

MTA Bus Company

**MTA Bus Company
2009 Preliminary Budget
July Financial Plan 2009-2012**

Mission Statement and Highlights of Operations

The MTA Bus Company (MTABC) is committed to providing a safe, reliable, convenient and efficient bus service throughout the boroughs of Queens, Bronx, Brooklyn and Manhattan, and parts of Yonkers and Western Nassau County. In September 2004, the MTA created the MTA Bus Company as a subsidiary of the Authority in order to effectuate an agreement with the City of New York to consolidate the operations of seven private bus companies. The agreement was implemented as a result of the mutual desire of the MTA and the City of New York to improve the quality and efficiency of bus service formerly provided by private bus operators pursuant to franchises granted by the City. The agreement, as approved by the MTA Board, stipulated that the City will pay MTABC the difference between the actual cost of route service operations and all revenues and subsidies received by MTABC. Thus, the current costs of MTABC operations are 100% reimbursable by the City.

The transition of service of the seven private bus companies into MTABC began on January 3, 2005 with the transfer of operations of the former Liberty Lines Express, Inc. The transition was completed on February 20, 2006 as Triboro Coach Corporation became the seventh and final private bus company to join the operations of the MTABC. MTABC now operates over 1,350 buses serving approximately 400,000 riders daily, and has experienced the fastest ridership growth in the MTA family.

The MTA Bus Company team is instrumental in progressing towards a key MTA goal of institutional transformation as we partner with Long Island Bus and New York City Transit's Department of Buses to provide better overall regional bus service delivery. MTA Bus will be able to leverage the resources of the older, more established bus agencies best practices under the regional arrangement.

Between 2005 and 2007, MTABC introduced 475 new over-the-road express buses into service, and 284 new hybrid electric buses for local service. With the new bus deliveries completed, a total of 759 new buses or almost 60% of the fleet has been replaced. An option for an additional 105 new hybrid electric buses was exercised and deliveries will commence in early 2009.

The infusion of new buses into the MTABC fleet, in conjunction with the introduction of comprehensive maintenance programs has significantly improved the reliability of the fleet and customer comfort. This has allowed MTABC the opportunity to address a number of other critical areas that tie into the overall

Agency goals. All future fleet, facility and equipment purchases, designs and upgrades will have a sustainability blueprint as a core aspect of its specifications. MTABC will aggressively seek additional security funding to upgrade the safety of its fleet and facilities, and utilize existing Capital Program funding to harden its facilities based on threat and vulnerability assessments.

As we partner with the other bus companies to achieve the institutional transformation objective, joint workforce development initiatives are being developed that will encompass all title groups within MTABC. The completion of contract negotiations with the three unions is the key component in advancing workforce development initiatives within MTABC. Added focus is also being directed towards providing consistent and enhanced service delivery from all MTABC depots. To improve customer service, MTABC entered into an agreement with NYCT to greatly expand the window of time customers can access travel and route information via a central phone number.

With identified and projected capital funding, MTA Bus will prioritize and systematically address the short, medium and long-term infrastructure and maintenance needs of its depot facilities and equipment. This is in support of the goal to maximizing operational efficiency and providing safe and comfortable work environments.

With the 2008 implementation of new PeopleSoft financial application modules, MTA Bus is now better able to identify key expense drivers and perform more in-depth analysis of expenditures, as a key component of achieving financial stability. Additional systems implementations for fleet and facility maintenance are on-going to further support financial stability efforts.

Financial Overview

MTA Bus has experienced double digit ridership growth in response to service initiatives implemented over the past three plus years. Year-to-date 2008 ridership continues its positive trend and is 11.3% over same period 2007. This positive trend influenced the decision to increase ridership projections by 5.8 million and farebox revenue of \$7.2 in the July Plan. Net increases in other revenue sources also contributed \$10.1 million to the overall increase in projected revenue.

Labor expense line items were adjusted to reflect operational needs as related to vacancies and changes in guideline CPI's. There were no new labor contract agreements included in this Plan. Lower Health and Welfare inflators provided an offset to increases in other labor items.

The unit price volatility being experienced in fuel and utility rates is negatively impacting non-labor expense categories. This is most evident in the Fuel budget

category that shows a May year-to-date overrun of \$7.2 million. Energy expense projections for 2008 were adjusted to reflect current rates. Other non-labor categories reflect changes due mainly to guideline CPI adjustments. There was no significant impact on the 2008 baseline due to programmatic changes.

Transitioning seven private companies with different collective bargaining agreements, bus models, facility conditions and workforce skill sets into a single, new public sector agency, continues to provide unique challenges as we balance the financial constraints against service requirements and achieving productivity and cost efficiencies.

2008 Mid-Year Forecast

The baseline revenue in the July plan is projected to be \$177.4 million, of which \$151.4 million is expected from farebox receipts. Year to date, farebox revenue is trending \$8.3 higher than adopted budget levels. Other operating revenue was positively affected by the implementation of a new MTA-wide advertising contract.

MTA Bus Company's 2008 Mid-Year Forecast reflects total non-reimbursable expenses of \$426.4 million before depreciation and GASB adjustments. The accrual deficit before OPEB provisions and depreciation, increased by \$3.8 million from the February Plan.

The 2008 baseline budget items were adjusted to reflect new rate guidelines and April year to date results. In the revenue category an increase in actual and forecasted farebox revenue added \$7.2 million for the full year, while increases in advertising contract revenue and other revenues added \$10.1 million to the July Plan forecast.

The net increase in the labor category is \$15.8 million of which \$14.3 million is due to employee benefit re-estimates. The payroll/overtime mix continues to represent an over-reliance on overtime in lieu of filling maintenance and professional title vacancies. Pension costs were revised upward due to updated plan data analysis.

A net increase in the non-labor category of \$5.3 million is due mainly to an \$8.1 million projected 2008 increase in fuel costs. Smaller increases in Maintenance and Other Operating Contracts and Other Business Expenses were partially offset by lower forecasted usage in the other non-labor line items.

There were no changes to headcount.

The level of Capital expenditures has been adversely affected by delays in the grant funding approval process, and the legal aspect of the procurement process,

since five of the eight MTABC depots are leased and additional steps are required to perform extensive facility work at those locations.

2009 Preliminary Budget-Baseline

Total 2009 revenue is projected to be \$213.6 million, of which \$181.3 million is generated from operating revenues while \$32.4 million represents capital reimbursements. Projected increases in farebox revenue contributed \$6.4 million to the revised operating revenue forecast.

MTA Bus Company's 2009 Preliminary Budget reflects total expenses before depreciation of \$472.8 million of which \$32.4 is reimbursable. The 2009 estimates were mainly derived from the application of guideline CPI's on the adjusted 2008 baseline line items.

Revised pension valuation assumptions account for a line item increase of \$7.2 million. Reduced reliance on outside maintenance contracts positively impacted the non-labor category.

Total full-time positions are 3,511 of which 3,495 are non-reimbursable and 16 reimbursable.

2010-2012 Projections

MTA Bus Company's 2010 Budget reflects total expenses before depreciation of \$474.7 million while revenues are projected to be \$ 209.1 million. In 2011 Budget expenses are projected at \$485.2 million and revenue is projected at \$212.3 million. The 2012 Budget expense figure is \$499.3 million with revenue of \$216.8 million. Full-time positions are projected to remain steady through the 2010 - 2012 time-frame.

2009 PEG Actions

Programs consistent with reducing the 2009 deficit by \$6.5 million were identified. Reductions are anticipated based on estimates of material needs relative to the scheduled receipt of new buses and the performance of new buses currently in service. Additional expense reductions were identified from the change in workers compensation claims processing from a guaranteed program to in-house staff handling.

In addition to the on-going 2009 PEG actions, expense reductions associated with the retirement of legacy payroll systems inherited from the private bus

companies to the implementation of a unified shared services payroll system are included in the 2011-2012 period.

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

Non-Reimbursable	2007	2008	2009			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating Revenue						
Farebox Revenue	\$139.823	\$151.439	\$154.753	\$158.160	\$161.632	\$165.170
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	21.867	26.009	26.527	27.070	27.596	28.158
Capital and Other Reimbursements		-				
Total Revenue	\$161.690	\$177.448	\$181.279	\$185.230	\$189.227	\$193.328
Operating Expenses						
<u>Labor:</u>						
Payroll	\$185.662	\$192.024	\$213.338	\$217.712	\$221.935	\$226.463
Overtime	37.997	36.038	20.407	20.825	21.229	21.662
Health and Welfare	29.659	39.251	37.238	39.844	42.634	45.618
OPEB Current Payment	10.725	12.000	12.600	13.230	13.892	14.586
Pensions	13.531	14.169	16.596	16.936	17.265	17.617
Other Fringe Benefits	20.096	17.467	17.531	17.890	18.237	18.609
Reimbursable Overhead		(0.923)	(0.943)	(0.963)	(0.984)	(1.004)
Total Labor Expenses	\$297.670	\$310.026	\$316.766	\$325.475	\$334.208	\$343.551
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$25.429	\$37.687	\$37.253	\$35.839	\$35.713	\$36.442
Insurance	14.371	12.586	14.037	15.432	16.966	18.663
Claims	14.804	3.216	4.778	6.496	8.386	10.465
Paratransit Service Contracts		-	-	-	-	-
Maintenance and Other Operating Contracts	31.813	31.339	25.156	24.765	24.271	23.792
Professional Service Contracts	3.656	4.696	8.567	8.058	7.474	6.870
Materials & Supplies	27.270	20.832	29.743	30.331	30.881	31.711
Other Business Expenses	2.509	5.986	4.094	4.150	4.250	4.342
Total Non-Labor Expenses	\$119.852	\$116.342	\$123.629	\$125.072	\$127.941	\$132.284
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$417.522	\$426.368	\$440.395	\$450.546	\$462.150	\$475.835
Depreciation	29.955	34.694	37.110	40.185	42.235	42.235
OPEB Obligation	45.675	49.000	51.700	53.600	55.500	57.800
Environmental Remediation						
Total Expenses	\$493.152	\$510.062	\$529.205	\$544.331	\$559.885	\$575.870
Baseline Surplus/(Deficit)	(\$331.462)	(\$332.614)	(\$347.926)	(\$359.101)	(\$370.657)	(\$382.542)
2009 Program to Eliminate the Gap		2.563	6.555	6.291	7.307	7.964
Post-2009 Program to Eliminate the GAP		0.000	0.000	4.965	9.930	14.895
Net Surplus/(Deficit)	(\$331.462)	(\$330.051)	(\$341.371)	(\$347.845)	(\$353.420)	(\$359.683)
Business Service Center		0.153	0.945	0.973	3.433	3.450

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

REIMBURSABLE	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-		-	-	-	-
Other Operating Revenue	-		-	-	-	-
Capital and Other Reimbursements		\$24.238	\$32.360	\$23.855	\$23.031	\$23.513
Total Revenue	\$0.000	\$24.238	\$32.360	\$23.855	\$23.031	\$23.513
Expenses						
<u>Labor:</u>						
Payroll		\$0.849	\$1.346	\$1.389	\$1.430	\$1.460
Overtime						
Health and Welfare						
OPEB Current Payment						
Pensions		\$0.084	\$0.087	\$0.089	\$0.092	\$0.094
Other Fringe Benefits		\$0.389	\$0.401	\$0.413	\$0.425	\$0.434
Reimbursable Overhead		\$0.923	\$0.943	\$0.963	\$0.984	\$1.004
Total Labor Expenses	\$0.000	\$2.245	\$2.777	\$2.855	\$2.931	\$2.992
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance						
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts		\$15.793	\$25.883	\$17.300	\$17.100	\$17.457
Professional Service Contracts		\$4.000	\$1.500	\$1.500	\$0.800	\$0.817
Materials & Supplies		\$2.200	\$2.200	\$2.200	\$2.200	\$2.246
Other Business Expenses		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Non-Labor Expenses	\$0.000	\$21.993	\$29.583	\$21.000	\$20.100	\$20.520
<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	\$0.000	\$24.238	\$32.360	\$23.855	\$23.031	\$23.513
Depreciation						
Total Expenses	\$0.000	\$24.238	\$32.360	\$23.855	\$23.031	\$23.513
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Business Service Center		0.000	0.000	0.000	0.000	0.000

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

NON-REIMBURSABLE / REIMBURSABLE						
	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Revenue						
Farebox Revenue	\$139.823	\$151.439	\$154.753	\$158.160	\$161.632	\$165.170
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	21.867	26.009	26.527	27.070	27.596	28.158
Capital and Other Reimbursements	-	24.238	32.360	23.855	23.031	23.513
Total Revenue	\$161.690	\$201.686	\$213.639	\$209.085	\$212.258	\$216.841
Expenses						
<u>Labor:</u>						
Payroll	\$185.662	\$192.873	\$214.684	\$219.101	\$223.365	\$227.923
Overtime	37.997	36.038	20.407	20.825	21.229	21.662
Health and Welfare	29.659	39.251	37.238	39.844	42.634	45.618
OPEB Current Payment	10.725	12.000	12.600	13.230	13.892	14.586
Pensions	13.531	14.253	16.683	17.026	17.357	17.711
Other Fringe Benefits	20.096	17.856	17.931	18.304	18.663	19.044
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$297.670	\$312.270	\$319.543	\$328.330	\$337.139	\$346.544
<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	25.429	37.687	37.253	35.839	35.713	36.442
Insurance	14.371	12.586	14.037	15.432	16.966	18.663
Claims	14.804	3.216	4.778	6.496	8.386	10.465
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	31.813	47.132	51.039	42.065	41.371	41.249
Professional Service Contracts	3.656	8.696	10.067	9.558	8.274	7.686
Materials & Supplies	27.270	23.032	31.943	32.531	33.081	33.957
Other Business Expenses	2.509	5.986	4.094	4.150	4.250	4.342
Total Non-Labor Expenses	\$119.852	\$138.335	\$153.212	\$146.072	\$148.041	\$152.804
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$417.522	\$450.605	\$472.755	\$474.401	\$485.181	\$499.348
Depreciation	29.955	34.694	37.110	40.185	42.235	42.235
OPEB Obligation	45.675	49.000	51.700	53.600	55.500	57.800
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$493.152	\$534.299	\$561.565	\$568.186	\$582.916	\$599.383
Baseline Surplus/(Deficit)	(\$331.462)	(\$332.614)	(\$347.926)	(\$359.101)	(\$370.657)	(\$382.542)
2009 Program to Eliminate the Gap	0.000	2.563	6.555	6.291	7.307	7.964
Post-2009 Program to Eliminate the GAP	-	-	-	4.965	9.930	14.895
Net Surplus/(Deficit)	(\$331.462)	(\$330.051)	(\$341.371)	(\$347.845)	(\$353.420)	(\$359.683)
Business Service Center		0.153	0.945	0.973	3.433	3.450

MTA BUS COMPANY
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	\$139.308	\$151.439	\$154.753	\$158.160	\$161.632	\$165.170
Vehicle Toll Revenue		0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	20.965	26.009	26.527	27.070	27.596	28.158
Capital and Other Reimbursements		24.238	32.360	23.855	23.031	23.513
Total Receipts	\$160.273	\$201.686	\$213.639	\$209.085	\$212.258	\$216.841
Expenditures						
<u>Labor:</u>						
Payroll	\$168.172	\$192.873	\$214.684	\$219.101	\$223.365	\$227.923
Overtime	37.997	36.038	20.407	20.825	21.229	21.662
Health and Welfare	29.659	39.251	37.238	39.844	42.634	45.618
OPEB Current Payment	10.725	12.000	12.600	13.230	13.892	14.586
Pensions	17.760	14.253	16.683	17.026	17.357	17.711
Other Fringe Benefits	17.666	17.856	17.931	18.304	18.663	19.044
Pattern Labor Provision		0.000	0.000	0.000	0.000	0.000
GASB Account		2.967	3.305	3.579	3.948	4.317
Reimbursable Overhead						
Total Labor Expenditures	\$281.979	\$315.237	\$322.848	\$331.908	\$341.087	\$350.860
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$25.429	\$37.687	\$37.253	\$35.839	\$35.713	\$36.442
Insurance	15.380	12.586	14.037	15.432	16.966	18.663
Claims	2.695	3.216	4.778	6.496	8.386	10.465
Paratransit Service Contracts		0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	41.560	47.132	51.039	42.065	41.371	41.249
Professional Service Contracts	3.656	8.696	10.067	9.558	8.274	7.686
Materials & Supplies	29.369	23.032	31.943	32.531	33.081	33.957
Other Business Expenses	2.536	5.986	4.094	4.150	4.250	4.342
Total Non-Labor Expenditures	\$120.625	\$138.335	\$153.212	\$146.072	\$148.041	\$152.804
<u>Other Expenditure Adjustments:</u>						
Other						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$402.604	\$453.572	\$476.060	\$477.980	\$489.129	\$503.665
Baseline Cash Deficit	(\$242.331)	(\$251.886)	(\$262.421)	(\$268.895)	(\$276.870)	(\$286.824)
2009 Program to Eliminate the Gap		2.563	6.555	6.291	7.307	7.964
Post-2009 Program to Eliminate the GAP		0.000	0.000	4.965	9.930	14.895
Net Cash Deficit	(\$242.331)	(\$249.323)	(\$255.866)	(\$257.639)	(\$259.633)	(\$263.965)
Business Service Center		0.153	0.945	0.973	3.433	3.450

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

CASH FLOW ADJUSTMENTS

	<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	(\$0.515)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(0.902)	-	-	-	-	-
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	(\$1.417)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$17.490	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	(4.229)	-	-	-	-	-
Other Fringe Benefits	2.430	-	-	-	-	-
GASB Account	-	(2.967)	(3.305)	(3.579)	(3.948)	(4.317)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$15.691	(\$2.967)	(\$3.305)	(\$3.579)	(\$3.948)	(\$4.317)
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(1.009)	-	-	-	-	-
Claims	12.109	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(9.747)	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	(2.099)	-	-	-	-	-
Other Business Expenditures	(0.027)	-	-	-	-	-
Total Non-Labor Expenditures	(\$0.773)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<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.	\$13.501	(\$2.967)	(\$3.305)	(\$3.579)	(\$3.948)	(\$4.317)
Depreciation Adjustment	29.955	34.694	37.110	40.185	42.235	42.235
OPEB Obligation	45.675	49.000	51.700	53.600	55.500	57.800
Environmental Remediation	-	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$89.131	\$80.727	\$85.505	\$90.206	\$93.787	\$95.718
2009 Program to Eliminate the Gap	-	-	-	-	-	-
Post-2009 Program to Eliminate the GAP	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$89.131	\$80.727	\$85.505	\$90.206	\$93.787	\$95.718
Business Service Center		0.000	0.000	0.000	0.000	0.000

MTA Bus Company
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$248.122)	(\$256.625)	(\$265.096)	(\$274.556)
New Needs	(\$1.009)	(\$2.959)	(\$3.044)	(\$3.105)
Service/Customer Service	(0.158)	(0.327)	(0.337)	(0.344)
Maintenance	0.000	0.000	0.000	0.000
Other	(0.851)	(2.632)	(2.707)	(2.761)
Baseline Re-estimates	\$0.226	(\$3.069)	(\$3.175)	(\$2.662)
2009 PEG Program	\$2.563	\$6.555	\$6.291	\$7.307
Total Changes before Other Adjustments and Uncontrollable Expenses	\$1.780	\$0.527	\$0.072	\$1.540
Other Adjustments				
Passenger/Toll Revenue	16.494	15.844	16.293	16.410
Total Changes before Uncontrollable Expenses	\$18.274	\$16.371	\$16.365	\$17.950
Uncontrollable Expenses				
Energy (All Categories)	(8.135)	(7.392)	(6.755)	(7.159)
Paratransit		0.000	0.000	0.000
Pensions	(4.940)	(7.163)	(7.307)	(7.430)
Health & Welfare	(7.678)	(2.256)	(1.115)	0.214
Insurance	<u>1.278</u>	<u>1.199</u>	<u>1.304</u>	<u>1.418</u>
Total Uncontrollable Expenses	(\$19.475)	(\$15.612)	(\$13.873)	(\$12.957)
July Financial Plan including 2009 PEG Program	(\$249.323)	(\$255.866)	(\$262.604)	(\$269.563)

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

Accrual and Cash

The phased introduction of new rolling stock, improved on-time performance, service frequency and reliability, resulted in substantial increases in ridership and associated revenue over the past three years. This trend forms the basis for the annual forecast and causal farebox revenue variances included in this plan.

Overall 2009 revenue is projected to increase by 2.2% over the adjusted 2008 base forecast. Farebox revenue represents \$3.3 million of the \$3.8 million increase. This adjusted baseline number formed the basis for annual increases and variances shown in each plan year. Changes in annual farebox revenue are forecasted at 2.2% through 2012.

Additional advertising revenue mirrors the contract provision increases.

Annual changes in the combined payroll and overtime categories are correlated to the guideline CPI's used and headcount needed to meet service requirements. Re-estimates of health and welfare rates, pension contributions and OPEB liabilities impacted the 2008 base number to which the future plan years CPI's were applied.

Guideline CPI's governing energy related line items were applied to the 2008 July base and each subsequent annual forecast. Guideline rates beyond 2009 anticipate the lowering of unit costs thereby lowering energy related fuel forecasts.

Lower insurance premiums explain the listed expense reduction in all the plan years.

A new traffic checking contract is the main "new need" item that impacts the 2009 versus 2008 variance in the Professional Services contract category.

All other non-labor items show annual variances relative to the guideline CPI's applied. For the 2010-2012 period, projected CPI increases of 2.05% (2010), 1.94% (2011) and 2.04% (2012) were included. Headcount levels remain constant in the 2010-2012 period.

Annual changes in cash were consistent with cash flow targets and adjustments made in accruals.

MTA BUS COMPANY
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	\$151.439	\$154.753	\$3.314	\$158.160	\$3.407	\$161.632	\$3.472	\$165.170	\$3.538
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	26.009	26.527	0.518	27.070	0.544	27.596	0.525	28.158	0.563
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$177.448	\$181.279	\$3.831	\$185.230	\$3.951	\$189.227	\$3.997	\$193.328	\$4.101
Expenses									
Labor:									
Payroll	\$192.024	\$213.338	(\$21.314)	\$217.712	(\$4.373)	\$221.935	(\$4.224)	\$226.463	(\$4.527)
Overtime	36.038	20.407	\$15.631	20.825	(\$0.418)	21.229	(\$0.404)	21.662	(\$0.433)
Health and Welfare	39.251	37.238	\$2.013	39.844	(\$2.607)	42.634	(\$2.789)	45.618	(\$2.984)
OPEB Current Payment	12.000	12.600	(\$0.600)	13.230	(\$0.630)	13.892	(\$0.662)	14.586	(\$0.695)
Pensions	14.169	16.596	(\$2.427)	16.936	(\$0.340)	17.265	(\$0.329)	17.617	(\$0.352)
Other Fringe Benefits	17.467	17.531	(\$0.064)	17.890	(\$0.359)	18.237	(\$0.347)	18.609	(\$0.372)
Reimbursable Overhead	(0.923)	(0.943)	\$0.020	(0.963)	\$0.020	(0.984)	\$0.021	(1.004)	\$0.021
Total Labor Expenses	\$310.026	\$316.766	(\$6.741)	\$325.475	(\$8.708)	\$334.208	(\$8.733)	\$343.551	(\$9.343)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	\$37.687	\$37.253	\$0.434	\$35.839	\$1.414	\$35.713	\$0.126	\$36.442	(\$0.729)
Insurance	12.586	14.037	(\$1.451)	15.432	(\$1.395)	16.966	(\$1.534)	18.663	(\$1.697)
Claims	3.216	4.778	(\$1.562)	6.496	(\$1.718)	8.386	(\$1.890)	10.465	(\$2.079)
Paratransit Service Contracts	-	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Maintenance and Other Operating Contracts	31.339	25.156	\$6.183	24.765	\$0.391	24.271	\$0.494	23.792	\$0.480
Professional Service Contracts	4.696	8.567	(\$3.871)	8.058	\$0.509	7.474	\$0.584	6.870	\$0.604
Materials & Supplies	20.832	29.743	(\$8.911)	30.331	(\$0.588)	30.881	(\$0.550)	31.711	(\$0.830)
Other Business Expenses	5.986	4.094	\$1.892	4.150	(\$0.056)	4.250	(\$0.100)	4.342	(\$0.093)
Total Non-Labor Expenses	\$116.342	\$123.629	(\$7.287)	\$125.072	(\$1.443)	\$127.941	(\$2.870)	\$132.284	(\$4.343)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$426.368	\$440.395	(\$14.027)	\$450.546	(\$10.151)	\$462.150	(\$11.603)	\$475.835	(\$13.686)
Depreciation	34.694	37.110	(\$2.416)	40.185	(\$3.075)	42.235	(\$2.050)	42.235	\$0.000
OPEB Obligation	49.000	51.700	(\$2.700)	53.600	(\$1.900)	55.500	(\$1.900)	57.800	(\$2.300)
Environmental Remediation	-	-	-	-	-	-	-	-	-
Total Expenses	\$510.062	\$529.205	(\$19.143)	\$544.331	(\$15.126)	\$559.885	(\$15.553)	\$575.870	(\$15.986)
Baseline Net Surplus/(Deficit)	(\$332.614)	(\$347.926)	(\$15.312)	(\$359.101)	(\$11.176)	(\$370.657)	(\$11.556)	(\$382.542)	(\$11.885)
2009 Program to Eliminate the Gap (PEGs)	2.563	6.555	3.992	6.291	(0.264)	7.307	1.016	7.964	0.657
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	4.965	4.965	9.930	4.965	14.895	4.965
Total PEGs	2.563	6.555	3.992	11.256	4.701	17.237	5.981	22.859	5.622
Net Surplus/(Deficit)	(\$330.051)	(\$341.371)	(\$11.320)	(\$347.845)	(\$6.475)	(\$353.420)	(\$5.575)	(\$359.683)	(\$6.263)

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

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2010	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Receipts									
Farebox Revenue	\$151.439	\$154.753	\$3.314	\$158.160	\$3.407	\$161.632	\$3.472	\$165.170	\$3.538
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	26.009	26.527	0.518	27.070	0.544	27.596	0.525	28.158	0.563
Capital and Other Reimbursements	24.238	32.360	8.122	23.855	(8.505)	23.031	(0.824)	23.513	0.481
Total Receipts	\$201.686	\$213.639	\$11.953	\$209.085	(\$4.554)	\$212.258	\$3.173	\$216.841	\$4.582
Expenditures									
Labor:									
Payroll	\$192.873	\$214.684	(\$21.811)	\$219.101	(\$4.417)	\$223.365	(\$4.264)	\$227.923	(\$4.557)
Overtime	36.038	20.407	\$15.631	20.825	(\$0.418)	21.229	(\$0.404)	21.662	(\$0.433)
Health and Welfare	39.251	37.238	\$2.013	39.844	(\$2.607)	42.634	(\$2.789)	45.618	(\$2.984)
OPEB Current Payment	12.000	12.600	(\$0.600)	13.230	(\$0.630)	13.892	(\$0.662)	14.586	(\$0.695)
Pensions	14.253	16.683	(\$2.430)	17.026	(\$0.343)	17.357	(\$0.331)	17.711	(\$0.354)
Other Fringe Benefits	17.856	17.931	(\$0.076)	18.304	(\$0.372)	18.663	(\$0.359)	19.044	(\$0.381)
GASB Account	2.967	3.305	(\$0.338)	3.579	(\$0.274)	3.948	(\$0.369)	4.317	(\$0.369)
Reimbursable Overhead	-	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Total Labor Expenditures	\$315.237	\$322.848	(\$7.611)	\$331.908	(\$9.060)	\$341.087	(\$9.179)	\$350.860	(\$9.773)
Non-Labor:									
Traction and Propulsion Power	-	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Fuel for Buses and Trains	\$37.687	\$37.253	\$0.434	\$35.839	\$1.414	\$35.713	\$0.126	\$36.442	(\$0.729)
Insurance	12.586	14.037	(\$1.451)	15.432	(\$1.395)	16.966	(\$1.534)	18.663	(\$1.697)
Claims	3.216	4.778	(\$1.562)	6.496	(\$1.718)	8.386	(\$1.890)	10.465	(\$2.079)
Paratransit Service Contracts	-	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Maintenance and Other Operating Contracts	47.132	51.039	(\$3.907)	42.065	\$8.974	41.371	\$0.694	41.249	\$0.123
Professional Service Contracts	8.696	10.067	(\$1.371)	9.558	\$0.509	8.274	\$1.284	7.686	\$0.588
Materials & Supplies	23.032	31.943	(\$8.911)	32.531	(\$0.588)	33.081	(\$0.550)	33.957	(\$0.876)
Other Business Expenses	5.986	4.094	\$1.892	4.150	(\$0.056)	4.250	(\$0.100)	4.342	(\$0.093)
Total Non-Labor Expenditures	\$138.335	\$153.212	(\$14.877)	\$146.072	\$7.140	\$148.041	(\$1.970)	\$152.804	(\$4.763)
Other Expenditure Adjustments:									
Other - Restricted Cash Adjustment	-	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$453.572	\$476.060	(\$22.488)	\$477.980	(\$1.920)	\$489.129	(\$11.149)	\$503.665	(\$14.536)
Baseline Net Cash Deficit	(\$251.886)	(\$262.421)	(\$10.534)	(\$268.895)	(\$6.474)	(\$276.870)	(\$7.975)	(\$286.824)	(\$9.954)
200 Program to Eliminate the Gap (PEGs)	2.563	6.555	3.992	6.291	(0.264)	7.307	1.016	7.964	0.657
Post-2009 Program to Eliminate the Gap (PEGs)	-	-	-	4.965	4.965	9.930	4.965	14.895	4.965
Total PEGs	2.563	6.555	3.992	11.256	4.701	17.237	5.981	22.859	5.622
Net Cash Deficit	(\$249.323)	(\$255.866)	(\$6.542)	(\$257.639)	(\$1.773)	(\$259.633)	(\$1.994)	(\$263.965)	(\$4.332)

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

Accrual

With the advantage of having four months of actual 2008 data, revenue and expenses were analyzed to create a more realistic 2008 forecast. Adjustments to revenue were based on positive ridership trends and increased advertising revenue. The base 2008 farebox revenue was increased by \$7.2 million thereby affecting the forecast in all the plan years. Final contract terms for advertising were reached and were the primary driver behind the \$10.1 million that was added to the other operating revenue estimate. Net change in revenue to the February Plan is 17.4 million.

Adjustments to payroll and overtime were made to address the difficulties in hiring the required maintenance and professional support staff. The net increase between these two categories is \$1.5 million. All other data reflect current labor contracts or July Plan CPI's.

As MTABC's management gather and analyze data pertinent to the various pension and benefits plans, adjustments were made to fund such programs. This is evident in the variances caused in the pension and fringe budget line items, showing a net \$6.6 million increase.

Energy expenses were adjusted in the July Plan to reflect current guidance. This caused an \$8.1 million change to the fuel line and smaller incremental amounts to the other energy related line items interspersed within other non-labor budget groupings. Applied CPI factors in the 2010 – 2012 plan periods are reflected in the changes between plans.

Lower insurance premiums contributed \$1.3 million to the 2008 expense reductions, with similar savings also shown in the outer plan years.

Expense re-estimates and favorable CPI rates lowered the 2008 projected expenses by \$9.5 million in the material and supplies and professional service contracts grouping. Less favorable impacts is seen in the other plan years.

Maintenance and Other Operating contract additions and renewals caused a \$5.1 million increase in this category. This was a "one time" occurrence as is evidenced by the favorable variances achieved in the other plan years. Program re-estimates in the other business category also generated small increases in each plan year. Net non-labor change was an increase \$5.3 million in 2008.

Depreciation forecasts are adjusted relative to actuarial schedules and the addition or removal of rolling stock and equipment. This coupled with changes in OPEB obligations, generated expense reduction in each of the plan years.

Cash

Changes in cash mirrored the changes made in accrual.

MTA BUS COMPANY
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	(\$248.122)	(\$256.625)	(\$265.096)	(\$274.556)	(\$283.949)
Baseline Changes					
Revenue					
Farebox Revenue	\$7.202	\$6.411	\$6.643	\$6.617	\$5.287
Vehicle Toll Revenue	-	-	-	-	-
Other Operating Revenue	10.143	10.310	10.516	10.689	10.898
Capital and Other Reimbursement	-	-	-	-	-
Total Revenue Changes	\$17.344	\$16.721	\$17.159	\$17.306	\$16.185
Expenses					
<i>Labor:</i>					
Payroll	\$14.745	(\$1.999)	(\$1.977)	(\$1.606)	(\$1.528)
Overtime	(16.225)	(0.157)	(0.154)	(0.117)	(0.109)
Health and Welfare	4.322	10.344	12.115	14.106	16.341
OPEB Current Payment	(12.000)	(12.600)	(13.230)	(13.892)	(14.586)
Pensions	(4.940)	(7.163)	(7.307)	(7.430)	(7.577)
Other Fringe Benefits	(1.695)	(1.410)	(1.435)	(1.431)	(1.452)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	(\$15.793)	(\$12.986)	(\$11.988)	(\$10.370)	(\$8.911)
<i>Non-Labor:</i>					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	(\$8.135)	(\$7.392)	(\$6.755)	(\$7.159)	(\$8.021)
Insurance	1.278	1.199	1.304	1.418	1.541
Claims	0.000	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(5.105)	0.054	0.007	0.045	0.012
Professional Service Contracts	1.848	(2.580)	(2.669)	(2.715)	(2.778)
Materials & Supplies	7.637	0.064	0.009	0.058	0.016
Other Business Expenses	(2.839)	(0.877)	(0.866)	(0.896)	(0.918)
Total Non-Labor Expense Changes	(\$5.316)	(\$9.531)	(\$8.971)	(\$9.250)	(\$10.149)
<i>Total Expenses before Depreciation and GASB Adjs.</i>					
Depreciation	-	-	-	-	-
OPEB Obligation	-	-	-	-	-
Environmental Remediation	-	-	-	-	-
Total Expense Changes	(\$21.109)	(\$22.517)	(\$20.958)	(\$19.620)	(\$19.060)
Cash Adjustment Changes					
<i>Revenue:</i>					
Other Operating Revenue	0	0	0	0	0
<i>Expenses:</i>					
Claims	-	-	-	-	-
Other Business Expenses	-	-	-	-	-
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Restricted Cash Adjustment	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$3.765)	(\$5.796)	(\$3.799)	(\$2.314)	(\$2.875)
Baseline 2008 July Financial Plan - Operating Cash	(\$251.887)	(\$262.421)	(\$268.895)	(\$276.870)	(\$286.824)

MTA BUS COMPANY
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	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	-	-	-	-	-
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
<i>Labor:</i>					
Payroll	-	-	-	-	-
Health and Welfare					
OPEB Current Payment					
Pensions	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Other Business Expenses	-	-	-	-	-
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Expenses before Depreciation</i>					
Depreciation					
Total Expense Changes	\$0.000	\$0.000	\$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 - Operating Cash	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
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)	(\$248.122)	(\$256.625)	(\$265.096)	(\$274.556)	(\$283.949)
Baseline Changes:					
Revenue					
Farebox Revenue Re-estimate	\$7.202	\$6.411	\$6.643	\$6.617	\$5.287
Other Operating Revenue Re-estimates	\$10.143	\$10.310	\$10.516	\$10.689	\$10.898
Sub-Total Non-Reimbursable Revenue Re-estimates	\$17.345	\$16.721	\$17.159	\$17.306	\$16.185
Expenses					
Expense Re-estimates					
Pension	(\$4.940)	(\$7.163)	(\$7.307)	(\$7.430)	(\$7.577)
Fuel	(\$8.135)	(\$7.392)	(\$6.755)	(\$7.159)	(\$8.021)
Insurance	\$1.278	\$1.199	\$1.304	\$1.418	\$1.541
Health & Welfare	\$4.322	\$10.344	\$12.115	\$14.106	\$16.341
OPEB Current Payment	(\$12.000)	(\$12.600)	(\$13.230)	(\$13.892)	(\$14.586)
Other Re-estimates	(\$.625)	(\$3.946)	(\$4.041)	(\$3.558)	(\$3.590)
Sub-Total Expense Re-estimates	(\$20.100)	(\$19.558)	(\$17.914)	(\$16.515)	(\$15.892)
Programmatic New Needs:					
Transfer Customer Communication Travel Information	(\$.158)	(\$.327)	(\$.337)	(\$.344)	(\$.351)
Traffic Checking	(\$.851)	(\$2.632)	(\$2.707)	(\$2.761)	(\$2.817)
Sub-Total Programmatic New Needs	(\$1.009)	(\$2.959)	(\$3.044)	(\$3.105)	(\$3.168)
Sub-Total Non-Reimbursable Expense Changes	(\$21.109)	(\$22.517)	(\$20.958)	(\$19.620)	(\$19.060)
Total Non-Reimbursable Major Changes	(\$3.764)	(\$5.796)	(\$3.799)	(\$2.314)	(\$2.875)
Reimbursable Major Changes					
Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Sub-Total Reimbursable Revenue Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Expenses	\$.000	\$.000	\$.000	\$.000	\$.000
Sub-Total Reimbursable Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$3.764)	(\$5.796)	(\$3.799)	(\$2.314)	(\$2.875)
Cash Adjustment Changes					
Total Cash Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$3.764)	(\$5.796)	(\$3.799)	(\$2.314)	(\$2.875)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$251.886)	(\$262.421)	(\$268.895)	(\$276.870)	(\$286.824)

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

Ridership / Utilization

Fixed Route Ridership:

MTA Bus Company experienced strong levels of ridership growth in 2006 and 2007. This positive trend has continued in 2008, and the July Plan was adjusted to reflect the projected increase over the adopted Budget. An additional 5.761 million riders are projected, bringing the full year 2008 total to 116.5 million passengers.

Annual increases are projected at 3% over the 2009-2012 period.

Revenue:

Farebox revenues are 8.3% above Adopted Budget levels for year to date May 2008. Based on this positive trend, the July Plan increases farebox revenue by \$7.202 million in anticipation of continued strong ridership demand.

The projected revenue in the 2009-2012 period reflects a 2% annual growth in conjunction with the projected 3% increase in riders.

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

	2007 Actuals	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Baseline Total Ridership	109.744	116.469	119.963	123.562	127.269	131.087
<i>Impact of:</i>						
2009 PEG Program						
Post-2009 PEG Program						
Total Ridership	109.744	116.469	119.963	123.562	127.269	131.087

MTA BUS COMPANY
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											
	CNG Fuel Tax Rebate	0	1.851	0	0.800	0	0.000	0	0.000	0	0.000
	Eliminate Use of Legacy Computer System	0	0.000	0	0.000	0	0.000	0	0.424	0	0.432
	Worker's Compensation Management	0	0.000	(6)	2.698	(6)	3.009	(6)	3.360	(6)	3.746
	Sub-Total Administration	0	\$ 1.851	(6)	\$ 3.498	(6)	\$ 3.009	(6)	\$ 3.784	(6)	\$ 4.178
Maintenance											
	Maintenance Material Reduction	0	0.712	0	2.579	0	2.632	0	2.684	0	2.739
	Sub-Total Maintenance	0	\$ 0.712	0	\$ 2.579	0	\$ 2.632	0	\$ 2.684	0	\$ 2.739
Safety											
	Claims Reduction	0	0.000	0	0.478	0	0.650	0	0.839	0	1.047
	Sub-Total Safety	0	\$ 0.000	0	\$ 0.478	0	\$ 0.650	0	\$ 0.839	0	\$ 1.047
	Total Programs	0	\$ 2.563	(6)	\$ 6.555	(6)	\$ 6.291	(6)	\$ 7.307	(6)	\$ 7.964

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

(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	9/30/2008
PEG / New Need ID	0000000011	Current Budget Year	2008	Status	Open
Program:	CNG Fuel Tax Rebate			Agency Status	Pending
Description and Implementation Pla	Federal tax rebates for CNG usage. Appropriate rebate forms have been filed for calendar year 2007 usage.				

Background Details

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTBUS	0000000011	MYF08	\$ 1.851	\$ 0.800	\$ 0.000	\$ 0.000	\$ 0.000

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

(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	1/1/2011
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2011
PEG / New Need ID	0000000012	Current Budget Year	2008	Status	Open
Program:	Eliminate Use of Legacy Computer System			Agency Status	Pending
Description and Implementation Pla	Eliminate Legacy stand alone system and migrate to integrated multi-agency payroll system.				

Background Details

	2008	2009	2010	2011	2012			
Total Headcount								
Financial Impact	MTBUS	0000000012	MYF08	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.424	\$ 0.432

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

(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000013	Current Budget Year	2008	Status	Open
Program:	Worker's Compensation Management			Agency Status	Pending
Description and Implementation Pla	Restructure management of MTA Bus Worker's Compensation program. Add additional staff to manage certain program aspects and reduce reliance on outside contracts.				

Background Details

				2008	2009	2010	2011	2012
Total Headcount	MTBUS	0000000013	MYF08	0	(6)	(6)	(6)	(6)
Financial Impact	MTBUS	0000000013	MYF08	\$ 0.000	\$ 2.698	\$ 3.009	\$ 3.360	\$ 3.746

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

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	7/31/2008
Budget Reference	MYF08	Category	Maintenance	Savings Date	9/30/2008
PEG / New Need ID	0000000014	Current Budget Year	2008	Status	Open
Program:	Maintenance Material Reduction			Agency Status	Pending
Description and Implementation Pla	Review of current shop program work scopes will result in reduced material consumption.				

Background Details

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTBUS	0000000014	MYF08	\$ 0.712	\$ 2.579	\$ 2.632	\$ 2.684	\$ 2.739

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

(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Safety	Savings Date	6/1/2009
PEG / New Need ID	0000000015	Current Budget Year	2008	Status	Open
Program:	Claims Reduction			Agency Status	Pending
Description and Implementation Pla	Initiation of numerous safe operation initiatives will result in annual savings in claims activity.				

Background Details

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTBUS	0000000015	MYF08	\$ 0.000	\$ 0.478	\$ 0.650	\$ 0.839	\$ 1.047

MTA BUS COMPANY
 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	4.965	0	9.930	0	14.895
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	0	\$ 4.965	0	\$ 9.930	0	\$ 14.895
Total Programs		0	\$ 0.000	0	\$ 0.000	0	\$ 4.965	0	\$ 9.930	0	\$ 14.895

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

(\$ in millions)

Business Unit	MTBUS	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000016	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	MTBUS	0000000016	MYF08	\$ 0.000	\$ 0.000	\$ 4.965	\$ 9.930	\$ 14.895

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

POSITIONS

Total Non-Reimbursable and Reimbursable Baseline Positions

2008: July Financial Plan vs. February Financial Plan

2008 Operating positions remain the same as the February Plan.

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

Year-end positions remain unchanged through the plan period.

MTA BUS COMPANY
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						
Office of the EVP	2	2	2	2	2	2
Human Resources	7	7	7	7	7	7
Office of Management and Budget	1	8	8	8	8	8
Technology & Information Services	10	12	12	12	12	12
Materiel	13	22	22	22	22	22
Controller	34	47	47	47	47	47
Office of the President	3	3	3	3	3	3
System Safety Administration	1	3	3	3	3	3
Law	14	17	17	17	17	17
Corporate Communications	9	5	5	5	5	5
Labor Relations	1	2	2	2	2	2
	0	33	33	33	33	33
Total Administration	95	161	161	161	161	161
Operations						
Buses						
Operations Planning	2,343	2,280	2,280	2,280	2,280	2,280
Revenue Control	10	15	15	15	15	15
Total Operations	9	7	7	7	7	7
	2,362	2,302	2,302	2,302	2,302	2,302
Maintenance						
Buses						
Supply Logistics	792	951	951	951	951	951
Total Maintenance	31	64	64	64	64	64
	823	1,015	1,015	1,015	1,015	1,015
Engineering/Capital						
Capital Program Management	11	23	23	23	23	23
Public Safety						
Office of the Senior Vice President	10	10	10	10	10	10
Total Positions	3,301	3,511	3,511	3,511	3,511	3,511
Non-Reimbursable	3,301	3,495	3,495	3,495	3,495	3,495
Reimbursable	0	16	16	16	16	16
Total Full-Time	3,301	3,511	3,511	3,511	3,511	3,511
Total Full-Time Equivalents						
Impact of:						
2009 Program to Eliminate the Gap	0	0	(6)	(6)	(6)	(6)
Post 2009 Program to Eliminate the Gap	-	-	-	-	-	-
Total Positions	3,301	3,511	3,517	3,517	3,517	3,517
<i>Non-Reimbursable</i>	3,301	3,495	3,501	3,501	3,501	3,501
<i>Reimbursable</i>	0	16	16	16	16	16
<i>Total Full-Time</i>	3,301	3,511	3,517	3,517	3,517	3,517
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0
Business Service Center		(7)	(7)	(7)	(40)	(40)

MTA BUS COMPANY
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	22	53	53	53	53	53
Professional, Technical, Clerical	73	108	108	108	108	108
Operational Hourlies	-	-	-	-	-	-
Total Administration	<u>95</u>	<u>161</u>	<u>161</u>	<u>161</u>	<u>161</u>	<u>161</u>
Operations						
Managers/Supervisors	233	271	271	271	271	271
Professional, Technical, Clerical	35	55	55	55	55	55
Operational Hourlies	2,094	1,976	1,976	1,976	1,976	1,976
Total Operations	<u>2,362</u>	<u>2,302</u>	<u>2,302</u>	<u>2,302</u>	<u>2,302</u>	<u>2,302</u>
Maintenance						
Managers/Supervisors	128	150	150	150	150	150
Professional, Technical, Clerical	9	18	18	18	18	18
Operational Hourlies	686	847	847	847	847	847
Total Maintenance	<u>823</u>	<u>1,015</u>	<u>1,015</u>	<u>1,015</u>	<u>1,015</u>	<u>1,015</u>
Engineering/Capital						
Managers/Supervisors	8	14	14	14	14	14
Professional, Technical, Clerical	3	9	9	9	9	9
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	<u>11</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>
Public Safety						
Managers/Supervisors	4	4	4	4	4	4
Professional, Technical, Clerical	2	2	2	2	2	2
Operational Hourlies	4	4	4	4	4	4
Total Public Safety	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Total Positions						
Managers/Supervisors	395	492	492	492	492	492
Professional, Technical, Clerical	122	192	192	192	192	192
Operational Hourlies	2,784	2,827	2,827	2,827	2,827	2,827
Total Baseline Positions	<u>3,301</u>	<u>3,511</u>	<u>3,511</u>	<u>3,511</u>	<u>3,511</u>	<u>3,511</u>

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Staten Island Railway

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009 - 2012**

MISSION STATEMENT

The mission of MTA Staten Island Railway is to provide customers with safe, reliable, and convenient public transportation in a cost-effective manner.

FINANCIAL OVERVIEW

MTA Staten Island Railway carries out its mission by providing effective and cost-efficient transportation services through a heavy rail system operating 64 subway cars over 14.3 route miles and 28.6 miles of mainline track, serving 22 stations located primarily on the south shore of Staten Island.

The 2009 Preliminary Budget and projections for the years 2010-2012 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. This is accomplished primarily through implementation of operational efficiencies that optimize the utilization of resources to achieve agency goals. Performance indicators including mean distance between failures and on-time performance remain within targeted levels. Additionally, in concert with MTA New York City Transit, efforts are underway to establish initiatives in order to meet key MTA priorities including workforce development, customer service, financial stability, safety and security and sustainability.

2008 Mid-Year Forecast-Baseline

MTA Staten Island Railway's 2008 Mid-Year Forecast reflects total expenses before depreciation and other post-employment benefits (OPEB) of \$41.720 million, including \$40.298 million of non-reimbursable expenses and \$1.422 million of reimbursable expenses. Total revenues are projected to be \$7.890 million, of which \$6.468 million are operating revenues and \$1.422 million represent capital reimbursements. Total full-time positions are 278, including 275 non-reimbursable positions and 3 reimbursable positions.

The July forecast operating cash deficit improved by \$0.376 million. Favorable changes include:

- Increased farebox revenues of \$0.465 million based on projected higher ridership
- Updated inflation projections which reduce expenses by \$0.154 million.

Unfavorable changes include:

- Service investments costing \$0.126 million to support an increase in ridership
- A net timing of expenses offset in other years of \$0.122 million.

2008 savings as part of the 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield a deficit reduction of \$0.225 million and a position reduction of 1.

2009 Preliminary Budget - Baseline

MTA Staten Island Railway's 2009 Preliminary Budget reflects total expenses before depreciation and OPEB of \$41.018 million, including \$39.531 million of non-reimbursable expenses and \$1.487 million of reimbursable expenses. Total revenues are projected to be \$8.345 million, of which \$6.858 million are operating revenues and \$1.487 million represent capital reimbursements. Total full-time positions are 277, including 274 non-reimbursable positions and 3 reimbursable positions.

The 2009 Preliminary Budget operating cash deficit has worsened slightly by \$0.060 million. Unfavorable changes include:

- A one-time \$0.300 million expense required to correct a High Tension Switchgear safety-related deficiency in three power sub-stations
- A six month delay until 7/1/09 in the implementation of fare collection at the Tompkinsville Station, resulting in an estimated net loss of \$0.210 million of farebox revenue. This delay was due to additional time requirements for facility and equipment installations.
- Service investments costing \$0.126 million to support an increase in ridership
- Timing of expenses offset in 2008 of \$0.100 million.
- Other expense re-estimates of \$0.093 million.

Favorable changes include:

- Increased farebox revenues (excluding Tompkinsville) of \$0.442 million based on projected higher ridership
- Updated inflation projections which reduce expenses by \$0.327 million.

The 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield a deficit reduction of \$0.743 million and a position reduction of 4 in 2009.

2010-2012 Projections-Baseline

The operating cash deficits have improved by \$0.739 in 2010, \$0.842 million in 2011 and \$0.706 million in 2012. Favorable changes include:

- Increased farebox revenues (excluding Tompkinsville) of \$0.448 million in 2010, \$0.452 million in 2011 and \$0.477 million in 2012 based on projected higher ridership
- Updated inflation projections which reduce expenses by \$0.310 million in 2010, \$0.325 million in 2011, and \$0.367 million in 2012

- Projected additional farebox revenue of \$0.116 million for each year resulting from the implementation of fare collection at the Tompkinsville Station.

Unfavorable changes include:

- Service investments costing \$0.126 million each year to support an increase in ridership

The 2009 Programs to Eliminate the GAP, presented below the baseline on the attached financial tables and described below, are projected to yield deficit reductions of \$0.428 million and 4 position reductions for each year 2010, 2011 and 2012.

Major assumptions and reconciliations are discussed later in this section.

GAP CLOSING MEASURES

2009 Programs to Eliminate the Gap (PEGs)

These programs in total project deficit reductions of \$0.225 million in 2008, \$0.743 million in 2009 and \$0.428 million for each projection year 2010-2012. Position reductions are projected at 1 by the end of 2008 and at 4 by the end of each projection year 2009-2012. Major programs are summarized as follows:

- Administrative/organizational efficiencies are projected to result in savings of \$0.085 million and 1 position in 2008 and \$0.321 million and 3 positions for each year 2009-2012.
- Establishment of a medical assessment facility on Staten Island is projected to result in improved employee availability and savings of \$0.030 million for each year 2009-2012.
- Delays in filling vacant positions are projected to result in vacancy savings of \$0.140 million in 2008 and \$0.315 million in 2009.
- Implementation of a pc-based interlocking control system is expected to allow for automatic dispatching and routing of train movement at two terminals resulting in savings of \$0.077 million and one position for each year 2009-2012.

Post-2009 Programs to Eliminate the GAP

- Post-2009 Programs to Eliminate the GAP of \$0.420 in each projection year 2010-2012 are currently unspecified.

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

Non-Reimbursable						
	2007	2008	2009			
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating Revenue						
Farebox Revenue	\$ 3.938	\$ 4.381	\$ 4.771	\$ 5.132	\$ 5.182	\$ 5.216
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.050	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$5.988	\$6.468	\$6.858	\$7.219	\$7.269	\$7.303
Operating Expenses						
Labor:						
Payroll	\$ 14.810	\$ 15.328	\$ 15.785	\$ 16.108	\$ 16.418	\$ 16.753
Overtime	1.061	0.750	0.772	0.788	0.803	0.837
Health and Welfare	3.099	2.834	3.113	3.339	3.582	3.842
OPEB Current Payment	-	0.462	0.508	0.545	0.585	0.628
Pensions	3.604	4.748	5.010	5.449	5.689	6.138
Other Fringe Benefits	1.302	1.209	1.245	1.271	1.295	1.352
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$23.876	\$25.331	\$26.433	\$27.500	\$28.372	\$29.550
Non-Labor:						
Traction and Propulsion Power	\$ 2.211	\$ 2.539	\$ 2.818	\$ 3.362	\$ 3.598	\$ 3.609
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.307	0.335	0.269	0.294	0.418	0.353
Claims	1.104	2.760	0.265	0.270	0.276	0.279
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	1.790	7.940	8.357	2.608	2.693	2.694
Professional Service Contracts	0.331	0.389	0.346	0.353	0.360	0.374
Materials & Supplies	0.981	0.999	1.038	1.064	1.086	1.117
Other Business Expenses	0.001	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenses	\$6.725	\$14.967	\$13.098	\$7.956	\$8.436	\$8.432
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$30.601	\$40.298	\$39.531	\$35.456	\$36.808	\$37.982
Depreciation	7.103	10.337	10.337	10.337	10.337	10.337
OPEB Obligation	2.432	2.600	2.700	2.800	2.800	3.000
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$40.136	\$53.235	\$52.568	\$48.593	\$49.945	\$51.319
Baseline Surplus/(Deficit)	(\$34.148)	(\$46.767)	(\$45.710)	(\$41.374)	(\$42.676)	(\$44.016)
2009 Program to Eliminate the Gap (PEGs)	-	0.225	0.743	0.428	0.428	0.428
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	0.420	0.840	1.260
Net Surplus/(Deficit)	(\$34.148)	(\$46.542)	(\$44.967)	(\$40.526)	(\$41.408)	(\$42.328)
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$0.131	\$0.132

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

NON-REIMBURSABLE / REIMBURSABLE						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Revenue						
Farebox Revenue	\$ 3.938	\$ 4.381	\$ 4.771	\$ 5.132	\$ 5.182	\$ 5.216
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.050	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	0.306	1.422	1.487	1.545	1.605	1.672
Total Revenue	\$6.294	\$7.890	\$8.345	\$8.764	\$8.874	\$8.975
Expenses						
Labor:						
Payroll	\$ 14.897	\$ 15.605	\$ 16.056	\$ 16.385	\$ 16.700	\$ 17.041
Overtime	1.178	1.381	1.436	1.465	1.493	1.541
Health and Welfare	3.166	3.192	3.504	3.766	4.048	4.351
OPEB Current Payment	-	0.462	0.508	0.545	0.585	0.628
Pensions	3.624	4.835	5.099	5.539	5.781	6.232
Other Fringe Benefits	1.317	1.278	1.317	1.345	1.370	1.429
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$24.182	\$26.753	\$27.920	\$29.045	\$29.977	\$31.222
Non-Labor:						
Traction and Propulsion Power	\$ 2.211	\$ 2.539	\$ 2.818	\$ 3.362	\$ 3.598	\$ 3.609
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.307	0.335	0.269	0.294	0.418	0.353
Claims	1.104	2.760	0.265	0.270	0.276	0.279
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	1.790	7.940	8.357	2.608	2.693	2.694
Professional Service Contracts	0.331	0.389	0.346	0.353	0.360	0.374
Materials & Supplies	0.981	0.999	1.038	1.064	1.086	1.117
Other Business Expenses	0.001	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenses	\$6.725	\$14.967	\$13.098	\$7.956	\$8.436	\$8.432
Other Expenses Adjustments:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$30.907	\$41.720	\$41.018	\$37.001	\$38.413	\$39.654
Depreciation	7.103	10.337	10.337	10.337	10.337	10.337
OPEB Obligation	2.432	2.600	2.700	2.800	2.800	3.000
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$40.442	\$54.657	\$54.055	\$50.138	\$51.550	\$52.991
Baseline Surplus/(Deficit)	(\$34.148)	(\$46.767)	(\$45.710)	(\$41.374)	(\$42.676)	(\$44.016)
2009 Program to Eliminate the Gap (PEGs)	0.000	0.225	0.743	0.428	0.428	0.428
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	0.420	0.840	1.260
Net Surplus/(Deficit)	(\$34.148)	(\$46.542)	(\$44.967)	(\$40.526)	(\$41.408)	(\$42.328)
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$0.131	\$0.132

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

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$ 3.931	\$ 4.381	\$ 4.771	\$ 5.132	\$ 5.182	\$ 5.216
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.060	2.087	2.087	2.087	2.087	2.087
Capital and Other Reimbursements	0.301	1.422	1.487	1.545	1.605	1.672
Total Receipts	\$6.292	\$7.890	\$8.345	\$8.764	\$8.874	\$8.975
Expenditures						
Labor:						
Payroll	\$ 14.992	\$ 15.869	\$ 16.056	\$ 16.385	\$ 16.700	\$ 17.041
Overtime	1.178	1.381	1.436	1.465	1.493	1.541
Health and Welfare	3.313	3.192	3.504	3.766	4.048	4.351
OPEB Current Payment	-	0.462	0.508	0.545	0.585	0.628
Pensions	4.463	1.912	5.099	5.539	5.781	6.232
Other Fringe Benefits	1.522	1.278	1.317	1.345	1.370	1.429
GASB Account	0.212	0.230	0.265	0.290	0.317	0.347
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$25.680	\$24.324	\$28.185	\$29.335	\$30.294	\$31.569
Non-Labor:						
Traction and Propulsion Power	\$ 2.211	\$ 2.539	\$ 2.818	\$ 3.362	\$ 3.598	\$ 3.609
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.385	0.335	0.269	0.294	0.418	0.353
Claims	0.235	2.760	0.265	0.270	0.276	0.279
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	1.623	7.940	8.357	2.608	2.693	2.694
Professional Service Contracts	0.308	0.389	0.346	0.353	0.360	0.374
Materials & Supplies	1.039	0.999	1.038	1.064	1.086	1.117
Other Business Expenses	0.001	0.005	0.005	0.005	0.005	0.006
Total Non-Labor Expenditures	\$5.802	\$14.967	\$13.098	\$7.956	\$8.436	\$8.432
Other Expenditure Adjustments:						
Other						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$31.482	\$39.291	\$41.283	\$37.291	\$38.730	\$40.001
Baseline Cash Deficit	(\$25.190)	(\$31.401)	(\$32.938)	(\$28.527)	(\$29.856)	(\$31.026)
2009 Program to Eliminate the Gap (PEGs)	-	0.225	0.743	0.428	0.428	0.428
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	0.420	0.840	1.260
Net Cash Deficit	(\$25.190)	(\$31.176)	(\$32.195)	(\$27.679)	(\$28.588)	(\$29.338)
Business Service Center	\$0.000	\$0.000	\$0.000	\$0.000	\$0.131	\$0.132

**MTA Staten Island Railway
Summary Reconciliation to the February Plan
(\$ in millions)**

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$31.777)	(\$32.878)	(\$29.266)	(\$30.698)
New Needs	(\$0.126)	(\$0.426)	(\$0.126)	(\$0.126)
Service/Customer Service	(0.126)	(0.126)	(0.126)	(0.126)
Maintenance	0.000	0.000	0.000	0.000
Other	0.000	(0.300)	0.000	0.000
Baseline Re-estimates	\$0.032	\$0.017	\$0.426	\$0.441
2009 PEG Program	\$0.225	\$0.743	\$0.428	\$0.428
Total Changes before Other Adjustments and Uncontrollable Expenses	\$0.131	\$0.334	\$0.728	\$0.743
Other Adjustments				
Passenger/Toll Revenue	0.465	0.442	0.448	0.452
Total Changes before Uncontrollable Expenses	\$0.596	\$0.776	\$1.176	\$1.195
Uncontrollable Expenses				
Energy (All Categories)	0.000	(0.077)	(0.058)	(0.050)
Paratransit	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000
Health & Welfare	(0.084)	(0.117)	(0.061)	0.004
Insurance	<u>0.089</u>	<u>0.101</u>	<u>0.110</u>	<u>0.121</u>
Total Uncontrollable Expenses	\$0.005	(\$0.093)	(\$0.009)	\$0.075
July Financial Plan including 2009 PEG Program	(\$31.176)	(\$32.195)	(\$28.099)	(\$29.428)

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009-2012
Year-Over-Year Changes by Category-Baseline Narrative**

TOTAL REVENUES/RECEIPTS

Farebox Revenue

- Farebox revenue improvements of: 2009=\$0.390 million (8.9%), 2010=\$0.361 million (7.6%), 2011=\$0.050 million (1.0%), and 2012=\$0.034 million (0.7%) are due to projected increases in ridership, which are based primarily upon current economic assumptions. The increase in 2010 over 2009 includes a six month delay in the implementation of fare collection at the Tompkinsville Station.

Other Operating Revenue

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2009 through 2012 to provide for reimbursement consistent with projected inflationary increases.

TOTAL EXPENSES/EXPENDITURES

Payroll

- Includes projected rate increases as follows: 2009=3.00%, 2010=2.05%, 2011=1.94% and 2012=2.04%.

Overtime

- 2009-2012 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases represent projected rate increases as follows: 2008=9.48%, 2009=9.90%, 2010=7.30%, 2011=7.30%, and 2012=7.30%.

Pension

- Increases are determined by current actuarial information.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- 2009-2012 reflects projected New York Power Authority (NYPA) increases consistent with the Global Insight inflation forecast.

Insurance

- 2009-2012 assumptions provided by MTA.

Claims

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.99%, 2010=2.05%, 2011=1.94%, and 2012=2.04%.

Maintenance and Other Operating Contracts

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.99%, 2010=2.05%, 2011=1.94%, and 2012=2.04%.
- 2009-2012 reflects projected New York Power Authority (NYPA) increases consistent with the Global Insight inflation forecast.
- 2008/2009 includes an estimated \$11.0 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.
- 2008 includes \$0.172 million of expenses delayed from 2007.

Professional Service Contracts

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=1.99%, 2010=2.05%, 2011=1.94%, and 2012=2.04%.
- 2008 includes \$0.050 million of expenses delayed from 2007.

Materials and Supplies

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=3.97%, 2010=2.74%, 2011=2.10%, and 2012=1.77%.

Other Business Expenses

- 2009-2012 inflation assumptions are based upon Global Insight's estimates as follows: 2009=3.97%, 2010=2.74%, 2011=2.10%, and 2012=1.77%.

Depreciation

- Annual expenses do not increase during the Financial Plan period, as no additional capital assets are projected to reach beneficial use.

MTA STATEN ISLAND RAILWAY
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	\$4.381	\$4.771	\$0.390	\$5.132	\$0.361	\$5.182	\$0.050	\$5.216	\$0.034
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.087	2.087	0.000	2.087	0.000	2.087	0.000	2.087	0.000
Capital and Other Reimbursements	0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000	0.000	\$0.000
Total Revenue	\$6.468	\$6.858	\$0.390	\$7.219	\$0.361	\$7.269	\$0.050	\$7.303	\$0.034
Expenses									
Labor:									
Payroll	15.328	15.785	(0.457)	16.108	(0.323)	16.418	(0.310)	16.753	(0.335)
Overtime	0.750	0.772	(0.022)	0.788	(0.016)	0.803	(0.015)	0.837	(0.034)
Health and Welfare	2.834	3.113	(0.279)	3.339	(0.226)	3.582	(0.243)	3.842	(0.260)
OPEB Current Payment	0.462	0.508	(0.046)	0.545	(0.037)	0.585	(0.040)	0.628	(0.043)
Pensions	4.748	5.010	(0.262)	5.449	(0.439)	5.689	(0.240)	6.138	(0.449)
Other Fringe Benefits	1.209	1.245	(0.036)	1.271	(0.026)	1.295	(0.024)	1.352	(0.057)
Reimbursable Overhead			0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$25.331	\$26.433	(\$1.102)	\$27.500	(\$1.067)	\$28.372	(\$0.872)	\$29.550	(\$1.178)
Non-Labor:									
Traction and Propulsion Power	2.539	2.818	(0.279)	3.362	(0.544)	3.598	(0.236)	3.609	(0.011)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.335	0.269	0.066	0.294	(0.025)	0.418	(0.124)	0.353	0.065
Claims	2.760	0.265	2.495	0.270	(0.005)	0.276	(0.006)	0.279	(0.003)
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	7.940	8.357	(0.417)	2.608	5.749	2.693	(0.085)	2.694	(0.001)
Professional Service Contracts	0.389	0.346	0.043	0.353	(0.007)	0.360	(0.007)	0.374	(0.014)
Materials & Supplies	0.999	1.038	(0.039)	1.064	(0.026)	1.086	(0.022)	1.117	(0.031)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.006	(0.001)
Total Non-Labor Expenses	\$14.967	\$13.098	\$1.869	\$7.956	\$5.142	\$8.436	(\$0.480)	\$8.432	\$0.004
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$40.298	\$39.531	\$0.767	\$35.456	\$4.075	\$36.808	(\$1.352)	\$37.982	(\$1.174)
Depreciation	10.337	10.337	0.000	10.337	0.000	10.337	0.000	10.337	0.000
OPEB Current Payment	2.600	2.700	(0.100)	2.800	(0.100)	2.800	0.000	3.000	(0.200)
OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Environmental Remediator	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$53.235	\$52.568	\$0.667	\$48.593	\$3.975	\$49.945	(\$1.352)	\$51.319	(\$1.374)
Baseline Net Surplus/(Deficit)	(\$46.767)	(\$45.710)	\$1.057	(\$41.374)	\$4.336	(\$42.676)	(\$1.302)	(\$44.016)	(\$1.340)
2009 Agency Prog. to Elim. the GAP	0.225	0.743	0.518	0.428	(0.315)	0.428	0.000	0.428	0.000
Post-2009 Agency Prog. to Elim. The Gap	0.000	0.000	0.000	0.420	0.420	0.840	0.420	1.260	0.420
Net Surplus/(Deficit)	(\$46.542)	(\$44.967)	\$1.575	(\$40.526)	\$4.441	(\$41.408)	(\$0.882)	(\$42.328)	(\$0.920)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Receipts and Expenditures
(\$ in millions)

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Receipts									
Farebox Revenue	\$4.381	\$4.771	\$0.390	\$5.132	\$0.361	\$5.182	\$0.050	\$5.216	\$0.034
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.087	2.087	0.000	2.087	0.000	2.087	0.000	2.087	0.000
Capital and Other Reimbursements	1.422	1.487	0.065	1.545	0.058	1.605	0.060	1.672	0.067
Total Receipts	\$7.890	\$8.345	\$0.455	\$8.764	\$0.419	\$8.874	\$0.110	\$8.975	\$0.101
Expenditures									
Labor:									
Payroll	15.869	16.056	(0.187)	16.385	(0.329)	16.700	(0.315)	17.041	(0.341)
Overtime	1.381	1.436	(0.055)	1.465	(0.029)	1.493	(0.028)	1.541	(0.048)
Health and Welfare	3.192	3.504	(0.312)	3.766	(0.262)	4.048	(0.282)	4.351	(0.303)
OPEB Current Payment	0.462	0.508	(0.046)	0.545	(0.037)	0.585	(0.040)	0.628	(0.043)
Pensions	1.912	5.099	(3.187)	5.539	(0.440)	5.781	(0.242)	6.232	(0.451)
Other Fringe Benefits	1.278	1.317	(0.039)	1.345	(0.028)	1.370	(0.025)	1.429	(0.059)
Reimbursable Overhead	0.230	0.265	(0.035)	0.290	(0.025)	0.317	(0.027)	0.347	(0.030)
Total Labor Expenditures	\$24.324	\$28.185	(\$3.861)	\$29.335	(\$1.150)	\$30.294	(\$0.959)	\$31.569	(\$1.275)
Non-Labor:									
Traction and Propulsion Power	2.539	2.818	(0.279)	3.362	(0.544)	3.598	(0.236)	3.609	(0.011)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.335	0.269	0.066	0.294	(0.025)	0.418	(0.124)	0.353	0.065
Claims	2.760	0.265	2.495	0.270	(0.005)	0.276	(0.006)	0.279	(0.003)
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	7.940	8.357	(0.417)	2.608	5.749	2.693	(0.085)	2.694	(0.001)
Professional Service Contracts	0.389	0.346	0.043	0.353	(0.007)	0.360	(0.007)	0.374	(0.014)
Materials & Supplies	0.999	1.038	(0.039)	1.064	(0.026)	1.086	(0.022)	1.117	(0.031)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.006	(0.001)
Total Non-Labor Expenditures	\$14.967	\$13.098	\$1.869	\$7.956	\$5.142	\$8.436	(\$0.480)	\$8.432	\$0.004
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$39.291	\$41.283	(\$1.992)	\$37.291	\$3.992	\$38.730	(\$1.439)	\$40.001	(\$1.271)
Baseline Net Cash Deficit	(31.401)	(32.938)	(1.537)	(28.527)	4.411	(29.856)	(1.329)	(31.026)	(1.170)
2009 Agency Prog. to Elim. the GAP									
Post-2009 Agency Prog. to Elim. The Gap	0.225	0.743	0.518	0.428	(0.315)	0.428	0.000	0.428	0.000
	0.000	0.000	0.000	0.420	0.420	0.840	0.420	1.260	0.420
Net Cash Deficit	(\$31.176)	(\$32.195)	(\$1.019)	(\$27.679)	\$4.516	(\$28.588)	(\$0.909)	(\$29.338)	(\$0.750)

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Plan to Plan Changes-Baseline Narrative**

2008: July Financial Plan vs. February Financial Plan

Revenue Re-estimates

- Increased farebox revenues of \$0.465 million based on projected higher ridership.

Expense Re-estimates

- Service investments costing \$0.126 million to support an increase in ridership.
- Updated inflation projections which reduce expenses by \$0.154 million.
- A net unfavorable timing of expenses offset in other years of \$0.122 million.

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

Revenue Re-estimates

- Increased farebox revenues (excluding Tompkinsville) of \$0.442 million in 2009, \$0.448 million in 2010, \$0.452 million in 2011 and \$0.477 million in 2012 based on projected higher ridership
- A six month delay until 7/1/09 in the implementation of fare collection at the Tompkinsville Station, resulting in an estimated net loss of \$0.210 million of farebox revenue in 2009. This delay was due to additional time requirements for facility and equipment installations. Projected additional farebox revenue of \$0.116 million for each subsequent year resulting from the implementation of fare collection at the Tompkinsville Station.

Expense Re-estimates

- A one-time \$0.300 million expense required in 2009 to correct a High Tension Switchgear safety-related deficiency in three power sub-stations.
- Service investments costing \$0.126 million each year to support an increase in ridership.
- Updated inflation projections which reduce expenses by \$0.327 million in 2009, \$0.310 million in 2010, \$0.325 million in 2011 and \$0.367 million in 2012.
- Unfavorable timing of expenses from 2008 to 2009 of \$0.100 million.

MTA STATEN ISLAND RAILWAY
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)	(\$31.777)	(\$32.878)	(\$29.266)	(\$30.698)	(\$31.732)
Baseline Changes					
Revenue					
Farebox Revenue	0.465	0.232	0.564	0.568	0.593
Other Operating Revenue					
Capital and Other Reimbursement					
Total Revenue Changes	\$0.465	\$0.232	\$0.564	\$0.568	\$0.593
Expenses					
<i>Labor:</i>					
Payroll	0.065	0.331	0.329	0.355	0.345
Health and Welfare	0.364	0.377	0.470	0.575	0.695
OPEB Current Payment	(0.462)	(0.508)	(0.545)	(0.585)	(0.628)
Pensions	(0.015)	(0.015)	(0.015)	(0.015)	(0.314)
Other Fringe Benefits	0.005	0.018	0.020	0.025	(0.002)
Reimbursable Overhead					
Total Labor Expense Changes	(\$0.043)	\$0.203	\$0.259	\$0.355	\$0.096
<i>Non-Labor:</i>					
Traction and Propulsion Power	0.000	(0.083)	(0.099)	(0.107)	(0.045)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.089	0.101	0.110	0.121	0.134
Claims	(0.008)	(0.007)	(0.007)	(0.007)	(0.005)
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	(0.076)	(0.508)	(0.090)	(0.086)	(0.041)
Professional Service Contracts	(0.051)	(0.001)	(0.001)	0.000	(0.007)
Materials & Supplies	0.000	0.003	0.003	(0.002)	(0.019)
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	(\$0.046)	(\$0.495)	(\$0.084)	(\$0.081)	\$0.017
Total Expense Changes before Depreciation & GASB Adjs.	(\$0.089)	(\$0.292)	\$0.175	\$0.274	\$0.113
Depreciation					
OPEB Current Payment					
OPEB Obligation					
Environmental Remediation					
Total Depreciation and GASB Adjs. Changes	\$0.000	\$0.000	\$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	\$0.376	(\$0.060)	\$0.739	\$0.842	\$0.706
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$31.401)	(\$32.938)	(\$28.527)	(\$29.856)	(\$31.026)

MTA STATEN ISLAND RAILWAY
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					
Other Operating Revenue					
Capital and Other Reimbursement					0.067
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.067
Expenses					
<i>Labor:</i>					
Payroll					(0.020)
Health and Welfare					(0.043)
OPEB Current Payment					
Pensions					(0.002)
Other Fringe Benefits					(0.002)
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.067)
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses					
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.067)
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 Staten Island Railway
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)	(\$31.777)	(\$32.878)	(\$29.266)	(\$30.698)	(\$31.732)
Non-Reimbursable Major Changes					
Revenue					
Farebox Revenue Re-estimate	0.465	0.442	0.448	0.452	0.477
Tompkinsville Fare Collection Implementation Delay	0.000	(0.210)	0.116	0.116	0.116
Sub-Total Non-Reimbursable Revenue Changes	\$.465	\$.232	\$.564	\$.568	\$.593
Expenses					
High Tension Switchgear Modification	0.000	(0.300)	0.000	0.000	0.000
Additional Service	(0.126)	(0.126)	(0.126)	(0.126)	(0.126)
Impact of Revised Inflaters	0.154	0.327	0.310	0.325	0.367
Timing of Expenses-Year End 2007 Results	(0.222)	0.000	0.000	0.000	0.000
Timing of Expenses-Other	0.100	(0.100)	0.000	0.000	0.000
Other Expense Changes	0.005	(0.093)	(0.009)	0.075	(0.128)
Sub-Total Non-Reimbursable Expense Changes	(\$.089)	(\$.292)	\$.175	\$.274	\$.113
Total Non-Reimbursable Major Changes	\$.376	(\$.060)	\$.739	\$.842	\$.706
Reimbursable Major Changes					
Revenue					
Sub-Total Reimbursable Revenue Changes	0	0	0	0	0.067
Expenses					
Inflation					(0.067)
Sub-Total Reimbursable Expense Changes	0	0	0	0	(0.067)
Total Reimbursable Major Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Accrual Changes	\$0.376	(\$0.060)	\$0.739	\$0.842	\$0.706
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.376	(\$0.060)	\$0.739	\$0.842	\$0.706
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$31.401)	(\$32.938)	(\$28.527)	(\$29.856)	(\$31.026)

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Plan to Plan Changes-Baseline Narrative**

Ridership (Utilization)

- Re-estimates of non-student/student ridership is projected to increase above the February Financial Plan ridership by 0.381 million in 2008, 0.145 million in 2009, 0.397 million in 2010, 0.400 million in 2011 and 0.421 million in 2012.
- Additionally, in 2009, ridership versus the February Financial Plan includes a reduction of 0.248 million due to a six month delay in implementation of fare collection at the Tompkinsville Station.

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

	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
		Forecast	Budget			
Total Ridership	4.129	4.422	4.657	4.934	4.975	5.004

MTA STATEN ISLAND RAILWAY
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											
Administrative Efficiencies		1	0.085	2	0.244	2	0.244	2	0.244	2	0.244
Hiring Delay/Vacancy Savings		0	0.140	0	0.315	0	0.000	0	0.000	0	0.000
Operational Reorganization		0	0.000	1	0.077	1	0.077	1	0.077	1	0.077
S.I. Medical Assessment Facility		0	0.000	0	0.030	0	0.030	0	0.030	0	0.030
Sub-Total	Administration	1	\$ 0.225	3	\$ 0.666	3	\$ 0.351	3	\$ 0.351	3	\$ 0.351
Service											
PC Based Interlocking Control		0	0.000	1	0.077	1	0.077	1	0.077	1	0.077
Sub-Total	Service	0	\$ 0.000	1	\$ 0.077	1	\$ 0.077	1	\$ 0.077	1	\$ 0.077
Total Programs		1	\$ 0.225	4	\$ 0.743	4	\$ 0.428	4	\$ 0.428	4	\$ 0.428

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

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000016	Current Budget Year	2008	Status	Open
Program:	Administrative Efficiencies			Agency Status	Pending
Description and Implementation Pla	THE MANPOWER REQUIRED TO SUPPORT ADMINISTRATIVE OPERATIONS AT SIR ARE CONTINUALLY MONITORED TO IDENTIFY POTENTIAL EFFICIENCIES FROM RELATED FUNCTIONS AND ACTIVITIES THAT WILL LIKELY RESULT IN A REDUCTION IN ADMINISTRATIVE POSITIONS.				
Background Details	Based on a review of the SIR administrative functions in the area of Human Resources and Procurement, a total of two (2) administrative positions were identified for possible elimination through attrition. One position was attritted beginning in the 2nd Qtr. 2008 and a second is anticipated in 2009.				

				2008	2009	2010	2011	2012
Total Headcount	SIRTA	0000000016	MYF08	1	2	2	2	2
Financial Impact	SIRTA	0000000016	MYF08	\$ 0.085	\$ 0.244	\$ 0.244	\$ 0.244	\$ 0.244

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

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	7/1/2008
PEG / New Need ID	0000000021	Current Budget Year	2008	Status	Open
Program:	Hiring Delay/Vacancy Savings			Agency Status	Ready
Description and Implementation Pla	NORMAL EMPLOYEE TURNOVER THROUGH RESIGNATION, RETIREMENT, CREATES VACANCIES FILLED THROUGH INTERNAL PROMOTION OR RECRUITMENT. DURING THIS PROCESS SMALL INCREMENTAL SAVINGS FOR NON-OPERATING TITLES WHILE OPERATING POSITIONS MAY BE OFFST BY OVERTIM				
Background Details	Beginning July 1, 2008 SIR will implement a self-imposed hiring delay of six (6) months on all vacancies deemed not to impact on current service need. Based on turnover history it is expected that on average, eight (8) vacancies in 2008 and nine (9) vacancies in 2009 can remain unfilled for up to six months.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	SIRTA	0000000021	MYF08	\$ 0.140	\$ 0.315	\$ 0.000	\$ 0.000	\$ 0.000

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

(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000015	Current Budget Year	2008	Status	Open
Program:	Operational Reorganization			Agency Status	Pending
Description and Implementation Pla	MTA STATEN ISLAND RAILWAY IS IMPLEMENTING A REORGANIZATION OF ITS OPERATIONS DIVISION DESIGNED TO IMPROVE BOTH SUPERVISION AND OVERALL PRODUCTIVITY. THE CONSOLIDATION OF THE TRANSPORTATION AND CLEANING SERVICES DEPARTMENTS WILL RESULT IN EFFICIENCIES.				
Background Details	The consolidation of Transportation and Cleaning Services will result in savings of two positions; one Superintendent and one Train Dispatcher. At the same time, MTA Staten Island Railway is deficient in terms of field supervision. The reorganization includes a reinvestment of one Deputy Superintendent to provide improved Transportation rule compliance and field supervision of cleaning and maintenance of way activities.				

				2008	2009	2010	2011	2012
Total Headcount	SIRTA	0000000015	MYF08	0	1	1	1	1
Financial Impact	SIRTA	0000000015	MYF08	\$ 0.000	\$ 0.077	\$ 0.077	\$ 0.077	\$ 0.077

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

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000017	Current Budget Year	2008	Status	Open
Program:	S.I. Medical Assessment Facility			Agency Status	Pending
Description and Implementation Pla	NYCT SUPPORTS SIR FOR ALL MEDICAL ASSESSMENTS INCLUDING PRE-EMPLOYMENT, RETURN TO WORK, PERIODIC, RE-CHECKS AND MANDATED RANDOM TESTING. CURRENTLY, EMPLOYEES ARE DISPATCHED TO 180 LIVINGSTON FOR THESE TESTS RESULTING IN AN AVERAGE LOSS OF FOUR (4) HOURS				
Background Details	In cooperation with the NYCT Department of Buses and Human Resources, a satellite Medical Assessment Center will be established on SIR property at the 735 Bay St. Maintenance facility to provide all business day medical assessment related services currently provided at 180 Livingston St. Productivity savings associated with this initiative is projected to be \$30K annually.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	SIRTA	0000000017	MYF08	\$ 0.000	\$ 0.030	\$ 0.030	\$ 0.030	\$ 0.030

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

(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Service	Savings Date	1/1/2009
PEG / New Need ID	0000000018	Current Budget Year	2008	Status	Open
Program:	PC Based Interlocking Control			Agency Status	Ready
Description and Implementation Pla	THE INTRODUCTION OF PC-BASED INTERLOCKING CONTROL OF STATEN ISLAND RAILWAY'S TWO TERMINALS AT ST. GEORGE AND TOTTENVILLE AS WELL AS HOLLY/FERN AND WOLF/POND INTERLOCKINGS WILL ALLOW FOR AUTOMATIC DISPATCHING AND ROUTING OF SCHEDULED TRAIN MOVEMENT.				
Background Details	Operating impacts are considered to be minimal as most train movement at terminals is routine and can be programmed and controlled by a PC-based system. However, as the system is currently under in-house development, achievement of this PEG is contingent upon successful completion of the project.				

				2008	2009	2010	2011	2012
Total Headcount	SIRTA	0000000018	MYF08	0	1	1	1	1
Financial Impact	SIRTA	0000000018	MYF08	\$ 0.000	\$ 0.077	\$ 0.077	\$ 0.077	\$ 0.077

MTA STATEN ISLAND RAILWAY
 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	0.420	0	0.840	0	1.260
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	0	\$ 0.420	0	\$ 0.840	0	\$ 1.260
Total Programs		0	\$ 0.000	0	\$ 0.000	0	\$ 0.420	0	\$ 0.840	0	\$ 1.260

MTA STATEN ISLAND RAILWAY

Mid-year forecast for 2008

Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	SIRTA	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000022	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	SIRTA	0000000022	MYF08	\$ 0.000	\$ 0.000	\$ 0.420	\$ 0.840	\$ 1.260

**MTA Staten Island Railway
2009 Preliminary Budget
July Financial Plan 2009-2012
Summary of Plan to Plan Changes-Baseline Narrative**

Positions

- Full-time baseline positions have increased by two (2) from the February Financial Plan for each year as part of an increase in service investments to support an increase in ridership.

MTA STATEN ISLAND RAILWAY
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	9	11	11	11	11	11
General Office	11	11	11	11	11	11
Purchasing/Stores	7	7	7	7	7	7
Total Administration	27	29	29	29	29	29
Operations						
Transportation	91	94	94	94	94	94
Maintenance						
Mechanical	34	36	36	36	36	36
Car and Station Cleaning	18	19	18	18	18	18
Power/Signals	25	28	28	28	28	28
Maintenance of Way	49	49	49	49	49	49
Bridge and Buildings	22	21	21	21	21	21
Material Handling	2	2	2	2	2	2
Total Maintenance	150	155	154	154	154	154
Engineering/Capital						
None	-	-	-	-	-	-
Public Safety						
Police	-	-	-	-	-	-
Baseline Total Positions	268	278	277	277	277	277
Non-Reimbursable	265	275	274	274	274	274
Reimbursable	3	3	3	3	3	3
Total Full-Time	268	278	277	277	277	277
Total Full-Time Equivalents	-	-	-	-	-	-
Impact of:						
2009 Program to Eliminate the Gap	-	1	4	4	4	4
Post 2009 Program to Eliminate the Gap	-	-	-	-	-	-
Total Positions	268	277	273	273	273	273
Non-Reimbursable	-	274	270	270	270	270
Reimbursable	-	3	3	3	3	3
Total Full-Time	268	277	273	273	273	273
Total Full-Time Equivalents	-	-	-	-	-	-
Business Service Center	0	0	0	0	(2)	(2)

MTA STATEN ISLAND RAILWAY
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	12	14	14	14	14	14
Professional, Technical, Clerical	15	15	15	15	15	15
Operational Hourlies	-	-	-	-	-	-
Total Administration	27	29	29	29	29	29
Operations						
Managers/Supervisors	7	7	7	7	7	7
Professional, Technical, Clerical	4	4	4	4	4	4
Operational Hourlies	80	83	83	83	83	83
Total Operations	91	94	94	94	94	94
Maintenance						
Managers/Supervisors	8	11	11	11	11	11
Professional, Technical, Clerical	3	3	3	3	3	3
Operational Hourlies	139	141	140	140	140	140
Total Maintenance	150	155	154	154	154	154
Engineering/Capital						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Engineering/Capital	-	-	-	-	-	-
Public Safety						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	27	32	32	32	32	32
Professional, Technical, Clerical	22	22	22	22	22	22
Operational Hourlies	219	224	223	223	223	223
Total Baseline Positions	268	278	277	277	277	277

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