994	12.097
Professional Service Contracts	7.394	4.437	1.151	0.951	0.652	0.656
Materials & Supplies	40.360	60.674	42.789	41.533	44.578	45.079
Other Business Expenses	0.865	0.935	0.299	0.284	0.280	0.280
Total Non-Labor Expenses	\$65.738	\$90.422	\$65.980	\$61.637	\$63.740	\$64.331
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$279.992	\$333.395	\$297.855	\$279.753	\$279.700	\$279.783
Depreciation	-	-	-	-	-	-
Total Expenses	\$279.992	\$333.395	\$297.855	\$279.753	\$279.700	\$279.783
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Revenue						
Farebox Revenue	\$658.822	\$685.732	\$695.854	\$698.235	\$699.223	\$700.845
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	51.233	52.941	53.508	57.631	55.290	55.998
Capital and Other Reimbursements	279.992	333.395	297.855	279.753	279.700	279.783
Total Revenue	\$990.048	\$1,072.068	\$1,047.217	\$1,035.619	\$1,034.213	\$1,036.626
Expenses						
<u>Labor:</u>						
Payroll	\$636.905	\$600.543	\$617.168	\$624.239	\$658.445	\$682.850
Overtime	153.185	149.940	130.684	134.254	138.667	139.551
Health and Welfare	110.360	109.727	118.951	120.130	129.852	137.304
OPEB Current Payment	56.655	61.257	66.700	68.144	71.573	75.155
Pensions	208.857	191.343	192.704	192.190	194.672	204.134
Other Fringe Benefits	137.901	146.854	149.557	152.482	160.544	165.781
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$1,303.864	\$1,259.664	\$1,275.764	\$1,291.439	\$1,353.753	\$1,404.775
<u>Non-Labor:</u>						
Electric Power	\$102.271	\$99.511	\$100.075	\$104.070	\$108.485	\$113.287
Fuel	27.766	19.348	20.264	20.809	22.651	24.388
Insurance	27.781	29.249	31.618	33.665	36.105	38.927
Claims	6.459	4.229	4.303	4.370	4.370	4.419
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	74.550	90.915	80.337	81.652	80.777	88.408
Professional Service Contracts	33.402	30.134	26.424	24.972	28.215	29.335
Materials & Supplies	145.695	221.518	201.475	197.882	203.351	211.976
Other Business Expenses	10.690	16.711	15.784	15.912	21.664	16.794
Total Non-Labor Expenses	\$428.615	\$511.615	\$480.280	\$483.332	\$505.618	\$527.534
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,732.478	\$1,771.279	\$1,756.044	\$1,774.771	\$1,859.371	\$1,932.309
Depreciation	\$324.840	\$329.820	\$333.956	\$337.280	\$340.637	\$344.028
OPEB Obligation	74.558	74.538	76.774	79.077	81.450	83.893
Environmental Remediation	5.878	2.000	2.000	2.000	2.000	2.000
Total Expenses	\$2,137.754	\$2,177.637	\$2,168.774	\$2,193.128	\$2,283.458	\$2,362.230
Net Surplus/(Deficit)	(\$1,147.706)	(\$1,105.569)	(\$1,121.557)	(\$1,157.509)	(\$1,249.245)	(\$1,325.604)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$324.840	\$329.820	\$333.956	\$337.280	\$340.637	\$344.028
Operating/Capital	(14.948)	(32.790)	(10.292)	(10.202)	(13.247)	(13.168)
Other Cash Adjustment	27.495	125.193	81.567	87.616	88.845	85.567
Total Cash Conversion Adjustments	\$337.387	\$422.223	\$405.231	\$414.694	\$416.235	\$416.427
Net Cash Surplus/(Deficit)	(\$810.319)	(\$683.346)	(\$716.326)	(\$742.815)	(\$833.010)	(\$909.177)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Receipts						
Farebox Revenue	\$679.005	\$709.252	\$718.354	\$720.735	\$721.723	\$723.345
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	44.223	76.182	74.486	78.795	76.924	77.868
Capital and Other Reimbursements	243.550	280.451	249.587	232.996	229.021	228.433
Total Receipts	\$966.778	\$1,065.885	\$1,042.427	\$1,032.526	\$1,027.668	\$1,029.646
Expenditures						
<u>Labor:</u>						
Payroll	\$612.927	\$609.509	\$609.250	\$616.138	\$650.157	\$674.371
Overtime	151.509	153.287	130.684	134.254	138.667	139.551
Health and Welfare	117.315	102.469	118.951	120.130	129.852	137.304
OPEB Current Payment	59.213	58.846	66.700	68.144	71.573	75.155
Pensions	222.166	163.343	192.704	192.190	194.672	204.134
Other Fringe Benefits	137.134	150.015	148.557	151.482	159.544	164.781
GASB Account	5.733	-	-	-	0.686	1.402
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$1,305.997	\$1,237.469	\$1,266.846	\$1,282.338	\$1,345.151	\$1,396.698
<u>Non-Labor:</u>						
Electric Power	\$105.810	\$99.882	\$100.075	\$104.070	\$108.485	\$113.287
Fuel	27.982	19.853	20.264	20.809	22.651	24.388
Insurance	28.048	29.275	31.925	33.329	36.443	38.545
Claims	2.810	1.741	1.733	1.747	1.747	1.748
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	76.628	104.260	80.337	81.652	80.777	88.408
Professional Service Contracts	32.675	28.423	22.032	20.360	23.373	24.251
Materials & Supplies	162.765	190.095	198.374	193.741	198.991	212.892
Other Business Expenses	12.700	15.733	14.667	14.795	20.560	16.106
Total Non-Labor Expenditures	\$449.419	\$489.262	\$469.407	\$470.503	\$493.027	\$519.625
<u>Other Expenditure Adjustments:</u>						
Other	21.835	22.500	22.500	22.500	22.500	22.500
Total Other Expenditure Adjustments	\$21.835	\$22.500	\$22.500	\$22.500	\$22.500	\$22.500
Total Expenditures	\$1,777.251	\$1,749.231	\$1,758.753	\$1,775.341	\$1,860.678	\$1,938.823
Cash Timing and Availability Adjustment	0.153	-	-	-	-	-
Net Cash Surplus/(Deficit)	(\$810.319)	(\$683.346)	(\$716.326)	(\$742.815)	(\$833.010)	(\$909.177)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$20.183	\$23.520	\$22.500	\$22.500	\$22.500	\$22.500
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(7.010)	23.241	20.978	21.164	21.634	21.870
Capital and Other Reimbursements	(36.443)	(52.944)	(48.268)	(46.757)	(50.679)	(51.350)
Total Receipts	(\$23.270)	(\$6.183)	(\$4.790)	(\$3.093)	(\$6.545)	(\$6.980)
Expenditures						
<u>Labor:</u>						
Payroll	\$23.978	(\$8.966)	\$7.918	\$8.101	\$8.288	\$8.479
Overtime	1.676	(3.347)	-	-	-	-
Health and Welfare	(6.955)	7.258	-	-	-	-
OPEB Current Payment	(2.557)	2.411	-	-	-	-
Pensions	(13.309)	28.000	-	-	-	-
Other Fringe Benefits	0.767	(3.161)	1.000	1.000	1.000	1.000
GASB Account	(5.733)	-	-	-	(0.686)	(1.402)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$2.133)	\$22.195	\$8.918	\$9.101	\$8.602	\$8.077
<u>Non-Labor:</u>						
Electric Power	(\$3.539)	(\$0.371)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(0.216)	(0.505)	-	-	-	-
Insurance	(0.267)	(0.026)	(0.307)	0.336	(0.338)	0.382
Claims	3.649	2.488	2.570	2.623	2.623	2.671
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(2.078)	(13.345)	-	-	-	-
Professional Service Contracts	0.727	1.711	4.392	4.612	4.842	5.084
Materials & Supplies	(17.069)	31.423	3.101	4.141	4.360	(0.916)
Other Business Expenditures	(2.010)	0.978	1.117	1.117	1.104	0.688
Total Non-Labor Expenditures	(\$20.805)	\$22.353	\$10.873	\$12.829	\$12.591	\$7.909
<u>Other Expenditures Adjustments:</u>						
Other	(21.835)	(22.500)	(22.500)	(22.500)	(22.500)	(22.500)
Total Other Expenditures Adjustments	(\$21.835)	(\$22.500)	(\$22.500)	(\$22.500)	(\$22.500)	(\$22.500)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$68.042)	\$15.865	(\$7.499)	(\$3.663)	(\$7.852)	(\$13.494)
Depreciation Adjustment	\$324.840	\$329.820	\$333.956	\$337.280	\$340.637	\$344.028
OPEB Obligation	74.558	74.538	76.774	79.077	81.450	83.893
Environmental Remediation	5.878	2.000	2.000	2.000	2.000	2.000
Cash Timing and Availability Adjustment	0.153	-	-	-	-	-
Total Cash Conversion Adjustments	\$337.387	\$422.223	\$405.231	\$414.694	\$416.235	\$416.427

MTA Long Island Rail Road
2015 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE OVERTIME	Total		
	Hours	\$	%
<u>Scheduled Service</u>	400,220	\$23.266	18.6%
<u>Unscheduled Service</u>	155,190	8.794	7.0%
<u>Programmatic/Routine Maintenance</u>	634,681	35.123	28.1%
<u>Unscheduled Maintenance</u>	8,152	0.455	0.4%
<u>Vacancy/Absentee Coverage</u>	742,530	41.565	33.2%
<u>Weather Emergencies</u>	241,225	13.806	11.0%
<u>Safety/Security/Law Enforcement</u>	0	0.000	0.0%
<u>Other</u>	22,451	2.105	1.7%
Subtotal	2,204,448	\$125.114	100.0%
REIMBURSABLE OVERTIME	437,696	\$24.826	
TOTAL OVERTIME	2,642,144	\$149.940	

MTA LONG ISLAND RAIL ROAD
2016 Preliminary Budget
July Financial Plan 2016 – 2019
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 1.5% in 2016 over 2015 primarily due to anticipated ridership growth.
- Farebox revenue is increasing by 0.3% in 2017 over 2016 primarily due to anticipated ridership growth.
- Passenger revenue forecasts in the outer years 2018 - 2019 reveal modest annual growth due to increases in projected ridership.

Other Operating Revenue

- Other revenues increase modestly in 2016.
- Other Revenues increase in 2017 as a result of one-time higher freight revenue.
- Other Operating Revenue is projected to change each year primarily through contractual and inflationary increases.

Capital and Other Reimbursements

- Reflects the 2015 - 2019 Capital Program and other project activity including overbuilds, Sandy related work, East Side Access and second track between Farmingdale and Ronkonkoma.

Expenses

Payroll

- Salaries for non-represented employees include a 2% increase effective July 1, 2015 and 2% increases effective January 1, 2016 and each January 1st thereafter.
- Salaries for represented employees include 1.5% increases effective June 16, 2015 and December 16, 2015.
- 2016 - 2019 includes 2% CPI-based increases upon contract expiration, effective December 16th of each year from 2016 through 2019.
- Almost all the headcount increases from 2017 – 2019 are related to East Side Access readiness efforts.

Overtime

- 2015 - 2016 overtime decrease is primarily associated with weather-related overtime returning to the previously calculated 5-year average (excluding Superstorm Sandy), lower vacant position coverage, Engineering maintenance costs returning to the previously calculated 3-year average and lower capital project activity on overtime.
- 2017 - 2019 changes primarily reflect normal wage growth.

Health & Welfare

- 2015 - 2019 reflects annual NYSHIP rate increases of approximately 3.9% (2015), 8.7% (2016), 0.3% (2017), 3.6% (2018) and 3.6% (2019), for individual coverage and 4.0% (2015), 8.4% (2016), 1.6% (2017), 4.5% (2018) and 4.5% (2019) for family coverage.
- Reflects impact of headcount changes each year, including ramp-up costs for East Side Access beginning in 2017.

Pensions

- Reflects the latest actuarial estimates.

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

- 2015 is based on actuals through March and reflects the latest LIRR consumption estimates and inflationary increases.
- 2016 - 2019 reflects the latest LIRR consumption estimates and inflationary increases.

Fuel

- 2015 is based on actuals through March and reflects the latest LIRR consumption estimates and inflationary increases.
- 2016 - 2019 reflects the latest inflationary increases.

Insurance

- 2015 reflects the latest inflationary increases and Force Account Insurance estimates based on project activity as well as retroactive billing to Amtrak for property insurance.
- 2016 - 2019 reflects the latest inflationary increases and Force Account Insurance estimates based on project activity. Generally, premium rates are assumed to increase by 6% in 2016 and 9%-10% per year during 2017-2019.

Claims

- 2015 reflects actual experience through March and the anticipated settlement and payout of claims for the balance of the year.
- 2016 - 2019 reflects inflationary increases.

Maintenance and Other Operating Contracts

- 2015 - 2016 decrease due to completion of the elevator maintenance overhaul program, various security initiatives, construction services and lower projected joint facility maintenance.
- 2016 - 2017 increase due to contractual and normal inflationary increases.
- 2017 - 2019 contractual and normal inflationary increases.
- 2018 – 2019 increase includes East Side Access readiness efforts.

Professional Service Contracts

- 2015 - 2019 changes reflect timing of various other professional services contracts.
- 2017 – 2018 increase reflects investments in Enterprise Asset Management.

Material and Supplies

- The decrease in materials from 2015 – 2016 is primarily due to Operating Funded Capital projects including the timing of non-revenue vehicle purchases (large fleet purchase in 2015 to replace the aging fleet), completion of various security related initiatives in 2015, completion of the Belmont Platform expansion, East Side Access construction and other capital program activity, partially offset by Reliability Centered Maintenance (RCM) activity including the change out of M7 Obsolete materials, M3 RCM activity and replacement of the M7 drop sash window.
- 2016 to 2017 decrease due to timing of activity for the change out of M7 Obsolete materials, M3 RCM activity and replacement of the M7 drop sash window, partially offset by various operating budget impacts of Hudson Yards East.
- 2017 - 2019 includes normal inflationary increases as well as beginning of the 15/20 year Truck RCM program and various operating budget impacts of Hudson Yards East.
- 2019 includes increases associated with East Side Access readiness efforts.

Other Business Expenses

- 2015 – 2016 decrease due to lower travel, meetings and conventions expense.
- 2016 - 2017 reflects normal inflationary increases.
- 2018 includes M3 decommissioning costs.
- 2019 reflects normal inflationary increases.

Depreciation

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

Cash Adjustments

Expense

- Insurance— adjustment to reflect projected payments versus accrued expenses for potential liabilities.
- Deferred GASB contribution payments.
- Depreciation and other non-cash adjustments for each year.
- Material drawdown due to lower material purchases than projected usage.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018- 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$685.732	\$695.854	\$10.122	\$698.235	\$2.381	\$699.223	\$0.988	\$700.845	\$1.622
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	52.941	53.508	0.567	57.631	4.123	55.290	(2.341)	55.998	0.708
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$738.673	\$749.362	\$10.689	\$755.866	\$6.504	\$754.513	(\$1.353)	\$756.843	\$2.330
Expenses									
Labor:									
Payroll	\$498.466	\$515.015	(16.549)	\$524.922	(\$9.907)	\$559.464	(\$34.542)	\$583.912	(\$24.448)
Overtime	125.114	112.016	13.098	118.012	(5.996)	122.972	(4.960)	123.963	(0.991)
Health and Welfare	87.321	97.379	(10.058)	99.654	(2.275)	109.632	(9.978)	117.135	(7.503)
OPEB Current Payment	61.257	66.700	(5.443)	68.144	(1.444)	71.573	(3.429)	75.155	(3.582)
Pensions	154.586	157.655	(3.069)	158.922	(1.267)	161.820	(2.898)	171.365	(9.545)
Other Fringe Benefits	124.557	127.498	(2.941)	131.544	(4.046)	139.868	(8.324)	145.157	(5.289)
Reimbursable Overhead	(34.610)	(32.374)	(2.236)	(27.875)	(4.499)	(27.536)	(0.339)	(27.364)	(0.172)
Total Labor Expenses	\$1,016.691	\$1,043.889	(\$27.198)	\$1,073.323	(\$29.434)	\$1,137.793	(\$64.470)	\$1,189.323	(\$51.530)
Non-Labor:									
Electric Power	\$98.722	\$99.440	(\$0.718)	\$103.929	(\$4.489)	\$108.485	(\$4.556)	\$113.287	(\$4.802)
Fuel	19.348	20.264	(0.916)	20.809	(0.545)	22.651	(1.842)	24.388	(1.737)
Insurance	22.697	24.965	(2.268)	27.311	(2.346)	29.869	(2.558)	32.708	(2.839)
Claims	4.229	4.303	(0.074)	4.370	(0.067)	4.370	0.000	4.419	(0.049)
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	73.880	65.884	7.996	69.278	(3.394)	68.783	0.495	76.311	(7.528)
Professional Service Contracts	25.697	25.273	0.424	24.021	1.252	27.563	(3.542)	28.679	(1.116)
Materials & Supplies	160.844	158.686	2.158	156.349	2.337	158.773	(2.424)	166.897	(8.124)
Other Business Expenses	15.776	15.485	0.291	15.628	(0.143)	21.384	(5.756)	16.514	4.870
Total Non-Labor Expenses	\$421.193	\$414.300	\$6.893	\$421.695	(\$7.395)	\$441.878	(\$20.183)	\$463.203	(\$21.325)
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adj.	\$1,437.884	\$1,458.189	(\$20.305)	\$1,495.018	(\$36.829)	\$1,579.671	(\$84.653)	\$1,652.526	(\$72.855)
Depreciation	\$329.820	\$333.956	(\$4.136)	\$337.280	(\$3.324)	\$340.637	(\$3.357)	\$344.028	(\$3.391)
OPEB Obligation	74.538	76.774	(2.236)	79.077	(2.303)	81.450	(2.373)	83.893	(2.443)
Environmental Remediation	2.000	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000
Total Expenses	\$1,844.242	\$1,870.919	(\$26.677)	\$1,913.375	(\$42.456)	\$2,003.758	(\$90.383)	\$2,082.447	(\$76.246)
Net Surplus/(Deficit)	(\$1,105.569)	(\$1,121.557)	(\$15.988)	(\$1,157.509)	(\$35.952)	(\$1,249.245)	(\$91.736)	(\$1,325.604)	(\$73.916)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018- 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	333.395	297.855	(35.540)	279.753	(18.102)	279.700	(0.053)	279.783	0.083
Total Revenue	\$333.395	\$297.855	(\$35.540)	\$279.753	(\$18.102)	\$279.700	(\$0.053)	\$279.783	\$0.083
Expenses									
Labor:									
Payroll	\$102.077	\$102.153	(\$0.076)	\$99.317	\$2.836	\$98.981	\$0.336	\$98.938	\$0.043
Overtime	24.826	18.668	6.158	16.242	2.426	15.695	0.547	15.588	0.107
Health and Welfare	22.406	21.572	0.834	20.476	1.096	20.220	0.256	20.169	0.051
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	36.757	35.049	1.708	33.268	1.781	32.852	0.416	32.769	0.083
Other Fringe Benefits	22.297	22.059	0.238	20.938	1.121	20.676	0.262	20.624	0.052
Reimbursable Overhead	34.610	32.374	2.236	27.875	4.499	27.536	0.339	27.364	0.172
Total Labor Expenses	\$242.973	\$231.875	\$11.098	\$218.116	\$13.759	\$215.960	\$2.156	\$215.452	\$0.508
Non-Labor:									
Electric Power	\$0.789	\$0.635	\$0.154	\$0.141	\$0.494	\$0.000	\$0.141	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	6.552	6.653	(0.101)	6.354	0.299	6.236	0.118	6.219	0.017
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	17.035	14.453	2.582	12.374	2.079	11.994	0.380	12.097	(0.103)
Professional Service Contracts	4.437	1.151	3.286	0.951	0.200	0.652	0.299	0.656	(0.004)
Materials & Supplies	60.674	42.789	17.885	41.533	1.256	44.578	(3.045)	45.079	(0.501)
Other Business Expenses	0.935	0.299	0.636	0.284	0.015	0.280	0.004	0.280	0.000
Total Non-Labor Expenses	\$90.422	\$65.980	\$24.442	\$61.637	\$4.343	\$63.740	(\$2.103)	\$64.331	(\$0.591)
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$333.395	\$297.855	\$35.540	\$279.753	\$18.102	\$279.700	\$0.053	\$279.783	(\$0.083)
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$333.395	\$297.855	\$35.540	\$279.753	\$18.102	\$279.700	\$0.053	\$279.783	(\$0.083)
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018- 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$685.732	\$695.854	\$10.122	\$698.235	\$2.381	\$699.223	\$0.988	\$700.845	\$1.622
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	52.941	53.508	0.567	57.631	4.123	55.290	(2.341)	55.998	0.708
Capital and Other Reimbursements	333.395	297.855	(35.540)	279.753	(18.102)	279.700	(0.053)	279.783	0.083
Total Revenue	\$1,072.068	\$1,047.217	(\$24.851)	\$1,035.619	(\$11.598)	\$1,034.213	(\$1.406)	\$1,036.626	\$2.413
Expenses									
Labor:									
Payroll	\$600.543	\$617.168	(\$16.625)	\$624.239	(\$7.071)	\$658.445	(\$34.206)	\$682.850	(\$24.405)
Overtime	149.940	130.684	19.256	134.254	(3.570)	138.667	(4.413)	139.551	(0.884)
Health and Welfare	109.727	118.951	(9.224)	120.130	(1.179)	129.852	(9.722)	137.304	(7.452)
OPEB Current Payment	61.257	66.700	(5.443)	68.144	(1.444)	71.573	(3.429)	75.155	(3.582)
Pensions	191.343	192.704	(1.361)	192.190	0.514	194.672	(2.482)	204.134	(9.462)
Other Fringe Benefits	146.854	149.557	(2.703)	152.482	(2.925)	160.544	(8.062)	165.781	(5.237)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$1,259.664	\$1,275.764	(\$16.100)	\$1,291.439	(\$15.675)	\$1,353.753	(\$62.314)	\$1,404.775	(\$51.022)
Non-Labor:									
Electric Power	\$99.511	\$100.075	(\$0.564)	\$104.070	(\$3.995)	\$108.485	(\$4.415)	\$113.287	(\$4.802)
Fuel	19.348	20.264	(0.916)	20.809	(0.545)	22.651	(1.842)	24.388	(1.737)
Insurance	29.249	31.618	(2.369)	33.665	(2.047)	36.105	(2.440)	38.927	(2.822)
Claims	4.229	4.303	(0.074)	4.370	(0.067)	4.370	0.000	4.419	(0.049)
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	90.915	80.337	10.578	81.652	(1.315)	80.777	0.875	88.408	(7.631)
Professional Service Contracts	30.134	26.424	3.710	24.972	1.452	28.215	(3.243)	29.335	(1.120)
Materials & Supplies	221.518	201.475	20.043	197.882	3.593	203.351	(5.469)	211.976	(8.625)
Other Business Expenses	16.711	15.784	0.927	15.912	(0.128)	21.664	(5.752)	16.794	4.870
Total Non-Labor Expenses	\$511.615	\$480.280	\$31.335	\$483.332	(\$3.052)	\$505.618	(\$22.286)	\$527.534	(\$21.916)
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,771.279	\$1,756.044	\$15.235	\$1,774.771	(\$18.727)	\$1,859.371	(\$84.600)	\$1,932.309	(\$72.938)
Depreciation	\$329.820	\$333.956	(\$4.136)	\$337.280	(\$3.324)	\$340.637	(\$3.357)	\$344.028	(\$3.391)
OPEB Obligation	74.538	76.774	(2.236)	79.077	(2.303)	81.450	(2.373)	83.893	(2.443)
Environmental Remediation	2.000	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000
Total Expenses	\$2,177.637	\$2,168.774	\$8.863	\$2,193.128	(\$24.354)	\$2,283.458	(\$90.330)	\$2,362.230	(\$76.329)
Net Surplus Surplus/(Deficit)	(\$1,105.569)	(\$1,121.557)	(\$15.988)	(\$1,157.509)	(\$35.952)	(\$1,249.245)	(\$91.736)	(\$1,325.604)	(\$73.916)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018- 2017	2019	Change 2019 - 2018
Receipts									
Farebox Revenue	\$709.252	\$718.354	\$9.102	\$720.735	\$2.381	\$721.723	\$0.988	\$723.345	\$1.622
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	76.182	74.486	(1.696)	78.795	4.309	76.924	(1.871)	77.868	0.944
Capital and Other Reimbursements	280.451	249.587	(30.864)	232.996	(16.591)	229.021	(3.975)	228.433	(0.588)
Total Receipts	\$1,065.885	\$1,042.427	(\$23.458)	\$1,032.526	(\$9.901)	\$1,027.668	(\$4.858)	\$1,029.646	\$1.978
Expenditures									
Labor:									
Payroll	\$609.509	\$609.250	\$0.259	\$616.138	(\$6.888)	\$650.157	(\$34.019)	\$674.371	(\$24.214)
Overtime	153.287	130.684	22.603	134.254	(3.570)	138.667	(4.413)	139.551	(0.884)
Health and Welfare	102.469	118.951	(16.482)	120.130	(1.179)	129.852	(9.722)	137.304	(7.452)
OPEB Current Payment	58.846	66.700	(7.854)	68.144	(1.444)	71.573	(3.429)	75.155	(3.582)
Pensions	163.343	192.704	(29.361)	192.190	0.514	194.672	(2.482)	204.134	(9.462)
Other Fringe Benefits	150.015	148.557	1.458	151.482	(2.925)	159.544	(8.062)	164.781	(5.237)
GASB Account	0.000	0.000	0.000	0.000	0.000	0.686	(0.686)	1.402	(0.716)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1,237.469	\$1,266.846	(\$29.377)	\$1,282.338	(\$15.492)	\$1,345.151	(\$62.813)	\$1,396.698	(\$51.547)
Non-Labor:									
Electric Power	\$99.882	\$100.075	(\$0.193)	\$104.070	(\$3.995)	\$108.485	(\$4.415)	\$113.287	(\$4.802)
Fuel	19.853	20.264	(0.411)	20.809	(0.545)	22.651	(1.842)	24.388	(1.737)
Insurance	29.275	31.925	(2.650)	33.329	(1.404)	36.443	(3.114)	38.545	(2.102)
Claims	1.741	1.733	0.008	1.747	(0.014)	1.747	0.000	1.748	(0.001)
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	104.260	80.337	23.923	81.652	(1.315)	80.777	0.875	88.408	(7.631)
Professional Service Contracts	28.423	22.032	6.391	20.360	1.672	23.373	(3.013)	24.251	(0.878)
Materials & Supplies	190.095	198.374	(8.279)	193.741	4.633	198.991	(5.250)	212.892	(13.901)
Other Business Expenses	15.733	14.667	1.066	14.795	(0.128)	20.560	(5.765)	16.106	4.454
Total Non-Labor Expenditures	\$489.262	\$469.407	\$19.855	\$470.503	(\$1.096)	\$493.027	(\$22.524)	\$519.625	(\$26.598)
Other Expenditure Adjustments:									
Other	\$22.500	\$22.500	\$0.000	\$22.500	\$0.000	\$22.500	\$0.000	\$22.500	\$0.000
Total Other Expenditure Adjustments	\$22.500	\$22.500	\$0.000	\$22.500	\$0.000	\$22.500	\$0.000	\$22.500	\$0.000
Total Expenditures	\$1,749.231	\$1,758.753	(\$9.522)	\$1,775.341	(\$16.588)	\$1,860.678	(\$85.337)	\$1,938.823	(\$78.145)
Cash Timing and Availability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Cash Deficit	(\$683.346)	(\$716.326)	(\$32.980)	(\$742.815)	(\$26.489)	(\$833.010)	(\$90.195)	(\$909.177)	(\$76.167)

MTA LONG ISLAND RAIL ROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Plan-To-Plan Changes by Generic Category - Baseline

2015: Mid-Year Forecast vs. Adopted Budget

2015 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.
- Other Operating Revenue is favorable due to reimbursement of farebox revenue associated with inter-agency reimbursements and federal reimbursements for storms, partially offset by property sales not anticipated to occur.
- Capital and Other Reimbursements are slightly lower due to timing of capital project activity.

Expense

- Payroll – decreased as a result of the existence of vacant positions and lower required reserves for vacation pay and sick leave buyout.
- Other Fringe, including Railroad Retirement Taxes decreased due to the existence of vacant positions.
- Overtime – increased as a result of the impact of weather events as well as higher than expected Engineering maintenance and vacancy/absentee coverage. These increases are partially offset by lower unscheduled service overtime.
- Health and Welfare costs including OPEB Current Payment are lower due to the lower than expected average number of vacant positions and lower rates.
- Lower Electric Power is due to lower inflationary growth assumptions, partially offset by higher consumption.
- Lower Diesel Power is due to lower inflationary growth assumptions and lower consumption.
- Lower Insurance costs due to retroactive billing of Amtrak for their share of property insurance costs.
- Lower Maintenance and Other Operating Contracts due to HVAC maintenance and various other maintenance and other operating contracts, partially offset by higher joint facilities maintenance, non-revenue vehicle maintenance and equipment rental.
- Higher Professional Services primarily due to fire safety system upgrades (Operating Funded Capital), higher Homeless Outreach expenses, reallocation of recruitment expenses from Other Business Expense to Professional Services and reallocation of GPS expenses from Maintenance and Other Operating Contracts to Professional Services.
- Higher Material due to the timing of M7 Obsolete material and station fire alarm upgrades, partially offset by capital program activity Operating Funded Capital

projects originally budgeted in materials but now captured in professional services.

- Other Business Expense is higher due to higher travel and meeting related expenses, partially offset by recruitment expenses now being captured in Professional Services.

2016 - 2019: July Financial Plan vs. February Financial Plan

Revenue

- Passenger Revenue is favorable to plan primarily due to overall higher ridership.
- Other Operating Revenue is favorable in 2016 – 2018 due to reimbursement of farebox revenue associated with inter-agency reimbursements. Other Operating Revenue is also favorable in 2017 – 2018 due to higher freight revenue.
- Capital and Other Reimbursements are higher primarily resulting from overall higher capital overhead rates and capital project activity.

Expense

- Payroll – lower from the February Financial Plan primarily due to lower vacation and sick leave buyout accruals, partially offset by minor headcount re-estimates in maintenance and operations as well as capital project activity.
- Overtime - increases primarily driven by additional training needs.
- Health and Welfare costs increase due to higher headcount and higher projected NYSHIP rates.
- OPEB Current Payment costs increase due to higher rates.
- Pension decrease is based on the latest actuarial estimates and reallocation of pension costs from LIRR to MTA HQ associated with IT Consolidation.
- Electric Power decreases, reflecting lower rates, partially offset by higher consumption.
- Fuel decreases, reflecting lower rates and lower consumption.
- Lower Insurance costs due to billing of Amtrak for its share of property insurance costs.
- Changes in Maintenance and Other Operating Contracts are due to timing and re-estimates of various maintenance and other operating contracts in 2016 through 2018. 2016 includes higher equipment rental costs and construction services. 2016 through 2018 also includes budget reduction initiatives including the decision to refurbish the existing locomotives using capital funds instead of the more costly leasing of replacement work locomotives and an overall reduction in third party contracts through aggressive contract negotiations.
- Professional Services increases each year due to higher Homeless Outreach, reallocation of recruitment expenses from Other Business Expense to Professional Services and reallocation of GPS expenses from Maintenance and Other Operating Contracts to Professional Services.
- Material & Supplies increase in 2016 due to timing of M7 Obsolete material and Propulsion Control Unit (PCU) new buys, partially offset by lower Audio Visual Recording and Monitoring System (AVRM) material costs, lower material costs

for drop sash window replacements and timing of capital project activity. The 2017 and 2018 decrease due to timing of M7 Obsolete material and PCU new buys, partially offset by lower AVRМ material costs and lower material costs for drop sash window replacements.

- Other Business Expense is lower due to reallocation of recruitment expenses from Other Business Expense to Professional Services and miscellaneous contract savings to achieve the 2016 – 2018 budget reduction target.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	(\$764.818)	(\$748.006)	(\$803.201)	(\$886.482)
Baseline Changes				
Revenue				
Farebox Revenue	\$3.852	\$3.534	\$1.888	\$0.517
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	4.039	5.351	9.661	6.618
Capital and Other Reimbursement	-	-	-	-
Total Revenue Changes	\$7.891	\$8.885	\$11.549	\$7.135
Expenses				
Labor:				
Payroll	\$9.903	\$1.181	\$1.087	\$1.376
Overtime	(14.509)	(2.225)	(2.850)	(3.466)
Health and Welfare	4.688	(2.377)	1.307	1.833
OPEB Current Payment	0.550	(2.439)	(0.342)	(0.008)
Pensions	23.821	23.054	23.196	23.138
Other Fringe Benefits	1.023	1.368	1.685	2.154
Reimbursable Overhead	0.135	(0.273)	0.488	0.476
Total Labor Expense Changes	\$25.611	\$18.289	\$24.571	\$25.503
Non-Labor:				
Electric Power	\$9.461	\$13.172	\$16.832	\$18.287
Fuel	9.486	7.883	7.969	6.972
Insurance	2.265	1.963	1.700	1.437
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	(0.428)	1.826	2.589	2.055
Professional Service Contracts	(1.732)	(3.735)	(1.337)	(1.408)
Materials & Supplies	(13.075)	(7.244)	0.070	(1.139)
Other Business Expenses	(0.095)	0.716	0.817	0.865
Total Non-Labor Expense Changes	\$5.882	\$14.581	\$28.640	\$27.069
Total Expense Changes before Depreciation and GASB Adjs.	\$31.493	\$32.870	\$53.211	\$52.572
Depreciation	\$13.512	\$12.794	\$12.922	\$13.052
OPEB Obligation	(0.605)	(0.622)	(2.925)	(3.775)
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	\$44.400	\$45.042	\$63.208	\$61.849
Cash Adjustment Changes				
Timing from 2014	\$21.004	-	-	-
Timing from 2014 included in accrued statements	(1.165)	-	-	-
GASB	0.000	0.000	0.000	0.067
Insurance	0.489	(0.612)	0.988	(0.674)
NYCTA Transportation Pass 2014 Collection	1.634	-	-	-
Claims/FELA Reserves	0.884	0.933	0.955	0.955
Inventory Savings/RCM Timing Adjustment	8.705	(1.930)	0.100	0.100
Depreciation/OPEB/Environmental Remediation	(12.907)	(12.172)	(9.997)	(9.277)
Vacation, Sick Leave Buyout Reserve Adjustment/Other Misc	(6.270)	(6.466)	(6.417)	(6.683)
Total Cash Adjustment Changes	\$12.374	(\$20.247)	(\$14.371)	(\$15.512)
Total Baseline Changes	\$64.665	\$33.680	\$60.386	\$53.472
July Financial Plan - Cash Surplus/(Deficit)	(\$700.153)	(\$714.326)	(\$742.815)	(\$833.010)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	-	-	-	-
Capital and Other Reimbursement	(0.537)	10.868	9.981	8.783
Total Revenue Changes	(\$0.537)	\$10.868	\$9.981	\$8.783
Expenses				
Labor:				
Payroll	\$5.409	\$0.489	(\$0.748)	(\$0.264)
Overtime	(1.107)	(0.098)	0.113	0.128
Health and Welfare	(2.557)	(3.111)	(3.130)	(3.011)
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	(8.364)	(8.158)	(7.873)	(7.587)
Other Fringe Benefits	1.608	0.174	(0.047)	0.049
Reimbursable Overhead	(0.135)	0.273	(0.488)	(0.476)
Total Labor Expense Changes	(\$5.146)	(\$10.431)	(\$12.173)	(\$11.161)
Non-Labor:				
Electric Power	(\$0.043)	(\$0.141)	(\$0.141)	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	1.087	(0.080)	(0.170)	(0.106)
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(1.330)	(2.804)	(1.256)	(1.248)
Professional Service Contracts	(1.607)	0.637	0.599	0.593
Materials & Supplies	8.204	2.132	3.333	3.309
Other Business Expenses	(0.628)	(0.181)	(0.173)	(0.170)
Total Non-Labor Expense Changes	\$5.683	(\$0.437)	\$2.192	\$2.378
Total Expense Changes	\$0.537	(\$10.868)	(\$9.981)	(\$8.783)
Cash Adjustment Changes				
Timing from 2014	17.752	-	-	-
Operating Funded Capital	(0.945)	(2.000)	-	-
Total Cash Adjustment Changes	\$16.807	(\$2.000)	\$0.000	\$0.000
Total Baseline Changes	\$16.807	(\$2.000)	\$0.000	(\$0.000)
July Financial Plan - Cash Surplus/(Deficit)	\$16.807	(\$2.000)	\$0.000	(\$0.000)

MTA LONG ISLAND RAILROAD
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	(\$764.818)	(\$748.006)	(\$803.201)	(\$886.482)
Baseline Changes				
Revenue				
Farebox Revenue	\$3.852	\$3.534	\$1.888	\$0.517
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	4.039	5.351	9.661	6.618
Capital and Other Reimbursement	(0.537)	10.868	9.981	8.783
Total Revenue Changes	\$7.354	\$19.753	\$21.530	\$15.918
Expenses				
Labor:				
Payroll	\$15.312	\$1.670	\$0.339	\$1.112
Overtime	(15.616)	(2.323)	(2.737)	(3.338)
Health and Welfare	2.131	(5.488)	(1.823)	(1.178)
OPEB Current Payment	0.550	(2.439)	(0.342)	(0.008)
Pensions	15.457	14.896	15.323	15.551
Other Fringe Benefits	2.631	1.542	1.638	2.203
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$20.465	\$7.858	\$12.398	\$14.342
Non-Labor:				
Electric Power	\$9.418	\$13.031	\$16.691	\$18.287
Fuel	9.486	7.883	7.969	6.972
Insurance	3.352	1.883	1.530	1.331
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(1.758)	(0.978)	1.333	0.807
Professional Service Contracts	(3.339)	(3.098)	(0.738)	(0.815)
Materials & Supplies	(4.871)	(5.112)	3.403	2.170
Other Business Expenses	(0.723)	0.535	0.644	0.695
Total Non-Labor Expense Changes	\$11.565	\$14.144	\$30.832	\$29.447
Total Expense Changes before Depreciation and GASB Adj.	\$32.030	\$22.002	\$43.230	\$43.789
Depreciation	\$13.512	\$12.794	\$12.922	\$13.052
OPEB Obligation	(0.605)	(0.622)	(2.925)	(3.775)
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	\$44.937	\$34.174	\$53.227	\$53.066
Cash Adjustment Changes				
Timing from 2014	\$38.756	\$0.000	\$0.000	\$0.000
Timing from 2014 included in accrued statements	(1.165)	0.000	0.000	0.000
Operating Funded Capital	(0.945)	(2.000)	0.000	0.000
GASB	0.000	0.000	0.000	0.067
Insurance	0.489	(0.612)	0.988	(0.674)
NYCTA Transportation Pass 2014 Collection	1.634	0.000	0.000	0.000
Claims/FELA Reserves	0.884	0.933	0.955	0.955
Inventory Savings/RCM Timing Adjustment	8.705	(1.930)	0.100	0.100
Depreciation/OPEB/Environmental Remediation	(12.907)	(12.172)	(9.997)	(9.277)
Vacation, Sick Leave Buyout Reserve Adjustment/Other Misc	(6.270)	(6.466)	(6.417)	(6.683)
Total Cash Adjustment Changes	\$29.181	(\$22.247)	(\$14.371)	(\$15.512)
Total Baseline Changes	\$81.472	\$31.680	\$60.386	\$53.472
July Financial Plan - Cash Surplus/(Deficit)	(\$683.346)	(\$716.326)	(\$742.815)	(\$833.010)

MTA LONG ISLAND RAIL ROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Summary of Major Plan-To-Plan Changes

Revenue

- Passenger Revenue is favorable to plan primarily due to overall higher ridership.
- Other Operating Revenue is favorable due to reimbursement of farebox revenue associated with inter-agency reimbursements and higher freight revenue.

Expenses

- Lower non-payroll expenses as a result of various budget reduction initiatives including billing Amtrak for reimbursement for property insurance in joint facilities, a decision not to lease replacement work locomotives due to excessive costs and instead refurbish the existing locomotives using capital funds and lower non-payroll contract savings based on a detailed review of existing agreements and actual needs.
- Replace obsolete Communication Control Unit on C3 coaches.
- Accelerated M7 Obsolete parts replacement program.
- First quarter 2015 weather related overtime exceeding budget.
- Lower Pension costs as a result of lower actuarial estimates and shift of LIRR pension costs associated with MTA IT Consolidation to MTA HQ.
- Health and Welfare rates are higher in 2016 – 2018 based on the most recent revisions for Empire Plan cost assumptions provided by the NYS Department of Civil Service.
- Lower Utility rate assumptions for Traction Power and Fuel in 2015 - 2018.

Cash

- Savings associated with the LIRR's continuing efforts to tighten controls on material procurement and inventory planning.
- Timing adjustments of various expenses from 2014.
- FELA claims reserve adjustments

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	(\$764.818)	(\$748.006)	(\$803.201)	(\$886.482)
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Farebox Revenue	\$3.852	\$3.534	\$1.888	\$0.517
Other Operating Revenue	(0.027)	0.253	0.253	0.251
Prior Period BRP reversal - Property Sales not anticipated to occur	(2.487)	-	-	-
Reimbursement of farebox revenue associated with inter-agency reimbursements	5.098	5.098	5.098	5.098
Freight Revenue	-	-	4.310	1.269
Federal Reimbursements for storms	1.455	-	-	-
Sub-Total Non-Reimbursable Revenue Changes	\$7.891	\$8.885	\$11.549	\$7.135
Expenses				
2015 BRP Program	1.823	3.580	7.539	4.499
C3 Coaches Communication Control Unit	(2.000)	(4.100)	(1.100)	(1.100)
Revised M7 Obsolete Part Replacement Program	(5.500)	(4.100)	0.500	0.500
Weather Related Overtime	(6.945)	-	-	-
Pension	23.821	23.054	23.196	23.138
H&W (including OPEB Current) Rate Related	1.374	(7.182)	(1.191)	(0.255)
Fuel (Rate Related)	8.283	6.681	6.792	5.750
Electric Power (Rate Related)	11.983	15.233	19.200	21.062
Depreciation/OPEB/Environmental Remediation	12.907	12.172	9.997	9.277
All Other	(1.346)	(0.297)	(1.725)	(1.023)
Sub-Total Non-Reimbursable Expense Changes	\$44.400	\$45.042	\$63.208	\$61.849
Total Non-Reimbursable Major Changes	\$52.291	\$53.927	\$74.757	\$68.984
<i>Reimbursable Major Changes</i>				
Revenue				
Capital Project Activity	(0.537)	10.868	9.981	8.783
Sub-Total Reimbursable Revenue Changes	(\$0.537)	\$10.868	\$9.981	\$8.783
Expenses				
Capital Project Activity	0.537	(10.868)	(9.981)	(8.783)
Sub-Total Reimbursable Expense Changes	\$0.537	(\$10.868)	(\$9.981)	(\$8.783)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$52.291	\$53.927	\$74.757	\$68.984
<i>Cash Adjustment Changes</i>				
Timing from 2014	\$38.756	-	-	-
Timing from 2014 included in accrued statements	(1.165)	-	-	-
Operating Funded Capital	(0.945)	(2.000)	-	-
GASB	-	-	-	0.067
Insurance	0.489	(0.612)	0.988	(0.674)
NYCTA Transportation Pass 2014 Collection	1.634	-	-	-
Claims/FELA Reserves	0.884	0.933	0.955	0.955
RCM Timing Adjustments	8.130	(4.030)	-	-
2015 BRP - Inventory Savings	0.575	2.100	0.100	0.100
Depreciation/OPEB/Environmental Remediation	(12.907)	(12.172)	(9.997)	(9.277)
Vacation, Sick Leave Buyout Reserve Adjustment/Other Misc	(6.270)	(6.466)	(6.417)	(6.683)
Total Cash Adjustment Changes	\$29.181	(\$22.247)	(\$14.371)	(\$15.512)
Total Baseline Changes	\$81.472	\$31.680	\$60.386	\$53.472
July Financial Plan - Cash Surplus/(Deficit)	(\$683.346)	(\$716.326)	(\$742.815)	(\$833.010)

**MTA LONG ISLAND RAIL ROAD
2016 Preliminary Budget
July Financial Plan 2016 – 2019
Ridership/(Utilization)**

RIDERSHIP/UTILIZATION PROJECTIONS

Growth in the regional economy and employment are the primary drivers of passenger ridership and revenue. Ridership through May was 0.2% greater than the Adopted Budget and above the 2014 levels by 1.5% (adjusted for the same number of work days). The 2015 Mid-Year Forecast projects 2015 ridership to be 86.6 million, which is a 0.7% increase over the 2015 Adopted Budget. Ridership projections for the outer years of the July Plan 2016-2019 reveal modest annual growth of 0.8% in 2016, 0.1% in 2017, 0.3% in 2018, and 0.3% in 2019.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Ridership/(Utilization)
(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>RIDERSHIP</u>						
Monthly	47.318	47.833	48.330	48.316	48.522	48.610
Weekly	2.021	2.026	2.041	2.048	2.051	2.055
Total Commutation	49.340	49.859	50.371	50.364	50.573	50.665
One-Way Full Fare	8.269	8.303	8.344	8.373	8.381	8.397
One-Way Off Peak	17.943	17.957	18.046	18.108	18.126	18.160
All Other	10.316	10.456	10.535	10.570	10.623	10.703
Total Non-Commutation	36.529	36.716	36.926	37.051	37.131	37.260
Total Ridership	85.868	86.575	87.297	87.415	87.704	87.924
<u>FAREBOX REVENUE</u>						
Total Farebox Revenue	\$658.822	\$685.732	\$695.854	\$698.235	\$699.223	\$700.845

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
2015 Budget Reduction Plan Summary
(\$ in millions)

		Favorable/(Unfavorable)									
		Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
<u>Administration</u>											
None											
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											
Subtotal Maintenance		-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Revenue Enhancement</u>											
Freight Contract Renewal Revenue		-	0.000	-	0.000	-	4.310	-	1.269	-	1.269
Subtotal Revenue Enhancement		-	0.000	-	0.000	-	4.310	-	1.269	-	1.269
<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											
Subtotal Service Support		-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>											
Amtrak Reimbursement for Property Insurance		-	1.260	-	0.420	-	0.420	-	0.420	-	0.420
Remove funds to lease replacement work locomotives		-	0.000	-	1.260	-	1.260	-	1.260	-	1.260
Inventory Draw Down - Lower Projected New Material Purchases		-	0.575	-	2.100	-	0.100	-	0.100	-	0.100
Non-Payroll Savings		-	0.563	-	1.900	-	1.550	-	1.550	-	1.550
		—	0.000	—	0.000	—	0.000	—	0.000	—	0.000
Subtotal Other		-	2.398	-	5.680	-	3.330	-	3.330	-	3.330
Agency Submission		-	\$2.398	-	\$5.680	-	\$7.640	-	\$4.599	-	\$4.599

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Revenue Enhancement
Program: Freight Contract Renewal Revenue

Background Details: Pending 10-year extension of freight contract would result in higher revenue.

Program Description/ Implementation Plan:

Program Implementation Date: 1/1/2017 **When will savings begin?:** 1/1/2017
Are these savings recurring?: Yes

Other Issues: None

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.000	\$4.310	\$1.269	\$1.269
<i>Total Positions Required:</i>	0	0	0	0	0

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Other

Program: Amtrak Reimbursement for Property Insurance

Background Details: Amtrak reimbursement for a portion of the property insurance for Penn Station New York (PSNY) and Penn Station Central Control (PSCC) under the Level A Lease amendment.

Program Description/Implementation Plan:

Program Implementation Date: 12/31/2015 **When will savings begin?:** 12/31/2015

Are these savings recurring?: Yes

Other Issues: None

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.260	\$0.420	\$0.420	\$0.420	\$0.420
<i>Total Positions Required:</i>	0	0	0	0	0

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Other

Program: Remove funds to lease replacement work locomotives

Background Details:	Eliminate funding for the lease of replacement work locomotives. Cost of leasing exceeded initial estimates. The LIRR is considering refurbishing the existing locomotives using Capital funds.
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Program Description/ Implementation Plan:			
Program Implementation Date:	1/1/2016	When will savings begin?:	1/1/2016
		Are these savings recurring?:	Yes
Other Issues:	None		

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$1.260	\$1.260	\$1.260	\$1.260
<i>Total Positions Required:</i>	0	0	0	0	0

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Other

Program: Inventory Draw Down - Lower Projected New Material Purchases

Background Details:	The Inventory Task Force reviews inventory levels and material usage on a regular basis. An evaluation of current inventory levels for specific rolling stock maintenance tasks indicates sufficient inventory on hand to cover budgeted workload needs over the next few years. This will generate cash budget savings.
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Program Description/ Implementation Plan:			
Program Implementation Date:	4/1/2015	When will savings begin?:	4/1/2015
		Are these savings recurring?:	Yes
Other Issues:	None		

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.575	\$2.100	\$0.100	\$0.100	\$0.100
<i>Total Positions Required:</i>	0	0	0	0	0

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Other

Program: Non-Payroll Savings

Background Details:	Non-payroll savings generated from a review of non-payroll budget cost elements and aggressive contract negotiations: Jamaica Central Control (JCC) cleaning, parking garage operations, employee uniforms, unarmed security guard contract, supplies and materials in various departments, and various contracts in Engineering.
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Program Description/Implementation Plan:	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.		
Program Implementation Date:	4/1/2015	When will savings begin?:	4/1/2015
		Are these savings recurring?:	Yes
Other Issues:	None		

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.563	\$1.900	\$1.550	\$1.550	\$1.550
<i>Total Positions Required:</i>	0	0	0	0	0

MTA LONG ISLAND RAIL ROAD
2016 Preliminary Budget
July Financial Plan 2016 – 2019
Positions
Plan-to-Plan Summary of Changes

Position Assumptions

Positions are identified as of year-end (December 31st) 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.

2015 Changes

Total Positions of 7,082 in the 2015 Mid-Year Forecast represents a decrease of 24 positions from the 2015 Adopted Budget. Year-end Reimbursable positions decreased by 102 and Non-Reimbursable positions increased by 78. The Reimbursable decrease is a result of lower expected capital project activity. The Non-Reimbursable increase is a result of Engineering redeploying its existing workforce to maintenance activities.

2016 Changes

The 2016 Preliminary Budget totals 7,038 positions, an increase of 49 positions from the Adopted Budget. The net increase of 25 Reimbursable positions is driven primarily by capital project activity including Sandy related work, East Side Access activity, and Positive Train Control. The net increase of 24 Non-Reimbursable positions results primarily from safety initiatives including on board camera installation and monitoring, additional training resources based on projected hiring plans, Communication field positions to support various security projects and additional Transportation supervisory resources in train yards.

2017 – 2019 Changes

The July Financial Plan in the years 2017 – 2019 reflects an increase of 58 positions in 2017, 53 in 2018 and 26 positions in 2019. Non-Reimbursable positions increase by 24 positions in 2017, 24 in 2018 and 10 in 2019. The 2017 through 2019 increases result primarily from safety initiatives including on board camera installation and monitoring, additional training resources based on projected hiring plans, Communication field positions to support various security projects and additional Transportation supervisory resources in train yards. Reimbursable positions increase by 34 in 2017, 29 in 2018 and 16 in 2019 due to project activity.

MTA LONG ISLAND RAIL ROAD
2016 Preliminary Budget
July Financial Plan 2016 – 2019
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.

2015 - 2016 Changes

The 2016 Preliminary Budget totals 7,038 positions, a decrease of 44 positions from the 2015 Mid-Year Forecast. This includes an increase of 1 Non-Reimbursable positions and a decrease of 45 Reimbursable positions. The Reimbursable decrease is related to changes in Capital Project activity.

2017 – 2019 Changes

Annual staffing levels decrease by 40 positions in 2017 and then increase by 191 positions in 2018 and 100 positions in 2019. Non-Reimbursable positions increase by 10 in 2017, 199 in 2018 and 118 in 2019. These increases are primarily related to East Side Access readiness efforts (increases of 19 in 2017 and 184 positions in 2018 and 132 in 2019). Reimbursable positions decreased by 50 in 2017, 8 in 2018, and 18 in 2019 due to changes in project activity and completion of Maintenance of Equipment Positive Train Control initiative in 2017.

MTA LONG ISLAND RAIL ROAD				
July Financial Plan 2016-2019				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2015	2016	2017	2018
2015 February Plan - Total Baseline Positions	7,106	6,989	6,940	7,136
Total Plan-to-Plan Changes	24	(49)	(58)	(53)
2015 July Plan - Total Baseline Positions	7,082	7,038	6,998	7,189
Total Year-to-Year Changes, July Plan		44	40	(191)

Total Plan-to-Plan Changes by Reporting Category:				
Non-Reimbursable	(78)	(24)	(24)	(24)
Reimbursable	102	(25)	(34)	(29)
Total	24	(49)	(58)	(53)
Full-Time	24	(49)	(58)	(53)
Full-Time Equivalents				
Total	24	(49)	(58)	(53)
By Function Category ³				
- Administration	32	31	28	28
- Operations	(9)	(10)	(10)	(10)
- Maintenance	45	(26)	(32)	(27)
- Engineering/Capital	(44)	(44)	(44)	(44)
- Public Safety				
Total	24	(49)	(58)	(53)
By Occupational Group ²				
- Managers/Supervisors	104	99	102	116
- Professional, Technical, Clerical	142	150	136	127
- Operational Hourlies	(222)	(298)	(296)	(296)
Total	24	(49)	(58)	(53)

Total Plan-to-Plan Changes by Major Category:				
2015 BRPs				
New Needs		(1)	(1)	(1)
Change in Reimbursable Positions	102	(25)	(34)	(29)
Re-estimates & All Other ¹	(78)	(23)	(23)	(23)
Total	24	(49)	(58)	(53)

¹ Includes Full-time Equivalents

² Occupation Groups have been modified in the July Financial Plan to be more consistent with MTA categories

³ VP - East Side Access & Special Projects has been moved from Administration to Engineering/Capital.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration¹						
Executive VP	7	6	6	6	6	6
Labor Relations	15	18	18	18	18	18
Procurement & Logistics (excl. Stores)	82	82	82	82	82	79
Human Resources	31	33	33	33	39	49
Sr VP Administration	1	2	2	2	2	2
Strategic Investments	28	34	34	34	34	34
President	4	4	4	4	4	4
VP & CFO	2	5	5	5	5	5
Information Technology	145	0	0	0	0	0
Controller	42	46	46	46	46	47
Management and Budget	19	21	21	21	21	21
Business Process Mgmt Controls & Compliance	7	7	7	7	7	7
Market Dev. & Public Affairs	69	69	69	69	69	69
Gen. Counsel & Secretary	30	32	32	32	32	32
Diversity Management	2	3	3	3	3	3
Security	12	17	17	17	17	17
System Safety	22	36	36	36	36	36
Training	58	64	64	64	64	63
Service Planning	22	22	23	23	25	25
Sr. VP Operations	2	2	2	2	2	2
Total Administration	600	503	504	504	512	519
Operations						
Train Operations	2,023	2,094	2,085	2,066	2,220	2,311
Stations	299	298	300	299	299	299
Total Operations	2,322	2,392	2,385	2,365	2,519	2,610
Maintenance						
Engineering	1,731	1,814	1,766	1,796	1,825	1,839
Equipment	1,997	2,096	2,106	2,056	2,056	2,045
Procurement (Stores)	98	93	93	93	93	93
Total Maintenance	3,826	4,003	3,965	3,945	3,974	3,977
Engineering/Capital¹						
Department of Project Management	135	140	140	140	140	140
VP - East Side Access & Special Projects	23	44	44	44	44	43
Total Engineering/Capital	158	184	184	184	184	183
Total Baseline Positions	6,906	7,082	7,038	6,998	7,189	7,289
<i>Non-Reimbursable</i>	6,060	6,241	6,242	6,252	6,451	6,569
<i>Reimbursable</i>	846	841	796	746	738	720
Total Full-Time	6,906	7,082	7,038	6,998	7,189	7,289
Total Full-Time Equivalents	-	-	-	-	-	-

¹ VP - East Side Access & Special Projects has been moved from Administration to Engineering/Capital.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP²	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration¹						
Managers/Supervisors	281	252	252	252	253	251
Professional, Technical, Clerical	319	150	151	151	158	167
Operational Hourlies	-	101	101	101	101	101
Total Administration¹	600	503	504	504	512	519
Operations						
Managers/Supervisors	287	286	285	282	278	277
Professional, Technical, Clerical	185	100	101	101	101	101
Operational Hourlies	1,850	2,006	1,999	1,982	2,140	2,232
Total Operations	2,322	2,392	2,385	2,365	2,519	2,610
Maintenance						
Managers/Supervisors	691	743	716	716	723	726
Professional, Technical, Clerical	273	271	260	271	273	268
Operational Hourlies	2,862	2,989	2,989	2,958	2,978	2,983
Total Maintenance	3,826	4,003	3,965	3,945	3,974	3,977
Engineering/Capital¹						
Managers/Supervisors	119	127	128	128	128	128
Professional, Technical, Clerical	39	57	56	56	56	55
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital¹	158	184	184	184	184	183
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	1,378	1,408	1,381	1,378	1,382	1,382
Professional, Technical, Clerical	816	578	568	579	588	591
Operational Hourlies	4,712	5,096	5,089	5,041	5,219	5,316
Total Positions	6,906	7,082	7,038	6,998	7,189	7,289

¹ VP - East Side Access & Special Projects has been moved from Administration to Engineering/Capital.

² Occupation Groups have been modified in the July Financial Plan to be more consistent with MTA categories

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Metro-North Railroad

MTA METRO-NORTH RAILROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019

FINANCIAL OVERVIEW

Metro-North's July Financial Plan 2016-2019 reflects the resources required to sustain current operations and fund strategic investments that further promote safe, secure and reliable transportation service for our customers, and a safe and secure working environment for our employees. Over the last several years Metro-North has taken important steps to develop policies and initiatives to meet these objectives. In 2015, efforts are focused on the continued implementation of major initiatives that began in 2013 and 2014 in support of four key goals:

- ***Promoting a Culture of Safety in which safety is embedded in all decisions, actions, and initiatives.*** In this regard, key actions initiated to date reflect a comprehensive outreach program to ensure that all employees understand that safety is the foundation of the railroad and is its undisputed first priority. Toward this end Metro-North has:
 - Reorganized its workforce and expanded the Safety, Security, Maintenance of Way and Training Departments.
 - Initiated company-wide quarterly Safety Stand-Down days to enhance safety awareness and reinforce our safety driven focus.
 - Revised train schedules to ensure sufficient windows exist to schedule and perform necessary track maintenance.
 - Revamped operational testing and evaluation of employees.
 - Revised the System Safety Program Plan.
 - Began the implementation of a system-wide confidential close call reporting system so employees can report safety issues without fear of reprisal.
- ***Adopting Concrete Safety Enhancements that guarantee safe operations and safe work practices*** include:
 - The reorganization and realignment of Training and Safety functions enable a proactive focus on safety policy and program development that emphasizes reducing risk, creating new safety training courses, and improving the tracking of employee recertification/refresher training.
 - The comprehensive assessment of Metro-North's infrastructure has identified immediate and long-term needs resulting in a redeployment of existing maintenance forces, the creation of specialized track gangs, and the identification of specialized track monitoring equipment.
 - To strengthen core Transportation functions, key steps were initiated to enhance operating rules compliance, management oversight, and operational testing & evaluation programs for Train Crews and Rail Traffic Controllers.

Other key safety and security improvements that will continue in 2015 include:

- The installation of video/audio recording devices in railcars.
 - A program for screening safety critical employees for Obstructive Sleep Apnea.
 - Continued development and installation of Positive Train Control (PTC), which is regarded as the most modern type of train protection, with a pilot program scheduled to begin on the New Haven and Hudson Lines in 2015.
- ***Restoring Reliable Service that provides train service that is safe and of high quality*** has driven an expanded Infrastructure Improvement Program that will focus on:
 - Installation of a new interlocking near Fordham station which will improve operating capabilities in this critical section of the Bronx for the New Haven and Harlem lines.
 - Continuation of stone ballast cleaning or replacement throughout the territory.
 - Creation of two specialized track gangs that will exclusively address drainage improvements and track interlocking tie replacement.
 - Installation of eight miles of continuous welded rail, replacing six grade crossings in Connecticut and six grade crossings in New York, as well as installing fiberglass brackets and channels to support new aluminum third rail that will be placed in key locations.
 - ***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.*** In support of this goal, Metro-North will continue efforts to improve its communication to customers through the following actions:
 - Continue to hold customer forums.
 - Enhance the Metro-North website, publications and the Train Time application.
 - Enhance communication and partnering efforts with the State of Connecticut, especially on those critical repair projects that require alternate service plans such as the recently completed repairs to Walk Bridge and the final phase of repairs at Devon Bridge.

As these comprehensive efforts improve the Railroad's operations, they also foster the identification of new opportunities and maintenance requirements that further support safety and service reliability goals. Consequently, the July Financial Plan incorporates the resources for additional safety investments and other emerging new needs.

Proposed Safety Investments

As previously noted, Metro-North is committed to strengthening safety as a cornerstone to its operating plan. Accordingly, additional safety investments have been included in the July Financial Plan addressing new mandates, ensuring compliance with regulatory

requirements as well as Metro-North standards. The cost of these initiatives total \$10.4 million annually with key programs described below:

- **New Haven Line (NHL) Infrastructure** initiatives have been identified for the maintenance or repair of grade crossings, bridges, interlockings and the roadbed. These programs are jointly funded by the MTA and Connecticut Department of Transportation (CDOT) and specifically include:
 - **NHL Branch Line Grade Crossing Gang** – The track infrastructure and roadway surface at the 60 grade crossings on the New Haven Line's Danbury, Waterbury and New Canaan branch lines require replacement due to wear and tear from rail and highway traffic as well as weather conditions. To limit further deterioration and enhance operating safety, a dedicated Grade Crossing Gang will be established to replace approximately six crossings per year. In support of this work, a 13 member gang and equipment is required.
 - **New Haven Line Bridge & Culvert Maintenance** – To enhance maintenance efforts on NHL railroad bridges and culverts, additional track maintenance forces will be hired (one supervisor and two track gangs - one at New Haven and one at Springdale).
 - **East Norwalk to Southport CT Maintenance Gang (CP243 - CP 248)** - A new track interlocking control point (CP 243) will be constructed east of the Walk Movable Bridge on the New Haven Line. It will be a four (4) track universal interlocking whose function is critical in the ability to fully use all tracks east of the bridge for train service and provide operational flexibility during the upcoming replacement of the Walk Movable Bridge. To ensure optimal operation and maintenance of the interlocking during construction and meet Federal Rail Administration (FRA) inspection and maintenance regulations, an additional six positions and equipment will be required for two-shift coverage, seven days per week to support this capital project.
 - **Track Bed Undercutting** - To ensure compliance with Metro-North clearance standards and ensure a safe route for rail traffic, track bed undercutting (lowering of the track bed) is required to increase clearances at overhead structures and beneath New Haven Line catenary.
- **Third Rail Construction** – Recently, the installation of fiberglass brackets and channels to support the third rail structure has been found to completely stop third rail arcing events and should be implemented in other areas of the power system. Therefore, to progress this important work, two additional third rail construction gangs (12 employees) will be added so that fiberglass material installation and other third rail rehabilitation projects can continue in the Park Avenue Tunnel and on the Harlem & Hudson lines without interruption.
- **Grand Central Terminal (GCT) Platform Rehabilitation Gang** – As part of recent condition assessments of Metro-North's infrastructure, GCT platform tracks require a more cyclical maintenance program. To achieve this goal, a fully dedicated track

gang (eight trackmen plus equipment) will be established to replace rail, block ties and direct fixation fasteners at all GCT platform track locations.

- ***Centralized Traffic Control (CTC) System Upgrades*** - The current Centralized Traffic Control System (CTC) is supported by Microsoft Windows XP and Windows Server 2003 equipment that is outdated and no longer supported by Microsoft. Similarly, other supporting hardware and software comprising the CTC system, such as projection engines and the bulbs for display panels, are no longer being manufactured, which reduces the ability to monitor devices on the control system network and provide support to the Operations Control Center (OCC).
- ***Install Cameras and Audio Equipment on West of Hudson Rolling Stock Through New Jersey Transit*** – Similar to the program for the East of Hudson rolling stock fleet, this initiative will equip Metro-North West of Hudson rolling stock with on-board cameras to aid post-accident/incident investigations and form training programs that will promote safe operating practices.
- ***Park Avenue Tunnel Safety Enhancements*** – This program includes improvements to access and egress by first responders and passengers at emergency exits in the Park Avenue Tunnel and will bring Metro-North in closer compliance with National Fire Protection Association (NFPA) Code 130
 - Installation of a Dry Standpipe System at each of the Park Avenue Tunnel's emergency exits to improve the response time of Fire Department first responders by eliminating the need to pull hoses through egress exits.
 - Install emergency exit directional signage at 75 foot intervals throughout the Park Avenue Tunnel. This will help identify the direction and distance of emergency exits in the event of an evacuation.
 - Improve/Update the visibility and lighting to properly illuminate emergency exit areas.
 - Install approximately 40 fire extinguisher cabinets in and around the Park Avenue Tunnel and emergency exits.

In addition to these safety investments, the July Financial Plan 2016-2019 identifies the resources necessary to support other operating and business needs.

Other Operating and Business Needs

- Additional forces or services to address operations improvements or new facility maintenance include:
 - An additional track maintenance gang at Mt. Vernon will improve work productivity, address increased maintenance requirements due to the new interlocking in the Bronx (CP109), and reduce the response time to track outages.
 - Resources to support the new Shop and Yard complex at New Haven include additional maintenance employees for the expanded yard

- infrastructure as well as the management and cleaning costs of the new Component Change Out Shop.
 - An increased number of power system Field Managers will ensure a stronger focus on safety and increase the management of workforce compliance with maintenance policies and procedures.
- Renovation of the current training facilities in GCT to accommodate current training and increased office space at our NY campus will help meet an expanded level of employee training and accommodate recent increases in staff.
- Replacement of outdated service analysis systems with updated software models will ensure effective and efficient review of passenger utilization, train schedules, and the right-sizing of on-board staff.

On-going Programs and Assumptions included in the July Financial Plan are as follows:

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:

- M8 Cars - In partnership with CDOT, Metro-North has conditionally accepted all 380 multiple unit M-8 cars into service and will finalize the acceptance of single unit cars in 2015 (21 of the 24 single units have been accepted to date).
- M7 Cars - This car fleet is in the midst of its 10-year life cycle maintenance program that began 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 by Connecticut Department of Transportation for implementation.
- In a joint effort with the LIRR, work continues on the development of a Mobile Ticketing Application which will allow customers to purchase tickets using smartphones and other mobile devices.
- The Station Enhancement Program will continue in 2015 and beyond, incorporating painting, lighting, signage, “scratchitti” replacement, recycling container rehabilitation, seat replacement and other elements to enhance the station environment.
- Customers are now able to use their credit cards to purchase tickets onboard their trains as part of the new Ticket Issuing Machines (TIMs).

- Metro-North, in conjunction with the LIRR, is engaging in a study to develop a long term ticket sales and fare payment strategy that will define fare collection when current ticket selling equipment, including the MTA MetroCard, becomes obsolete. The study will evaluate current operations, conduct industry and other property reviews, assess emerging fare payment methods, and recommend a comprehensive strategy addressing the operations, financial, labor, customer service, and conversion impacts for both Railroads.
- A new garage at North White Plains is currently under construction and is scheduled to be completed in fall 2015. The new garage increases parking capacity to just over 400 spaces and will also include two charging stations for electric vehicles and two Real-time Train Time LCD Kiosks.
- Metro-North has significantly reduced parking fees at our West-of-Hudson stations to lower the cost of commuting and make the railroad an even better option for those traveling from Orange and Rockland counties. The Company plans to extend the pilot program implemented on November 1, 2014 while we continue to assess how successful this pilot program has been towards increasing ridership. The pilot program offers a “12 for 1” annual parking permit with 12 months of parking available for the cost of just one month – a 91% reduction. Through April 2015, results have been very positive with a 33% increase in parking permit sales, 23% more customers parking per day, and increased utilization of parking capacity from 53% to 77%.

Ridership

- The 2015 Mid-Year Forecast estimates 86.0 million East and West of Hudson riders, an increase of 1.6% over 2014.
- Compared to the Adopted Budget, the 2015 estimate is 0.6% lower due to lower than projected growth in non-commutation ridership resulting primarily from the adverse effects of winter weather disruptions and less optimistic growth experienced since the latter part of 2014.
- In 2016-2019 ridership is projected to grow by 2.0% in 2016, 1.6% in 2017 and by approximately 1.0% annually thereafter, 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 financial plan reflects conservative overtime expenditures required to address operating needs including train service coverage, maintenance requirements, weather emergencies, employee availability and other programmatic needs.

While efforts continue to control overtime expenditures, non-controllable events continue to impact the overtime budget. The 2015 Mid-Year Forecast includes a 2.6% increase due to operations coverage for a record setting cold winter, frequent snow storms and several extraordinary emergency events. In addition, recently mandated employee diversity training in 2015 will drive an additional 2.2% increase in overtime for employee attendance to training classes or coverage of service-critical employees that are in training.

Key Management Efforts in Place to Control Overtime Expenses:

Specific efforts by Metro-North to control overtime include negotiations with unions on multiple fronts. In Maintenance of Way, specialized track gangs have been created that are dedicated to weekend and night work but paid at straight time rates. Maintenance of Equipment (ME) has a pilot program to utilize an outside vendor to provide management of the Family and Medical Leave Act (FMLA) control. The impact of this program increases employee availability.

In Transportation, crew book work rules changes have been negotiated on a pilot basis during the summer months that increase weekend employee utilization and reduce the number of positions required to support the 7 day work cycle. This reduces overtime by having more employees available to cover temporarily vacant work from the extra list and lowering the overall number of must-fill work assignments throughout the work week.

Human Resources continues its aggressive hiring efforts to fill vacancies, especially for critical, must-fill Maintenance positions in all areas and crafts. Human Resources is also working closely with Transportation to right-size the Locomotive Engineer, Conductor and Rail Traffic Controller ranks.

2015 MID-YEAR FORECAST

The 2015 Non-Reimbursable Mid-Year Forecast reflects revenue projections totaling \$737.0 million and expenses, including non-cash liability adjustments, of \$1,519.1 million resulting in an operating deficit of \$782.1 million. Operating revenue includes passenger revenue of \$675.4 million that is \$8.7 million unfavorable versus the Adopted Budget due to lower ridership resulting from adverse effects of severe winter weather, service disruptions, and lower than anticipated ridership growth. Non-passenger revenues of \$61.6 million are \$3.5 million better than the Adopted Budget driven by the recognition of interagency fare revenue from NYCT and higher GCT rental income, partially offset by the elimination of further cost recoveries for Tropical Storm Sandy losses. Non-Reimbursable operating expenses are \$8.9 million higher than the Adopted Budget. This is due primarily to the elimination of a budgeted cost recovery from Con Edison for New Haven Line power outage losses, higher overtime requirements for winter weather coverage and employee training, and the rising cost of electric traction power. These increases are partially offset by lower labor costs related to unfilled positions and lower diesel fuel prices.

The 2015 Mid-Year Reimbursable Forecast of expenditures (and receipts) is \$196.7 million, which is \$5.5 million lower than the Adopted Budget. This decrease largely reflects scheduling revisions for several projects including Positive Train Control (PTC), Harlem Line Station Renewal and the Communications & Signals Infrastructure Phase I (part of Tropical Sandy rehabilitation work).

2016 PRELIMINARY BUDGET BASELINE

The 2016 Preliminary Non-Reimbursable Budget Baseline reflects revenue projections totaling \$756.0 million and expenses, including non-cash liability adjustments, of \$1,570.0 million that generate an operating deficit of \$814.0 million. Non-Reimbursable East of Hudson Farebox revenue of \$694.8 million is \$19.5 million or 2.9% higher than the 2015 Mid-Year Forecast reflecting ridership growth of 2.0%, as well as the full year impact of the March 2015 New York State fare increase and a 1% Connecticut fare increase effective January 1, 2016. Non-passenger revenue is projected to be \$0.5 million lower than 2015 reflecting the elimination of a one-time 2015 advertising settlement (\$0.2 million), and the closing of the Madison Avenue parking garage (\$0.5 million) for the construction of the GCT Biltmore Room Restroom. Operating expenses of \$1,570.0 million reflect contracted wage increases, rising employee benefit costs, fewer vacancies, and a continuation of 2015 overtime levels to ensure adequate operations coverage for inclement weather and employees in training. Non-payroll costs reflect increases in electric power and insurance as well as other inflation-based increases. Material expenses increase due to the Third Rail Construction, New Haven Branch Line Grade Crossing, and GCT Track Rehabilitation projects. Maintenance and Other Operating Contracts include increases driven primarily by the implementation of improvements to the Centralized Traffic Control (CTC) system, the Track Undercutting Program, and M7 Systems Equipment Replacement (CDS) and Software Support.

The 2016 Proposed Reimbursable Budget expenditures (and receipts) total \$256.6 million, an increase of \$59.8 million from the 2015 Mid-Year Forecast due primarily to the impact of rescheduled workflows for the Positive Train Control (PTC) project into 2016.

2017-2019 PROJECTIONS

The 2017-2019 expenditure projections allow Metro-North to continue initiatives that maintain 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 2017-2019 are furnished later in this document.

The following pages detail Year-to-Year changes, provide reconciliations of the July Financial Plan to the February Financial Plan, and discuss the assumptions guiding ridership and headcount projections.

MTA Metro-North Railroad
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$649.850	\$675.370	\$694.831	\$708.239	\$717.969	\$726.595
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	62.536	61.645	61.137	62.585	64.050	64.585
MNR - MTA	0.000	0.000	0.000	0.000	0.000	0.000
MNR - CDOT	0.000	0.000	0.000	0.000	0.000	0.000
MNR - Other	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$712.386	\$737.015	\$755.967	\$770.824	\$782.019	\$791.180
Operating Expenses						
Labor:						
Payroll	\$512.139	\$466.863	\$482.060	\$499.940	\$512.716	\$524.560
Overtime	98.089	96.254	98.472	100.454	102.465	104.513
Health and Welfare	92.410	96.603	107.789	109.367	114.487	119.798
OPEB Current Payment	24.103	24.800	26.892	27.279	28.486	29.740
Pensions	91.385	91.586	92.193	93.586	94.892	98.344
Other Fringe Benefits	113.054	110.005	116.262	119.995	122.996	125.807
Reimbursable Overhead	(48.421)	(49.415)	(51.028)	(52.028)	(53.028)	(54.028)
Total Labor	\$882.759	\$836.697	\$872.641	\$898.594	\$923.014	\$948.734
Non-Labor:						
Electric Power	\$81.415	\$88.663	\$90.072	\$93.997	\$99.498	\$105.900
Fuel	27.642	22.240	23.634	24.386	26.305	28.560
Insurance	17.303	19.566	21.590	23.541	25.687	28.032
Claims	6.129	1.005	1.005	1.005	1.005	1.005
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	103.253	115.099	125.288	124.431	128.414	127.751
Professional Service Contracts	24.214	36.990	36.902	36.484	37.020	37.410
Materials & Supplies	70.434	74.714	76.354	79.937	79.871	81.998
Other Business Expenses	24.345	24.752	15.101	16.918	19.189	20.702
Total Non-Labor	\$354.734	\$383.028	\$389.947	\$400.699	\$416.989	\$431.358
Other Expenses Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,237.493	\$1,219.725	\$1,262.588	\$1,299.293	\$1,340.003	\$1,380.092
Depreciation	\$232.100	\$226.207	\$234.092	\$234.092	\$234.092	\$234.092
OPEB Obligation	58.372	68.316	68.316	68.316	68.316	68.316
Environmental Remediation	1.632	4.893	5.008	5.147	5.284	5.419
Total Expenses	\$1,529.598	\$1,519.141	\$1,570.004	\$1,606.848	\$1,647.695	\$1,687.919
Net Surplus/(Deficit)	(\$817.212)	(\$782.127)	(\$814.037)	(\$836.024)	(\$865.676)	(\$896.739)
Cash Conversion Adjustments:						
Depreciation	\$232.100	\$226.207	\$234.092	\$234.092	\$234.092	\$234.092
Operating/Capital	(22.823)	(41.897)	(61.822)	(34.448)	(26.819)	(17.000)
Other Cash Adjustments	82.291	0.322	72.367	66.895	75.487	78.568
Total Cash Conversion Adjustments	\$291.568	\$184.631	\$244.637	\$266.538	\$282.761	\$295.660
Net Cash Surplus/(Deficit)	(\$525.644)	(\$597.495)	(\$569.400)	(\$569.486)	(\$582.915)	(\$601.079)

MTA Metro-North Railroad
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Revenue						
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	95.392	115.807	142.940	145.123	130.795	133.082
MNR - CDOT	78.834	64.627	98.542	63.997	60.047	61.127
MNR - Other	17.087	16.306	15.088	15.414	15.743	16.075
Capital and Other Reimbursements	191.313	196.740	256.570	224.534	206.585	210.284
Total Revenue	\$191.313	\$196.740	\$256.570	\$224.534	\$206.585	\$210.284
Expenses						
Labor:						
Payroll	\$42.901	\$46.982	\$47.921	\$48.880	\$49.857	\$50.854
Overtime	20.813	18.017	18.378	18.745	19.120	19.503
Health and Welfare	12.461	13.753	15.371	15.678	15.992	16.312
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	8.777	9.205	9.975	10.175	10.378	10.586
Other Fringe Benefits	10.288	10.912	11.662	11.895	12.133	12.376
Reimbursable Overhead	46.509	48.026	48.996	49.995	51.011	52.045
Total Labor	\$141.749	\$146.895	\$152.303	\$155.368	\$158.492	\$161.676
Non-Labor:						
Electric Power	\$0.059	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	3.405	4.225	4.317	4.404	4.492	4.582
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	14.306	8.739	36.613	19.172	8.599	8.820
Professional Service Contracts	13.845	7.539	7.002	7.195	7.386	7.576
Materials & Supplies	14.625	28.777	55.756	37.801	27.005	27.005
Other Business Expenses	3.325	0.565	0.579	0.595	0.611	0.626
Total Non-Labor	\$49.564	\$49.845	\$104.267	\$69.166	\$48.093	\$48.608
Other Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$191.313	\$196.740	\$256.570	\$224.534	\$206.585	\$210.284
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
Total Expenses	\$191.313	\$196.740	\$256.570	\$224.534	\$206.585	\$210.284
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Conversion Adjustments:						
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
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Metro-North Railroad
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2014	2015	2016			
	Actual	Forecast	Preliminary Budget	2017	2018	2019
Revenue						
Farebox Revenue	\$649.850	\$675.370	\$694.831	\$708.239	\$717.969	\$726.595
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	62.536	61.645	61.137	62.585	64.050	64.585
MNR - MTA	95.392	115.807	142.940	145.123	130.795	133.082
MNR - CDOT	78.834	64.627	98.542	63.997	60.047	61.127
MNR - Other	17.087	16.306	15.088	15.414	15.743	16.075
Capital and Other Reimbursements	191.313	196.740	256.570	224.534	206.585	210.284
Total Revenue	\$903.699	\$933.755	\$1,012.538	\$995.357	\$988.604	\$1,001.464
Expenses						
Labor:						
Payroll	\$555.040	\$513.845	\$529.982	\$548.820	\$562.573	\$575.414
Overtime	118.902	114.272	116.850	119.199	121.585	124.016
Health and Welfare	104.870	110.356	123.160	125.046	130.478	136.109
OPEB Current Payment	24.103	24.800	26.892	27.279	28.486	29.740
Pensions	100.162	100.791	102.168	103.761	105.270	108.930
Other Fringe Benefits	123.342	120.918	127.924	131.890	135.129	138.183
Reimbursable Overhead	(1.912)	(1.389)	(2.031)	(2.033)	(2.017)	(1.982)
Total Labor	\$1,024.508	\$983.592	\$1,024.945	\$1,053.962	\$1,081.506	\$1,110.410
Non-Labor:						
Electric Power	\$81.473	\$88.663	\$90.072	\$93.997	\$99.498	\$105.900
Fuel	27.642	22.240	23.634	24.386	26.305	28.560
Insurance	20.707	23.791	25.907	27.945	30.179	32.614
Claims	6.129	1.005	1.005	1.005	1.005	1.005
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	117.559	123.838	161.901	143.603	137.013	136.571
Professional Service Contracts	38.059	44.528	43.904	43.679	44.406	44.986
Materials & Supplies	85.059	103.492	132.111	117.738	106.876	109.003
Other Business Expenses	27.670	25.317	15.680	17.513	19.800	21.328
Total Non-Labor	\$404.298	\$432.873	\$494.214	\$469.865	\$465.082	\$479.966
Other Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,428.806	\$1,416.465	\$1,519.158	\$1,523.827	\$1,546.588	\$1,590.376
Depreciation	\$232.100	\$226.207	\$234.092	\$234.092	\$234.092	\$234.092
OPEB Obligation	58.372	68.316	68.316	68.316	68.316	68.316
Environmental Remediation	1.632	4.893	5.008	5.147	5.284	5.419
Total Expenses	\$1,720.911	\$1,715.881	\$1,826.575	\$1,831.381	\$1,854.280	\$1,896.203
Net Surplus/(Deficit)	(\$817.212)	(\$782.127)	(\$814.037)	(\$836.024)	(\$865.676)	(\$896.739)
Cash Conversion Adjustments:						
Depreciation	\$232.100	\$226.207	\$234.092	\$234.092	\$234.092	\$234.092
Operating/Capital	(22.823)	(41.897)	(61.822)	(34.448)	(26.819)	(17.000)
Other Cash Adjustments	82.291	0.322	72.367	66.895	75.487	78.568
Total Cash Conversion Adjustments	\$291.568	\$184.631	\$244.637	\$266.538	\$282.761	\$295.660
Net Cash Surplus/(Deficit)	(\$525.644)	(\$597.495)	(\$569.400)	(\$569.486)	(\$582.915)	(\$601.079)

**MTA Metro-North Railroad
July Financial Plan 2016 - 2019
Cash Receipts & Expenditures
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$655.977	\$680.070	\$699.683	\$713.332	\$723.364	\$732.318
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	86.530	131.973	70.377	86.523	85.645	87.143
MNR - MTA	80.068	117.387	141.608	144.656	134.448	136.084
MNR - CDOT	67.296	73.863	97.993	63.304	59.070	61.848
MNR - Other	13.070	18.354	15.901	15.811	16.091	16.357
Capital and Other Reimbursements	160.434	209.604	255.502	223.771	209.610	214.289
Total Receipts	\$902.941	\$1,021.647	\$1,025.561	\$1,023.626	\$1,018.619	\$1,033.751
Expenditures						
Labor:						
Payroll	\$496.996	\$591.369	\$533.299	\$550.057	\$561.423	\$572.140
Overtime	100.307	132.605	116.532	119.396	121.214	123.631
Health and Welfare	115.068	113.699	126.300	128.192	133.408	138.817
OPEB Current Payment	25.436	24.800	26.892	27.279	28.486	29.740
Pensions	113.236	89.937	102.928	103.607	104.823	107.833
Other Fringe Benefits	113.038	128.111	128.275	131.459	134.081	136.469
GASB Account	4.458	0.000	0.000	0.000	0.207	0.225
Reimbursable Overhead	0.000	(0.000)	0.000	0.000	0.000	0.000
Total Labor	\$968.539	\$1,080.520	\$1,034.227	\$1,059.990	\$1,083.641	\$1,108.856
Non-Labor:						
Electric Power	\$85.389	\$90.220	\$91.643	\$95.615	\$101.165	\$107.617
Fuel	28.149	21.385	22.754	23.479	25.371	27.598
Insurance	20.781	24.510	26.103	28.165	30.376	32.853
Claims	27.461	59.651	1.151	1.151	1.151	1.151
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	111.664	121.917	173.099	155.682	139.635	138.968
Professional Service Contracts	38.715	52.105	56.298	51.534	50.109	47.351
Materials & Supplies	95.696	118.208	149.255	125.089	115.102	112.591
Other Business Expenses	52.191	50.626	40.432	52.407	54.985	57.845
Total Non-Labor	\$460.046	\$538.622	\$560.734	\$533.123	\$517.894	\$525.974
Other Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Timing and Availability Adjustmen	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,428.585	\$1,619.142	\$1,594.961	\$1,593.112	\$1,601.536	\$1,634.830
Net Cash Surplus/(Deficit)	(\$525.644)	(\$597.495)	(\$569.400)	(\$569.487)	(\$582.916)	(\$601.079)
Subsidies						
MTA	\$425.094	\$446.669	\$450.495	\$450.393	\$460.061	\$473.669
CDOT	98.004	150.827	118.905	119.093	122.855	127.411
Total Subsidies	\$523.098	\$597.496	\$569.400	\$569.486	\$582.916	\$601.080

MTA Metro-North Railroad
July Financial Plan 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$6.127	\$4.701	\$4.852	\$5.094	\$5.395	\$5.723
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	23.994	70.328	9.240	23.938	21.596	22.559
MNR - MTA	(15.324)	1.580	(1.332)	(0.467)	3.653	3.002
MNR - CDOT	(11.538)	9.236	(0.549)	(0.693)	(0.977)	0.721
MNR - Other	(4.017)	2.048	0.813	0.397	0.349	0.282
Capital and Other Reimbursements	(30.879)	12.864	(1.068)	(0.763)	3.025	4.005
Total Receipts	(\$0.758)	\$87.892	\$13.024	\$28.268	\$30.015	\$32.287
Expenditures						
Labor:						
Payroll	\$58.044	(\$77.524)	(\$3.317)	(\$1.237)	\$1.150	\$3.274
Overtime	18.595	(18.333)	0.318	(0.197)	0.371	0.384
Health and Welfare	(10.198)	(3.342)	(3.141)	(3.146)	(2.929)	(2.708)
OPEB Current Payment	(1.333)	0.000	0.000	0.000	0.000	0.000
Pensions	(13.074)	10.854	(0.760)	0.154	0.447	1.097
Other Fringe Benefits	10.304	(7.194)	(0.351)	0.431	1.049	1.714
GASB Account	(4.458)	0.000	0.000	0.000	(0.207)	(0.225)
Reimbursable Overhead	(1.912)	(1.389)	(2.032)	(2.033)	(2.017)	(1.983)
Total Labor	\$55.969	(\$96.928)	(\$9.283)	(\$6.028)	(\$2.136)	\$1.554
Non-Labor:						
Electric Power	(\$3.916)	(\$1.557)	(\$1.571)	(\$1.618)	(\$1.667)	(\$1.717)
Fuel	(0.507)	0.855	0.880	0.907	0.934	0.962
Insurance	(0.074)	(0.719)	(0.196)	(0.220)	(0.197)	(0.239)
Claims	(21.332)	(58.646)	(0.146)	(0.146)	(0.146)	(0.146)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	5.895	1.921	(11.198)	(12.079)	(2.621)	(2.398)
Professional Service Contracts	(0.656)	(7.576)	(12.394)	(7.855)	(5.703)	(2.365)
Materials & Supplies	(10.637)	(14.716)	(17.144)	(7.352)	(8.226)	(3.588)
Other Business Expenditures	(24.521)	(25.309)	(24.751)	(34.894)	(35.185)	(36.516)
Total Non-Labor	(\$55.748)	(\$105.749)	(\$66.520)	(\$63.258)	(\$52.812)	(\$46.008)
Other Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$0.537)	(\$114.785)	(\$62.779)	(\$41.017)	(\$24.932)	(\$12.167)
Depreciation Adjustment	\$232.100	\$226.207	\$234.092	\$234.092	\$234.092	\$234.092
OPEB Obligation	58.372	68.316	68.316	68.316	68.316	68.316
Environmental Remediation	1.632	4.893	5.008	5.147	5.284	5.419
Total Cash Conversion Adjustments	\$291.568	\$184.631	\$244.637	\$266.537	\$282.760	\$295.660

MTA METRO-NORTH RAILROAD
2015 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

		Total		
NON-REIMBURSABLE OVERTIME		Hours	\$	%
	<u>Scheduled Service</u>	647,379	\$38.116	39.6%
	<u>Unscheduled Service</u>	-	0.000	0.0%
	<u>Programmatic/Routine Maintenance</u>	575,191	31.134	32.3%
	<u>Unscheduled Maintenance</u>	13,387	0.702	0.7%
	<u>Vacancy/Absentee Coverage</u>	319,327	16.774	17.4%
	<u>Weather Emergencies</u>	163,843	8.930	9.3%
	<u>Safety/Security/Law Enforcement</u>	-	0.000	0.0%
	<u>Other</u>	-	0.598	0.6%
	Subtotal	1,719,128	\$96.254	100.0%
	REIMBURSABLE OVERTIME	316,095	\$18.017	
	TOTAL OVERTIME	2,035,223	\$114.272	

MTA METRO-NORTH RAILROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Baseline

REVENUE

FAREBOX REVENUE

Non-Reimbursable

- Farebox revenues are projected to grow by 2.9% in 2016, 1.9% in 2017, 1.4% in 2018 and 1.2% in 2019. These increases reflect:
 - Annual ridership growth of 2.0% in 2016, 1.6% in 2017, 1.1% in 2018 and 1.3% in 2019 resulting from modest improvements in the regional economy.
 - State of Connecticut fares increase by 1.0% for 2016-2018 effective January 1st each year.
 - No New York State fare increases are assumed for 2016-2019.

Reimbursable

- Not applicable

Cash

- 2015-2019 cash adjustments include receipts from the sale of MetroCards, Westchester County bus fares and special event promotions partially offset by credit card fees associated with the purchase of passenger tickets.

OTHER OPERATING REVENUE

Non-Reimbursable

- 2016-2019 baseline revenue increase reflects continuing improvement in GCT retail revenues and increasing advertising sales in 2017-2019.
- The \$0.5 million decrease in 2016 reflects the elimination of revenues from the closure of the Madison Avenue parking garage due to the construction of the GCT Biltmore Room Restrooms, as well as the elimination of a one-time advertising settlement in 2015.

Reimbursable

- Not applicable

Cash

- 2015 adjustments primarily reflect reimbursements from FMTAC for the Spuyten Duyvil derailment claims (\$48.5 million) and a one-time retroactive real estate tax refund (\$7.0 million) related to Graybar Building office space.
- 2015-2019 adjustments also include reimbursements from CDOT and reclassifications of Amtrak and other railroad reimbursements as well as reimbursements for scrap material sales and other miscellaneous items.
- 2016-2019 accrued Harlem-Hudson advertising revenues of \$12.0 million, \$12.4 million, \$12.8 million and \$13.2 million, respectively, are removed as a cash reimbursement since these payments are retained by 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.

- 2015 accrued expenditures (and receipts) total \$196.7 million and are based upon the latest projections of capital project activity. Lower reimbursements in 2015 are primarily attributable to the rescheduling of the following projects: Positive Train Control (PTC), Harlem Line Stations Renewal, and the Communications & Signals Infrastructure Phase I project.
- 2016-2019 accrued reimbursable receipts of \$256.6 million, \$224.5 million, \$206.6 million and \$210.3 million are higher primarily due to the impacts of the PTC project and the Installation of Cameras on Rolling Stock Equipment as work accelerates into 2016-2017 as well as the impact of inflation.

Cash

- 2015-2019 includes adjustments for receipt timing differences.

EXPENSES

PAYROLL

Non-Reimbursable

Management Labor

- 2016-2019 Non-Agreement salaries include a 2.0% annual cost of living increase.
- 2016-2017 increases include the full year impact of 2015 safety investments and new needs of \$2.8 million in 2016 and \$0.9 million in 2017.
- 2017-2019 includes the cost for an increased number of filled positions as hiring begins to outpace attrition reductions (\$2.1 million each year).

Agreement Labor

- Agreement salaries include cost of living increases of 2.32% in 2016 and 2.00% in 2017-2019.
- 2016-2019 increases also include the full year impact of 2015 safety investments and new needs of \$4.2 million in 2016 and \$3.0 million in 2017.

Reimbursable

- 2015 decrease is largely due to revised requirements for the West of Hudson Signal Improvements project, Harlem Line Station Renewal project, and the New Haven Line Bridge Timber Replacement Program.
- 2016-2019 labor costs reflects cost of living increases of 2.0% following the same assumptions as the Non-Reimbursable Forecast.

Cash

- 2015-2019 cash adjustments include timing differences, an Agreement employee allowance for uniforms, tools and shoes, retirement and wage settlement payments as well as employee contributions to healthcare coverage.

OVERTIME

Non-Reimbursable

- Overtime is inflated by 2.32% in 2016 and 2.00% in 2017-2019.
- 2015-2019 includes additional overtime to cover inclement weather emergencies (\$2.4 million) and the increase in employee training hours for New York State mandated employee compliance and certification training (\$2.0 million).

Reimbursable

- 2016-2019 Overtime expense increases reflect the same wage inflators as the Non-Reimbursable Budget.

HEALTH AND WELFARE

Non-Reimbursable and Reimbursable

- 2015 Mid-Year Forecast reflects premium increases of 3.97%.
- 2016-2019 include estimated annual rate increases of 8.44% in 2016, 1.44% in 2017, 4.43% in 2018 and 4.40% in 2019.

Cash

- 2015-2019 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 Payment reflects Metro-North's estimated annual cost of health care for current retirees. 2016-2019 projections reflect the rising cost of health care premiums and a modest increase in the number of covered retirees.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2015-2019 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 interim projections prepared by actuarial consultants.

Cash

- 2015 cash requirements are lower primarily due to a \$28.0 million advance payment of 2015 costs in 2014.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2015-2019 at 7.65% and 12.60%, respectively.
- Maximum earnings level for Tier I is estimated at \$119,700 in 2015, \$123,900 in 2016, \$128,100 in 2017, \$134,100 in 2018 and \$140,100 in 2019.

- Maximum earnings level for Tier II is estimated at, \$88,800 in 2015, \$92,100 in 2016 and \$95,100 in 2017, \$99,600 in 2018 and \$104,100 in 2019.
- 2015-2019 includes the impact of wage increases and changes in staffing levels.
- Non-reimbursable costs include estimates for employee personal injury claims of \$10.7 million for 2015, \$10.5 million annually for 2016-2017, \$10.8 million in 2018 and \$11.1 million in 2019.

Cash

- 2015-2019 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) reserve for Post-Retirement liabilities for “Other than Pension Employee Benefits” (healthcare costs). 2015-2019 cash contributions have been adjusted to reflect the latest funding assumption criteria.

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Changes in overhead cost recoveries reflect revisions in Reimbursable project cost estimates.

Reimbursable

- Overhead costs are based on a percentage share of direct labor costs charged to reimbursable projects. 2016-2019 overhead costs of \$49.0 million, \$50.0 million, \$51.0 million and \$52.0 million are based on the continuation of 2015 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

- 2016 reflects a 0.7% increase in expenses due to a 4.1% increase in rates, offset by a 3.7% reduction in Consumption per Car Mile resulting from the elimination of 2015 severe weather impacts.
- 2017-2019 reflects inflation factors of 5.0% in 2017, 6.2% in 2018 and 6.6% in 2019.

Non-Traction Power – Non-Revenue

Non-Reimbursable

- 2016-2019 costs reflect inflationary increases of 6.8% in 2016, 1.1% in 2017, 4.1% in 2018 and 5.6% in 2019.

FUEL

Revenue Vehicle Fuel

Non-Reimbursable

- 2016 – \$0.9 million increase is due to higher locomotive miles for New Haven Line service.
- 2017-2019 expense reflects inflationary factors of 3.1% in 2017, 9.7% in 2018 and 8.8% in 2019.

Cash

- 2015-2019 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

- 2016–2019 reflects inflationary increases of 9.0% in 2016, 3.2% in 2017, 1.3% in 2018 and 7.7% in 2019.

INSURANCE

Non-Reimbursable and Reimbursable

- Increases in 2016-2019 reflect revised insurance premium estimates.

Cash

- 2015-2019 include the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2015-2019 reflects current claims trends for passenger injuries and miscellaneous claims.

Cash

- 2015 includes \$58.5 million of forecasted claims settlements for the Spuyten Duyvil and Bridgeport derailments (\$48.5 million will be reimbursed from FMTAC for Spuyten Duyvil claims, which is recognized in the Other Reimbursements line).
- 2016-2019 reflects the timing of payments made for passenger injury and miscellaneous claims.

The Remaining Non-Reimbursable Cost Categories were inflated by CPI increases in 2016-2019 of 2.44%, 2.76%, 2.66%, and 2.56%, respectively.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Non-Reimbursable

- 2016 is higher by \$10.2 million due to an increase in locomotive overhauls (\$4.6 million), M7 Centralized Diagnostic System Replacement (CDS) and Software Support (\$1.4 million), Centralized Traffic Control (CTC) System upgrades (\$1.4 million), implementation of the Track Undercutting Program to increase catenary clearances on the New Haven line (\$1.0 million), an increase in NHL Police services due to several one-time 2015 credit adjustments (\$2.4 million), and substitute busing expense associated with the New Haven Branch Line Grade Crossing project. These increases are partially offset by miscellaneous Budget Reduction Program (BRP) adjustments (\$1.2 million), the completion of the Transportation Technology Center, Inc. (TTCI) contract (\$1.0 million) and reduced Madison Avenue office relocation costs.
- 2017 decrease of \$0.9 million reflects the completion of the Centralized Diagnostic System (CDS) design phase and the CTC Signal System Upgrade projects, partially offset by inflation.
- 2018 increase of \$4.0 million reflects M7 Software Support and inflation.
- 2019 decrease of \$0.7 million reflects a reduction in locomotive overhaul costs and the completion of the AC Bus Duct project partially offset by inflation.

Reimbursable

- 2016 expense is higher by \$27.9 million primarily due to increasing levels of work on the PTC and Installation of Cameras on Rolling Stock Equipment projects.
- 2017 and 2018 are lower by \$17.4 million and \$10.6 million, respectively, reflecting a decline in PTC activity as project work progresses toward completion in 2018.
- 2019 reflects a continuation of ongoing project activity levels adjusted for inflation.

Cash

- 2015-2019 cash adjustments include the elimination of non-cash GASB 49 environmental accruals, and in accordance with the lease terms, a reduction in cash requirements versus accrued costs for Graybar Building office space.
- 2015-2019 also includes reimbursable payments on behalf of CDOT for station facilities and the MTA for utilities.

PROFESSIONAL SERVICES CONTRACTS

Non-Reimbursable

- 2017 is lower by \$0.4 million primarily due to the prior year's bi-annual market share study with the MTA and completion of the Rail Network Simulation replacement and Train & Engine (T&E) Labor Time and Motion and Automated Passenger Count studies partially offset by inflation.
- 2018-2019 increase reflects inflation.

Reimbursable

- 2016-2019 reflects inflationary growth assumptions for ongoing capital projects.

MATERIAL AND SUPPLIES

Non-Reimbursable

- 2016 is higher by \$1.6 million primarily due to the Third Rail Power System Construction, GCT Track Rehabilitation, New Haven Branch Line Grade Crossing, and the New Haven Line Bridge & Culvert Maintenance projects as well as inflationary increases. These higher expenses are partially offset by earlier completion of M8 car repairs that were damaged in the Bridgeport derailment.
- 2017 is higher by \$3.6 million due to the M7 Centralized Diagnostic System Replacement (CDS), New Haven Line Signal Mod Change Out and inflationary increases.
- 2018 includes a reduction in M7 car seat materials offset by inflation.
- 2019 is higher by \$2.1 million due to primarily due to inflation.

Reimbursable

- 2016 increase of \$27.0 million reflects higher PTC project activity.
- 2017 and 2018 are lower by \$18.0 million and \$10.8 million respectively, reflecting the diminishing level of PTC work as the project progresses toward completion in 2018.
- 2019 expenditures return to current project activity levels.

Cash

- Cash adjustments reflect differences between expense accruals and cash requirements.
- Increased cash requirements for M8 car spare parts inventory build-up is \$2.3 million in 2015, \$1.2 million in 2016 and \$1.4 million in 2018.
- 2015-2019 includes adjustments for obsolete material reserve of \$1.2 million for each year.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2016 is lower by \$9.7 million due primarily to increased Amtrak recoveries in accordance with the Passenger Rail Investment and Improvement Act (PRIIA).
- 2017-2019 increases of \$1.8 million, \$2.3 million and \$1.5 million, respectively, are due primarily to West of Hudson service enhancements and inflation.

Reimbursable

- 2016-2019 expenditures are based on a continuation of current project levels adjusted for inflation.

Cash

- 2015-2019 cash adjustments include payments to other agencies for MetroCard and Uniticket sales, and special promotions partially offset by the reclassification of credit card fees as an offset to Farebox Revenue.
- 2016-2019 also includes the reclassification of Amtrak and other railroad reimbursements to the Other Operating Revenue category.

DEPRECIATION

Non-Reimbursable

- 2015-2019 includes provisions for changes in Metro-North's capital assets.

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2015-2019 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

- 2015-2019 costs reflect the estimated liability for environmental remediation costs associated with capital projects.

MTA METRO-NORTH RAILROAD
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2015-2016	2017	Change 2016- 2017	2018	Change 2017-2018	2019	Change 2018-2019
Revenue									
Farebox Revenue	\$675.370	\$694.831	\$19.461	\$708.239	\$13.408	\$717.969	\$9.731	\$726.595	\$8.626
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	61.645	61.137	(0.508)	62.585	1.448	64.050	1.465	64.585	0.535
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$737.015	\$755.967	\$18.953	\$770.824	\$14.856	\$782.019	\$11.195	\$791.180	\$9.161
Expenses									
Labor:									
Payroll	\$466.863	\$482.060	(\$15.197)	\$499.940	(\$17.880)	\$512.716	(\$12.776)	\$524.560	(\$11.844)
Overtime	96.254	98.472	(2.218)	100.454	(1.982)	102.465	(2.011)	104.513	(2.048)
Health and Welfare	96.603	107.789	(11.186)	109.367	(1.578)	114.487	(5.119)	119.798	(5.311)
OPEB Current Payment	24.800	26.892	(2.093)	27.279	(0.387)	28.486	(1.207)	29.740	(1.254)
Pensions	91.586	92.193	(0.607)	93.586	(1.393)	94.892	(1.306)	98.344	(3.453)
Other Fringe Benefits	110.005	116.262	(6.257)	119.995	(3.733)	122.996	(3.001)	125.807	(2.811)
Reimbursable Overhead	(49.415)	(51.028)	1.613	(52.028)	1.000	(53.028)	1.000	(54.028)	1.000
Total Labor Expenses	\$836.697	\$872.641	(\$35.944)	\$898.594	(\$25.953)	\$923.014	(\$24.420)	\$948.734	(\$25.720)
Non-Labor:									
Electric Power	\$88.663	\$90.072	(\$1.409)	\$93.997	(\$3.925)	\$99.498	(\$5.501)	\$105.900	(\$6.402)
Fuel	22.240	23.634	(1.394)	24.386	(0.752)	26.305	(1.919)	28.560	(2.255)
Insurance	19.566	21.590	(2.023)	23.541	(1.951)	25.687	(2.146)	28.032	(2.345)
Claims	1.005	1.005	0.000	1.005	(0.000)	1.005	0.000	1.005	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	115.099	125.288	(10.190)	124.431	0.857	128.414	(3.983)	127.751	0.663
Professional Service Contracts	36.990	36.902	0.088	36.484	0.418	37.020	(0.536)	37.410	(0.390)
Materials & Supplies	74.714	76.354	(1.640)	79.937	(3.583)	79.871	0.066	81.998	(2.127)
Other Business Expenses	24.752	15.101	9.650	16.918	(1.817)	19.189	(2.271)	20.702	(1.513)
Total Non-Labor Expenses	\$383.028	\$389.947	(\$6.919)	\$400.699	(\$10.752)	\$416.989	(\$16.290)	\$431.358	(\$14.369)
Other Expenses Adjustments:	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,219.725	\$1,262.588	(\$42.863)	\$1,299.293	(\$36.705)	\$1,340.003	(\$40.710)	\$1,380.092	(\$40.089)
Depreciation	\$226.207	\$234.092	(\$7.885)	\$234.092	\$0.000	\$234.092	\$0.000	\$234.092	\$0.000
OPEB Obligation	68.316	68.316	0.000	68.316	0.000	68.316	0.000	68.316	0.000
Environmental Remediation	4.893	5.008	(0.115)	5.147	(0.139)	5.284	(0.137)	5.419	(0.135)
Total Expenses	\$1,519.141	\$1,570.004	(\$50.863)	\$1,606.848	(\$36.843)	\$1,647.695	(\$40.847)	\$1,687.919	(\$40.224)
Net Surplus/(Deficit)	(\$782.127)	(\$814.037)	(\$31.910)	(\$836.024)	(\$21.987)	(\$865.676)	(\$29.652)	(\$896.739)	(\$31.063)

MTA METRO-NORTH RAILROAD
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2015-2016	2017	Change 2016- 2017	2018	Change 2017-2018	2019	Change 2018-2019
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	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	196.740	256.570	59.830	224.534	(32.036)	206.585	(17.949)	210.284	3.699
Total Revenue	\$196.740	\$256.570	\$59.830	\$224.534	-\$32.036	\$206.585	-\$17.949	\$210.284	\$3.699
<u>Expenses</u>									
Labor:									
Payroll	\$46.982	\$47.921	(\$0.940)	\$48.880	(\$0.958)	\$49.857	(\$0.978)	\$50.854	(\$0.997)
Overtime	18.017	18.378	(0.360)	18.745	(0.368)	19.120	(0.375)	19.503	(0.382)
Health and Welfare	13.753	15.371	(1.618)	15.678	(0.307)	15.992	(0.314)	16.312	(0.320)
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	9.205	9.975	(0.770)	10.175	(0.200)	10.378	(0.203)	10.586	(0.208)
Other Fringe Benefits	10.912	11.662	(0.749)	11.895	(0.233)	12.133	(0.238)	12.376	(0.243)
Reimbursable Overhead	48.026	48.996	(0.971)	49.995	(0.998)	51.011	(1.016)	52.045	(1.034)
Total Labor Expenses	\$146.895	\$152.303	(\$5.408)	\$155.368	(\$3.064)	\$158.492	(\$3.124)	\$161.676	(\$3.184)
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	4.225	4.317	(0.092)	4.404	(0.086)	4.492	(0.088)	4.582	(0.090)
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	8.739	36.613	(27.874)	19.172	17.441	8.599	10.573	8.820	(0.220)
Professional Service Contracts	7.539	7.002	0.537	7.195	(0.193)	7.386	(0.191)	7.576	(0.189)
Materials & Supplies	28.777	55.756	(26.979)	37.801	17.956	27.005	10.795	27.005	0.000
Other Business Expenses	0.565	0.579	(0.014)	0.595	(0.016)	0.611	(0.016)	0.626	(0.016)
Total Non-Labor Expenses	\$49.845	\$104.267	(\$54.422)	\$69.166	\$35.101	\$48.093	\$21.073	\$48.608	(\$0.515)
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$196.740	\$256.570	(\$59.830)	\$224.534	\$32.036	\$206.585	\$17.949	\$210.284	(\$3.699)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$196.740	\$256.570	(\$59.830)	\$224.534	\$32.036	\$206.585	\$17.949	\$210.284	(\$3.699)
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA METRO-NORTH RAILROAD
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2015-2016	2017	Change 2016- 2017	2018	Change 2017-2018	2019	Change 2018-2019
Revenue									
Farebox Revenue	\$675.370	\$694.831	\$19.461	\$708.239	\$13.408	\$717.969	\$9.731	\$726.595	\$8.626
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	61.645	61.137	(0.508)	62.585	1.448	64.050	1.465	64.585	0.535
Capital and Other Reimbursements	196.740	256.570	59.830	224.534	-32.036	206.585	-17.949	210.284	3.699
Total Revenue	\$933.755	\$1,012.538	\$78.783	\$995.357	-\$17.180	\$988.604	-\$6.754	\$1,001.464	\$12.860
Expenses									
Labor:									
Payroll	\$513.845	\$529.982	(\$16.136)	\$548.820	(18.838)	\$562.573	(13.754)	\$575.414	(12.841)
Overtime	114.272	116.850	(2.578)	119.199	(2.349)	121.585	(2.386)	124.016	(2.430)
Health and Welfare	110.356	123.160	(12.804)	125.046	(1.886)	130.478	(5.433)	136.109	(5.631)
OPEB Current Payment	24.800	26.892	(2.093)	27.279	(0.387)	28.486	(1.207)	29.740	(1.254)
Pensions	100.791	102.168	(1.377)	103.761	(1.593)	105.270	(1.509)	108.930	(3.660)
Other Fringe Benefits	120.918	127.924	(7.006)	131.890	(3.966)	135.129	(3.239)	138.183	(3.053)
Reimbursable Overhead	(1.389)	(2.031)	0.642	(2.033)	0.002	(2.017)	(0.016)	(1.982)	(0.034)
Total Labor Expenses	\$983.592	\$1,024.945	(\$41.352)	\$1,053.962	(\$29.017)	\$1,081.506	(\$27.544)	\$1,110.410	(\$28.904)
Non-Labor:									
Electric Power	\$88.663	\$90.072	(\$1.409)	\$93.997	(\$3.925)	\$99.498	(\$5.501)	\$105.900	(\$6.402)
Fuel	22.240	23.634	(1.394)	24.386	(0.752)	26.305	(1.919)	28.560	(2.255)
Insurance	23.791	25.907	(2.116)	27.945	(2.038)	30.179	(2.234)	32.614	(2.435)
Claims	1.005	1.005	0.000	1.005	(0.000)	1.005	0.000	1.005	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	123.838	161.901	(38.063)	143.603	18.298	137.013	6.590	136.571	0.443
Professional Service Contracts	44.528	43.904	0.625	43.679	0.225	44.406	(0.727)	44.986	(0.579)
Materials & Supplies	103.492	132.111	(28.619)	117.738	14.373	106.876	10.861	109.003	(2.127)
Other Business Expenses	25.317	15.680	9.636	17.513	(1.833)	19.800	(2.287)	21.328	(1.529)
Total Non-Labor Expenses	\$432.873	\$494.214	(\$61.341)	\$469.865	\$24.349	\$465.082	\$4.783	\$479.966	(\$14.884)
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1,416.465	\$1,519.158	(\$102.693)	\$1,523.827	(\$4.668)	\$1,546.588	(\$22.761)	\$1,590.376	(\$43.788)
Depreciation	\$226.207	\$234.092	(7.885)	\$234.092	0.000	\$234.092	0.000	\$234.092	0.000
OPEB Obligation	68.316	68.316	0.000	68.316	0.000	68.316	0.000	68.316	0.000
Environmental Remediation	4.893	5.008	(0.115)	5.147	(0.139)	5.284	(0.137)	5.419	(0.135)
Total Expenses	\$1,715.881	\$1,826.575	(\$110.693)	\$1,831.381	(\$4.807)	\$1,854.280	(\$22.898)	\$1,898.203	(\$43.923)
Net Surplus/(Deficit)	(\$782.127)	(\$814.037)	(\$31.910)	(\$836.024)	(\$21.987)	(\$865.676)	(\$29.652)	(\$896.739)	(\$31.063)

MTA METRO-NORTH RAILROAD
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

Cash Receipts & Expenditures

	Favorable/(Unfavorable)								
	2015	2016	Change 2015-2016	2017	Change 2016- 2017	2018	Change 2017-2018	2019	Change 2018-2019
<u>Receipts</u>									
Farebox Revenue	\$680.070	\$699.683	\$19.612	\$713.332	\$13.649	\$723.364	\$10.032	\$732.318	\$8.954
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	131.973	70.377	(61.596)	86.523	16.146	85.645	(0.877)	87.143	1.498
Capital and Other Reimbursements	209.604	255.502	45.898	223.771	(31.731)	209.610	(14.161)	214.289	4.679
Total Receipts	\$1,021.647	\$1,025.561	\$3.914	\$1,023.626	(\$1.936)	\$1,018.619	(\$5.006)	\$1,033.751	\$15.131
<u>Expenditures</u>									
Labor:									
Payroll	\$591.369	\$533.299	\$58.070	\$550.057	(\$16.758)	\$561.423	(\$11.366)	\$572.140	(\$10.717)
Overtime	132.605	116.532	16.073	119.396	(2.864)	121.214	(1.818)	123.631	(2.418)
Health and Welfare	113.699	126.300	(12.602)	128.192	(1.891)	133.408	(5.216)	138.817	(5.409)
OPEB Current Payment	24.800	26.892	(2.093)	27.279	(0.387)	28.486	(1.207)	29.740	(1.254)
Pensions	89.937	102.928	(12.991)	103.607	(0.679)	104.823	(1.216)	107.833	(3.011)
Other Fringe Benefits	128.111	128.275	(0.164)	131.459	(3.184)	134.081	(2.622)	136.469	(2.388)
GASB Account	0.000	0.000	0.000	0.000	0.000	0.207	(0.207)	0.225	(0.018)
Reimbursable Overhead	(0.000)	0.000	(0.001)	0.000	0.000	0.000	0.000	0.000	(0.000)
Total Labor Expenditures	\$1,080.520	\$1,034.227	\$46.293	\$1,059.990	(\$25.762)	\$1,083.641	(\$23.652)	\$1,108.856	(\$25.215)
Non-Labor:									
Electric Power	\$90.220	\$91.643	(\$1.423)	\$95.615	(\$3.972)	\$101.165	(\$5.550)	\$107.617	(\$6.452)
Fuel	21.385	22.754	(1.369)	23.479	(0.725)	25.371	(1.892)	27.598	(2.227)
Insurance	24.510	26.103	(1.593)	28.165	(2.062)	30.376	(2.212)	32.853	(2.477)
Claims	59.651	1.151	58.500	1.151	(0.000)	1.151	0.000	1.151	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	121.917	173.099	(51.182)	155.682	17.417	139.635	16.047	138.968	0.667
Professional Service Contracts	52.105	56.298	(4.193)	51.534	4.764	50.109	1.425	47.351	2.758
Materials & Supplies	118.208	149.255	(31.047)	125.089	24.165	115.102	9.987	112.591	2.511
Other Business Expenses	50.626	40.432	10.194	52.407	(11.975)	54.985	(2.578)	57.845	(2.860)
Total Non-Labor Expenditures	\$538.622	\$560.734	(\$22.112)	\$533.123	\$27.612	\$517.894	\$15.228	\$525.974	(\$8.080)
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,619.142	\$1,594.961	\$24.181	\$1,593.112	\$1.849	\$1,601.536	(\$8.423)	\$1,634.830	(\$33.294)
Net Cash Surplus/(Deficit)	(\$597.495)	(\$569.400)	(\$28.095)	(\$569.487)	\$0.086	(\$582.916)	\$13.430	(\$601.079)	\$18.163
<u>Subsidies</u>									
MTA	\$446.669	\$450.495	\$3.826	\$450.393	(\$0.102)	\$460.061	\$9.668	\$473.669	\$13.608
CDOT	150.827	118.905	(31.922)	119.093	0.188	122.855	3.762	127.411	4.556
Total Subsidies	\$597.496	\$569.400	(\$28.096)	\$569.486	\$0.086	\$582.916	\$13.430	\$601.080	\$18.164

MTA METRO-NORTH RAILROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Summary of Plan-to-Plan Changes by Generic Category

REVENUE

FAREBOX REVENUE

Non-Reimbursable

- 2015–2018 reflects lower ridership growth versus the Adopted Budget resulting in lower revenue of \$8.7 million in 2015, \$7.5 million in 2016, \$10.8 million in 2017 and \$13.4 million in 2018.

OTHER OPERATING REVENUE

Non-Reimbursable

- 2015 increase from the Adopted Budget reflects recognition of NYCT interagency fare revenue and higher GCT retail revenue. These increases are partially offset by the elimination of anticipated Tropical Storm Sandy loss reimbursements, a one-time advertising settlement in 2015, and the closure of the Madison Avenue parking garage for the construction of the GCT Biltmore Room Restroom project.
- 2016-2018 reflects continuing improvement in GCT retail revenues.

CAPITAL AND OTHER REIMBURSEMENTS

Reimbursable

- 2016 increase reflects the accelerated work level of the Positive Train Control (PTC) project.
- 2017-2019 decreases are similarly driven by the rescheduled PTC project and the continuation of baseline project levels adjusted for inflation.

Cash

- 2015 adjustments of \$55.2 million reflect increased reimbursements versus the Adopted Budget from FMTAC for Spuyten Duyvil derailment claim settlements (\$48.5 million) and a one-time retroactive real estate tax refund (\$7.0 million) related to Graybar Building office space.

EXPENSES

PAYROLL

Non Reimbursable

Management Labor

- 2015 through 2018 decreases of \$9.1 million, \$11.6 million, \$11.0 million and \$9.1 million are driven by vacancies and anticipated high levels of attrition.

Agreement Labor

- 2015–2018 expenses are down by \$5.3 million, \$5.1 million, \$4.3 million and \$2.3 million, respectively, due to delayed hires.

Reimbursable

2015-2018- decreases reflect changes in staffing requirements for various projects.

OVERTIME

Non-Reimbursable

- 2015-2018 includes additional overtime to cover inclement weather emergencies (\$2.4 million), an increase in employee training hours for New York State mandated employee compliance and certification training (\$2.0 million) and adjustments to Infrastructure Improvement Program work requirements.

Reimbursable

- 2015 overtime increase of \$2.7 million is due largely to the C-30 Track Program, the East Side Access–GCT Civil/Structural project and the Mainline Hi-Speed Turnouts project.
- 2016–2018 increases reflect revised project assessments for the Positive Train Control and the Installation of Cameras on Rolling Stock Equipment projects.

HEALTH AND WELFARE

Non-Reimbursable and Reimbursable

- 2015 Mid-Year Forecast changes primarily reflect fewer filled positions compared to 2015 Adopted Budget.
- 2016-2018 reflects unfavorable changes in premiums.

OPEB CURRENT PAYMENT (GASB 45)

Non-Reimbursable

- 2015-2018 cash contributions have been adjusted to reflect the latest funding assumption criteria for retirees and premiums.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2015-2018 change in pension costs represents updated actuarial estimates for the Defined Benefit Plan and the impact of revised wage settlements.

Cash

- 2015 cash requirements are lower primarily due to a \$28.0 million advance payment of 2015 costs in 2014.

OTHER FRINGE BENEFITS

Non-Reimbursable and Reimbursable

- 2015–2018 reflects changes in Railroad Retirement taxes and adjustments to employee claims.

ELECTRIC POWER

Traction Power - Revenue

Non-Reimbursable

- 2015 increase of \$1.6 million reflects higher rates and consumption primarily due to higher than budgeted seasonal weather changes.

- 2016 reflects a significant change in inflation rates from a previously negative rate to a positive 0.7%.
- 2017–2018 incorporates the impact of revised (reduced) inflation factors of 5.0% in 2017 and 6.2% in 2018.

Non-Traction Power – Non-Revenue

Non-Reimbursable

- 2015 increase of \$1.5 million reflects higher electric rates resulting from the combined adverse winter conditions as well as the severe cold during the first quarter.
- 2016-2018 reflects an increased inflation rate of 6.8% in 2016 with lower inflation rates of 1.1% in 2017 and 4.1% in 2018.

FUEL

Revenue Vehicle Fuel

Non-Reimbursable

- 2015 decrease of \$4.8 million is due to lower than budgeted diesel fuel rates.
- 2016-2019 incorporates the impact of revised inflation assumptions combined with the lower 2015 base.

Cash

- 2015-2018 includes a credit (reduction to cash disbursements) for accrued fuel costs at New Haven which are paid directly by CDOT.

Non-Revenue Fuel

Non-Reimbursable

- 2015 decrease of \$0.4 million reflects lower rates partially offset by increased consumption due to a colder than normal winter heating fuel season.
- 2016–2018 incorporates the impact of revised inflation assumptions combined with the lower 2015 base.

INSURANCE

Non-Reimbursable and Reimbursable

- 2015-2018 incorporates the impact of revised premiums.

Cash

- 2015-2018 includes an adjustment for the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2015–2018 reflect current passenger claim trends.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Non-Reimbursable

- 2015-2018 increase reflects an accounting adjustment for the straight-line amortization of the Graybar Building office space lease, the addition of M7 Centralized Diagnostic System (CDS) Implementation and Software Support costs. These increases are partially offset by the Budget Reduction Plan and the

reclassification of operating expenses for the Terrazzo Floor Replacement and Upper Harlem Line Transformer Refurbishment projects to operating capital.

- 2016-2018 also includes increases for Centralized Traffic Control (CTC) Signal System upgrades, the track undercutting program and substitute busing for the New Haven Branch Line Grade Crossing project.

Reimbursable

- 2015 decrease of \$2.8 million reflects revised project requirements for Bridgeport Stations, GCT Leaks Remediation and the East of Hudson Overhead Bridge Program.
- 2016-2018 reflects changes in the Positive Train Control and Installation of Cameras on Rolling Stock Equipment projects.

Cash

- 2015-2018 cash adjustments include timing differences and reallocations to accrued expenses.

PROFESSIONAL SERVICES CONTRACTS

Non-Reimbursable

- 2015 decrease of \$0.6 million primarily reflects timing delays in training services.
- 2016 reflects an increase of \$0.2 million primarily due to new Operations Planning initiatives related to Rail Network Simulation and the Onboard Inspection / Collection Time and Motion study partially offset by reduced legal expense.
- 2017 reflects an increase of \$0.3 million due to increased Security expense for new Video Management System (VMS) Cameras and increased NHL BSC costs partially offset by the completion of the Operations Planning initiatives from 2016.
- 2018 reflects an increase of \$0.6 million due to increased Security expense for new VMS Cameras and increased NHL BSC costs.

Reimbursable

- 2015 decrease is due to revised requirements for the NHL-Electric Multiple Unit (EMU) Fleet Replacement and East of Hudson Overhead Bridge projects.
- 2016-2018 decreases reflect revised estimates for the Positive Train Control project.

MATERIAL AND SUPPLIES

Non-Reimbursable

- 2016-2018 reflects cost reductions related to the advanced completion of repairs to M-8 cars damaged in the Bridgeport derailment partially offset by the M7 Centralized Diagnostic System (CDS), Third Rail Power System Construction, GCT Track Rehabilitation, New Haven Branch Line Grade Crossing and New Haven Line (NHL) Bridge & Culvert Maintenance projects.

Reimbursable

- 2015 decrease is due to the rescheduling of various projects.
- 2016-2018 changes reflect revised scheduling of the Positive Train Control project as well as the Installation of Cameras on Rolling Stock Equipment.

Cash

- 2015–2018 reflects cash adjustments for the difference between expense accruals and cash payments.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2015 is higher by \$11.4 million due mainly to the elimination of the cost recovery from Con Edison for the 2013 New Haven Line power outage losses and the asset value write-down of accident damaged rolling stock.
- 2016–2018 is lower primarily due to increased Amtrak cost recoveries in accordance with the Passenger Rail Investment and Improvement Act (PRIIA).

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 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE				
	2015	2016	2017	2018
2015 February Financial Plan - Cash Surplus/(Deficit)	(\$601.574)	(\$524.783)	(\$548.606)	(\$561.682)
Baseline Changes				
Revenue				
Farebox Revenue	(\$8.683)	(\$7.498)	(\$10.839)	(\$13.380)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	3.501	5.369	5.423	6.443
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$5.183)	(\$2.130)	(\$5.415)	(\$6.937)
Expenses				
Labor:				
Payroll	\$14.388	\$16.703	\$15.286	\$11.407
Overtime	(4.391)	(6.390)	(5.747)	(5.781)
Health and Welfare	2.537	(3.173)	1.295	1.387
OPEB Current Payment	0.387	(0.871)	0.022	0.170
Pensions	(5.763)	(5.169)	(6.171)	(6.861)
Other Fringe Benefits	(2.004)	(7.471)	(9.314)	(11.511)
Reimbursable Overhead	(3.672)	(2.603)	(2.619)	(2.649)
Total Labor Expense Changes	\$1.481	(\$8.975)	(\$7.247)	(\$13.838)
Non-Labor:				
Electric Power	(\$3.079)	(\$4.282)	\$1.398	\$2.854
Fuel	5.184	3.210	2.743	1.622
Insurance	(0.033)	(0.287)	(1.340)	(2.861)
Claims	(0.005)	(0.005)	(0.005)	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(5.056)	(11.419)	(7.212)	(10.097)
Professional Service Contracts	0.587	(0.175)	(0.317)	(0.584)
Materials & Supplies	(0.062)	2.838	(1.339)	(3.088)
Other Business Expenses	(11.438)	4.481	3.840	2.742
Total Non-Labor Expense Changes	(\$13.901)	(\$5.639)	(\$2.231)	(\$9.416)
Total Expenses before Depreciation and GASB Adjustments	(\$12.420)	(\$14.614)	(\$9.479)	(\$23.254)
Depreciation	\$5.269	(\$6.854)	(\$4.854)	(\$2.854)
OPEB Obligation	0.000	1.666	5.050	8.624
Environmental Remediation	(1.721)	(1.836)	(1.975)	(2.112)
Total Expense Changes	(\$8.872)	(\$21.638)	(\$11.258)	(\$19.596)
Cash Conversion Adjustment Changes				
Depreciation	(\$5.269)	\$6.854	\$4.854	\$2.854
Operating/Capital	5.202	(15.429)	(0.775)	0.709
Other Cash Adjustments	18.200	(12.275)	(8.285)	1.737
Total Cash Conversion Adjustments	\$18.133	(\$20.850)	(\$4.206)	\$5.301
Net Surplus/(Deficit) Changes	\$4.078	(\$44.618)	(\$20.880)	(\$21.233)
2015 July Financial Plan - Net Operating Cash Surplus/(Deficit)	(\$597.496)	(\$569.401)	(\$569.486)	(\$582.915)

MTA METRO-NORTH RAILROAD
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE				
	2015	2016	2017	2018
2015 February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	(5.490)	28.113	(35.587)	(59.883)
Total Revenue Changes	(\$5.490)	\$28.113	(\$35.587)	(\$59.883)
Expenses				
<i>Labor:</i>				
Payroll	\$3.918	\$3.930	\$1.982	\$3.982
Overtime	(2.704)	(2.779)	(3.609)	(2.926)
Health and Welfare	0.510	(0.899)	(1.156)	(0.034)
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	(0.986)	(1.615)	(2.270)	(1.978)
Other Fringe Benefits	0.679	0.276	(0.115)	0.409
Reimbursable Overhead	(0.625)	(0.731)	(2.864)	(0.903)
Total Labor Expense Changes	\$0.791	(\$1.818)	(\$8.032)	(\$1.450)
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	(0.612)	(0.606)	(0.787)	(0.612)
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.804	(17.786)	17.441	25.203
Professional Service Contracts	1.103	8.058	10.420	13.363
Materials & Supplies	1.403	(15.956)	16.589	23.397
Other Business Expenses	0.000	(0.005)	(0.043)	(0.018)
Total Non-Labor Expense Changes	\$4.699	(\$26.295)	\$43.620	\$61.333
Total Expense Changes	\$5.490	(\$28.113)	\$35.588	\$59.884
2015 July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA METRO-NORTH RAILROAD
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
2015 February Financial Plan - Cash Surplus/(Deficit)	(\$601.574)	(\$524.783)	(\$548.606)	(\$561.682)
Baseline Changes				
Revenue				
Farebox Revenue	(\$8.683)	(\$7.498)	(\$10.839)	(\$13.380)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	3.501	5.369	5.423	6.443
Capital and Other Reimbursement	(5.490)	28.113	(35.587)	(59.883)
Total Revenue Changes	(\$10.672)	\$25.984	(\$41.002)	(\$66.820)
Expenses				
Labor:				
Payroll	\$18.306	\$20.633	\$17.268	\$15.389
Overtime	(7.096)	(9.169)	(9.356)	(8.707)
Health and Welfare	3.047	(4.072)	0.139	1.353
OPEB Current Payment	0.387	(0.871)	0.022	0.170
Pensions	(6.749)	(6.783)	(8.441)	(8.839)
Other Fringe Benefits	(1.325)	(7.196)	(9.428)	(11.101)
Reimbursable Overhead	(4.298)	(3.334)	(5.483)	(3.553)
Total Labor Expense Changes	\$2.273	(\$10.793)	(\$15.280)	(\$15.287)
Non-Labor:				
Electric Power	(\$3.079)	(\$4.282)	\$1.398	\$2.854
Fuel	5.184	3.210	2.743	1.622
Insurance	(0.645)	(0.892)	(2.127)	(3.473)
Claims	(0.005)	(0.005)	(0.005)	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(2.251)	(29.206)	10.229	15.106
Professional Service Contracts	1.690	7.883	10.104	12.779
Materials & Supplies	1.341	(13.118)	15.250	20.309
Other Business Expenses	(11.438)	4.476	3.797	2.724
Total Non-Labor Expense Changes	(\$9.203)	(\$31.934)	\$41.388	\$51.917
Total Expenses before Non-Cash Liability Adjs.	(\$6.930)	(\$42.727)	\$26.109	\$36.630
Depreciation	\$5.269	(\$6.854)	(\$4.854)	(\$2.854)
OPEB Obligation	0.000	1.666	5.050	8.624
Environmental Remediation	(1.721)	(1.836)	(1.975)	(2.112)
Total Expense Changes	(\$3.382)	(\$49.751)	\$24.329	\$40.287
Net Surplus/(Deficit) Changes	(\$7.290)	\$75.734	(\$65.332)	(\$107.107)
Cash Conversion Adjustment Changes				
Depreciation	(\$5.269)	\$6.854	\$4.854	\$2.854
Operating/Capital	5.202	(15.429)	(0.775)	0.709
Other Cash Adjustments	18.200	(12.275)	(8.285)	1.737
Total Cash Conversion Adjustments	\$18.133	(\$20.850)	(\$4.206)	\$5.301
Net Surplus/(Deficit) Changes	\$4.079	(\$44.618)	(\$20.879)	(\$21.232)
2015 July Financial Plan - Net Operating Cash Surplus/(Deficit)	(\$597.495)	(\$569.401)	(\$569.485)	(\$582.914)

MTA METRO-NORTH RAILROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Summary of Major Plan-to-Plan Changes

The 2015-2019 July Financial Plan 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.

2015: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN

The 2015 Mid-Year Forecast cash subsidy requirement of \$597.5 million for Non-Reimbursable operations is \$4.1 million lower than the Adopted Budget. This reflects \$5.2 million in unfavorable revenue offset by a forecasted decrease of \$9.3 million in cash expenses. Operating revenues of \$737.0 million reflects passenger revenues of \$675.4 million that are \$8.7 million unfavorable versus the Adopted Budget resulting from lower than anticipated ridership growth due primarily to an extremely severe winter. Non-passenger revenues of \$61.6 million are \$3.5 million better than the Adopted Budget due to the recognition of NYCT interagency fare revenue partially offset by the closure of the Madison Avenue parking garage due to the GCT Biltmore Room Restroom project. Non-Reimbursable operating expenses of \$1,519.1 million reflect an increase of \$8.9 million. This increase is driven by the elimination of the cost recovery from Con Edison for the 2013 New Haven Line power outage, higher maintenance and other Operating costs driven by new initiatives, and higher overtime related to New York State mandated employee training and severe winter weather coverage. These increases were partially offset by lower payroll expense due to delayed hires and vacant positions as well as lower fuel prices and depreciation expense.

The 2015 Mid-Year Reimbursable Forecast of expenditures (and receipts) total \$196.7 million, which is \$5.5 million lower than the 2015 Adopted Budget. This decrease is driven by scheduling revisions to 2016-2017 for Positive Train Control as well as several other projects (Harlem Line Stations Renewal and the Tropical Storm Sandy Communications & Signals Infrastructure Phase I).

2016 - 2018: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN

The 2016-2018 July Financial Plan subsidy requirements are higher by \$44.6 million in 2016, \$20.9 million in 2017 and \$21.2 million in 2018 than the February Financial Plan due to lower revenues and higher expenses. Reduced revenues are driven by lower Farebox revenue resulting from lower ridership partly offset by higher advertising and GCT retail revenue. Increased expenses are largely due to the impact of new safety related initiatives, increased fringe benefit costs and the continuation of 2015 overtime increases for weather and training coverage, partially offset by lower salary expense due to anticipated delays in hiring.

Reimbursable expenditures (and receipts) for the 2016-2018 July Financial Plan as compared to the February Financial Plan are higher by \$28.1 million in 2016 and lower by \$35.6 million in 2017 and \$59.9 million in 2018. These declines are driven by the revised scheduling of the Positive Train Control and Installation of Cameras on Rolling Stock Equipment projects.

MTA Metro-North Railroad
July Financial Plan 2016 - 2019
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
2015 February Financial Plan - Cash Surplus/(Deficit)	(\$601.574)	(\$524.783)	(\$548.606)	(\$561.682)
Non-Reimbursable Major Changes				
Revenue				
Interagency Revenue from Passes Distributed by NYCT	\$5.164	\$5.164	\$5.371	\$5.371
Revised Passenger Growth Projections	(8.683)	(7.498)	(10.839)	(13.380)
Remove Sandy Recovery	(3.407)	0.000	0.000	0.000
Sub-Total Non-Reimbursable Revenue Changes	(\$6.926)	(\$2.334)	(\$5.468)	(\$8.009)
Expenses				
2015 Safety Investments Retiming	\$15.549	\$0.000	\$0.000	\$0.000
2015 July Financial Plan BRP	0.000	3.620	3.620	3.620
2015 July Financial Plan New Needs - Safety Investments	(1.632)	(10.350)	(11.642)	(11.562)
2015 July Financial Plan New Needs - Graybar Expansion Space	0.000	(4.125)	(1.600)	(1.600)
2015 July Financial Plan New Needs - Grand Central Terminal Training Center	(1.120)	(2.275)	(4.600)	0.000
2015 July Financial Plan New Needs - NYS Mandated Annual compliance Training	(2.449)	(2.498)	(2.548)	(2.599)
2015 July Financial Plan New Needs - Maintenance Programs	(0.637)	(3.610)	(3.831)	(3.831)
2015 July Financial Plan New Needs - Other	(0.432)	(2.258)	(2.079)	(1.169)
Labor Cost Changes - Payroll and Fringe Costs	10.057	4.750	10.456	3.908
Remove Projected Recovery from Con-Edison	(8.990)			
Write-off Two EMU Cars from Valhalla Collision	(2.941)			
Changes to Electricity and Fuel/Oil Rates	2.105	(1.072)	4.141	4.476
M7 Cab Information Units - Replacement and Software Support	(1.359)	(2.791)	(2.807)	(3.431)
Changes to Contracts	(1.950)	(2.151)	(2.296)	(4.824)
Other Net Expense Changes	(3.176)	4.526	1.655	(1.221)
Sub-Total Non-Reimbursable Expense Changes	\$3.025	(\$18.235)	(\$11.531)	(\$18.234)
Total Non-Reimbursable Major Changes	(\$3.901)	(\$20.569)	(\$16.999)	(\$26.243)
Reimbursable Major Changes				
Revenue				
Projections for 2015-2018 assume capital project activity levels similar to 2015 Adopted Budget adjusted for the winding down / completion / addition of projects, mainly continuation of PTC	(\$5.490)	\$28.113	(\$35.587)	(\$59.883)
Sub-Total Reimbursable Revenue Changes	(\$5.490)	\$28.113	(\$35.587)	(\$59.883)
Expenses				
Projections for 2015-2018 assume capital project activity levels similar to 2015 Adopted Budget adjusted for the winding down / completion / addition of projects, mainly continuation of PTC	\$5.490	(\$28.113)	\$35.588	\$59.884
Sub-Total Reimbursable Expense Changes	\$5.490	(\$28.113)	\$35.588	\$59.884
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$3.901)	(\$20.569)	(\$16.999)	(\$26.243)
Cash Adjustment Changes				
Graybar Recognition of No-Action Condo Status for Period Prior to New Lease	\$7.000	\$0.000	\$0.000	\$0.000
Graybar Occupancy Reporting Change	5.210	4.709	1.886	1.886
Change to Existing Operating Capital	8.154	(8.378)	0.694	0.411
Other Net Cash Adjustments	(5.384)	(20.378)	(6.461)	2.712
Total Cash Adjustment Changes	\$7.979	(\$24.048)	(\$3.881)	\$5.009
Net Surplus/(Deficit) Changes	\$4.079	(\$44.617)	(\$20.880)	(\$21.233)
2015 July Financial Plan - Net Operating Cash Surplus/(Deficit)	(\$597.495)	(\$569.400)	(\$569.486)	(\$582.915)

MTA METRO-NORTH RAILROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Ridership / (Utilization)

Ridership projections are developed by line segment ridership forecasting models that incorporate current trends (excluding anomalies), the impact of economic and demographic factors, the most current information for proposed parking, advertising, service expansion and connecting services as well as government supported mass transit initiatives.

Total East of Hudson ridership is projected at 84.3 million in 2015, which is 0.7% lower than the 2015 Adopted Budget due to lower than projected growth in commutation and non-commutation ridership resulting from the service suspension in January from Winter Storm Juno, continuous adverse effects of winter weather disruptions as well as the February 3rd Commerce Street collision. In 2016 through 2019, ridership is projected to grow 2.0%, 1.6%, 1.1%, 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 2016 through 2018. Efforts to promote ridership growth continue with increased parking and promotional advertising helped by a continuation of regional employment growth.

West of Hudson utilization, projected at 1.8 million in 2015, is 2.7% higher than the Adopted Budget reflecting a progressive growth over the initial projections and a better recovery from the Port Jervis Line service outages that resulted from Tropical Storm Irene damage. In 2016-2019, West of Hudson ridership is projected to grow 2.3%, 2.0%, 3.3%, 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 on the Port Jervis line.

**MTA Metro-North Railroad
July Financial Plan 2016 - 2019
Ridership (Utilization) ***
(in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>Ridership</u>						
Harlem Line	27.127	27.390	28.082	28.574	28.889	29.256
Hudson Line	16.237	16.456	16.826	17.135	17.335	17.568
New Haven Line	39.611	40.408	41.034	41.639	42.067	42.557
Total Ridership	82.975	84.254	85.942	87.348	88.290	89.381
<u>Farebox Revenue</u>						
Harlem Line	\$192.162	\$200.425	\$207.451	\$211.066	\$213.304	\$216.032
Hudson Line	140.416	146.677	151.273	154.094	155.885	158.040
New Haven Line	316.855	327.854	335.680	342.643	348.326	352.051
West of Hudson Mail & Ride	0.416	0.414	0.427	0.436	0.454	0.473
Total Farebox Revenue	\$649.850	\$675.370	\$694.831	\$708.239	\$717.969	\$726.595

* Reflects East of Hudson Service

MTA Metro-North Railroad
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	<u>Pos.</u>	<u>2015</u>	<u>Pos.</u>	<u>2016</u>	<u>Pos.</u>	<u>2017</u>	<u>Pos.</u>	<u>2018</u>	<u>Pos.</u>	<u>2019</u>
<u>Administration</u>										
Ongoing Position Vacancies Resulting from Attrition and Time to Hire	-	0.000	-	1.920	-	1.920	-	1.920	-	1.920
Reductions to Other Business Expenses	-	0.000	-	0.500	-	0.500	-	0.500	-	0.500
<i>Subtotal Administration</i>	-	0.000	-	2.420	-	2.420	-	2.420	-	2.420
<u>Customer Convenience/Amenities</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Customer Convenience/Amenities</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
Miscellaneous Contract Services Reductions	-	0.000	-	1.200	-	1.200	-	1.200	-	1.200
<i>Subtotal Maintenance</i>	-	0.000	-	1.200	-	1.200	-	1.200	-	1.200
<u>Revenue Enhancement</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Revenue Enhancement</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety/Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service Support</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Other</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	-	\$0.000	-	\$3.620	-	\$3.620	-	\$3.620	-	\$3.620

**MTA Metro-North Railroad
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Ongoing Position Vacancies Resulting from Attrition and Time to Hire

Background Details:	Over the next several years, vacancies will continue to exceed budgeted levels due to the combination of high attrition levels and challenges in hiring. Human resource outreach and hiring efforts have increased but due to the technical nature of many railroad positions, Metro-North has difficulty finding qualified external candidates. Therefore most of the open positions are filled by existing employees. This in turn creates further vacancies and extends the length of time that positions remain unfilled.
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Program Description/ Implementation Plan:	Vacancies continue to exceed budgeted levels due to high attrition levels and issues related to hiring. The higher rate of vacant positions above forecasted levels is expected to continue in 2016 and beyond.
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Program Implementation Date:	2016	When will savings begin?:	2016
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Financial Impact (Operating):	\$0.000	\$1.920	\$1.920	\$1.920	\$1.920
Net Cash Savings (in millions)					
Total Positions Required:					

**MTA Metro-North Railroad
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Reductions to Other Business Expenses

Background Details:	Corporate printing needs have been re-evaluated with the result of less paper-based requirements due to more information posted to internal and external websites.
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Program Description/ Implementation Plan:			
Program Implementation Date:	2016	When will savings begin?:	2016
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Financial Impact (Operating):	\$0.000	\$0.500	\$0.500	\$0.500	\$0.500
Net Cash Savings (in millions)					
Total Positions Required:					

**MTA Metro-North Railroad
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Miscellaneous Contract Services Reductions

Background Details:	Misc. Contract Services reduction opportunities are the result of historical spending trends and programmatic initiatives. Several areas of cost saving include: refuse removal, various maintenance repair contracts and facility (elevator /escalator repairs resulting from overhaul improvements and favorable contract terms, material management facilities, reduced equipment rental costs as new equipment is purchased)
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Program Description/ Implementation Plan:			
Program Implementation Date:	2016	When will savings begin?:	2016
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	\$0.000	\$1.200	\$1.200	\$1.200	\$1.200
Net Cash Savings (in millions)					
<i>Total Positions Required:</i>					

MTA METRO-NORTH RAILROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Positions

POSITION ASSUMPTIONS

Positions are stated as of December 31 of each year and reflect authorized staffing levels.

YEAR-TO-YEAR CHANGES

2015-2016

The 2016 Preliminary Budget includes a net increase of 95 Non-Reimbursable positions versus the 2015 Mid-Year Forecast. This increase reflects the addition of 84 Maintenance of Way (MW) Department positions that enhance safety or improve maintenance practices:

- MW Track increases by 34 positions which include 32 additional agreement positions to improve New Haven Branch Line Grade Crossings (13), rehabilitate GCT Platform Tracks (8), create a new track subdivision at Mount Vernon (5), increase staff to maintain the expanded New Haven Yard complex (3), and operate new Track Geometry Car Equipment (3). In addition, two management positions were added to perform quality assurance inspections.
- MW Power has added 16 positions comprised of 12 agreement positions for Third Rail Power System Construction and four management positions - one to ensure compliance with electrical code guidelines and three Field Managers to oversee compliance with maintenance procedures and MNR standards.
- MW Communications & Signals (C&S) staffing increases by six agreement positions to support Positive Train Control maintenance and inspection requirements.
- MW Structures increases by 20 positions including seven management positions for the Grand Central Terminal Train Shed Rehabilitation project (4) and the reorganization of department forces (3), and 13 agreement positions to support New Haven Line Bridge and Culvert maintenance.
- MW Administration increases by eight management positions to support the Enterprise Asset Management Program.

In addition, an increase of eight management positions have been added – one in the Security Department for expanded video management requirements, three in Labor Relations for the restructuring of the employee disciplinary function, three positions to support Corporate Compliance and Strategic Development, and one Employment Attorney that will reduce the use of outside counsel services. Lastly, three Train and Engine (T&E) positions have been added in the Transportation Department to support projected ridership growth.

2016-2017

2017 includes a net decrease of 15 positions. Reimbursable agreement positions decrease by 31 as a result of the completion of the Positive Train Control and Tropical Storm Sandy projects (15 in MW, 13 in ME and 3 in Ops Admin). There is also a net increase of 16 Non-Reimbursable positions consisting of 10 MW (C&S) agreement positions for the inspection and maintenance of the new interlocking in support of the Walk Bridge replacement project (6) and Positive Train Control system (4), eight MW Administration positions for the Enterprise Asset Management program and three T&E positions in the Transportation Department to support projected ridership growth. These increases are partially offset by a decrease of five MW Track agreement positions due to the ramping down of right-of-way clean-up efforts.

2017-2018

2018 increase includes three T&E positions in the Transportation Department to support projected ridership growth.

MTA METRO-NORTH RAILROAD July Financial Plan 2016 - 2019 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2015	2016	2017	2018
2015 February Plan - Total Positions	6,690	6,697	6,676	6,679
Total Plan-to-Plan Changes	(13)	(101)	(107)	(107)
2015 July Plan - Total Positions	6,703	6,798	6,783	6,786
Total Year-to-Year Changes, July Plan		(95)	15	(3)

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(12)	(100)	(106)	(106)
<i>Reimbursable</i>	(1)	(1)	(1)	(1)
Total	(13)	(101)	(107)	(107)
<i>Full-Time</i>	(13)	(101)	(107)	(107)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(13)	(101)	(107)	(107)
<i>By Function Category</i>				
- Administration	(13)	(21)	(21)	(21)
- Operations	(27)	(27)	(24)	(24)
- Maintenance	29	(51)	(60)	(60)
- Engineering/Capital	(2)	(2)	(2)	(2)
- Public Safety	0	0	0	0
Total	(13)	(101)	(107)	(107)
<i>By Occupational Group</i>				
- Managers/Supervisors ⁽¹⁾	(156)	(164)	(164)	(164)
- Professional, Technical, Clerical ⁽¹⁾	68	55	55	55
- Operational Hourlies ⁽¹⁾	75	8	2	2
Total	(13)	(101)	(107)	(107)

Total Plan-to-Plan Changes by Major Category:				
<i>2015 BRPs</i>	0	0	0	0
<i>New Needs</i>	(6)	(74)	(80)	(80)
<i>Change in Reimbursable Positions</i>	(1)	(1)	(1)	(1)
<i>Re-estimates & All Other</i>	(6)	(26)	(26)	(26)
Total	(13)	(101)	(107)	(107)

Notes:

(1) Change mainly reflects reclassification of existing Professional, Technical and Operational Hourly positions

MTA METRO-NORTH RAILROAD
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Positions Plan-to-Plan Changes

PLAN TO PLAN CHANGES

2015

The 2015 Mid-Year Forecast reflects an increase of 13 positions versus the 2015 Adopted Budget, 12 of which are Non-Reimbursable positions. The changes include one Safety Department management position to provide community outreach education on the hazards of the railroad, seven agreement maintenance positions – four Customer Service Custodians for the new Component Change Out facility in New Haven and three agreement Rail Traffic Controllers in the Transportation Department. In addition, six management positions have been added – four in the Human Resources Department to support increased recruiting efforts, one in the Procurement Department to support New York State mandated Minority and/or Women Owned Business Enterprise (M/WBE) directives, and one in the Diversity Department to address increasing regulatory requirements. These additions are partially offset by the abolishment of a management position in the Customer Service Department after the incumbent's retirement. There is also a shift of one management Trainmaster position in the Transportation Department from the Non-Reimbursable budget to the Reimbursable budget to support Tropical Storm Sandy and the East Side Access projects.

2016

The 2016 Preliminary Budget shows a net increase of 101 positions over the February Financial Plan, 100 of which are Non-Reimbursable positions.

- 12 positions from 2015 noted above carry forward to 2016
- 50 safety related positions are added for the following projects: the New Haven Line Bridge and Culvert Structures (13), the New Haven Line Grade Crossings (13), the Third Rail Power System Construction (12), the Grand Central Terminal Platform Track Rehabilitation (8), the Track Inspection Quality Assurance Team (2), Video Management Expansion (1), and Power Department Code Compliance (1).
- 11 maintenance positions have been added for the following projects: the Mount Vernon Satellite Subdivision (5), the New Haven Yard Track gang (3), and Power Department Field Managers (3).
- 20 MW Track maintenance positions for the Infrastructure Improvement Program, that were scheduled to be eliminated in the February Financial Plan, have been retained due to the critical need to continue this work.
- 7 management positions have been added – three for the restructuring of the employee disciplinary function, three for Corporate Compliance and Strategic Development, and one Employment Attorney to reduce future reliance on outside counsel services.

The 2016 Preliminary Budget also shows a net increase of one Reimbursable position over the February Financial Plan which carried forward from the 2015 change noted above.

2017-2018

The July Financial Plan for 2017 and 2018 shows a net increase of 107 positions over the February Financial Plan. Of this total, 106 positions are Non-Reimbursable, of which 100 carry forward from 2016 (described above) to 2017 and 2018. Additionally, there are six safety related positions for inspection and maintenance of the new interlocking to support the Walk Bridge replacement project in Connecticut. Additionally, there is a net increase of one Reimbursable position which carried forward from the 2016 change noted above.

MTA METRO-NORTH RAILROAD
July Financial Plan 2016 - 2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
President	2	4	7	7	7	7
Labor Relations(1)	7	15	18	18	18	18
Safety	35	72	73	73	73	73
COS/ Corporate & Public Affairs	15	18	18	18	18	18
Customer Service	45	52	52	52	52	52
Legal	19	18	19	19	19	19
Claims	10	14	14	14	14	14
Environmental Compliance & Svce	7	8	8	8	8	8
VP Administration(1)	2	0	0	0	0	0
VP Human Resources	6	7	7	7	7	7
Human Resources & Diversity	25	36	36	36	36	36
Training	50	98	98	98	98	98
Employee Relations & Diversity	5	6	6	6	6	6
VP Planning	2	2	2	2	2	2
Operations Planning & Analysis	15	22	22	22	22	22
Capital Planning & Programming	13	14	14	14	14	14
GCT & Corporate Development	32	31	31	31	31	31
Long Range Planning	6	8	8	8	8	8
VP Finance & Info Systems	1	4	4	4	4	4
Controller	75	81	81	81	81	81
Information Technology & Project Mgmt	93	0	0	0	0	0
Budget	18	20	20	20	20	20
Procurement & Material Management	30	44	44	44	44	44
Corporate	0	0	0	0	0	0
Total Administration	512	574	582	582	582	582
Operations						
Operations Administration	53	89	89	86	86	86
Operations Services	1,454	1,470	1,473	1,476	1,479	1,479
Customer Service	230	241	241	241	241	241
GCT & Corporate Development	33	38	38	38	38	38
Metro-North West	33	46	46	46	46	46
Total Operations	1,802	1,884	1,887	1,887	1,890	1,890
Maintenance						
GCT & Corporate Development	158	171	171	171	171	171
Maintenance of Equipment	1,607	1,748	1,748	1,735	1,735	1,735
Maintenance of Way	1,848	2,087	2,171	2,169	2,169	2,169
Procurement & Material Management	119	124	124	124	124	124
Total Maintenance	3,731	4,130	4,214	4,199	4,199	4,199
Engineering/Capital						
Construction Management	31	43	43	43	43	43
Engineering & Design	60	72	72	72	72	72
Total Engineering/Capital	91	115	115	115	115	115
Total Positions	6,136	6,703	6,798	6,783	6,786	6,786
<i>Non-Reimbursable</i>	5,681	6,002	6,097	6,113	6,116	6,116
<i>Reimbursable</i>	455	701	701	670	670	670
<i>Total Full-Time</i>	6,135	6,702	6,797	6,782	6,785	6,785
<i>Total Full-Time-Equivalents</i>	1	1	1	1	1	1

MTA METRO-NORTH RAILROAD
July Financial Plan 2016 - 2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration							
	Managers/Supervisors	135	164	165	165	165	165
	Professional, Technical, Clerical	378	409	416	416	416	416
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	512	574	582	582	582	582
Operations							
	Managers/Supervisors	130	236	236	236	236	236
	Professional, Technical, Clerical	223	199	199	196	196	196
	Operational Hourlies	1,449	1,450	1,453	1,456	1,459	1,459
	Total Operations	1,802	1,884	1,887	1,887	1,890	1,890
Maintenance							
	Managers/Supervisors	489	619	626	626	626	626
	Professional, Technical, Clerical	509	534	555	567	567	567
	Operational Hourlies	2,732	2,978	3,034	3,007	3,007	3,007
	Total Maintenance	3,731	4,130	4,214	4,199	4,199	4,199
Engineering/Capital							
	Managers/Supervisors	40	53	53	53	53	53
	Professional, Technical, Clerical	51	62	62	62	62	62
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	91	115	115	115	115	115
Public Safety							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Public Safety	-	-	-	-	-	-
Total Positions							
	Managers/Supervisors	794	1,072	1,080	1,080	1,080	1,080
	Professional, Technical, Clerical	1,160	1,204	1,232	1,241	1,241	1,241
	Operational Hourlies	4,182	4,427	4,486	4,462	4,465	4,465
	Total Positions	6,136	6,703	6,798	6,783	6,786	6,786

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MTA Headquarters

MTA HEADQUARTERS
2016 Preliminary Budget
July Financial Plan 2016 – 2019

FINANCIAL OVERVIEW

MTA Headquarters' operations include four distinct components: Policy and Oversight; Consolidated Functions (those departments that perform services on behalf of MTA agencies and includes the impact of the IT Transformation); the Business Service Center (BSC); and MTA Security, which includes the MTA Police Department. 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, the MTA 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 Headquarters conducted a review of operations that identified recurring savings of over \$16.0 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, many of which provide significant savings to the MTA. With the successful completion of the IT Transformation, the July Plan includes savings of \$25.5 million resulting from vacancies and headcount reductions in 2015. Recurring savings are approximately \$16.0 million per year thereafter.

The plan also includes investments for the following:

- The PeopleSoft 9.2 Upgrade project necessary for Financial and Human Resources.
- Funding for entirely new Procurement modules providing an improved procurement platform with easier interface with suppliers, a real-time virtual marketplace, and software that will help managers make more strategic sourcing decisions.
- Funding for security projects includes investments to protect the critical infrastructure from cyber threats.
- Funding for an Energy Management System (EMS), a comprehensive All-Agency initiative for the construction and implementation of an Automated Metering Infrastructure and Energy Management software platform to provide project management of various agency energy management initiatives. Energy savings from this initiative are captured elsewhere in the July Plan.

- Support for 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.
- While the consolidation/relocation of Headquarters staff from Madison Avenue to Two Broadway was successfully completed in 2014, funding remains for relocation of the MTAPD. Reimbursement of the funding will come from the eventual disposition of the Madison Avenue properties. The net proceeds will go to the MTA Capital Program.

While not included in this Plan, there are efforts underway, including the consolidation of the Procurement and Treasury functions at Headquarters, which will ultimately yield savings. Funding in support of the capital program through a Capital Program Outreach is included, as well as for Transit Oriented activities to promote revenue enhancements from real estate sources. Funding also continues for the West Side Yards Development project which is fully reimbursable from 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. Included in the Financial Plan baseline in 2015 is funding for the hiring of five MTAPD positions for patrolling the Moynihan project - an expansion of the west end concourse at Penn Station. Also included in the baseline is funding in 2019 for the MTAPD 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 2022.

Business Service Center

Funding is provided for the BSC to address increased volume needs primarily resulting from the IT Transformation but also attributable to the growing processing needs at the Data Management Center and the Customer Management Center, and for employment testing and training requirements. Funding for functionality requirements are provided for user training and talent management to ensure that the PeopleSoft 9.2 upgrade is understood and used as intended for the upgrade to be successful. Lastly, funding is provided for implementation of Procure-to-Pay recommendations to improve procurement processes.

2015 Mid-Year Forecast

The MTA Headquarters Baseline Deficit of \$692.0 million in the July Plan includes total Non-Reimbursable Operating Revenues of \$59.9 million and total expenses before depreciation and other post-employment benefits of \$624.5 million, consisting of \$297.8 million in labor expenses and \$326.7 million in non-labor expenses. Total capital and other reimbursements are projected to be \$141.8 million. Total reimbursable labor

expenses are \$91.3 million and non-labor expenses are \$50.5 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$5.8 million.

The Baseline Cash Deficit is projected to be \$558.8 million, a \$115.9 million unfavorable variance from the February Adopted Budget of \$442.9 million.

Major operating cash changes include:

Unfavorable

- The MTA assumption of Long Island Bus previous and current costs totaling \$48.6 million stemming from unsuccessful litigation against Nassau County.
- Timing of 2014 expenses of \$30.5 million mainly due to IT Transformation related costs.
- Revised relocation costs of \$19.8 million to be reimbursed from the sale of the Madison Avenue Buildings.
- Re-estimated IT Transformation pension and changes in NYSLERs costs of \$14.2 million.
- BSC investments of \$11.7 million primarily for the implementation of the Procurement process study recommendations.
- Consolidation IT investments of \$10.9 million, primarily security-related.
- Operating Capital investments of \$10.8 million mainly for PeopleSoft 9.2 Upgrade costs and for the upkeep of the Two Broadway building.
- Administration investments of \$7.8 million include Energy Management System funding to support the efficient and cost effective management of energy use.
- Re-estimated costs of \$7.7 million including IT infrastructure rollover expenses from NYCT of \$4.1 million and Capital Program Outreach consulting.
- Continuing operating costs for the Madison Avenue buildings of \$4.9 million.
- Revised IT expense recovery of \$2.4 million.
- The elimination of anticipated operating recovery of \$2.3 million from the Federal Transportation Administration (FTA) for Tropical Storm Sandy.

Favorable

- BRPs of \$26.5 million mainly due to IT Transformation savings including vacancy savings, reductions of 59 positions and lower use of IT consultants.
- Increased advertising revenues of \$22.2 million.
- Lower Health and Welfare and Other Fringe costs due to vacancies of \$6.2 million.
- Additional support for the Verrazano-Narrows Bridge (VNB) toll rebate program of \$2.6 million.

Reimbursable expenses are projected to increase by \$12.5 million in 2015 mainly as a result of higher recoverable expenses from the level of work planned at the West Side Yard project offset by reimbursable IT charges that will now be direct billed to Capital Plan projects.

Total baseline positions are projected to increase by 12 positions to 2,713 positions, resulting from 70 additions and the transfer of a Procurement position from the LIRR,

partly offset by BRPs of 59 positions. This is discussed more thoroughly in the Positions section.

2016 Preliminary Budget - Baseline

The MTA Headquarters Baseline Deficit of \$748.8 million in the July Plan includes total Non-Reimbursable Operating Revenues of \$60.9 million and total expenses before depreciation and other post-employment benefits of \$650.0 million, consisting of \$343.6 million in labor expenses and \$306.5 million in non-labor expenses. Total capital and other reimbursements are projected to be \$117.3 million. Total reimbursable labor expenses are \$84.6 million and non-labor expenses are \$32.6 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$99.3 million primarily reflecting timing of relocation expenditures and recovery offset by higher advertising revenue receipts reassigned to MTA Headquarters from NYCT and the Commuter Railroads.

The Baseline Cash Deficit is projected to be \$489.9 million, a \$161.6 million unfavorable variance from the February Adopted Budget of \$328.3 million.

Major operating cash changes include:

Unfavorable

- Revised relocation costs and timing of recovery of \$89.8 million.
- Operating Capital investments of \$20.5 million mainly for PeopleSoft 9.2 upgrade and other IT needs.
- Consolidation IT New Needs of \$14.6 million are primarily for security purposes.
- Re-estimated pension costs of \$13.0 million mainly for IT Transformation employees currently on other agency payrolls.
- BSC investments of \$12.8 million are primarily for the implementation of the Procurement process study recommendations.
- Administration investments of \$11.8 million include Energy Management System funding to support the efficient and cost effective management of energy use.
- The MTA assumption of Long Island Bus current costs totaling \$8.4 million stemming from unsuccessful litigation against Nassau County.
- Higher Health and Welfare and Other Fringe costs primarily due to rate changes of \$5.5 million.
- Re-estimated costs of \$5.4 million including IT software licenses and infrastructure rollover expenses from NYCT.
- Continuing operating costs for the Madison Avenue buildings of \$4.6 million.

Favorable

- Re-estimated advertising revenues of \$22.2 million.
- BRPs of \$16.7 million mainly due to IT Transformation savings including reductions of 59 positions and lower use of EDP consultants.

Reimbursable expenses are projected to decrease by \$14.6 million in 2016 mainly as a result of lower recoverable expenses from the level of work planned at the West Side

Yard project and by reimbursable IT charges that will now be direct billed to Capital Plan projects.

Total baseline positions are projected to increase by 12 positions to 2,719 positions, resulting from 70 additions and the transfer of a Procurement position from the LIRR, partly offset by BRPs of 59 positions. This is discussed more thoroughly in the Positions section.

2017-2019 Projections

Operating cash deficits are projected to decrease by \$33.5 million in 2017 and increase by \$4.6 million in 2018 relative to the Adopted Budget.

Major operating cash changes include:

Unfavorable

- Operating Capital investments of \$28.1 million in 2017 mainly for IT initiatives.
- Re-estimated pension costs of \$13.6 million and \$13.7 million in 2017 and 2018, respectively, mainly for IT Transformation employees currently on other agency payrolls.
- Consolidation IT investments of \$8.2 million and \$8.0 million in 2017 and 2018, respectively, are primarily for security purposes.
- The MTA assumption of Long Island Bus current costs totaling \$7.5 million in years 2017 and 2018 stemming from unsuccessful litigation against Nassau County.
- Administration investments of \$7.1 million in 2017 include Energy Management System funding to support the efficient and cost effective management of energy use.
- Higher Health and Welfare and Other Fringe costs primarily due to rate changes of \$6.6 million and \$6.7 million in 2017 and 2018, respectively.
- BSC investments of \$5.2 million and \$1.8 million in 2017 and 2018, respectively, are primarily for the implementation of the Procurement process study recommendations.
- Re-estimated costs of \$3.9 million in 2017 and \$4.1 million in 2018 are mainly for IT software licenses.
- Continuing operating costs for the Madison Avenue buildings of \$3.9 million in 2017.
- Re-estimated salaries and wages of \$3.0 million in 2017 and \$2.5 million in 2018.
- Revised IT expense recovery of \$2.3 million in each year, 2017 and 2018.

Favorable

- Revised relocation costs and recovery of \$93.7 million in 2017.
- Re-estimated advertising revenues of \$22.9 million and \$23.6 million in 2017 and 2018, respectively.
- BRPs of \$16.5 million and \$16.6 million in 2017 and 2018, respectively, mainly due to IT Transformation savings including reductions of 59 positions and lower use of EDP consultants.

- Operating Capital initiatives of 13.5 million in 2018 mainly due to reduced IT requirements.

Reimbursable expenses are projected to decrease by \$23.1 million in 2017 and \$20.5 million in 2018 mainly due to lower recoverable expenses based on the level of work planned at the West Side Yard project and by reimbursable IT charges that will now be directly billed to the Capital Plan projects.

Total baseline positions are projected to increase by 12 positions to 2,719 positions, resulting from 70 additions and the transfer of a Procurement position from LIRR, partly offset by BRPs of 59 positions. This is discussed more thoroughly in the Positions section.

The MTA Headquarters Baseline Deficit of \$777.2 million in 2019 includes total Non-Reimbursable Operating Revenues of \$66.7 million and total expenses before depreciation and other post-employment benefits of \$843.9 million, consisting of \$368.9 million in labor expenses and \$276.8 million in non-labor expenses. Total capital and other reimbursements are projected to be \$103.7 million. Total reimbursable labor expenses are \$87.5 million and non-labor expenses are \$16.2 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$151.7 million primarily reflecting advertising revenue receipts reassigned from NYCT and the Commuter Rails to MTA Headquarters. Total headcount is projected to be 2,749 positions in 2019.

Overtime Management

MTAHQ overtime is primarily utilized by MTAPD. Although overtime in 2015 reflects costs related to demonstrations and the Metro North accident in Valhalla, they include efficiencies agreed to in the ratified Policemen's Benevolent Association (PBA) Contract. In order to control overtime MTAPD closely monitors vacancy/absentee coverage and makes daily decisions on which open posts require coverage on overtime. MTAPD continues to add to, and utilize, an extra list that allows MTAPD Command staff to address backfill issues with straight-time coverage, the largest of MTAPD's overtime expense.

Budget Reduction Program (BRPs)

The July Plan includes BRPs of \$26.5 million in 2015, primarily due to administrative reductions resulting from the IT Transformation. This includes IT Transformation non-recurring savings of \$16.6 million resulting from capturing position eliminations and vacancy savings. Recurring savings of \$9.9 million include IT headcount reductions of 59 positions in 2015 resulting in \$5.5 million in savings. Administrative Other than Personal Service (OTPS) reductions of \$3.8 million include IT professional service reductions of 2.4 million, reduced EDP consultants of \$1.0 million, lower Headquarters' lobbying of \$0.2 million and BSC postage reductions of \$0.1 million. MTAPD savings of \$0.5 million resulted from gas usage efficiencies of \$0.3 million and position downgrades of \$0.2 million.

MTAHQ recurring savings in of \$16.7 million in 2016 primarily result from the IT headcount reductions full year impact of \$9.9 million, OTPS reductions of \$6.1 million include IT professional service reductions of 2.9 million, reduced EDP consultants of \$2.8 million, lower Headquarters' lobbying of \$0.2 million and BSC postage reductions of \$0.1 million. MTAPD savings of \$0.5 million resulted from gas and auto usage efficiencies of \$0.4 million and position downgrades of \$0.1 million. Downgraded Headquarters' positions resulted in savings of \$0.2 million.

MTA HEADQUARTERS
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	Actuals	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Operating Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	58.946	47.173	46.788	48.567	50.417	52.340
Advertising	-	-	-	-	-	-
Other	7.054	12.769	14.064	14.168	15.252	14.372
Total Other Operating Revenue	66.000	59.942	60.852	62.735	65.669	66.712
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$66.000	\$59.942	\$60.852	\$62.735	\$65.669	\$66.712
Operating Expenses						
<u>Labor:</u>						
Payroll	\$168.265	\$239.064	\$258.513	\$263.947	\$266.413	\$271.607
Overtime	7.517	7.600	7.342	7.251	7.372	7.481
Health and Welfare	25.095	37.723	49.667	50.463	52.574	55.011
OPEB Current Payment	8.934	9.291	10.071	10.232	10.693	11.174
Pensions	45.332	60.939	67.980	69.237	70.429	72.312
Other Fringe Benefits	17.435	21.499	23.248	26.197	26.720	27.062
Reimbursable Overhead	(38.505)	(78.318)	(73.240)	(74.138)	(74.425)	(75.739)
Total Labor Expenses	\$234.072	\$297.798	\$343.581	\$353.190	\$359.776	\$368.909
<u>Non-Labor:</u>						
Electric Power	\$8.399	\$6.936	\$7.143	\$7.212	\$7.150	\$7.553
Fuel	1.148	1.687	1.846	1.891	2.041	2.237
Insurance	3.281	2.858	1.965	2.096	2.316	2.478
Claims	0.573	1.331	1.463	1.609	1.770	1.947
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.414	73.320	69.214	70.638	68.158	69.855
Professional Service Contracts	51.994	202.636	185.463	156.464	149.610	153.622
Materials & Supplies	0.000	0.092	1.977	2.033	2.094	2.135
<u>Other Business Expenses</u>						
MTA Internal Subsidy	14.700	21.740	22.400	22.400	22.400	22.400
Other	3.934	16.121	14.981	14.463	14.455	14.539
Total Other Business Expenses	18.634	37.861	37.381	36.863	36.855	36.939
Total Non-Labor Expenses	\$150.443	\$326.722	\$306.453	\$278.808	\$269.994	\$276.765
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$384.515	\$624.519	\$650.033	\$631.998	\$629.770	\$645.674
Depreciation	29.034	38.504	48.292	55.227	48.916	50.929
OPEB Obligation	85.543	88.885	111.300	123.500	135.400	147.300
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$499.093	\$751.908	\$809.625	\$810.724	\$814.086	\$843.903
Net Surplus/(Deficit)	(\$433.093)	(\$691.966)	(\$748.773)	(\$747.990)	(\$748.417)	(\$777.190)

MTA HEADQUARTERS
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014 Actuals	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	83.040	141.804	117.250	108.675	108.113	103.720
Total Revenue	\$83.040	\$141.804	\$117.250	\$108.675	\$108.113	\$103.720
Expenses						
<u>Labor:</u>						
Payroll	\$3.555	\$4.106	\$4.343	\$4.414	\$4.486	\$4.557
Overtime	11.677	7.005	5.000	5.000	5.000	5.000
Health and Welfare	0.588	0.742	0.857	0.869	0.905	0.943
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.633	0.792	0.783	0.805	0.828	0.852
Other Fringe Benefits	0.384	0.374	0.391	0.410	0.418	0.426
Reimbursable Overhead	38.505	\$78.318	\$73.240	\$74.138	\$74.425	\$75.739
Total Labor Expenses	\$55.342	\$91.337	\$84.614	\$85.636	\$86.061	\$87.516
<u>Non-Labor:</u>						
Electric Power	-	-	-	-	-	-
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	0.020	0.020	0.021	0.021	0.022
Professional Service Contracts	27.661	50.328	32.498	22.897	21.906	16.054
Materials & Supplies	-	-	-	-	-	-
<u>Other Business Expenses</u>	-	-	-	-	-	-
<i>MTA Internal Subsidy</i>	-	-	-	-	-	-
<i>Other</i>	0.037	0.115	0.118	0.121	0.124	0.128
Total Other Business Expenses	0.037	0.115	0.118	0.121	0.124	0.128
Total Non-Labor Expenses	\$27.699	\$50.463	\$32.637	\$23.039	\$22.052	\$16.204
<u>Other Expenses Adjustments:</u>						
<i>Other</i>	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$83.040	\$141.800	\$117.250	\$108.675	\$108.113	\$103.720
Depreciation	-	-	-	-	-	-
Total Expenses	\$83.040	\$141.800	\$117.250	\$108.675	\$108.113	\$103.720
Net Surplus/(Deficit)	\$0.000	\$0.004	\$0.000	\$0.000	\$0.000	\$0.000

MTA HEADQUARTERS
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2014	2015	2016			
	Actuals	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	58.946	47.173	46.788	48.567	50.417	52.340
Advertising	-	-	-	-	-	-
Other	7.054	12.769	14.064	14.168	15.252	14.372
Total Other Operating Revenue	66.000	59.942	60.852	62.735	65.669	66.712
Capital and Other Reimbursements	83.040	141.804	117.250	108.675	108.113	103.720
Total Revenue	\$149.040	\$201.746	\$178.102	\$171.410	\$173.782	\$170.432
Expenses						
<u>Labor:</u>						
Payroll	\$171.820	\$243.170	\$262.856	\$268.361	\$270.899	\$276.164
Overtime	19.194	14.605	12.342	12.251	12.372	12.481
Health and Welfare	25.683	38.465	50.523	51.332	53.479	55.953
OPEB Current Payment	8.934	9.291	10.071	10.232	10.693	11.174
Pensions	45.965	61.731	68.763	70.042	71.257	73.164
Other Fringe Benefits	17.818	21.873	23.638	26.607	27.138	27.488
Reimbursable Overhead	-	0.000	-	-	(0.000)	-
Total Labor Expenses	\$289.414	\$389.135	\$428.195	\$438.825	\$445.838	\$456.425
<u>Non-Labor:</u>						
Electric Power	\$8.399	\$6.936	\$7.143	\$7.212	\$7.150	\$7.553
Fuel	1.148	1.687	1.846	1.891	2.041	2.237
Insurance	3.281	2.858	1.965	2.096	2.316	2.478
Claims	0.573	1.331	1.463	1.609	1.770	1.947
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.414	73.340	69.234	70.659	68.179	69.877
Professional Service Contracts	79.655	252.963	217.962	179.361	171.516	169.676
Materials & Supplies	-	0.092	1.977	2.033	2.094	2.135
<u>Other Business Expenses</u>						
MTA Internal Subsidy	14.700	21.740	22.400	22.400	22.400	22.400
Other Business Expenses	3.972	16.237	15.099	14.585	14.580	14.666
Total Other Business Expenses	18.672	37.977	37.499	36.985	36.980	37.066
Total Non-Labor Expenses	\$178.142	\$377.184	\$339.089	\$301.847	\$292.046	\$292.969
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$467.556	\$766.319	\$767.284	\$740.672	\$737.883	\$749.393
Depreciation	29.034	38.504	48.292	55.227	48.916	50.929
OPEB Obligation	85.543	88.885	111.300	123.500	135.400	147.300
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$582.134	\$893.708	\$926.875	\$919.399	\$922.199	\$947.622
Net Surplus/(Deficit)	(\$433.093)	(\$691.962)	(\$748.773)	(\$747.990)	(\$748.417)	(\$777.190)

MTA HEADQUARTERS
July Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actuals	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	58.946	47.173	46.788	48.567	50.417	52.340
Advertising	123.957	145.000	148.647	153.060	157.608	162.290
<u>Other</u>	<u>5.146</u>	<u>12.869</u>	<u>14.166</u>	<u>114.764</u>	<u>20.158</u>	<u>33.862</u>
Total Other Operating Revenue	188.049	205.042	209.601	316.391	228.183	248.492
Capital and Other Reimbursements	75.108	141.804	117.250	108.675	108.113	103.720
Total Receipts	\$263.157	\$346.846	\$326.851	\$425.066	\$336.296	\$352.212
Expenditures						
<u>Labor:</u>						
Payroll	\$172.332	237.938	256.151	261.599	264.068	269.334
Overtime	19.194	14.605	12.342	12.251	12.372	12.481
Health and Welfare	23.541	37.447	49.383	50.167	52.289	54.763
OPEB Current Payment	8.935	9.291	10.071	10.232	10.693	11.174
Pensions	39.264	58.054	67.526	68.802	70.043	71.966
Other Fringe Benefits	17.547	21.527	23.573	26.542	27.073	27.423
GASB Account	0.990	0.000	0.000	0.000	0.092	0.188
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$281.803	\$378.861	\$419.048	\$429.593	\$436.630	\$447.330
<u>Non-Labor:</u>						
Electric Power	\$6.648	\$6.936	\$7.143	\$7.212	\$7.150	\$7.553
Fuel	1.461	1.682	1.846	1.891	2.041	2.237
Insurance	4.234	2.836	1.944	2.073	2.291	2.451
Claims	1.493	1.315	1.463	1.609	1.770	1.947
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.638	77.379	66.362	67.749	65.222	66.877
Professional Service Contracts	72.929	262.213	211.500	172.919	165.225	163.776
Materials & Supplies	-	0.092	1.977	2.033	2.094	2.135
<u>Other Business Expenses</u>						
MTA Internal Subsidy	14.700	21.740	22.400	22.400	22.400	22.400
<u>Other Business Expenses</u>	<u>60.122</u>	<u>68.426</u>	<u>26.108</u>	<u>20.830</u>	<u>18.814</u>	<u>18.344</u>
Total Other Business Expenses	74.822	90.166	48.508	43.230	41.214	40.744
Total Non-Labor Expenditures	\$228.225	\$442.619	\$340.743	\$298.717	\$287.007	\$287.720
<u>Other Expenditure Adjustments:</u>						
Capital	19.058	84.163	56.936	49.598	48.023	44.466
Unallocated Service Enhancement Policy Action	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$19.058	\$84.163	\$56.936	\$49.598	\$48.023	\$44.466
Total Expenditures	\$529.086	\$905.644	\$816.726	\$777.908	\$771.659	\$779.516
Net Cash Surplus/(Deficit)	(\$265.929)	(\$558.798)	(\$489.875)	(\$352.843)	(\$435.363)	(\$427.304)

MTA HEADQUARTERS
July Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actuals	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Receipts						
Fare Revenue	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-
Advertising Revenue	123.957	145.000	148.647	153.060	157.608	162.290
Other Operating Revenue	(1.908)	0.100	0.102	100.596	4.906	19.490
Capital and Other Reimbursements	(7.932)	-	-	-	-	-
Total Receipts	\$114.117	\$145.100	\$148.749	\$253.656	\$162.514	\$181.780
Expenditures						
<u>Labor:</u>						
Payroll	(0.512)	5.232	6.705	6.762	6.831	6.830
Overtime	(0.000)	-	-	-	-	-
Health and Welfare	2.142	1.018	1.140	1.165	1.190	1.190
OPEB Current Payment	(0.001)	(0.000)	-	-	-	-
Pensions	6.701	3.677	1.237	1.240	1.214	1.198
Other Fringe Benefits	0.271	0.347	0.065	0.065	0.065	0.065
GASB Account	(0.990)	-	-	-	(0.092)	(0.188)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$7.611	\$10.274	\$9.147	\$9.232	\$9.208	\$9.095
<u>Non-Labor:</u>						
Electric Power	\$1.751	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(0.313)	0.005	-	-	-	-
Insurance	(0.953)	0.023	0.021	0.023	0.025	0.027
Claims	(0.920)	0.016	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.224)	(4.039)	2.872	2.910	2.957	3.000
Professional Service Contracts	6.726	(9.250)	6.462	6.442	6.291	5.900
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Business Expenses</u>						
MTA Internal Subsidy	-	-	-	-	-	-
Other Business Expenses	(56.150)	(52.190)	(11.009)	(6.245)	(4.234)	(3.678)
Total Other Business Expenses	(56.150)	(52.190)	(11.009)	(6.245)	(4.234)	(3.678)
Total Non-Labor Expenditures	(\$50.083)	(\$65.435)	(\$1.654)	\$3.130	\$5.039	\$5.249
<u>Other Expenditure Adjustments:</u>						
Capital	(\$19.058)	(\$84.163)	(\$56.936)	(\$49.598)	(\$48.023)	(\$44.466)
Total Other Expenditure Adjustments	(\$19.058)	(\$84.163)	(\$56.936)	(\$49.598)	(\$48.023)	(\$44.466)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$52.586	\$5.775	\$99.306	\$216.420	\$128.738	\$151.658
Depreciation Adjustment	29.034	38.504	48.292	55.227	48.916	50.929
OPEB Obligation	85.543	88.885	111.300	123.500	135.400	147.300
Environmental Remediation	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$167.164	\$133.164	\$258.898	\$395.147	\$313.054	\$349.887

MTA Headquarters
2015 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE OVERTIME	Total		
	Hours	\$	%
<u>Scheduled Service</u>	0	\$0.000	0.0%
<u>Unscheduled Service</u>	0	0.000	0.0%
<u>Programmatic/Routine Maintenance</u>	0	0.000	0.0%
<u>Unscheduled Maintenance</u>	0	0.000	0.0%
<u>Vacancy/Absentee Coverage</u>	49,373	2.569	33.8%
<u>Weather Emergencies</u>	0	0.000	0.0%
<u>Safety/Security/Law Enforcement</u>	75,532	3.925	51.6%
<u>Other¹</u>	28,648	1.106	14.5%
Subtotal	153,553	\$7.600	100%
REIMBURSABLE OVERTIME	142,320	\$7.005	
TOTAL OVERTIME	295,874	\$14.605	

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

**MTA HEADQUARTERS
2016 Preliminary Budget
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Baseline**

Receipts:

Rental and Other Income and Reimbursements

- Increased total revenue in 2015 reflects re-estimated advertising revenues, re-estimated charge-backs to Agencies for work performed by MTA Headquarters on their behalf, and New York State support of the Verrazano-Narrows Bridge toll rebate program offset by the elimination of anticipated FTA recovery of funds from Tropical Storm Sandy.
- Excluding NYS support of the VNB toll rebate program, revenues in 2016, 2017 and 2018 and 2019 are inflated by the CPI-Urban rate of 2.44%, 2.76%, 2.66% and 2.56%, respectively. Cash revenues in 2017 are higher mainly due to the reimbursement of consolidation/relocation expenses from the disposition of the Madison Avenue buildings.

Expenditures:

Payroll

- Payroll changes in the July Financial Plan in 2015 primarily reflect higher vacancies, re-estimated departmental costs, a 2% increase for MTA Headquarters and MTA Police civilian salaries, and a net increase of 12 positions.
- Payroll increases in 2016 primarily reflects full-year staffing and MTA Headquarters and MTA Police civilian salaries inflated by 2%.
- Expenses in 2017, 2018, and 2019 reflect MTA Headquarters and MTA Police civilian salaries inflated by wage growth assumptions of 2% per year.
- MTA Police represented salaries are inflated at 2%, 2%, and 3% in 2015, 2016, and 2017, respectively, in accordance to the terms agreed through the collective bargaining process.
- The Plan also reflects the increase in patrol force necessary to provide greater coverage on the Moynihan project in 2015, and the East Side Access Project with hiring beginning in 2019.

Overtime

- Overtime expenses throughout the July Financial Plan are primarily related to MTA Police operations and a lesser amount resulting from the IT Transformation.
- In 2015, overtime expenses reflect the full-year impact of the overtime efficiencies agreed to in the ratified PBA Contract.
- Expenses in 2017, 2018, and 2019 are inflated by prevailing inflator assumptions.

coverage rates in 2015 are projected to increase at a rate of 4.0%, 8.4% in 2016, and 1.6% in 2017, and 4.5% in each year thereafter. Individual coverage rates in 2015 are projected to increase at a rate of 3.9%, 8.7% in 2016, 0.3% in 2017, and 3.6% in 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

- Pension costs in 2015 primarily are based on estimated NYSLERS and MTA Defined Benefits contributions and estimated agency rates for those MTA Headquarters' employees currently on other agency payrolls.
- NYSLERS 2016 estimate is inflated at CPI 3+1 rates of 3.62%, 3.66% in 2017, 3.56% in 2018, and 3.75% in 2019.
- MTA Defined Benefits contributions estimates are based on actuarial growth assumptions through 2019.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions.

Insurance and Claims

- The core of excess liability and automotive policies are inflated at 10% annually. Claims expenses are inflated at approximately 9% annually over the Plan period.

Maintenance and Other Operating Contracts

- Maintenance expenses increase in 2015 and 2017, mostly due to the timing of the sale of the Madison Avenue properties.
- Expenses decrease in 2016 and 2018 primarily reflecting the reclassification of Two Broadway and IT Transformation expenses from the baseline.
- Expenses in 2018, and 2019 are inflated by the CPI-Urban rates of 2.66%, and 2.56%, respectively.

Professional Service Contracts

- Professional services in 2015 include investments of \$26.3 million mainly for the Energy Management System, implementation of the Procurement process study recommendations, and re-estimates of \$11.8 million primarily for IT-related expenses. Expenses are lower in 2016 and 2017 mainly due to reduced Procurement and IT-related investments and other baseline decreases.
- In 2018, and 2019 the majority of expenses are inflated by the CPI-Urban rates of 2.66%, and 2.56%, respectively, with adjustments corresponding to the needs of the West Side Yards development and other baseline changes.

Materials and Supplies

- Increased expenses in 2016 primarily reflects reclassified Two Broadway expenses from the Maintenance and Other Operating Contracts category.

- Expenses in 2017, 2018, and 2019 are inflated by CPI-Urban rates of 2.76%, 2.66%, and 2.56%, respectively.

MTA Internal Subsidy

- The MTA Internal Subsidy of \$21.7 million in 2015 reflects Verrazano-Narrows Bridge toll rebate program support of \$16.6 million. NYS' share of the program is captured as an offsetting revenue. There is also a reduction in NYS fees in 2015 to reflect timing of NYS support from the prior year. Also captured in this category is the continuing support requirement for the Rockaway Resident Discount Program of \$5.1 million.
- In 2016 and beyond, the MTA Internal Subsidy includes annual support requirements for the Rockaway Resident Discount Program of \$5.1 million, and \$17.3 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 Operating Revenues.

Other Business Expenses

- Expenses in 2015 and thereafter reflect The MTA assumption of Long Island Bus current costs resulting from unsuccessful litigation against Nassau County.
- In 2016, 2017, 2018 and 2019 expenses are inflated by the CPI-Urban rates of 2.44%, 2.76%, 2.66%, and 2.56%, respectively.

Other Expenditure Adjustments:

Capital Expenditures

- Capital expenditures of \$84.2 million in 2015 and \$56.9 million in 2016 reflect BSC New Needs primarily for the PeopleSoft 9.2 upgrade.
- Capital expenditures decrease to \$49.6 million in 2017 and mostly reflect spending for IT.
- Capital expenditures decrease to \$48.0 million in 2018 reflecting further BSC PeopleSoft Finance and Human Resources upgrades.
- Capital expenditures decrease to \$44.5 million reflecting mostly IT spending.

MTA HEADQUARTERS
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	47.173	46.788	(0.385)	48.567	1.779	50.417	1.850	52.340	1.923
Other	12.769	14.064	1.295	14.168	0.104	15.252	1.084	14.372	(0.879)
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$59.942	\$60.852	\$0.910	\$62.735	\$1.883	\$65.669	\$2.934	\$66.712	\$1.044
Expenses									
Labor:									
Payroll	\$239.064	\$258.513	(\$19.449)	\$263.947	(\$5.434)	\$266.413	(\$2.466)	\$271.607	(\$5.194)
Overtime	7.600	7.342	0.258	7.251	0.091	7.372	(0.122)	7.481	(0.109)
Health and Welfare	37.723	49.667	(11.944)	50.463	(0.796)	52.574	(2.111)	55.011	(2.437)
OPEB Current Payment	9.291	10.071	(0.780)	10.232	(0.161)	10.693	(0.460)	11.174	(0.481)
Pensions	60.939	67.980	(7.041)	69.237	(1.257)	70.429	(1.192)	72.312	(1.883)
Other Fringe Benefits	21.499	23.248	(1.749)	26.197	(2.949)	26.720	(0.523)	27.062	(0.343)
Reimbursable Overhead	(78.318)	(73.240)	(5.078)	(74.138)	0.898	(74.425)	0.287	(75.739)	1.314
Total Labor Expenses	\$297.798	\$343.581	(\$45.783)	\$353.190	(\$9.609)	\$359.776	(\$6.586)	\$368.909	(\$9.133)
Non-Labor:									
Electric Power	\$6.936	\$7.143	(\$0.207)	\$7.212	(\$0.069)	\$7.150	\$0.062	\$7.553	(\$0.403)
Fuel	1.687	1.846	(0.159)	1.891	(0.045)	2.041	(0.149)	2.237	(0.196)
Insurance	2.858	1.965	0.894	2.096	(0.131)	2.316	(0.220)	2.478	(0.162)
Claims	1.331	1.463	(0.132)	1.609	(0.146)	1.770	(0.161)	1.947	(0.177)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	73.320	69.214	4.106	70.638	(1.424)	68.158	2.481	69.855	(1.697)
Professional Service Contracts	202.636	185.463	17.172	156.464	28.999	149.610	6.854	153.622	(4.011)
Materials & Supplies	0.092	1.977	(1.884)	2.033	(0.057)	2.094	(0.060)	2.135	(0.041)
MTA Internal Subsidy	21.740	22.400	(0.660)	22.400	-	22.400	-	22.400	-
Other Business Expenses	16.121	14.981	1.140	14.463	0.518	14.455	0.008	14.539	(0.084)
Total Non-Labor Expenses	\$326.722	\$306.453	\$20.269	\$278.808	\$27.645	\$269.994	\$8.814	\$276.765	(\$6.771)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$624.519	\$650.033	(\$25.514)	\$631.998	\$18.036	\$629.770	\$2.228	\$645.674	(\$15.904)
Depreciation	38.504	48.292	(9.788)	55.227	(6.935)	48.916	6.311	50.929	(2.013)
OPEB Obligation	88.885	111.300	(22.415)	123.500	(12.200)	135.400	(11.900)	147.300	(11.900)
Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses	\$751.908	\$809.625	(\$57.717)	\$810.724	(\$1.099)	\$814.086	(\$3.361)	\$843.903	(\$29.817)
Net Surplus/(Deficit)	(\$691.966)	(\$748.773)	(\$56.807)	(\$747.990)	\$0.784	(\$748.417)	(\$0.427)	(\$777.190)	(\$28.773)

MTA HEADQUARTERS
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	141.804	117.250	(24.554)	108.675	(8.575)	108.113	(0.562)	103.720	(4.393)
Total Revenue	\$141.804	\$117.250	(\$24.554)	\$108.675	(\$8.575)	\$108.113	(\$0.562)	\$103.720	(\$4.393)
<u>Expenses</u>									
Labor:									
Payroll	\$4.106	\$4.343	(\$0.238)	\$4.414	(\$0.070)	\$4.486	(\$0.072)	\$4.557	(\$0.071)
Overtime	7.005	5.000	2.005	5.000	-	5.000	-	5.000	-
Health and Welfare	0.742	0.857	(0.114)	0.869	(0.013)	0.905	(0.036)	0.943	(0.038)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	0.792	0.783	0.009	0.805	(0.022)	0.828	(0.023)	0.852	(0.024)
Other Fringe Benefits	0.374	0.391	(0.016)	0.410	(0.019)	0.418	(0.008)	0.426	(0.008)
Reimbursable Overhead	78.318	73.240	5.078	74.138	(0.898)	74.425	(0.287)	75.739	(1.314)
Total Labor Expenses	\$91.337	\$84.614	\$6.724	\$85.636	(\$1.022)	\$86.061	(\$0.426)	\$87.516	(\$1.455)
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	(0.000)	0.021	(0.001)	0.021	(0.001)	0.022	(0.001)
Professional Service Contracts	50.328	32.498	17.829	22.897	9.601	21.906	0.991	16.054	5.852
Materials & Supplies	-	-	-	-	-	-	-	-	-
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other	0.115	0.118	(0.003)	0.121	(0.003)	0.124	(0.003)	0.128	(0.003)
Total Non-Labor Expenses	\$50.463	\$32.637	\$17.826	\$23.039	\$9.597	\$22.052	\$0.987	\$16.204	\$5.848
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$141.800	\$117.250	\$24.550	\$108.675	\$8.575	\$108.113	\$0.562	\$103.720	\$4.393
Depreciation	-	-	-	-	-	-	-	-	-
Total Expenses	\$141.804	\$117.250	\$24.550	\$108.675	\$8.575	\$108.113	\$0.562	\$103.720	\$4.393
Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)

MTA HEADQUARTERS
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	47.173	46.788	(0.385)	48.567	1.779	50.417	1.850	52.340	1.923
Advertising	145.000	148.647	3.647	153.060	4.413	157.608	4.548	162.290	4.682
Other	12.869	14.166	1.297	114.764	100.598	20.158	(94.606)	33.862	13.705
Capital and Other Reimbursements	141.804	117.250	(24.554)	108.675	(8.575)	108.113	(0.562)	103.720	(4.393)
Total Revenue	\$346.846	\$326.851	(\$19.995)	\$425.066	\$98.215	\$336.296	(\$88.770)	\$352.212	\$15.916
<u>Expenses</u>									
Labor:									
Payroll	\$237.938	\$256.151	(\$18.213)	\$261.599	(\$5.448)	\$264.068	(\$2.469)	\$269.334	(\$5.266)
Overtime	14.605	12.342	2.263	12.251	0.091	12.372	(0.122)	12.481	(0.109)
Health and Welfare	37.447	49.383	(11.937)	50.167	(0.784)	52.289	(2.122)	54.763	(2.474)
OPEB Current Payment	9.291	10.071	(0.780)	10.232	(0.161)	10.693	(0.460)	11.174	(0.481)
Pensions	58.054	67.526	(9.472)	68.802	(1.276)	70.043	(1.241)	71.966	(1.923)
Other Fringe Benefits	21.527	23.573	(2.047)	26.542	(2.969)	27.073	(0.531)	27.423	(0.350)
GASB Account	-	-	-	-	-	0.092	(0.092)	0.188	(0.096)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$378.861	\$419.048	(\$40.186)	\$429.593	(\$10.546)	\$436.630	(\$7.036)	\$447.330	(\$10.700)
Non-Labor:									
Electric Power	\$6.936	\$7.143	(\$0.207)	\$7.212	(\$0.069)	\$7.150	\$0.062	\$7.553	(\$0.403)
Fuel	1.682	1.846	(0.164)	1.891	(0.045)	2.041	(0.149)	2.237	(0.196)
Insurance	2.836	1.944	0.892	2.073	(0.129)	2.291	(0.218)	2.451	(0.160)
Claims	1.315	1.463	(0.148)	1.609	(0.146)	1.770	(0.161)	1.947	(0.177)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	77.379	66.362	11.017	67.749	(1.387)	65.222	2.527	66.877	(1.655)
Professional Service Contracts	262.213	211.500	50.713	172.919	38.580	165.225	7.694	163.776	1.450
Materials & Supplies	0.092	1.977	(1.884)	2.033	(0.057)	2.094	(0.060)	2.135	(0.041)
MTA Internal Subsidy	21.740	22.400	(0.660)	22.400	-	22.400	-	22.400	-
Other Business Expenses	68.426	26.108	42.318	20.830	5.279	18.814	2.016	18.344	0.469
Total Non-Labor Expenditures	\$442.619	\$340.743	\$101.877	\$298.717	\$42.026	\$287.007	\$11.710	\$287.720	(\$0.713)
Other Expenditure Adjustments:									
Capital	84.163	56.936	27.227	49.598	7.338	48.023	1.575	44.466	3.557
Total Other Expenditure Adjustments	\$84.163	\$56.936	\$27.227	\$49.598	\$7.338	\$48.023	\$1.575	\$44.466	\$3.557
Total Expenditures	\$905.644	\$816.726	\$88.917	\$777.908	\$38.818	\$771.659	\$6.249	\$779.516	(\$7.856)
Net Cash Surplus/(Deficit)	(\$558.798)	(\$489.875)	\$68.923	(\$352.843)	\$137.033	(\$435.363)	(\$82.521)	(\$427.305)	\$8.059

MTA HEADQUARTERS
2016 Preliminary Budget
July Financial Plan 2016-2019
Summary of Plan-to-Plan Changes by Generic Category

2015: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Other operating revenues are projected to increase from the Adopted Budget by \$0.8 million.

Major generic category changes include:

- Rental income is projected to increase by \$0.3 million due to slightly higher Two Broadway rental revenue.
- Other revenues are projected to increase by \$0.5 million mainly reflecting the increase in NYS support of the VNB toll rebate offset by the elimination of anticipated FTA recovery of operating funds from Tropical Storm Sandy.

Operating Expense Changes

Excluding depreciation and post-employment benefits decreases of \$13.9 million, operating expenses increased by \$33.9 million.

Major generic category changes include:

- Professional services increase by \$45.1 million mainly as a result of higher investments and re-estimates primarily related to IT activities.
- Higher Other Business Expenses of \$12.1 million primarily reflects the MTA assumption of Long Island Bus current costs stemming from unsuccessful litigation against Nassau County, and additional support for the Verrazano-Narrows Bridge toll rebate program.
- Higher pension costs of \$7.0 million primarily reflect revised estimates for the IT Transformation.
- Payroll decreases of \$14.7 million primarily reflect IT position eliminations.
- Revised reimbursable overhead costs of \$5.7 million reflects higher expenses recoverable from the agencies.
- Lower Health and Welfare costs of \$5.0 million are mainly attributable to higher vacancies.
- Lower Maintenance and Other Operating Contracts of \$2.7 million primarily reflects reallocated expenses from the IT Transformation.
- Lower Other Fringe Benefits costs of \$1.2 million are mainly due to higher vacancies.

2016: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to increase from the Adopted Budget by \$2.3 million mainly due to New York State support for the Verrazano-Narrows Bridge toll rebate program, and higher Two Broadway rentals.

Operating Expense Changes

Excluding depreciation and post-employment benefits increases of \$2.0 million, operating expenses increased by \$75.6 million.

Major generic category changes include:

- Professional services increase by \$48.4 million mainly as a result of higher New Needs and re-estimates primarily related to IT activities.
- Higher pension costs of \$13.9 million primarily reflect revised estimates for the IT Transformation.
- Higher Other Business Expenses of \$11.6 million primarily reflects the MTA assumption of Long Island Bus current costs stemming from unsuccessful litigation against Nassau County, and additional support for the Verrazano-Narrows Bridge toll rebate program.
- Increased Health and Welfare of \$5.0 million is mainly due to higher rates and plan coverage mix.
- Revised reimbursable overhead costs of \$2.2 million reflects lower expenses recoverable from the agencies.
- Higher Materials and Supplies of \$2.0 million primarily reflects reallocated expenses from Two Broadway.
- Lower Maintenance and Other Operating Contracts of \$7.1 million primarily reflects reallocated expenses from the IT Transformation.

2017 and 2018: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to increase from the Adopted Budget by \$2.3 million in 2017 and \$3.3 million in 2018 mainly due to New York State support for the Verrazano-Narrows Bridge toll rebate program, partially offset by lower rental revenues.

Operating Expense Changes

Excluding depreciation and post-employment benefits increases of \$8.1 million in 2017 and \$9.0 million in 2018, operating expenses are unfavorable by \$57.0 million in 2017, and \$44.6 million in 2018.

Major generic category changes include:

- Professional services increase by \$26.6 million and \$19.9 million in 2017 and 2018, respectively, mainly as a result of higher New Needs and re-estimates primarily related to IT activities.
- Higher pension costs of \$14.6 million in 2017 and \$14.8 million in 2018 primarily reflect revised estimates for the IT Transformation.
- Higher Other Business Expenses of \$11.0 million and \$10.9 million in 2017 and 2018, respectively, primarily reflects the MTA assumption of Long Island Bus current costs stemming from unsuccessful litigation against Nassau County, and additional support for the Verrazano-Narrows Bridge toll rebate program.
- Increased Health and Welfare of \$4.0 million in 2017 and \$4.3 million in 2018 is mainly due to higher rates and plan coverage mix.
- Revised reimbursable overhead costs of \$2.6 million and \$3.5 million in 2017 and 2018, respectively, reflects lower expenses recoverable from the agencies.
- Higher Materials and Supplies of \$2.0 million in 2017 and \$2.1 million in 2018 primarily reflects reallocated expenses from Two Broadway.
- Higher payroll of \$2.6 million in 2017 primarily reflects the planned MTAPD Commanding Officers Association (COA) compensatory time buyout.
- Higher Other Fringe Benefits of \$2.6 million in 2017 and \$2.4 million reflects adjustments for other agency employees.
- Lower Maintenance and Other Operating Contracts of \$7.1 million and \$11.1 million in 2017 and 2018, respectively, primarily reflects reallocated expenses from the IT Transformation.

MTA HEADQUARTERS
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	(\$442.887)	(\$328.298)	(\$386.329)	(\$430.750)
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Rental Income	0.320	(1.828)	(1.889)	(1.947)
Advertising Revenue	-	-	-	-
Other	0.525	4.131	4.186	5.221
Capital and Other Reimbursement	-	-	-	-
Total Revenue Changes	\$0.845	\$2.303	\$2.297	\$3.274
Expenses				
Labor:				
Payroll	\$14.655	\$0.032	(\$2.560)	(\$0.246)
Overtime	(0.001)	(0.000)	0.000	(0.000)
Health and Welfare	5.015	(5.001)	(4.038)	(4.294)
OPEB Current Payment	1.104	0.667	1.054	1.168
Pensions	(7.050)	(13.894)	(14.554)	(14.792)
Other Fringe Benefits	1.204	(0.147)	(2.593)	(2.431)
Reimbursable Overhead	5.733	(2.205)	(2.648)	(3.534)
Total Labor Expense Changes	20.660	(20.549)	(25.339)	(24.129)
Non-Labor:				
Electric Power	(\$0.269)	(\$0.300)	\$0.716	\$1.348
Fuel	0.301	0.089	0.011	(0.089)
Insurance	0.015	0.054	0.134	0.035
Claims	(0.001)	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	2.690	7.069	7.087	11.132
Professional Service Contracts	(45.120)	(48.353)	(26.629)	(19.903)
Materials & Supplies	(0.079)	(1.967)	(2.028)	(2.092)
MTA Internal Subsidy	(2.640)	(3.300)	(3.300)	(3.300)
Other Business Expenses	(9.503)	(8.307)	(7.686)	(7.646)
Total Non-Labor Expense Changes	(\$54.605)	(\$55.015)	(\$31.696)	(\$20.515)
Total Expenses before Depreciation and GASB Adjs.	(\$33.945)	(\$75.565)	(\$57.034)	(\$44.644)
Depreciation	(2.324)	(7.947)	(14.598)	(16.173)
OPEB Obligation	16.115	5.953	6.546	7.169
Total Expense Changes	(\$20.154)	(\$77.559)	(\$65.086)	(\$53.648)
Cash Adjustment Changes				
Revenue Adjustments	8.331	(56.025)	123.384	28.380
Expense Adjustments	(104.937)	(30.297)	(27.109)	17.381
Total Cash Adjustment Changes	(\$96.606)	(\$86.322)	\$96.275	\$45.761
Total Baseline Changes	(\$115.915)	(\$161.577)	\$33.486	(\$4.613)
July Financial Plan - Cash Surplus/(Deficit)	(\$558.802)	(\$489.875)	(\$352.843)	(\$435.363)

MTA HEADQUARTERS
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
<i>Baseline Changes</i>				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Rental Income	-	-	-	-
Advertising Revenue	-	-	-	-
Other	-	-	-	-
<u>Capital and Other Reimbursement</u>	<u>12.532</u>	<u>(14.643)</u>	<u>(23.071)</u>	<u>(20.456)</u>
Total Revenue Changes	\$12.532	(\$14.643)	(\$23.071)	(\$20.456)
Expenses				
Labor:				
Payroll	\$8.030	\$7.740	\$7.774	\$7.812
Overtime	(1.937)	0.068	0.068	0.068
Health and Welfare	0.163	0.266	0.305	0.324
OPEB Current Payment	-	-	-	-
Pensions	(0.030)	(0.026)	(0.030)	(0.032)
Other Fringe Benefits	2.630	2.571	2.569	2.580
<u>Reimbursable Overhead</u>	<u>(5.733)</u>	<u>2.205</u>	<u>2.648</u>	<u>3.534</u>
Total Labor Expense Changes	\$3.124	\$12.824	\$13.333	\$14.286
Non-Labor:				
Electric Power	-	-	-	-
Fuel	-	-	-	-
Insurance	-	-	-	-
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	0.009	0.009	0.008	0.009
Professional Services	(15.669)	1.804	9.724	6.157
Materials & Supplies	0.009	0.009	0.009	0.009
MTA Internal Subsidy	-	-	-	-
<u>Other Business Expenses</u>	<u>(0.001)</u>	<u>(0.002)</u>	<u>(0.003)</u>	<u>(0.004)</u>
Total Non-Labor Expense Changes	(\$15.652)	\$1.819	\$9.738	\$6.170
Total Expenses before Depreciation	(\$12.528)	\$14.643	\$23.071	\$20.456
Depreciation	-	-	-	-
Total Expense Changes	(\$12.528)	\$14.643	\$23.071	\$20.456
Cash Adjustment Changes	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA HEADQUARTERS
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON REIMBURSABLE/REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	(\$442.887)	(\$328.298)	(\$386.329)	(\$430.750)
<i>Baseline Changes</i>				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Rental Income	\$0.320	(\$1.828)	(\$1.889)	(\$1.947)
Advertising Revenue	-	-	-	-
Other	0.525	4.131	4.186	5.221
Capital and Other Reimbursement	12.532	(14.643)	(23.071)	(20.456)
<i>Total Revenue Changes</i>	\$13.377	(\$12.340)	(\$20.774)	(\$17.182)
Expenses				
<i>Labor:</i>				
Payroll	\$22.685	\$7.772	\$5.214	\$7.567
Overtime	(1.938)	0.068	0.068	0.068
Health and Welfare	5.178	(4.735)	(3.733)	(3.970)
OPEB Current Payment	1.104	0.667	1.054	1.168
Pensions	(7.080)	(13.920)	(14.583)	(14.824)
Other Fringe Benefits	3.834	2.423	(0.024)	0.148
<u>Reimbursable Overhead</u>	<u>(0.000)</u>	<u>(0.000)</u>	<u>(0.000)</u>	<u>0.000</u>
<i>Total Labor Expense Changes</i>	\$23.784	(\$7.725)	(\$12.005)	(\$9.844)
<i>Non-Labor:</i>				
Electric Power	(\$0.269)	(\$0.300)	\$0.716	\$1.348
Fuel	0.301	0.089	0.011	(0.089)
Insurance	0.015	0.054	0.134	0.035
Claims	(0.001)	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	2.699	7.078	7.095	11.141
Professional Services	(60.789)	(46.549)	(16.905)	(13.746)
Materials & Supplies	(0.070)	(1.958)	(2.019)	(2.083)
MTA Internal Subsidy	(2.640)	(3.300)	(3.300)	(3.300)
<u>Other Business Expenses</u>	<u>(9.504)</u>	<u>(8.309)</u>	<u>(7.689)</u>	<u>(7.650)</u>
<i>Total Non-Labor Expense Changes</i>	(\$70.257)	(\$53.196)	(\$21.958)	(\$14.345)
<i>Total Expenses before Depreciation</i>	(\$46.47)	(\$60.92)	(\$33.96)	(\$24.19)
Depreciation	(2.324)	(7.947)	(14.598)	(16.173)
OPEB Obligation	16.115	5.953	6.546	7.169
<i>Total Expense Changes</i>	(\$32.682)	(\$62.915)	(\$42.015)	(33.192)
<i>Cash Adjustment Changes</i>				
Revenue Adjustments	8.331	(56.025)	123.384	28.380
Expense Adjustments	(104.937)	(30.297)	(27.109)	17.381
<i>Total Cash Adjustment Changes</i>	(\$96.606)	(\$86.322)	\$96.275	\$45.761
<i>Total Baseline Changes</i>	(\$115.911)	(\$161.577)	\$33.486	(\$4.613)
July Financial Plan - Cash Surplus/(Deficit)	(\$558.798)	(\$489.875)	(\$352.843)	(\$435.363)

MTA HEADQUARTERS
July Financial Plan 2016-2019
Summary of Major Plan-to-Plan Changes

2015: July Financial Plan vs. February Financial Plan

Revenue Changes

- Total revenue is projected to increase from the Adopted Budget by \$13.4 million primarily due to higher reimbursable overhead of \$12.5 million mainly reflecting higher expenses recoverable from the benefiting agencies.

Expense Changes

Total expenses increased by \$32.7 million in 2015.

Major changes include:

Unfavorable

- Re-estimated IT Transformation pension and changes in NYSLERs costs of \$14.2 million.
- BSC investments of \$11.7 million primarily for the implementation of the Procurement process study recommendations.
- Consolidation IT investments of \$10.9 million, primarily security-related.
- Administration investments of \$7.8 million include Energy Management System funding to support the efficient and cost effective management of energy use.
- Re-estimated costs of \$7.7 million including IT infrastructure rollover expenses from NYCT of \$4.1 million and Capital Program Outreach consulting.
- Revised operating costs for the Madison Avenue buildings of \$4.9 million.
- Revised IT expense recovery of \$2.4 million.
- The elimination of anticipated operating recovery of \$2.3 million from the FTA for Tropical Storm Sandy.

Favorable

- BRPs of \$26.5 million mainly due to IT Transformation savings including vacancy savings, reductions of 59 positions and lower use of EDP consultants.
- Lower Health and Welfare and Other Fringe costs due to vacancies of \$6.2 million.

Cash Adjustments

- Cash adjustments are unfavorable by \$96.6 million mainly reflecting revised relocation costs, higher Operating Capital requirements and recovery of LI Bus prior year expenses. These unfavorable adjustments are partially offset by higher advertising revenue.

2016: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenues are projected to decrease from the Adopted Budget by \$12.3 million.

Major changes include:

- Lower reimbursable overhead of \$14.6 million mainly reflects reduced expenses recoverable from the benefiting agencies.
- Rental income is projected to decrease by \$1.8 million due to the elimination of rentals at the Madison Avenue buildings.
- Higher other revenue of \$4.1 million is primarily attributable to higher NYS support of the VNB Toll Rebate Program.

Expense Changes

Total expenses are projected to increase by \$62.9 million.

Major changes include:

Unfavorable

- Consolidation IT investments of \$14.6 million are primarily for security purposes.
- Re-estimated IT Transformation and MTAPD pension costs of \$13.0 million.
- BSC investments of \$12.8 million are primarily for the implementation of the Procurement process study recommendations.
- Administration investments of \$11.8 million include Energy Management System funding to support the efficient and cost effective management of energy use.
- Higher Health and Welfare and Other Fringe costs primarily due to rate changes of \$5.5 million.
- Re-estimated costs of \$5.4 million including IT software licenses and infrastructure rollover expenses from NYCT.
- Revised operating costs for the Madison Avenue buildings of \$4.6 million.

Favorable

- BRPs of \$16.7 million mainly due to IT Transformation savings including reductions of 59 positions and lower use of EDP consultants

Cash Adjustments

Cash adjustments are projected to be unfavorable by \$86.3 million primarily due to unfavorable OPEB Obligation, depreciation, operating capital needs and timing of MTAHQ relocation costs and recovery.

2017 and 2018: July Financial Plan vs. February Financial Plan

Revenue Changes

Other operating revenues are projected to decrease from the Adopted Budget by \$20.8 million in 2017 and \$17.2 million in 2018.

Major changes include:

- Lower reimbursable overhead of \$23.1 million, and \$20.5 million in 2017, and 2018, respectively, mainly reflects higher expenses recoverable from the benefiting agencies.
- Lower rental income of \$1.9 million in each of the years 2017 and 2018 is mainly attributable to the elimination of rentals at the Madison Avenue buildings.
- Higher other revenue of \$4.2 million in 2017 and \$5.2 million in 2018 is mainly due to higher support of the VNB Toll Rebate Program.

Expense Changes

Expenses increase by \$42.0 million in 2017 and by \$33.2 million in 2018.

Major changes include:

Unfavorable

- Re-estimated IT Transformation and MTAPD pension costs of \$13.6 million and \$13.7 million in 2017 and 2018, respectively.
- Consolidation IT investments of \$8.2 million and \$8.0 million in 2017 and 2018, respectively, are primarily for security purposes.
- Administration investments of \$7.2 million in 2017 include Energy Management System funding to support the efficient and cost effective management of energy use.
- Higher Health and Welfare and Other Fringe costs primarily due to rate changes of \$6.6 million and \$6.7 million in 2017 and 2018, respectively.
- BSC investments of \$5.2 million and \$1.8 million in 2017 and 2018, respectively, are primarily for the implementation of the Procurement process study recommendations.
- Re-estimated costs of \$3.9 million in 2017 and \$4.1 million in 2018 are mainly for IT software licenses.
- Continuing operating costs for the Madison Avenue buildings of \$3.9 million in 2017.
- Re-estimated salaries and wages of \$3.0 million in 2017 and \$2.5 million in 2018.
- Revised IT expense recovery of \$2.3 million in each year, 2017 and 2018.

Favorable

- BRPs of \$16.5 million and \$16.6 million in 2017 and 2018, respectively, mainly due to IT Transformation savings including reductions of 59 positions and lower use of EDP consultants.

Cash Adjustments

Cash adjustments are projected to be favorable by \$96.3 million in 2017 and \$45.8 million in 2018 primarily reflecting higher advertising revenue in both years of \$22.9 million and \$23.6 million, respectively, higher relocation cost recovery in 2017 of \$93.7 million, and revised operating capital needs of \$13.5 million in 2018.

MTA HEADQUARTERS
July Financial Plan 2016-2019
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	(\$442.887)	(\$328.298)	(\$386.329)	(\$430.750)
Non-Reimbursable Major Changes				
Revenue				
Removal of Anticipated Hurricane Sandy FTA Recovery	(\$2.319)	\$0.000	\$0.000	\$0.000
Increased NYS support of VNB Toll rebate program	2.640	3.300	3.300	3.300
<u>All Other Revenue Change</u>	<u>0.524</u>	<u>(0.997)</u>	<u>(1.003)</u>	<u>(0.026)</u>
Sub-Total Non-Reimbursable Revenue Changes	\$0.845	\$2.303	\$2.297	\$3.274
Expenses				
Capital Program Outreach Consulting	(2.000)	-	-	-
Office Services Postage	(0.314)	(0.314)	(0.323)	(0.331)
EAM	(0.700)	-	-	-
Microsoft Licenses	-	(2.426)	(2.426)	(2.608)
Procurement Copier Expense Transfer from LIRR	(0.450)	(0.450)	(0.462)	(0.474)
Budget Dept. of Labor (PWEF)	(0.026)	(0.675)	(0.694)	(0.712)
IT Infrastructure NYCT TIS Rollover	(4.087)	(1.522)	-	-
Other Re-estimates	(0.113)	(0.084)	(0.086)	(0.087)
Administration new needs	(7.821)	(11.780)	(7.119)	(3.141)
BSC new needs	(11.709)	(12.769)	(5.186)	(1.846)
MTA IT new needs	(10.864)	(14.552)	(8.225)	(7.955)
MTAPD new needs	(0.151)	(0.311)	(0.320)	(0.330)
BSC Postage Reduction	0.139	0.139	0.143	0.147
Position Downgrades	0.207	0.207	0.211	0.216
Lobbying Reductions	0.172	0.172	0.177	0.181
IT Headcount Reduction	5.490	9.915	10.123	10.205
EDP Consultant	1.000	2.800	2.800	2.800
Other IT	2.407	2.939	2.490	2.464
IT Salary Underrun	16.562	-	-	-
MTAPD Position Downgrades	0.173	0.094	0.100	0.101
MTAPD Gas Efficiencies	0.301	0.140	0.138	0.141
MTAPD Auto Efficiencies	-	0.225	0.229	0.233
MTAPD Reduced Consulting Services	0.025	0.080	0.081	0.083
Re-estimated Salary and Wages	-	(2.288)	(2.966)	(2.451)
Higher H&W due to rates and plan mix	-	(4.040)	(3.034)	(3.241)
Change in Other Fringes	-	(1.107)	(3.597)	(3.485)
Madison Avenue Buildings	(4.946)	(4.623)	(3.857)	-
Higher Property/Building expenses	(1.413)	(1.121)	(1.660)	(2.200)
Revised Electric Rates	-	(0.100)	-	-
Revised Heating Fuel/Gasoline Rates	-	(0.135)	(0.208)	(0.315)
Revised IT Expense Recovery	(2.387)	(2.320)	(2.320)	(2.320)
Pension Change MTADB - POLICE	(0.300)	(0.400)	(0.700)	(0.600)
NYSLERS Change	(1.573)	-	-	(0.035)
Pension re-estimate of Other Agency Employees Transferred as par	(9.079)	(9.274)	(9.457)	(9.663)
Other YOGI Pensions	(3.250)	(3.371)	(3.404)	(3.439)
MTAPD COA Comp-time buyout	-	-	(1.900)	-
MTAPD Promotions	(0.048)	(0.198)	(0.204)	(0.206)
Inflation	-	(2.025)	(2.349)	(2.261)
Insurance Premiums	0.102	0.054	0.134	0.035
Partial Waiver of NYS fee	1.055	-	-	-
Re-estimated OPEB Payment	1.104	0.667	1.054	1.168
Revised Electric Rates	-	-	0.900	1.200

MTA HEADQUARTERS
July Financial Plan 2016-2019
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
Lower H&W due to current year vacancies	5.903	-	-	-
Lower current year Other Fringe	0.315	-	-	-
Depreciation	(2.324)	(7.947)	(14.598)	(16.173)
OPEB Obligation	16.115	5.953	6.546	7.169
Increased VNB Toll Support	(2.640)	(3.300)	(3.300)	(3.300)
LI Bus ongoing expenses	(9.575)	(8.442)	(7.523)	(7.523)
All Other	4.546	(5.370)	(4.294)	(5.094)
Sub-Total Non-Reimbursable Expense Changes	(\$20.154)	(\$77.559)	(\$65.086)	(\$53.648)
Total Non-Reimbursable Major Changes	(\$19.309)	(\$75.256)	(\$62.789)	(\$50.374)
Reimbursable Major Changes				
Revised Reimbursable Recovery	12.532	(14.643)	(23.071)	(20.456)
Sub-Total Reimbursable Revenue Changes	\$12.532	(\$14.643)	(\$23.071)	(\$20.456)
Revised Reimbursable Labor	3.124	12.824	13.333	14.286
Revised West Side Yard construction activity	(29.480)	-	4.120	-
Revised All Other Reimbursable non Labor	13.828	1.819	5.618	6.170
Sub-Total Reimbursable Expense Changes	(\$12.528)	\$14.643	\$23.071	\$20.456
Total Reimbursable Major Changes	\$0.004	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$19.305)	(\$75.256)	(\$62.789)	(\$50.374)
Cash Adjustment Changes				
Change in Operating Capital (including New Needs)	(10.846)	(20.466)	(28.100)	13.450
Depreciation	2.324	7.947	14.598	16.173
OPEB Obligation	(16.115)	(5.953)	(6.546)	(7.169)
Advertising	22.218	22.227	22.892	23.580
MTA Relocation costs/recovery	(19.787)	(89.803)	93.692	0.000
all other CFA	(74.400)	(0.274)	(0.261)	(0.273)
Total Cash Adjustment Changes	(\$96.606)	(\$86.322)	\$96.275	\$45.761
Total Baseline Changes	(\$115.911)	(\$161.577)	\$33.486	(\$4.613)
July Financial Plan - Cash Surplus/(Deficit)	(\$558.798)	(\$489.875)	(\$352.843)	(\$435.363)

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Summary
(\$ in millions)

		Favorable/(Unfavorable)								
Administration	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
BSC Postage Reduction		0.139		0.139		0.143		0.147		0.150
Position Downgrades		0.207		0.207		0.211		0.216		0.220
Lobbying Reductions		0.172		0.172		0.177		0.181		0.186
IT Headcount Reduction	59	5.490	59	9.915	59	10.123	59	10.205	59	10.294
EDP Consultant		1.000		2.800		2.800		2.800		2.800
Other IT		2.407		2.939		2.490		2.464		2.470
IT Salary Underrun		16.562		0.000		0.000		0.000		0.000
Subtotal Administration	59	25.977	59	16.172	59	15.944	59	16.013	59	16.120
Customer Convenience/Amenities										
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
Maintenance										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Maintenance	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Revenue Enhancement										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Safety										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Security										
MTAPD Position Downgrades		0.173		0.094		0.100		0.101		0.104
MTAPD Gas Efficiencies		0.301		0.140		0.138		0.141		0.146
MTAPD Auto Efficiencies		0.000		0.225		0.229		0.233		0.237
MTAPD Reduced Auto Repairs	-	0.025	-	0.080	-	0.081	-	0.083	-	0.084
Subtotal Security	-	0.499	-	0.539	-	0.548	-	0.558	-	0.571
Service										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service Support										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Other										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Total	59	\$26.476	59	\$16.711	59	\$16.492	59	\$16.571	59	\$16.691

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: BSC Postage Reduction

Background Details:	The BSC has rolled out self-service functionality through the BSC portal and has directed customers on how to use the portal which will result in reduced monthly postage costs when higher usage is attained.
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Program Description/ Implementation Plan:			
Program Implementation Date:	6/1/2015	When will savings begin?:	6/1/2015
		Are these savings recurring?:	YES
Other Issues: None			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	0.139	0.139	0.143	0.147	0.150
Net Cash Savings (in millions)	\$0.139	\$0.139	\$0.143	\$0.147	\$0.150
<i>Total Positions Required:</i>	0	0	0	0	0

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: **Administration**

Program: **Position Downgrades**

Background Details:	MTAHQ has seen a number of retirements in the last year which has enabled several departments to downgrade a number of positions and reduce salaries.
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Program Description/ Implementation Plan:
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Program Implementation Date: 6/1/2015	When will savings begin?:	6/1/2015
	Are these savings recurring?:	YES

Other Issues: None

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	0.207	0.207	0.211	0.216	0.220
Net Cash Savings (in millions)	\$0.207	\$0.207	\$0.211	\$0.216	\$0.220
<i>Total Positions Required:</i>	0	0	0	0	0

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: Reduced Lobbying

Background Details:	With the hiring of the Director, State Legislative Affairs position in Albany there is reduced need for lobbying representation .
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Program Description/ Implementation Plan:
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Program Implementation Date: 6/1/2015	When will savings begin?: 6/1/2015
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Are these savings recurring?:	YES
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Other Issues: None

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	0.172	0.172	0.177	0.181	0.186
Net Cash Savings (in millions)	\$0.172	\$0.172	\$0.177	\$0.181	\$0.186
<i>Total Positions Required:</i>	0	0	0	0	0

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: IT Headcount Reduction

Background Details:	IT Headcount reductions due to efficiencies resulting from the IT Transformation and vacancy reductions.
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Program Description/ Implementation Plan:			
Program Implementation Date:	5/1/2015	When will savings begin?:	5/1/2015
		Are these savings recurring?:	YES
Other Issues: None			

		Favorable/(Unfavorable)			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	5.490	9.915	10.123	10.205	10.294
Net Cash Savings (in millions)	\$5.490	\$9.915	\$10.123	\$10.205	\$10.294
<i>Total Positions Required:</i>	59	59	59	59	59
<i>(List Title of Positions)</i>					

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: EDP Consultant

Background Details:	Reduction of EDP consultant services resulting from the elimination of Unisys Contract for Desktop Support.
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Program Description/ Implementation Plan:
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Program Implementation Date:	5/1/2015	When will savings begin?:	5/1/2015
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Are these savings recurring?:	YES
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Other Issues: None

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	1.000	2.800	2.800	2.800	2.800
Net Cash Savings (in millions)	\$1.000	\$2.800	\$2.800	\$2.800	\$2.800

<i>Total Positions Required:</i>	0	0	0	0	0
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MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: Other IT

Background Details:	Other OTPS reductions for IT Maintenance & Repairs, IT Hardware and Software reductions, and professional service contracts.
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Program Description/ Implementation Plan:			
Program Implementation Date:	5/1/2015	When will savings begin?:	5/1/2015
		Are these savings recurring?:	YES
Other Issues: None			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	2.407	2.939	2.490	2.464	2.470
Net Cash Savings (in millions)	\$2.407	\$2.939	\$2.490	\$2.464	\$2.470
<i>Total Positions Required:</i>	0	0	0	0	0

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: IT Salary Underrun

Background Details: Due to prolonged vacancies IT has payroll savings for the first 5 months of 2015.

**Program Description/
Implementation Plan:**

Program Implementation Date: 1/1/2015 **When will savings begin?:** 1/1/2015

Are these savings recurring?: NO

Other Issues: None

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	16.562	0.000	0.000	0.000	0.000
Net Cash Savings (in millions)	\$16.562	\$0.000	\$0.000	\$0.000	\$0.000

<i>Total Positions Required:</i>	0	0	0	0	0
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MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Security

Program: MTAPD Position Downgrades

Background Details:	MTAPD will downgrade a Deputy Chief to a police officer and use some of the savings for promotions
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Program Description/ Implementation Plan:			
Program Implementation Date:	6/1/2015	When will savings begin?:	6/1/2015
		Are these savings recurring?:	YES
Other Issues: None			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	0.173	0.094	0.100	0.101	0.104
Net Cash Savings (in millions)	\$0.173	\$0.094	\$0.100	\$0.101	\$0.104
<i>Total Positions Required:</i>	0	0	0	0	0

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function:

Security

Program:

MTAPD Gas Efficiencies

Background Details:

MTAPD will be able to reduce gas expenses due to efficiencies from new vehicles.

**Program Description/
Implementation Plan:**

Program Implementation Date:

6/1/2015

When will savings begin?:

6/1/2015

Are these savings recurring?:

YES

Other Issues: None

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	0.301	0.140	0.138	0.141	0.146
Net Cash Savings (in millions)	\$0.301	\$0.140	\$0.138	\$0.141	\$0.146
<i>Total Positions Required:</i>	0	0	0	0	0

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function:

Security

Program:

MTAPD Auto Efficiencies

Background Details:	MTAPD will reduce outside services and other professional service contracts mainly in office maintenance.
----------------------------	---

Program Description/ Implementation Plan:			
Program Implementation Date:	1/1/2016	When will savings begin?:	1/1/2016
		Are these savings recurring?:	YES
Other Issues: None			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	0.000	0.225	0.229	0.233	0.237
Net Cash Savings (in millions)	\$0.000	\$0.225	\$0.229	\$0.233	\$0.237
<i>Total Positions Required:</i>	0	0	0	0	0

MTA HEADQUARTERS
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function:

Security

Program:

MTAPD Reduced Auto Repairs

Background Details:

MTAPD will reduce auto repairs and other purchases due to efficiencies from new vehicles.

**Program Description/
Implementation Plan:**

Program Implementation Date:

1/1/2015

When will savings begin?:

1/1/2015

Are these savings recurring?:

YES

Other Issues: None

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	0.025	0.080	0.081	0.083	0.084
Net Cash Savings (in millions)	\$0.025	\$0.080	\$0.081	\$0.083	\$0.084
<i>Total Positions Required:</i>	0	0	0	0	0

**MTA HEADQUARTERS
2016 Preliminary Budget
July Financial Plan 2016-2019
Positions**

POSITION ASSUMPTIONS

2015-2018: July Financial Plan vs. February Plan

Total baseline positions are projected to increase by 12 positions, due to the following:

Additions (total increase of 70 Non-Reimbursable positions) include the following:

Administration (23 positions)

- Five Strategic Initiative positions to identify efficiency and revenue generation opportunities.
- Five Real Estate positions for Transit Oriented Department activities, Office Services, and Real Estate facilities.
- Four Human Resources positions to support the consolidated functions and Veterans Affairs.
- Three Ethics and Compliance positions to handle the increase in mandated ethics reporting and training.
- Two Senior Associate Counsels for the increased Procurement and Information Technology Transformation workloads.
- One Director of Corporate Initiatives.
- One Labor Economist to handle and evaluate contract and settlements for the growing number of Headquarters labor agreements.
- One Arts and Design Coordinator for the department's growing activities for major projects.
- One Associate Video Editor for the increased need for agency content for the Web.

BSC (10 positions)

- Three Managers for PeopleSoft training, Talent Management and Succession Planning, and HUB Management.
- Two Customer Service positions for Document Processing.
- One mandated MWDBE Supplier Diversity Manager.
- One Budget analyst.
- One Assistant Director for Quality Assurance.
- One Manager for Benefits Communications.
- One Project Manager.

Information Technology (32 positions)

- Ten positions for NYCT Law Department Applications.
- Nine positions for All-Agency Business Process Management.

- Two Drupal Application Developer Analysts.
- One Enterprise Safety System position.
- Four Senior Programmers for the I-Track application (2 positions) Office Space Management System (1 position), and the Grand Central Terminal Customer Information System (1 position).
- Two Network Support Analysts to support LIRR Kronos.
- Four Programmers for maintenance support for PA/CIS.

Public Safety/MTAPD (5 positions)

- Three civilian support positions for the new K-9 facility in Stormville.
- One Equipment Administrator for MTAPD Grants.
- One Employment and Employee Relations Representative to liaison with Human Resources.

One position was transferred from LIRR for the Procurement function.

Mostly offsetting the “New Need” increases is the BRP to eliminate 59 IT positions for consolidation efficiencies.

The net increase of 12 positions by function included seven in Administration and five in Public Safety.

Position changes by occupational group are: Managers/Supervisors increase by three positions, Professional, Technical, Clerical positions increase by four positions, and Operational Hourlies increase by five positions.

Year over Year

2016 over 2015, 2017 over 2016, 2018 over 2017

In 2016, total headcount increases by six positions to 2,719 positions mainly due to the addition of seven non-reimbursable Information Technology Transformation positions partly offset by the elimination of the General Counsel's Excelsior Fellow position. Non-reimbursable positions are 2,589 in 2016, and reimbursable positions are 130. Occupational group increases include six positions for Professional, Technical, Clerical to 1,570 positions. Managers/Supervisors remain unchanged at 573 positions and Operational Hourlies stay at 576 positions.

Total headcount remains unchanged at 2,719 positions in 2017 and 2018.

2019 over 2018

In 2019, headcount increases by 30 non-reimbursable positions due to the MTAPD hiring plan for East Side Access that anticipates a projected opening in 2022. Total non-reimbursable headcount increases to 2,619 positions while reimbursable positions remain unchanged at 130. Operational Hourly positions increase by 30 positions to 606

while Managers/Supervisors and Professional, Technical, Clerical remain unchanged at 573 and 1,570, respectively.

MTA HEADQUARTERS July Financial Plan 2016-2019 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2015	2016	2017	2018
2015 February Plan - Total Baseline Positions	2,701	2,707	2,707	2,707
Total Plan-to-Plan Changes	(12)	(12)	(12)	(12)
2015 July Plan - Total Baseline Positions	2,713	2,719	2,719	2,719
Total Year-to-Year Changes, July Plan	0	(6)	0	0

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(12)	(12)	(12)	(12)
<i>Reimbursable</i>				
Total	(12)	(12)	(12)	(12)
<i>Full-Time</i>	(12)	(12)	(12)	(12)
<i>Full-Time Equivalents</i>				
Total	(12)	(12)	(12)	(12)
<i>By Function Category</i>				
- Administration	(7)	(7)	(7)	(7)
- Operations				
- Maintenance				
- Engineering/Capital				
- Public Safety	(5)	(5)	(5)	(5)
Total	(12)	(12)	(12)	(12)
<i>By Occupational Group</i>				
- Managers/Supervisors	311	311	311	311
- Professional, Technical, Clerical	(330)	(330)	(330)	(330)
- Operational Hourlies	7	7	7	7
Total	(12)	(12)	(12)	(12)

Total Plan-to-Plan Changes by Major Category:				
<i>2015 BRPs</i>	59	59	59	59
<i>New Needs</i>	(70)	(70)	(70)	(70)
<i>Change in Reimbursable Positions</i>				
<i>Re-estimates & All Other</i>	(1)	(1)	(1)	(1)
Total	(12)	(12)	(12)	(12)

MTA HEADQUARTERS
July Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

Function/Department	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Office of Chairman	5	5	5	5	5	5
Chief Safety Officer	0	1	1	1	1	1
Office of Counselor to the Chairman	2	2	2	2	2	2
Office of Chief of Staff	6	7	7	7	7	7
General Counsel	35	44	44	44	44	44
Office of Diversity	27	33	33	33	33	33
Labor Relations	6	8	8	8	8	8
External Communication	14	14	14	14	14	14
PCAC	4	4	4	4	4	4
Audit	83	85	85	85	85	85
Chief Financial Officer	83	94	94	94	94	94
Real Estate	57	68	68	68	68	68
Chief Operating Officer	1	2	2	2	2	2
Federal Affairs	0	1	1	1	1	1
Spec. Project Develop/Planning	8	8	8	8	8	8
Corporate Account	0	4	4	4	4	4
Intergovernmental Relations	5	5	5	5	5	5
Information Technology	102	1,017	1,023	1,023	1,023	1,023
Corporate and Internal Communications	35	41	41	41	41	41
Human Resources	17	23	23	23	23	23
Pensions	44	56	56	56	56	56
Capital Programs	34	43	43	43	43	43
Business Service Center	347	337	337	337	337	337
Total Administration	915	1,902	1,908	1,908	1,908	1,908
Public Safety	765	811	811	811	811	841
Total Positions	1,680	2,713	2,719	2,719	2,719	2,749
Non-Reimbursable	1,624	2,583	2,589	2,589	2,589	2,619
Reimbursable	56	130	130	130	130	130
Full-Time	1,680	2,713	2,719	2,719	2,719	2,749
Full-Time Equivalents	0	0	0	0	0	0

MTA HEADQUARTERS
July Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration							
	Managers/Supervisors	398	416	416	416	416	416
	Professional, Technical, Clerical	517	1,486	1,492	1,492	1,492	1,492
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	915	1,902	1,908	1,908	1,908	1,908
Operations							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Operations	-	-	-	-	-	-
Maintenance							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Maintenance	-	-	-	-	-	-
Engineering/Capital							
	Managers/Supervisors	-	-	-	-	-	-
	Professional, Technical, Clerical	-	-	-	-	-	-
	Operational Hourlies	-	-	-	-	-	-
	Total Engineering/Capital	-	-	-	-	-	-
Public Safety							
	Managers/Supervisors	154	157	157	157	157	157
	Professional, Technical, Clerical	611	78	78	78	78	78
	Operational Hourlies (Uniformed)	-	576	576	576	576	606
	Total Public Safety	765	811	811	811	811	841
Total Positions							
	Managers/Supervisors	552	573	573	573	573	573
	Professional, Technical, Clerical	1,128	1,564	1,570	1,570	1,570	1,570
	Operational Hourlies	-	576	576	576	576	606
	Total Positions	1,680	2,713	2,719	2,719	2,719	2,749

MTA Headquarters

MTA Headquarters includes four distinct components: Policy & Oversight, MTA Consolidated Functions including Information Technology and Non-Information Technology, 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. This Plan includes the consolidation of the Information Technology functions. Future consolidations will include the Procurement and Treasury functions. 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 2016 - 2019
Accrual Statement of Operations By Major Function
(\$ in Millions)

Non-Reimbursable	2015 Mid-Year Forecast	2016	2017	2018	2019
<u>MTA Consolidated Functions</u>					
Operating Revenue	\$3.331	\$6.096	\$6.201	\$7.285	\$6.405
Labor Expenses (non-IT)	10.107	13.789	14.124	14.483	14.882
Labor Expenses (IT Transformation)	94.961	131.329	136.406	139.540	141.330
Non-Labor Expenses (non-IT)	28.358	21.305	21.087	17.732	18.241
Non-Labor Expenses (IT Transformation)	150.368	134.446	119.656	118.526	121.376
Depreciation / OPEB Obligation (non-IT)	1.175	0.734	0.728	0.728	0.728
Depreciation / OPEB Obligation (IT Transformation)	11.275	25.154	41.270	37.065	39.078
Total Expenses	\$296.245	\$326.757	\$333.271	\$328.076	\$335.636
Baseline Deficit	(\$292.913)	(\$320.661)	(\$327.070)	(\$320.791)	(\$329.231)
<u>MTA HQ, Policy & Oversight</u>					
Operating Revenue	\$56.610	\$54.756	\$56.534	\$58.384	\$60.307
Labor Expenses	37.795	40.155	41.002	42.263	43.523
Non-Labor Expenses	118.017	121.264	115.797	114.232	116.293
Depreciation / OPEB Obligation	105.596	125.423	129.700	140.984	152.884
Total Expenses	\$261.409	\$286.842	\$286.498	\$297.479	\$312.701
Baseline Deficit	(\$204.799)	(\$232.086)	(\$229.964)	(\$239.096)	(\$252.394)
<u>Business Service Center</u>					
Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	32.141	34.479	34.346	35.138	35.678
Non-Labor Expenses	20.246	19.504	12.099	8.950	9.186
Depreciation / OPEB Obligation	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$52.387	\$53.983	\$46.445	\$44.087	\$44.864
Baseline Deficit	(\$52.387)	(\$53.983)	(\$46.445)	(\$44.087)	(\$44.864)
<u>Public Safety</u>					
Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	122.793	123.828	127.312	128.352	133.496
Non-Labor Expenses	9.732	9.934	10.170	10.554	11.668
Depreciation / OPEB Obligation	9.342	8.281	7.029	5.538	5.538
Total Expenses	\$141.867	\$142.044	\$144.511	\$144.444	\$150.702
Baseline Deficit	(\$141.867)	(\$142.044)	(\$144.511)	(\$144.444)	(\$150.702)

MTA HEADQUARTERS
July Financial Plan 2016 - 2019
Total Positions by Function
Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents

FUNCTION	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
MTA Consolidated Functions	329	284	284	284	284	284
MTA HQ, Policy & Oversight	256	264	264	264	264	264
Business Service Center	407	337	337	337	337	337
Information Technology (IT)		1,017	1,023	1,023	1,023	1,023
Public Safety	799	811	811	811	811	841
Total Positions	1,791	2,713	2,719	2,719	2,719	2,749
Non-Reimbursable	1,727	2,583	2,589	2,589	2,589	2,619
MTA Consolidated Functions	265	154	154	154	154	154
MTA HQ, Policy & Oversight	256	264	264	264	264	264
Business Service Center	407	337	337	337	337	337
Information Technology (IT)	-	1,017	1,023	1,023	1,023	1,023
Public Safety	799	811	811	811	811	841
	-	-	-	-	-	-
Reimbursable	64	130	130	130	130	130
MTA Consolidated Functions	64	130	130	130	130	130
MTA HQ, Policy & Oversight	-	-	-	-	-	-
Business Service Center						
Information Technology (IT)						
Public Safety	-	-	-	-	-	-
	-	-	-	-	-	-

**MTA INSPECTOR GENERAL
2016 Preliminary Budget
July Financial Plan 2016-2019**

Financial Overview

The forecast for the Office of Inspector General for the years 2016-2019 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.

2015 Mid-Year Forecast

In the 2015 Mid-Year Forecast a total of \$13.5 million is projected in baseline expenses, compared to \$14.6 million in the 2015 Adopted Budget. The favorable variance is the result of vacancy savings.

2016 Preliminary Budget – Baseline

In the 2016 Preliminary Budget, a total of \$14.8 million is projected in baseline expenses compared to \$15.1 million in the February Plan. The favorable variance results from a re-estimation of employee salaries and fringe benefit expenses.

2017-2019 Projections

The forecast for the Office of Inspector General for the years 2017-2019 reflects inflationary growth according to the prevailing guidelines and assumptions.

MTA INSPECTOR GENERAL
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	11.598	13.461	14.841	15.141	15.494	15.857
Total Revenue	\$11.598	\$13.461	\$14.841	\$15.141	\$15.494	\$15.857
Expenses						
<u>Labor:</u>						
Payroll	\$6.539	\$7.324	\$8.194	\$8.326	\$8.460	\$8.597
Overtime	-	-	-	-	-	-
Health and Welfare	0.713	1.215	1.655	1.681	1.753	1.827
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.949	1.322	1.292	1.336	1.383	1.434
Other Fringe Benefits	0.492	0.522	0.615	0.627	0.638	0.650
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$8.693	\$10.383	\$11.756	\$11.970	\$12.234	\$12.508
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.032	0.040	0.042	0.042	0.046	0.050
Insurance	0.030	0.037	0.025	0.028	0.030	0.033
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.532	2.645	2.710	2.785	2.859	2.933
Professional Service Contracts	0.187	0.196	0.201	0.206	0.212	0.217
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.114	0.105	0.107	0.110	0.113	0.116
Total Non-Labor Expenses	\$2.895	\$3.023	\$3.085	\$3.171	\$3.260	\$3.349
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$11.588	\$13.406	\$14.841	\$15.141	\$15.494	\$15.857
Depreciation	0.010	0.055	0.000	0.000	0.000	0.000
Total Expenses	\$11.598	\$13.461	\$14.841	\$15.141	\$15.494	\$15.857
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2016 - 2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	Mid-Year	Preliminary	2017	2018	2019
		Forecast	Budget			
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	11.588	13.406	14.841	15.141	15.494	15.857
Total Receipts	\$11.588	\$13.406	\$14.841	\$15.141	\$15.494	\$15.857
Expenditures						
<u>Labor:</u>						
Payroll	\$6.539	\$7.324	\$8.194	\$8.326	\$8.460	\$8.597
Overtime	-	-	-	-	-	-
Health and Welfare	0.713	1.215	1.655	1.681	1.753	1.827
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.949	1.322	1.292	1.336	1.383	1.434
Other Fringe Benefits	0.492	0.522	0.615	0.627	0.638	0.650
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$8.693	\$10.383	\$11.756	\$11.970	\$12.234	\$12.508
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.032	0.040	0.042	0.042	0.046	0.050
Insurance	0.030	0.037	0.025	0.028	0.030	0.033
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.532	2.645	2.710	2.785	2.859	2.933
Professional Service Contracts	0.187	0.196	0.201	0.206	0.212	0.217
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.114	0.105	0.107	0.110	0.113	0.116
Total Non-Labor Expenditures	\$2.895	\$3.023	\$3.085	\$3.171	\$3.260	\$3.349
<u>Other Expenditure Adjustments:</u>						
Other - Operating Capital	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$11.588	\$13.406	\$14.841	\$15.141	\$15.494	\$15.857
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	(0.010)	(0.055)	-	-	-	-
Total Receipts	(\$0.010)	(\$0.055)	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other - Operating Capital	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	(\$0.010)	(\$0.055)	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation	0.010	0.055	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	11.598	13.461	1.863	14.841	1.380	15.141	0.300	15.494	0.353
Total Revenue	\$11.598	\$13.461	\$1.863	\$14.841	\$1.380	\$15.141	\$0.300	\$15.494	\$0.353
<u>Expenses</u>									
Labor:									
Payroll	\$6.539	\$7.324	(\$0.785)	\$8.194	(\$0.870)	\$8.326	(\$0.132)	\$8.460	(\$0.134)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.713	1.215	(0.502)	1.655	(0.440)	1.681	(0.026)	1.753	(0.072)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	0.949	1.322	(0.373)	1.292	0.030	1.336	(0.044)	1.383	(0.047)
Other Fringe Benefits	0.492	0.522	(0.030)	0.615	(0.093)	0.627	(0.012)	0.638	(0.011)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$8.693	\$10.383	(\$1.690)	\$11.756	(\$1.373)	\$11.970	(\$0.214)	\$12.234	(\$0.264)
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.032	0.040	(0.008)	0.042	(0.002)	0.042	0.000	0.046	(0.004)
Insurance	0.030	0.037	(0.007)	0.025	0.012	0.028	(0.003)	0.030	(0.002)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other									
Operating Contracts	2.532	2.645	(0.113)	2.710	(0.065)	2.785	(0.075)	2.859	(0.074)
Professional Service Contracts	0.187	0.196	(0.009)	0.201	(0.005)	0.206	(0.005)	0.212	(0.006)
Materials & Supplies	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.114	0.105	0.009	0.107	(0.002)	0.110	(0.003)	0.113	(0.003)
Total Non-Labor Expenses	\$2.895	\$3.023	(\$0.128)	\$3.085	(\$0.062)	\$3.171	(\$0.086)	\$3.260	(\$0.089)
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$11.588	\$13.406	(\$1.818)	\$14.841	(\$1.435)	\$15.141	(\$0.300)	\$15.494	(\$0.353)
Depreciation	0.010	0.055	(0.045)	0.000	0.055	0.000	0.000	0.000	0.000
Total Expenses	\$11.598	\$13.461	(\$1.863)	\$14.841	(\$1.380)	\$15.141	(\$0.300)	\$15.494	(\$0.353)
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)

MTA INSPECTOR GENERAL
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Receipts</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	11.588	13.406	1.818	14.841	1.435	15.141	0.300	15.494	0.353
Total Receipts	\$11.588	\$13.406	\$1.818	\$14.841	\$1.435	\$15.141	\$0.300	\$15.494	\$0.353
<u>Expenditures</u>									
Labor:									
Payroll	\$6.539	\$7.324	(\$0.785)	\$8.194	(\$0.870)	\$8.326	(\$0.132)	\$8.460	(\$0.134)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.713	1.215	(0.502)	1.655	(0.440)	1.681	(0.026)	1.753	(0.072)
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	0.949	1.322	(0.373)	1.292	0.030	1.336	(0.044)	1.383	(0.047)
Other Fringe Benefits	0.492	0.522	(0.030)	0.615	(0.093)	0.627	(0.012)	0.638	(0.011)
GASB Account	-	-	-	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$8.693	\$10.383	(\$1.690)	\$11.756	(\$1.373)	\$11.970	(\$0.214)	\$12.234	(\$0.264)
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.032	0.040	(0.008)	0.042	(0.002)	0.042	0.000	0.046	(0.004)
Insurance	0.030	0.037	(0.007)	0.025	0.012	0.028	(0.003)	0.030	(0.002)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other									
Operating Contracts	2.532	2.645	(0.113)	2.710	(0.065)	2.785	(0.075)	2.859	(0.074)
Professional Service Contracts	0.187	0.196	(0.009)	0.201	(0.005)	0.206	(0.005)	0.212	(0.006)
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.114	0.105	0.009	0.107	(0.002)	0.110	(0.003)	0.113	(0.003)
Total Non-Labor Expenditures	\$2.895	\$3.023	(\$0.128)	\$3.085	(\$0.062)	\$3.171	(\$0.086)	\$3.260	(\$0.089)
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$11.588	\$13.406	(\$1.818)	\$14.841	(\$1.435)	\$15.141	(\$0.300)	\$15.494	(\$0.353)
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000

MTA INSPECTOR GENERAL
July Financial Plan 2016 - 2019
Summary of Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2015	2016	2017	2018
2015 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline:				
Changes				
Revenue:				
Capital and Other Reimbursements	(1.994)	(1.094)	(0.266)	(0.555)
Sub-Total Revenue Changes	(\$1.994)	(\$1.094)	(\$0.266)	(\$0.555)
Expenses:				
Payroll	\$1.082	\$0.722	\$0.094	\$0.128
Overtime	-	-	-	-
Health and Welfare	0.373	0.071	(0.329)	(0.288)
OPEB Current Payment	-	-	-	-
Pensions	0.329	0.033	0.292	0.519
Other Fringe Benefits	0.156	0.269	0.220	0.240
Reimbursable Overhead	-	-	-	-
Fuel	0.008	0.000	(0.003)	(0.004)
Insurance	(0.002)	(0.006)	0.009	0.009
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other				
Operating Contracts	0.078	0.001	(0.024)	(0.054)
Professional Service Contracts	(0.047)	0.000	0.002	0.001
Materials & Supplies	-	-	-	-
Other Business Expenses	0.007	0.004	0.005	0.004
Depreciation	0.010	0.000	0.000	0.000
Sub-Total Expense Changes	\$1.994	\$1.094	\$0.266	\$0.555
Cash Adjustments:				
Revenue				
Expense				
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	(\$0.000)	\$0.000	\$0.000
Total Changes	\$0.000	(\$0.000)	\$0.000	\$0.000
2014 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	(\$0.000)	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2016 - 2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Office of the Inspector General	69	86	86	86	86	86
Total Administration	69	86	86	86	86	86
 Baseline Total Positions	 69	 86	 86	 86	 86	 86
 Non-Reimbursable	 -	 -	 -	 -	 -	 -
Reimbursable	69	86	86	86	86	86
Total	69	86	86	86	86	86
 Total Full-Time	 69	 86	 86	 86	 86	 86
Total Full-Time Equivalents	-	-	-	-	-	-

**First Mutual Transportation Assurance Co.
(FMTAC)**

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2016 Preliminary Budget
July Financial Plan for 2016 - 2019

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 the 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
2016 Preliminary Budget
July Financial Plan 2016 - 2019

2015 Mid-Year Forecast

In the 2015 Mid-Year Forecast, a total of \$3.6 million is projected in Baseline Surplus compared to the \$19.5 million Baseline Surplus in the 2015 Adopted Budget. This consists of a \$5.2 million decrease in revenues and \$10.6 million increase in expenses. The unfavorable outcome is a result of higher Claims and lower Investment Income (change in net unrealized gains and losses from investments) than projected in the 2015 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 2015 and prior year actual results.

2016 Preliminary Budget

In the 2016 Preliminary Budget, a total of \$14.9 million is projected in Baseline Surplus compared to the \$29.4 million Baseline Surplus in the February Plan. This consists of a \$5.1 million decrease in revenues and \$9.4 million increase in expenses. The unfavorable outcome is a result of higher Claims and lower Investment Income (change in net unrealized gains and losses from investments) than projected in the 2015 Adopted Budget. Claims are based on actuarial analysis of claim activity on an estimated basis.

2017 – 2019 Projections

2017 – 2019 projections are representative of 2015 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2015 projections at a rate equal to CPI. Claims are based on actuarial analysis of projected claim activities and adjustments, whether favorable or unfavorable in required reserves. Other Business Expenses are estimated to increase over 2015 at a rate of 2% each year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	12.997	12.765	13.076	13.437	13.795	14.148
Investment Income	3.449	3.891	3.986	4.096	4.205	4.313
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$16.446	\$16.656	\$17.062	\$17.533	\$18.000	\$18.461
Operating Expenses						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(84.027)	(87.496)	(92.776)	(99.928)	(108.068)	(117.260)
Claims	75.946	87.537	81.700	84.327	83.994	86.222
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	13.030	13.000	13.260	13.525	13.796	14.072
Total Non-Labor Expenses	\$4.949	\$13.041	\$2.184	(\$2.076)	(\$10.278)	(\$16.966)
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$4.949	\$13.041	\$2.184	(\$2.076)	(\$10.278)	(\$16.966)
Depreciation	-	-	-	-	-	-
Total Expenses	\$4.949	\$13.041	\$2.184	(\$2.076)	(\$10.278)	(\$16.966)
Net Surplus/(Deficit)	\$11.497	\$3.615	\$14.878	\$19.609	\$28.278	\$35.427

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2016 - 2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	12.997	12.765	13.076	13.437	13.795	14.148
Investment Income	3.449	3.891	3.986	4.096	4.205	4.313
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$16.446	\$16.656	\$17.062	\$17.533	\$18.000	\$18.461
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(84.027)	(87.496)	(92.776)	(99.928)	(108.068)	(117.260)
Claims	75.946	79.579	74.282	76.661	76.358	78.384
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	13.030	13.000	13.260	13.525	13.796	14.072
Total Non-Labor Expenditures	\$4.949	\$5.083	(\$5.234)	(\$9.742)	(\$17.914)	(\$24.804)
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment	11.497	\$11.573	\$22.296	\$27.275	\$35.914	\$43.265
Total Other Expenditure Adjustments	\$11.497	\$11.573	\$22.296	\$27.275	\$35.914	\$43.265
Total Expenditures	\$16.446	\$16.656	\$17.062	\$17.533	\$18.000	\$18.461
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	7.958	7.418	7.666	7.636	7.838
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$7.958	\$7.418	\$7.666	\$7.636	\$7.838
<u>Other Expenditures Adjustments:</u>						
Other	(\$11.497)	(\$11.573)	(\$22.296)	(\$27.275)	(\$35.914)	(\$43.265)
Total Other Expenditures Adjustments	(\$11.497)	(\$11.573)	(\$22.296)	(\$27.275)	(\$35.914)	(\$43.265)
Total Cash Conversion Adjustments before Depreciation	(\$11.497)	(\$3.615)	(\$14.878)	(\$19.609)	(\$28.278)	(\$35.427)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$11.497)	(\$3.615)	(\$14.878)	(\$19.609)	(\$28.278)	(\$35.427)

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category- Baseline

Revenue

Investment Income

- Investment income is the change in net unrealized gains or losses on investments.
- Investment income is projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts, dated March 23, 2015.

Other Operating Revenue

- This is the realized gains or earned investment income from bonds and equity investments (dividends, interest).
- Other Operating Revenue is projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts, dated March 23, 2015.

Expenses

Insurance

- Insurance (premiums paid to FMTAC) is from the 2015 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 estimate of earned premiums 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 projections for 2016 – 2019, actual claim expense paid and any adjustment either favorable or unfavorable to reserves. In addition to the actuarial analysis, the claims increase follows the

factors of the growth in exposure (i.e. vehicle count) and higher insurance premiums.

Other Business Expenses

- Other Business Expenses increased 2% for 2016 – 2019 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 2016 - 2019
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	12.765	13.076	0.311	13.437	0.361	13.795	0.357	14.148	0.353
Investment Income	3.891	3.986	0.095	4.096	0.110	4.205	0.109	4.313	0.108
Capital and Other Reimbursement									
Total Revenue	\$16.656	\$17.062	\$0.406	\$17.533	\$0.471	\$18.000	\$0.466	\$18.461	\$0.461
Expenses									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	-	-	0.000	-	0.000	-	0.000	-	0.000
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Fringe Benefits	-	-	0.000	-	0.000	-	0.000	-	0.000
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(87.496)	(92.776)	5.280	(99.928)	7.152	(108.068)	8.140	(117.260)	9.192
Claims	87.537	81.700	5.837	84.327	(2.627)	83.994	0.333	86.222	(2.228)
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	13.000	13.260	(0.260)	13.525	(0.265)	13.796	(0.271)	14.072	(0.276)
Total Non-Labor Expenses	\$13.041	\$2.184	\$10.857	(\$2.076)	\$4.260	(\$10.278)	\$8.202	(\$16.966)	\$6.688
Other Expenses Adjustments:									
Other	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$13.041	\$2.184	\$10.857	(\$2.076)	\$4.260	(\$10.278)	\$8.202	(\$16.966)	\$6.688
Depreciation	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Expenses	\$13.041	\$2.184	\$10.857	(\$2.076)	\$4.260	(\$10.278)	\$8.202	(\$16.966)	\$6.688
Net Surplus/(Deficit)	\$3.615	\$14.878	\$11.263	\$19.609	\$4.731	\$28.278	\$8.669	\$35.427	\$7.149

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Receipts</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	12.765	13.076	0.311	13.437	0.361	13.795	0.357	14.148	0.353
Investment Income	3.891	3.986	0.095	4.096	0.110	4.205	0.109	4.313	0.108
Capital and Other Reimbursement									
Total Receipts	\$16.656	\$17.062	\$0.406	\$17.533	\$0.471	\$18.000	\$0.466	\$18.461	\$0.461
<u>Expenditures</u>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	-	-	0.000	-	0.000	-	0.000	-	0.000
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Fringe Benefits	-	-	0.000	-	0.000	-	0.000	-	0.000
GASB Account	-	-	0.000	-	0.000	-	0.000	-	0.000
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(87.496)	(92.776)	5.280	(99.928)	7.152	(108.068)	8.140	(117.260)	9.192
Claims	79.579	74.282	5.297	76.661	(2.379)	76.358	0.303	78.384	(2.026)
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	13.000	13.260	(0.260)	13.525	(0.265)	13.796	(0.271)	14.072	(0.276)
Total Non-Labor Expenditures	\$5.083	(\$5.234)	\$10.317	(\$9.742)	\$4.508	(\$17.914)	\$8.172	(\$24.804)	\$6.890
Other Expenditure Adjustments:									
Other	11.573	22.296	(10.723)	27.275	(4.979)	35.914	(8.639)	43.265	(7.351)
Total Other Expenditure Adjustments	\$11.573	\$22.296	(\$10.723)	\$27.275	(\$4.979)	\$35.914	(\$8.639)	\$43.265	(\$7.351)
Total Expenditures	\$16.656	\$17.062	(\$0.406)	\$17.533	(\$0.471)	\$18.000	(\$0.466)	\$18.461	(\$0.461)
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Summary of Major Plan to Plan Changes

2015 – 2018 July Financial Plan vs February Financial Plan

Revenue

Revenue changes from the February Plan over the 2015 – 2018 periods include:

- The decreased baseline estimate for 2015 is due to decreases in Other Operating Revenue and Investment Income (change in net unrealized gains and losses from investments) for the first four months of 2015. For 2016 – 2018, the decreased baseline estimate for 2015 is then projected based on the MTA Region All Urban Consumer CPI inflation rates.

Expenses

Expense changes from the February Plan over the 2015 – 2018 periods include:

- An increase in Insurance (premium revenue) as projected in the 2015 Mid-Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets.
- Claim expenses resulted in unfavorable developments due to updated loss projections from actuarial projections.
- Other Business Expenses slightly decreased due to updated estimates based on prior year actual results. The inflation rate for Other Business Expenses is expected to increase 2% per year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE				
	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	(1.195)	(1.095)	(0.972)	(0.850)
Investment Income	(4.025)	(4.051)	(4.076)	(4.100)
Capital and Other Reimbursement	-	-	-	-
Total Revenue Changes	(\$5.220)	(\$5.146)	(\$5.048)	(\$4.950)
Expenses				
<i>Labor:</i>				
Payroll	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare	-	-	-	-
OPEB Current Payment	-	-	-	-
Pensions	-	-	-	-
Other Fringe Benefits	-	-	-	-
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(2.500)	(3.915)	(4.429)	(4.982)
Claims	(7.349)	(4.708)	(2.315)	(2.230)
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-
Materials & Supplies	-	-	-	-
Other Business Expenses	(0.769)	(0.785)	(0.800)	(0.816)
Total Non-Labor Expense Changes	(\$10.618)	(\$9.408)	(\$7.544)	(\$8.028)
<i>Total Expenses before Depreciation and GASB Adjs.</i>				
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	-	-	-	-
Environmental Remediation	-	-	-	-
Total Expense Changes	(\$10.618)	(\$9.408)	(\$7.544)	(\$8.028)
Cash Adjustment Changes				
<i>Revenue:</i>				
Other Operating Revenue	0.000	0.000	0.000	0.000
<i>Expenses:</i>				
Claims	2.712	2.381	1.591	1.580
Other Business Expenses	0.000	0.000	0.000	0.000
Total Expense Changes	2.712	2.381	1.591	1.580
Restricted Cash Adjustment	13.126	12.172	11.001	11.398
Total Cash Adjustment Changes	\$15.838	\$14.553	\$12.592	\$12.978
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

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New York City Transit

MTA NEW YORK CITY TRANSIT
2016 Preliminary Budget
July Financial Plan 2016 – 2019

FINANCIAL OVERVIEW

MTA New York City Transit's July 2015 Financial Plan builds on programs begun in previous years that advance our mission in providing safe, secure and reliable transportation services. Strong growth and record-breaking ridership levels on subways continues as do significant challenges to service delivery. The increase in subway service delays has been a major concern and a multi-faceted approach to reducing this problem has been undertaken. Last year we began the process of adjusting scheduled subway running times and this process is expected to be completed in the December 2015 subways schedule. This year we have begun a comprehensive delay mitigation program, featuring an extensive deployment of platform controllers on critical lines, designed to reduce dwell time and associated delays. Building on last year's initiative to add critical maintenance staff to quickly respond to right-of-way service disruptions, this year's plan adds Road Car Inspectors at key locations to quickly respond to car equipment breakdowns, as well as additional resources to reduce track and third rail defects.

Recent trends in bus ridership have been less favorable, partly due to long term trends of increasing street congestion and associated slower bus travel times. An important part of our bus service strategy is the continued expansion of Select Bus Service (SBS), which significantly reduces bus travel time. Three new SBS routes are planned to start in 2015, including the M86 in July, the B46 in September, and the Q44 in October, three heavily traveled routes serving key corridors in Manhattan, Brooklyn, and Queens, respectively. An additional seven new SBS routes are planned for implementation during the 2016-2018 period.

The plan continues Agency efforts to maintain fleet reliability. Some additional costs are being incurred for higher maintenance requirements associated with an overage bus fleet in particular the portion of the fleet that is more than 14 years old. Substantial expense is being programmed for R32 fleet SMS to extend the life of these already overage cars due to unexpected fleet expansion, in particular car requirements associated with the upcoming Canarsie Tube reconstruction project.

This financial plan provides for a number of investment initiatives, budget reduction initiatives, as well as re-estimates and plan adjustments, detailed below.

SERVICE AND SERVICE QUALITY

- **Delay Mitigation Program.** Due to an increase in subway delays, largely attributed to historic ridership growth, a plan will be implemented to reverse this trend on the 7, F and Lexington Avenue lines (4,5,6) by adding passenger controllers at key station platforms to reduce station dwell times, enhance Road

Car Inspector coverage at targeted locations for rapid response to car equipment problems and subway emergencies, and increase track maintenance and defect repair to mitigate delays on the right-of-way. To accomplish this, additional positions of 120 in 2015, 134 in 2016, 131 in both 2017 and 2018 and 117 in 2019 will be required. Increased costs are projected at \$13.4 million in 2015, \$21.8 million in 2016, \$15.2 million in 2017, \$14.9 million in 2018 and \$13.4 million in 2019.

- **Select Bus Service Expansion.** An expansion of seven Select Bus Service (SBS) routes is programmed, beginning 2016, with expenses of \$3.2 million in 2016, \$10.7 million in 2017, \$18.2 million in 2018 and \$21.2 million in 2019. This service represents an increased-speed, high performance bus system, incorporating off-board fare collection, bus lanes and real-time information.

MAINTENANCE

- **Bus Overage Fleet.** It is currently projected that the number of buses over 15 years old at the end of 2015 will be 966. These buses require an average of 146 more hours of maintenance per bus than those less than 12 years old. In order to meet these bus maintenance requirements, additional costs of \$3.1 million in 2015, \$2.0 million in 2016, and \$3.0 million for each year 2017-2019 will be required. 35 positions will be needed in 2016 with 21 positions in subsequent years.
- **R32 Fleet SMS (Scheduled Maintenance).** The R32 fleet was scheduled to be retired in 2017-2018. This retirement will need to be delayed until 2022 due to delays in the delivery of R179 replacement cars and increased revenue service fleet requirements. The cost of this delay is estimated to be \$1.1 million in 2016, \$15.9 million in 2017, \$17.7 million in 2018 and \$15.5 million in 2019. Position requirements are projected at 132 for 2017 and 110 for both 2018 and 2019.
- **Track Overtime.** It is estimated that the 2015 Budget is below historical overtime spending levels by \$5.5 million and critical operations support is required for defect repair, maintenance and renewal activities. Projected additional overtime costs are \$6.0 million in 2015 and \$6.7 million in subsequent plan years.
- **Car Fleet Expansion.** Fleet maintenance requirements are necessary in support of additional cars added to the Flushing Line. 10 positions are needed during the period 2015-2017 and 14 positions for the years 2018-2019. Planned expenses are \$0.1 million in 2015, \$1.1 million for 2016 and 2017, \$1.2 million in 2018 and \$1.4 million in 2019.
- **Station/Elevator Cleaning.** 5 positions with costs of \$0.4 million in 2015 and \$0.8 million in subsequent plan years are necessary to regularly clean new ADA elevators and trains.

- **EAM (Enterprise Asset Management).** EAM is a holistic approach that would enable the management of our organization's physical assets, including every part and component that comprise our trains, buses, track, stations, substations and depots, etc. 5 positions will be needed to support this task through 2018, representing \$0.4 million of expenses in 2015 and \$1.0 million for the years 2016-2018.

SERVICE SUPPORT

- **Operations Planning—SBS Support.** 9 positions will be required in order to support service planning for Select Bus Service expansion through identification of appropriate routes and service levels. These positions would also conduct neighborhood bus studies while monitoring and evaluating local, limited and express bus service. Planned expenses for these positions are \$0.3 million in 2015 and \$1.0 million in subsequent plan years.
- **21st Century Service Delivery.** This new division will respond to subway needs with respect to growing ridership and related capacity issues, financial constraints, changing technology and rapidly increasing customer expectations. 5 positions are required for this undertaking, representing expenses of \$0.5 million in 2015 and \$0.8 million in subsequent plan years.

ADMINISTRATION

- **New Leased Space Build-out.** Electronic Maintenance, Automated Fare Collection and Telecommunications personnel are currently reporting to locations which are insufficient for current or future activities. All of the existing locations are currently or going to be unsuitable due to damage, capital construction, or crowding. A search for appropriate space is underway with costs of \$4.7 million in 2016 and \$2.8 million in 2017 necessary for initial outfitting.
- **State Mandated Training.** New York State has mandated that NYCT provide specific training to all employees, including EEO, sexual harassment, workplace violence, reasonable accommodation and cyber security. Cost requirements to meet this mandate are \$6.7 million in 2015, and \$11.7 million in subsequent plan years.
- **Bus Technology Headcount.** In order to provide necessary support for critical safety and other technology initiatives, additional positions of 9 in 2015, 6 in 2016, 6 in 2017, 3 in 2018 and 3 in 2019 will be needed. The cost of these positions are \$1.4 million in 2015, \$1.0 million for each year 2016-2018, and \$0.6 million in 2019.
- **EEO Headcount.** To comply with New York State and other oversight entities, NYCT must aggressively foster an integrated and diverse workforce through concentrated recruitment efforts, as well as address EEO allegations in an

expeditious manner. To accomplish this, 7 positions will be required, with a cost of \$0.3 million in 2015 and \$0.9 million in subsequent plan years.

- **Employee Availability Administration.** It is deemed necessary to establish an employee availability unit in the Department of Buses in order to provide centralized analysis and oversight to address sick and FLMA leave problems. Position requirements are 3 in 2015 and 4 over the years 2016-2019. Expenses are planned to be \$0.2 million in 2015 and \$0.5 million for the years 2016-2019.
- **Additional Law Support.** 2 positions are needed in order to meet the current workload demands of the Workers' Compensation division. Expenses of \$0.3 million are projected for the years 2016 through 2019.
- **WEP Administration—Additional Headcount.** Additional WEP (Work Experience Program) participants, as well as administrative requirements to manage the program and its turnover, have necessitated additional staff support in excess of the level currently budgeted. It is therefore necessary to add 17 positions for each year 2015 through 2019, with costs of \$1.5 million in 2015 and \$1.7 million for each plan year 2016 through 2019.

Overtime Management – Overtime is an important component that enables NYCT to deliver safe, reliable service to its 8 million daily riders. Over the past two years, NYCT has systematically reviewed overtime spending in an effort to properly reflect baseline spending levels. In addition, new needs have arisen which are included in this financial plan. Overall, the July Financial Plan includes overtime increases of \$63 million in 2015, \$47 million in 2016 and \$43 million in subsequent years. The adjustment in baseline overtime was \$47 million in 2015 and approximately \$31 million in 2016 and subsequent years.

The major components of the baseline overtime increase are as follows:

- **Adverse Weather** – \$14.7M in 2015 and \$3.1M in subsequent plan years.
- **Overtime Offset Leave Provision** – \$12.6M annually for the net overtime backfill cost of the overtime offset leave provision in the TWU contract. Under this provision, hourly employees accrue compensatory time for overtime worked at time and one-half (typically 12 hours for one day), but use just 8 hours for a day of overtime offset leave.
- **Track Maintenance** – \$5.6M annually.
- **Maintenance of Overage Fleet** – \$2.9M in 2015 and \$1.2M in 2016.
- **Overtime Re-baseline Revision** – \$10.9M in 2015 and \$7.4M in subsequent years for other baseline requirements primarily for additional absence coverage and other baseline requirements in bus transportation and signals.

Major new initiatives account for \$16M of added overtime in 2015 and 2016, and \$11M in subsequent years. These initiatives were as follows:

- **Delay Mitigation Program** – \$8.5M in 2015 and \$5.5M in 2016.

- **State Mandated Compliance Training and Policy Certifications** – \$6.3M in 2015 and \$9.8M in subsequent years for the State mandated training program.
- **Service Adjustments** – \$0.7M in 2015 and \$0.9M in subsequent years for regular service adjustments.

Control Measures – NYCT anticipates continued progress during the remainder of 2015 in reducing vacancies as new civil service lists for key maintenance titles are established, and efforts to reduce controllable leaves including sick leave and workers compensation are ongoing, both of which are expected to moderate overtime vacancy coverage requirements going forward.

The 2015 BUDGET REDUCTION PROGRAM is comprised of the following initiatives:

- **Paratransit Reforecast.** Expense savings of \$3.4 million in 2015, \$17.5 million in 2016, \$54.4 million in 2017 and \$64.6 million in 2017 are based on a projected reduction in trip levels, resulting from actions taken to tighten eligibility and defer trips to lower cost providers and the fixed route system.
- **Subways Timekeeping Consolidation.** Projected savings of \$1.9 million in 2016, \$4.6 million in 2017, and \$5.1 million in 2018 and 2019, along with position reductions of 30 in 2016 and 50 in subsequent plan years, to result from a phased-in centralization of some of subways timekeeping functions.
- **Supply Logistics Efficiencies.** Planned savings of \$0.3 million in 2015, and \$0.6 million in subsequent plan years, along with a reduction of 2 positions each year beginning 2016, based on generating efficiencies in the management of warehouse stores and the receipt/processing/delivery of materials to various work locations.
- **Revenue Collection Efficiencies.** Projected savings of \$0.6 million and position reductions of 7 are planned for each year 2015-2019, to be achieved through the identification of operational efficiencies within the revenue collection process.
- **Security Efficiencies.** Savings of \$0.3 million in 2015 and \$0.7 million in subsequent plan years along with 2 position reductions each year is expected to be achieved by operational efficiencies within security function processes.
- **Operations Planning—FasTrack Support Reduction.** Savings of \$0.2 million in 2015 and \$0.3 million in subsequent plan years along with 6 position reductions each plan year are projected, as less FasTrack occasions are anticipated during the plan years.
- **Corporate Communications Savings.** Savings of \$0.1 million in 2015 and \$0.3 million in subsequent plan years are projected, to result mostly by reducing the use of outside graphic artist services to be replaced by in-house resources.

2015 Mid-Year Forecast

MTA NYC Transit's 2015 Mid-Year-Forecast includes total expenses before depreciation and other post-employment benefits of \$8,454.3 million, consisting of \$7,363.6 million of non-reimbursable expenses and \$1,090.7 million of reimbursable expenses. Total revenues are projected to be \$5,868.9 million, of which \$4,778.2 million are operating revenues and \$1,090.7 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,788 (42,728 non-reimbursable positions and 5,060 reimbursable positions).

The 2015 net operating cash deficit is projected to decrease by \$2.3 million from the 2015 Adopted Budget.

Major operating cash changes include:

- A pension expenditure reduction of \$53.9 million, based primarily on an updated NYCERS actuarial valuation.
- Updated inflation assumptions, resulting in savings of \$44.1 million, mainly from projected lower fuel prices.
- The net favorable timing in 2015 from 2014 year-end results of \$34.1 million, primarily representing the timing of receipt of capital reimbursements re-estimated in this financial plan.
- The adverse impact in early 2015 of multiple snowstorms and severe cold weather, resulting in a cost of \$45.2 million.
- Programmatic initiative investments of \$34.2 million, mainly to meet service and administrative requirements.
- A reduction in other operating revenues of \$26.8 million, due largely to the elimination of Sandy insurance reimbursements assumed in the February Financial Plan.
- Projected additional public liability claims reserve requirements of \$24.2 million.

Reimbursable expenses are projected to increase in 2015 by \$111.1 million, due to additional interagency support from MTA, and labor requirements in support of Infrastructure Capital Construction (ICC) and Capital Programs, as well as the timing of expenses from 2014.

Plan-to-Plan, total baseline positions are projected to increase by 478, including a non-reimbursable increase of 271 and a reimbursable increase of 207. The non-reimbursable increase represents 194 in support of new programmatic initiatives (see beginning of this narrative for more detailed information), station painting insourcing of

36, and additional platform budget requirements of 26. The reimbursable increase is due mostly to support for Capital, ICC, Engineering and Signals programs.

2016 Preliminary Budget

MTA New York City Transit's 2016 Preliminary Budget includes total expenses before depreciation and other post-employment benefits of \$8,645.4 million, consisting of \$7,589.6 million of non-reimbursable expenses and \$1,055.8 million of reimbursable expenses. Total revenues are projected to be \$5,981.8 million, of which \$4,926.1 million are operating revenues and \$1,055.8 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,280, including 42,626 non-reimbursable positions and 4,654 reimbursable positions.

The 2016 net operating cash deficit is projected to decrease by \$113.3 million from the February Financial Plan.

Major operating cash variances include:

- A pension expenditure reduction of \$80.7 million, based primarily on an updated NYCERS actuarial valuation.
- The favorable timing of receipt of capital reimbursements of \$35.1 million.
- Farebox revenue is projected to increase by \$34.4 million, based mainly on higher ridership projections and a higher pass average fare.
- Updated inflation assumptions, resulting in savings of \$33.4 million, mainly from projected lower fuel prices.
- Programmatic initiative investments of \$60.1 million, mainly to meet service, maintenance and administrative requirements.

Reimbursable expenses are projected to increase in 2016 by \$100.9 million, due to additional interagency support from MTA, and labor requirements in support of ICC and Capital Programs.

Plan-to-Plan, total baseline positions are projected to increase by 447, including a non-reimbursable increase of 280 and a reimbursable increase of 167. The non-reimbursable increase represents 239 in support of new programmatic initiatives (see beginning of this narrative for more detailed information), station painting insourcing of 36, and additional platform budget requirements of 26. The reimbursable increase is due mostly to support for Capital, ICC, Engineering and Signals programs.

2017-2018 Projections

Net operating cash deficits are projected to decrease by \$109.0 million in 2017 and \$108.1 million in 2018, relative to the February Financial Plan.

Major operating cash changes include:

- Pension expenditure reductions of \$96.8 million in 2017 and \$116.3 million in 2018, based primarily on an updated NYCERS actuarial valuation.
- Updated inflation assumptions, resulting in savings of \$58.9 million in 2017 and \$58.4 million in 2018, mainly from projected lower energy costs.
- Projected budget reduction program savings of \$61.5 million in 2017 and \$72.3 million in 2018, largely from paratransit reforecasts.
- Programmatic initiative investments of \$75.1 million in 2017 and \$81.4 million in 2018, mainly to meet service, maintenance and administrative requirements.
- Projected operating revenue reductions of \$13.2 million in 2017 and \$37.7 million in 2018, due primarily to reduced NYC paratransit reimbursements, resulting from re-forecasted paratransit savings and projected increased Urban Tax revenues.

Reimbursable expenses are projected to increase in 2017 by \$102.3 million and by \$80.6 million in 2018, due to additional interagency support from MTA, and labor requirements in support of ICC and Capital Programs.

Plan-to-Plan, total baseline positions are projected to increase by 499 in 2017 and 382 in 2018, including non-reimbursable increases of 368 in 2017 and 351 in 2018. Reimbursable increases are 131 in 2017 and 31 in 2018. The non-reimbursable increases are due mostly to 354 in 2017 and 333 in 2018 in support of new programmatic initiatives (see beginning of this narrative for more detailed information). The reimbursable increase in 2017 is due mostly to support for ICC, Signals and Capital programs.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Operating Revenue						
<u>Farebox Revenue:</u>						
Subway	\$3,171.793	\$3,319.443	\$3,429.637	\$3,441.070	\$3,454.636	\$3,467.391
Bus	949.898	970.368	996.414	993.942	996.822	998.548
Paratransit	15.957	17.823	19.751	21.034	22.402	23.858
Fare Media Liability	53.391	44.770	44.770	44.770	44.770	44.770
Farebox Revenue	\$4,191.039	\$4,352.404	\$4,490.572	\$4,500.816	\$4,518.630	\$4,534.567
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue:						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	178.139	185.956	191.767	199.316	213.148	231.810
Other	174.846	155.779	159.704	163.318	167.037	170.865
Other Operating Revenue	\$437.001	\$425.751	\$435.487	\$446.650	\$464.201	\$486.691
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4,628.040	\$4,778.155	\$4,926.059	\$4,947.466	\$4,982.831	\$5,021.258
Expenses						
Labor:						
Payroll	\$3,041.049	\$3,086.645	\$3,164.968	\$3,242.510	\$3,297.050	\$3,353.167
Overtime	415.599	447.785	432.729	435.085	443.073	453.695
Total Salaries & Wages	\$3,456.648	\$3,534.430	\$3,597.697	\$3,677.595	\$3,740.123	\$3,806.862
Health and Welfare	666.761	764.962	831.216	893.386	957.228	1,032.376
OPEB Current Payment	352.674	376.334	417.906	455.476	499.410	547.056
Pensions	907.877	879.092	877.707	842.679	825.214	833.810
Other Fringe Benefits	437.921	311.373	315.927	329.108	343.967	352.079
Total Fringe Benefits	2,365.233	2,331.761	2,442.756	2,520.649	2,625.819	2,765.321
Reimbursable Overhead	(226.548)	(213.200)	(210.169)	(206.659)	(198.432)	(200.134)
Total Labor Expenses	\$5,595.333	\$5,652.991	\$5,830.284	\$5,991.585	\$6,167.510	\$6,372.049
Non-Labor:						
Electric Power	\$312.554	\$303.810	\$320.199	\$336.411	\$357.340	\$382.769
Fuel	172.346	121.489	125.549	128.944	143.632	160.001
Insurance	68.879	72.992	78.468	86.359	97.266	110.256
Claims	147.420	131.209	122.720	125.469	128.285	129.797
Paratransit Service Contracts	365.599	383.014	406.636	426.203	463.349	501.931
Maintenance and Other Operating Contracts	186.056	202.393	215.969	204.870	184.710	184.393
Professional Service Contracts	125.757	115.513	98.333	96.578	99.824	101.540
Materials & Supplies	302.697	300.765	315.900	318.198	314.352	325.993
Other Business Expenses	76.132	79.395	75.590	72.039	73.427	74.162
Total Non-Labor Expenses	\$1,757.440	\$1,710.580	\$1,759.364	\$1,795.071	\$1,862.185	\$1,970.842
Other Expense Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before						
Depreciation and GASB Adjustments	\$7,352.773	\$7,363.571	\$7,589.648	\$7,786.656	\$8,029.695	\$8,342.891
Depreciation	\$1,519.813	\$1,638.144	\$1,688.144	\$1,863.292	\$1,913.292	\$1,964.634
OPEB Obligation	1,638.388	1,616.261	1,680.911	1,748.148	1,818.074	1,890.797
Environmental Remediation	12.478	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$10,523.452	\$10,617.976	\$10,958.703	\$11,398.096	\$11,761.061	\$12,198.322
Net Surplus/(Deficit)	(\$5,895.412)	(\$5,839.821)	(\$6,032.644)	(\$6,450.630)	(\$6,778.230)	(\$7,177.064)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year	Preliminary	2017	2018	2019
		Forecast	Budget			
Revenue						
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	1,075.088	1,090.728	1,055.780	1,031.481	996.516	1,008.058
Total Revenue	\$1,075.088	\$1,090.728	\$1,055.780	\$1,031.481	\$996.516	\$1,008.058
Expenses						
Labor:						
Payroll	\$375.367	\$465.875	\$454.642	\$442.720	\$427.865	\$432.951
Overtime	135.102	74.335	77.179	77.289	74.728	76.223
Total Salaries & Wages	\$510.469	\$540.210	\$531.821	\$520.009	\$502.593	\$509.174
Health and Welfare	15.922	20.485	21.027	21.321	22.305	23.337
OPEB Current Payment	7.421	8.064	8.771	9.149	9.638	10.153
Pensions	28.543	30.090	28.023	26.434	26.155	26.388
Other Fringe Benefits	142.713	168.633	166.769	163.586	156.094	157.822
Total Fringe Benefits	194.599	227.272	224.590	220.490	214.192	217.700
Reimbursable Overhead	226.548	213.200	210.169	206.659	198.432	200.134
Total Labor Expenses	\$931.616	\$980.682	\$966.580	\$947.158	\$915.217	\$927.008
Non-Labor:						
Electric Power	\$0.371	\$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	1.189	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	49.151	30.391	27.342	27.418	27.383	27.383
Professional Service Contracts	20.747	11.313	7.983	7.699	7.688	7.688
Materials & Supplies	71.140	72.062	51.676	47.006	44.029	43.779
Other Business Expenses	0.855	(3.995)	1.924	1.925	1.924	1.925
Total Non-Labor Expenses	\$143.472	\$110.046	\$89.200	\$84.323	\$81.299	\$81.050
Other Expense Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation						
Depreciation	\$1,075.088	\$1,090.728	\$1,055.780	\$1,031.481	\$996.516	\$1,008.058
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$1,075.088	\$1,090.728	\$1,055.780	\$1,031.481	\$996.516	\$1,008.058
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Revenue						
<u>Farebox Revenue:</u>						
Subway	\$3,171.793	\$3,319.443	\$3,429.637	\$3,441.070	\$3,454.636	\$3,467.391
Bus	949.898	970.368	996.414	993.942	996.822	998.548
Paratransit	15.957	17.823	19.751	21.034	22.402	23.858
Fare Media Liability	53.391	44.770	44.770	44.770	44.770	44.770
Farebox Revenue	\$4,191.039	\$4,352.404	\$4,490.572	\$4,500.816	\$4,518.630	\$4,534.567
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	178.139	185.956	191.767	199.316	213.148	231.810
Other	174.846	155.779	159.704	163.318	167.037	170.865
Other Operating Revenue	437.001	425.751	435.487	446.650	464.201	486.691
Capital and Other Reimbursements	1,075.088	1,090.728	1,055.780	1,031.481	996.516	1,008.058
Total Revenue	\$5,703.128	\$5,868.883	\$5,981.839	\$5,978.947	\$5,979.347	\$6,029.316
Expenses						
<u>Labor:</u>						
Payroll	\$3,416.416	\$3,552.520	\$3,619.610	\$3,685.230	\$3,724.915	\$3,786.118
Overtime	550.701	522.120	509.908	512.374	517.801	529.918
Total Salaries & Wages	\$3,967.117	\$4,074.640	\$4,129.518	\$4,197.604	\$4,242.716	\$4,316.036
Health and Welfare	682.683	785.447	852.243	914.707	979.533	1,055.713
OPEB Current Payment	360.095	384.398	426.677	464.625	509.048	557.209
Pensions	936.420	909.182	905.730	869.113	851.369	860.198
Other Fringe Benefits	580.634	480.006	482.696	492.694	500.061	509.901
Total Fringe Benefits	2,559.832	2,559.033	2,667.346	2,741.139	2,840.011	2,983.021
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$6,526.949	\$6,633.673	\$6,796.864	\$6,938.743	\$7,082.727	\$7,299.057
<u>Non-Labor:</u>						
Electric Power	\$312.925	\$304.062	\$320.451	\$336.663	\$357.592	\$383.021
Fuel	172.365	121.512	125.572	128.967	143.655	160.024
Insurance	68.879	72.992	78.468	86.359	97.266	110.256
Claims	147.420	131.209	122.720	125.469	128.285	129.797
Paratransit Service Contracts	366.788	383.014	406.636	426.203	463.349	501.931
Maintenance and Other Operating Contracts	235.207	232.784	243.311	232.288	212.093	211.776
Professional Service Contracts	146.504	126.826	106.316	104.277	107.512	109.228
Materials & Supplies	373.837	372.827	367.576	365.204	358.381	369.772
Other Business Expenses	76.987	75.400	77.514	73.964	75.351	76.087
Total Non-Labor Expenses	\$1,900.912	\$1,820.626	\$1,848.564	\$1,879.394	\$1,943.484	\$2,051.892
<u>Other Expense Adjustments:</u>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	\$8,427.861	\$8,454.299	\$8,645.428	\$8,818.137	\$9,026.211	\$9,350.949
Depreciation	\$1,519.813	\$1,638.144	\$1,688.144	\$1,863.292	\$1,913.292	\$1,964.634
OPEB Obligation	1,638.388	1,616.261	1,680.911	1,748.148	1,818.074	1,890.797
Environmental Remediation	12.478	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$11,598.540	\$11,708.704	\$12,014.483	\$12,429.577	\$12,757.577	\$13,206.380
Net Surplus/(Deficit)	(\$5,895.412)	(\$5,839.821)	(\$6,032.644)	(\$6,450.630)	(\$6,778.230)	(\$7,177.064)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
Cash Receipts & Expenditures

CASH RECEIPTS AND EXPENDITURES						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$4,189,443	\$4,362,635	\$4,500,803	\$4,511,047	\$4,528,861	\$4,544,798
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.052	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	195.035	171.284	191.775	199.316	212.982	231.559
Other	68.510	47.496	48.173	48.441	48.713	48.992
Other Operating Revenue	\$347.597	\$302.796	\$323.964	\$331.773	\$345.711	\$364.567
Capital and Other Reimbursements	973.279	1,187.290	1,095.528	1,036.049	1,003.303	1,005.145
Total Receipts	\$5,510.319	\$5,852.721	\$5,920.295	\$5,878.869	\$5,877.875	\$5,914.510
Expenditures						
<u>Labor:</u>						
Payroll	\$3,627.729	\$3,566.351	\$3,582.602	\$3,656.871	\$3,695.738	\$3,755.903
Overtime	581.898	526.429	507.084	510.829	516.211	528.247
Total Salaries & Wages	\$4,209.627	\$4,092.780	\$4,089.686	\$4,167.700	\$4,211.949	\$4,284.150
Health and Welfare	648.477	797.292	845.357	912.400	971.575	1,047.158
OPEB Current Payment	360.095	384.398	426.677	464.625	509.048	557.209
Pensions	923.540	934.108	912.799	875.341	858.386	856.003
Other Fringe Benefits	416.716	447.029	447.136	449.005	455.477	464.388
Total Fringe Benefits	2,348.828	2,562.827	2,631.969	2,701.371	2,794.486	2,924.758
GASB Account	35.786	0.000	0.000	0.000	8.787	18.316
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$6,594.241	\$6,655.607	\$6,721.655	\$6,869.071	\$7,015.222	\$7,227.224
<u>Non-Labor:</u>						
Electric Power	\$316.106	\$304.062	\$320.451	\$336.663	\$357.592	\$383.021
Traction Power	238.937	232.922	246.834	258.989	275.285	295.109
Non-Traction Power	77.169	71.140	73.617	77.674	82.307	87.912
Fuel	166.510	121.512	125.572	128.967	143.655	160.024
Revenue Vehicle Fuel	138.547	101.132	103.982	107.337	121.811	136.921
Non-Revenue Fuel	27.963	20.380	21.590	21.630	21.844	23.103
Insurance	68.067	73.376	78.010	87.388	97.461	112.003
Claims	110.864	120.579	109.935	112.684	115.500	117.012
Paratransit Service Contracts	366.243	381.014	404.636	424.203	461.349	499.931
Maintenance and Other Operating Contracts	245.600	243.484	254.011	242.988	222.793	222.476
Professional Service Contracts	138.974	115.999	91.316	89.277	92.512	94.228
Materials & Supplies	386.284	354.064	353.576	361.204	354.381	365.772
Other Business Expenditures	73.614	77.400	77.514	73.964	75.351	76.087
Total Non-Labor Expenditures	\$1,872.262	\$1,791.490	\$1,815.021	\$1,857.338	\$1,920.594	\$2,030.554
<u>Other Expenditure Adjustments:</u>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$8,466.503	\$8,447.097	\$8,536.676	\$8,726.409	\$8,935.816	\$9,257.778
Net Cash Deficit	(\$2,956.184)	(\$2,594.376)	(\$2,616.381)	(\$2,847.540)	(\$3,057.941)	(\$3,343.268)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Receipts						
Fare Revenue	(\$1.596)	\$10.231	\$10.231	\$10.231	\$10.231	\$10.231
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	0.036	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	16.896	(14.672)	0.008	0.000	(0.166)	(0.251)
Other	(106.336)	(108.283)	(111.531)	(114.877)	(118.324)	(121.873)
Other Operating Revenue	(\$89.404)	(\$122.955)	(\$111.523)	(\$114.877)	(\$118.490)	(\$122.124)
Capital and Other Reimbursements	(101.809)	96.562	39.748	4.568	6.787	(2.913)
Total Receipt Adjustments	(\$192.809)	(\$16.162)	(\$61.544)	(\$100.078)	(\$101.472)	(\$114.806)
Expenditures						
Labor:						
Payroll	(\$211.313)	(\$13.831)	\$37.008	\$28.359	\$29.177	\$30.215
Overtime	(31.197)	(4.309)	2.824	1.545	1.590	1.671
Total Salaries & Wages	(\$242.510)	(\$18.140)	\$39.832	\$29.904	\$30.767	\$31.886
Health and Welfare	34.206	(11.845)	6.886	2.307	7.958	8.555
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	12.880	(24.926)	(7.069)	(6.228)	(7.017)	4.195
Other Fringe Benefits	163.918	32.977	35.560	43.689	44.584	45.513
Total Fringe Benefits	211.004	(3.794)	35.377	39.768	45.525	58.263
GASB Account	(35.786)	0.000	0.000	0.000	(8.787)	(18.316)
Reimbursable Overhead						
Total Labor Expenditures	(\$67.292)	(\$21.934)	\$75.209	\$69.672	\$67.505	\$71.833
Non-Labor:						
Electric Power	(\$3.181)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	5.855	0.000	0.000	0.000	0.000	0.000
Insurance	0.812	(0.384)	0.458	(1.029)	(0.195)	(1.747)
Claims	36.556	10.630	12.785	12.785	12.785	12.785
Paratransit Service Contracts	0.545	2.000	2.000	2.000	2.000	2.000
Maintenance and Other Operating Contracts	(10.393)	(10.700)	(10.700)	(10.700)	(10.700)	(10.700)
Professional Service Contracts	7.530	10.827	15.000	15.000	15.000	15.000
Materials & Supplies	(12.447)	18.763	14.000	4.000	4.000	4.000
Other Business Expenditures	3.373	(2.000)	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$28.650	\$29.136	\$33.543	\$22.056	\$22.890	\$21.338
Other Expenditure Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	(\$38.642)	\$7.202	\$108.752	\$91.728	\$90.395	\$93.171
Total Cash Conversion Adjustments before Depreciation and GASB Adjustments	(\$231.451)	(\$8.960)	\$47.208	(\$8.350)	(\$11.077)	(\$21.635)
Depreciation Adjustment	\$1,519.813	\$1,638.144	\$1,688.144	\$1,863.292	\$1,913.292	\$1,964.634
OPEB Obligation	1,638.388	1,616.261	1,680.911	1,748.148	1,818.074	1,890.797
Environmental Remediation	12.478	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$2,939.228	\$3,245.445	\$3,416.263	\$3,603.090	\$3,720.289	\$3,833.796

MTA New York City Transit
2015 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE OVERTIME	Total		
	Hours	\$	%
<u>Scheduled Service</u>	4,018,020	\$122.715	27.4%
<u>Unscheduled Service</u>	3,468,851	109.294	24.4%
<u>Programmatic/Routine Maintenance</u>	4,472,576	143.106	32.0%
<u>Unscheduled Maintenance</u>	0	0.000	0.0%
<u>Vacancy/Absentee Coverage</u>	850,147	26.992	6.0%
<u>Weather Emergencies</u>	762,657	28.793	6.4%
<u>Safety/Security/Law Enforcement</u>	105,815	3.360	0.8%
<u>Other ¹</u>	181,254	13.525	3.0%
Subtotal	13,859,320	\$447.785	100.0%
REIMBURSABLE OVERTIME	2,251,461	\$74.335	
TOTAL OVERTIME	16,110,781	\$522.120	

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

MTA NEW YORK CITY TRANSIT
2016 Preliminary Budget
July Financial Plan 2016 – 2019
Year-to-Year Changes by Category-Baseline

TOTAL REVENUE/RECEIPTS

Farebox Revenue

- Subway/bus farebox revenue annual growth is based largely on the regional economy and updated NYC employment projections. The increase in 2016 from 2015 of \$138.2 million includes the impact of severe winter weather in early 2015 not recurring in 2016.
- 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.

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.

TOTAL EXPENSES/EXPENDITURES

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 2.00% are assumed for each year upon expiration of the pattern,
- Salaries for non-represented employees are projected at 2.00% for each plan year beginning 2015.
- 2015 includes \$6.1 million of unfavorable cash timing adjustments from 2014.

Overtime

- 2016-2019 payroll wage rate increase assumptions apply.
- 2016 expenses decrease from 2015 by \$15.1 million, due to lower projected adverse weather requirements than 2015. Subsequent year-over-year increases

of \$2.4 million, \$8.0 million and \$10.6 million are due mostly to planned wage increases.

Health & Welfare

- Inflation assumptions for 2016-2019: Annual employees: 2016 = 8.0%, 2017 - 2019 = 4.3%; 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, inflationary payroll rate assumptions and Workers' Compensation cost assumptions.
- 2015 includes \$13.5 million of unfavorable cash timing adjustments from 2014.

Electric Power

- The financial plan reflects projected New York Power Authority and Con Edison energy rate increases for both traction and non-traction power.
- 2015 includes \$3.7 million of unfavorable cash timing adjustments from 2014.

Fuel

- The financial plan reflects diesel, CNG and heating fuel price assumptions.

Insurance

- Annual expenses include premium rates provided by MTA.
- 2015 includes \$4.2 million of unfavorable cash timing adjustments from 2014.

Paratransit Service Contracts

- The primary driver of expense increases is projected annual ridership growth of 6.5% effective 2016.
- 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: 2016=1.24%, 2017=1.42%, 2018=1.80% and 2019=1.87%.
- The increase of \$13.6 million in 2016 over 2015 is mostly due to the timing of bus shop requirements, an Electronic Maintenance New Need for a lease/facility build-out and the purchase of a track rail grinder. The decreases of \$11.1 million in 2017 over 2016 and of \$20.2 million in 2018 over 2017 are both due to the timing of bus shop requirements.
- 2015 includes \$7.6 million of unfavorable cash timing adjustments from 2014.

Professional Service Contracts

- Inflation assumptions are as follows: 2016=1.24%, 2017=1.42%, 2018=1.80% and 2019=1.87%.
- A reduction in expenses in 2016 over 2015 of \$17.2 million represents expenses in 2015 for a bus pedestrian warning system, the closing of a special structure review project, medical standards costs and a Verizon LAN installation that do not recur in 2016. Subsequent year-over-year variances are insignificant.
- 2015 includes \$13.8 million of unfavorable cash timing adjustments from 2014.

Materials and Supplies

- Inflation assumptions are as follows: 2016=1.24%, 2017=1.42%, 2018=1.80% and 2019=1.87%.
- 2015 includes \$22.1 million of unfavorable cash timing adjustments from 2014.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance program requirements.
- The increase in 2016 over 2015 of \$15.1 million is due primarily to the timing of bus shop and subways fleet maintenance requirements. The increase of \$2.3 million from 2016 to 2017 and the decrease of \$3.8 million from 2017 to 2018 are mainly due to the timing of bus/subway maintenance programs. The increase of \$11.6 million in 2019 from 2018 is due mostly to the timing of bus shop requirements.

Other Business Expenses

- Inflation assumptions are as follows: 2016=1.24%, 2017=1.42%, 2018=1.80% and 2019=1.87%.
- A reduction in expenses in 2016 over 2015 is due mostly to a reclassification of the cost of Railroad passes for TWU employees to other fringe benefits. A decrease in expenses of \$3.6 million in 2017 over 2016 is largely due to the suspension of a TWU apprenticeship program. Subsequent year-over-year changes are not significant.
- 2015 includes \$2.0 million of unfavorable cash timing adjustments from 2014.

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 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017	2019	Change 2019-2018
Revenue									
Farebox Revenue:									
Subway	\$3,319.443	\$3,429.637	\$110.194	\$3,441.070	\$11.433	\$3,454.636	\$13.566	\$3,467.391	\$12.755
Bus	970.368	996.414	26.046	993.942	(2.472)	996.822	2.880	998.548	1.726
Paratransit	17.823	19.751	1.928	21.034	1.283	22.402	1.368	23.858	1.456
Fare Media Liability	44.770	44.770	0.000	44.770	0.000	44.770	0.000	44.770	0.000
Total Farebox Revenue	\$4,352.404	\$4,490.572	\$138.168	\$4,500.816	\$10.244	\$4,518.630	\$17.814	\$4,534.567	\$15.937
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	185.956	191.767	5.811	199.316	7.549	213.148	13.832	231.810	18.662
Other	155.779	159.704	3.925	163.318	3.614	167.037	3.719	170.865	3.828
Total Other Operating Revenue	425.751	435.487	9.736	446.650	11.163	464.201	17.551	486.691	22.490
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4,778.155	\$4,926.059	\$147.904	\$4,947.466	\$21.407	\$4,982.831	\$35.365	\$5,021.258	\$38.427
Expenses									
Labor:									
Payroll	\$3,086.645	\$3,164.968	(\$78.323)	\$3,242.510	(\$77.542)	\$3,297.050	(\$54.540)	\$3,353.167	(\$56.117)
Overtime	447.785	432.729	15.056	435.085	(2.356)	443.073	(7.988)	453.695	(10.622)
Total Salaries & Wages	\$3,534.430	\$3,597.697	(\$63.267)	\$3,677.595	(\$79.898)	\$3,740.123	(\$62.528)	\$3,806.862	(\$66.739)
Health and Welfare	764.962	831.216	(66.254)	893.386	(62.170)	957.228	(63.842)	1,032.376	(75.148)
OPEB Current Payment	376.334	417.906	(41.572)	455.476	(37.570)	499.410	(43.934)	547.056	(47.646)
Pensions	879.092	877.707	1.385	842.679	35.028	825.214	17.465	833.810	(8.596)
Other Fringe Benefits	311.373	315.927	(4.554)	329.108	(13.181)	343.967	(14.859)	352.079	(8.112)
Total Fringe Benefits	2,331.761	2,442.756	(110.995)	2,520.649	(77.893)	2,625.819	(105.170)	2,765.321	(139.502)
Reimbursable Overhead	(213.200)	(210.169)	(3.031)	(206.659)	(3.510)	(198.432)	(8.227)	(200.134)	1.702
Total Labor Expenses	\$5,652.991	\$5,830.284	(\$177.293)	\$5,991.585	(\$161.301)	\$6,167.510	(\$175.925)	\$6,372.049	(\$204.539)
Non-Labor:									
Electric Power	\$303.810	\$320.199	(\$16.389)	\$336.411	(\$16.212)	\$357.340	(\$20.929)	\$382.769	(\$25.429)
Fuel	121.489	125.549	(4.060)	128.944	(3.395)	143.632	(14.688)	160.001	(16.369)
Insurance	72.992	78.468	(5.476)	86.359	(7.891)	97.266	(10.907)	110.256	(12.990)
Claims	131.209	122.720	8.489	125.469	(2.749)	128.285	(2.816)	129.797	(1.512)
Paratransit Service Contracts	383.014	406.636	(23.622)	426.203	(19.567)	463.349	(37.146)	501.931	(38.582)
Mtce. and Other Operating Contracts	202.393	215.969	(13.576)	204.870	11.099	184.710	20.160	184.393	0.317
Professional Service Contracts	115.513	98.333	17.180	96.578	1.755	99.824	(3.246)	101.540	(1.716)
Materials & Supplies	300.765	315.900	(15.135)	318.198	(2.298)	314.352	3.846	325.993	(11.641)
Other Business Expenses	79.395	75.590	3.805	72.039	3.551	73.427	(1.388)	74.162	(0.735)
Total Non-Labor Expenses	\$1,710.580	\$1,759.364	(\$48.784)	\$1,795.071	(\$35.707)	\$1,862.185	(\$67.114)	\$1,970.842	(\$108.657)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	\$7,363.571	\$7,589.648	(\$226.077)	\$7,786.656	(\$197.008)	\$8,029.695	(\$243.039)	\$8,342.891	(\$313.196)
Depreciation	\$1,638.144	\$1,688.144	(\$50.000)	\$1,863.292	(\$175.148)	\$1,913.292	(\$50.000)	\$1,964.634	(\$51.342)
OPEB Obligation	1,616.261	1,680.911	(64.650)	1,748.148	(67.237)	1,818.074	(69.926)	1,890.797	(72.723)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$10,617.976	\$10,958.703	(\$340.727)	\$11,398.096	(\$439.393)	\$11,761.061	(\$362.965)	\$12,198.322	(\$437.261)
Net Surplus/(Deficit)	(\$5,839.821)	(\$6,032.644)	(\$192.823)	(\$6,450.630)	(\$417.986)	(\$6,778.230)	(\$327.600)	(\$7,177.064)	(\$398.834)

MTA New York City Transit
 July Financial Plan 2016 - 2019
 Year-to-Year Changes by Category - Accrual Basis
 (\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017	2019	Change 2019-2018
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	1,090.728	1,055.780	(34.948)	1,031.481	(24.299)	996.516	(34.965)	1,008.058	11.542
Total Revenue	\$1,090.728	\$1,055.780	(\$34.948)	\$1,031.481	(\$24.299)	\$996.516	(\$34.965)	\$1,008.058	\$11.542
Expenses									
Labor:									
Payroll	\$465.875	\$454.642	\$11.233	\$442.720	\$11.922	\$427.865	\$14.855	\$432.951	(\$5.086)
Overtime	74.335	77.179	(2.844)	77.289	(0.110)	74.728	2.561	76.223	(1.495)
Total Salaries & Wages	\$540.210	\$531.821	\$8.389	\$520.009	\$11.812	\$502.593	\$17.416	\$509.174	(\$6.581)
Health and Welfare	20.485	21.027	(0.542)	21.321	(0.294)	22.305	(0.984)	23.337	(1.032)
OPEB Current Payment	8.064	8.771	(0.707)	9.149	(0.378)	9.638	(0.489)	10.153	(0.515)
Pensions	30.090	28.023	2.067	26.434	1.589	26.155	0.279	26.388	(0.233)
Other Fringe Benefits	168.633	166.769	1.864	163.586	3.183	156.094	7.492	157.822	(1.728)
Total Fringe Benefits	227.272	224.590	2.682	220.490	4.100	214.192	6.298	217.700	(3.508)
Reimbursable Overhead	213.200	210.169	3.031	206.659	3.510	198.432	8.227	200.134	(1.702)
Total Labor Expenses	\$980.682	\$966.580	\$14.102	\$947.158	\$19.422	\$915.217	\$31.941	\$927.008	(\$11.791)
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	30.391	27.342	3.049	27.418	(0.076)	27.383	0.035	27.383	0.000
Professional Service Contracts	11.313	7.983	3.330	7.699	0.284	7.688	0.011	7.688	0.000
Materials & Supplies	72.062	51.676	20.386	47.006	4.670	44.029	2.977	43.779	0.250
Other Business Expenses	(3.995)	1.924	(5.919)	1.925	(0.001)	1.924	0.001	1.925	(0.001)
Total Non-Labor Expenses	\$110.046	\$89.200	\$20.846	\$84.323	\$4.877	\$81.299	\$3.024	\$81.050	\$0.249
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1,090.728	\$1,055.780	\$34.948	\$1,031.481	\$24.299	\$996.516	\$34.965	\$1,008.058	(\$11.542)
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$1,090.728	\$1,055.780	\$34.948	\$1,031.481	\$24.299	\$996.516	\$34.965	\$1,008.058	(\$11.542)
Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)

MTA New York City Transit
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

Revenue

Farebox Revenue:

	2015	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017	2019	Change 2019-2018
Subway	\$3,319.443	\$3,429.637	\$110.194	\$3,441.070	\$11.433	\$3,454.636	\$13.566	\$3,467.391	\$12.755
Bus	970.368	996.414	26.046	993.942	(2.472)	996.822	2.880	998.548	1.726
Paratransit	17.823	19.751	1.928	21.034	1.283	22.402	1.368	23.858	1.456
Fare Media Liability	44.770	44.770	0.000	44.770	0.000	44.770	0.000	44.770	0.000
Total Farebox Revenue	\$4,352.404	\$4,490.572	\$138.168	\$4,500.816	\$10.244	\$4,518.630	\$17.814	\$4,534.567	\$15.937
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	185.956	191.767	5.811	199.316	7.549	213.148	13.832	231.810	18.662
Other	155.779	159.704	3.925	163.318	3.614	167.037	3.719	170.865	3.828
Total Other Operating Revenue	425.751	435.487	9.736	446.650	11.163	464.201	17.551	486.691	22.490
Capital and Other Reimbursements	1,090.728	1,055.780	(34.948)	1,031.481	(24.299)	996.516	(34.965)	1,008.058	11.542
Total Revenue	\$5,868.883	\$5,981.839	\$112.956	\$5,978.947	(\$2.892)	\$5,979.347	\$0.400	\$6,029.316	\$49.969

Expenses

Labor:

Payroll	\$3,552.520	\$3,619.610	(\$67.090)	\$3,685.230	(\$65.620)	\$3,724.915	(\$39.685)	\$3,786.118	(\$61.203)
Overtime	522.120	509.908	12.212	512.374	(2.466)	517.801	(5.427)	529.918	(12.117)
Total Salaries & Wages	\$4,074.640	\$4,129.518	(\$54.878)	\$4,197.604	(\$68.086)	\$4,242.716	(\$45.112)	\$4,316.036	(\$73.320)
Health and Welfare	785.447	852.243	(66.796)	914.707	(62.464)	979.533	(64.826)	1,055.713	(76.180)
OPEB Current Payment	384.398	426.677	(42.279)	464.625	(37.948)	509.048	(44.423)	557.209	(48.161)
Pensions	909.182	905.730	3.452	869.113	36.617	851.369	17.744	860.198	(8.829)
Other Fringe Benefits	480.006	482.696	(2.690)	492.694	(9.998)	500.061	(7.367)	509.901	(9.840)
Total Fringe Benefits	2,559.033	2,667.346	(108.313)	2,741.139	(73.793)	2,840.011	(98.872)	2,983.021	(143.010)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$6,633.673	\$6,796.864	(\$163.191)	\$6,938.743	(\$141.879)	\$7,082.727	(\$143.984)	\$7,299.057	(\$216.330)

Non-Labor:

Electric Power	\$304.062	\$320.451	(\$16.389)	\$336.663	(\$16.212)	\$357.592	(\$20.929)	\$383.021	(\$25.429)
Fuel	121.512	125.572	(4.060)	128.967	(3.395)	143.655	(14.688)	160.024	(16.369)
Insurance	72.992	78.468	(5.476)	86.359	(7.891)	97.266	(10.907)	110.256	(12.990)
Claims	131.209	122.720	8.489	125.469	(2.749)	128.285	(2.816)	129.797	(1.512)
Paratransit Service Contracts	383.014	406.636	(23.622)	426.203	(19.567)	463.349	(37.146)	501.931	(38.582)
Mtce. and Other Operating Contracts	232.784	243.311	(10.527)	232.288	11.023	212.093	20.195	211.776	0.317
Professional Service Contracts	126.826	106.316	20.510	104.277	2.039	107.512	(3.235)	109.228	(1.716)
Materials & Supplies	372.827	367.576	5.251	365.204	2.372	358.381	6.823	369.772	(11.391)
Other Business Expenses	75.400	77.514	(2.114)	73.964	3.550	75.351	(1.387)	76.087	(0.736)
Total Non-Labor Expenses	\$1,820.626	\$1,848.564	(\$27.938)	\$1,879.394	(\$30.830)	\$1,943.484	(\$64.090)	\$2,051.892	(\$108.408)

Other Expense Adjustments:

Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Total Expenses before

Depreciation	\$8,454.299	\$8,645.428	(\$191.129)	\$8,818.137	(\$172.709)	\$9,026.211	(\$208.074)	\$9,350.949	(\$324.738)
Depreciation	\$1,638.144	\$1,688.144	(\$50.000)	\$1,863.292	(\$175.148)	\$1,913.292	(\$50.000)	\$1,964.634	(\$51.342)
OPEB Obligation	1,616.261	1,680.911	(64.650)	1,748.148	(67.237)	1,818.074	(69.926)	1,890.797	(72.723)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Total Expenses	\$11,708.704	\$12,014.483	(\$305.779)	\$12,429.577	(\$415.094)	\$12,757.577	(\$328.000)	\$13,206.380	(\$448.803)
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Net Surplus/(Deficit)	(\$5,839.821)	(\$6,032.644)	(\$192.823)	(\$6,450.630)	(\$417.986)	(\$6,778.230)	(\$327.600)	(\$7,177.064)	(\$398.834)
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MTA New York City Transit
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2015	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017	2019	Change 2019-2018
Receipts									
Farebox Revenue	\$4,362.635	\$4,500.803	\$138.168	\$4,511.047	\$10.244	\$4,528.861	\$17.814	\$4,544.798	\$15.937
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	171.284	191.775	20.491	199.316	7.541	212.982	13.666	231.559	18.577
Other	47.496	48.173	0.677	48.441	0.268	48.713	0.272	48.992	0.279
Total Other Operating Revenue	\$302.796	\$323.964	\$21.168	\$331.773	\$7.809	\$345.711	\$13.938	\$364.567	\$18.856
Capital and Other Reimbursements	1,187.290	1,095.528	(91.762)	1,036.049	(59.479)	1,003.303	(32.746)	1,005.145	1.842
Total Receipts	\$5,852.721	\$5,920.295	\$67.574	\$5,878.869	(\$41.426)	\$5,877.875	(\$0.994)	\$5,914.510	\$36.635
Expenditures									
Labor:									
Payroll	\$3,566.351	\$3,582.602	(\$16.251)	\$3,656.871	(\$74.269)	\$3,695.738	(\$38.867)	\$3,755.903	(\$60.165)
Overtime	526.429	507.084	19.345	510.829	(3.745)	516.211	(5.382)	528.247	(12.036)
Total Salaries & Wages	\$4,092.780	\$4,089.686	\$3.094	\$4,167.700	(\$78.014)	\$4,211.949	(\$44.249)	\$4,284.150	(\$72.201)
Health and Welfare	797.292	845.357	(48.065)	912.400	(67.043)	971.575	(59.175)	1,047.158	(75.583)
OPEB Current Payment	384.398	426.677	(42.279)	464.625	(37.948)	509.048	(44.423)	557.209	(48.161)
Pensions	934.108	912.799	21.309	875.341	37.458	858.386	16.955	856.003	2.383
Other Fringe Benefits	447.029	447.136	(0.107)	449.005	(1.869)	455.477	(6.472)	464.388	(8.911)
Total Fringe Benefits	2,562.827	2,631.969	(69.142)	2,701.371	(69.402)	2,794.486	(93.115)	2,924.758	(130.272)
GASB Account	0.000	0.000	0.000	0.000	0.000	8.787	(8.787)	18.316	(9.529)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$6,655.607	\$6,721.655	(\$66.048)	\$6,869.071	(\$147.416)	\$7,015.222	(\$146.151)	\$7,227.224	(\$212.002)
Non-Labor:									
Electric Power	\$304.062	\$320.451	(\$16.389)	\$336.663	(\$16.212)	\$357.592	(\$20.929)	\$383.021	(\$25.429)
Fuel	121.512	125.572	(4.060)	128.967	(3.395)	143.655	(14.688)	160.024	(16.369)
Insurance	73.376	78.010	(4.634)	87.388	(9.378)	97.461	(10.073)	112.003	(14.542)
Claims	120.579	109.935	10.644	112.684	(2.749)	115.500	(2.816)	117.012	(1.512)
Paratransit Service Contracts	381.014	404.636	(23.622)	424.203	(19.567)	461.349	(37.146)	499.931	(38.582)
Mtce. and Other Operating Contracts	243.484	254.011	(10.527)	242.988	11.023	222.793	20.195	222.476	0.317
Professional Service Contracts	115.999	91.316	24.683	89.277	2.039	92.512	(3.235)	94.228	(1.716)
Materials & Supplies	354.064	353.576	0.488	361.204	(7.628)	354.381	6.823	365.772	(11.391)
Other Business Expenditures	77.400	77.514	(0.114)	73.964	3.550	75.351	(1.387)	76.087	(0.736)
Total Non-Labor Expenditures	\$1,791.490	\$1,815.021	(\$23.531)	\$1,857.338	(\$42.317)	\$1,920.594	(\$63.256)	\$2,030.554	(\$109.960)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$8,447.097	\$8,536.676	(\$89.579)	\$8,726.409	(\$189.733)	\$8,935.816	(\$209.407)	\$9,257.778	(\$321.962)
Net Cash Deficit	(\$2,594.376)	(\$2,616.381)	(\$22.005)	(\$2,847.540)	(\$231.159)	(\$3,057.941)	(\$210.401)	(\$3,343.268)	(\$285.327)

MTA New York City Transit
 July Financial Plan 2016 - 2019
 Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)
 (\$ in millions)

	Favorable/(Unfavorable)								
	2015	2016	Change 2016-2015	2017	Change 2017-2016	2018	Change 2018-2017	2019	Change 2019-2018
Receipts									
Farebox Revenue	\$10.231	\$10.231	\$0.000	\$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	(14.672)	0.008	14.680	0.000	(0.008)	(0.166)	(0.166)	(0.251)	(0.085)
Other	(108.283)	(111.531)	(3.248)	(114.877)	(3.346)	(118.324)	(3.447)	(121.873)	(3.549)
Total Other Operating Revenue	(\$122.955)	(\$111.523)	\$11.432	(\$114.877)	(\$3.354)	(\$118.490)	(\$3.613)	(\$122.124)	(\$3.634)
Capital and Other Reimbursements	96.562	39.748	(56.814)	4.568	(35.180)	6.787	2.219	(2.913)	(9.700)
Total Receipt Adjustments	(\$16.162)	(\$61.544)	(\$45.382)	(\$100.078)	(\$38.534)	(\$101.472)	(\$1.394)	(\$114.806)	(\$13.334)
Expenditures									
Labor:									
Payroll	(\$13.831)	\$37.008	\$50.839	\$28.359	(\$8.649)	\$29.177	\$0.818	\$30.215	\$1.038
Overtime	(4.309)	2.824	7.133	1.545	(1.279)	1.590	0.045	1.671	0.081
Total Salaries & Wages	(\$18.140)	\$39.832	\$57.972	\$29.904	(\$9.928)	\$30.767	\$0.863	\$31.886	\$1.119
Health and Welfare	(11.845)	6.886	18.731	2.307	(4.579)	7.958	5.651	8.555	0.597
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(24.926)	(7.069)	17.857	(6.228)	0.841	(7.017)	(0.789)	4.195	11.212
Other Fringe Benefits	32.977	35.560	2.583	43.689	8.129	44.584	0.895	45.513	0.929
Total Fringe Benefits	(3.794)	35.377	39.171	39.768	4.391	45.525	5.757	58.263	12.738
GASB Account	0.000	0.000	0.000	0.000	0.000	(8.787)	(8.787)	(18.316)	(9.529)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$21.934)	\$75.209	\$97.143	\$69.672	(\$5.537)	\$67.505	(\$2.167)	\$71.833	\$4.328
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	(0.384)	0.458	0.842	(1.029)	(1.487)	(0.195)	0.834	(1.747)	(1.552)
Claims	10.630	12.785	2.155	12.785	0.000	12.785	0.000	12.785	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	(10.700)	(10.700)	0.000	(10.700)	0.000	(10.700)	0.000	(10.700)	0.000
Professional Service Contracts	10.827	15.000	4.173	15.000	0.000	15.000	0.000	15.000	0.000
Materials & Supplies	18.763	14.000	(4.763)	4.000	(10.000)	4.000	0.000	4.000	0.000
Other Business Expenditures	(2.000)	0.000	2.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$29.136	\$33.543	\$4.407	\$22.056	(\$11.487)	\$22.890	\$0.834	\$21.338	(\$1.552)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$7.202	\$108.752	\$101.550	\$91.728	(\$17.024)	\$90.395	(\$1.333)	\$93.171	\$2.776
Total Cash Conversion Adjustments before Depreciation	(\$8.960)	\$47.208	\$56.168	(\$8.350)	(\$55.558)	(\$11.077)	(\$2.727)	(\$21.635)	(\$10.558)
Depreciation Adjustment	\$1,638.144	\$1,688.144	\$50.000	\$1,863.292	\$175.148	\$1,913.292	\$50.000	\$1,964.634	\$51.342
OPEB Obligation	1,616.261	1,680.911	64.650	1,748.148	67.237	1,818.074	69.926	1,890.797	72.723
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$3,245.445	\$3,416.263	\$170.818	\$3,603.090	\$186.827	\$3,720.289	\$117.199	\$3,833.796	\$113.507

MTA NEW YORK CITY TRANSIT
2016 Preliminary Budget
July Financial Plan 2016 – 2019
Summary of Major Plan-to-Plan Changes by Generic Categories

2015: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to decrease from the February Financial Plan by \$28.8 million.

Major generic category changes include:

- Farebox revenue decreased by a net \$2.1 million, due primarily to ridership losses early in the year caused by multiple snow-storms and severe cold weather, partly offset by favorable pass average fares.
- Other operating revenue was unfavorable by \$26.8 million, due mostly to the elimination of assumed Sandy insurance reimbursements.

Operating Expense Changes

Operating expenses are projected to decrease by \$22.4 million from the February Financial Plan.

Major generic category changes include:

- Payroll is projected to increase by \$4.1 million, due mostly to increased headcount in support of programmatic initiatives and other needs and wage rate adjustments.
- Overtime is projected to increase by \$63.1 million, due primarily to the impact of adverse weather in early 2015, and track, and other operational requirements.
- Health & welfare/OPEB current payment expenses are projected to increase by \$9.7 million, due to projected rate increases.
- Pension expenses are projected to decrease by \$78.8 million, based on updated actuarial information.
- Other fringe benefits are projected to decrease by \$4.7 million, due mainly to favorable direct overhead credits, driven by significant increases in reimbursable program requirements, partly offset by the transfer of costs of railroad passes for TWU employees.

- Electric power expenses are projected to increase by \$12.2 million, due mostly to updated inflationary assumptions.
- Fuel expenses are projected to decrease by \$44.3 million, due mainly to lower prices.
- Insurance expenses are projected to underrun by \$5.5 million, due mostly to the timing of interagency payments.
- Claims expenses are projected to increase by \$24.2 million, based on higher anticipated payouts.
- Paratransit service contract expenses are projected to decrease by \$2.5 million, due mostly to cost reduction initiatives.
- Maintenance contract expenses are projected to increase by \$2.2 million, due mostly to the impact of the Delayed Mitigation Program implementation.
- Professional service contract expenses are projected to increase by \$6.9 million, due mostly to the unfavorable timing from 2014 of Budget System Implementation expenses.
- Materials and supplies expenses are projected to increase by \$4.0 million, due primarily to \$2.0 million of timing from 2014 and \$1.0 million of operational requirements for both subways and buses.
- Other business expenses are projected to decrease by \$4.7 million, due to the transfer of costs of providing railroad passes to TWU employees to other fringe benefits.

2016-2018: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to increase from the February Financial Plan by \$29.9 million in 2016, and decrease by \$13.2 million in 2017 and \$37.7 million in 2018.

Major generic category changes include:

- Farebox revenue is projected to be higher in 2016 by \$34.4 million and by \$5.7 million in 2017, and lower by \$15.2 million in 2018. The 2016 increase represents favorable pass average fare adjustments and the assumed avoidance of adverse weather conditions experienced in 2015. Starting from the 2016 projection and variance, variances worsen in 2017 and 2018, as current employment projections are not as optimistic as those reflected in the February Plan.

- Other operating revenue decreased by \$4.5 million in 2016, \$18.9 million in 2017 and \$22.4 million in 2018, due largely to reductions in NYC paratransit reimbursements, consistent with additional paratransit expense savings and higher Urban Tax receipts.

Operating Expense Changes

Operating expenses decreased from the February Financial Plan by \$67.8 million in 2016, \$137.6 million in 2017 and \$154.4 million in 2018.

Major generic category changes include:

- Payroll is projected to increase by \$13.1 million in 2016, \$27.5 million in 2017, and \$40.8 million in 2018, due mostly to additional headcount in support of programmatic new needs and other requirements and wage rate adjustments.
- Overtime is projected to increase by \$46.6 million in 2016, \$42.3 million in 2017, and \$43.7 million in 2018, due mostly to projections for adverse weather, track and other operational needs, and adjustments for a TWU overtime offset and the right-sizing of overtime levels.
- Health & welfare/OPEB current payment expenses are projected to increase by \$22.5 million in 2016, \$19.8 million in 2017 and \$16.4 million in 2018, due mostly to projected rate increases.
- Pension expenses are projected to decrease by \$75.3 million in 2016, \$92.6 million in 2017 and \$113.4 million in 2018, based on updated actuarial information.
- Other fringe benefit expenses are projected to decrease by \$12.7 million in 2016, \$11.9 million in 2017 and \$8.2 million in 2018, due primarily to favorable direct overhead credits, resulting from significant increases in reimbursable program requirements, partly offset by the cost of the transfer of railroad passes for TWU employees from other business expenses.
- Electric power expenses are projected to increase by \$2.3 million in 2016, and decrease by \$23.9 million in 2017 and \$32.0 million in 2018, due mostly to updated inflationary assumptions indicating lower prices in the out years.
- Fuel expenses are projected to decrease by \$35.3 million in 2016, \$36.3 million in 2017 and \$28.7 million in 2018, due largely to lower prices.
- Insurance expenses are planned to decrease by \$9.2 million in 2016, \$11.9 million in 2017 and \$13.3 million in 2018, based on updated projections provided by MTA.

- Claims expenses are projected to increase by \$11.1 million in 2016, \$11.3 million in 2017, and \$11.5 million in 2018, based on a higher rate of claims payouts.
- Paratransit service contract expenses are projected to decrease by \$14.0 million in 2016, \$47.6 million in 2017 and \$52.8 million in 2018, due primarily to reductions in completed trip levels, resulting from actions taken to tighten eligibility and defer trips to lower cost providers and the fixed route system.
- Materials & supplies expenses are projected to increase by \$3.5 million in 2016, \$9.6 million in 2017, and \$6.7 million in 2018, due largely to subways scheduled maintenance requirements.
- Other business expenses are projected to decrease by \$10.5 million in 2016, \$11.0 million in 2017 and \$10.9 million in 2018, due mainly to the transfer of the cost of railroad passes provided to TWU employees to other fringe benefits.

MTA New York City Transit
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE				
	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	(\$2,596.647)	(\$2,729.725)	(\$2,956.514)	(\$3,166.029)
Baseline Changes				
Revenue				
Farebox Revenue	(\$2.056)	\$34.404	\$5.727	(\$15.216)
Other Operating Revenue	(26.790)	(4.538)	(18.931)	(22.446)
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$28.846)	\$29.866	(\$13.204)	(\$37.662)
Expenses				
<i>Labor:</i>				
Payroll	(\$4.121)	(\$13.124)	(\$27.546)	(\$40.784)
Overtime	(63.079)	(46.646)	(42.301)	(43.737)
Health and Welfare	(10.150)	(18.982)	(17.733)	(14.982)
OPEB Current Payment	0.512	(3.508)	(2.054)	(1.496)
Pensions	78.810	75.302	92.618	113.381
Other Fringe Benefits	4.657	12.719	11.850	8.213
Reimbursable Overhead	8.105	10.482	9.717	4.030
Total Labor Expense Changes	\$14.734	\$16.243	\$24.551	\$24.625
<i>Non-Labor:</i>				
Electric Power	(\$12.192)	(\$2.292)	\$23.867	\$32.038
Traction Power	(\$6.851)	(\$0.532)	\$20.026	\$26.181
Non-Traction Power	(5.341)	(1.760)	3.841	5.857
Fuel	44.325	35.319	36.302	28.685
Revenue Vehicle Fuel	39.382	32.341	32.696	24.213
Non-Revenue Fuel	4.943	2.978	3.606	4.472
Insurance	5.491	9.214	11.887	13.275
Claims	(24.178)	(11.074)	(11.302)	(11.533)
Paratransit Service Contracts	2.548	14.035	47.594	52.820
Maintenance and Other Operating Contracts	(2.202)	2.105	3.170	9.649
Professional Service Contracts	(6.856)	(2.754)	0.244	0.518
Materials & Supplies	(4.027)	(3.517)	(9.628)	(6.652)
Other Business Expenses	4.728	10.543	10.959	10.934
Total Non-Labor Expense Changes	\$7.637	\$51.579	\$113.093	\$129.734
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$22.371	\$67.822	\$137.644	\$154.359
Cash Adjustment Changes				
Revenue	(19.528)	(5.103)	(5.304)	(5.728)
Expense	(56.287)	(14.353)	(9.860)	(7.426)
Total Cash Adjustment Changes	(\$75.815)	(\$19.456)	(\$15.164)	(\$13.154)
Total Baseline Changes	(\$82.290)	\$78.232	\$109.276	\$103.543
July Financial Plan - Cash Surplus/(Deficit)	(\$2,678.937)	(\$2,651.493)	(\$2,847.238)	(\$3,062.486)

MTA New York City Transit
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE				
	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	111.127	100.945	102.335	80.569
Total Revenue Changes	\$111.127	\$100.945	\$102.335	\$80.569
Expenses				
Labor:				
Payroll	(\$58.368)	(\$57.043)	(\$57.224)	(\$49.385)
Overtime	1.379	(0.541)	(0.453)	0.770
Health and Welfare	(0.160)	(0.260)	(0.178)	(0.107)
OPEB Current Payment	0.611	0.445	0.615	0.705
Pensions	(0.831)	0.478	1.099	1.804
Other Fringe Benefits	(30.734)	(31.715)	(32.788)	(29.569)
Reimbursable Overhead	(8.105)	(10.482)	(9.717)	(4.030)
Total Labor Expense Changes	(\$96.208)	(\$99.118)	(\$98.646)	(\$79.812)
Non-Labor:				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(3.926)	(1.123)	(1.163)	(1.127)
Professional Service Contracts	(3.079)	0.621	0.608	0.620
Materials & Supplies	(13.833)	(1.324)	(3.132)	(0.250)
Other Business Expenses	5.919	(0.001)	(0.002)	0.000
Total Non-Labor Expense Changes	(\$14.919)	(\$1.827)	(\$3.689)	(\$0.757)
Total Expense Changes	(\$111.127)	(\$100.945)	(\$102.335)	(\$80.569)
Cash Adjustment Changes				
Capital Reimbursement Timing	84.561	35.112	(0.302)	4.545
Total Cash Adjustment Changes	\$84.561	\$35.112	(\$0.302)	\$4.545
Total Baseline Changes	\$84.561	\$35.112	(\$0.302)	\$4.545
July Financial Plan - Cash Surplus/(Deficit)	\$84.561	\$35.112	(\$0.302)	\$4.545

MTA New York City Transit
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE				
	2015	2016	2017	2018
February Financial Plan - Cash Surplus/(Deficit)	(\$2,596.647)	(\$2,729.725)	(\$2,956.514)	(\$3,166.029)
Baseline Changes				
Revenue				
Farebox Revenue	(\$2.056)	\$34.404	\$5.727	(\$15.216)
Other Operating Revenue	(26.790)	(4.538)	(18.931)	(22.446)
Capital and Other Reimbursement	111.127	100.945	102.335	80.569
Total Revenue Changes	\$82.281	\$130.811	\$89.131	\$42.907
Expenses				
<i>Labor:</i>				
Payroll	(\$62.489)	(\$70.167)	(\$84.770)	(\$90.169)
Overtime	(61.700)	(47.187)	(42.754)	(42.967)
Health and Welfare	(10.310)	(19.242)	(17.911)	(15.089)
OPEB Current Payment	1.123	(3.063)	(1.439)	(0.791)
Pensions	77.979	75.780	93.717	115.185
Other Fringe Benefits	(26.077)	(18.996)	(20.938)	(21.356)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$81.474)	(\$82.875)	(\$74.095)	(\$55.187)
<i>Non-Labor:</i>				
Electric Power	(\$12.192)	(\$2.292)	\$23.867	\$32.038
Traction Power	(6.851)	(0.532)	20.026	26.181
Non-Traction Power	(5.341)	(1.760)	3.841	5.857
Fuel	44.325	35.319	36.302	28.685
Revenue Vehicle Fuel	39.382	32.341	32.696	24.213
Non-Revenue Fuel	4.943	2.978	3.606	4.472
Insurance	5.491	9.214	11.887	13.275
Claims	(24.178)	(11.074)	(11.302)	(11.533)
Paratransit Service Contracts	2.548	14.035	47.594	52.820
Maintenance and Other Operating Contracts	(6.128)	0.982	2.007	8.522
Professional Service Contracts	(9.935)	(2.133)	0.852	1.138
Materials & Supplies	(17.860)	(4.841)	(12.760)	(6.902)
Other Business Expenses	10.647	10.542	10.957	10.934
Total Non-Labor Expense Changes	(\$7.282)	\$49.752	\$109.404	\$128.977
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	(\$88.756)	(\$33.123)	\$35.309	\$73.790
Cash Adjustment Changes				
Revenue	(19.528)	(5.103)	(5.304)	(5.728)
Expense	(56.287)	(14.353)	(9.860)	(7.426)
Capital Reimbursement Timing	84.561	35.112	(0.302)	4.545
Total Cash Adjustment Changes	\$8.746	\$15.656	(\$15.466)	(\$8.609)
Total Baseline Changes	\$2.271	\$113.344	\$108.974	\$108.088
July Financial Plan - Cash Surplus/(Deficit)	(\$2,594.376)	(\$2,616.381)	(\$2,847.540)	(\$3,057.941)

MTA NEW YORK CITY TRANSIT
2016 Preliminary Budget
July Financial Plan 2016 – 2019
Summary of Major Plan-to-Plan Changes

2015: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue changes from the February Financial Plan increased by \$82.3 million.

Major changes include:

- Farebox revenue decreased by a net \$2.1 million, due primarily to ridership losses early in the year caused by multiple snow-storms and severe cold weather, partly offset by favorable pass average fares.
- Other operating revenue was unfavorable by \$26.8 million, due mostly to the elimination of assumed Sandy insurance reimbursements.
- Capital reimbursements increase by \$111.1 million to provide for reimbursement of reimbursable expense increases.

Expense Changes

Total expenses increase from the February Financial Plan by \$88.8 million.

Major changes include:

- Reimbursable expenses are projected to increase in 2015 by \$111.1 million, due to additional interagency support from MTA, and labor requirements in support of ICC and Capital Programs, as well as the timing of expenses from 2014.
- A pension expense reduction of \$78.8 million, based primarily on an updated NYCERS actuarial valuation.
- Updated inflation assumptions, resulting in savings of \$44.1 million, mainly from projected lower fuel prices.
- The adverse impact in early 2015 of multiple snowstorms and severe cold weather, resulting in a cost of \$45.2 million.
- Programmatic initiative investments of \$34.2 million, mainly to meet service and administrative requirements.

- Projected additional public liability claims reserve requirements of \$24.2 million.

Cash Adjustments

Cash adjustments are projected to be a favorable by \$8.7 million.

Major changes include:

- The net favorable timing in 2015 from 2014 year-end results of \$34.1 million, primarily representing the timing of receipt of capital reimbursements re-estimated in this financial plan.
- The unfavorable timing of pension payments of \$24.9 million.

2016-2018: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue changes from the February Financial Plan represent increases of \$130.8 million in 2016, \$89.1 million in 2017 and \$42.9 million in 2018.

Major changes include:

- Farebox revenue is projected to be higher in 2016 by \$34.4 million and by \$5.7 million in 2017, and lower by \$15.2 million in 2018. The 2016 increase represents favorable pass average fare adjustments and the assumed avoidance of adverse weather conditions experienced in 2015. Starting from the 2016 projection and variance, variances worsen in 2017 and 2018, as current employment projections are not as optimistic as those reflected in the February Plan.
- Other operating revenue decreased by \$4.5 million in 2016, \$18.9 million in 2017 and \$22.4 million in 2018, due largely to reductions in NYC paratransit reimbursements, consistent with additional paratransit expense savings and higher Urban Tax receipts.
- Capital reimbursements increase by \$100.9 million 2016, \$102.3 million in 2017, and \$80.6 million in 2018, in order to provide for reimbursement of reimbursable expense increases.

Expense Changes

Total expenses increase by \$33.1 million in 2016, and decrease by \$35.3 million in 2017 and \$73.8 million in 2018.

Major changes include:

- Reimbursable expenses are projected to increase by \$100.9 million in 2016, \$102.3 million in 2017 and \$80.6 million in 2018, due to additional interagency support from MTA, and labor requirements in support of ICC and Capital Programs.
- Pension expense reductions of \$88.1 million in 2016, \$106.5 million in 2017 and \$127.8 million in 2018, based primarily on an updated NYCERS actuarial valuation.
- Updated inflation assumptions, resulting in savings of \$33.4 million in 2016, \$58.9 million in 2017 and \$58.4 million in 2018, mainly from projected lower energy costs.
- Projected budget reduction program savings of \$21.9 million in 2016, \$61.5 million in 2017 and \$72.3 million in 2018, largely from paratransit reforecasts.
- Programmatic initiative investments of \$60.1 million in 2016, \$75.1 million in 2017 and \$81.4 million in 2018, mainly to meet service, maintenance and administrative requirements.

Cash Adjustments

Cash adjustments are projected to be favorable by \$15.7 million in 2016, and unfavorable by \$15.5 million in 2017 and \$8.6 million in 2018.

- The favorable cash adjustment in 2016 was mainly due to the favorable timing of capital reimbursements, partly offset by the unfavorable timing of pension payments.
- The unfavorable cash adjustments in 2017 and 2018 were due primarily to the unfavorable timing of pension payments.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	(\$2,596.647)	(\$2,729.725)	(\$2,956.514)	(\$3,166.029)
Non-Reimbursable Major Changes				
Revenue				
Farebox	(\$2.056)	\$34.404	\$5.727	(\$15.216)
Other Operating Revenue	(26.790)	(4.538)	(18.931)	(22.446)
Sub-Total Non-Reimbursable Revenue Changes	(\$28.846)	\$29.866	(\$13.204)	(\$37.662)
Expenses				
Inflation-Related:				
Bus/Heating Fuel	\$42.817	\$34.019	\$33.527	\$25.320
Electric Power	(8.270)	(2.292)	23.867	32.038
Insurance	12.057	8.577	6.692	11.010
Health & Welfare Rates	(2.478)	(8.472)	(3.552)	(1.431)
Materials, Rentals and Miscellaneous Expenses	0.000	1.550	(1.620)	(8.581)
Sub-total Inflation-Related	\$44.126	\$33.382	\$58.914	\$58.356
Programmatic Initiatives:				
Service	(\$13.443)	(\$24.962)	(\$25.936)	(\$33.107)
Maintenance	(9.916)	(12.575)	(28.479)	(30.472)
Service Support	(0.745)	(1.817)	(1.817)	(1.848)
Administration	(10.139)	(20.712)	(18.845)	(15.997)
Sub-total Programmatic Initiatives	(\$34.243)	(\$60.066)	(\$75.077)	(\$81.424)
Budget Reduction Program:				
Paratransit Reforecast Expense Savings	\$3.425	\$17.507	\$54.414	\$64.648
Subways Timekeeping Consolidation	0.000	1.913	4.632	5.141
Supply Logistics Efficiencies	0.262	0.577	0.577	0.577
Revenue Collection Efficiencies	0.578	0.640	0.640	0.640
Security Efficiencies	0.298	0.660	0.660	0.660
All Other Net	0.282	0.595	0.595	0.595
Sub-total Budget Reduction Program	\$4.845	\$21.892	\$61.518	\$72.261
Technical Adjustments/Re-estimates:				
Pension	\$78.812	\$88.091	\$106.489	\$127.812
Adverse Winter Weather	(45.221)	(3.646)	(3.646)	(3.646)
Public Liability Reserve Requirements	(24.177)	(11.074)	(11.301)	(11.534)
TWU MOU-Overtime Offset Leave Adjustment	(13.527)	(15.266)	(15.266)	(15.266)
Timing of 2014 Results Impacting 2015	(14.603)	(3.555)	(3.689)	0.000
Pay Rate Adjustments	7.529	10.697	13.047	13.050
Station Painting Insourcing	4.778	0.000	0.000	0.000
All Other	14.052	7.367	6.655	(5.250)
Sub-total Technical Adjustments/Re-estimates	7.643	72.614	92.289	105.166
Sub-Total Non-Reimbursable Expense Changes	\$22.371	\$67.822	\$137.644	\$154.359
Total Non-Reimbursable Major Changes	(\$6.475)	\$97.688	\$124.440	\$116.697
Reimbursable Major Changes				
Revenue				
Increased Reimbursements-Higher Expenses	111.127	100.945	102.335	80.569
Sub-Total Reimbursable Revenue Changes	\$111.127	\$100.945	\$102.335	\$80.569
Expenses				
Increased Expenses	(111.127)	(100.945)	(102.335)	(80.569)
Sub-Total Reimbursable Expense Changes	(\$111.127)	(\$100.945)	(\$102.335)	(\$80.569)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$6.475)	\$97.688	\$124.440	\$116.697
Cash Adjustment Changes				
Timing of 2014 Results Impacting 2015	\$150.238	(\$8.067)	\$0.000	\$0.000
Capital Reimbursement Re-estimates	(116.142)	35.112	(0.302)	4.545
Pension Payment Timing Re-estimate	(24.852)	(7.422)	(9.749)	(11.504)
Other Operating Receipts	(3.063)	(5.103)	(5.304)	(5.728)
Insurance Payment Lag	2.394	1.001	(0.252)	3.842
Other	0.171	0.135	0.141	0.236
Total Cash Adjustment Changes	\$8.746	\$15.656	(\$15.466)	(\$8.609)
Total Baseline Changes	\$2.271	\$113.344	\$108.974	\$108.088
July Financial Plan - Net Cash Surplus/(Deficit)	(\$2,594.376)	(\$2,616.381)	(\$2,847.540)	(\$3,057.941)

MTA NEW YORK CITY TRANSIT
2016 Preliminary Budget
July Financial Plan 2016 – 2019

RIDERSHIP/ (UTILIZATION)

The July 2015 Financial Plan baseline ridership forecast assumes that weather adjusted 2015 subway ridership will be 0.9% above budget and bus ridership will be 1.1% below budget, based on September-December 2014 actual ridership verses the 2014 final estimate. The revised 2015 forecast includes preliminary actual ridership through April 2015, which was 2.6% below budget on subway and 6.0% below budget on buses due to multiple snowstorms and colder-than-normal temperatures throughout the first quarter of 2015. The revised 2015 forecast also eliminates 1.7 million in recoverable bus ridership from fare evasion enforcement that was included in the February Plan. As a result of higher subway and lower bus baseline ridership, severe winter weather in 2015, and eliminating recoverable bus ridership from fare evasion enforcement, projected 2015 subway and bus ridership is 22.2 million lower than the February 2015 Plan.

In developing the 2016 ridership forecast, subway ridership is projected to increase by approximately 1.3% over 2015 based on the revised 2016 employment forecast, which was lower than the August 2014 forecast used in the February 2015 Plan. 2016 bus ridership is projected to increase by approximately 0.5%, 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 2016 forecast also eliminates 3.3 million in recoverable bus ridership from fare evasion enforcement. As a result of higher subway ridership partially offset by lower bus ridership, a lower 2016 employment forecast and elimination of recoverable bus ridership from fare evasion enforcement, projected 2016 subway and bus ridership is 4.2 million higher than the February Plan.

Working off the revised 2016 baseline projection, 2017-2019 subway and bus ridership growth forecasts are based on the February 2015 employment forecast, which projects smaller employment increases in 2017-2018 and a slightly higher 2019 increase than the forecast used in the February 2015 Plan. The elimination of recoverable bus ridership from fare evasion enforcement lowers ridership from the February Plan by 5.0 million in 2017, and by 6.7 million in 2018 and 2019. The resulting ridership is expected to be 9.3 million lower than the February Plan in 2017, 21.2 million in 2018 and 19.3 million in 2019.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2016-2019
Ridership/Traffic Volume (Utilization)
(\$ in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
RIDERSHIP						
Subway	1,751.288	1,773.222	1,819.085	1,825.884	1,832.475	1,839.053
Bus	667.051	657.451	671.798	671.324	672.931	674.005
Paratransit	8.884	8.808	9.573	10.195	10.858	11.564
Total Ridership	2,427.223	2,439.481	2,500.456	2,507.403	2,516.264	2,524.622
FAREBOX REVENUE (Excluding fare media liability)						
Subway	\$3,171.793	\$3,319.443	\$3,429.637	\$3,441.070	\$3,454.636	\$3,467.391
Bus	949.898	970.368	996.414	993.942	996.822	998.548
Paratransit	15.957	17.823	19.751	21.034	22.402	23.858
Total Farebox Revenue	\$4,137.648	\$4,307.634	\$4,445.802	\$4,456.046	\$4,473.860	\$4,489.797

MTA New York City Transit
July Financial Plan 2016-2019
2015 Budget Reduction Proposals - Accrual Basis
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
<u>Administration</u>										
Corporate Communications Savings		0.128		0.263		0.263		0.263		0.263
Subways Timekeeping Consolidation		0.000	30	1.913	50	4.632	50	5.141	50	5.141
	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Administration</i>	-	0.128	30	2.176	50	4.895	50	5.404	50	5.404
<u>Customer Convenience/Amenities</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Customer Convenience/Amenities</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
Supply Logistics Efficiencies	-	0.262	2	0.577	2	0.577	2	0.577	2	0.577
<i>Subtotal Maintenance</i>	-	0.262	2	0.577	2	0.577	2	0.577	2	0.577
<u>Service Support</u>										
Operations Planning Fastrack Suppt. Reductior	6	0.154	6	0.332	6	0.332	6	0.332	6	0.332
Revenue Collection Efficiencies	7	0.578	7	0.640	7	0.640	7	0.640	7	0.640
<i>Subtotal Service Support</i>	13	0.732	13	0.972	13	0.972	13	0.972	13	0.972
<u>Safety</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
Security Efficiencies	1	0.298	2	0.660	2	0.660	2	0.660	2	0.660
<i>Subtotal Security</i>	1	0.298	2	0.660	2	0.660	2	0.660	2	0.660
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Other</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	14	\$1.420	47	\$4.385	67	\$7.104	67	\$7.613	67	\$7.613

NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet

Category by Function: **Administration**

Program: **Corporate Communications Savings**

Background Details:	Savings reflect reductions in Other Than Personnel Service (OTPS) costs for graphic artist services as well as printing of maps and schedules. In addition, two part-time customer service positions were eliminated in the Travel Information Center.
----------------------------	--

Program Description/ Implementation Plan:	Reduce the use of outside graphic artist services by using in-house resources. Eliminate one print ad campaign on subway and buses. First quarter 2015 TIC average monthly agent calls was 72,899 or 4,954 less than the same period in 2014.
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Program Implementation Date:	7/1/2015	When will savings begin?: 7/1/2015
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Are these savings recurring?: Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.128	\$0.263	\$0.263	\$0.263	\$0.263
<i>Total Positions Required:</i>	0	0	0	0	0

NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration
Program: Subways Timekeeping Consolidation

Background Details:	To achieve efficiencies, Subways will initiate a phased-in centralization of some of its timekeeping functions, through 2017. Full savings of 50 positions and \$5.3M will be achieved annually beginning in 2018.
----------------------------	--

Program Description/ Implementation Plan:	Subways will realize timekeeping efficiencies by centralizing functions. Savings start in April 2016 with full implementation scheduled by EOY 2017.			
Program Implementation Date:	4/1/2016	When will savings begin?: 4/1/2016		
		Are these savings recurring?: Yes		
Other Issues:				

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$1.913	\$4.632	\$5.141	\$5.141
<i>Total Positions Required:</i>	0	30	50	50	50

NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet

Category by Function: Maintenance

Program: Supply Logistics Efficiencies

Background Details:	The Supply Logistics Division manages the warehouse stores for NYCT and is responsible for receiving materials from outside suppliers and then delivering these materials to storerooms at various work locations. The division is also responsible for maintaining appropriate inventory controls until materials are withdrawn for use.
----------------------------	---

Program Description/ Implementation Plan:	Management will continue to monitor staffing and the use of overtime in line with operational needs.		
Program Implementation Date:	7/1/2015	When will savings begin?:	7/1/2015
Other Issues:	Are these savings recurring?: Yes		

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.262	\$0.577	\$0.577	\$0.577	\$0.577
<i>Total Positions Required:</i>	0	2	2	2	2

NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet

Category by Function:

Service Support

Program:

Operations Planning - FasTrack Support Reduction

Background Details:	The initiative shuts down night service along a line enabling the fast tracking of critical repair work which can be performed more safely and efficiently in the absence of train service. FastTrack maintenance work includes signal / track inspections and repairs as well as spot station painting, replacing lighting and repairing platform edges. NYCT Traffic Checkers post signs and notices to inform riders of planned work and closures.
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Program Description/ Implementation Plan:	Reduce the number of traffic checkers dedicated to support FasTrack signage. During 2015, there will be 22 FasTrack occasions (down from 26 events in 2014) and 20 of the 22 planned occasions will occur in the same corridor on back to back weeks, resulting in less signage support required.		
Program Implementation Date:	7/1/2015	When will savings begin?: 7/1/2015	
Other Issues:		Are these savings recurring?: Yes	

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.154	\$0.332	\$0.332	\$0.332	\$0.332
<i>Total Positions Required:</i>	6	6	6	6	6

NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet

Category by Function:

Service Support

Program:

Revenue Collection Efficiencies

Background Details:	This initiative reflects reductions in labor costs resulting from the implementation of the Green Fee and other operational efficiencies. Savings in revenue collections reflect position vacancies and a reduction in the number of collecting agents (7) based on historical operations.
----------------------------	--

Program Description/ Implementation Plan:	Reductions in budgeted staff began in January 2015.		
Program Implementation Date:	1/1/2015	When will savings begin?: 1/1/2015	
		Are these savings recurring?: Yes	
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.578	\$0.640	\$0.640	\$0.640	\$0.640
<i>Total Positions Required:</i>	7	7	7	7	7

NEW YORK CITY TRANSIT
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet

Category by Function: Security

Program: Security Efficiencies

Background Details:	Management reduced budgeted levels of overtime and night differential in line with operational efficiencies. In addition, two positions were eliminated, and contracted security service was scaled back at one location.
----------------------------	---

Program Description/ Implementation Plan:	Management will continue to monitor staffing in line with operational needs and the use of overtime.		
Program Implementation Date:	1/1/2015	When will savings begin?:	1/1/2015
	Are these savings recurring?: Yes		
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.298	\$0.660	\$0.660	\$0.660	\$0.660
<i>Total Positions Required:</i>	1	2	2	2	2

MTA NEW YORK CITY TRANSIT
2016 Preliminary Budget
July Financial Plan 2016 – 2019
Positions

POSITION ASSUMPTIONS

2015: July Financial Plan vs. February Financial Plan

Total baseline positions are projected to increase by 478, including a non-reimbursable increase of 271 and a reimbursable increase of 207. Specifically:

New Needs (total increase of 189 positions) includes:

- 120 positions for Delay Mitigation
- 17 positions for WEP Administration
- 10 positions for Car Fleet Expansion Maintenance
- 9 positions Bus Technology
- 8 positions for Operations Planning – Increased Support
- 25 positions for other initiatives, EAM, 21st Century Service Delivery, EEO, Station Cleaning, Law and Employee Availability Administration

(These initiatives are summarized at the beginning of the introductory narrative.)

BRPs (total decrease of 14 positions) includes:

- -6 positions for Operations Planning – FasTrack Support
- -7 positions for Revenue Collection Efficiencies
- -1 position for Security Efficiencies

Reimbursable (total increase of 207 positions) includes:

- 63 positions for Subways Capital Program Support
- 12 positions for Buses Capital Program Support
- 77 positions for ICC Support
- 21 positions for Signals Critical Signals Program
- 26 positions for Stations Capital Program Support
- 8 positions for other capital support

Re-estimates (increase of 96 positions) include:

- 26 positions for Platform Budget – Normal Business
- 36 positions for Station Painting
- 14 positions for Select Bus Service – M86
- 8 positions for Lost Property Unit Staffing
- 12 positions for miscellaneous other

The breakdown of the 478 position increase by function is as follows:

Administration (total increase of 47 positions) includes:

- 14 positions reflects increases in the President's Office for 21st Century Service Delivery and EEO
- 23 positions reflect a change in categorization
- 10 positions for miscellaneous other

Operations (total increase of 410 positions) include:

- 144 positions increase in Buses mainly due to a change in categorization
- 106 positions increase in Subways Service Delivery mainly due to delay mitigation
- 131 position increase in Revenue Control mainly reflects a change in categorization
- 29 positions for miscellaneous other

Maintenance and Public Safety (total increase of 21 positions) includes:

- -137 positions in Revenue Control mainly reflects a change in categorization
- -95 positions in Buses mainly due to a change in categorization
- 243 positions in Subways mainly due to capital project requirements
- 8 positions for System Safety to assist MTA Bus
- 2 positions for Security

Position increases by occupational group are: Managers/Supervisors +120, Professional, Technical, Clerical +78, and Operational Hourlies +280.

For further details, please see position tables.

2016: July Financial Plan vs. February Financial Plan

New Needs (total increase of 239 positions) includes:

- 134 positions for Delay Mitigation
- 35 positions for Buses Overage Fleet Maintenance
- 17 positions for WEP Administration
- 10 positions for Car Fleet Expansion Maintenance
- 6 positions for Bus Technology
- 9 positions for Operations Planning – Increased Support
- 28 positions for other initiatives, EAM, 21st Century Service Delivery, EEO, Station Cleaning, Law and Employee Availability Administration

BRPs (total decrease of 47 positions) includes:

- -30 positions for Subways Timekeeping Consolidation
- -6 positions for Operations Planning – FasTrack Support
- -7 positions for Revenue Collection Efficiencies
- -2 positions for Security Efficiencies
- -2 positions for Supply Logistics Efficiencies

Reimbursable (total increase of 167 positions) includes:

- 22 positions for Subways Capital Program Support
- 12 positions for Buses Capital Program Support
- 77 positions for ICC Support
- 42 positions for Signals Critical Signals Program
- 26 positions for Stations Capital Program Support
- -12 positions for other capital support

Re-estimates (increase of 88 positions) include:

- 26 positions for Platform Budget – Normal Business
- 36 positions for Station Painting
- 14 positions for Select Bus Service – M86
- 8 positions for Lost Property Unit Staffing
- 4 positions for miscellaneous other

The breakdown of the 447 position increase by function is as follows:

- Administration (total increase of 9 positions)
- Operations (total increase of 330 positions) – mainly due to platform budget changes, delay mitigation, and change in categorization
- Maintenance (total increase of 107 positions) – mainly due to new needs noted above, reimbursable capital support and categorization
- Public Safety (total increase of 1 position)

Position increases by occupational group are: Managers/Supervisors +119, Professional, Technical, Clerical +45, and Operational Hourlies +283.

2017 - 2018: July Financial Plan vs. February Financial Plan

New Needs (total increase of 354 positions in 2017 and 333 positions in 2018) includes:

- 131 positions for Delay Mitigation
- 132 positions for R32 Fleet SMS (110 positions in 2018)
- 21 positions for Buses Overage Fleet Maintenance
- 17 positions for WEP Administration
- 10 positions for Car Fleet Expansion Maintenance (14 positions in 2018)
- 5 positions for Bus Technology
- 6 positions for Operations Planning – Increased Support
- 32 positions for other initiatives, EAM, 21st Century Service Delivery, EEO, 1

Station Cleaning, Law and Employee Availability Administration (29 positions in 2018)

BRPs (total decrease of 67 positions in 2017 and 2018) includes:

- -50 positions for Subways Timekeeping Consolidation
- -6 positions for Operations Planning – FasTrack Support
- -7 positions for Revenue Collection Efficiencies
- -2 positions for Security Efficiencies
- -2 positions for Supply Logistics Efficiencies

Reimbursable (total increase of 131 positions in 2017 and 31 positions in 2018) includes:

- 17 positions for Subways Capital Program Support (8 in 2018)
- 77 positions for ICC Support (22 in 2018)
- 24 positions for Signals Critical Signals Program (0 in 2018)
- 26 positions for Stations Capital Program Support (14 in 2018)
- -13 positions for other capital support

Re-estimates (total increase of 81 positions in 2017 and 85 positions in 2018) include:

- 26 positions for Platform Budget – Normal Business
- 36 positions for Station Painting
- 14 positions for Select Bus Service – M86
- 8 positions for Lost Property Unit Staffing
- -3 positions for miscellaneous other (+1 in 2018)

The breakdown of the 499 position increase in 2017 and 382 positions in 2018 by function is as follows:

- Administration (total increase of 334 positions in both years) – mainly due to change in categorization, resulting in an increase in non-departmental positions, offset in other categories
- Operations (total increase of 169 positions) – mainly due to platform budget changes, delay mitigation, and change in categorization
- Maintenance (total decrease of 5 positions in 2017, and decrease of 121 positions in 2018) – mainly due to new needs noted above, reimbursable capital support and categorization
- Public Safety (total increase of 1 position in 2017, none in 2018)

Position increases by occupational group in 2017 are: Managers/Supervisors +84, Professional, Technical, Clerical +49, and Operational Hourlies +366. In 2018, positions increase among Managers/Supervisors +42, and Professional, Technical, Clerical +45 and Operational Hourlies +295.

Year over Year

2016 over 2015

Total positions decrease by 508 positions. The decrease is mainly due to capital project completion, Sandy staffing expiration, and BRP savings.

2017 over 2016

Total positions increase by 156 positions, mainly due to operating staff requirements for 2nd Avenue Subway.

2018 over 2019

Total positions decrease by 394 positions, mainly due to changes in Subways SMS program, Sandy TA Labor reduction and capital project completion.

2019 over 2018

Total positions decrease by 44 positions, mainly due to changes in Subways SMS program.

Note: In the MTA consolidated tables, some 301 positions that were categorized as administrative in the NYCT tables have been re-categorized to operations and maintenance to be consistent with MTA-wide reporting and historical precedent. This inconsistency will be corrected in the November Plan.

MTA NEW YORK CITY TRANSIT July Financial Plan 2016 - 2019 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2015	2016	2017	2018
2015 February Plan - Total Baseline Positions	47,310	46,833	46,937	46,660
Total Plan-to-Plan Changes	(478)	(447)	(499)	(382)
2015 July Plan - Total Baseline Positions	47,788	47,280	47,436	47,042
Total Year-to-Year Changes, July Plan		508	(156)	394

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(271)	(280)	(368)	(351)
<i>Reimbursable</i>	(207)	(167)	(131)	(31)
Total	(478)	(447)	(499)	(382)
<i>Full-Time</i>	(477)	(446)	(498)	(381)
<i>Full-Time Equivalents</i>	(1)	(1)	(1)	(1)
Total	(478)	(447)	(499)	(382)
<i>By Function Category</i>				
- Administration	(47)	(9)	(334)	(334)
- Operations	(410)	(330)	(169)	(169)
- Maintenance	(19)	(107)	5	121
- Engineering/Capital	0	0	0	0
- Public Safety	(2)	(1)	(1)	0
Total	(478)	(447)	(499)	(382)
<i>By Occupational Group</i>				
- Managers/Supervisors	(120)	(119)	(84)	(42)
- Professional, Technical, Clerical	(78)	(45)	(49)	(45)
- Operational Hourlies	(280)	(283)	(366)	(295)
Total	(478)	(447)	(499)	(382)

Total Plan-to-Plan Changes by Major Category:				
<i>2015 BRPs</i>	14	47	67	67
<i>New Needs</i>	(189)	(239)	(354)	(333)
<i>Change in Reimbursable Positions</i>	(207)	(167)	(131)	(31)
<i>Re-estimates & All Other</i> ¹	(96)	(88)	(81)	(85)
Total	(478)	(447)	(499)	(382)

¹ Includes Full-time Equivalents

Note: In the MTA consolidated tables, some 301 positions that were categorized as administrative in the NYCT tables have been re-categorized to operations and maintenance to be consistent with MTA-wide reporting and historical precedent. This inconsistency will be corrected in the November Plan.

MTA New York City Transit
July Financial Plan 2016 - 2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Office of the President	59	76	75	75	75	75
Law	272	280	279	279	279	279
Office of the EVP	42	46	44	44	44	44
Human Resources	232	227	223	223	221	220
Office of Management and Budget	36	42	41	41	41	41
Capital Planning & Budget	30	35	35	35	35	35
Corporate Communications	259	261	257	257	257	257
AFC Program Management & Sales						
Technology & Information Services	409	-	-	-	-	-
Non-Departmental	-	(94)	(110)	218	218	218
Labor Relations	87	97	97	97	97	97
Materiel	264	284	254	252	252	252
Controller	134	137	130	130	130	130
Total Administration	1,824	1,391	1,325	1,651	1,649	1,648
Operations						
Subways Service Delivery	7,806	7,878	7,787	7,777	7,605	7,605
Subways Operation Support /Admin	355	386	378	378	378	378
Subways Stations	2,610	2,639	2,629	2,625	2,625	2,625
Subtotal - Subways	10,771	10,903	10,794	10,780	10,608	10,608
Buses	10,628	10,933	10,931	10,931	10,931	10,931
Paratransit	205	213	213	213	213	213
Operations Planning	386	384	378	378	378	378
Revenue Control	402	579	579	579	579	579
Total Operations	22,392	23,012	22,895	22,881	22,709	22,709
Maintenance						
Subways Operation Support /Admin	204	163	116	95	95	93
Subways Engineering	349	363	324	320	301	301
Subways Car Equipment	4,310	4,434	4,375	4,349	4,241	4,198
Subways Infrastructure	1,408	1,528	1,517	1,515	1,460	1,459
Subways Elevator & Escalators	361	442	444	444	444	444
Subways Stations	3,606	3,690	3,694	3,694	3,688	3,671
Subways Track	2,738	2,805	2,819	2,819	2,819	2,804
Subways Power	558	592	578	578	578	578
Subways Signals	1,374	1,505	1,483	1,465	1,440	1,439
Subways Electronics Maintenance	1,433	1,578	1,536	1,499	1,498	1,492
Subtotal - Subways	16,341	17,100	16,886	16,778	16,564	16,479
Buses	3,804	3,673	3,642	3,594	3,589	3,631
Revenue Control	137	-	-	-	-	-
Supply Logistics	563	558	556	556	556	556
System Safety	82	99	96	96	96	96
Total Maintenance	20,927	21,430	21,180	21,024	20,805	20,762
Engineering/Capital						
Capital Program Management	1,343	1,319	1,244	1,244	1,244	1,244
Total Engineering/Capital	1,343	1,319	1,244	1,244	1,244	1,244
Public Safety						
Security	603	636	636	636	635	635
Total Public Safety	603	636	636	636	635	635
Total Baseline Positions	47,089	47,788	47,280	47,436	47,042	46,998
Non-Reimbursable	42,996	42,728	42,626	42,950	42,854	42,828
Reimbursable	4,093	5,060	4,654	4,486	4,188	4,170
Total Full-Time	46,856	47,646	47,138	47,294	46,900	46,856
Total Full-Time Equivalents	233	142	142	142	142	142

Note: In the MTA consolidated tables, some 301 positions that were categorized as administrative in the NYCT tables have been re-categorized to operations and maintenance to be consistent with MTA-wide reporting and historical precedent. This inconsistency will be corrected in the November Plan.

MTA New York City Transit
July Financial Plan 2016 - 2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Managers/Supervisors	564	559	527	534	534	533
Professional, Technical, Clerical	1,234	866	846	884	882	882
Operational Hourlies	26	(34)	(48)	233	233	233
Total Administration	1,824	1,391	1,325	1,651	1,649	1,648
Operations						
Managers/Supervisors	2,561	2,733	2,710	2,700	2,687	2,687
Professional, Technical, Clerical	471	499	496	496	496	496
Operational Hourlies	19,360	19,780	19,689	19,685	19,526	19,526
Total Operations	22,392	23,012	22,895	22,881	22,709	22,709
Maintenance						
Managers/Supervisors	3,848	3,837	3,792	3,770	3,717	3,701
Professional, Technical, Clerical	1,010	1,066	993	957	941	937
Operational Hourlies	16,069	16,527	16,395	16,297	16,147	16,124
Total Maintenance	20,927	21,430	21,180	21,024	20,805	20,762
Engineering/Capital						
Managers/Supervisors	331	339	283	283	283	283
Professional, Technical, Clerical	1,010	978	959	959	959	959
Operational Hourlies	2	2	2	2	2	2
Total Engineering/Capital	1,343	1,319	1,244	1,244	1,244	1,244
Public Safety						
Managers/Supervisors	236	262	261	261	260	260
Professional, Technical, Clerical	34	39	39	39	39	39
Operational Hourlies	333	335	336	336	336	336
Total Public Safety	603	636	636	636	635	635
Total Baseline Positions						
Managers/Supervisors	7,540	7,730	7,573	7,548	7,481	7,464
Professional, Technical, Clerical	3,759	3,448	3,333	3,335	3,317	3,313
Operational Hourlies	35,790	36,610	36,374	36,553	36,244	36,221
Total Baseline Positions	47,089	47,788	47,280	47,436	47,042	46,998

Note: In the MTA consolidated tables, some 301 positions that were categorized as administrative in the NYCT tables have been re-categorized to operations and maintenance to be consistent with MTA-wide reporting and historical precedent. This inconsistency will be corrected in the November Plan.

MTA Bus Company

MTA BUS COMPANY
2016 Preliminary Budget
July Financial Plan 2016 – 2019

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.

Important programmatic initiatives, included in this financial plan are:

Introduction of Selective Bus Service (SBS) Routes – MTABC is introducing SBS routes starting in 2016, the routes are selected jointly by MTABC, NYC DOT and NYC Transit as part of a strategy to improve bus service in the face of increasing street congestion. Off-board fare collection is essential to achieving the improvement in service speed and quality expected from this initiative. To accomplish this, approximately \$2.6 million is needed in 2015 and 2016 for startup costs which include the purchase and installation of SBS fare machines, fare machine decals, bus wraps and eagle team ramp-up costs. In 2017 to 2019, annual expenses are estimated to average \$1.3 million.

Platform Budget – Running Time Shortfall - Strong growth in ridership (excluding the first quarter adverse weather impact) has exerted pressures on service delivery. The running time shortfall is significant. It results from factors such as adverse weather, continued worsening in street congestion as well as antiquated running times inherited from the private companies; it will be addressed in future plans starting with the internal funding of \$2.1 million. This is funded through employee availability improvements which will be achieved through the establishment of an Employee Availability Unit (EAU). This EAU unit will focus on improving sick leave control and other sick leave components such as Workers Compensation, FMLA abuse, unemployment claims, medical fraud, disability claims and surveillance. The additional investigation into the sick leave areas is anticipated to lead to MTABC meeting and exceeding its employee availability goal by 0.5 days beginning in 2017.

Maintenance of Overage Fleet – Due to program delays for new buses, MTABC is currently operating with 14% of its bus fleet past the useful life of 12 years of age. The operation of the overage buses require additional maintenance to keep these buses in a state of good repair and to provide safe and reliable service to our customers. This request for additional funding of \$2.1 million in 2015 and \$1.2 million in 2016 ensures

consistency with MTA-NYCT maintenance standards and is mainly for Maintenance Material usage.

Overtime Re-baseline Revision – Based on improved forecasting of overtime coverage, MTA Bus is aligning its overtime budget to reflect actual spending from recent years. Overtime spending has been consistently higher than budget as MTA Bus continues to maintain current levels of fleet reliability. The improvement in reliability, which is reflected in our year-over-year gains in MDBF is a function of greater reliance on predictive maintenance (move to preventative vs fix as fail) and the resulting repairs that have been accelerated to minimize in-service failures. The funding request of \$3.2 million in overtime will ensure consistency with MTA-NYCT maintenance standards.

Miscellaneous Bus Material Hardware - The age of the fleet, the increase in fleet models (diesel, hybrid, CNG, Artic and Express buses) and tighter maintenance standards has led to the need to re-baseline the annual spending for hardware. Annualized spending for critical miscellaneous hardware (i.e. nuts, bolts, screws, clamps, hoses, etc.) has averaged approximately \$2.2 million; therefore, this request is for an additional \$1.0 million. The original budget dates back to the consolidation of the private companies which had a less diversified bus fleet. The current maintenance practice is to proactively maintain and repair a bus before it enters a critical stage and requires more significant maintenance and down time. This increases the usage of hardware but also results in overall higher MDBF for the MTABC fleet.

State Mandated Compliance Training - The Government's Office of Employee Relations (GOER) instituted a series of mandatory compliance training courses in 2014 which MTA employees and contractors were required to complete. These courses must be re-taken annually and the MTA must provide GOER with a training compliance report at the end of the year. All courses have a completion date of December 1, 2015. The estimated cost for this training is \$0.7 million per year for the plan period.

Overtime Management:

This July Plan includes requests for realistic increases to overtime to address essential work, to deliver safe, reliable service to its daily riders and the need to perform certain maintenance work within tight operating windows. In addition there is a focus on reducing overtime spent on non-essential work and establishing and improving procedures that will reduce dependency on overtime. The average annual change in overtime of \$3.4 million when compared to the February Plan are as follows:

- **Overtime Re-baseline Revision** – Based on improved forecasting methods and data on overtime coverage requirements, MTA Bus is aligning its overtime budget to reflect actual spending from recent years. The projected increase is \$2.6 million.
- **Adverse Weather** – Winter-weather conditions experienced in the first quarter of 2015 was more severe than 2014, and included significant snowfall totals, record

cold temperatures and the Juno Blizzard in January. These conditions resulted in an overtime overrun of \$1.4 million and is now captured in the baseline as a one-time adjustment for 2015. As the five-year rolling average to forecast weather related overtime is updated, funding for weather will be adjusted as required.

- **State Mandated Compliance Training and Policy Certifications** – The 2014 compliance training courses instituted by the Governor's Office of Employee Relations are now to be taken annually. In addition, employees will be required to complete annual policy certifications which confirm that they have read and will comply with certain MTA agency wide policies and procedures. All courses have a completion date of December 1, 2015. The estimated cost for this training is \$0.6 million per year.
- **Maintenance of Overage Fleet** – Due to capital funding issues, the delivery of new buses has been delayed. Consequently, MTABC is currently operating with 14% of its bus fleet past the useful life of 12 years of age. To ensure these buses remain roadworthy, additional maintenance is required. The estimated increase in cost is \$0.1 million.

Control Measures – MTA Bus is committed to controlling and reducing the overtime expenses as follows:

1. Vacancies have been a major factor affecting overtime expenditures. To reduce this impact, aggressive hiring will be utilized which might occasionally create over hiring in certain critical and sensitive positions. To accommodate this aggressive hiring, training class sizes have also been increased.
2. Employee Availability unit has been established to improve sick leave control and other sick leave components such as Workers Compensation, FMLA abuse, unemployment and disability claims and medical fraud. In addition, management will continue to implement safety initiatives focused on reducing employee accidents and related injuries on duty absences.
3. In response to the effect of deteriorating traffic conditions and increased ridership which affect traffic delay overtime, MTABC will periodically revise the antiquated running time inherited from the private companies as well as providing Select Bus Service (SBS) with off board fare collection to improve service speeds and reduce the impact of congestion.

The 2015 Budget Reduction Program is based on a continued top down review of controllable non-labor expenses for areas of savings, namely:

- **Maintenance and Other Operating Contracts** Projected savings of \$1.0 million in the Facilities Maintenance contract account.

- **Professional Service Contracts** Projected savings of \$1.0 million in 2015 in the miscellaneous expense account.
- **Other Business Expense** - Projected savings of \$0.5 million in 2015 in the Collection fee expense account.

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.

2015 Mid-Year Forecast

MTA Bus Company's 2015 Mid-Year Forecast includes total expenses before depreciation and other post-employment benefits of \$639.0 million, consisting of \$633.2 million of non-reimbursable expenses and \$5.7 million of reimbursable expenses. Total revenues are projected to be \$235.2 million, of which \$208.9 million is farebox revenues, \$20.6 million is other operating revenue and \$5.7 million is capital and other reimbursements. Total baseline full-time and full-time equivalent positions are 3,751. (3,713 non-reimbursable positions and 38 reimbursable positions).

The 2015 net operating cash deficit is projected to increase by \$13.9 million from the Adopted Budget.

Major operating cash changes include:

Unfavorable

- 2014 timing adjustment of \$6.5 million negatively impacting 2015.
- A Farebox Revenue decrease of \$0.5 million due to multiple snow storms and colder than normal temperatures throughout the first quarter of 2015 which resulted in lower ridership.
- Investments increase of \$9.6 million as a result of previously described programmatic initiatives.
- Removal of anticipated Sandy recoveries of \$6.3 million.
- Overtime expenses increase of \$4.6 million due to inclement weather, additional maintenance on the aging bus fleet in order to maintain MDBF gains and alignment of overtime budget to reflect actual spending.

- Maintenance and Other Operating Contracts increase of \$1.8 million after adjusting for BRP savings is mainly due to Bus Radio repair, change in janitorial services contract, and lease agreement for use of Jamaica terminal.
- Higher Claims settlements of \$0.8 million.

Favorable

- Fuel expenses are projected to decrease by \$10.2 million due to lower rates.
- Re-estimate of the rate of inflation has decreased OTPS expenses by \$2.9 million.

Plan-to Plan total baseline non-reimbursable positions are projected to increase by 5.

2016 Preliminary Budget

MTA Bus Company's 2016 preliminary budget includes total expenses before depreciation and other post-employment benefits of \$665.9 million, consisting of \$660.1 million of non-reimbursable expenses and \$5.8 million of reimbursable expenses. Total revenues are projected to be \$238.9 million, of which \$212.4 million is farebox revenues, \$20.7 million is other operating revenue and \$5.8 million is capital and other reimbursements. Total baseline full-time and full-time equivalent positions are 3,767 (3,729 non-reimbursable positions and 38 reimbursable positions).

The 2016 net operating cash deficit is projected to increase by \$3.0 million from the Adopted Budget.

Major operating cash changes include:

Unfavorable

- Investment increases of \$8.6 million mainly due to several previously described programmatic initiatives.
- Re-estimate of the rate of inflation has increased OTPS expenses by \$1.0 million.
- Increase of \$0.6 million in Insurance expenses due to actuarial adjustments.
- Maintenance and Other Operating Contracts increase of \$2.7 million after adjusting for BRP savings is mainly due to Bus Radio repair, change in janitorial services contract, funding for Enterprise Asset Management, new Bus Technology initiatives, lease agreement for use of Jamaica terminal and other service/safety initiatives.

- Pension re-estimate resulting in an expense increase of \$0.3 million based on the latest third party actuarial report.

Favorable

- Fuel expenses are projected to decrease by \$7.6 million due to lower rates.
- Professional Service Contract is projected to decrease by \$0.4 after adjusting for BRP.
- Health and Welfare expenses are projected to decrease by \$1.3 million.

Plan-to-Plan, total baseline positions are projected to decrease by 12.

2017 - 2019 Projections

Net operating cash deficits are projected to decrease by \$6.5 million in 2017, \$9.6 million in 2018 and \$13.1 million in 2019, relative to the Adopted Budget.

Major operating cash changes include:

Favorable

- Health & Welfare expense (including OPEB current payments), resulting in an expense decrease of \$5.9 million in 2017 and \$11.4 million in 2018.
- Fuel decrease of \$7.6 million in 2017 and \$6.4 million in 2018 are due to lower forecasted rates.
- The continued top down review of controllable non-labor expenses identified \$3.0 million of savings from 2017 through 2018.

Unfavorable

- Farebox revenue decrease of \$0.4 million in 2017 and \$0.8 million in 2018, mainly due to lower ridership which is partially offset by higher average Metrocard pass fares reflecting lower trips per pass in recent quarters.
- Investments increase of \$6.2 million in 2017 and \$6.3 million in 2018, for several important programmatic initiatives (see detailed information at the beginning of this narrative).
- Maintenance and Other Operating Contracts increase of \$1.6 million in 2017 and \$1.1 million in 2018 after adjusting for BRP savings is mainly due to Bus Radio repair, change in janitorial services contract, funding for Enterprise Asset

Management, new Bus Technology initiatives, and a lease agreement for use of the Jamaica terminal.

- Re-estimate of the rate of inflation has increased OTPS expenses by \$1.5 million in 2017 and \$0.9 million in 2018.
- Pension increases of \$0.4 million in both 2017 and 2018, based on the most current actuarial re-estimate.

Plan-to-Plan, total Baseline positions are projected to decrease by 12 in both 2017 and 2018.

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$203.591	\$208.933	\$212.352	\$212.245	\$212.834	\$213.195
Other Operating Revenue	20.094	20.560	20.724	21.089	21.471	21.650
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$223.685	\$229.493	\$233.076	\$233.334	\$234.305	\$234.845
Operating Expenses						
<u>Labor:</u>						
Payroll	\$254.708	\$250.651	\$258.250	\$264.237	\$263.626	\$262.476
Overtime	58.921	52.841	52.900	53.604	54.207	55.211
Health and Welfare	54.590	53.822	57.577	57.948	58.340	58.669
OPEB Current Payment	19.641	20.905	22.499	24.514	26.807	30.498
Pensions	44.956	46.114	46.503	47.078	47.775	49.565
Other Fringe Benefits	69.131	47.370	50.039	49.829	52.698	54.688
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$501.947	\$471.703	\$487.768	\$497.210	\$503.453	\$511.107
<u>Non-Labor:</u>						
Electric Power	\$1.503	\$1.804	\$1.975	\$2.082	\$2.210	\$2.316
Fuel	35.099	\$25.481	\$27.453	\$28.264	\$30.531	\$32.892
Insurance	3.354	5.345	6.181	6.560	7.434	7.915
Claims	32.222	28.768	29.000	29.447	29.977	30.490
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	21.190	31.647	36.679	65.213	22.032	20.228
Professional Service Contracts	20.481	26.746	24.963	25.497	25.781	26.329
Materials & Supplies	43.097	39.331	43.489	40.442	34.611	35.972
Other Business Expenses	3.856	2.422	2.573	3.724	3.792	3.010
Total Non-Labor Expenses	\$160.802	\$161.544	\$172.313	\$201.229	\$156.368	\$159.152
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$662.749	\$633.247	\$660.081	\$698.439	\$659.821	\$670.259
Depreciation	\$48.530	\$42.236	\$42.236	\$42.887	\$43.658	\$43.657
OPEB Obligation	105.049	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	0.610	-	-	-	-	-
Total Expenses	\$816.938	\$775.633	\$802.467	\$841.476	\$803.629	\$814.066
Net Surplus/(Deficit)	(\$593.253)	(\$546.140)	(\$569.391)	(\$608.142)	(\$569.324)	(\$579.221)

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Revenue						
Farebox Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	6.148	5.738	5.812	5.625	5.723	5.684
Total Revenue	\$6.148	\$5.738	\$5.812	\$5.625	\$5.723	\$5.684
Expenses						
<u>Labor:</u>						
Payroll	\$2.804	\$2.714	\$2.743	\$2.530	\$2.576	\$2.428
Overtime	-	-	-	-	-	-
Health and Welfare	0.749	1.038	1.053	1.060	1.079	1.171
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.442	0.470	0.473	0.473	0.482	0.482
Other Fringe Benefits	0.419	0.462	0.469	0.472	0.481	0.481
Reimbursable Overhead	0.093	-	-	-	-	-
Total Labor Expenses	\$4.507	\$4.684	\$4.738	\$4.535	\$4.618	\$4.562
<u>Non-Labor:</u>						
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	-	0.227	0.231	0.235	0.238	0.242
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	1.641	0.827	0.843	0.855	0.867	0.881
Other Business Expenses	-	-	-	-	-	-
Total Non-Labor Expenses	\$1.641	\$1.054	\$1.074	\$1.090	\$1.105	\$1.123
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$6.148	\$5.738	\$5.812	\$5.625	\$5.723	\$5.685
Depreciation	-	-	-	-	-	-
Total Expenses	\$6.148	\$5.738	\$5.812	\$5.625	\$5.723	\$5.685
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Revenue						
Farebox Revenue	\$203.591	\$208.933	\$212.352	\$212.245	\$212.834	\$213.195
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	20.094	20.560	20.724	21.089	21.471	21.650
Capital and Other Reimbursements	6.148	5.738	5.812	5.625	5.723	5.684
Total Revenue	\$229.833	\$235.231	\$238.888	\$238.959	\$240.028	\$240.529
Expenses						
<u>Labor:</u>						
Payroll	\$257.512	\$253.365	\$260.993	\$266.767	\$266.202	\$264.904
Overtime	58.921	52.841	52.900	53.604	54.207	55.211
Health and Welfare	55.339	54.860	58.630	59.008	59.419	59.840
OPEB Current Payment	19.641	20.905	22.499	24.514	26.807	30.498
Pensions	45.398	46.584	46.976	47.551	48.257	50.047
Other Fringe Benefits	69.550	47.832	50.508	50.301	53.179	55.169
Reimbursable Overhead	0.093	-	-	-	-	-
Total Labor Expenses	\$506.454	\$476.387	\$492.506	\$501.745	\$508.071	\$515.669
<u>Non-Labor:</u>						
Electric Power	\$1.503	\$1.804	\$1.975	\$2.082	\$2.210	\$2.316
Fuel	35.099	25.481	27.453	28.264	30.531	32.892
Insurance	3.354	5.345	6.181	6.560	7.434	7.915
Claims	32.222	28.768	29.000	29.447	29.977	30.490
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	21.190	31.874	36.910	65.448	22.270	20.470
Professional Service Contracts	20.481	26.746	24.963	25.497	25.781	26.329
Materials & Supplies	44.738	40.158	44.332	41.297	35.478	36.853
Other Business Expenses	3.856	2.422	2.573	3.724	3.792	3.010
Total Non-Labor Expenses	\$162.443	\$162.598	\$173.387	\$202.319	\$157.473	\$160.275
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$668.897	\$638.985	\$665.893	\$704.064	\$665.544	\$675.944
Depreciation	\$48.530	\$42.236	\$42.236	\$42.887	\$43.658	\$43.657
OPEB Obligation	105.049	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	0.610	-	-	-	-	-
Total Expenses	\$823.086	\$781.371	\$808.279	\$847.101	\$809.352	\$819.751
Net Surplus/(Deficit)	(\$593.253)	(\$546.140)	(\$569.391)	(\$608.142)	(\$569.324)	(\$579.222)

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Receipts						
Farebox Revenue	\$203.251	\$209.183	\$212.352	\$212.245	\$212.834	\$213.195
Other Operating Revenue	19.508	21.560	20.724	21.089	21.471	21.650
Capital and Other Reimbursements	7.438	11.790	9.000	10.816	11.007	14.334
Total Receipts	\$230.197	\$242.533	\$242.076	\$244.150	\$245.312	\$249.179
Expenditures						
<u>Labor:</u>						
Payroll	\$274.384	\$260.493	\$258.964	\$264.727	\$264.123	\$266.283
Overtime	58.921	52.841	52.900	53.604	54.207	55.211
Health and Welfare	59.262	54.446	58.213	58.588	58.991	59.840
OPEB Current Payment	18.505	20.905	22.499	24.514	26.807	30.498
Pensions	44.065	46.411	46.804	47.381	48.083	49.873
Other Fringe Benefits	46.779	49.796	50.335	50.128	53.002	54.992
GASB Account	2.586	0.001	-	-	-	0.094
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$504.502	\$484.893	\$489.715	\$498.942	\$505.213	\$516.791
<u>Non-Labor:</u>						
Electric Power	\$1.699	\$1.804	\$1.975	\$2.082	\$2.210	\$2.316
Fuel	39.313	25.481	27.453	28.264	30.531	31.469
Insurance	3.190	8.245	6.181	6.560	7.434	7.915
Claims	32.257	24.768	25.000	25.385	25.842	26.355
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	23.778	30.874	36.910	65.449	22.270	18.981
Professional Service Contracts	16.994	30.746	24.963	25.497	25.781	26.329
Materials & Supplies	43.941	40.158	44.332	41.297	35.478	36.853
Other Business Expenses	1.059	3.422	2.574	3.724	3.791	3.010
Total Non-Labor Expenditures	\$162.231	\$165.498	\$169.388	\$198.258	\$153.337	\$153.228
<u>Other Expenditure Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$666.733	\$650.391	\$659.103	\$697.200	\$658.550	\$670.019
Net Cash Surplus/(Deficit)	(\$436.536)	(\$407.858)	(\$417.027)	(\$453.050)	(\$413.238)	(\$420.840)

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	(\$0.340)	\$0.250	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(0.586)	1.000	-	-	-	-
Capital and Other Reimbursements	1.290	6.052	3.188	5.191	5.284	8.650
Total Receipts	\$0.364	\$7.302	\$3.188	\$5.191	\$5.284	\$8.650
Expenditures						
<u>Labor:</u>						
Payroll	(\$16.872)	(\$7.128)	\$2.029	\$2.040	\$2.079	(\$1.379)
Overtime	-	-	-	-	-	-
Health and Welfare	(3.923)	0.414	0.417	0.420	0.428	-
OPEB Current Payment	1.136	-	-	-	-	-
Pensions	1.333	0.173	0.172	0.170	0.174	0.174
Other Fringe Benefits	22.771	(1.964)	0.173	0.173	0.177	0.177
GASB Account	(2.586)	(0.001)	-	-	-	(0.094)
Reimbursable Overhead	0.093	-	-	-	-	-
Total Labor Expenditures	\$1.952	(\$8.506)	\$2.791	\$2.803	\$2.858	(\$1.122)
<u>Non-Labor:</u>						
Electric Power	(\$0.196)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(4.214)	-	-	-	-	1.423
Insurance	0.164	(2.900)	-	-	-	-
Claims	(0.035)	4.000	4.000	4.062	4.135	4.135
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(2.588)	1.000	-	(0.001)	-	1.489
Professional Service Contracts	3.487	(4.000)	-	-	-	-
Materials & Supplies	0.797	-	-	-	-	-
Other Business Expenditures	2.797	(1.000)	(0.001)	-	0.001	-
Total Non-Labor Expenditures	\$0.212	(\$2.900)	\$3.999	\$4.061	\$4.136	\$7.047
<u>Other Expenditures Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Gap Closing Actions:</u>						
	-	-	-	-	-	-
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$2.528	(\$4.104)	\$9.978	\$12.055	\$12.278	\$14.575
Depreciation Adjustment	\$48.530	\$42.236	\$42.236	\$42.887	\$43.658	\$43.657
OPEB Obligation	105.049	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	0.610	-	-	-	-	-
Total Cash Conversion Adjustments	\$156.717	\$138.282	\$152.364	\$155.092	\$156.086	\$158.382

MTA Bus Company
2015 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE OVERTIME	Total		
	Hours	\$	%
<u>Scheduled Service</u>	627,139	\$25.966	49.1%
<u>Unscheduled Service</u>	126,886	5.545	10.5%
<u>Programmatic/Routine Maintenance</u>	208,369	9.416	17.8%
<u>Unscheduled Maintenance</u>	-	0.000	0.0%
<u>Vacancy/Absentee Coverage</u>	188,974	8.398	15.9%
<u>Weather Emergencies</u>	72,311	3.071	5.8%
<u>Safety/Security/Law Enforcement</u>	2,641	0.128	0.2%
<u>Other</u> ¹	3,802	0.316	0.6%
Sub-Total	1,230,122	\$52.841	100.0%
REIMBURSABLE OVERTIME	-	\$0.000	
TOTAL NR & R OVERTIME	1,230,122	\$52.841	

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

MTA BUS COMPANY
2016 Preliminary Budget
July Financial Plan 2016 – 2019
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 changes are as follows: 2016=1.6%; 2017=(0.1%); 2018=0.3%; 2019=0.2%.
- Changes in farebox revenue is as follows: \$3.4 million in 2016; (\$0.1) million in 2017; \$0.6 million in 2018 and \$0.4 million in 2019.

Other Operating Revenue

- Year to year increases in Other Operating Revenue is as follows: \$0.2 million in 2016; \$0.4 million increase in 2017 and 2018 and \$0.2 million in 2019. The changes in 2016 through 2019 are primarily due to the annual increase in advertising revenues, which are based upon current contracts in place as well as other miscellaneous recoveries.

Capital and Other Reimbursements

- Capital and Other Reimbursements are projected to essentially remain the same.

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 starting in 2012 are 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.
- Non-Reimbursable payroll expenses are projected to increase by \$7.6 million in 2016 and \$6.0 million in 2017. However, payroll expenses are projected to decrease by \$0.6 million in 2018 and by \$1.2 million in 2019.

Overtime

- Non-Reimbursable overtime expenses are projected to increase by (\$0.1) million in 2016, (\$0.7) million in 2017; (\$0.6) million in 2018 and (\$1.0) million in 2019. The 2016-2019 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 2016-2019 are: 2016=8.4%; 2017=1.6%; 2018=4.5%; 2019=4.5%.

Pension

- Pension expenses are projected to increase by (\$0.4) million in 2016, (\$0.6) million in 2017; (\$0.7) million in 2018 and (\$1.8) million in 2019. The 2016-2019 increases are consistent with current actuarial information and related headcount program changes.

Other Fringe Benefits

- Projected year-to-year increases reflect staffing levels, programmatic changes and inflationary payroll rate assumptions.

Electric Power

- The financial plan reflects the projected NYPA, LIPA and Con Ed delivery energy forecast guidelines.

Fuel

- Changes in fuel costs are primarily due to revised diesel fuel year-to-year guideline changes of: 2016= 8.19%; 2017= 3.16%; 2018= 8.82%; 2019= 8.03%.

Insurance

- Insurance expenses reflect actuals paid and revised insurance premium estimates.

Claims

- Projections are consistent with the current actuarial information.

Maintenance and Other Operating Contracts

- The 2016 increase is mainly due to Shop Program changes for the Hybrid Bus conversion program and the 2017 increase is for the Shop Overhaul Program. The 2018 and 2019 decreases are a result of the completion of the Hybrid Repower Conversion in the Shop Overhaul Program.

Professional Service Contracts

- The 2016 decrease is mainly due to the end of the IVN installation project. For 2017 – 2019, there are modest increases resulting from revised OTPS inflation assumptions.

Materials and Supplies

- The year-to-year changes in Materials and Supplies are primarily due to timing of the bus fleet maintenance program requirement and OTPS inflation assumptions.

Other Business Expenses

- 2016 remains unchanged. The 2017 through 2019 changes are due mainly to increased spending on office supplies, automatic fare collection and ticket printing fees/charges, training courses, travel and meetings offset by BRP savings

Depreciation (non-cash)

- Annual expense increases are due to projections of additional capital assets reaching beneficial use.

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$208.933	\$212.352	\$3.419	\$212.245	(\$0.107)	\$212.834	\$0.589	\$213.195	\$0.361
Other Operating Revenue	20.560	20.724	0.164	21.089	0.365	21.471	0.382	21.650	0.179
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$229.493	\$233.076	\$3.583	\$233.334	\$0.258	\$234.305	\$0.971	\$234.845	\$0.540
Operating Expenses									
Expenses									
Labor:									
Payroll	\$250.651	\$258.250	(\$7.599)	\$264.237	(\$5.987)	\$263.626	\$0.611	\$262.476	\$1.150
Overtime	52.841	52.900	(0.059)	53.604	(0.704)	54.207	(0.603)	55.211	(1.004)
Health and Welfare	53.822	57.577	(3.755)	57.948	(0.371)	58.340	(0.392)	58.669	(0.329)
OPEB Current Payment	20.905	22.499	(1.594)	24.514	(2.015)	26.807	(2.293)	30.498	(3.691)
Pensions	46.114	46.503	(0.389)	47.078	(0.575)	47.775	(0.697)	49.565	(1.790)
Other Fringe Benefits	47.370	50.039	(2.669)	49.829	0.210	52.698	(2.869)	54.688	(1.990)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$471.703	\$487.768	(\$16.065)	\$497.210	(\$9.442)	\$503.453	(\$6.243)	\$511.107	(\$7.654)
Non-Labor:									
Electric Power	\$1.804	\$1.975	(\$0.171)	\$2.082	(\$0.107)	\$2.210	(\$0.128)	\$2.316	(\$0.106)
Fuel	\$25.481	\$27.453	(\$1.972)	\$28.264	(\$0.811)	\$30.531	(\$2.267)	\$32.892	(\$2.361)
Insurance	5.345	6.181	(0.836)	6.560	(0.379)	7.434	(0.874)	7.915	(0.481)
Claims	28.768	29.000	(0.232)	29.447	(0.447)	29.977	(0.530)	30.490	(0.513)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	31.647	36.679	(5.032)	65.213	(28.534)	22.032	43.181	20.228	1.804
Professional Service Contracts	26.746	24.963	1.783	25.497	(0.534)	25.781	(0.284)	26.329	(0.548)
Materials & Supplies	39.331	43.489	(4.158)	40.442	3.047	34.611	5.831	35.972	(1.361)
Other Business Expenses	2.422	2.573	(0.151)	3.724	(1.151)	3.792	(0.068)	3.010	0.782
Total Non-Labor Expenses	\$161.544	\$172.313	(\$10.769)	\$201.229	(\$28.916)	\$156.368	\$44.861	\$159.152	(\$2.784)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$633.247	\$660.081	(\$26.834)	\$698.439	(\$38.358)	\$659.821	\$38.618	\$670.259	(\$10.438)
Depreciation	\$42.236	\$42.236	-	\$42.887	(0.651)	\$43.658	(0.771)	\$43.657	0.001
OPEB Obligation	100.150	100.150	-	100.150	-	100.150	-	100.150	-
Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses	\$775.633	\$802.467	(\$26.834)	\$841.476	(\$39.009)	\$803.629	\$37.847	\$814.066	(\$10.437)
Net Surplus/(Deficit)	(\$546.140)	(\$569.391)	(\$23.251)	(\$608.142)	(\$38.751)	(\$569.324)	\$38.818	(\$579.221)	(\$9.897)

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	5.738	5.812	0.074	5.625	(0.187)	5.723	0.098	5.684	(0.039)
Total Revenue	\$5.738	\$5.812	\$0.074	\$5.625	(\$0.187)	\$5.723	\$0.098	\$5.684	(\$0.039)
<u>Expenses</u>									
Labor:									
Payroll	\$2.714	\$2.743	(\$0.029)	\$2.530	\$0.213	\$2.576	(\$0.046)	\$2.428	\$0.148
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	1.038	1.053	(0.015)	1.060	(0.007)	1.079	(0.019)	1.171	(0.092)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	0.470	0.473	(0.003)	0.473	-	0.482	(0.009)	0.482	-
Other Fringe Benefits	0.462	0.469	(0.007)	0.472	(0.003)	0.481	(0.009)	0.481	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$4.684	\$4.738	(\$0.054)	\$4.535	\$0.203	\$4.618	(\$0.083)	\$4.562	\$0.056
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	0.227	0.231	(0.004)	0.235	(0.004)	0.238	(0.003)	0.242	(0.004)
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	0.827	0.843	(0.016)	0.855	(0.012)	0.867	(0.012)	0.881	(0.014)
Other Business Expenses	-	-	-	-	-	-	-	-	-
Total Non-Labor Expenses	\$1.054	\$1.074	(\$0.020)	\$1.090	(\$0.016)	\$1.105	(\$0.015)	\$1.123	(\$0.018)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5.738	\$5.812	(\$0.074)	\$5.625	\$0.187	\$5.723	(\$0.098)	\$5.685	\$0.038
Depreciation	-	-	-	-	-	-	-	-	-
Total Expenses	\$5.738	\$5.812	(\$0.074)	\$5.625	\$0.187	\$5.723	(\$0.098)	\$5.685	\$0.038
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.001)	(\$0.001)

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$208.933	\$212.352	\$3.419	\$212.245	(\$0.107)	\$212.834	\$0.589	\$213.195	\$0.361
Other Operating Revenue	20.560	20.724	0.164	21.089	0.365	21.471	0.382	21.650	0.179
Capital and Other Reimbursements	5.738	5.812	0.074	5.625	(0.187)	5.723	0.098	5.684	(0.039)
Total Revenue	\$235.231	\$238.888	\$3.657	\$238.959	\$0.071	\$240.028	\$1.069	\$240.529	\$0.501
Expenses									
Labor:									
Payroll	\$253.365	\$260.993	(\$7.628)	\$266.767	(\$5.774)	\$266.202	\$0.565	\$264.904	\$1.298
Overtime	52.841	52.900	(0.059)	53.604	(0.704)	54.207	(0.603)	55.211	(1.004)
Health and Welfare	54.860	58.630	(3.770)	59.008	(0.378)	59.419	(0.411)	59.840	(0.421)
OPEB Current Payment	20.905	22.499	(1.594)	24.514	(2.015)	26.807	(2.293)	30.498	(3.691)
Pensions	46.584	46.976	(0.392)	47.551	(0.575)	48.257	(0.706)	50.047	(1.790)
Other Fringe Benefits	47.832	50.508	(2.676)	50.301	0.207	53.179	(2.878)	55.169	(1.990)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$476.387	\$492.506	(\$16.119)	\$501.745	(\$9.239)	\$508.071	(\$6.326)	\$515.669	(\$7.598)
Non-Labor:									
Electric Power	\$1.804	\$1.975	(\$0.171)	\$2.082	(\$0.107)	\$2.210	(\$0.128)	\$2.316	(\$0.106)
Fuel	25.481	27.453	(1.972)	28.264	(0.811)	30.531	(2.267)	32.892	(2.361)
Insurance	5.345	6.181	(0.836)	6.560	(0.379)	7.434	(0.874)	7.915	(0.481)
Claims	28.768	29.000	(0.232)	29.447	(0.447)	29.977	(0.530)	30.490	(0.513)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	31.874	36.910	(5.036)	65.448	(28.538)	22.270	43.178	20.470	1.800
Professional Service Contracts	26.746	24.963	1.783	25.497	(0.534)	25.781	(0.284)	26.329	(0.548)
Materials & Supplies	40.158	44.332	(4.174)	41.297	3.035	35.478	5.819	36.853	(1.375)
Other Business Expenses	2.422	2.573	(0.151)	3.724	(1.151)	3.792	(0.068)	3.010	0.782
Total Non-Labor Expenses	\$162.598	\$173.387	(\$10.789)	\$202.319	(\$28.932)	\$157.473	\$44.846	\$160.275	(\$2.802)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$638.985	\$665.893	(\$26.908)	\$704.064	(\$38.171)	\$665.544	\$38.520	\$675.944	(\$10.400)
Depreciation	\$42.236	\$42.236	-	\$42.887	(0.651)	\$43.658	(0.771)	\$43.657	0.001
OPEB Obligation	100.150	100.150	-	100.150	-	100.150	-	100.150	-
Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses	\$781.371	\$808.279	(\$26.908)	\$847.101	(\$38.822)	\$809.352	\$37.749	\$819.751	(\$10.399)
Net Surplus/(Deficit)	(\$546.140)	(\$569.391)	(\$23.251)	(\$608.142)	(\$38.751)	(\$569.324)	\$38.818	(\$579.222)	(\$9.898)

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Receipts</u>									
Farebox Revenue	\$209.183	\$212.352	\$3.169	\$212.245	(\$0.107)	\$212.834	\$0.589	\$213.195	\$0.361
Other Operating Revenue	21.560	20.724	(0.836)	21.089	0.365	21.471	0.382	21.650	0.179
Capital and Other Reimbursements	11.790	9.000	(2.790)	10.816	1.816	11.007	0.191	14.334	3.327
Total Receipts	\$242.533	\$242.076	(\$0.457)	\$244.150	\$2.074	\$245.312	\$1.162	\$249.179	\$3.867
<u>Expenditures</u>									
Labor:									
Payroll	\$260.493	\$258.964	\$1.529	\$264.727	(\$5.763)	\$264.123	\$0.604	\$266.283	(\$2.160)
Overtime	52.841	52.900	(0.059)	53.604	(0.704)	54.207	(0.603)	55.211	(1.004)
Health and Welfare	54.446	58.213	(3.767)	58.588	(0.375)	58.991	(0.403)	59.840	(0.849)
OPEB Current Payment	20.905	22.499	(1.594)	24.514	(2.015)	26.807	(2.293)	30.498	(3.691)
Pensions	46.411	46.804	(0.393)	47.381	(0.577)	48.083	(0.702)	49.873	(1.790)
Other Fringe Benefits	49.796	50.335	(0.539)	50.128	0.207	53.002	(2.874)	54.992	(1.990)
GASB Account	0.001	-	0.001	-	-	-	-	0.094	(0.094)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$484.893	\$489.715	(\$4.822)	\$498.942	(\$9.227)	\$505.213	(\$6.271)	\$516.791	(\$11.578)
Non-Labor:									
Electric Power	\$1.804	\$1.975	(\$0.171)	\$2.082	(\$0.107)	\$2.210	(\$0.128)	\$2.316	(\$0.106)
Fuel	25.481	27.453	(1.972)	28.264	(0.811)	30.531	(2.267)	31.469	(0.938)
Insurance	8.245	6.181	2.064	6.560	(0.379)	7.434	(0.874)	7.915	(0.481)
Claims	24.768	25.000	(0.232)	25.385	(0.385)	25.842	(0.457)	26.355	(0.513)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	30.874	36.910	(6.036)	65.449	(28.539)	22.270	43.179	18.981	3.289
Professional Service Contracts	30.746	24.963	5.783	25.497	(0.534)	25.781	(0.284)	26.329	(0.548)
Materials & Supplies	40.158	44.332	(4.174)	41.297	3.035	35.478	5.819	36.853	(1.375)
Other Business Expenses	3.422	2.574	0.848	3.724	(1.150)	3.791	(0.067)	3.010	0.781
Total Non-Labor Expenditures	\$165.498	\$169.388	(\$3.890)	\$198.258	(\$28.870)	\$153.337	\$44.921	\$153.228	\$0.109
Other Expenditure Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$650.391	\$659.103	(\$8.712)	\$697.200	(\$38.097)	\$658.550	\$38.650	\$670.019	(\$11.469)
Net Cash Surplus/(Deficit)	(\$407.858)	(\$417.027)	(\$9.169)	(\$453.050)	(\$36.023)	(\$413.238)	\$39.812	(\$420.840)	(\$7.602)

MTA BUS COMPANY
2016 Preliminary Budget
July Financial Plan 2016 – 2019
Summary of Major Plan-to-Plan Changes by Generic Category

2015: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to decrease from the February Financial Plan by \$6.7 million.

Major generic category changes include:

- A decrease in Other Operating Revenue of \$6.2 million due to the elimination of Superstorm Sandy recoveries.
- A decrease of \$0.5 million due to lower ridership as a result of multiple snowstorms and colder-than-normal temperatures throughout the first quarter of 2015, which was the basis for the projections for the rest of the year.

Operating Expense Changes

Operating expenses increased from the February Plan by \$1.3 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 \$1.4 million which includes the labor settlement with the TWU. The July Plan assumes the same pattern settlement for employees represented by unions without contract agreements; and includes the programmatic initiatives discussed earlier.
- Overtime is projected to increase by \$4.6 million due to inclement weather, coverage for vacancies, absences and additional maintenance on the aging bus fleet, mandated training and the re-baselining of overtime expenses to be in line with actual historical spending.
- Maintenance and Other Operating Contracts is projected to increase by \$2.8 million mainly due to start-up cost for the introduction of SBS routes.
- Pension increase of \$0.4 million based on the latest third party actuarial report.

- Other Fringe Benefits is projected to increase by \$0.5 million due to the increase in staffing levels, programmatic changes and inflationary payroll rate assumptions.
- Material and Supplies is expected to increase by \$1.8 million as a result of operating overage buses due to program delays of new bus deliveries.
- Claims is projected to increase by \$0.8 million due to a settlement agreement.
- Health & Welfare/OPEB current payment expenses are projected to remain the same.
- Professional Service Contracts expenses are expected to decrease by \$0.7 million as a result of the re-estimate in the rate of inflation.
- Fuel expenses are projected to decrease by \$10.2 million as a result of lower fuel prices.
- Cash adjustments include increases of \$6.5 million increase due to the 2014 timing of expenses and an unrecoverable Capital and Other Reimbursement of \$1.9 million offset by a decrease for the BRP adjustment of \$2.5 million.

2016-2018: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to increase from the February Financial Plan by \$0.2 million in 2016; decrease by \$0.2 million in 2017, and decrease by \$0.7 million in 2018.

Major generic category changes include:

- An increase in Farebox Revenue of \$0.1 million in 2016; decrease of \$0.4 million in 2017, and decrease by \$0.8 million in 2018 in accordance with the latest ridership projections.

Operating Expense Changes

Operating expenses increase from the February Plan by \$1.4 million in 2016; and decrease by \$6.7 million in 2017, and \$10.3 million in 2018.

Major generic category changes include:

- Payroll is projected to increase by \$1.0 million in each year from 2016 to 2018 primarily due to labor settlement assumptions and programmatic initiatives discussed above.

- Overtime is projected to increase by \$3.3 million in 2016, and by \$3.1 million in 2017 and 2018 due to re-baselining.
- Health & Welfare/OPEB current payment expenses are projected to decrease by \$1.3 million in 2016; \$5.9 million in 2017, and \$11.4 million in 2018 based on the latest projected inflation rates.
- Pension expenses are projected to increase by \$0.3 million in 2016, and \$0.4 million in 2017 and 2018 based on the most current actuarial re-estimate.
- Fuel expenses are projected to decrease by \$7.6 million in 2016; \$7.6 million in 2017 and \$6.4 million in 2018 due to revised forecast assumptions.
- Maintenance and Other Operating Contract expenses are projected to increase by \$2.7 million in 2016; \$1.6 million in 2017 and \$1.1 million in 2018. This is primarily due to the introduction of the SBS routes, bus radio repairs, janitorial services, and the Jamaica terminal lease agreement.
- Materials and Supplies expenses are projected to increase by \$2.4 million in 2016, \$1.5 million in 2017 and \$1.4 million in 2018. This is primarily due to the maintenance of overage buses.

MTA Bus Company
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	(\$394.004)	(\$414.017)	(\$459.524)	(\$422.886)
Baseline Changes				
Revenue				
Farebox Revenue	(\$0.480)	\$0.100	(\$0.378)	(\$0.807)
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	(6.175)	0.146	0.150	0.155
Capital and Other Reimbursements	-	-	-	-
Total Revenue Changes	(\$6.655)	\$0.246	(\$0.228)	(\$0.652)
Expenses				
Labor:				
Payroll	(\$1.444)	(\$0.954)	(\$0.968)	(\$0.986)
Overtime	(4.633)	(3.268)	(3.100)	(3.111)
Health and Welfare	-	1.273	5.935	11.351
OPEB Current Payment	-	-	-	-
Pensions	(0.438)	(0.301)	(0.380)	(0.435)
Other Fringe Benefits	(0.528)	(0.363)	(0.349)	(0.351)
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	(\$7.043)	(\$3.613)	\$1.138	\$6.468
Non-Labor:				
Electric Power	\$0.000	\$0.000	\$0.168	\$0.213
Fuel	10.186	7.571	7.605	6.394
Insurance	0.169	(0.550)	(0.558)	(1.600)
Claims	(0.768)	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	(2.841)	(2.742)	(1.550)	(1.116)
Professional Service Contracts	0.677	0.384	0.432	0.422
Materials & Supplies	(1.767)	(2.383)	(1.483)	(1.432)
Other Business Expenses	0.074	(0.023)	0.950	0.951
Total Non-Labor Expense Changes	\$5.730	\$2.257	\$5.564	\$3.832
Other Expenditure Adjustments:				
Other	-	-	-	-
Total Other Expenditure Adjustments	-	-	-	-
Gap Closing Actions:				
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adj.	(\$1.313)	(\$1.356)	\$6.702	\$10.300
Depreciation	-	-	-	-
OPEB Obligation	-	-	-	-
Environmental Remediation	-	-	-	-
Total Expense Changes	(\$1.313)	(\$1.356)	\$6.702	\$10.300
Cash Adjustment Changes				
Capital & Other Reimbursements	(1.900)	(1.900)		
BRP	2.500			
Impact of 2014 Timing on 2015 Results (All Categories)	(6.486)			
Total Expense Changes	(\$5.886)	(\$1.900)	\$0.000	\$0.000
Total Cash Adjustment Changes	(\$5.886)	(\$1.900)	\$0.000	\$0.000
Total Baseline Changes	(\$13.854)	(\$3.010)	\$6.474	\$9.648
July Financial Plan - Net Cash Surplus/(Deficit)	(\$407.858)	(\$417.027)	(\$453.050)	(\$413.238)

MTA Bus Company
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	-	-	-	-
Vehicle Toll Revenue	-	-	-	-
Capital and Other Reimbursements	-	-	-	-
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
Labor:				
Payroll	-	-	-	-
Overtime	-	-	-	-
Health and Welfare	-	-	-	-
OPEB Current Payment	-	-	-	-
Pensions	-	-	-	-
Other Fringe Benefits	-	-	-	-
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:				
Electric Power	-	-	-	-
Fuel	-	-	-	-
Insurance	-	-	-	-
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-
Professional Service Contracts	-	-	-	-
Materials & Supplies	-	-	-	-
Other Business Expenses	-	-	-	-
Total Non-Labor Expense Changes	-	-	-	-
<i>Total Expenses before Depreciation</i>				
Depreciation				
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA Bus Company
July Financial Plan 2016 - 2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	(\$394.004)	(\$414.017)	(\$459.524)	(\$422.886)
Baseline Changes				
Revenue				
Farebox Revenue	(\$0.480)	\$0.100	(\$0.378)	(\$0.807)
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	(6.175)	0.146	0.150	0.155
Capital and Other Reimbursements	-	-	-	-
Total Revenue Changes	(\$6.655)	\$0.246	(\$0.228)	(\$0.652)
Expenses				
Labor:				
Payroll	(\$1.444)	(\$0.954)	(\$0.968)	(\$0.986)
Overtime	(4.633)	(3.268)	(3.100)	(3.111)
Health and Welfare	-	1.273	5.935	11.351
OPEB Current Payment	-	-	-	-
Pensions	(0.438)	(0.301)	(0.380)	(0.435)
Other Fringe Benefits	(0.528)	(0.363)	(0.349)	(0.351)
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	(\$7.043)	(\$3.613)	\$1.138	\$6.468
Non-Labor:				
Electric Power	\$0.000	\$0.000	\$0.168	\$0.213
Fuel	10.186	7.571	7.605	6.394
Insurance	0.169	(0.550)	(0.558)	(1.600)
Claims	(0.768)	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	(2.841)	(2.742)	(1.550)	(1.116)
Professional Service Contracts	0.677	0.384	0.432	0.422
Materials & Supplies	(1.767)	(2.383)	(1.483)	(1.432)
Other Business Expenses	0.074	(0.023)	0.950	0.951
Total Non-Labor Expense Changes	\$5.730	\$2.257	\$5.564	\$3.832
Other Expenditure Adjustments:				
Other	-	-	-	-
Total Other Expenditure Adjustments	-	-	-	-
Gap Closing Actions:				
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	(\$1.313)	(\$1.356)	\$6.702	\$10.300
Depreciation	-	-	-	-
OPEB Obligation	-	-	-	-
Environmental Remediation	-	-	-	-
Total Expense Changes	(\$1.313)	(\$1.356)	\$6.702	\$10.300
Cash Adjustment Changes				
Capital & Other Reimbursements	(1.900)	(1.900)	-	-
BRP	2.500	-	-	-
Impact of 2014 Timing on 2015 Results (All Categories)	(6.486)	-	-	-
Expenses				
Total Expense Changes	(\$5.886)	(\$1.900)	\$0.000	\$0.000
Total Cash Adjustment Changes	(\$5.886)	(\$1.900)	\$0.000	\$0.000
Total Baseline Changes	(\$13.854)	(\$3.010)	\$6.474	\$9.648
July Financial Plan - Net Cash Surplus/(Deficit)	(\$407.858)	(\$417.027)	(\$453.050)	(\$413.238)

MTA BUS COMPANY
2016 Preliminary Budget
July Financial Plan 2016 – 2019
Summary of Major Plan-to-Plan Changes

2015: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue changes from the February Financial Plan decreased by \$6.7 million.

Major changes include:

- A decrease in Other Operating Revenue of \$6.2 million due to the elimination of Superstorm Sandy recoveries.

Expense Changes

Operating expenses increased from the February Financial Plan by \$1.3 million.

Major changes include:

- Total labor expense increase by \$7.0 million mainly due to increase in overtime due to inclement weather, overtime re-baselining and additional maintenance on the aging bus fleet.
- Maintenance and Other Operating Expenses increase by \$2.8 million primarily due to the startup costs pertaining to the introduction of SBS routes.
- Material and Supplies increase by \$1.8 million mainly due to the maintenance required on the overaged fleet.
- Partially offsetting the increases above is Fuel expenses which are projected to decrease by \$10.2 million as a result of lower fuel prices.

Cash Adjustments

Cash Adjustment is projected to be unfavorable by \$5.9 million.

Major changes include:

- An unfavorable capital reimbursable adjustment of \$1.9 million and a favorable BRP adjustment of \$2.5 million.
- An unfavorable adjustment of \$6.4 million due to the 2014 timing of expenses.

2016-2018: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue changes from the February Financial Plan result in an increase of \$0.2 million in 2016; and decrease by \$0.2 million in 2017 and \$0.7 million in 2018.

Major changes include:

- An increase in Farebox Revenue of \$0.1 million in 2016; a decrease of \$0.4 million in 2017, and \$0.8 million in 2018 due to revised ridership projections.

Expense Changes

Total expenses increased by \$1.4 million in 2016, decreased by \$6.7 million in 2017, and \$10.3 million in 2018. Projections include changes in Payroll, Overtime, Pension, Health & Welfare, Other Fringe Benefits, and Other Business Expense, attributable to the programmatic initiatives discussed above, changes due to the latest projected inflation rates and forecast assumptions and other operating initiatives such as the Jamaica Terminal Lease, Bus Radio Repairs and Janitorial Services.

Major changes include:

- Overtime Baseline revisions resulting in expense increases of \$3.2 million in 2016 through 2018.
- New programmatic initiatives costing \$5.4 million in 2016, \$2.9 million in 2017, and \$3.0 million in 2018.
- Fuel expenses are projected to decrease by \$7.6 million in 2016 and 2017, and \$6.4 million in 2018 based on lower forecasted rates.

Cash Adjustments

Cash adjustments are projected to be unfavorable by \$1.9 million in 2016 as prior year capital reimbursable revenue will not be realized.

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	(\$394.004)	(\$414.017)	(\$459.524)	(\$422.886)
Non-Reimbursable Major Changes				
Revenue				
Farebox Revenue	(0.480)	0.100	(0.378)	(0.807)
Other Operating Revenue	(6.175)	0.146	0.150	0.155
Sub-Total Non-Reimbursable Revenue Changes	(\$6.655)	\$0.246	(\$0.228)	(\$0.652)
Expenses				
Programs:				
Clerical to Analyst	(0.020)	(0.040)	(0.043)	(0.043)
Employee Availability Unit	(0.137)	(0.282)	(0.287)	(0.293)
NAMS Bus Radio / Speak Easy Radio Repair	(0.423)	(0.433)	(0.203)	(0.209)
Janitorial Service	(0.439)	(0.450)	(0.462)	(0.474)
Dispatchers for the Command Center	(0.117)	(0.236)	(0.240)	(0.244)
Enterprise Asset Management	-	(0.336)	(0.342)	(0.349)
Bus Technology	(0.142)	(0.373)	(0.379)	(0.389)
Mandated Training	(0.664)	(0.676)	(0.690)	(0.704)
Jamaica Lease	(0.321)	(0.213)	(0.219)	(0.225)
SBS Routes	(2.600)	(2.500)	(1.233)	(1.266)
Traffic Engineering Service	(0.030)	(0.065)	-	-
Hearing Conservation Program (HCP)	(0.013)	-	-	-
DERA Compliance	-	(0.020)	-	-
Employee Availability Improvement	-	2.057	2.643	3.231
Platform Budget	-	(2.057)	(2.643)	(3.231)
Sub-Total Programs	(\$4.906)	(\$5.624)	(\$4.098)	(\$4.196)
Major Re-estimates/Technical Adjustments/Other:				
July 2015 BRP - Programmatic Reductions	0.000	1.900	3.000	3.000
OTPS Inflation	2.900	(0.956)	(1.450)	(0.888)
Overage Fleet	(2.121)	(1.198)	0.000	0.000
Running Time	0.000	0.000	0.000	0.000
Choice Hardware	(1.000)	(1.024)	(1.053)	(1.081)
Night Differential Rate Increase	(0.143)	(0.143)	(0.143)	(0.143)
Settlement Agreement - LGA Depot	(0.768)	0.000	0.000	0.000
Adverse Weather	(1.729)	0.000	0.000	0.000
Overtime Baseline Revision	(3.200)	(3.200)	(3.200)	(3.200)
Payroll	(1.600)	0.000	0.000	0.000
Fuel	10.186	7.571	7.605	6.394
Electric	0.000	0.000	0.168	0.213
Insurance	0.169	(0.550)	(0.558)	(1.600)
Pension	0.546	0.375	0.271	0.222
Health & Welfare	0.353	1.493	6.160	11.579
Sub-Total Non-Reimbursable Expense Changes	\$3.593	\$4.268	\$10.800	\$14.496
Total Non-Reimbursable Major Changes	(\$7.968)	(\$1.110)	\$6.474	\$9.648
Reimbursable Major Changes				
Revenue	0.000	0.000	0.000	0.000
Reimbursement of Increased Expense Requirements				
Sub-Total Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
Sub-Total Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$7.968)	(\$1.110)	\$6.474	\$9.648
Cash Adjustment Changes				
Capital & Other Reimbursements	(\$1.900)	(\$1.900)		
BRP	2.500			
Impact of 2014 Timing on 2015 Results (All Categories)	(6.486)			
Total Cash Adjustment Changes	(\$5.886)	(\$1.900)	\$0.000	\$0.000
Total Baseline Changes	(\$13.854)	(\$3.010)	\$6.474	\$9.648
July Financial Plan - Net Cash Surplus/(Deficit)	(\$407.858)	(\$417.027)	(\$453.050)	(\$413.238)

MTA BUS COMPANY
2016 Preliminary Budget
July Financial Plan 2016– 2019
Ridership / (Utilization)

Ridership

The 2015 July Financial Plan ridership forecast was developed with preliminary actual ridership through April 2015, which was 3.3% below budget due to multiple snowstorms and colder than normal temperatures throughout the first quarter of 2015. The 2015 baseline ridership forecast assumes that May-December 2015 local and express ridership will be the same as the 2015 Adopted Budget. 2015 local and express ridership is 1.4 million lower than the February Plan.

In developing the 2016 local and express bus ridership forecast, January-March 2015 ridership was adjusted upward to account for lower ridership resulting from the severe winter weather. 2016 local and express bus ridership is projected to increase by approximately 0.5% from the weather adjusted 2015 base, based on a 40% factor applied to the most recent (February 2015) employment forecast, which projects a lower employment increase in 2016 than the forecast used in the 2015 February Plan. The February Plan also used the 40% factor, which is based on an analysis of historical bus ridership showing a lower employment elasticity on bus than on subway. The resulting projected 2016 local and express ridership is 0.4 million lower than the February Plan.

Working off the revised 2016 baseline projection, 2017-2019 local and express bus ridership growth forecasts are based on the February 2015 employment forecast (with a 40% factor), which projects lower employment increases in 2017 and 2018, and a slightly higher 2019 increase than the forecast used in the February Plan. The resulting ridership is expected to be 0.7 million lower than the February Plan in 2017, and 0.9 million lower in 2018 and 2019.

Revenue

Projected farebox revenue is \$0.5 million lower than the February Plan in 2015, \$0.1 million higher in 2016, \$0.4 million lower in 2017, \$0.8 million lower in 2018, and \$0.7 million lower in 2019. The smaller negative revenue variances (and slightly positive variance in 2016) compared to ridership are mainly due to higher pass average fares reflecting lower trips per pass in recent quarters.

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Ridership/(Utilization)
(in millions)

	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
<u>RIDERSHIP</u>						
Fixed Route	125.581	125.812	126.416	126.609	127.163	127.323
Baseline Total Ridership	125.581	125.812	126.416	126.609	127.163	127.323
<u>FAREBOX REVENUE</u>						
Fixed Route	\$203.591	\$208.933	\$212.352	\$212.245	\$212.834	\$213.195
Baseline Total Revenue	\$203.591	\$208.933	\$212.352	\$212.245	\$212.834	\$213.195

MTA BUS COMPANY
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
<u>Administration</u>										
None	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Subtotal Administration	-	0.000	-	0.000	-	\$0.000	-	\$0.000	-	\$0.000
<u>Customer Convenience/Amenities</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Customer Convenience/Amenities	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Maintenance	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Revenue Enhancement</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
OTPS	-	2.500	-	1.900	-	3.000	-	3.000	-	3.000
Subtotal Other	-	2.500	-	1.900	-	3.000	-	3.000	-	3.000
Agency Submission	-	\$2.500	-	\$1.900	-	\$3.000	-	\$3.000	-	\$3.000

MTA BUS COMPANY
July Financial Plan 2016 - 2019
2015 Budget Reduction Plan Worksheet

Category by Function: Other

Program: OTPS

Background Details:	These savings are based on a continued top down review of controllable non-labor categories specifically maintenance and other operating contracts, Professional Service and Other Business Expenses resulting in recurring savings up to \$3.0M from 2017.
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Program Description/ Implementation Plan:			
Program Implementation Date:	2015	When will savings begin?:	2015
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>	\$2.500	\$1.900	\$3.000	\$3.000	\$3.000
Net Cash Savings (in millions)	\$2.500	\$1.900	\$3.000	\$3.000	\$3.000

Total Positions Required:

MTA BUS COMPANY
2016 Preliminary Budget
July Plan 2016 – 2019
Positions

POSITION ASSUMPTIONS

2015: July Financial Plan vs. February Financial Plan

The total positions for 2015 in the February Plan were 3,746. There is a net increase of 5 positions which will result in 3,751 positions for 2015 in the July Plan. The changes are as follows:

- 2 positions in support of Employee Availability Unit
- 2 positions in support of the Command Center
- 1 position in support of Bus Technology

Reimbursable Positions remain the same

2016: July Financial Plan vs. February Financial Plan

The total positions for 2016 in the February Plan were 3,779. There is a net decrease of 12 positions which will result in the sum of 3,767 positions for 2016 in the July Plan. The changes are as follows:

- 2 positions in support of Employee Availability Unit
- 2 positions in support of the Command Center
- 2 positions in support of Enterprise Asset Management team
- 3 positions in support of Bus Technology
- -21 positions reduction due to Employee Availability Improvement

Reimbursable Positions remain the same

2017: July Financial Plan vs. February Financial Plan

The total positions for 2017 in the February Plan were 3,790. This is a net decrease of 12 positions which will result in 3,778 positions for 2017 in the July Plan. The changes are as follows:

- 2 positions in support of the Employee Availability Unit
- 2 positions in support of the Command Center
- 2 positions for the establishment of an Enterprise Asset Management team
- 3 positions in support of Bus Technology
- -21 positions reduction due to Employee Availability Improvement

Reimbursable Positions remain the same

2018: July Financial Plan vs. February Financial Plan

The total positions for 2018 in the February Plan were 3,741. This is a net decrease of 12 positions which will result in the sum of 3,729 positions for 2018 in the July Plan. The changes are as follows:

- 2 positions in support of the Employee Availability Unit
- 2 positions in support of the Command Center
- 2 positions for the establishment of an Enterprise Asset Management team
- 3 positions in support of Bus Technology
- -21 positions reduction due to Employee Availability Improvement

Reimbursable Positions remain the same

Year-to-Year Changes

2016 Changes Over 2015:

The total number of positions in 2016 increase by 16 for a total of 3,767. The changes are as follows:

2016 – Net Increase of 16 Positions

- 2 positions for Bus Technology
- 2 positions for Asset Management
- 31 positions in support of the Shop Overhaul Program
- 2 positions in support of Bus Trek Training
- -21 positions decrease in support of Employee Availability Improvement

2017 Changes Over 2016:

The total number of positions in 2017 increase by 11 for a total of 3,778. The changes are as follows:

2017 - Net increase of 11 Positions

- 11 positions in support of the Shop Overhaul Program

2018 Changes Over 2017:

The total number of positions in 2018 decrease by 49 for a total of 3,729. The changes are as follows:

2018 - Net Change decrease of 49 Positions

- -48 positions decrease for Shop Overhaul Program
- -1 position decrease for Bus Camera Security System

2019 Changes Over 2018:

The total number of positions in 2019 increase by 65 for a total of 3,794. The changes are as follows:

2019 - Net increase of 65 Positions

- 66 position increase for Shop Overhaul Program
- -1 position decrease for bus technology

MTA BUS COMPANY July Financial Plan 2016-2019 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2015	2016	2017	2018
2015 February Plan - Total Baseline Positions	3,746	3,779	3,790	3,741
Total Plan-to-Plan Changes	(5)	12	12	12
2015 July Plan - Total Baseline Positions	3,751	3,767	3,778	3,729
Total Year-to-Year Changes, July Plan		(16)	(11)	49

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(5)	12	12	12
<i>Reimbursable</i>	0	0	0	0
Total	(5)	12	12	12
<i>Full-Time</i>	(5)	12	12	12
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(5)	12	12	12
<i>By Function Category</i>				
- Administration	(5)	(9)	(9)	(9)
- Operations	3	24	24	24
- Maintenance	(3)	(3)	(3)	(3)
- Engineering/Capital	0	0	0	0
- Public Safety	0	0	0	0
Total	(5)	12	12	12
<i>By Occupational Group</i>				
- Managers/Supervisors	(3)	(5)	(5)	(5)
- Professional, Technical, Clerical	(2)	(4)	(4)	(4)
- Operational Hourlies	0	21	21	21
Total	(5)	12	12	12

Total Plan-to-Plan Changes by Major Category:				
<i>2015 BRPs</i>	0	0	0	0
<i>New Needs</i>	(5)	(9)	(9)	(9)
<i>Change in Reimbursable Positions</i>	0	0	0	0
<i>Re-estimates & All Other</i> ¹	0	21	21	21
Total	(5)	12	12	12

¹Includes Full Time Equivalents

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Total Positions by Function & Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Office of the EVP	3	6	6	6	6	6
Human Resources	10	16	16	16	16	16
Office of Management and Budget	11	17	17	17	17	17
Technology & Information Services	14	-	-	-	-	-
Materiel	16	18	18	18	18	18
Controller	19	15	15	15	15	15
Office of the President	7	2	2	2	2	2
System Safety Administration	1	5	5	5	5	5
Law	24	21	21	21	21	21
Corporate Communications	3	-	-	-	-	-
Strategic Office	12	15	23	23	22	21
Labor Relations	3	4	4	4	4	4
Non Departmental	-	27	19	23	15	15
Total Administration	123	146	146	150	141	140
Operations						
Buses	2,198	2,220	2,199	2,199	2,199	2,199
Office of the Executive Vice President, Regional	3	4	4	4	4	4
Safety & Training	67	29	29	29	29	29
Road Operations	122	119	117	117	117	117
Transportation Support	22	22	22	22	22	22
Operations Planning	30	31	31	31	31	31
Revenue Control	21	27	27	27	27	27
Total Operations	2,463	2,452	2,429	2,429	2,429	2,429
Maintenance						
Buses	762	756	746	742	748	748
Maintenance Support/CMF	168	176	225	236	190	256
Facilities	47	73	73	73	73	73
Supply Logistics	91	93	93	93	93	93
Total Maintenance	1,068	1,098	1,137	1,144	1,104	1,170
Engineering/Capital						
Capital Program Management	28	37	37	37	37	37
Public Safety						
Office of the Senior Vice President	15	18	18	18	18	18
Total Positions	3,697	3,751	3,767	3,778	3,729	3,794
Non-Reimbursable	3,664	3,713	3,729	3,740	3,691	3,756
Reimbursable	33	38	38	38	38	38
Total Full-Time	3,682	3,736	3,752	3,763	3,714	3,779
Total Full-Time Equivalents	15	15	15	15	15	15

MTA BUS COMPANY
July Financial Plan 2016 - 2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Managers/Supervisors	50	57	59	59	57	57
Professional, Technical, Clerical	73	64	70	70	69	68
Operational Hourlies	-	25	17	21	15	15
Total Administration	123	146	146	150	141	140
Operations						
Managers/Supervisors	304	301	299	299	299	299
Professional, Technical, Clerical	55	50	50	50	50	50
Operational Hourlies	2,104	2,101	2,080	2,080	2,080	2,080
Total Operations	2,463	2,452	2,429	2,429	2,429	2,429
Maintenance						
Managers/Supervisors	199	220	218	218	218	218
Professional, Technical, Clerical	21	18	18	18	18	18
Operational Hourlies	848	860	901	908	868	934
Total Maintenance	1,068	1,098	1,137	1,144	1,104	1,170
Engineering/Capital						
Managers/Supervisors	17	21	21	21	21	21
Professional, Technical, Clerical	11	16	16	16	16	16
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	28	37	37	37	37	37
Public Safety						
Managers/Supervisors	10	14	14	14	14	14
Professional, Technical, Clerical	3	4	4	4	4	4
Operational Hourlies	2	-	-	-	-	-
Total Public Safety	15	18	18	18	18	18
Total Positions						
Managers/Supervisors	580	613	611	611	609	609
Professional, Technical, Clerical	163	152	158	158	157	156
Operational Hourlies	2,954	2,986	2,998	3,009	2,963	3,029
Total Baseline Positions	3,697	3,751	3,767	3,778	3,729	3,794

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Staten Island Railway

MTA STATEN ISLAND RAILWAY
2016 Preliminary Budget
July Financial Plan 2016 - 2019

FINANCIAL OVERVIEW

The 2015 Mid-Year Forecast, 2016 Preliminary Budget and projections for the years 2017-2019 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. Reflecting the recent labor settlements with MTA Railroads, 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. Performance indicators including mean distance between failures and on-time performance remain within targeted levels.

Included in this plan are **two critical new needs**, which are summarized as follows:

- **On-Time Performance.** Operational safety initiatives, resulting from a derailment and collision in 2014, along with seasonal impacts such as slippery rails, have negatively impacted On-Time Performance. Additionally, a current shortage of train crews makes it difficult to fully provide for scheduled lunch periods. To help solve these difficulties, this plan requests approval to add two additional train crews, comprised of two Locomotive Engineers and two Conductors with an annual cost of \$0.407 million.
- **Additional Training Requirements.** Due to a rise in Capital Project requirements, an increase in hiring to support ongoing repairs resulting from Tropical Storm Sandy, and the loss of employees to attrition, SIR has been faced with increased training demands. Currently, the training unit is comprised of 1 manager and 3 hourly employees, who are on loan from their respective departments, thus impacting the ability of those departments to meet their normal work requirements. To address this problem, this plan requests approval to add three Supervisory Training positions with an annual cost of \$0.388 million.

A 2015 Budget Reduction Program (BRP) is included in this financial plan and projects annual savings of \$0.211 million, effective 2015. These savings are planned to result from the areas of Workers' Compensation Board costs, tire/tube and diesel valve costs, lower fees and the extended process of delaying hiring to fill vacancies, based on the assessment of vacant position functions and risks.

2015 Mid-Year Forecast

MTA Staten Island Railway's 2015 Mid-Year Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$56.504 million, including \$52.633 million of non-reimbursable expenses and \$3.871 million of reimbursable expenses. Total revenues are projected to be \$12.720 million, of which \$8.849 million are operating revenues and \$3.871 million represent capital reimbursements. Total full-

time positions are 316, including 290 non-reimbursable positions and 26 reimbursable positions.

The 2015 Mid-Year Forecast operating cash deficit is projected to increase by \$1.864 million in comparison with the 2015 Adopted Budget. Major variances include:

- A cost increase of \$3.093 million, based on an update of represented wages consistent with recent MTA Railroad settlements.
- The unfavorable timing of cash results originating from 2014 of \$2.828 million.
- An other operating revenue decrease of \$1.689 million, due largely to the elimination of assumed Sandy insurance reimbursements.
- Accumulated public liability claims payments of \$0.955 million.
- Increased overtime cost of \$0.320 million, resulting from adverse weather in early 2015.
- An additional four positions with a cost of \$0.204 million to meet on-time service performance requirements.
- An additional three positions with a cost of \$0.194 million to meet training support requirements.
- A five month deferral of the implementation of an R44 car fleet 18-month maintenance program initially planned to begin on 6/1/15 but rescheduled to 12/1/15, resulting in a savings of \$7.306 million in 2015, offset by a corresponding expense timing increase in 2017.

2016 Preliminary Budget

MTA Staten Island Railway's 2016 Preliminary Budget reflects total expenses before depreciation and OPEB of \$67.722 million, including \$63.851 million of non-reimbursable expenses and \$3.871 million of reimbursable expenses. Total revenues are projected to be \$12.992 million, of which \$9.121 million are operating revenues and \$3.871 million represent capital reimbursements. Total full-time positions are 316, including 290 non-reimbursable positions and 26 reimbursable positions.

The 2016 Preliminary Budget operating cash deficit is projected to increase by \$0.774 million. Major changes include:

- A cost increase of \$0.791 million, based on an update of represented wages consistent with recent MTA Railroad settlements.
- An additional four positions with a cost of \$0.407 million to meet on-time service performance requirements.
- An additional three positions with a cost of \$0.388 million to meet training support requirements.
- Revised inflation assumptions, resulting in expense reductions of \$0.601 million, mostly related to energy costs.

Financial Plan 2017-2018 Projections

Operating cash deficits are projected to increase by \$6.311 million in 2017 and decrease by \$0.939 million in 2018. Major changes include:

- A five-month deferral in 2015 of the timing of implementation of an R44 18-month car fleet maintenance program, resulting in an expense increase in 2017 of \$7.306 million.
- Cost increases of \$0.672 million in 2017 and \$0.685 million in 2018, based on an update of represented wages consistent with recent MTA Railroad settlements.
- An additional four positions with a cost of \$0.407 million per year to meet on-time service performance requirements.
- An additional three positions with a cost of \$0.388 million per year to meet training support requirements.
- Revised inflation assumptions, resulting in expense reductions of \$1.412 million in 2017, and \$1.403 million in 2018, mostly related to energy costs.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$5.898	\$6.363	\$6.553	\$6.575	\$6.605	\$6.629
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.593	2.486	2.568	2.589	2.612	2.635
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$8.491	\$8.849	\$9.121	\$9.164	\$9.217	\$9.264
Operating Expenses						
<u>Labor:</u>						
Payroll	\$20.011	\$22.695	\$21.230	\$21.566	\$22.006	\$22.455
Overtime	3.156	3.028	2.094	1.588	1.402	1.416
Health and Welfare	4.296	3.931	4.293	4.348	4.544	4.749
OPEB Current Payment	1.094	1.309	1.387	1.399	1.440	1.484
Pensions	5.865	6.000	6.087	6.174	6.261	6.495
Other Fringe Benefits	5.417	3.245	3.140	3.148	3.191	3.232
Reimbursable Overhead	(0.514)	(1.754)	(1.754)	(1.754)	(1.754)	(1.754)
Total Labor Expenses	\$39.325	\$38.454	\$36.477	\$36.469	\$37.090	\$38.077
<u>Non-Labor:</u>						
Electric Power	\$4.244	\$3.926	\$4.231	\$4.388	\$4.647	\$4.969
Fuel	0.342	0.236	0.250	0.256	0.270	0.292
Insurance	1.594	1.450	1.621	1.685	1.910	1.996
Claims	0.283	0.904	0.086	0.090	0.090	0.092
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.833	4.268	19.059	8.891	1.853	1.914
Professional Service Contracts	1.247	0.717	0.708	0.719	0.682	0.693
Materials & Supplies	1.766	2.648	1.389	1.134	1.149	1.162
Other Business Expenses	0.210	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenses	\$10.519	\$14.179	\$27.374	\$17.193	\$10.631	\$11.148
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$49.844	\$52.633	\$63.851	\$53.662	\$47.721	\$49.225
Depreciation	\$7.923	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.398	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.042)	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$60.123	\$63.233	\$74.451	\$64.262	\$58.321	\$59.825
Net Surplus/(Deficit)	(\$51.632)	(\$54.384)	(\$65.330)	(\$55.098)	(\$49.104)	(\$50.561)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year	Preliminary	2017	2018	2019
		Forecast	Budget			
Revenue						
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	1.250	3.871	3.871	3.871	3.871	3.871
Total Revenue	\$1.250	\$3.871	\$3.871	\$3.871	\$3.871	\$3.871
Expenses						
<u>Labor:</u>						
Payroll	\$0.447	\$1.717	\$1.717	\$1.717	\$1.717	\$1.717
Overtime	0.131	0.400	0.400	0.400	0.400	0.400
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.016	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.514	1.754	1.754	1.754	1.754	1.754
Total Labor Expenses	\$1.108	\$3.871	\$3.871	\$3.871	\$3.871	\$3.871
<u>Non-Labor:</u>						
Electric Power	\$0.007	\$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	0.135	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.142	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1.250	\$3.871	\$3.871	\$3.871	\$3.871	\$3.871
Depreciation						
Total Expenses	\$1.250	\$3.871	\$3.871	\$3.871	\$3.871	\$3.871
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2014	2015	2016			
	Actual	Mid-Year Forecast	Preliminary Budget	2017	2018	2019
Revenue						
Farebox Revenue	\$5.898	\$6.363	\$6.553	\$6.575	\$6.605	\$6.629
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.593	2.486	2.568	2.589	2.612	2.635
Capital and Other Reimbursements	1.250	3.871	3.871	3.871	3.871	3.871
Total Revenue	\$9.741	\$12.720	\$12.992	\$13.035	\$13.088	\$13.135
Expenses						
<u>Labor:</u>						
Payroll	\$20.458	\$24.412	\$22.947	\$23.283	\$23.723	\$24.172
Overtime	3.287	3.428	2.494	1.988	1.802	1.816
Health and Welfare	4.296	3.931	4.293	4.348	4.544	4.749
OPEB Current Payment	1.110	1.309	1.387	1.399	1.440	1.484
Pensions	5.865	6.000	6.087	6.174	6.261	6.495
Other Fringe Benefits	5.417	3.245	3.140	3.148	3.191	3.232
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$40.433	\$42.325	\$40.348	\$40.340	\$40.961	\$41.948
<u>Non-Labor:</u>						
Electric Power	\$4.251	\$3.926	\$4.231	\$4.388	\$4.647	\$4.969
Fuel	0.342	0.236	0.250	0.256	0.270	0.292
Insurance	1.594	1.450	1.621	1.685	1.910	1.996
Claims	0.283	0.904	0.086	0.090	0.090	0.092
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.833	4.268	19.059	8.891	1.853	1.914
Professional Service Contracts	1.247	0.717	0.708	0.719	0.682	0.693
Materials & Supplies	1.901	2.648	1.389	1.134	1.149	1.162
Other Business Expenses	0.210	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenses	\$10.661	\$14.179	\$27.374	\$17.193	\$10.631	\$11.148
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$51.094	\$56.504	\$67.722	\$57.533	\$51.592	\$53.096
Depreciation	\$7.923	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.398	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.042)	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$61.373	\$67.104	\$78.322	\$68.133	\$62.192	\$63.696
Net Surplus/(Deficit)	(\$51.632)	(\$54.384)	(\$65.330)	(\$55.098)	(\$49.104)	(\$50.561)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	Mid-Year	Preliminary	2017	2018	2019
		Forecast	Budget			
Receipts						
Farebox Revenue	\$5.859	\$5.922	\$6.553	\$6.575	\$6.605	\$6.630
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	3.005	3.396	2.568	2.589	2.612	2.635
Capital and Other Reimbursements	2.592	3.871	3.871	3.871	3.871	3.871
Total Receipts	\$11.456	\$13.189	\$12.992	\$13.035	\$13.088	\$13.136
Expenditures						
<u>Labor:</u>						
Payroll	\$18.827	\$28.117	\$22.947	\$23.283	\$23.723	\$24.172
Overtime	2.971	3.628	2.494	1.988	1.802	1.816
Health and Welfare	6.452	3.931	4.293	4.348	4.544	4.749
OPEB Current Payment	0.460	1.309	1.387	1.399	1.440	1.484
Pensions	5.995	6.000	6.087	6.174	6.261	6.495
Other Fringe Benefits	3.769	3.452	3.140	3.148	3.191	3.234
GASB Account	0.464	0.000	0.000	0.000	0.007	0.017
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$38.938	\$46.437	\$40.348	\$40.340	\$40.968	\$41.967
<u>Non-Labor:</u>						
Electric Power	\$4.228	\$3.926	\$4.231	\$4.388	\$4.647	\$4.969
Fuel	0.123	0.450	0.250	0.256	0.270	0.288
Insurance	0.892	2.301	1.621	1.685	1.910	1.996
Claims	0.041	1.039	0.086	0.090	0.090	0.092
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.423	4.268	19.059	8.891	1.853	1.914
Professional Service Contracts	0.889	0.717	0.708	0.719	0.682	0.693
Materials & Supplies	2.789	2.648	1.389	1.134	1.149	1.162
Other Business Expenses	0.097	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenditures	\$10.482	\$15.379	\$27.374	\$17.193	\$10.631	\$11.144
<u>Other Expenditure Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$49.420	\$61.816	\$67.722	\$57.533	\$51.599	\$53.111
Net Cash Surplus/(Deficit)	(\$37.964)	(\$48.627)	(\$54.730)	(\$44.498)	(\$38.511)	(\$39.975)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Receipts						
Farebox Revenue	(\$0.039)	(\$0.441)	\$0.000	\$0.000	\$0.000	\$0.001
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.412	0.910	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	1.342	0.000	0.000	0.000	0.000	0.000
Total Receipts	\$1.715	\$0.469	\$0.000	\$0.000	\$0.000	\$0.001
Expenditures						
<u>Labor:</u>						
Payroll	\$1.631	(\$3.705)	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.316	(0.200)	0.000	0.000	0.000	0.000
Health and Welfare	(2.156)	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.650	0.000	0.000	0.000	0.000	0.000
Pensions	(0.130)	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	1.648	(0.207)	0.000	0.000	0.000	(0.002)
GASB Account	(0.464)	0.000	0.000	0.000	(0.007)	(0.017)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1.495	(\$4.112)	\$0.000	\$0.000	(\$0.007)	(\$0.019)
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.023	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.219	(0.214)	0.000	0.000	0.000	0.004
Insurance	0.702	(0.851)	0.000	0.000	0.000	0.000
Claims	0.242	(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	(0.590)	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.358	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	(0.888)	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.113	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$0.179	(\$1.200)	\$0.000	\$0.000	\$0.000	\$0.004
<u>Other Expenditures Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$3.389	(\$4.843)	\$0.000	\$0.000	(\$0.007)	(\$0.014)
Depreciation Adjustment	\$7.923	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.398	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.042)	0.000	0.000	0.000	0.000	0.000
Baseline Total Cash Conversion Adjustments	\$13.668	\$5.757	\$10.600	\$10.600	\$10.593	\$10.586
Total Cash Conversion Adjustments	\$13.668	\$5.757	\$10.600	\$10.600	\$10.593	\$10.586

MTA STATEN ISLAND RAILWAY
2016 Preliminary Budget
July Financial Plan 2016 - 2019
Year-to-Year Changes by Category-Baseline

TOTAL REVENUES/RECEIPTS

Farebox Revenue

- Farebox revenue improves by \$0.190 million or 3.0% in 2016, due largely to adverse weather experienced in early 2015 and a projected increase in employment. Farebox revenue is also projected to increase by \$0.022 million or 0.3% in 2017, \$0.030 million or 0.5% in 2018, and \$0.024 million or 0.4% in 2019, due to updated employment projections. 2015 includes an unfavorable cash timing adjustment of \$0.440 million, due to the timing of farebox receipt settlements with NYCT from 2014.

Other Operating Revenue

- The major unfavorable cash change in 2016 over 2015 of \$0.828 million or 24.4% was due to the favorable timing from 2014 of student fare reimbursements in 2015 not recurring in 2016.

Capital and Other Reimbursements

- No changes year-over-year.

TOTAL EXPENSES/EXPENDITURES

Payroll

- Represented employee wage increase assumptions now follow the MTA Railroad pattern upon expiration of existing contracts as follows: 0.99%, 3.27%, 3.02%, 3.03% and 1.39% for years 1,2,3,4, and 5. The next two years are as follows: 2.87%, 0.76%, and then 2.00% for each subsequent year, assumed to follow CPI- based increases.
- Salaries for non-represented employees are projected at 2.00% for each plan year beginning 2015, assumed to follow CPI-based increases.
- 2015 includes \$1.960 million of unfavorable payment timing from 2014.

Overtime

- Includes projected wage inflation increases as noted above for represented employees.
- 2015 includes \$0.200 million of unfavorable payment timing from 2014.

Health & Welfare/OPEB Current Payment

- 2016-2019 includes projected rate increases of 8.50%, 1.20%, 4.20% and 4.20%, respectively.

Pension

- Projections are based on current actuarial information.

Other Fringe Benefits

- 2016-2019 includes inflation increases of 2.12%, 2.35%, 2.58% and 2.30%, respectively.
- 2015 includes \$0.073 million of unfavorable payment timing from 2014.

Electric Power (Traction/Non-Traction)

- 2016-2019 inflation assumptions are based on projected New York Power Authority (NYPA)/Con Edison rate increases provided by MTA.

Fuel (Heating/Diesel)

- 2016-2019 reflects inflationary assumptions provided by MTA.
- 2015 includes \$0.214 million of unfavorable payment timing from 2014.

Insurance

- 2016-2019 reflects inflationary assumptions provided by MTA.
- 2015 includes \$0.851 million of unfavorable payment timing from 2014.

Claims

- 2016-2019 reflects inflationary assumptions of 2.12%, 2.35%, 2.58% and 2.30%, respectively.

Maintenance and Other Operating Contracts

- 2016-2019 reflects inflationary increases of 2.12%, 2.35%, 2.58% and 2.30%, respectively. The increase in 2016 from 2015 of \$14.791 million is due to the R44 car fleet maintenance program, representing 12 months of work in 2016 versus one month (December) in 2015. The decrease in 2017 versus 2016 of \$10.168 million is due to a reduction of fleet maintenance work from 12 months in 2016 to five months in 2017, with the program planned to be completed by May, 2017.

Professional Service Contracts

- 2016-2019 reflects inflationary increases of 2.12%, 2.35%, 2.58% and 2.30%, respectively.

Materials and Supplies

- 2016-2019 reflects inflationary increases of 1.24%, 1.42%, 1.80% and 1.87%, respectively.

Other Business Expenses

- 2016-2019 reflects inflationary increases of 2.12%, 2.35%, 2.58% and 2.30%, respectively.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
Revenue									
Farebox Revenue	\$6.363	\$6.553	\$0.190	\$6.575	\$0.022	\$6.605	\$0.030	\$6.629	\$0.024
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.486	2.568	0.082	2.589	0.021	2.612	0.023	2.635	0.023
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$8.849	\$9.121	\$0.272	\$9.164	\$0.043	\$9.217	\$0.053	\$9.264	\$0.047
Expenses									
Labor:									
Payroll	\$22.695	\$21.230	1.465	\$21.566	(0.336)	\$22.006	(0.440)	\$22.455	(0.449)
Overtime	3.028	2.094	0.934	1.588	0.506	1.402	0.186	1.416	(0.014)
Health and Welfare	3.931	4.293	(0.362)	4.348	(0.055)	4.544	(0.196)	4.749	(0.205)
OPEB Current Payment	1.309	1.387	(0.078)	1.399	(0.012)	1.440	(0.041)	1.484	(0.044)
Pensions	6.000	6.087	(0.087)	6.174	(0.087)	6.261	(0.087)	6.495	(0.234)
Other Fringe Benefits	3.245	3.140	0.105	3.148	(0.008)	3.191	(0.043)	3.232	(0.041)
Reimbursable Overhead	(1.754)	(1.754)	0.000	(1.754)	0.000	(1.754)	0.000	(1.754)	0.000
Total Labor Expenses	\$38.454	\$36.477	\$1.977	\$36.469	\$0.008	\$37.090	(\$0.621)	\$38.077	(\$0.987)
Non-Labor:									
Electric Power	3.926	4.231	(0.305)	4.388	(0.157)	4.647	(0.259)	4.969	(0.322)
Fuel	0.236	0.250	(0.014)	0.256	(0.006)	0.270	(0.014)	0.292	(0.022)
Insurance	1.450	1.621	(0.171)	1.685	(0.064)	1.910	(0.225)	1.996	(0.086)
Claims	0.904	0.086	0.818	0.090	(0.004)	0.090	0.000	0.092	(0.002)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	4.268	19.059	(14.791)	8.891	10.168	1.853	7.038	1.914	(0.061)
Professional Service Contracts	0.717	0.708	0.009	0.719	(0.011)	0.682	0.037	0.693	(0.011)
Materials & Supplies	2.648	1.389	1.259	1.134	0.255	1.149	(0.015)	1.162	(0.013)
Other Business Expenses	0.030	0.030	0.000	0.030	0.000	0.030	0.000	0.030	0.000
Total Non-Labor Expenses	\$14.179	\$27.374	(\$13.195)	\$17.193	\$10.181	\$10.631	\$6.562	\$11.148	(\$0.517)
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$52.633	\$63.851	(\$11.218)	\$53.662	\$10.189	\$47.721	\$5.941	\$49.225	(\$1.504)
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
Total Expenses	\$63.233	\$74.451	(\$11.218)	\$64.262	\$10.189	\$58.321	\$5.941	\$59.825	(\$1.504)
Net Surplus/(Deficit)	(\$54.384)	(\$65.330)	(\$10.946)	(\$55.098)	\$10.232	(\$49.104)	\$5.994	(\$50.561)	(\$1.457)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Revenue</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	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	3.871	3.871	0.000	3.871	0.000	3.871	0.000	3.871	0.000
Total Revenue	\$3.871	\$3.871	\$0.000	\$3.871	\$0.000	\$3.871	\$0.000	\$3.871	\$0.000
<u>Expenses</u>									
Labor:									
Payroll	\$1.717	\$1.717	0.000	\$1.717	0.000	\$1.717	0.000	\$1.717	0.000
Overtime	0.400	0.400	0.000	0.400	0.000	0.400	0.000	0.400	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	1.754	1.754	0.000	1.754	0.000	1.754	0.000	1.754	0.000
Total Labor Expenses	\$3.871	\$3.871	\$0.000	\$3.871	\$0.000	\$3.871	\$0.000	\$3.871	\$0.000
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
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$3.871	\$3.871	\$0.000	\$3.871	\$0.000	\$3.871	\$0.000	\$3.871	\$0.000
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$3.871	\$3.871	\$0.000	\$3.871	\$0.000	\$3.871	\$0.000	\$3.871	\$0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Revenue</u>									
Farebox Revenue	\$6.363	\$6.553	\$0.190	\$6.575	\$0.022	\$6.605	\$0.030	\$6.629	\$0.024
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.486	2.568	0.082	2.589	0.021	2.612	0.023	2.635	0.023
Capital and Other Reimbursements	3.871	3.871	0.000	3.871	0.000	3.871	0.000	3.871	0.000
Total Revenue	\$12.720	\$12.992	\$0.272	\$13.035	\$0.043	\$13.088	\$0.053	\$13.135	\$0.047
<u>Expenses</u>									
Labor:									
Payroll	\$24.412	\$22.947	1.465	\$23.283	(0.336)	\$23.723	(0.440)	\$24.172	(0.449)
Overtime	3.428	2.494	0.934	1.988	0.506	1.802	0.186	1.816	(0.014)
Health and Welfare	3.931	4.293	(0.362)	4.348	(0.055)	4.544	(0.196)	4.749	(0.205)
OPEB Current Payment	1.309	1.387	(0.078)	1.399	(0.012)	1.440	(0.041)	1.484	(0.044)
Pensions	6.000	6.087	(0.087)	6.174	(0.087)	6.261	(0.087)	6.495	(0.234)
Other Fringe Benefits	3.245	3.140	0.105	3.148	(0.008)	3.191	(0.043)	3.232	(0.041)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$42.325	\$40.348	\$1.977	\$40.340	\$0.008	\$40.961	(\$0.621)	\$41.948	(\$0.987)
Non-Labor:									
Electric Power	3.926	4.231	(0.305)	4.388	(0.157)	4.647	(0.259)	4.969	(0.322)
Fuel	0.236	0.250	(0.014)	0.256	(0.006)	0.270	(0.014)	0.292	(0.022)
Insurance	1.450	1.621	(0.171)	1.685	(0.064)	1.910	(0.225)	1.996	(0.086)
Claims	0.904	0.086	0.818	0.090	(0.004)	0.090	0.000	0.092	(0.002)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Operating Contracts	4.268	19.059	(14.791)	8.891	10.168	1.853	7.038	1.914	(0.061)
Professional Service Contracts	0.717	0.708	0.009	0.719	(0.011)	0.682	0.037	0.693	(0.011)
Materials & Supplies	2.648	1.389	1.259	1.134	0.255	1.149	(0.015)	1.162	(0.013)
Other Business Expenses	0.030	0.030	0.000	0.030	0.000	0.030	0.000	0.030	0.000
Total Non-Labor Expenses	\$14.179	\$27.374	(\$13.195)	\$17.193	\$10.181	\$10.631	\$6.562	\$11.148	(\$0.517)
Total Expenses before Depreciation and GASB Adjts.	\$56.504	\$67.722	(\$11.218)	\$57.533	\$10.189	\$51.592	\$5.941	\$53.096	(\$1.504)
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
Total Expenses	\$67.104	\$78.322	(\$11.218)	\$68.133	\$10.189	\$62.192	\$5.941	\$63.696	(\$1.504)
Net Surplus/(Deficit)	(\$54.384)	(\$65.330)	(\$10.946)	(\$55.098)	\$10.232	(\$49.104)	\$5.994	(\$50.561)	(\$1.457)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Year-to-Year Changes by Category - Cash Receipts and Expenditures
(\$ in millions)

	Favorable/(Unfavorable)								
	2015	2016	Change 2016 - 2015	2017	Change 2017 - 2016	2018	Change 2018 - 2017	2019	Change 2019 - 2018
<u>Receipts</u>									
Farebox Revenue	\$5.922	\$6.553	\$0.631	\$6.575	\$0.022	\$6.605	\$0.030	\$6.630	\$0.025
Other Operating Revenue	3.396	2.568	(0.828)	2.589	0.021	2.612	0.023	2.635	0.023
Capital and Other Reimbursements	3.871	3.871	0.000	3.871	0.000	3.871	0.000	3.871	0.000
Total Receipts	\$13.189	\$12.992	(\$0.197)	\$13.035	\$0.043	\$13.088	\$0.053	\$13.136	\$0.048
<u>Expenditures</u>									
Labor:									
Payroll	28.117	22.947	5.170	23.283	(0.336)	23.723	(0.440)	24.172	(0.449)
Overtime	3.628	2.494	1.134	1.988	0.506	1.802	0.186	1.816	(0.014)
Health and Welfare	3.931	4.293	(0.362)	4.348	(0.055)	4.544	(0.196)	4.749	(0.205)
OPEB Current Payment	1.309	1.387	(0.078)	1.399	(0.012)	1.440	(0.041)	1.484	(0.044)
Pensions	6.000	6.087	(0.087)	6.174	(0.087)	6.261	(0.087)	6.495	(0.234)
Other Fringe Benefits	3.452	3.140	0.312	3.148	(0.008)	3.191	(0.043)	3.234	(0.043)
GASB Account	0.000	0.000	0.000	0.000	0.000	0.007	(0.007)	0.017	(0.010)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$46.437	\$40.348	\$6.089	\$40.340	\$0.008	\$40.968	(\$0.628)	\$41.967	(\$0.999)
Non-Labor:									
Electric Power	3.926	4.231	(0.305)	4.388	(0.157)	4.647	(0.259)	4.969	(0.322)
Fuel	0.450	0.250	0.200	0.256	(0.006)	0.270	(0.014)	0.288	(0.018)
Insurance	2.301	1.621	0.680	1.685	(0.064)	1.910	(0.225)	1.996	(0.086)
Claims	1.039	0.086	0.953	0.090	(0.004)	0.090	0.000	0.092	(0.002)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	4.268	19.059	(14.791)	8.891	10.168	1.853	7.038	1.914	(0.061)
Professional Service Contracts	0.717	0.708	0.009	0.719	(0.011)	0.682	0.037	0.693	(0.011)
Materials & Supplies	2.648	1.389	1.259	1.134	0.255	1.149	(0.015)	1.162	(0.013)
Other Business Expenses	0.030	0.030	0.000	0.030	0.000	0.030	0.000	0.030	0.000
Total Non-Labor Expenditures	\$15.379	\$27.374	(\$11.995)	\$17.193	\$10.181	\$10.631	\$6.562	\$11.144	(\$0.513)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$61.816	\$67.722	(\$5.906)	\$57.533	\$10.189	\$51.599	\$5.934	\$53.111	(\$1.512)
Net Cash Surplus/(Deficit)	(\$48.627)	(\$54.730)	(\$6.103)	(\$44.498)	\$10.232	(\$38.511)	\$5.987	(\$39.975)	(\$1.464)

MTA STATEN ISLAND RAILWAY
2016 Preliminary Budget
July Financial Plan 2016-2019
Summary of Plan to Plan Changes-Baseline

2015: July Financial Plan vs. February Financial Plan

Major Revenue Re-estimates

- An increase in farebox revenue of \$0.063 million, due mostly to projected higher ridership and pass average fares.
- A decrease in other operating revenue of \$1.689 million, due mostly to the elimination of assumed Sandy insurance reimbursements.

Major Expense Re-estimates

- A cost increase of \$3.093 million, based on an update of represented wages consistent with recent MTA Railroad settlements.
- Accumulated public liability claims expenses of \$0.820 million.
- Increased overtime cost of \$0.320 million, resulting from adverse weather in early 2015.
- An additional four positions with a cost of \$0.204 million to meet on-time service performance requirements.
- An additional three positions with a cost of \$0.194 million to meet training support requirements.
- A five month deferral of the implementation of an R44 car fleet 18-month maintenance program initially planned to begin on 6/1/15 but rescheduled to 12/1/15, resulting in a savings of \$7.306 million in 2015, offset by a corresponding expense timing increase in 2017.

Cash Adjustments

- Unfavorable cash timing originating from 2014 of \$2.828 million.

2016-2018: July Financial Plan vs. February Financial Plan

Major Revenue Re-estimates

- Increases in farebox revenue of \$0.091 million in 2016, \$0.054 million in 2017 and \$0.019 million in 2018 are due to ridership increases based on projected increases in employment and higher pass average fares.
- Other operating revenues are projected to increase by \$0.183 million in 2016 and by \$0.182 million in 2017 and 2018, due to re-estimates of student fare reimbursements.

Major Expense Re-estimates

- Cost increases of \$0.791 million in 2016, \$0.672 million in 2017 and \$0.685 million in 2018, based on an update of represented wages consistent with recent MTA Railroad settlements.
- An additional four positions with an annual cost of \$0.407 million to meet on-time service performance requirements.
- An additional three positions with an annual cost of \$0.388 million to meet training support requirements.
- A five-month deferral in 2015 of the timing of implementation of an R44 18-month car fleet maintenance program, resulting in an expense timing increase in 2017 of \$7.306 million.
- Revised inflation assumptions, resulting in lower expenses of \$0.601 million in 2016, \$1.412 million in 2017 and \$1.403 million in 2018, mostly energy-related.

Cash Adjustments

- None.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE				
	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	(\$46.763)	(\$53.956)	(\$38.187)	(\$39.450)
Baseline Changes				
Revenue				
Farebox Revenue	0.063	0.091	0.054	0.019
Other Operating Revenue	(1.689)	0.183	0.182	0.182
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$1.626)	\$0.274	\$0.236	\$0.201
Expenses				
Labor:				
Payroll	(3.159)	(1.247)	(1.136)	(1.149)
Overtime	(0.343)	(0.545)	(0.345)	(0.145)
Health and Welfare	0.036	(0.188)	(0.032)	(0.007)
OPEB Current Payment	0.008	(0.041)	(0.008)	(0.002)
Pensions	(0.083)	(0.121)	(0.155)	(0.147)
Other Fringe Benefits	(1.214)	(1.209)	(1.209)	(1.219)
Reimbursable Overhead	0.000	0.877	1.754	1.754
Total Labor Expense Changes	(\$4.755)	(\$2.474)	(\$1.131)	(\$0.915)
Non-Labor:				
Electric Power	0.400	0.518	1.036	1.208
Fuel	0.312	0.291	0.277	0.271
Insurance	0.151	0.103	0.278	0.092
Claims	(0.819)	0.000	(0.002)	(0.001)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	7.343	0.420	(7.098)	(0.009)
Professional Service Contracts	0.078	0.075	0.072	0.070
Materials & Supplies	0.015	0.019	0.021	0.021
Other Business Expenses				
Total Non-Labor Expense Changes	\$7.480	\$1.426	(\$5.416)	\$1.652
Total Expense Changes before Depreciation & GASB Adjs.	\$2.725	(\$1.048)	(\$6.547)	\$0.737
Depreciation	0.000	0.000	0.000	0.000
OPEB Obligation	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000
Total Depreciation and GASB Adjs. Changes	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes				
Year-End 2014 Timing Impacting 2015	(\$2.828)	\$0.000	\$0.000	\$0.000
Public Liability Payments	(\$0.135)	\$0.000	\$0.000	\$0.001
Total Cash Adjustment Changes	(\$2.963)	\$0.000	\$0.000	\$0.001
Total Baseline Changes	(\$1.864)	(\$0.774)	(\$6.311)	\$0.939
July Financial Plan - Net Cash Surplus/(Deficit)	(\$48.627)	(\$54.730)	(\$44.498)	(\$38.511)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE				
	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue				
Other Operating Revenue				
Capital and Other Reimbursement	(1.283)	0.454	2.191	2.191
Total Revenue Changes	(\$1.283)	\$0.454	\$2.191	\$2.191
Expenses				
Labor:				
Payroll	0.288	(0.570)	(1.429)	(1.429)
Overtime	0.307	0.305	0.304	0.304
Health and Welfare	0.517	0.517	0.517	0.517
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	0.094	0.094	0.094	0.094
Other Fringe Benefits	0.077	0.077	0.077	0.077
Reimbursable Overhead	0.000	(0.877)	(1.754)	(1.754)
Total Labor Expense Changes	\$1.283	(\$0.454)	(\$2.191)	(\$2.191)
Non-Labor:				
Electric Power	0.000	0.000	0.000	0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$1.283	(\$0.454)	(\$2.191)	(\$2.191)
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE				
	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	(\$46.763)	(\$53.956)	(\$38.187)	(\$39.450)
Baseline Changes				
Revenue				
Farebox Revenue	0.063	0.091	0.054	0.019
Other Operating Revenue	(1.689)	0.183	0.182	0.182
Capital and Other Reimbursement	(1.283)	0.454	2.191	2.191
Total Revenue Changes	(\$2.909)	\$0.728	\$2.427	\$2.392
Expenses				
Labor:				
Payroll	(2.871)	(1.817)	(2.565)	(2.578)
Overtime	(0.036)	(0.240)	(0.041)	0.159
Health and Welfare	0.553	0.329	0.485	0.510
OPEB Current Payment	0.008	(0.041)	(0.008)	(0.002)
Pensions	0.011	(0.027)	(0.061)	(0.053)
Other Fringe Benefits	(1.137)	(1.132)	(1.132)	(1.142)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$3.472)	(\$2.928)	(\$3.322)	(\$3.106)
Non-Labor:				
Electric Power	0.400	0.518	1.036	1.208
Fuel	0.312	0.291	0.277	0.271
Insurance	0.151	0.103	0.278	0.092
Claims	(0.819)	0.000	(0.002)	(0.001)
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	7.343	0.420	(7.098)	(0.009)
Materials & Supplies	0.078	0.075	0.072	0.070
Other Business Expenses	0.015	0.019	0.021	0.021
Total Non-Labor Expense Changes	\$7.480	\$1.426	(\$5.416)	\$1.652
Total Expense Changes	\$4.008	(\$1.502)	(\$8.738)	(\$1.454)
Cash Adjustment Changes				
Year-End 2014 Timing Impacting 2015	(\$2.828)	\$0.000	\$0.000	\$0.000
Public Liability Payments	(\$0.135)	\$0.000	\$0.000	\$0.001
Total Cash Adjustment Changes	(\$2.963)	\$0.000	\$0.000	\$0.001
Total Baseline Changes	(\$1.864)	(\$0.774)	(\$6.311)	\$0.939
July Financial Plan - Net Cash Surplus/(Deficit)	(\$48.627)	(\$54.730)	(\$44.498)	(\$38.511)

MTA Staten Island Railway
July Financial Plan 2016-2019
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2015	2016	2017	2018
February Financial Plan - Net Cash Surplus/(Deficit)	(\$46.763)	(\$53.956)	(\$38.187)	(\$39.450)
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Farebox Revenue	0.063	0.091	0.054	0.019
Other Operating Revenue	(1.689)	0.183	0.182	0.182
Sub-Total Non-Reimbursable Revenue Changes	(\$1.626)	\$0.274	\$0.236	\$0.201
Expenses				
Represented Wage Increase Adjustments to RailRoad Pattern Basis	(3.093)	(0.791)	(0.672)	(0.685)
On-Time Service Performance-Additional Position Requirements	(0.204)	(0.407)	(0.407)	(0.407)
Additional Training Support to Meet Increased Agency Work Requirements	(0.194)	(0.388)	(0.388)	(0.388)
Fleet Maintenance Timing	7.306	0.000	(7.306)	0.000
Revised Inflation Assumptions	0.890	0.601	1.412	1.403
Savings Programs	0.211	0.211	0.211	0.211
Increased Overtime due to Adverse Weather Early in 2015	(0.320)	(0.100)	(0.100)	(0.100)
Public Liability Accumulative Claims Impact	(0.820)	0.000	0.000	0.000
Other Expense Adjustments/Re-estimates	(1.051)	(0.174)	0.703	0.703
Sub-Total Non-Reimbursable Expense Changes	\$2.725	(\$1.048)	(\$6.547)	\$0.737
Total Non-Reimbursable Major Changes	\$1.099	(\$0.774)	(\$6.311)	\$0.938
<i>Reimbursable Major Changes</i>				
Sub-Total Reimbursable Revenue Changes	(1.283)	0.454	2.191	2.191
Sub-Total Reimbursable Expense Changes	1.283	(0.454)	(2.191)	(2.191)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$1.099	(\$0.774)	(\$6.311)	\$0.938
<i>Cash Adjustment Changes</i>				
Year-End 2014 Timing Impacting 2015	(2.828)	0.000	0.000	0.000
Public Liability Payments	(0.135)	0.000	0.000	0.001
Total Cash Adjustment Changes	(\$2.963)	\$0.000	\$0.000	\$0.001
Total Baseline Changes	(\$1.864)	(\$0.774)	(\$6.311)	\$0.939
July Financial Plan - Net Cash Surplus/(Deficit)	(\$48.627)	(\$54.730)	(\$44.498)	(\$38.511)

MTA STATEN ISLAND RAILWAY
2016 Preliminary Budget
July Financial Plan 2016-2019
Ridership/(Utilization)

- A re-estimate of non-student ridership is projected to increase ridership above the February Financial Plan by 0.037 million in 2015.
- 2016-2019 ridership includes a positive ridership growth trend, which is partly offset by lower annual employment growth in 2016-2019 than the August 2014 forecast used for the February Financial Plan. As a result of the positive trend and new employment forecast, ridership increases from the February Plan throughout the plan period.
- Annual ridership is projected to be above the February Financial Plan by 0.094 million in 2016, 0.072 million in 2017, 0.052 million in 2018 and 0.055 million in 2019.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Ridership/(Utilization)
(in millions)

	2014	2015	2016			
	Actual	Mid-Year	Preliminary	2017	2018	2019
		Forecast	Budget			

RIDERSHIP

Fixed Route	4.368	4.533	4.654	4.668	4.686	4.700
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Baseline Total Ridership	4.368	4.533	4.654	4.668	4.686	4.700
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FAREBOX REVENUE

Fixed Route	\$5.898	\$6.363	\$6.553	\$6.575	\$6.605	\$6.629
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Baseline Total Revenue	\$5.898	\$6.363	\$6.553	\$6.575	6.605	6.629
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STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
2014 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
<u>Administration</u>										
Lower Audit Fees/Workers' Comp. Board Costs	—	0.074	—	0.074	—	0.074	—	0.074	—	0.074
Subtotal Administration	-	0.074	-	0.074	-	\$0.074	-	\$0.074	-	\$0.074
<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>										
Reduced Tire/Tube and Diesel Valve Cost	—	0.026	—	0.026	—	0.026	—	0.026	—	0.026
Subtotal Maintenance	-	0.026	-	0.026	-	0.026	-	0.026	-	0.026
<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>										
Extend Deferral for Filling Vacancies	—	0.111	—	0.111	—	0.111	—	0.111	—	0.111
Subtotal Other	-	0.111	-	0.111	-	0.111	-	0.111	-	0.111
Agency Submission	-	\$0.211	-	\$0.211	-	\$0.211	-	\$0.211	-	\$0.211

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Administration

Program: Audit/Workers Compensation Board Cost Savings

Background Details:	It is projected that \$37K of audit fees and \$37K of Workers' Compensation Board expenses will be saved for each plan year.
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Program Description/ Implementation Plan:			
Program Implementation Date:	2015	When will savings begin?:	2015
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.074	\$0.074	\$0.074	\$0.074	\$0.074

Total Positions Required:

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Maintenance

Program: Reduced Tire/Tube and Diesel Valve Costs

Background Details:	New fleet of Non-Revenue Vehicles will reduce purchases of tires/tubes.
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Program Description/Implementation Plan:	Valve repair will avoid new valve purchases
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Program Implementation Date:	2015	When will savings begin?:	2015
		Are these savings recurring?:	Yes

Other Issues:	
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	Favorable/(Unfavorable)				
	2015	2016	2017	2018	2019
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.026	\$0.026	\$0.026	\$0.026	\$0.026

Total Positions Required:

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
2015 Budget Reduction Plan Worksheet

Category by Function: Other

Program: Extend Deferral for Filling Vacancies

Background Details:

Program Description/Implementation Plan:		Deferral based on assessment of risk of expertise/level of vacant position	
Program Implementation Date:	2015	When will savings begin?:	2015
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.111	\$0.111	\$0.111	\$0.111	\$0.111

Total Positions Required:

**MTA STATEN ISLAND RAILWAY
2016 Preliminary Budget
July Financial Plan 2016-2019
Positions**

2015-2018: July Financial Plan vs. February Financial Plan

Total positions are projected to increase by 7 in 2015 and 33 for the years 2016 through 2019, including the following:

- Non-reimbursable positions are projected to increase by 10 positions for each year, including 4 transportation hourly train crew positions to help meet on-time performance requirements, 3 administrative supervisory positions to help meet additional training requirements, and 3 reclassifications of reimbursable positions now correctly classified as non-reimbursable.
- A reimbursable increase of 23 positions for the years 2016-2019 which represents an increase of 26 positions due to an expansion of a two year reimbursable program originally established in 2013 primarily in support of Sandy Capital Construction requirements now reconfigured into a 5 year reimbursable program to support Sandy as well as several other capital/outside projects, partly offset by 3 positions reclassified to non-reimbursable.

Year over Year change

There are no year over year changes.

MTA Staten Island Railroad July Financial Plan 2016-2019 Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2015	2016	2017	2018
2015 February Plan - Total Baseline Positions	309	283	283	283
Total Plan-to-Plan Changes	(7)	(33)	(33)	(33)
2015 July Plan - Total Baseline Positions	316	316	316	316
Total Year-to-Year Changes, July Plan		0	0	0

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(10)	(10)	(10)	(10)
<i>Reimbursable</i>	3	(23)	(23)	(23)
Total	(7)	(33)	(33)	(33)
<i>Full-Time</i>	(7)	(33)	(33)	(33)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(7)	(33)	(33)	(33)
<i>By Function Category</i>				
- Administration	(3)	(3)	(3)	(3)
- Operations	(4)	(4)	(4)	(4)
- Maintenance	0	0	0	0
- Engineering/Capital	0	(26)	(26)	(26)
- Public Safety	0	0	0	0
Total	(7)	(33)	(33)	(33)
<i>By Occupational Group</i>				
- Managers/Supervisors	(3)	(7)	(7)	(7)
- Professional, Technical, Clerical	0	(2)	(2)	(2)
- Operational Hourlies	(4)	(24)	(24)	(24)
Total	(7)	(33)	(33)	(33)

Total Plan-to-Plan Changes by Major Category:				
<i>2015 BRPs</i>	0	0	0	0
<i>New Needs</i>	(7)	(7)	(7)	(7)
<i>Change in Reimbursable Positions</i>	0	(23)	(23)	(23)
<i>Re-estimates & All Other ¹</i>	0	(3)	(3)	(3)
Total	(7)	(33)	(33)	(33)

¹Includes Full Time Equivalents

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Executive	11	13	13	13	13	13
General Office	7	9	9	9	9	9
Purchasing/Stores	5	6	6	6	6	6
Total Administration	23	28	28	28	28	28
Operations						
Transportation	94	107	107	107	107	107
Maintenance						
Mechanical	40	43	43	43	43	43
Electronic/Electrical	13	15	15	15	15	15
Power/Signals	24	26	26	26	26	26
Maintenance of Way	50	46	46	46	46	46
Infrastructure	27	25	25	25	25	25
Total Maintenance	154	155	155	155	155	155
Engineering/Capital*						
Reimbursable Program Support	18	26	26	26	26	-
Public Safety						
Police					-	
Baseline Total Positions	289	316	316	316	316	290
Non-Reimbursable	268	290	290	290	290	290
Reimbursable	21	26	26	26	26	-
Total Full-Time	289	316	316	316	316	290
Total Full-Time Equivalents						

*Represents assumption that current plan reimbursable positions will be absorbed through attrition by the end of 2019, subject to the identification of additional program requirements to be presented in subsequent plan updates.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 Mid-Year Forecast	2016 Preliminary Budget	2017	2018	2019
Administration						
Managers/Supervisors	16	17	17	17	17	17
Professional, Technical, Clerical	7	11	11	11	11	11
Operational Hourlies	-	-	-	-	-	-
Total Administration	23	28	28	28	28	28
Operations						
Managers/Supervisors	2	5	5	5	5	5
Professional, Technical, Clerical	2	3	3	3	3	3
Operational Hourlies	90	99	99	99	99	99
Total Operations	94	107	107	107	107	107
Maintenance						
Managers/Supervisors	12	8	8	8	8	8
Professional, Technical, Clerical	2	3	3	3	3	3
Operational Hourlies	140	144	144	144	144	144
Total Maintenance	154	155	155	155	155	155
Engineering/Capital (Reimb. Prog. Support)*						
Managers/Supervisors	3	4	4	4	4	-
Professional, Technical, Clerical	2	2	2	2	2	-
Operational Hourlies	13	20	20	20	20	-
Total Engineering/Capital	18	26	26	26	26	-
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Positions						
Managers/Supervisors	33	34	34	34	34	30
Professional, Technical, Clerical	13	19	19	19	19	17
Operational Hourlies	243	263	263	263	263	243
Baseline Total Positions	289	316	316	316	316	290

*Represents assumption that current plan reimbursable positions will be absorbed through attrition by the end of 2019, subject to the identification of additional program requirements to be presented in subsequent plan updates.