

V. Agency Financial Plans

Bridges and Tunnels

MTA Bridges and Tunnels
2009 Preliminary Budget
July Financial Plan 2009–2012

MISSION STATEMENT/MAJOR HIGHLIGHTS

MTA Bridges and Tunnels (B&T) performs a unique and vital function on behalf of regional mobility. With the operation of its seven bridges and two tunnels, B&T is an essential link for vehicular highway transportation in the New York City metropolitan region, while also providing significant financial support for mass transit. On an average day, more than 800,000 vehicles use the nine crossings, generating more than \$1.3 billion in annual toll revenue.

The agency's mission is carried out through 14 different departments, including the Operations Department that manages the facilities on a day-to-day basis, and the Engineering and Construction Department that is responsible for maintaining the structural integrity of the facilities. The Operations Department employs 70 percent of the workforce, with Engineering and Construction employing another 10 percent. Each of the other B&T departments perform a wide variety of critical functions in support of B&T's dual responsibilities of moving vehicles across its facilities as safely, securely and efficiently as possible and providing essential and significant financial support to the MTA transportation network.

MTA Bridges & Tunnels continues to be a strong source of fiscal stability for the MTA. For 2008 and 2009, B&T projects that it will contribute \$669.9 million and \$650.2 million, respectively in Support to Mass Transit. Since becoming part of the MTA in 1968, a total of \$15.4 billion (through 2007) has been contributed to transit by B&T.

B&T is able to generate this financial support while providing high levels of customer satisfaction for travelers utilizing its facilities. In its most recent customer satisfaction survey taken during the fall of 2007, B&T's customers rated their overall satisfaction at 6.7 out of 10. Satisfaction with the performance of the agency's E-ZPass system was 8.2. This is consistent with B&T's historical performance, despite near record high traffic and significant construction at several facilities.

One factor that continues to drive customer satisfaction is the reduction in median queue time during peak periods. E-ZPass has enabled B&T to maintain low average peak hour queue times while managing much higher levels of traffic than existed prior to implementation of electronic toll collection. Approximately 76% of all weekday B&T traffic and 87% of all

weekday truck traffic use E-ZPass. Through April 2008, these high market shares have played an important role in keeping median vehicle queue time at levels that are significantly lower than B&T's goal.

Since first being installed in the mid-1990's, E-ZPass has been a transformative initiative for motorists in the New York area, not only because it enabled them to pay their tolls electronically, but because it was built as an interoperable system that allowed drivers who signed up to use their tag on any E-ZPass member agency's facility. What started out primarily as a New York, New Jersey, Pennsylvania regional system has now expanded to 24 agencies in 13 states and one border crossing, including Ohio, which became a member of the E-ZPass Interagency Group this past year. Motorists can now travel from Maine to Virginia and west to Illinois without having to stop to pay tolls.

Two of the biggest challenges facing B&T today in terms of toll collection are how to keep increasing its E-ZPass market share and how to reconfigure its toll plazas to help reduce traffic congestion in the region. To help increase market share, B&T recently began providing potential customers with a simplified one-page E-ZPass application, an initiative that was substantiated by market research efforts that found the long-standing "traditional" application a barrier to signing up for many people. B&T is also piloting E-ZPass-on-the-Go this year—an initiative that enables customers to purchase a prepaid E-ZPass tag and account kit at participating retailers. Approximately 15% of new accounts in April and May were opened through E-ZPass-on-the-Go.

In regard to toll plazas, B&T is in the initial stages of studying the feasibility of cashless tolling at its facilities. The agency is also studying the possibility of implementing one-way tolls on the Henry Hudson, Cross Bay and Marine Parkway Bridges. Among the issues to be explored in these planning studies are the likely effect on traffic flow and the potential effect on net income.

While fiscal stability and the other priority areas discussed above are of critical importance to B&T, there is no higher priority for the agency than the safety of its employees and customers. By emphasizing safe work practices and regularly providing safety training, B&T employees are working safer than ever. In 2007, B&T won the Chairman's Safety Award for Outstanding Achievement in Safety, which is presented to the MTA agency with the most improved rate of lost time and restricted duty incidents. In addition, the Triborough Bronx was rewarded for going 520 consecutive days without injury. The lost time injury rate in 2007 for B&T was 2.5 per 200,000 hours versus 3.2 in 2006.

So far this year, B&T is continuing to excel in this area. As of March 2008, year-to-date lost time injuries were only 6 as compared to 16 for the same period last year. This represents a decrease in the occurrence of lost time injuries by 38% and a rate of injury of 1.3 per 200,000 hours, thus far outperforming the lowest recorded rating of 2.2.

B&T also continues to carry 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 March 2008, the collision rate was 4.08 per million vehicles, exceeding the first quarter goal of 4.12. For the same period, the collision rate with injury was 0.77, also exceeding the first quarter goal of 0.94.

To better enforce weight restrictions and ensure the safety and structural integrity of the facilities a new truck weight enforcement program was initiated last year on B&T's suspension bridges. The program uses a combination of new personnel and overtime to perform vehicle weight and safety inspections and provide a regular facility presence to conduct credential checks. From August of 2007 (when the program began) through May 2008, more than 43,000 trucks were inspected.

Sustainability is now another critical priority area for the MTA and B&T is taking steps to operate in a more environmentally-friendly way and thereby help preserve our natural resources. While one of the most significant B&T initiatives in this area was the introduction of E-ZPass, other recent actions have also reduced electrical consumption, carbon emissions, pollution and waste including:

- replacement of bridge tower aviation and obstruction lights with light emitting diode (LED) technology;
- participation in peak load reduction programs;
- conversion to bio-fuels for heating and operation of diesel-powered engines;
- increased inventory of alternative fuel and hybrid vehicles ahead of Executive Order 111 requirements;
- environmentally-preferred purchasing as the new standard purchasing model, including 100% adherence to Energy Star equipment purchases;
- use of remanufactured toner cartridges; and
- switch to a "Green" cleaner for tunnel washing and toll booth cleaning.

In the past year, an interdepartmental "Green" Council was formed to help guide, track and measure B&T's sustainability efforts. Among the B&T

initiatives now in various stages of implementation/development being monitored by this group are:

- the conversion of the Verrazano-Narrows Bridge necklace lights to LED technology with plans to expand the project to other bridge facilities;
- the installation of a third E-85 fueling station to service southern facilities with ethanol;
- Leadership in Energy and Environmental Design (LEED) certification and LEED silver for new construction and substantial reconstruction projects;
- the use of photo-voltaic roof-top and wall solar panels;
- variable frequency drives for tunnel venting fans; and
- “Green” improvement plans for all administrative buildings and other applications for LED lighting technology.

Finally, to successfully move forward in each of these priority areas, a productive, motivated and well-trained workforce is essential. B&T is working with MTAHQ and the other MTA agencies on several workforce development task forces and sub-committees. Among the initiatives being undertaken this year is a new management training program for Maintenance personnel, a new Leadership Academy Program for mid-level managers; and the standardization of maintenance worker work rules.

FINANCIAL OVERVIEW

The July Financial Plan calls for revenue reductions against the Adopted Budget primarily due to toll revenue losses experienced from March through May. During these months, traffic declined by 2.4% compared to the same period in 2007, while the Adopted Budget assumed a drop of only 0.2%. The Adopted Budget included nominal growth of 0.3% in March and April primarily due to unfavorable weather in 2007. The original forecast for May projected a 1.1% drop attributed to the toll increase implemented on March 16th and downward adjustments for very favorable weather in May 2007. The actual year-to-year traffic declines were 1.6% in March and April combined and 4.7% in May.

There have been no extraordinary events so far this year, and weather conditions were largely as expected in March and April. May saw an exceptional number of rain days and relatively colder temperatures, but these factors alone do not explain a 4.7% drop in traffic from the prior year. In fact, the weather was highly favorable over the Memorial Day holiday weekend this year, but traffic was still down by 2.3%, even though last year's holiday was far less weather-friendly. The downturn in traffic has

therefore primarily been due to economic factors, the most conspicuous of which has been the high price of gasoline. Gas prices recently surpassed historic highs. Average local prices went from \$3.16 per gallon in February (\$0.84, or 36% above the prior year) to \$3.86 per gallon in May (\$0.79, or 24% above the prior year). Adjusted for inflation, prices are now higher than during the energy crisis and recession of the early-1980s. In addition, seasonally adjusted local employment has been essentially flat compared to 2007, while some nominal growth had been projected for the Adopted Budget.

Given these indicators, the toll revenue forecast developed for the July Financial Plan includes the following assumptions:

- Traffic from June through the end of the year is expected to decline 3.6% on average compared to the same period in 2007.
- Gas prices will remain high throughout the financial plan period, but there will not be additional unfavorable impacts to traffic past 2008.
- Regional employment will remain flat through 2009 and will grow annually thereafter at the modest rates projected by Global Insight.

B&T's Baseline Net Operating Income for the 2008 Mid-Year Forecast is projected to be \$860.9 million, \$29.1 million lower than the 2008 Adopted Budget. This consists of \$1,305.9 million in revenue less \$445.0 million in expenses. Total Support to Mass Transit for the 2008 Mid-Year Forecast is projected to be \$669.9 million, \$33.2 million lower than the 2008 Adopted Budget.

Baseline Net Operating Income for the 2009 Preliminary Plan is projected to be \$865.4 million; \$24.3 million lower than the February Financial Plan, before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,311.5 million in revenue less \$446.1 million in expenses. Total Support to Mass Transit is projected to be \$650.2 million; \$45.7 million lower than the February Financial Plan.

In 2010, Baseline Net Operating Income is projected to be \$838.2 million, \$23.5 million lower than the February Financial Plan, before factoring in the Program to Eliminate the Gap (PEG). Total Support to Mass Transit for 2010 is projected to be \$622.9 million, \$27.5 million lower than the February Financial Plan.

For 2011, Baseline Net Operating Income is projected to be \$838.2 million, \$21.4 million lower than the February Financial Plan, before factoring in the Program to Eliminate the Gap. Total Support to Mass Transit is projected to be \$619.5 million, which is \$14.7 million lower than the February Financial Plan.

For 2012, Baseline Net Operating Income is projected to be \$827.9 million, \$21.4 million lower than the February Financial Plan, before factoring in the Program to Eliminate the Gap. Total Support to Mass Transit is projected to be \$601.5 million, \$8.2 million lower than the February Financial Plan.

2008 Mid-Year Forecast

In the 2008 Mid-Year Forecast, a total of \$860.9 million is projected in Baseline Net Operating Income compared to \$890.0 in the 2008 Adopted Budget.

Total revenues are \$1,305.9 million, which is \$26.7 million less than the Adopted Budget. Toll revenue accounts for 98% of all revenues and is projected at \$1,276.4 million, which is \$25.9 million less than the original estimate. As mentioned earlier, paid traffic declined over the first five months of the year and is expected to continue to decline for the remainder of the year, primarily due to record high gas prices and a slowdown in the local economy. Investment income has also been down due to lower short-term investment yields on fund balances and is projected to be \$2.9 million lower than the Adopted Budget level. These losses are partially offset by expected gains of \$1.7 million in receipts from the Battery Parking Garage, which is generating more revenue due to decreased local competition. An additional \$0.4 million is also anticipated from various other revenue sources and capital reimbursements.

The 2008 Mid-Year expenses are \$445.0 million, which is composed of \$225.5 million in labor costs and \$219.5 million in non-labor expenses. Total expenses are \$2.4 million higher than the Adopted Budget. Labor expenses are lower by \$1.0 million due to lower health and welfare expenses (now separated into two categories: health and welfare and other post-employment benefit (OPEB) current payment) primarily because of a reduction in the CPIU rate (\$2.6 million), and increased overtime expenses (\$2.0 million) primarily resulting from higher vacancies and other workload and staffing needs. In addition, pension costs (\$0.6 million) are lower due to a write-off of a pension reserve.

Higher non-labor expenses (\$3.6 million) are largely due to increases in both major maintenance (\$2.3 million) and bridge painting (\$3.8 million) reflecting carryover of work begun in 2007, re-estimates of some projects and acceleration of a planned tower painting project at the Bronx Whitestone from 2009 to 2008. In addition, there is an increase in bond service fees (\$1.0 million) primarily due to a new bond issue which closed in March of this year. This is offset by lower expenses from MTA's re-estimates for insurance (\$1.5 million) and lower expenses for E-ZPass Customer Service Center (\$1.8 million) as a result of lower than anticipated transition costs for a new contract beginning in 2009.

The new needs for the 2008 Mid-Year include the following:

- A new position (\$0.034 million) to handle the workload associated with additional timekeeping needs.
- Two maintainer positions are being added to ensure continued maintenance support for the Harlem River Lift Span. A 24-month pilot project for this need was initiated in 2006 and a determination has now been made to make the on-sight maintenance support permanent.

In 2008, the baseline headcount is 1,819, which includes 53 capitolly reimbursable positions and 3 new positions for the new needs mentioned above.

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

2009 Preliminary Budget - Baseline

In the 2009 Preliminary Budget, a total of \$865.4 million is projected in Baseline Net Operating Income for 2009, before factoring in the savings from PEGs, compared to \$889.7 million in the Adopted Budget.

Revenues are \$1,311.5 million, which are \$29.5 million lower than the Adopted Budget primarily due to a \$27.8 million decrease to the toll revenue forecast, reflecting lower baseline traffic volume resulting from the unfavorable traffic trend in 2008 and downward revisions to the projection for regional employment. Investment income has been reduced by \$3.3 million to incorporate Global Insight's lower forecast for short-term investment yield rates. The favorable 2008 trends at the Battery Parking Garage are expected to continue into 2009, which will produce \$1.7 million more in parking fees.

Expenses are \$446.1 million, which are composed of \$236.0 million in labor costs and \$210.1 million in non-labor expenses. Overall expenses are \$5.2 million lower than the February Financial Plan. Labor costs are projected to decrease by \$0.8 million, due primarily to an upward revision of pension estimates (\$2.6 million), offset by lower health and welfare expenses (\$2.4 million) due to a reduction in the CPIU rate, and lower overtime expenses (\$1.1 million) due to fewer vacancies anticipated than in the previous year.

Non-labor expenses will decrease by \$4.4 million primarily due to lower bridge painting expenses (\$6.0 million), a reflection of accelerating the tower painting project at the Bronx Whitestone to 2008. In addition, major maintenance expenses are lower (\$2.3 million) due primarily to revised project schedules and re-estimates. Offsetting the lower non-labor expenses are increases in planning studies (\$4.5 million) for an assessment of cashless tolling and higher bond service fees (\$1.0 million) for additional debt offerings.

In 2009, total headcount remains at 1,819, which include 53 reimbursable positions.

The 2009 preliminary budget also includes below-the-line gap closing actions of \$0.3 million, which are discussed later in this document, under Gap Closing Measures.

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

2010-2012 Projections

The 2010 projection for Baseline Net Operating Income is \$838.2 million before factoring in the savings from PEGs, compared to \$861.7 million in the February Financial Plan. This consists of \$1,315.9 million in revenues, less \$477.7 million in expenses. The expenses are comprised of \$245.0 million in labor costs and \$232.7 million in non-labor expenses. Overall expenses are \$3.8 million lower than the February Financial Plan.

Total baseline planned headcount in 2010 before factoring in the Program to Eliminate the Gap remains at 1,819, which includes 53 capitolly reimbursable positions.

The 2011 projection for Baseline Net Operating Income, before factoring in the savings from PEGs, is \$838.2 million compared to \$859.7 million in the February Financial Plan. This consists of \$1,320.6 million in revenues, offset by \$482.4 million in expenses. The expenses are comprised of \$254.4 million in labor costs and \$228.0 million in non-labor expenses.

In 2012, the projection for Baseline Net Operating Income is \$827.9 million compared to \$849.3 million in the February Financial Plan. This consists of \$1,326.0 million in revenues, offset by \$498.1 million in expenses. The expenses are comprised of \$264.2 million in labor costs and \$233.9 million in non-labor expenses.

The full impact of the new needs started in 2009 will amount to \$0.313 million in 2010.

In 2011, a new need includes:

- As part of the ongoing major reconstruction of the Triborough Bridge complex, the construction and renovation of a new building on Randall's/Ward Island (which will house B&T engineers and other administrative personnel who currently occupy the Robert Moses Building) will be carried out over the next three to four years. After the renovation is completed, it is anticipated that seven Maintainer positions and associated non-labor costs (\$0.86 million) will be required, including costs associated with electric power, heating, and general maintenance.

The full impact of the new needs started in 2011 will amount to \$0.860 million in 2011 and \$1.632 million in 2012, the end of the financial period. No new needs are currently planned for 2012.

In 2011, before factoring in PEGs, the total baseline planned headcount will increase to 1,826, which includes the 53 capially-reimbursable positions, and the 7 additional positions for the new need mentioned above.

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

GAP CLOSING MEASURES

2009 PEG Actions

New PEG actions to be phased in during 2009 are projected to generate a total of \$0.264 million in cost reductions, which annualize to more than \$0.313 million each year thereafter. The program consists of the following initiatives:

- An evaluation of the Human Resources managerial structure has determined that they can reduce their supervisory staff by one position. This plan is projected to save \$0.127 million in labor cost beginning in 2009 and \$0.131 million each year thereafter.

- The Controllers Department evaluated their caseload and work flow and determined they can reduce their staff by one Accountant position, which became vacant due to retirement. The remaining two positions will absorb the responsibilities accomplished by this position. This plan is projected to save \$0.124 million in labor costs in 2009 and each year thereafter.
- The Controllers Department evaluated their Accounts Payable structure and determined that based on current workload and payment voucher trends, they will be able to reduce their staff by one position. This plan is projected to save \$0.013 million in labor cost in 2009 and \$0.054 million each year thereafter.

As a result of the PEGs itemized above, the baseline headcount will decrease by 3 positions in 2009 and 2010 to 1,816, which includes 53 capitally reimbursable positions. In 2011 and beyond, headcount will be reduced from 1,826 to 1,823 with 53 capitally reimbursable positions.

Post-2009 PEG Actions

Unspecified PEGs are scheduled to begin in 2010 and thereafter.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	1,250.549	1,276.407	1,281.117	1,282.482	1,285.981	1,290.8
Other Operating Revenue	12.807	11.015	12.077	12.220	12.373	12.6
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.0
Investment Income	5.558	2.551	2.259	4.564	5.185	5.2
Total Revenue	\$1,268.914	\$1,289.973	\$1,295.453	\$1,299.266	\$1,303.539	\$1,308.513
Operating Expenses						
<u>Labor:</u>						
Payroll	\$113.837	\$122.851	\$128.846	\$133.074	\$137.581	\$142.323
Overtime	25.146	26.650	23.915	24.269	24.803	25.313
Health and Welfare	18.415	19.980	22.087	23.702	25.569	27.460
OPEB Current Payment	10.218	11.764	12.923	13.844	14.830	15.887
Pensions	18.204	19.576	23.321	24.020	24.659	25.359
Other Fringe Benefits	17.742	15.456	15.893	16.594	17.191	17.815
Reimbursable Overhead	(6.806)	(6.749)	(7.033)	(7.170)	(7.314)	(7.460)
Total Labor Expenses	\$196.755	\$209.528	\$219.953	\$228.333	\$237.320	\$246.696
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	9.126	8.273	8.846	10.383	11.346	12.416
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	135.400	173.254	157.460	164.036	156.865	167.954
Professional Service Contracts	12.366	18.554	22.625	19.418	18.463	20.065
Materials & Supplies	14.008	17.110	18.562	35.558	38.268	30.289
Other Business Expenses	1.370	2.325	2.599	3.319	3.037	3.145
Total Non-Labor Expenses	\$172.270	\$219.515	\$210.093	\$232.713	\$227.979	\$233.870
<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 Adj	\$369.025	\$429.043	\$430.045	\$461.046	\$465.299	\$480.566
Add: Depreciation	\$69.793	\$72.700	\$77.800	\$83.200	\$89.000	\$95.200
OPEB Obligation	61.283	61.300	65.900	69.200	72.400	75.800
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$500.101	\$563.043	\$573.745	\$613.446	\$626.699	\$651.566
Less: Depreciation	69.793	72.700	77.800	83.200	89.000	95.200
OPEB Obligation	61.283	61.300	65.900	69.200	72.400	75.800
Total Expenses	\$369.025	\$429.043	\$430.045	\$461.046	\$465.299	\$480.566
Baseline Income/(Deficit)	\$899.889	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947
2009 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.264	\$0.313	\$0.323	\$0.334
Post-2009 Agency Program to Eliminate the Gap	0.000	0.000	0.000	2.010	11.308	16.962
Net Income/(Deficit)	\$899.889	\$860.930	\$865.672	\$840.543	\$849.871	\$845.243
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$1.691	\$4.049

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
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	2007	2008	2009			
	<u>Actual</u>	<u>Mid-Year</u>	<u>Preliminary</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	1,250.549	1,276.407	1,281.117	1,282.482	1,285.981	1,290.776
Other Operating Revenue	12.807	11.015	12.077	12.220	12.373	12.552
Capital and Other Reimbursements	16.057	15.927	16.091	16.657	17.065	17.529
Investment Income	5.558	2.551	2.259	4.564	5.185	5.185
Total Revenue	\$1,284.971	\$1,305.900	\$1,311.544	\$1,315.923	\$1,320.604	\$1,326.042
Expenses						
<u>Labor:</u>						
Payroll	\$119.599	\$128.789	\$134.579	\$139.087	\$143.714	\$148.578
Overtime	25.703	26.766	23.964	24.404	24.903	25.413
Health and Welfare	19.990	21.558	23.784	25.435	27.447	29.496
OPEB Current Payment	10.218	11.764	12.923	13.844	14.830	15.887
Pensions	18.537	20.420	24.182	24.927	25.582	26.301
Other Fringe Benefits	18.767	16.159	16.611	17.293	17.908	18.550
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$212.813	\$225.455	\$236.044	\$244.989	\$254.385	\$264.225
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	9.126	8.273	8.846	10.383	11.346	12.416
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	135.400	173.254	157.460	164.036	156.865	167.954
Professional Service Contracts	12.366	18.554	22.625	19.418	18.463	20.065
Materials & Supplies	14.008	17.110	18.562	35.558	38.268	30.289
Other Business Expenses	1.370	2.325	2.599	3.319	3.037	3.145
Total Non-Labor Expenses	\$172.270	\$219.515	\$210.093	\$232.713	\$227.979	\$233.870
<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 Adj	\$385.082	\$444.970	\$446.136	\$477.703	\$482.364	\$498.095
Add: Depreciation	69.793	72.700	77.800	83.200	89.000	95.200
OPEB Obligation	61.283	61.300	65.900	69.200	72.400	75.800
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$516.158	\$578.970	\$589.836	\$630.103	\$643.764	\$669.095
Less: Depreciation	69.793	72.700	77.800	83.200	89.000	95.200
OPEB Obligation	61.283	61.300	65.900	69.200	72.400	75.800
Total Expenses	385.082	444.970	446.136	477.703	482.364	498.095
Baseline Net Income/(Deficit)	\$899.889	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947
2009 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.264	\$0.313	\$0.323	\$0.334
Post-2009 Agency Program to Eliminate the Gap	0.000	0.000	0.000	2.010	11.308	16.962
Net Income/(Deficit)	\$899.889	\$860.930	\$865.672	\$840.543	\$849.871	\$845.243
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$1.691	\$4.049

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Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE Page 2 of 2
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	<u>2007</u> <u>Actual</u>	<u>2008</u> <u>Mid-Year</u> <u>Forecast</u>	<u>2009</u> <u>Preliminary</u> <u>Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Baseline Income/(Deficit)	\$899.889	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$6.314	\$17.745	\$18.604	\$13.502	\$13.757	\$14.020
Reserves	16.156	13.667	13.953	14.261	14.531	14.809
GASB Reserves	1.670	1.845	2.036	2.238	2.283	2.329
Adjusted Baseline Income/(Deficit)	\$875.749	\$827.673	\$830.814	\$808.219	\$807.669	\$796.789
Less: Debt Service	463.748	497.482	555.015	556.584	568.110	581.075
Income Available for Distribution	\$412.001	\$330.191	\$275.799	\$251.635	\$239.559	\$215.714
<u>Distributable To:</u>						
MTA - Investment Income	5.558	\$2.551	\$2.259	\$4.564	\$5.185	\$5.185
MTA - Distributable Income	249.968	217.288	196.902	182.732	176.247	164.364
NYCT - Distributable Income	156.474	110.352	76.638	64.339	58.126	46.165
Total Distributable Income:	\$412.001	\$330.191	\$275.799	\$251.635	\$239.559	\$215.714
<u>Actual Cash Transfers:</u>						
MTA - Investment Income	8.637	5.558	2.551	2.259	4.564	5.185
MTA - Transfers	249.945	226.801	198.941	184.149	176.896	165.552
NYCT - Transfers	156.397	114.414	80.009	65.569	58.748	47.361
Total Cash Transfers:	\$414.979	\$346.772	\$281.501	\$251.977	\$240.207	\$218.098
<u>SUPPORT TO MASS TRANSIT:</u>						
Total Revenues	\$1,284.971	\$1,305.900	\$1,311.544	\$1,315.923	\$1,320.604	\$1,326.042
Less: Net Operating Expenses	385.082	444.970	446.136	477.703	482.364	498.095
2009 Agency Program to Eliminate the Gap	0.000	0.000	0.264	0.313	0.323	0.334
Post-2009 Agency Program to Eliminate the Gap	0.000	0.000	0.000	2.010	11.308	16.962
Net Operating Income:	\$899.889	\$860.930	\$865.672	\$840.543	\$849.871	\$845.243
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$140.544	\$157.756	\$180.829	\$187.614	\$199.848	\$212.615
Capitalized Assets	6.314	17.745	18.604	13.502	13.757	14.020
Reserves	16.156	13.667	13.953	14.261	14.531	14.809
GASB Reserves	1.670	1.845	2.036	2.238	2.283	2.329
Total Deductions from Operating Income:	\$164.684	\$191.013	\$215.422	\$217.615	\$230.420	\$243.773
Total Support to Mass Transit:	\$735.205	\$669.917	\$650.249	\$622.928	\$619.452	\$601.470

MTA BRIDGES AND TUNNELS
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Income	\$890.044	\$889.677	\$861.686	\$859.676
New Needs	(\$0.034)	(\$0.059)	(\$0.061)	(\$0.922)
Service/Customer Service	0.000	0.000	0.000	0.000
Maintenance	0.000	0.000	0.000	0.000
Other (Administration)	(0.034)	(0.059)	(0.061)	(0.922)
Baseline Re-estimates	(\$6.384)	\$4.304	\$5.317	\$7.669
2009 PEG Program	<u>\$0.000</u>	<u>\$0.264</u>	<u>\$0.313</u>	<u>\$0.323</u>
Total Changes before Other Adjustments & Uncontrollable Exp.	(\$6.418)	\$4.509	\$5.569	\$7.069
Other Adjustments (includes inflation)	(\$25.921)	(\$27.806)	(\$27.996)	(\$27.729)
Passenger/Toll Revenue	(25.921)	(27.806)	(27.996)	(27.729)
Total Changes before Uncontrollable Expenses	(\$32.339)	(\$23.297)	(\$22.427)	(\$20.660)
Uncontrollable Expenses (includes inflation)	\$3.225	(\$0.708)	(\$0.726)	(\$0.453)
Energy	(0.446)	(0.850)	(0.776)	(1.382)
Pensions	0.551	(2.590)	(2.711)	(2.724)
Health & Welfare	2.616	2.410	3.399	4.451
Insurance	1.528	1.339	0.384	0.231
Bond Service Fees	(1.024)	(1.017)	(1.022)	(1.028)
July Financial Plan including 2009 PEG Program*	\$860.930	\$865.672	\$838.533	\$838.563

*Excludes Post-2009 Unspecified PEGs

MTA Bridges and Tunnels
July Financial Plan 2009-2012
Year-to-Year Changes by Category - Accrual Basis

YEAR-TO-YEAR CHANGES: 2009-2012

Toll Revenue

- Revenues are estimated at \$1,276.4 million in 2008, \$1,2811.1 million in 2009, \$1,282.5 million in 2009, \$1,286.0 million in 2011 and \$1,290.8 million in 2012. Revenue increases in 2009 primarily due to the full year's impact of the toll increase implemented on March 16, 2008. The forecast assumes no growth in regional employment in 2009 and modest growth from 2010 to 2012 as reflected in the projections issued by Global Insight.
- Paid traffic is expected to reach 296.0 million vehicles in 2008. Traffic in 2009 assumes no growth in regional employment and is projected to decline over the prior year due primarily to the leap year in 2008. The forecast from 2010 through 2012 incorporates the most recent projections for regional employment and inflation provided by Global Insight, and adjusts for the leap year in 2012. Paid traffic is forecast at 294.8 million vehicles in 2009, 295.6 million in 2010, 296.8 million in 2011 and 298.4 million in 2012.

Other Operating Revenue

- Other Operating Revenue is projected at \$11.0 million in 2008 and is estimated to increase by \$1.1 million in 2009 primarily due to lower 2008 income from the Battery Parking Garage (BPG) resulting from a one-time expense for a new revenue control system, and minor fluctuations in other income sources.
- Other Operating Revenue increases between \$0.1 and \$0.2 million each year from 2010 through 2012, primarily reflecting expected modest growth in parking receipts from the BPG.

Capital and Other Reimbursements

- Income from Capital and Other Reimbursements is expected to increase slightly based on re-estimates from \$15.9 million in 2008 to \$16.1 million in 2009.
- Capital and Other Reimbursements increase by \$0.2 million in 2009 and \$0.4 million per year for 2011 and 2012, due to CPIU adjustments.

Investment Income

- The Investment Income plan for 2008 through 2012 reflects earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields. Projected Investment Income is estimated at \$2.6 million in 2008 and \$2.3 million in 2009.

- Short-term investment yields are expected to return to more favorable levels in 2010. Investment income is subsequently projected to grow to \$4.6 million in 2010 and \$5.2 million in both 2011 and 2012.

Payroll

- In 2009, there is an increase of \$5.8 million over 2008 due to CPIU (\$3.5 million), salary adjustments including contractual step-up increases and the ability to fill vacancies for Bridge and Tunnel Officers (BTOs) and Sergeants (SGTs) from a newly certified civil service list (\$2.3 million).
- Thereafter, expenses increase by contractual step-up increases (\$1.8 million), and CPIU, \$2.8 million in 2010, \$2.7 million in 2011, and \$2.9 million in 2012. There is also a new need that begins in 2011 (\$0.3 million) for 7 additional positions to maintain a newly renovated building on Randall's/Ward Island that will be used to relocate B&T engineers and other administrative personnel who currently occupy part of the Robert Moses Building on Randall's Island.

Overtime

- In 2009, there is a \$2.8 million decrease from 2008 in overtime expenses largely due to being able to fill vacancies for BTOs and SGTs from newly certified civil service lists.
- Thereafter, the year-over-year increases of \$0.4 million in 2010, \$0.5 million in 2011, and \$0.5 million in 2012 are the result of CPIU adjustments.

Health and Welfare

- In 2009, there is a \$2.2 million increase from 2008 in Health and Welfare expenses. This increase is mainly due to a CPIU of 8.84% for medical expenses and for new hires.
- The year-over-year increases from 2010 to 2012 are \$1.7 million, \$2.0 million, and \$2.0 million, respectively. A CPIU of 7.1% has been added to each year from 2009 on, based on factors provided by the MTA.

OPEB Current Payment

- In 2009, there is a \$1.2 million increase from 2008 OPEB Current Payments. This increase is mainly due to a CPIU of 8.84% for medical expenses.
- The year-over-year increases from 2010 to 2012 are \$0.9 million, \$1.0 million, and \$1.1 million, respectively. A CPIU of 7.1% has been added to each year from 2009 on, based on factors provided by the MTA.

Pension

- In 2009, there is a \$3.8 million increase from 2008, based on the latest NYCERS estimates received. The increases of \$0.7 million per year from 2009 to 2012 are due to CPIU.

Other Fringe Benefits

- The year-over-year increases from 2008 to 2012 are mainly due to the effect of CPIU inflators.

Insurance

- Insurance expenses increase between \$0.6 million and \$1.1 million annually from 2009 through 2012 based on MTA Risk Management's most recent estimates.

Maintenance and Other Operating Contracts

- In 2009, expenses are projected to be \$15.8 million lower than 2008 primarily due to lower major maintenance spending (\$8.5 million) resulting from acceleration of work for the Bronx-Whitestone Bridge Queens Approach and revised estimates for 2008 projects; lower bridge painting expenses (\$9.1 million) for acceleration of painting at the Bronx Whitestone Bridge tower from 2009 to 2008 and the completion of painting at the Verrazano Narrows and Triborough Bridges. Other expenses contributing to this variance are lower E-ZPass Customer Service Center (CSC) expenses (\$1.2 million) due to the new operating contract, offset by an increase in maintenance costs (\$1.8 million) for the Authority's facility-based security system in 2008 and CPIU increases (\$1.7 million).
- In 2010, expenses are \$6.6 million higher than 2009 due primarily to higher major maintenance (\$2.6 million) and bridge painting expenses (\$1.5 million). Other increases include E-ZPass CSC operating costs (\$1.0 million) due to program growth and CPIU increases (\$1.6 million).
- For 2011, expenses are \$7.2 million lower than 2010 primarily due to a reduction in bridge painting expenses (\$10.9 million) after the completion of work at the Henry Hudson, Triborough and Throgs Neck Bridges. This will be offset by higher CSC operating costs (\$1.1 million) due to program growth and CPIU and other increases (\$2.6 million).
- For 2012, expenses are \$11.1 million higher than 2011 primarily due to higher bridge painting expenses (\$8.0 million) resulting from anticipated construction start-up for new painting work, offset by higher expenses for the CSC operating costs (1.0 million) due to program growth, CPIU and other increases (\$2.1 million).
- CPIU increases are 3.46% in 2008, 1.59% in 2009, 1.59% in 2010, 1.67% in 2011 and 1.90% in 2012 based on forecasts for national inflation provided by Global Insight.

Professional Service Contracts

- In 2009, expenses are \$4.1 million higher than 2008 primarily due to the addition of a cashless toll study (\$3.3 million) beginning in 2009 and ending in 2010, re-estimates of MTA chargeback expenses for increased technical support (\$0.5 million), and CPIU increases.
- In 2010, expenses are lower by \$3.2 million due primarily to a reduction in planning studies.
- For 2011 the lower expenses (\$1.0 million) are a result of a further reduction in planning studies.
- For 2012 the higher expenses (\$1.6 million) primarily reflect higher planning study needs for an anticipated origin and destination study.
- CPIU increases are 3.46% in 2008, 1.59% in 2009, 1.59% in 2010, 1.67% in 2011 and 1.90% in 2012 based on forecasts for national inflation provided by Global Insight.

Materials and Supplies

- In 2009, expenses are \$1.5 million higher primarily for an increase in E-ZPass tags (\$2.1 million) that will be used to undertake a new tag replacement program in 2010 for tags that reach their eighth year in service, offset by CPIU adjustments and numerous small reductions in various accounts.
- The 2010 expenses are \$17.0 million greater primarily due to the inventory demands of the E-ZPass tag replacement program (\$16.0 million). This was offset by CPIU adjustments.
- For 2011, expenses are \$2.7 million greater due primarily to the increase in E-ZPass tag purchases (\$2.3 million) for the tag replacement program.
- Finally, for 2012, expenses are \$8.0 million lower primarily due to lower tag replacement requirements than in previous years.
- CPIU increases are 3.46% in 2008, 1.59% in 2009, 1.59% in 2010, 1.67% in 2011 and 1.90% in 2012 based on forecasts for national inflation provided by Global Insight.

Other Business Expenses

- For 2009 through 2012, the higher expenses reflect CPIU increases.
- CPIU increases are 3.46% in 2008, 1.59% in 2009, 1.59% in 2010, 1.67% in 2011 and 1.90% in 2012 based on forecasts for national inflation provided by Global Insight.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,276.407	1,281.117	4.710	1,282.482	1.365	1,285.981	3.499	1,290.776	4.795
Other Operating Revenue	11.015	12.077	1.063	12.220	0.143	12.373	0.153	12.552	0.179
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Investment Income	2.551	2.259	(0.292)	4.564	2.305	5.185	0.621	5.185	-
Total Revenue	\$ 1,289.973	\$ 1,295.453	\$ 5.481	\$ 1,299.266	\$ 3.813	\$ 1,303.539	\$ 4.273	\$ 1,308.513	\$ 4.974
Expenses									
Labor:									
Payroll	\$ 122.851	\$ 128.846	\$ (5.996)	\$ 133.074	\$ (4.228)	\$ 137.581	\$ (4.507)	\$ 142.323	\$ (4.742)
Overtime	26.650	23.915	2.735	24.269	(0.354)	24.803	(0.534)	25.313	(0.509)
Health and Welfare	19.980	22.087	(2.107)	23.702	(1.615)	25.569	(1.867)	27.460	(1.891)
OPEB Current Payment	11.764	12.923	(1.159)	13.844	(0.921)	14.830	(0.986)	15.887	(1.057)
Pensions	19.576	23.321	(3.745)	24.020	(0.699)	24.659	(0.639)	25.359	(0.700)
Other Fringe Benefits	15.456	15.893	(0.437)	16.594	(0.700)	17.191	(0.598)	17.815	(0.623)
Reimbursable Overhead	(6.749)	(7.033)	0.284	(7.170)	0.137	(7.314)	0.143	(7.460)	0.146
Total Labor Expenses	\$ 209.528	\$ 219.953	\$ (10.425)	\$ 228.333	\$ (8.380)	\$ 237.320	\$ (8.987)	\$ 246.696	\$ (9.376)
Non-Labor:									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	8.273	8.846	(0.573)	10.383	(1.537)	11.346	(0.963)	12.416	(1.070)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	173.254	157.460	15.793	164.036	(6.576)	156.865	7.171	167.954	(11.090)
Professional Service Contracts	18.554	22.625	(4.072)	19.418	3.207	18.463	0.955	20.065	(1.602)
Materials & Supplies	17.110	18.562	(1.452)	35.558	(16.996)	38.268	(2.711)	30.289	7.979
Other Business Expenses	2.325	2.599	(0.274)	3.319	(0.720)	3.037	0.282	3.145	(0.108)
Total Non-Labor Expenses	\$ 219.515	\$ 210.093	\$ 9.422	\$ 232.713	\$ (22.621)	\$ 227.979	\$ 4.734	\$ 233.870	\$ (5.891)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation and GASB Adjs.	\$ 429.043	\$ 430.045	\$ (1.003)	\$ 461.046	\$ (31.001)	\$ 465.299	\$ (4.253)	\$ 480.566	\$ (15.267)
Add: Depreciation	\$ 72.700	\$ 77.800	\$ (5.100)	\$ 83.200	\$ (5.400)	\$ 89.000	\$ (5.800)	\$ 95.200	\$ (6.200)
Add: OPEB Obligation	61.300	65.900	(4.600)	69.200	(3.300)	72.400	(3.200)	75.800	(3.400)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	\$ 563.043	\$ 573.745	\$ (10.703)	\$ 613.446	\$ (39.701)	\$ 626.699	\$ (13.253)	\$ 651.566	\$ (24.867)
Less: Depreciation	72.700	77.800	(5.100)	83.200	(5.400)	89.000	(5.800)	95.200	(6.200)
Less: OPEB Obligation	61.300	65.900	(4.600)	69.200	(3.300)	72.400	(3.200)	75.800	(3.400)
Total Expenses	\$ 429.043	\$ 430.045	\$ (1.003)	\$ 461.046	\$ (31.001)	\$ 465.299	\$ (4.253)	\$ 480.566	\$ (15.267)
Baseline Net Income/(Deficit)	\$ 860.930	\$ 865.408	\$ 4.478	\$ 838.220	\$ (27.187)	\$ 838.240	\$ 0.020	\$ 827.947	\$ (10.293)
2009 Program to Eliminate the Gap (PEGs)	\$ -	\$ 0.264	\$ 0.264	\$ 0.313	\$ 0.049	\$ 0.323	\$ 0.010	\$ 0.334	\$ 0.011
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	2.010	2.010	11.308	9.298	16.962	5.654
Net Income/(Deficit)	\$ 860.930	\$ 865.672	\$ 4.742	\$ 840.543	\$ (25.128)	\$ 849.871	\$ 9.328	\$ 845.243	\$ (4.628)
Business Service Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.691	\$ 1.691	\$ 4.049	\$ 2.358

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 1 of 2)

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,276.407	1,281.117	4.710	1,282.482	1.365	1,285.981	3.499	1,290.776	4.795
Other Operating Revenue	11.015	12.077	1.063	12.220	0.143	12.373	0.153	12.552	0.179
Capital and Other Reimbursements	15.927	16.091	0.164	16.657	0.566	17.065	0.408	17.529	0.464
Investment Income	2.551	2.259	(0.292)	4.564	2.305	5.185	0.621	5.185	-
Total Revenue	\$ 1,305.900	\$ 1,311.544	\$ 5.644	\$ 1,315.923	\$ 4.379	\$ 1,320.604	\$ 4.681	\$ 1,326.042	\$ 5.438
Expenses									
Labor:									
Payroll	\$ 128.789	\$ 134.579	\$ (5.790)	\$ 139.087	\$ (4.508)	\$ 143.714	\$ (4.627)	\$ 148.578	\$ (4.865)
Overtime	26.766	23.964	2.802	24.404	(0.440)	24.903	(0.499)	25.413	(0.509)
Health and Welfare	21.558	23.784	(2.226)	25.435	(1.651)	27.447	(2.012)	29.496	(2.049)
OPEB Current Payment	11.764	12.923	(1.159)	13.844	(0.921)	14.830	(0.986)	15.887	(1.057)
Pensions	20.420	24.182	(3.763)	24.927	(0.744)	25.582	(0.656)	26.301	(0.719)
Other Fringe Benefits	16.159	16.611	(0.452)	17.293	(0.682)	17.908	(0.615)	18.550	(0.642)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$ 225.455	\$ 236.044	\$ (10.588)	\$ 244.989	\$ (8.946)	\$ 254.385	\$ (9.395)	\$ 264.225	\$ (9.841)
Non-Labor:									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	8.273	8.846	(0.573)	10.383	(1.537)	11.346	(0.963)	12.416	(1.070)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	173.254	157.460	15.793	164.036	(6.576)	156.865	7.171	167.954	(11.090)
Professional Service Contracts	18.554	22.625	(4.072)	19.418	3.207	18.463	0.955	20.065	(1.602)
Materials & Supplies	17.110	18.562	(1.452)	35.558	(16.996)	38.268	(2.711)	30.289	7.979
Other Business Expenses	2.325	2.599	(0.274)	3.319	(0.720)	3.037	0.282	3.145	(0.108)
Total Non-Labor Expenses	\$ 219.515	\$ 210.093	\$ 9.422	\$ 232.713	\$ (22.621)	\$ 227.979	\$ 4.734	\$ 233.870	\$ (5.891)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation and GASB Adjs.	\$ 444.970	\$ 446.136	\$ (1.166)	\$ 477.703	\$ (31.566)	\$ 482.364	\$ (4.661)	\$ 498.095	\$ (15.731)
Add: Depreciation	\$ 72.700	\$ 77.800	\$ (5.100)	\$ 83.200	\$ (5.400)	\$ 89.000	\$ (5.800)	\$ 95.200	\$ (6.200)
Add: OPEB Obligation	61.300	65.900	(4.600)	69.200	(3.300)	72.400	(3.200)	75.800	(3.400)
Add: Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation and GASB Adjs.	\$ 578.970	\$ 589.836	\$ (10.866)	\$ 630.103	\$ (40.266)	\$ 643.764	\$ (13.661)	\$ 669.095	\$ (25.331)
Less: Depreciation	72.700	77.800	(5.100)	83.200	(5.400)	89.000	(5.800)	95.200	(6.200)
Less: OPEB Obligation	61.300	65.900	(4.600)	69.200	(3.300)	72.400	(3.200)	75.800	(3.400)
Total Expenses	\$ 444.970	\$ 446.136	\$ (1.166)	\$ 477.703	\$ (31.566)	\$ 482.364	\$ (4.661)	\$ 498.095	\$ (15.731)
Baseline Net Income/(Deficit)	\$ 860.930	\$ 865.408	\$ 4.478	\$ 838.220	\$ (27.187)	\$ 838.240	\$ 0.020	\$ 827.947	\$ (10.293)
2009 Program to Eliminate the Gap (PEGs)	\$ -	\$ 0.264	\$ 0.264	\$ 0.313	\$ 0.049	\$ 0.323	\$ 0.010	\$ 0.334	\$ 0.011
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	2.010	2.010	11.308	9.298	16.962	5.654
Net Income/(Deficit)	\$ 860.930	\$ 865.672	\$ 4.742	\$ 840.543	\$ (25.128)	\$ 849.871	\$ 9.328	\$ 845.243	\$ (4.628)
Business Service Center	-	-	-	-	-	1.691	1.691	4.049	2.358

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 2 of 2)

	Favorable/(Unfavorable)									
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011	
Baseline Net Income/(Deficit)	\$ 860.930	\$ 865.408	\$ 4.478	\$ 838.220	\$ (27.187)	\$ 838.240	\$ 0.020	\$ 827.947	\$ (10.293)	
<u>Deductions from Income:</u>										
Less: Capitalized Assets	\$ 17.745	\$ 18.604	\$ (0.859)	\$ 13.502	\$ 5.102	\$ 13.757	\$ (0.255)	\$ 14.020	\$ (0.263)	
Reserves	13.667	13.953	(0.286)	14.261	(0.308)	14.531	(0.270)	14.809	(0.278)	
GASB 45 Reserves	1.845	2.036	(0.191)	2.238	(0.202)	2.283	(0.045)	2.329	(0.046)	
Adjusted Baseline Net Income/(Deficit)	\$ 829.518	\$ 832.851	\$ 3.333	\$ 810.457	\$ (22.393)	\$ 809.952	\$ (0.505)	\$ 799.118	\$ (10.834)	
Less: Debt Service			-		-		-		-	
Income Available for Distribution	\$ 829.518	\$ 832.851	\$ 3.333	\$ 810.457	\$ (22.393)	\$ 809.952	\$ (0.505)	\$ 799.118	\$ (10.834)	
<u>Distributable To:</u>										
MTA - Investment Income	\$ 2.551	\$ 2.259	\$ 0.292	\$ 4.564	\$ (2.305)	\$ 5.185	\$ (0.621)	\$ 5.185	\$ -	
MTA - Distributable Income	217.288	196.902	20.386	182.732	14.170	176.247	6.485	164.364	11.883	
NYCT - Distributable Income	110.352	76.638	33.714	64.339	12.299	58.126	6.213	46.165	11.961	
Total Distributable Income:	\$ 330.191	\$ 275.799	\$ 54.392	\$ 251.635	\$ 24.164	\$ 239.559	\$ 12.076	\$ 215.714	\$ 23.845	
<u>Actual Cash Transfers:</u>										
MTA - Investment Income	\$ 5.558	\$ 2.551	\$ 3.007	\$ 2.259	\$ 0.292	\$ 4.564	\$ (2.305)	\$ 5.185	\$ (0.621)	
MTA - Transfers	226.801	198.941	27.860	184.149	14.792	176.896	7.253	165.552	11.344	
NYCT - Transfers	114.414	80.009	34.404	65.569	14.440	58.748	6.821	47.361	11.387	
Total Cash Transfers:	\$ 346.772	\$ 281.501	\$ 65.271	\$ 251.977	\$ 29.524	\$ 240.207	\$ 11.769	\$ 218.098	\$ 22.109	
<u>SUPPORT TO MASS TRANSIT:</u>										
Total Revenues	\$1,305.900	\$1,311.544	\$5.644	\$1,315.923	\$4.379	\$1,320.604	\$4.681	\$1,326.042	\$5.438	
Less: Net Operating Expenses	444.970	446.136	(1.166)	477.703	(31.566)	482.364	(4.661)	498.095	(15.731)	
2009 Program to Eliminate the Gap (PEGs)	-	0.264	0.264	0.313	0.049	0.323	0.010	0.334	0.011	
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	2.010	2.010	11.308	9.298	16.962	5.654	
Net Operating Income:	\$ 860.930	\$ 865.672	\$ 4.742	\$ 840.543	\$ (27.138)	\$ 849.871	\$ 0.030	\$ 845.243	\$ (10.282)	
<u>Deductions from Operating Income:</u>										
B&T Debt Service	\$157.756	\$180.829	(\$23.073)	\$187.614	(\$6.785)	\$199.848	(\$12.234)	\$212.615	(\$12.766)	
Capitalized Assets	17.745	18.604	(0.859)	13.502	5.102	13.757	(0.255)	14.020	(0.263)	
Reserves	13.667	13.953	(0.286)	14.261	(0.308)	14.531	(0.270)	14.809	(0.278)	
GASB 45 Reserves	1.845	2.036	(0.191)	2.238	(0.202)	2.283	(0.045)	2.329	(0.046)	
Total Deductions from Operating Inc:	\$ 191.013	\$ 215.422	\$ (24.409)	\$ 217.615	\$ (2.193)	\$ 230.420	\$ (12.804)	\$ 243.773	\$ (13.353)	
Total Support to Mass Transit:	\$ 669.917	\$ 650.249	\$ (19.667)	\$ 622.928	\$ (29.332)	\$ 619.452	\$ (12.774)	\$ 601.470	\$ (23.635)	

MTA Bridges and Tunnels
July Financial Plan 2009 - 2012
Summary of Major Changes between Financial Plans
(\$ in millions)

Non-Reimbursable and Reimbursable Major Changes

2008: July Financial Plan vs. February Financial Plan

Revenue

Revenue adjustments from the February Plan result in a decrease of \$25.9 million. The major changes include:

- Lower toll revenues (\$25.9 million) due to decreased traffic volumes stemming primarily from record high gas prices and a slowdown in the local economy.
- Higher income from the Battery Parking Garage (BPG) (\$1.7 million) primarily due to stronger demand resulting from decreased local competition.
- Higher Other Operating Revenues (\$0.4 million) primarily due to E-ZPass administrative fees.
- Decrease in Investment Income based on reduction in rates (\$2.9 million).

Expense

Expenses are projected to be \$2.4 million greater than the February Plan due to higher non-labor expenses (\$3.6 million) offset by lower labor costs (\$1.2 million). The major variances include:

Labor

- Higher overtime costs (\$2.0 million) due primarily to higher than planned vacancies and other workload and staffing needs.
- Lower Health and Welfare (when combined with the Other Post-Employment Benefits (OPEB) Current Payment) due to a reduction in CPIU rates and higher than planned vacancies (\$2.6 million). Current payments for retired employees' health and welfare expenses (\$11.8 million) are now separately reported under Other Than Post-Employment Benefits (OPEB).
- Reduction in pension (\$0.6 million) costs due to a write-off of a pension reserve.

Non-Labor

- Lower Insurance expenses (\$1.5 million) due to re-estimates from MTA Risk Management.

- Higher Maintenance and Other Operating Costs (\$3.7 million) resulting primarily from higher expenses for both major maintenance (\$2.3 million) and bridge painting (\$3.8 million) due mainly to carryover from work begun in 2007, re-estimates of some projects and acceleration of the Bronx Whitestone tower painting project from 2009 to 2008. These were offset by lower expenses for the customer service center (\$1.8 million) due to lower than anticipated transition costs.
- Higher Professional Services Contract expenses (\$1.0 million) resulting primarily from higher bond service fees (\$1.0 million) for a new bond issue completed in March of this year and the addition to planning studies expenses (\$0.7 million) for a toll study. These were offset by re-estimates for legal service fees (\$0.3 million) and advertising cost (\$0.3 million)
- Increase in Material and Supplies (\$0.4 million) due mainly to higher gas and diesel fuel prices (\$0.2 million) and procurement credit card purchases (\$0.1 million).

2009-2012: July Financial Plan vs. February Financial Plan

Revenue changes from the February Plan over the 2009 to 2012 period include:

- Decreased Toll Revenues (\$27.8 million in 2009, \$28.0 million in 2010, \$27.7 million in 2011, and \$26.7 million in 2012) based on lower baseline traffic volume resulting from the unfavorable traffic trend in 2008 and downward revisions to the projections for regional employment.
- Other Operating Revenues are higher in 2009 primarily due to projected one-time expenses at the Battery Parking Garage (BPG) that will reduce net income. Growth from 2010 on is primarily due to assumed continued economic improvement in lower Manhattan and the subsequent positive effects on BPG operations. Higher revenues from the BPG in 2009-2012 primarily due to stronger demand at the BPG resulting from decreased local competition and CPIU adjustments.
- Unfavorable re-estimates of investment income based on Global Insight's lower short-term interest rate forecasts.

Expense

Labor

Net reduction in labor expenses for each year of the financial plan are based on the following changes:

- Higher payroll expenses due to changes in CPIU rates from 2009 to 2010. In 2011, 7 positions are added to perform maintenance of the newly renovated building on Randall's/Ward Island that will be used to relocate B&T engineers and other administrative personnel who currently occupy part of the Robert Moses Building on Randall's Island.

- Lower Overtime due primarily to fewer vacancies anticipated as a result of the new civil service lists for Bridge and Tunnel Officers (BTOs) and Sergeants (SGTs).
- Lower expenses for Health & Welfare from 2009 to 2012 (when combined with Other Post-Employment Benefits Current Payment) due primarily to reductions in CPIU rates. Current expenses for retired employees' health and welfare expenses are now separately reported under Other Than Post-Employment Benefits (OPEB).
- Increase in Pension costs for 2009 due to re-estimate from NYCERS and CPIU thereafter in 2010, 2011 and 2012.

Non-Labor

Reductions in non-labor expenses for each year of the financial plan are based on the following changes:

- Lower expenses for Insurance from 2009 to 2011 and an increase in 2012 as a result of re-estimates from MTA.
- Changes for Maintenance and Other Operating Contracts include lower expenses for E-ZPass Customer Service Center in 2009 to 2012 due primarily to full implementation of a new contract. In addition, there are lower bridge painting needs in 2009 (\$6.0 million) due primarily to the rescheduling of work to 2008. In 2010 and 2011, bridge painting is adjusted by CPIU. In 2012, there is a reduction of \$5.6 million due to a re-estimate of painting needs in that year.
- Changes for Professional Services Contracts include higher bond service fees from 2009 to 2012 for a new bond issue completed in March 2008; increase in 2009 and 2010 for an assessment of cashless tolling; and higher MTA chargeback expenses from 2009 to 2012 mainly for Transcom membership dues.
- Changes for Materials and Supplies include re-estimates of E-ZPass tag purchases for new accounts and the tag swap program. In 2012, E-ZPass tag costs are greater pending the award of a new competitively bid contract and the costs of a potential change in technology.

Reimbursable Major Changes

2008: July Financial Plan vs. February Financial Plan

Revenue

Higher capital reimbursements of \$0.2 million based on the amount of capital work being performed.

Expense

Higher capitally-reimbursable expenses of \$0.2 million based on the amount of capital work being performed.

2009-2012: July Financial Plan vs. February Financial Plan

Revenue

Lower capital reimbursements of \$0.2 million in 2009 based on the amount of capital work being performed.

Expense

Lower capitally-reimbursable expenses of \$0.2 million in 2009 based on the amount of capital work being performed.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Net Operating Income	\$890.044	\$889.677	\$861.686	\$859.676	\$849.332
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	(25.921)	(27.806)	(27.996)	(27.729)	(26.651)
Other Operating Revenue	1.881	1.807	1.824	1.841	1.876
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Investment Income	(2.893)	(3.328)	(1.045)	(0.424)	(0.402)
Total Revenue Changes	(\$26.933)	(\$29.327)	(\$27.217)	(\$26.312)	(\$25.177)
Expenses					
<i>Labor:</i>					
Payroll	\$0.380	(\$0.224)	(\$0.196)	(\$0.297)	(\$0.545)
Overtime	(2.029)	1.081	1.108	1.085	1.061
Health and Welfare	14.380	15.333	17.243	19.281	21.655
OPEB Current Payment	(11.764)	(12.923)	(13.844)	(14.830)	(15.887)
Pensions	0.551	(2.590)	(2.711)	(2.724)	(2.744)
Other Fringe Benefits	(0.078)	(0.022)	(0.016)	(0.021)	(0.028)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$1.440	\$0.655	\$1.584	\$2.492	\$3.512
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	1.528	1.339	0.384	0.231	(0.364)
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(3.827)	8.617	3.179	1.970	7.689
Professional Service Contracts	(0.962)	(5.603)	(2.139)	(0.910)	(2.226)
Materials & Supplies	(0.365)	0.285	1.669	1.706	(4.132)
Other Business Expenses	0.004	(0.235)	(0.926)	(0.612)	(0.688)
Total Non-Labor Expense Changes	(\$3.621)	\$4.402	\$2.168	\$2.385	\$0.280
Other Expenses	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	(\$2.181)	\$5.058	\$3.752	\$4.877	\$3.792
Depreciation	(\$6.000)	(\$6.500)	(\$6.900)	(\$7.400)	(\$9.500)
OPEB Obligation	1.500	0.000	0.000	0.000	0.000
Environmental Remediation	-	-	-	-	-
Total Expense after Depreciation and GASB Adjustments	(\$6.681)	(\$1.442)	(\$3.148)	(\$2.523)	(\$5.708)
Depreciation	(\$6.000)	(\$6.500)	(\$6.900)	(\$7.400)	(\$9.500)
OPEB Obligation	1.500	-	-	-	-
Total Expense Changes	(\$2.181)	\$5.058	\$3.752	\$4.877	\$3.792
Cash Adjustment Changes					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Baseline 2008 July Financial Plan - Net Operating Income	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Net Operating Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.207	(0.165)	0.000	0.000	0.165
Investment Income	0.000	0.000	0.000	0.000	0.000
Total Revenue Changes	\$0.207	(\$0.165)	\$0.000	\$0.000	\$0.000
Expenses					
<i>Labor:</i>					
Payroll	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenses	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Environmental Remediation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense after Depreciation and GASB Adjustments	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	-	-	-	-	-
Total Expense Changes	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Net Operating Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Net Operating Income	\$890.044	\$889.677	\$861.686	\$859.676	\$849.332
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	(25.921)	(27.806)	(27.996)	(27.729)	(26.651)
Other Operating Revenue	1.881	1.807	1.824	1.841	1.876
Capital and Other Reimbursement	0.207	(0.165)	0.000	0.000	0.000
Investment Income	(2.893)	(3.328)	(1.045)	(0.424)	(0.402)
Total Revenue Changes	(\$26.726)	(\$29.492)	(\$27.217)	(\$26.312)	(\$25.177)
Expenses					
<i>Labor:</i>					
Payroll	\$0.173	(\$0.059)	(\$0.196)	(\$0.297)	(\$0.545)
Overtime	(2.029)	1.081	1.108	1.085	1.061
Health and Welfare	14.380	15.333	17.243	19.281	21.655
OPEB Current Payment	(11.764)	(12.923)	(13.844)	(14.830)	(15.887)
Pensions	0.551	(2.590)	(2.711)	(2.724)	(2.744)
Other Fringe Benefits	(0.078)	(0.022)	(0.016)	(0.021)	(0.028)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$1.233	\$0.820	\$1.584	\$2.492	\$3.512
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	1.528	1.339	0.384	0.231	(0.364)
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(3.827)	8.617	3.179	1.970	7.689
Professional Service Contracts	(0.962)	(5.603)	(2.139)	(0.910)	(2.226)
Materials & Supplies	(0.365)	0.285	1.669	1.706	(4.132)
Other Business Expenses	0.004	(0.235)	(0.926)	(0.612)	(0.688)
Total Non-Labor Expense Changes	(\$3.621)	\$4.402	\$2.168	\$2.385	\$0.280
Other Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments	(\$2.388)	\$5.223	\$3.752	\$4.877	\$3.792
Depreciation	(\$6.000)	(\$6.500)	(\$6.900)	(\$7.400)	(\$9.500)
OPEB Obligation	1.500	0.000	0.000	0.000	0.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000
Total Expense after Depreciation and GASB Adjustments	(\$6.888)	(\$1.277)	(\$3.148)	(\$2.523)	(\$5.708)
Depreciation	(\$6.000)	(\$6.500)	(\$6.900)	(\$7.400)	(\$9.500)
OPEB Obligation	1.500	-	-	-	-
Total Expense Changes	(\$2.388)	\$5.223	\$3.752	\$4.877	\$3.792
Cash Adjustment Changes					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Baseline 2008 July Financial Plan - Net Operating Income	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947

MTA BRIDGES AND TUNNELS
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Net Operating Income	\$890.044	\$889.677	\$861.686	\$859.676	\$849.332
Non-Reimbursable Major Changes					
Revenue					
Vehicle Toll Revenue	(25.921)	(27.806)	(27.996)	(27.729)	(26.651)
Battery Parking Garage	1.747	1.738	1.757	1.776	1.813
Investment Income	(2.893)	(3.328)	(1.045)	(0.424)	(0.402)
All Other Operating Revenue	0.341	(0.096)	0.067	0.064	0.064
Sub-Total Non-Reimbursable Revenue Changes	(\$26.726)	(\$29.492)	(\$27.217)	(\$26.312)	(\$25.177)
Expenses					
Overtime	(\$2.029)	\$1.081	\$1.108	\$1.085	\$1.061
Health & Welfare + OPEB Current Payment	2.616	2.410	3.399	4.451	5.768
Pension	0.551	(2.590)	(2.711)	(2.724)	(2.744)
All Other Labor Expenses	0.095	(0.080)	(0.212)	(0.320)	(0.573)
Insurance	1.528	1.339	0.384	0.231	(0.364)
Major Maintenance	(2.349)	2.281	0.132	0.178	0.170
Bridge Painting	(3.810)	5.983	(0.062)	(0.271)	5.634
E-ZPass Customer Service Center	1.826	0.223	3.103	2.592	2.020
E-ZPass Tags	(0.068)	0.246	2.142	2.656	(3.168)
Bond Service Fees	(1.024)	(1.028)	(1.051)	(1.072)	(1.099)
Planning Studies	(0.654)	(4.587)	(1.062)	(0.046)	(1.348)
All Other Non-Labor Expenses	0.930	(0.056)	(1.419)	(1.883)	(1.565)
Sub-Total Non-Reimbursable Expense Changes	(\$2.388)	\$5.223	\$3.752	\$4.877	\$3.792
Total Non-Reimbursable Major Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Reimbursable Major Changes					
Revenue					
Capital and Other Reimbursements	0.207	(0.165)	0.000	0.000	0.000
Sub-Total Reimbursable Revenue Changes	\$0.207	(\$0.165)	\$0.000	\$0.000	\$0.000
Expenses					
Reimbursable Payroll	(0.207)	0.165	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	(\$0.207)	\$0.165	\$0.000	\$0.000	\$0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$29.114)	(\$24.269)	(\$23.466)	(\$21.435)	(\$21.385)
Baseline 2008 July Financial Plan - Net Operating Income	\$860.930	\$865.408	\$838.220	\$838.240	\$827.947

MTA Bridges and Tunnels July Financial Plan 2009-2012

OTHER ASSUMPTIONS

Ridership/Traffic Volume (Utilization)

Paid traffic volume is projected to reach 296.0 million vehicles in 2008, 2.8% less than the Adopted Budget level of 302.2 million vehicles. From March through May, traffic declined by 2.4% compared to the same period in 2007, while the Adopted Budget assumed a drop of only 0.2%. The Adopted Budget included nominal growth of 0.3% in March and April primarily due to unfavorable weather in 2007. The original forecast for May projected a 1.1% drop attributed to the toll increase implemented on May 16th and downward adjustments for very favorable weather in May 2007. The actual year-to-year traffic declines were 1.6% in March and April combined and 4.7% in May.

There have been no extraordinary events so far this year, and weather conditions were largely as expected in March and April. May saw an exceptional number of rain days and relatively colder temperatures, but these factors alone do not explain a 4.7% drop in traffic from the prior year. In fact, the weather was highly favorable over the Memorial Day holiday weekend this year, but traffic was still down by 2.3%, even though last year's holiday was far less weather-friendly. The downturn in traffic has therefore primarily been due to economic factors, the most conspicuous of which has been the high price of gasoline. Gas prices recently surpassed historic highs. Average local prices went from \$3.16 per gallon in February (\$0.84, or 36% above the prior year) to \$3.86 per gallon in May (\$0.79, or 24% above the prior year). Adjusted for inflation, prices are now higher than during the energy crisis and recession of the early-1980s. In addition, seasonally adjusted local employment has been essentially flat compared to 2007, while some nominal growth had been projected for the Adopted Budget.

Given the indicators discussed above, the traffic forecast developed for the July Financial Plan includes the following assumptions:

- Traffic from June through the end of the year is expected to decline 3.6% on average compared to the same period in 2007.
- Gas prices will remain high throughout the financial plan period, but there won't be additional unfavorable impacts past 2008.
- Regional employment will remain flat through 2009 and will grow annually thereafter at the modest rates projected by Global Insight.

Paid traffic is forecast at 294.8 million vehicles in 2009 and the decline over the prior year is primarily due to the leap year in 2008. Traffic rises to 295.6 million in 2010, 296.8 million in 2011 and, adjusting for the next leap year, to 298.4 million in 2012.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
RIDERSHIP/TRAFFIC VOLUME (UTILIZATION)
(\$ in millions)

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Baseline Total Toll Revenue	\$1,250.549	\$1,276.407	\$1,281.117	\$1,282.482	\$1,285.981	\$1,290.776
<i>Impact of:</i>						
2009 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Post-2009 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Total Toll Revenue	\$1,250.549	\$1,276.407	\$1,281.117	\$1,282.482	\$1,285.981	\$1,290.776
Baseline Total Traffic	304.364	295.963	294.781	295.568	296.849	298.434
<i>Impact of:</i>						
2009 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Post-2009 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Total Traffic	304.364	295.963	294.781	295.568	296.849	298.434

MTA BRIDGES AND TUNNELS
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Administration											
	Eiminate Accounts Payable Position in the Controller'	0	0.000	1	0.013	1	0.054	1	0.056	1	0.058
	Eliminate Accountant Position in the Controller's Offic	0	0.000	1	0.124	1	0.128	1	0.132	1	0.137
	Reduction of Human Resources Department Headco	0	0.000	1	0.127	1	0.131	1	0.135	0	0.139
Sub-Total	Administration	0	\$ 0.000	3	\$ 0.264	3	\$ 0.313	3	\$ 0.323	2	\$ 0.334
Total Programs		0	\$ 0.000	3	\$ 0.264	3	\$ 0.313	3	\$ 0.323	2	\$ 0.334

MTA BRIDGES AND TUNNELS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet
 (\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	10/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	10/1/2009
PEG / New Need ID	0000000026	Current Budget Year	2008	Status	Open
Program:	Eliminate Accounts Payable Position in the Controller's Office			Agency Status	Pending
Description and Implementation Pla	One position will be eliminated in the 4th Quarter of 2009, and the associated duties will be absorbed by the existing staff.				
Background Details	The Controller's Office is evaluating their Accounts Payable structure and believes, based on current workload and payment voucher trends, that they will be able to reduce their staff by one position.				

				2008	2009	2010	2011	2012
Total Headcount	BRTUN	0000000026	MYF08	0	1	1	1	1
Financial Impact	BRTUN	0000000026	MYF08	\$ 0.000	\$ 0.013	\$ 0.054	\$ 0.056	\$ 0.058

MTA BRIDGES AND TUNNELS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet
 (\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000025	Current Budget Year	2008	Status	Open
Program:	Eliminate Accountant Position in the Controller's Office			Agency Status	Pending
Description and Implementation Pla	Reduce headcount by one Accountant position. The existing staff will absorb the associated responsibilities.				
Background Details	The Controller's Office evaluated their caseload and work flow and determined they can reduce their staff by one Account position, which will become vacant due to retirement. The remaining two positions will absorb the responsibilities accomplished by this position.				

				2008	2009	2010	2011	2012
Total Headcount	BRTUN	0000000025	MYF08	0	1	1	1	1
Financial Impact	BRTUN	0000000025	MYF08	\$ 0.000	\$ 0.124	\$ 0.128	\$ 0.132	\$ 0.137

MTA BRIDGES AND TUNNELS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet
 (\$ in millions)

Business Unit	BRTUN	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000024	Current Budget Year	2008	Status	Open
Program:	Reduction of Human Resources Department Headcount			Agency Status	Pending
Description and Implementation Pla	The position of Manager of Employment Services will be eliminated beginning in 2009, and the associated duties will be absorbed by the existing staff.				
Background Details	Human Resources has evaluated their managerial structure and believes they can reduce their supervisory staff by oe position. Currently, the Employment Services Division consists of two Employment Specialists, a newly created HR Administrator, and the Manager of Employment Services.				

				2008	2009	2010	2011	2012
Total Headcount	BRTUN	0000000024	MYF08	0	1	1	1	0
Financial Impact	BRTUN	0000000024	MYF08	\$ 0.000	\$ 0.127	\$ 0.131	\$ 0.135	\$ 0.139

MTA BRIDGES AND TUNNELS
 Mid-year forecast for 2008
 Summary of Post 2009 PEGs
 (\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Other											
UNSPECIFIED		0	0.000	0	0.000	0	2.010	0	11.308	0	16.962
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	0	\$ 2.010	0	\$ 11.308	0	\$ 16.962
Total Programs		0	\$ 0.000	0	\$ 0.000	0	\$ 2.010	0	\$ 11.308	0	\$ 16.962

MTA BRIDGES AND TUNNELS
 Mid-year forecast for 2008
 Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	BRTUN	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000027	Current Budget Year	2008	Status	Open
Program:	UNSPECIFIED			Agency Status	Pending
Description and Implementation Pla	Unspecified				
Background Details	Unspecified				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	BRTUN	0000000027	MYF08	\$ 0.000	\$ 0.000	\$ 2.010	\$ 11.308	\$ 16.962

MTA Bridges and Tunnels July Financial Plan 2009-2012

OTHER ASSUMPTIONS

Position Table

The authorized headcount for the 2008 Mid-Year Forecast is 1,819 and is an increase of three positions from the 2008 Adopted Budget. This is a result of a new position in Human Resources to handle the workload associated with additional timekeeping needs, and two new maintainer positions for the Harlem River Lift Span based on the successful completion of a pilot program to provide continued maintenance support for the facility.

The number of positions will remain constant until 2011 when seven maintenance positions will be added to service the newly renovated building that will be used to relocate B&T engineers and other administrative personnel who, after construction begins on the reconfiguration of the Triborough Bridge complex, will no longer be able to occupy the Robert Moses Building on Randall's Island. This New Need will bring the headcount to 1,826.

From 2012 to 2014, the number of positions will remain constant.

2009 PEG Actions

The 2009 PEGs consist of the reduction of one managerial position in Human Resources that was proposed during the 2007 July Plan, an Associate Accountant position and one Accounts Payable Clerk position, both in the Controllers Department.

The inclusion of the PEGs proposed during the 2009 July Financial Plan will result in a net reduction of three positions bringing the headcount back down to the pre-PEG 2008 Adopted Budget number of 1,816. The headcount remains the same for 2010. In 2011, headcount will increase to 1,823 with the addition of the seven maintenance positions for the new need and will remain the same in 2012.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Executive	3	3	3	3	3	3
Law	9	9	9	9	9	9
CFO ⁽¹⁾	36	37	37	37	37	37
Labor Relations	5	5	5	5	5	5
Procurement & Materials	40	42	42	42	42	42
Staff Services ⁽²⁾	46	47	47	47	47	47
EEO	1	1	1	1	1	1
Total Administration	140	144	144	144	144	144
Operations						
Revenue Management	43	45	45	45	45	45
Operations (Non-Security)	717	755	755	755	755	755
Total Operations	760	800	800	800	800	800
Maintenance						
Maintenance	115	114	114	114	121	121
Operations - Maintainers	176	173	173	173	173	173
Procurement & Materials	12	14	14	14	14	14
Technology	55	61	61	61	61	61
Internal Security - Tech Svcs	36	36	36	36	36	36
Total Maintenance	394	398	398	398	405	405
Engineering/Capital						
Engineering & Construction	160	171	171	171	171	171
Health & Safety	8	10	10	10	10	10
Planning & Budget Capital	9	9	9	9	9	9
Total Engineering/Capital	177	190	190	190	190	190
Public Safety						
Operations (Security)	266	245	245	245	245	245
Internal Security - Operations	35	42	42	42	42	42
Total Public Safety	301	287	287	287	287	287
Total Baseline Positions	1,772	1,819	1,819	1,819	1,826	1,826
<i>Non-Reimbursable</i>	1,720	1,766	1,766	1,766	1,773	1,773
<i>Reimbursable</i>	52	53	53	53	53	53
<i>Total Full-Time</i>	1,772	1,819	1,819	1,819	1,826	1,826
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0

Impact of:

2009 Program to Eliminate the Gap	0	0	(3)	(3)	(3)	(3)
Post-2009 Program to Eliminate the Gap	0	0	0	0	0	0

Total Positions **1,772** **1,819** **1,816** **1,816** **1,823** **1,823**

Non-Reimbursable 1,720 1,766 1,763 1,763 1,770 1,770
Reimbursable 52 53 53 53 53 53

Total Full-Time 1,772 1,819 1,816 1,816 1,823 1,823
Total Full-Time Equivalents 0 0 0 0 0 0

Business Service Center 0 0 0 0 (16) (41)

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

⁽²⁾ includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
July Financial Plan 2009-2012
Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Managers/Supervisors	42	45	45	45	45	45
Professional, Technical, Clerical	98	99	99	99	99	99
Operational Hourlies	-	-	-	-	-	-
Total Administration	140	144	144	144	144	144
Operations						
Managers/Supervisors	52	55	55	55	55	55
Professional, Technical, Clerical	55	56	56	56	56	56
Operational Hourlies ⁽¹⁾	653	689	689	689	689	689
Total Operations	760	800	800	800	800	800
Maintenance						
Managers/Supervisors	30	33	33	33	34	34
Professional, Technical, Clerical	53	59	59	59	59	59
Operational Hourlies ⁽¹⁾	311	306	306	306	312	312
Total Maintenance	394	398	398	398	405	405
Engineering/Capital						
Managers/Supervisors	36	40	40	40	40	40
Professional, Technical, Clerical	141	150	150	150	150	150
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	177	190	190	190	190	190
Public Safety						
Managers/Supervisors	13	14	14	14	14	14
Professional, Technical, Clerical	22	28	28	28	28	28
Operational Hourlies ⁽¹⁾	266	245	245	245	245	245
Total Public Safety	301	287	287	287	287	287
Total Baseline Positions						
Managers/Supervisors	173	187	187	187	188	188
Professional, Technical, Clerical	369	392	392	392	392	392
Operational Hourlies	1,230	1,240	1,240	1,240	1,246	1,246
Total Baseline Positions	1,772	1,819	1,819	1,819	1,826	1,826

Capital Construction Company

**MTA Capital Construction Company
2009 Preliminary Budget
July Financial Plan 2009-2012**

Mission Statement

The mission of the MTA Capital Construction Company (MTACC) is to serve the mobility needs of customers of the Metropolitan Transportation Authority (MTA) for the 21st Century by planning, designing, and building projects in a timely, creative and cost-effective manner. Our work will enhance the options and quality of the MTA network and serve the changing transportation needs of its customers.

MTACC is the MTA's construction management organization responsible for the management of the largest transit system-wide expansion program in the region. MTACC manages the East Side Access, the Second Avenue Subway, No. 7 Line Extension, Lower Manhattan Fulton Street Transit Center, the new South Ferry Terminal Station complex, and system-wide capital security projects. The Company's responsibilities include project design, third-party and in-house force account construction, project controls, overall programmatic support, and coordination of user requirements for each of these projects.

All MTACC costs are 100% reimbursable from the MTA Capital Program. Several MTACC projects draw on federal funds. To the extent possible and practicable, project specific costs are charged directly to a Project. In order to create efficient processes and standards, company wide, MTACC will provide management and controls support to all projects. The MTACC Administrative budget includes funding for specialty resources or for services that are provided agency-wide for all projects.

Highlights

In 2007 MTACC committed over \$2.7 billion to contracts. Contracts totaling over \$800 million were awarded to ESA including major work within and beneath Grand Central Terminal. April of 2007 marked the groundbreaking commencement of Second Avenue Subway project (SAS). The first contract has been awarded and construction of the new tunnels under Second Avenue between 92nd and 63rd Streets is underway. The first two contracts awarded on the Fulton Street Transit Center are in progress (including station rehabilitation). The construction of the new South Ferry Terminal Station has been underway for the last two years and is scheduled for completion in 2008. The No. 7 Line Extension reached a funding agreement between the MTA and New York City and a \$1.2 billion contract for the No. 7 Line Extension was awarded. In addition, MTACC continued the implementation of projects funded from the system-wide security capital program.

MTA Capital Construction participated on the MTA's Blue Ribbon Panel for Construction Excellence. The Panel highlighted the rising costs affecting the capital construction program. Recent experience shows that the cost for large projects are now being heavily influenced by shortages of experienced owner and industry resources, the impacts of inflation fueled by the global demand for materials, a devalued US dollar, the size of contracts, contractor bonding limitations, a city-wide construction boom and other factors largely beyond our immediate control. To address these trends, MTACC is managing the program as efficiently as possible.

- The scope of our contracts is being evaluated with the goal of making them as small as possible and to make sure that the type of work within a contract is comparable. This will result in increased competition for the work. This will also limit the number of subcontractors contained within any single contract and thereby reduce the costs of these contracts
- The project cost estimates have been revised to account for the higher cost factors discussed above. Furthermore, when certain materials were projected to exceed the general rate of escalation, we opted for an escalation clause for such materials in our contract.
- The schedules for these large scale projects have been adjusted to account for an increase in the number of contracts to complete each project. The benefits of earlier in-service dates against were weighed against the cost of more ambitious schedules and the associated risk of getting little or no competition.
- Project scopes are being evaluated to insure that we are only building what we need to build in order to achieve the critical transportation benefits that each of these projects will bring to the region.

MTA Capital Construction has had a number of successes implementing sustainable measures into project designs and construction practices this year. Platform edge doors, which will serve to separate the cooler station air from the warmer tunnel air, will be installed in the No. 7 Line Extension 34th Street Station. The designs of stations for Second Avenue Subway are also being modified to support the future installation of Platform Edge Doors. (Effective use of Platform Edge Doors rely on automatic train control systems, therefore Platform Edge Doors can only be installed once the full length of Second Avenue Subway is complete.) Energy savings will also be realized from:

- Stations designed for maximum day lighting
- Use of aluminum third rail, which has less electrical resistance than steel
- Demand-controlled escalators
- LED lighting in the tunnels
- Efficient lighting technologies in station areas
- Energy star equipment

MTACC participates in MTA's Blue Ribbon Commission on Sustainability and is pursuing other sustainable opportunities with external partners such as NYCDEP (for use of municipal water mains and sewers as heat sinks) and Con Edison (the "Smart Grid" initiative).

MTACC is undertaking a number of workforce development initiatives. This is particularly important to the company given the labor trends highlighted above as well as the relatively new nature of the Company.

MTACC's goal for capital commitments in 2008 totals \$2 billion. MTACC has accelerated the pace of hiring to meet the rising work load demand. New executive leadership is anticipated by mid-year to carry the agency forward and steward the projects through complex construction.

Financial Overview

In order to respond to the large volume of construction being managed by MTACC, as well as the intense oversight by multiple parties, MTACC continues to develop its organization and refine staffing requirements. MTACC will utilize dedicated resources to efficiently address the challenges related to the planning, design, construction, regulatory framework, and community participation requirements of large complex capital projects. MTACC is committed to quality and safety in the work place and at the construction sites.

It is the goal of MTACC to minimize the number of full-time employees in order to maintain a cost efficient program management structure. MTACC is hiring a core staff to directly manage the design and construction of the over \$16 billion in capital projects it is responsible for. MTACC continues to draw from the expertise and support services available in other MTA agencies to supplement the core staff and support design and construction management. In addition, MTACC will utilize consultant services to provide staff support in lieu of hiring.

2008 Mid-Year Forecast

MTACC's 2008 Mid-Year Forecast is \$32.940 million reflecting a 4.2% decrease from the 2008 Adopted Budget. Labor Costs are projected at \$21.847 million, 4.7% higher than the 2008 Adopted Budget, with a projected staffing level of 150 by year end.

Staff includes 55 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 38 for the East Side Access project; 20 for the Second Avenue Subway project; 12 for the Lower Manhattan projects; and 25 for Security projects. MTACC is working with the MTA and employee recruitment agencies to develop strategies to recruit staff with the experience and technical skills required for these complex construction projects. Matrixed employees (employees of other agencies under temporary management by MTACC) and consultants will continue to support MTACC in lieu of hiring full time staff.

Non-Labor costs are projected at \$11.092 million, a decrease of 3.4% from 2008 Adopted Budget. These costs are non-project specific and are for the provision of company-wide construction support from specialty contractors and oversight agencies. Such expenditures may not be eligible for reimbursement by the Federal Transit Administration and will be funded through MTACC Administration. Remaining funds have been budgeted for engineering and legal services, cultural resource management, independent compliance monitor, independent engineer, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and other project office costs including computer equipment and MTACC network creation, mobile communications devices and supplies.

2009 Preliminary Budget - Baseline

In 2009 MTACC's main objective will be to continue major construction and design of the MTA's system expansion projects. By 2009 all system expansion projects will be in construction, with over \$8 billion in commitments underway or completed. MTACC projects 2009 costs at \$37.272 million, an increase of 4.5% over the 2008 Adopted Budget, and a year end headcount of 150.

Labor and fringe expenses are projected at \$26.993 million, an 11.4% increase from the 2008 Adopted Budget. Labor costs increase due to the projected hiring of employees by year end of 2008. Allocation of staff and timing of start dates have been revised from the Adopted Budget. Staff includes 55 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 38 for the East Side Access project; 20 for the Second Avenue Subway project; 12 for the Lower Manhattan projects; and 25 for Security projects.

Non-Labor costs are projected at \$10.279 million, a 3.0% increase from the 2008 Adopted Budget. This increase is to continue engineering services, independent engineer and independent compliance monitor services, 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), workforce development through employing training and other office costs such as communications and computer equipment.

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

2010 - 2012 Projections

During this time period MTACC will be managing multiple construction sites and billions of dollars in construction contracts.

MTACC costs for 2010 are projected to increase by 2.1% over 2009 due to an increase in expenditures for independent engineer and temporary support services. From 2011-2012 the overall projections will decrease by 3.8% and 4.1%, respectively comprised of increased labor costs by 9.2% from 2009 and 6.8% due to inflation.

Year-end staffing levels of 150 employees, remains constant through 2012.

Non-labor expenses decrease by 14.1% in 2010 from the 2009 projected level and 28.9% in 2011. This decrease reflects a reduction in professional services and equipment. Archeological expenditures will taper off due to the progress in our mega projects, specifically Lower Manhattan. Normal replacement for employees' computer equipment will be in effect as opposed to orders for new staff and network requirements.

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

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2007	2008	2009			
	<u>Actual</u>	<u>Mid-Year</u>	<u>Preliminary</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
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	19.104	32.940	37.272	37.158	36.328	37.145
Total Revenue	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Expenses						
<u>Labor:</u>						
Payroll	\$8.510	\$13.796	\$17.366	\$17.722	\$18.066	\$18.435
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	1.177	1.884	2.445	2.579	2.712	2.882
Pensions	1.219	1.431	1.786	1.840	1.897	1.960
Other Fringe Benefits	3.209	4.736	5.396	5.544	5.691	5.877
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$14.115	\$21.847	\$26.993	\$27.686	\$28.365	\$29.153
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	1.003	1.081	0.096	0.106	0.117	0.128
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	3.493	8.573	8.730	8.025	6.654	6.725
Materials & Supplies	0.040	0.075	0.067	0.068	0.069	0.070
Other Business Expenses	0.453	1.363	1.385	1.273	1.122	1.068
Total Non-Labor Expenses	\$4.989	\$11.092	\$10.279	\$9.472	\$7.962	\$7.992
<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	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Depreciation						
Total Expenses	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Baseline Surplus/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center					\$0.207	\$0.207

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009-2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
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
Capital and Other Reimbursements	19.104	32.940	37.272	37.158	36.328	37.145
Total Receipts	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Expenditures						
<u>Labor:</u>						
Payroll	\$8.510	\$13.796	\$17.366	\$17.722	\$18.066	\$18.435
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	1.177	1.884	2.445	2.579	2.712	2.882
Pensions	1.219	1.431	1.786	1.840	1.897	1.960
Other Fringe Benefits	3.209	4.736	5.396	5.544	5.691	5.877
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$14.115	\$21.847	\$26.993	\$27.686	\$28.365	\$29.153
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	1.003	1.081	0.096	0.106	0.117	0.128
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	3.493	8.573	8.730	8.025	6.654	6.725
Materials & Supplies	0.040	0.075	0.067	0.068	0.069	0.070
Other Business Expenses	0.453	1.363	1.385	1.273	1.122	1.068
Total Non-Labor Expenditures	\$4.989	\$11.092	\$10.279	\$9.472	\$7.962	\$7.992
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$19.104	\$32.940	\$37.272	\$37.158	\$36.328	\$37.145
Baseline Cash Deficit	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center					\$0.207	\$0.207

**MTA Capital Construction Company
July Financial Plan 2009-2012
Year-to-Year Changes by Category 2008-2012
Reimbursable**

Revenue

Capital and Other Reimbursements:

- Monies are made available in the MTA's Capital Program and are drawn down as expenditures are incurred, therefore revenues will always equal expenditures.
- All MTACC expenses are reimbursable from the MTA Capital Program.
- Costs will be reimbursed from specific capital projects to the extent possible in accordance with how the resources are utilized.

Expenses

Payroll:

- 2008 payroll costs reflect a projected year-end staffing level of 150. Majority of new hires will occur in the third and fourth quarters of 2008. 2009 payroll costs increase by 25.9% based on annual full staff levels of 150.
- 2010, 2011 and 2012 year end staffing levels remain constant at 150.

Other Fringe Benefits:

- Health and Welfare, Pensions and Other Fringe Benefits costs in 2008 increased from 2007 to coincide with the adjusted year-end staffing levels of 150. In 2009, these costs will increase by 29.8%, 24.8%, 13.9%, respectively, to reflect a full year of staffing levels of 150 employees.
- 2009 through 2012 Benefits expenditures remain constant and are escalated by inflation rates.

Insurance:

- 2008 includes insurance expenses for the All-Agency Protective Liability Program for all MTACC projects.

- 2009 costs are based on renegotiated rates and significantly decrease by 91.1%. Costs remain constant 2010 through 2012, escalated by approximately 10% each year.

Professional Service Contracts:

- In 2008, costs increase by more than \$5 million from the February Financial Plan, due to anticipated costs commensurate to the timeline of projects. The increase is primarily due to expenditures for specialty contractors, oversight agencies, legal support, environmental and archeological resources, contractual employees such as URS consultants and miscellaneous project related costs.
- Costs remain fairly constant 2009 with a decline in 2010 through 2012 due to the reduction of projected environmental and archeological resources and miscellaneous consulting fees.

Materials and Supplies:

- 2008 costs include safety equipment for field employees and general office supplies. 2009 through 2012 costs are based on 2008 projections and are escalated by inflation rates.

Other Business Expenses:

- 2008 costs are comprised of wireless communication devices for staff, employee recruitment fees and automotive purchases. Additional expenditures include the procurement of office furniture and computer equipment for staff, printers, copiers, occupancy for Security Program field office and establishing an MTACC network.
- Costs decrease by 10.8% in 2009 because major procurements such as communication devices, automobiles, intranet printers, copiers, MTACC Network and the majority of computer equipment will be procured in 2008.
- 2009 through 2012 costs are escalated by inflations rates.

MTA Capital Construction Company
July Financial Plan 2009-2012
Summary of Changes Between Financial Plans 2008-2011

2008: July Financial Plan vs. February Financial Plan

The July Financial Plan is \$1.457 million (4.2%) lower than the February Adopted Budget. This decrease in expenditures is due to delays in hiring and a decrease of non-labor expenditures. The 2008 July Plan is projecting a staffing level of 150 by year end. The 150 staffing level has been MTACC's consistent target since its inception. Although the headcount, by year end of 2008, is expected to remain the same as the February Financial Plan, labor costs have decreased by \$1.071 due to the reallocation and reorganization of staffing and employee start dates. The majority of new hires are anticipated to start in the fourth quarter of 2008 causing one to two months of a full staff. Non-Labor costs are decreased by \$0.368 million, a 3.4% decrease, offset by an increase in other business expenses. Additional expenses are comprised of the Security Program field office set-up and occupancy along with purchases of mobile communication devices with improved consistent service and an additional company vehicle for MTACC's executive staff member. Professional services expenses have been restructured to account for the timeline of projects and company-wide construction support from specialty contractors, oversight agencies, legal support, environmental and archeological resources, allowing for a decrease in overall costs in this category. The actual costs of the establishment of MTACC network were lower than anticipated due to industry improvements in equipment and servers available at the time of implementation.

2009 - 2011: July Financial Plan vs. February Financial Plan

Projections for 2009 have increased by \$1.610 million, 4.5% from the February Financial Plan. MTACC costs reflect anticipated progress in major construction of capital projects and full staff levels of 150 beginning in 2009. Revised staffing plan and start dates result in increased labor expenses of \$2.762 million (11.4%) higher than the February Plan. Overall Non-labor expenditures are \$1.152 million lower, 3.0%, for company-wide construction support. There are increases within Other Business Expenses predominantly due to computer and communication equipment for full staff, photographic and video services to track progress for all MTACC field construction sites, archeological services, independent engineering costs and temporary expert services (hiring indefinite quantity consultant firms and individuals to support project controls, claims and change orders) for specific project needs. An offset of lower renegotiated agency insurance costs and legal fees have resulted in a favorable variance from the February Financial Plan. 2010-2011 staffing levels remain constant at 150. Labor and non-labor costs are slightly higher than the February Adopted budget and have increased by 2.1% in 2010. Overall budgeted expenses will decrease in 2011 by 4.1% due to a decline in archeological and independent engineering services.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	(\$1.457)	\$1.610	\$.765	(\$1.429)	(\$1.569)
Total Revenue Changes	(\$1.457)	\$1.610	\$.765	(\$1.429)	(\$1.569)
Expenses					
<i>Labor:</i>					
Payroll	\$1.432	(\$1.631)	(\$1.680)	(\$1.703)	(\$1.744)
Health and Welfare	\$.848	\$.820	\$1.277	\$1.811	\$1.887
Pensions	\$.492	\$.264	\$.320	\$.380	\$.371
Other Fringe Benefits	(\$1.701)	(\$2.216)	(\$2.240)	(\$2.289)	(\$2.430)
Reimbursable Overhead					
Total Labor Expense Changes	\$1.071	(\$2.762)	(\$2.323)	(\$1.801)	(\$1.916)
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	\$.023	\$1.118	\$1.230	\$1.353	\$1.488
Claims	\$.000	\$.000	\$.000	\$.000	\$.000
Paratransit Service Contracts	\$.000	\$.000	\$.000	\$.000	\$.000
Maintenance and Other Operating Contracts	\$.000	\$.000	\$.000	\$.000	\$.000
Professional Services	\$.888	\$.747	\$.915	\$2.402	\$2.468
Materials & Supplies	\$.001	\$.010	\$.010	\$.010	\$.010
Other Business Expenses	(\$.525)	(\$.723)	(\$.596)	(\$.536)	(\$.481)
Total Non-Labor Expense Changes	\$.386	\$1.152	\$1.558	\$3.229	\$3.485
Total Expense Changes	\$1.457	(\$1.610)	(\$.765)	\$1.429	\$1.569
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$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	\$0.000
Expenses					
Sub-Total Non-Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Non-Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes	(\$1.457)	\$1.610	\$.765	(\$1.429)	(\$1.569)
Expenses					
Sub-Total Reimbursable Expense Changes	\$1.457	(\$1.610)	(\$0.765)	\$1.429	\$1.569
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Cash Adjustment Changes</i>					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Capital Construction Company
2009 Preliminary Budget
July Financial Plan 2009-2012

Summary of Assumptions Regarding Staffing Positions

All MTACC costs are reimbursable from the MTA Capital Program. The July Financial Plan projects 2008 year end staffing of 150. Staffing levels reach 150 in 2008 and remain constant at that level.

The balance of our staffing needs will be met with a mix of employees matrixed* to the company from other agencies or provided by third party consultants. The actual mix of MTACC employees, matrixed employees and consultant staff is dependent upon the particular needs of each project and the availability of the proper resource.

MTACC has carefully timed the hiring of employees to correspond with the needs of the projects. Hiring lags have occurred for a number of reasons, in the last few years. First, MTACC has faced many challenges in filling key project positions. These positions include high level Program Executives, Program and Construction Management staff, specialty trades, and project controls. Due to the high volume of construction, in the New York region, competition for high quality employees is tight. We are working closely with the MTA Human Resources Department to develop strategies to attract the appropriate resources. In addition, contract awards were re-sequenced and repackaged in an effort to increase competition. This has resulted in some delayed awards and hiring was deferred to reflect the revised project schedules.

The majority of MTACC's vacant positions have candidates already selected or are actively being recruited for. MTACC will have the opportunity to revisit the agency's goals and strategies when the new MTACC president begins. The 150 core staff is a target that may be under-filled or exceeded depending on the mix of construction and design activities underway. MTACC's goal is to continue to keep project management costs below the industry standard.

The 2009 Year-End Staffing level remains constant at 150 employees. The breakdown is as follows: 55 MTACC administrative positions and 95 project positions implementing East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program.

**Employees of other agencies under temporary management by MTACC*

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009-2012
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
MTACC	21	55	30	30	30	30
Engineering/Capital						
MTACC	19	12	25	25	25	25
East Side Access	22	38	38	38	38	38
Security	9	17	25	25	25	25
Second Avenue Subway	9	13	20	20	20	20
Lower Manhattan Project	10	15	12	12	12	12
Total Engineering/Capital	69	95	120	120	120	120
Total Baseline Positions	90	150	150	150	150	150
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	90	150	150	150	150	150
<i>Total Full-Time</i>	90	150	150	150	150	150
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-
Business Service Center					(3)	(3)

MTA CAPITAL CONSTRUCTION
July Financial Plan 2009-2012
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	21	55	30	30	30	30
Operational Hourlies	-	-	-	-	-	-
Total Administration	21	55	30	30	30	30
Operations						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies ⁽¹⁾	-	-	-	-	-	-
Total Operations	-	-	-	-	-	-
Maintenance						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies ⁽¹⁾	-	-	-	-	-	-
Total Maintenance	-	-	-	-	-	-
Engineering/Capital						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	69	95	120	120	120	120
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	69	95	120	120	120	120
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies ⁽¹⁾	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	90	150	150	150	150	150
Operational Hourlies	-	-	-	-	-	-
Total Baseline Positions	90	150	150	150	150	150

Long Island Bus

MTA Long Island Bus 2009 Preliminary Budget July Financial Plan 2009 - 2012

Mission Statement and Highlights of Operations

MTA Long Island Bus (LI Bus) is dedicated to meeting the public's need for high-quality transit service throughout Nassau, western Suffolk and eastern Queens counties. Every employee of the agency is committed to delivering safe, reliable, efficient and courteous transportation for all our customers. We achieve this through teamwork and by demonstrating the highest degree of professional integrity.

LI Bus operates the largest 100% Clean Fuel, Compressed Natural Gas (CNG) fleet in the eastern USA. This benefits the environment, passengers and the 96 communities that it serves. The fleet size of 332 buses also provides service to 47 Long Island Rail Road stations, 5 New York City Transit subway stations, shopping centers, colleges, museums, parks, theaters and beaches throughout our area. Compared to 2006, ridership results in 2007 were flat. Strong fourth quarter ridership was not enough to offset the high 2006 benchmark, the slowing economy and a series of bad weather days in the first half of 2007. However, year-to-date through May 2008, fixed route ridership results have shown a positive 3.2% gain over same period 2007. Part of this increase is attributable to unprecedented high fuel costs resulting in some commuters gravitating towards public transportation to offset fuel expenses.

The Able-Ride Paratransit fleet is comprised of 89 fully equipped buses that offer curb-to-curb transportation for eligible customers with disabilities and who are unable to use the fixed route bus system. Through a certification program and innovative scheduling, a reduction in denial rates and missed trips goals has been met. Similar to fixed route, Paratransit ridership has increased year-to-date May, 4.2% over the same period of 2007.

The LI Bus' team is actively participating in one of the key MTA goals of institutional transformation as we partner with the other two bus agencies to benefit from economies, best practices and provide overall better regional bus service delivery. Various "way finding" and other signage projects are in progress and will be expanded as part of the capital program. These combined efforts will assist LI Bus in achieving the goal of improving customer service. In focus also, are training and coaching initiatives aimed at supporting the all agency workforce development goal.

LI Bus uses compressed natural gas in its entire fixed route fleet. As part of the sustainability effort, the non-revenue fleet also has an increasing compliment of hybrid vehicles. Conservation initiatives relative to electricity and HVAC usage will be expanded to include the use of a high capacity battery for the fueling of buses.

Most of LI Bus' security related infrastructures have been upgraded. This includes new perimeter fencing, strategically placed security bollards, additional and upgraded CCTV

systems. Through meetings and written communications, the workforce is frequently reminded and updated about personal, workplace and customer safety.

Major LI Bus specific projects center around completing the Paratransit Facility rehabilitation, the receipt of replacement fixed route and Paratransit buses, procurement of a time and attendance system, review of scheduled non-revenue miles and various expense reduction initiatives.

With capital funding, LI Bus is continuing to enhance its physical and technological infrastructure to maximize efficiency and longevity.

FINANCIAL OVERVIEW

LI Bus has maintained quality and consistent service levels while managing the impact of escalating uncontrollable expenses, fairly static subsidy levels and increasing service demands. Annual PEG requirements have been achieved and the additional savings generated have contributed to the deficit reduction.

Year-to-date May 2008 ridership has shown an upward trend and has contributed \$.4 million to the July forecasted farebox revenue.

The volatility of fuel and utility rates continue to impact the cost of operations. Adjustments were made to acknowledge year-to-date higher rates and to prepare forecasts reflective of approved inflator guidelines. There is also an indirect impact on the cost of parts, material and service contract.

Of the three major capital programs identified for completion in 2008, the Paratransit replacement bus purchase is complete and the Paratransit facility rehabilitation is on schedule. The third item, fixed bus replacement, is currently about three months behind schedule. However, there are capital items on the Transportation Improvement Program (TIP) that are not fully funded.

Subsidy funding remains an overriding issue as LI Bus seeks additional assistance from Nassau County to meet new needs and cover the basic effects of inflation. Nassau County funding has remained flat over the past four years. The cyclical financial uncertainty adds to the challenge of balancing service levels and effectiveness, with cost containment objectives.

2008 Mid-Year Forecast

The 2008 baseline budget line items were adjusted to reflect new rate guidelines and April year-to-date results. There are no new programmatic needs and favorable variances were factored into the new baseline calculations.

Of significance in the revenue category is an increase in actual and forecasted revenue that added \$.4 million to the full year farebox revenue forecast. This is however offset by the loss of anticipated grant funding.

The net change in the labor category is a decrease of \$1.6 million mainly due to favorable Health and Welfare year-to-date results and lower rates used in the reforecast.

Non-labor expenses are increasing \$0.9 million due to higher fuel costs. This was solely caused from increased unit cost in that usage was in line with budget amounts. The positive variances generated in non-labor categories other than fuel were due to the application of lower CPI rates in the July 2008 plan.

A combination of prior period and higher than forecasted CNG tax rebates produced a favorable \$3.5 million variance.

OPEB obligation amounts were re-estimated creating an unfavorable \$1.1 million variance.

2009 – Preliminary Budget – Baseline

The baseline revenue in the July plan is projected to be \$51.6 million of which \$42.5 million is expected from farebox receipts. This reflects an increase of \$.4 million over the February plan due to the projected increase in ridership. Year-to-date, farebox revenue is trending 5.1% (fixed route) and 4.2% (Paratransit) above 2007. This impact was included in the reforecast for riders and associated revenue.

Other Operating revenue was negatively affected by the loss of grant funding while Capital Reimbursements contributed a minor positive offset.

Favorable Health and Welfare rates used in the July plan generated \$1.6 million in savings. Slightly higher CPI guidelines caused minor increases in the other labor line items.

The escalating fuel costs continue to negatively impact non-labor expenses causing a line item increase of \$0.5 million.

There were no programmatic changes included in the 2009 preliminary budget.

The projected 2009 tax credit derived from the use of CNG as propulsion fuel was used as an offset to projected CNG propulsion fuel expenses.

2010 – 2012 Projections

Revenue projections are based on a .5% annual increase in farebox revenue, with no future fare increases factored. Other revenue reflects known or anticipated grant funding as well as revenue from perennial revenue sources such as advertising.

There are no projected programmatic changes and as such, the forecasted expenses in this plan period are impacted by the guideline rates issued for the individual budget line items and/or categories.

Based on the current PEG program, hourly headcount will be reduced by two maintainer helper positions. All other title groups are budgeted at current levels.

2009 PEG Actions

Programs consistent with reducing the 2009 deficit by \$1.5 million were identified. Savings to maintenance contracts and material needs were done relative to the scheduled receipt of new buses. Additional reductions were targeted from electricity conservation initiatives and 2008 PEG re-estimates.

Carry-over savings into the future plan years will be generated from the reduction of two maintainer helper positions, the result of a change in bus fueling schedules, and the move to fuel more Paratransit buses from depot fuel pumps.

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Operating Revenue						
Farebox Revenue	\$ 40.321	\$ 42.125	\$ 42.547	\$ 42.760	\$ 42.974	\$ 43.189
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	1.448	2.251	2.138	2.245	2.451	2.560
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$41.769	\$44.376	\$44.685	\$45.005	\$45.425	\$45.749
Operating Expenses						
<u>Labor:</u>						
Payroll	\$ 60.499	\$ 64.490	\$ 65.905	\$ 67.256	\$ 68.561	\$ 69.960
Overtime	6.355	5.548	5.661	5.777	5.889	6.010
Health and Welfare	11.106	12.107	13.402	14.407	15.485	16.641
OPEB-2008	-	-	-	-	-	-
Pensions	5.016	5.777	5.903	6.024	6.140	6.266
Other Fringe Benefits	6.735	7.357	7.514	7.668	7.817	7.976
Pattern Labor Provision						
GASB Account						
Reimbursable Overhead						
Total Labor Expenses	\$89.711	\$95.279	\$98.385	\$101.132	\$103.893	\$106.853
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$ 11.576	\$ 11.947	\$ 11.938	\$ 12.863	\$ 13.822	\$ 13.784
Insurance	0.377	0.517	0.327	0.365	0.628	0.425
Claims	6.291	3.483	3.537	3.602	3.672	3.745
Paratransit Service Contracts	-					
Maintenance and Other Operating Contracts	9.076	10.069	10.387	10.559	10.695	10.875
Professional Service Contracts	1.881	1.982	2.021	2.063	2.103	2.146
Materials & Supplies	3.759	4.734	4.193	4.358	4.518	4.691
Other Business Expenses	0.028	0.415	0.423	0.432	0.440	0.449
Total Non-Labor Expenses	\$32.988	\$33.147	\$32.827	\$34.241	\$35.879	\$36.115
<u>Other Expenses Adjustments:</u>						
Other		\$ (3.469)				
Total Other Expense Adjustments	\$0.000	(\$3.469)	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$122.699	\$124.957	\$131.212	\$135.373	\$139.772	\$142.968
Depreciation						
OPEB Post-2008	5.700	5.990	6.461	6.856	7.344	7.723
Environmental Remediation						
Total Expenses	\$128.399	\$130.947	\$137.673	\$142.229	\$147.116	\$150.691
Baseline Surplus/(Deficit)	(\$86.630)	(\$86.571)	(\$92.988)	(\$97.224)	(\$101.691)	(\$104.942)
2009 Program to Eliminate the Gap (PEGs)		-	0.640	0.540	0.400	0.340
Post-2009 Program to Eliminate the Gap (PEGs)				1.491	2.982	4.473
Net Surplus/(Deficit)	(\$86.630)	(\$86.571)	(\$92.348)	(\$95.193)	(\$98.309)	(\$100.129)
Business Service Center					\$1.473	\$1.637

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE	<u>2007</u> <u>Actual</u>	<u>2008</u> <u>Mid-Year</u> <u>Forecast</u>	<u>2009</u> <u>Preliminary</u> <u>Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenue						
Farebox Revenue						
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue						
Capital and Other Reimbursements	5.782	5.975	6.866	7.018	7.180	7.353
Total Revenue	\$5.782	\$5.975	\$6.866	\$7.018	\$7.180	\$7.353
Expenses						
<u>Labor:</u>						
Payroll	\$ 0.754	\$ 0.901	\$ 0.928	\$ 0.947	\$ 0.965	\$ 0.985
Overtime	-	-	-	-	-	-
Health and Welfare	0.309	0.322	0.353	0.379	0.407	0.437
OPEB-2008	1.200	1.310	1.439	1.544	1.656	1.777
Pensions	0.122	0.074	0.076	0.078	0.079	0.081
Other Fringe Benefits	0.097	0.067	0.069	0.070	0.072	0.073
Pattern Labor Provision						
GASB Account						
Reimbursable Overhead						
Total Labor Expenses	\$2.482	\$2.674	\$2.865	\$3.018	\$3.179	\$3.353
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance						
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts						
Materials & Supplies	3.300	3.300	4.000	4.000	4.000	4.000
Other Business Expenses						
Total Non-Labor Expenses	\$3.300	\$3.300	\$4.000	\$4.000	\$4.000	\$4.000
<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	\$5.782	\$5.974	\$6.865	\$7.018	\$7.179	\$7.353
Depreciation						
Total Expenses	\$5.782	\$5.974	\$6.865	\$7.018	\$7.179	\$7.353
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center					\$0.000	\$0.000

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2007	2008	2009			
	<u>Actual</u>	<u>Mid-Year</u>	<u>Preliminary</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenue						
Farebox Revenue	\$ 40.321	\$ 42.125	\$ 42.547	\$ 42.760	\$ 42.974	\$ 43.189
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	1.448	2.251	2.138	2.245	2.451	2.560
Capital and Other Reimbursements	5.782	5.975	6.866	7.018	7.180	7.353
Total Revenue	\$47.551	\$50.351	\$51.551	\$52.023	\$52.605	\$53.102
Expenses						
<u>Labor:</u>						
Payroll	\$ 61.253	\$ 65.391	\$ 66.833	\$ 68.203	\$ 69.527	\$ 70.945
Overtime	6.355	5.548	5.661	5.777	5.889	6.010
Health and Welfare	11.415	12.429	13.755	14.786	15.893	17.078
OPEB-2008	1.200	1.310	1.439	1.544	1.656	1.777
Pensions	5.138	5.851	5.979	6.101	6.220	6.347
Other Fringe Benefits	6.832	7.424	7.583	7.738	7.888	8.049
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$92.193	\$97.953	\$101.250	\$104.150	\$107.073	\$110.205
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	11.576	11.947	11.938	12.863	13.822	13.784
Insurance	0.377	0.517	0.327	0.365	0.628	0.425
Claims	6.291	3.483	3.537	3.602	3.672	3.745
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.076	10.069	10.387	10.559	10.695	10.875
Professional Service Contracts	1.881	1.982	2.021	2.063	2.103	2.146
Materials & Supplies	7.059	8.034	8.193	8.358	8.518	8.691
Other Business Expenses	0.028	0.415	0.423	0.432	0.440	0.449
Total Non-Labor Expenses	\$36.288	\$36.447	\$36.827	\$38.241	\$39.879	\$40.115
<u>Other Expenses Adjustments:</u>						
Other	\$ -	\$ (3.469)	\$ -	\$ -	\$ -	\$ -
Total Other Expense Adjustments	\$0.000	(\$3.469)	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$128.481	\$130.931	\$138.077	\$142.391	\$146.951	\$150.321
Depreciation	-	-	-	-	-	-
OPEB Post-2008	5.700	5.990	6.461	6.856	7.344	7.723
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$134.181	\$136.921	\$144.538	\$149.247	\$154.295	\$158.044
Baseline Surplus/(Deficit)	(\$86.630)	(\$86.570)	(\$92.988)	(\$97.224)	(\$101.691)	(\$104.942)
2009 Program to Eliminate the Gap (PEGs)	-	-	0.640	0.540	0.400	0.340
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	1.491	2.982	4.473
Net Surplus/(Deficit)	(\$86.630)	(\$86.570)	(\$92.348)	(\$95.193)	(\$98.309)	(\$100.129)
Business Service Center					\$1.473	\$1.637

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

	<u>2007</u> <u>Actual</u>	<u>2008</u> <u>Mid-Year</u> <u>Forecast</u>	<u>2009</u> <u>Preliminary</u> <u>Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Receipts						
Farebox Revenue	\$ 40.218	\$ 41.962	\$ 43.147	\$ 42.650	\$ 42.863	\$ 43.077
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	4.183	2.201	2.088	2.195	2.401	2.510
Capital and Other Reimbursements	6.397	5.688	6.533	6.647	6.768	6.898
Total Receipts	\$50.798	\$49.851	\$51.768	\$51.492	\$52.032	\$52.485
Expenditures						
<u>Labor:</u>						
Payroll	\$ 62.450	\$ 67.556	\$ 66.443	\$ 67.863	\$ 69.181	\$ 70.593
Overtime	5.989	5.727	5.630	5.741	5.851	5.970
Health and Welfare	11.470	12.378	13.699	14.725	15.827	17.006
OPEB-2008	1.200	1.310	1.439	1.544	1.656	1.777
Pensions	5.047	5.686	5.808	5.924	6.037	6.157
Other Fringe Benefits	7.051	8.268	7.539	7.696	7.844	8.003
Pattern Labor Provision						
GASB Account	0.298	0.308	0.318	0.327	0.338	0.345
Reimbursable Overhead						
Total Labor Expenditures	\$93.505	\$101.233	\$100.876	\$103.821	\$106.734	\$109.850
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$ 11.958	\$ 11.672	\$ 11.660	\$ 12.569	\$ 13.521	\$ 13.478
Insurance	1.271	0.750	0.327	0.365	0.628	0.425
Claims	7.269	4.913	3.486	3.548	3.612	3.684
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	8.890	10.494	10.210	10.379	10.511	10.687
Professional Service Contracts	1.596	2.200	1.942	1.977	2.009	2.050
Materials & Supplies	7.279	8.284	8.088	8.251	8.409	8.580
Other Business Expenses	0.926	0.392	0.398	0.407	0.412	0.420
Total Non-Labor Expenditures	\$39.189	\$38.705	\$36.112	\$37.495	\$39.103	\$39.324
<u>Other Expenditure Adjustments:</u>						
Other	-	(3.469)	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	(\$3.469)	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$132.694	\$136.469	\$136.988	\$141.316	\$145.836	\$149.175
Baseline Cash Deficit	(\$81.896)	(\$86.618)	(\$85.221)	(\$89.824)	(\$93.805)	(\$96.690)
2009 Program to Eliminate the Gap (PEGs)	-	-	0.640	0.540	0.400	0.340
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	1.491	2.982	4.473
Net Cash Deficit	(\$81.896)	(\$86.618)	(\$84.581)	(\$87.793)	(\$90.423)	(\$91.877)
Business Service Center					\$1.473	\$1.637

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Receipts						
Farebox Revenue	\$ (0.103)	\$ (0.163)	\$ 0.600	\$ (0.110)	\$ (0.111)	\$ (0.112)
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.735	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)
Capital and Other Reimbursements	0.615	(0.287)	(0.333)	(0.371)	(0.412)	(0.455)
Total Receipts	\$3.247	(\$0.500)	\$0.217	(\$0.531)	(\$0.573)	(\$0.617)
Expenditures						
<u>Labor:</u>						
Payroll	\$ (1.197)	\$ (2.165)	\$ 0.390	\$ 0.340	\$ 0.346	\$ 0.352
Overtime	0.366	(0.179)	0.031	0.036	0.038	0.040
Health and Welfare	(0.055)	0.051	0.056	0.061	0.066	0.072
OPEB-2008	-	-	-	-	-	-
Pensions	0.091	0.165	0.171	0.177	0.183	0.190
Other Fringe Benefits	(0.219)	(0.844)	0.044	0.042	0.044	0.046
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	(0.298)	(0.308)	(0.318)	(0.327)	(0.338)	(0.345)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$1.312)	(\$3.280)	\$0.374	\$0.329	\$0.339	\$0.355
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	(0.382)	0.275	0.278	0.294	0.301	0.306
Insurance	(0.894)	(0.233)	-	-	-	-
Claims	(0.978)	(1.430)	0.051	0.054	0.060	0.061
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.186	(0.425)	0.177	0.180	0.184	0.188
Professional Service Contracts	0.285	(0.218)	0.079	0.086	0.094	0.096
Materials & Supplies	(0.220)	(0.250)	0.105	0.107	0.109	0.111
Other Business Expenditures	(0.898)	0.023	0.025	0.025	0.028	0.029
Total Non-Labor Expenditures	(\$2.901)	(\$2.258)	\$0.715	\$0.746	\$0.776	\$0.791
<u>Other Expenditures Adjustments:</u>						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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.	(\$0.966)	(\$6.038)	\$1.306	\$0.544	\$0.542	\$0.529
Depreciation Adjustment	-	-	-	-	-	-
OPEB Post-2008	5.700	5.990	6.461	6.856	7.344	7.723
Environmental Remediation	-	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$4.734	(\$0.048)	\$7.767	\$7.400	\$7.886	\$8.252
2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$4.734	(\$0.048)	\$7.767	\$7.400	\$7.886	\$8.252
Business Service Center						

MTA LONG ISLAND BUS
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$83.243)	(\$88.832)	(\$90.638)	(\$94.943)
New Needs	\$0.000	\$0.000	\$0.000	\$0.000
Service/Customer Service	0.000	0.000	0.000	0.000
Maintenance	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000
Baseline Re-estimates	(\$4.486)	\$2.006	(\$0.850)	(\$0.856)
2009 PEG Program	<u>\$0.000</u>	<u>\$0.640</u>	<u>\$2.031</u>	<u>\$3.382</u>
Total Change before Other Adjustments and Uncontrollable Expenses	(\$4.486)	\$2.646	\$1.181	\$2.526
Other Adjustments	\$0.435	\$0.443	\$0.446	\$0.448
Passenger/Toll Revenue	0.435	0.443	0.446	0.448
Total Changes before Uncontrollable Expenses	(\$4.051)	\$3.089	\$1.627	\$2.974
Uncontrollable Expenses				
Energy (All Categories)	(1.035)	(0.518)	(0.878)	(1.026)
Paratransit	0.000	0.000	0.000	0.000
Pensions	0.000	0.002	0.000	0.000
Health & Welfare	1.646	1.606	2.016	2.485
Insurance	<u>0.065</u>	<u>0.072</u>	<u>0.080</u>	<u>0.087</u>
Total Uncontrollable Expenses	\$0.676	\$1.162	\$1.218	\$1.546
July Financial Plan (Cash) including 2009 PEG Program	(\$86.618)	(\$84.581)	(\$87.793)	(\$90.423)

**MTA Long Island Bus
2009 Preliminary Budget
July Financial Plan 2009 - 2012
Year-to-Year Summary of Changes**

Accrual and Cash

Until sustained future funding issues are resolved, the current budget plan does not assume any changes in current overall service/operation levels.

Farebox revenue changes were positive and are based on favorable ridership and revenue forecasts. Annual .5% incremental increases in farebox revenue are projected through the 2012 plan period.

Annual changes in Other Operating Revenues are reflective of estimated grant funding levels and changes in contract rates tied to advertising and other non-operating revenue sources.

The two main components of the Capital and Other Reimbursement categories are reimbursement for capital personnel and preventive maintenance expenses. The labor portion is affected by the identical CPI guidelines as non-reimbursable.

This plan also assumes the availability of an additional \$.7 million in grant funding to offset preventive maintenance expenses, starting in 2009.

All the baseline assumptions related to annual changes in labor contracts, fleet, facility and equipment maintenance were consistent with the July 2008 inflators. The aforementioned swap of a payroll between 2009 and 2008 due to calendar posting date was transparent in the report.

Changes in projected fuel expenses are based on issued annual rate guidelines.

OPEB and PEG allocations vary based on actuarial estimates and program scope.

MTA LONG ISLAND BUS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$42.125	\$42.547	\$0.422	\$42.760	\$0.213	\$42.974	\$0.214	\$43.189	\$0.215
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	2.251	2.138	(0.113)	2.245	0.107	2.451	0.206	2.560	0.109
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$44.376	\$44.685	\$0.309	\$45.005	\$0.320	\$45.425	\$0.420	\$45.749	\$0.324
Expenses									
Labor:									
Payroll	\$64.490	\$65.905	\$1.415	\$67.256	\$1.351	\$68.561	\$1.305	\$69.960	\$1.399
Overtime	5.548	5.661	0.113	5.777	0.116	5.889	0.112	6.010	0.120
Health and Welfare	12.107	13.402	1.295	14.407	1.004	15.485	1.079	16.641	1.156
OPEB-2008	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	5.777	5.903	0.126	6.024	0.121	6.140	0.117	6.266	0.125
Other Fringe Benefits	7.357	7.514	0.157	7.668	0.154	7.817	0.149	7.976	0.159
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$95.279	\$98.385	\$3.106	\$101.132	\$2.747	\$103.893	\$2.761	\$106.853	\$2.960
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	\$11.947	\$11.938	(\$0.009)	\$12.863	\$0.925	\$13.822	\$0.959	\$13.784	(\$0.038)
Insurance	0.517	0.327	(0.190)	0.365	0.037	0.628	0.264	0.425	(0.203)
Claims	3.483	3.537	0.054	3.602	0.065	3.672	0.070	3.745	0.073
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	10.069	10.387	0.318	10.559	0.172	10.695	0.136	10.875	0.180
Professional Service Contracts	1.982	2.021	0.039	2.063	0.041	2.103	0.040	2.146	0.043
Materials & Supplies	4.734	4.193	(0.541)	4.358	0.165	4.518	0.160	4.691	0.173
Other Business Expenses	0.415	0.423	0.008	0.432	0.009	0.440	0.008	0.449	0.009
Total Non-Labor Expenses	\$33.147	\$32.827	(\$0.320)	\$34.241	\$1.414	\$35.879	\$1.637	\$36.115	\$0.237
Other Expenses Adjustments:									
Other	(\$3.469)	\$0.000	\$3.469	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	(\$3.469)	\$0.000	\$3.469	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$124.957	\$131.212	\$6.255	\$135.373	\$4.161	\$139.772	\$4.398	\$142.968	\$3.196
Depreciation									
OPEB Post-2008	5.990	6.461	0.471	6.856	0.395	7.344	0.488	7.723	0.379
Environmental Remediation	0.000	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$130.947	\$137.673	\$6.726	\$142.229	\$4.556	\$147.116	\$4.886	\$150.691	\$3.575
Baseline Net Surplus/(Deficit)	(\$86.571)	(\$92.988)	(\$6.417)	(\$97.224)	(\$4.236)	(\$101.691)	(\$4.466)	(\$104.942)	(\$3.251)
2009 Agency Program to Eliminate the Gap									
2009 Agency Program to Eliminate the Gap	0.000	0.640	0.640	0.540	(0.100)	0.400	(0.140)	0.340	(0.060)
Post-2009 Agency Program to Elim. the Gap									
Post-2009 Agency Program to Elim. the Gap	0.000	0.000	-	1.491	1.491	2.982	1.491	4.473	1.491
Net Surplus/(Deficit)	(\$86.571)	(\$92.348)	(\$5.777)	(\$95.193)	(\$2.845)	(\$98.309)	(\$3.115)	(\$100.129)	(\$1.820)

MTA Long Island Bus
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
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	-	-	0.000	-	0.000	-	0.000	-	0.000
Capital and Other Reimbursements	5.975	6.866	0.891	7.018	0.153	7.180	0.162	7.353	0.174
Total Revenue	\$5.975	\$6.866	\$0.891	\$7.018	\$0.153	\$7.180	\$0.162	\$7.353	\$0.174
Expenses									
Labor:									
Payroll	\$0.901	\$0.928	\$0.027	\$0.947	\$0.019	\$0.965	\$0.018	\$0.985	\$0.020
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	0.322	0.353	0.031	0.379	0.026	0.407	0.028	0.437	0.030
OPEB-2008	1.310	1.439	0.129	1.544	0.105	1.656	0.112	1.777	0.121
Pensions	0.074	0.076	0.002	0.078	0.002	0.079	0.002	0.081	0.002
Other Fringe Benefits	0.067	0.069	0.002	0.070	0.001	0.072	0.001	0.073	0.001
Pattern Labor Provision	-	-	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 Expenses	\$2.674	\$2.865	\$0.191	\$3.018	\$0.153	\$3.179	\$0.162	\$3.353	\$0.173
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	0.000	-	0.000	-	0.000	-	0.000
Insurance	-	-	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	3.300	4.000	0.700	4.000	0.000	4.000	0.000	4.000	0.000
Other Business Expenses	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Non-Labor Expenses	\$3.300	\$4.000	\$0.700	\$4.000	\$0.000	\$4.000	\$0.000	\$4.000	\$0.000
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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	\$5.974	\$6.865	\$0.891	\$7.018	\$0.153	\$7.179	\$0.162	\$7.353	\$0.173
Depreciation			0.000		0.000		0.000		0.000
Total Expenses	\$5.974	\$6.865	\$0.891	\$7.018	\$0.153	\$7.179	\$0.162	\$7.353	\$0.173
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	\$0.000
2009 Agency Program to Eliminate the Gap	0.000	0.000	(0.000)	0.000	(0.000)	0.000	(0.000)	0.000	0.000
Post-2009 Agency Program to Elim. the Gap	-	-	0.000	-	0.000	-	0.000	-	0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	\$0.000

MTA Long Island Bus
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Receipts									
Farebox Revenue	\$41.962	\$43.147	\$1.185	\$42.650	(\$0.497)	\$42.863	\$0.213	\$43.077	\$0.214
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	2.201	2.088	(0.113)	2.195	0.107	2.401	0.206	2.510	0.109
Capital and Other Reimbursements	5.688	6.533	0.845	6.647	0.115	6.768	0.121	6.898	0.131
Total Receipts	\$49.851	\$51.768	\$1.917	\$51.492	(\$0.275)	\$52.032	\$0.540	\$52.485	\$0.453
Expenditures									
Labor:									
Payroll	\$67.556	\$66.443	(\$1.113)	\$67.863	\$1.420	\$69.181	\$1.317	\$70.593	\$1.412
Overtime	5.727	5.630	(0.097)	5.741	0.111	5.851	0.110	5.970	0.118
Health and Welfare	12.378	13.699	1.321	14.725	1.025	15.827	1.102	17.006	1.180
OPEB-2008	1.310	1.439	0.129	1.544	0.105	1.656	0.112	1.777	0.121
Pensions	5.686	5.808	0.122	5.924	0.117	6.037	0.112	6.157	0.120
Other Fringe Benefits	8.268	7.539	(0.729)	7.696	0.157	7.844	0.148	8.003	0.159
Pattern Labor Provision	-	-	0.000	-	0.000	-	0.000	-	0.000
GASB Account	0.308	0.318	0.010	0.327	0.009	0.338	0.011	0.345	0.007
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
Total Labor Expenditures	\$101.233	\$100.876	(\$0.357)	\$103.821	\$2.944	\$106.734	\$2.913	\$109.850	\$3.117
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	\$11.672	\$11.660	(\$0.012)	\$12.569	\$0.909	\$13.521	\$0.952	\$13.478	(\$0.043)
Insurance	0.750	0.327	(0.423)	0.365	0.037	0.628	0.264	0.425	(0.203)
Claims	4.913	3.486	(1.427)	3.548	0.062	3.612	0.064	3.684	0.072
Paratransit Service Contracts	-	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance and Other Operating Contracts	10.494	10.210	(0.284)	10.379	0.169	10.511	0.132	10.687	0.176
Professional Service Contracts	2.200	1.942	(0.258)	1.977	0.034	2.009	0.032	2.050	0.041
Materials & Supplies	8.284	8.088	(0.196)	8.251	0.163	8.409	0.158	8.580	0.171
Other Business Expenses	0.392	0.398	0.006	0.407	0.009	0.412	0.005	0.420	0.008
Total Non-Labor Expenditures	\$38.705	\$36.112	(\$2.593)	\$37.495	\$1.383	\$39.103	\$1.607	\$39.324	\$0.222
Other Expenditure Adjustments:									
Other	(\$3.469)	\$0.000	\$3.469	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	(\$3.469)	\$0.000	\$3.469	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$136.469	\$136.988	\$0.520	\$141.316	\$4.328	\$145.836	\$4.520	\$149.175	\$3.339
Baseline Net Cash Deficit	(\$86.618)	(\$85.221)	\$1.397	(\$89.824)	(\$4.603)	(\$93.805)	(\$3.980)	(\$96.690)	(\$2.885)
2009 Agency Program to Eliminate the Gap									
	-	0.640	0.640	0.540	(0.100)	0.400	(0.140)	0.340	(0.060)
Post-2009 Agency Program to Elim. the Gap									
	-	-	0.000	1.491	1.491	2.982	1.491	4.473	1.491
Net Cash Deficit	(\$86.618)	(\$84.581)	\$2.037	(\$87.793)	(\$3.212)	(\$90.423)	(\$2.629)	(\$91.877)	(\$1.454)

**MTA Long Island Bus
2009 Preliminary Budget
July Financial Plan 2009 - 2012
Summary of Major Plan-to-Plan Changes**

Accrual

There were no programmatic changes from the February plan and variances reflect changes in CPI rates and forecasted revenue.

Positive ridership and farebox revenue trends in the first four months of 2008 influenced the forecasted increase in farebox revenue for both services. The \$.4 million projected increase to the July farebox baseline impacted the future plan years as a modest .5% annual increase was maintained throughout the plan period.

The non-receipt of anticipated grant funding targeted for reverse commute service enhancements, caused a negative \$.3 million variance in the Other Operating Revenue category. This also created a ripple effect in the 2009 – 2012 plan periods.

Labor expense variances were dominated by the lower rates applied to Health and Welfare in the July Plan. These rates (average 9.8% for 2009 and 7.0% for 2010 – 2012) produced favorable variances in each of the Plan years. The 2009 projected reduction is \$1.5 million net of adjustments made to OPEB. Slightly higher guideline rates in the other labor categories produced small negative variances with the net result for the labor category being a favorable \$1.6 million.

The 2008 July baseline for fuel was adjusted to reflect actual rates being applied to the February plan usage. The fuel budget category consists of fuel types (Diesel, CNG, Oil and Lubricants) that have different inflator rates. The lower variances generated in the 2009 - 2012 period reflect the application of negative inflators on prior year's base per the July CPI guidelines.

Lower insurance premiums produced positive variances in all the plan years.

Baseline changes to other non-labor categories (contracts, materials & supplies) benefited from lower inflators. However, energy related items such as electricity, heating and non-revenue fuel are included in the maintenance contract and material budget grouping and their adjusted 2008 baseline caused minor negative offsets to the gains of the other detailed line items.

To reflect the receipt of prior year CNG Tax rebates, \$3.5 million was shown as an expense offset in the "Other Expenses Adjustments" line item. This created a positive variance to the February baseline expenses.

OPEB obligation amounts were separated from Health and Welfare expenses in the July Plan and the estimated annual contributions are shown above the line. All other OPEB obligation amounts are shown below the line.

The 2009 PEG program was added to the July plan.

Cash

With one exception, plan to plan cash changes mirrored the changes to accrual and unique cash flow timing requirements.

The exception entails the swapping of one payroll from 2009 back into 2008. Due to the January 1, 2009 pay-date falling on a holiday, 2008 will have 27 bi-weekly pay periods. The final 2008 payroll was credited to 2009 in the February plan hence the technical adjustment to capture it in 2008.

MTA LONG ISLAND BUS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$83.243)	(\$88.832)	(\$90.638)	(\$94.943)	(\$98.438)
Baseline Changes					
Revenue					
Farebox Revenue	\$0.435	\$0.443	\$0.446	\$0.448	\$0.450
Vehicle Toll Revenue	-	-	-	-	-
Other Operating Revenue	(\$0.331)	(\$0.351)	(\$0.052)	(\$0.054)	(\$0.053)
Capital and Other Reimbursement	-	-	-	-	-
Total Revenue Changes	\$1.104	\$0.92	\$0.394	\$0.394	\$0.397
Expenses					
Labor:					
Payroll	(\$0.001)	(\$0.024)	(\$0.090)	(\$0.052)	(\$0.080)
Overtime	(0.000)	(0.002)	(0.008)	(0.005)	(0.007)
Health and Welfare	1.646	1.616	1.993	2.423	2.915
OPEB-2008	-	-	-	-	-
Pensions	(0.000)	(0.002)	(0.008)	(0.004)	(0.007)
Other Fringe Benefits	0.002	(0.001)	(0.008)	(0.004)	(0.007)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$1.647	\$1.587	\$1.879	\$2.358	\$2.814
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	(\$1.057)	(\$0.536)	(\$0.902)	(\$1.106)	(\$0.986)
Insurance	0.065	0.072	0.080	0.087	0.096
Claims	(0.000)	-	-	-	0.000
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	0.064	(0.010)	(0.035)	0.000	0.030
Professional Service Contracts	(0.000)	0.004	0.005	0.009	0.010
Materials & Supplies	0.009	(0.597)	(0.607)	(0.605)	(0.615)
Other Business Expenses	(0.000)	0.000	0.001	0.001	0.002
Total Non-Labor Expense Changes before Depreciation and GASB Adjs.	(\$0.920)	(\$1.067)	(\$1.459)	(\$1.614)	(\$1.463)
Depreciation					
OPEB Post-2008	(\$1.090)	(\$1.461)	(\$1.556)	(\$1.944)	(\$2.123)
CNG Tax credits (greater than forecast)	\$3.469				
Total Expense Changes	\$3.105	(\$0.941)	(\$1.136)	(\$1.200)	(\$0.772)
Cash Adjustment Changes					
Farebox Revenue	(\$0.000)	(\$0.000)	\$0.000	\$0.000	(\$0.000)
Capital and Other Reimbursement	(0.001)	(0.001)	(0.000)	(0.000)	-
Payroll	(2.501)	2.502	(0.000)	0.000	0.000
Overtime	(0.212)	0.212	(0.000)	0.000	(0.000)
Health and Welfare	0.000	(0.000)	0.000	0.000	(0.000)
Pensions	0.000	(0.000)	0.000	(0.000)	0.000
Other Fringe Benefits	(0.884)	0.284	0.000	(0.000)	0.000
Fuel for Buses and Trains	(1.129)	0.000	0.000	0.000	0.000
Insurance	(0.233)	-	-	-	-
Claims	(1.478)	-	-	-	(0.000)
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.599)	0.000	0.000	(0.000)	0.000
Professional Service Contracts	(0.287)	0.000	0.000	0.000	0.000
Materials & Supplies	(0.353)	(0.000)	(0.000)	(0.000)	-
Other Business Expenses	0.000	0.000	(0.000)	0.000	0.000
OPEB Post-2008	1.090	1.461	1.556	1.944	2.123
Total Cash Adjustment Changes	(\$6.585)	\$4.459	\$1.557	\$1.944	\$2.123
Total Baseline Changes	(\$3.375)	\$3.610	\$0.814	\$1.138	\$1.748
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$86.618)	(\$85.221)	(\$89.824)	(\$93.805)	(\$96.690)

MTA Long Island Bus
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	0.002	0.012	(0.021)	(0.060)	(0.104)
Total Revenue Changes	\$0.002	\$0.012	(\$0.021)	(\$0.060)	(\$0.104)
Expenses					
Labor:					
Payroll	0.000	0.000	(0.001)	(0.000)	(0.000)
Overtime	0.000	0.000	0.000	0.000	0.000
Health and Welfare	1.310	1.429	1.567	1.718	1.884
OPEB-2008	(1.310)	(1.439)	(1.544)	(1.656)	(1.777)
Pensions	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$0.002)	(\$0.012)	\$0.020	\$0.060	\$0.104
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	(\$0.002)	(\$0.012)	\$0.020	\$0.060	\$0.104
Cash Adjustment Changes					
Farebox Revenue					
Capital and Other Reimbursement					
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts					
Materials & Supplies					
Other Business Expenses					
Rounding					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000

MTA LONG ISLAND BUS
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	0	2009	0	2010	0	2011	0	2012
Baseline 2008 February Financial Plan - Net Operating Income	(\$83.243)		(\$88.832)		(\$90.638)		(\$94.943)		(\$98.438)
Non-Reimbursable Major Changes									
Revenue									
Additional Farebox	\$0.435		\$0.443		\$0.446		\$0.448		\$0.450
Net loss between Grant funding and Contract work	(0.331)		(0.351)		(0.052)		(0.054)		(0.053)
Adjustments for reimbursable benefit expenses	-		-		-		-		-
Sub-Total Non-Reimbursable Revenue Changes	\$0.104		\$0.092		\$0.394		\$0.394		\$0.397
Expenses									
Payroll, Overtime, Pension & Fringe - CPI effect	(\$0.001)		(\$0.029)		(\$0.114)		(\$0.065)		(\$0.101)
Health & Welfare savings due to lower CPI	1.646		1.616		1.993		2.423		2.915
OPEB Post-2008	(1.090)		(1.461)		(1.556)		(1.944)		(2.123)
Fuel	(1.057)		(0.536)		(0.902)		(1.106)		(0.986)
CNG Tax Credit	3.469								
All other	0.138		(0.531)		(0.556)		(0.508)		(0.477)
Sub-Total Non-Reimbursable Expense Changes	\$3.105		(\$0.941)		(\$1.135)		(\$1.200)		(\$0.772)
Total Non-Reimbursable Major Changes	\$3.209		(\$0.849)		(\$0.741)		(\$0.806)		(\$0.375)
Reimbursable Major Changes									
Revenue									
Adjustments for reimbursable benefit expenses	0.002		0.012		(0.021)		(0.060)		(0.104)
Sub-Total Reimbursable Revenue Changes	0.002		0.012		(0.021)		(0.060)		(0.104)
Expenses									
CPI on labor items	(0.002)		(0.002)		(0.003)		(0.002)		(0.002)
Health & Welfare CPI /OPEB impact	-		(0.010)		0.023		0.062		0.106
Sub-Total Reimbursable Expense Changes	(0.002)		(0.012)		0.020		0.060		0.104
Total Reimbursable Major Changes	\$0.000		\$0.000		(\$0.001)		\$0.000		\$0.000
Total Accrual Changes	\$3.209		(\$0.849)		(\$0.742)		(\$0.806)		(\$0.375)
Cash Adjustment Changes									
Capital Reimbursements - Personnel	(0.001)								
Swap of one payroll from 2009 to 2008 due to calendar	(2.997)		2.999						
Workers Compensation timing from 2007	(0.600)								
Re-classification of CNG Tax credit	(1.129)								
Insurance timing from 2007	(0.233)								
Claims timing from 2007	(1.476)								
Contracts - timing from 2007	(1.238)								
OPEB Post-2008	1.090		1.461		1.556		1.944		2.123
Total Cash Adjustment Changes	(\$6.584)		\$4.460		\$1.556		\$1.944		\$2.123
Total Baseline Changes	(\$3.375)		\$3.611		\$0.814		\$1.138		\$1.748
Baseline 2008 July Financial Plan - Net Operating Income	(\$86.618)		(\$85.221)		(\$89.824)		(\$93.805)		(\$96.690)

**MTA Long Island Bus
2009 Preliminary Budget
July Financial Plan 2009 - 2012**

RIDERSHIP/UTILIZATION ASSUMPTIONS

Fixed Route:

The 2007 ridership and revenue results were flat compared to 2006, partially due to the expected temporary fall-off in riders after a fare increase and other weather and economic factors. Ridership, however, exceeded 32 million and several one day records were achieved during the second half of the year.

As of year-to-date May 2008, the LI Bus fixed route system has achieved a 3.2% increase in ridership and a 5.1% increase in revenue over same period 2007. This positive variance was used to adjust the full year forecast, adding .3 million riders and \$.4 million in revenue.

The sustained escalation in fuel prices has caused a shift towards LI Bus service, creating more demand for peak service. This coupled with the growing need for job access/reverse commute service, gap closures and bus-rail connection services, trends well for ridership growth.

Annual increases are projected at .5% in each of the plan years.

Paratransit (Demand Response)

After multiple years of significant increases in year-to-year ridership results, the 2007 results were flat. However, an upward trend is evident in the year-to-date 2008 numbers. Ridership shows a 4.0% increase while revenue increased 4.2% over the same period 2007.

With these increases factored into the July Plan numbers, both ridership and revenue reflect the most recent trend. There was no significant increase in registrants, so repeat usage by current customers is credited for the overall increase.

The July Plan forecast shows a .5% annual increase over the plan period.

MTA Long Island Bus
July Financial Plan 2009- 2012
Ridership/Traffic Volume (Utilization)
(in millions)

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
<u>RIDERSHIP</u>						
Fixed Route	32.088	32.811	33.139	33.305	33.471	33.639
Paratransit	0.352	0.361	0.363	0.365	0.366	0.368
Baseline Total Ridership	32.440	33.172	33.502	33.669	33.838	34.007
<i>Impact of:</i>						
2009 Program to Eliminate the Gap (PEGs)						
Post-2009 Program to Eliminate the Gap (PEGs)						
Total Ridership	32.440	33.172	33.502	33.669	33.838	34.007
<u>FAREBOX REVENUE</u>						
Fixed Route	\$ 39.217	\$ 41.002	\$ 41.418	\$ 41.626	\$ 41.834	\$ 42.043
Paratransit	\$ 1.104	\$ 1.123	\$ 1.129	\$ 1.134	\$ 1.140	\$ 1.146
Baseline Total Revenue	\$40.321	\$42.125	\$42.547	\$42.760	\$42.974	\$43.189
<i>Impact of:</i>						
2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Revenue	\$40.321	\$42.125	\$42.547	\$42.760	\$42.974	\$43.189

MTA LONG ISLAND BUS
Mid-year forecast for 2008
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Maintenance											
Repair & Maintenance Contracts Savings		0	0.000	0	0.080	0	0.000	0	0.000	0	0.000
Savings on Structural Repairs and Material needs (Fi		0	0.000	0	0.160	0	0.140	0	0.050	0	0.030
Utility Savings - Electricity		0	0.000	2	0.130	2	0.130	2	0.130	2	0.130
Sub-Total	Maintenance	0	\$ 0.000	2	\$ 0.370	2	\$ 0.270	2	\$ 0.180	2	\$ 0.160
Other											
Fueling of Pararansit Vehicles		0	0.000	0	0.070	0	0.070	0	0.070	0	0.070
Warranty Recovery		0	0.000	0	0.200	0	0.200	0	0.150	0	0.110
Sub-Total	Other	0	\$ 0.000	0	\$ 0.270	0	\$ 0.270	0	\$ 0.220	0	\$ 0.180
Total Programs		0	\$ 0.000	2	\$ 0.640	2	\$ 0.540	2	\$ 0.400	2	\$ 0.340

MTA LONG ISLAND BUS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000016	Current Budget Year	2008	Status	Open
Program:	Repair & Maintenance Contracts Savings			Agency Status	Pending
Description and Implementation Pla	Savings in Repair and Maintenance Contracts due to the replacement of 70% of the Paratransit fleet with new buses. This represents a 5% reduction for partial 2008 credit and 8% for full 2009 benefit.				
Background Details	Prior to the receipt of new buses, over 70% of the fleet had reached the recommended replacement criteria, thereby generating additional repair and maintenance expenses.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000016	MYF08	\$ 0.000	\$ 0.080	\$ 0.000	\$ 0.000	\$ 0.000

MTA LONG ISLAND BUS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000017	Current Budget Year	2008	Status	Open
Program:	Fueling of Pararansit Vehicles			Agency Status	Pending
Description and Implementation Pla	Target 12 in-route buses daily to be fueled at the Mitchel Field Depot diesel fuel station. The intent is to benefit from lower unit cost versus using external vendors (gas stations).				
Background Details	Due to the logistics of daily "demand response" service, it is more practical to re-fuel at vendor gas stations.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000017	MYF08	\$ 0.000	\$ 0.070	\$ 0.070	\$ 0.070	\$ 0.070

MTA LONG ISLAND BUS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet
 (\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	2/1/2009
PEG / New Need ID	0000000018	Current Budget Year	2008	Status	Open
Program:	Savings on Structural Repairs and Material needs (Fixed Route)			Agency Status	Pending
Description and Implementation Pla	Savings from lower Structural/Body Repair and Material needs as new Fixed Route Buses are put in service.				
Background Details	Delays in fixed route replacement buses caused the extended use of older buses that resulted in additional repair expenses.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000018	MYF08	\$ 0.000	\$ 0.160	\$ 0.140	\$ 0.050	\$ 0.030

MTA LONG ISLAND BUS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet
 (\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Other	Savings Date	7/1/2009
PEG / New Need ID	0000000019	Current Budget Year	2008	Status	Open
Program:	Warranty Recovery			Agency Status	Pending
Description and Implementation Pla	As new replacement buses enter service and are under warranty, enhanced warranty tracking initiatives will be implemented.				
Background Details	All of the current fleet are out of warranty.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000019	MYF08	\$ 0.000	\$ 0.200	\$ 0.200	\$ 0.150	\$ 0.110

MTA LONG ISLAND BUS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	PEG	Implementation Date	1/4/2009
Budget Reference	MYF08	Category	Maintenance	Savings Date	1/4/2009
PEG / New Need ID	0000000020	Current Budget Year	2008	Status	Open
Program:	Utility Savings - Electricity			Agency Status	Pending
Description and Implementation Pla	Savings generated by charging on-site high capacity battery during lower rate/low peak hours and fueling buses on battery power during high rate/peak periods. Two maintainer helper positions eliminated in off-peak.				
Background Details	Fueling of buses were mainly done during off-peak hour (nights) requiring the hiring of an additional shift of maintainer helpers.				

				2008	2009	2010	2011	2012
Total Headcount	LIBUS	0000000020	MYF08	0	2	2	2	2
Financial Impact	LIBUS	0000000020	MYF08	\$ 0.000	\$ 0.130	\$ 0.130	\$ 0.130	\$ 0.130

MTA LONG ISLAND BUS
 Mid-year forecast for 2008
 Summary of Post 2009 PEGs
 (\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Other											
Unspecified		0	0.000	0	0.000	0	1.491	0	2.982	0	4.473
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	0	\$ 1.491	0	\$ 2.982	0	\$ 4.473
Total Programs		0	\$ 0.000	0	\$ 0.000	0	\$ 1.491	0	\$ 2.982	0	\$ 4.473

MTA LONG ISLAND BUS
 Mid-year forecast for 2008
 Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIBUS	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000021	Current Budget Year	2008	Status	Open
Program:	Unspecified			Agency Status	Pending

Description and Implementation Pla

Background Details

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIBUS	0000000021	MYF08	\$ 0.000	\$ 0.000	\$ 1.491	\$ 2.982	\$ 4.473

**MTA Long Island Bus
2009 Preliminary Budget
July Financial Plan 2009 - 2012**

Positions:

Starting in 2009, the proposed 2009 PEG requires the reduction of two maintainer helper headcount.

All other budgeted headcount were unchanged from the prior plan period. Future headcount needs will be contingent upon approved funding in support of enhanced service and support levels.

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Administration - All Other	31	33	33	33	33	33
Administration - Safety	10	11	11	11	11	11
Finance	18	21	21	21	21	21
Legal	9	9	9	9	9	9
IT	17	22	22	22	22	22
Total Administration	85	96	96	96	96	96
Operations						
Admin (F/R)	22	24	24	24	24	24
Admin (Para)	4	4	4	4	4	4
Bus stops	2	2	2	2	2	2
Scheduling (F/R)	3	3	3	3	3	3
Scheduling (Para)	13	13	13	13	13	13
Reservationists (Para)	12	12	12	12	12	12
TIC	8	9	9	9	9	9
Dipatchers	41	43	43	43	43	43
Bus Operators (F/R)	534	536	536	536	536	536
Bus Operators (Para)	119	131	131	131	131	131
Total Operations	758	777	777	777	777	777
Maintenance						
Admin	10	12	12	12	12	12
Line Supervisors	18	19	19	19	19	19
Mechanics (F/R)	117	123	123	123	123	123
Mechanics (Para)	3	3	3	3	3	3
Mech. Helpers/Cleaners (F/R)	62	68	68	68	68	68
Cleaners (Para)	6	7	7	7	7	7
Storeroom	12	12	12	12	12	12
P & E (F/R)	9	10	10	10	10	10
P & E (Para)	0	1	1	1	1	1
Farebox	6	6	6	6	6	6
Total Maintenance	243	261	261	261	261	261
Engineering/Capital						
Engineers	2	2	2	2	2	2
Capital	13	14	14	14	14	14
Total Engineering/Capital	15	16	16	16	16	16
Public Safety						
Security	2	3	3	3	3	3
Total Baseline Positions	1,103	1,153	1,153	1,153	1,153	1,153
<i>Non-Reimbursable</i>	1,090	1,139	1,139	1,139	1,139	1,139
<i>Reimbursable</i>	13	14	14	14	14	14
<i>Total Full-Time</i>	1,008	1,044	1,044	1,044	1,044	1,044
<i>Total Full-Time Equivalents</i>	95	109	109	109	109	109
Impact of:						
2009 Program to Eliminate the Gap (PEGs)	-	-	2	2	2	2
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Positions	1,103	1,153	1,151	1,151	1,151	1,151
<i>Non-Reimbursable</i>	1,090	1,139	1,137	1,137	1,137	1,137
<i>Reimbursable</i>	13	14	14	14	14	14
<i>Total Full-Time</i>	1,008	1,044	1,042	1,042	1,042	1,042
<i>Total Full-Time Equivalents</i>	95	109	109	109	109	109
Business Service Center					(15)	(15)

MTA LONG ISLAND BUS
July Financial Plan 2009- 2012
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Managers/Supervisors	37	42	42	42	42	42
Professional, Technical, Clerical	48	54	54	54	54	54
Operational Hourlies						
Total Administration	85	96	96	96	96	96
Operations						
Managers/Supervisors	63	64	64	64	64	64
Professional, Technical, Clerical	42	44	44	44	44	44
Operational Hourlies	653	669	669	669	669	669
Total Operations	758	777	777	777	777	777
Maintenance						
Managers/Supervisors	26	27	27	27	27	27
Professional, Technical, Clerical	4	4	4	4	4	4
Operational Hourlies	213	230	230	230	230	230
Total Maintenance	243	261	261	261	261	261
Engineering/Capital						
Managers/Supervisors	7	7	7	7	7	7
Professional, Technical, Clerical	8	9	9	9	9	9
Operational Hourlies						
Total Engineering/Capital	15	16	16	16	16	16
Public Safety						
Managers/Supervisors	-	1	1	1	1	1
Professional, Technical, Clerical	2	2	2	2	2	2
Operational Hourlies						
Total Public Safety	2	3	3	3	3	3
Total Baseline Positions						
Managers/Supervisors	133	141	141	141	141	141
Professional, Technical, Clerical	104	113	113	113	113	113
Operational Hourlies	866	899	899	899	899	899
Total Baseline Positions	1,103	1,153	1,153	1,153	1,153	1,153