

**MTA**  
**Staten Island Railway**

**MTA Staten Island Railway  
2005 Preliminary Budget  
July Financial Plan 2005-2008**

**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 subway system operating 64 subway cars over 233 route miles and 26.6 miles of mainline track, serving 22 stations located on the south shore of Staten Island.

The 2005 Preliminary Budget maintains reliability, maintenance, safety and security standards for employees and customers and generally maintains existing service levels. Despite a generally unfavorable economic environment, this is accomplished through implementation of organizational and operating efficiencies that optimize the use of resources to achieve agency goals. The economic forecast in 2006 is less favorable and consequently, more significant service adjustments will be necessary to close a sizable budget gap.

**2005 Preliminary Budget – Baseline**

MTA Staten Island Railway's 2005 Preliminary Budget reflects total expenses before depreciation of \$29.046 million including \$28.027 million of non-reimbursable expenses and \$1.019 million of reimbursable expenses. Total revenues are projected to be \$6.155 million of which \$5.136 million are operating revenues and \$1.019 million represent capital reimbursements. Total full-time positions are 313 including 307 non-reimbursable positions and 6 reimbursable positions. The above information excludes the effect of Programs to Eliminate the GAP (PEGs), which are presented separately on the attached financial tables.

Programs to Eliminate the GAP, which are described below, represent deficit reductions of \$2.840 million and position reductions of 35.

Providing quality service is paramount to MTA Staten Island Railway. To ensure this goal, the 2005 Preliminary Budget includes additional funding necessary to properly maintain fleet and other equipment integral to Staten Island Railway system operations.

Major assumptions and reconciliations to the February Plan are discussed later in this section.

### **2006-2008 Projections**

MTA Staten Island Railway's projections for 2006-2008 reflect total expenses before depreciation as follows: 2006-\$30.119 million, 2007-\$31.341 million, and 2008-\$32.701 million. Non-reimbursable expenses before depreciation are projected as follows: 2006-\$29.075 million, 2007-\$30.266, and 2008-\$31.586 million. Reimbursable expenses are projected as follows: 2006-\$1.044 million, 2007-\$1.075 million, and 2008-\$1.115 million. Total revenues are projected as follows: 2006-\$6.218 million, 2007-\$6.298 million, and 2008-\$6.380 million. Operating revenues are projected as follows: 2006-\$5.174 million, 2007-\$5.223 million, and 2008-\$5.265 million. Capital reimbursements are projected as follows: 2006-\$1.044 million, 2007-\$1.075 million, and 2008-\$1.115 million. Total full-time positions are projected to be 313 in each year. Non-reimbursable positions are projected to be 307 in each year. Reimbursable positions are projected to be 6 in each year. The above information excludes the effect of Programs to Eliminate the GAP, which is presented separately on the attached financial tables.

Programs to Eliminate the GAP, which are described below, represent deficit reductions of \$3.553 million in 2006, \$3.400 million in 2007 and \$3.481 million in 2008. Position reductions are projected to be 41 in 2006, 38 in 2007 and 38 in 2008.

Major assumptions and reconciliations to the February Plan are discussed later in this section.

### **GAP CLOSING MEASURES**

#### 2005 Programs to Eliminate the Gap (PEG) Actions

MTA Staten Island Railway has developed programs that will save \$2.840 million in 2005 as shown below.

- One Person Train Operation (OPTO) - Currently the Authority operates four car trains with a crew of one Train Operator and one Conductor. In 2005, implementation of One Person Train Operation (OPTO) will reduce crew size to one Train Operator. Projections are that 26 Conductor positions can be eliminated with 2005 savings of \$1.747 million.
- Add fare collection at the Tompkinsville train station - The Tompkinsville train station is a free entry/exit station located less than 0.5 miles from the St. George Terminal. Consequently, passengers can avoid the fare collection system in St. George by entering and exiting the system at Tompkinsville. Beginning in 2005, implementation of a fare collection system at Tompkinsville will generate additional revenue and eliminate the opportunity to avoid fare collection at St. George. This action will result in a net deficit reduction of \$0.300 million.

- **Modify Weekend Headways** - The Authority has always maintained a schedule that was well coordinated with Ferry service. At certain times on weekends our headways exceed those of the Staten Island Ferry. Starting in 2005 savings will be achieved with the modification of weekend service headways to correspond with the Staten Island Ferry connections. This will save one position and \$0.067 million.
- **Modify Weekday Headways** - Currently, Authority weekday service includes additional express service during selected periods. It was hoped this service would lead to increased ridership. This did not occur and, in 2005, savings will be achieved with the elimination of those selected service enhancements, saving two positions and \$0.134 million.
- **Reduce the size of the car fleet by 12 R44 B units** - The current SIR fleet of 64 cars includes an increase of 12 cars early in the 1990's. This action was in anticipation of operating 5 car trains to accommodate the expected growth in ridership which has not materialized. Reducing the fleet size back to its original 52 cars in 2005 will reduce maintenance and cleaning costs saving four positions and \$0.269 million.
- **Facility Painting/ Station Maintenance** - Currently, Authority budgeted cycles for painting interiors/exterior of facilities is 5 years while station maintenance is performed continuously on an as needed basis. In 2005, interior/exterior facility painting cycles will be increased to every 6 years and efficiencies will be developed and implemented for station related masonry and carpentry repairs. This action will save 2 positions and \$0.134 million in 2005.
- **Reduce Trains to Two Cars During Off-Peak** - Currently the Authority operates four (4) car trains for all passenger service. Beginning in 2005 this proposal reduces trains to two (2) cars during off-peak hours. With recent ridership declines this plan is not expected to adversely affect current customers and will save \$0.188 million.

### **2006 - 2008 Program to Eliminate the Gap (PEG) Actions**

Programs to Eliminate the GAP described above continue in 2006 through 2008 with deficit reductions of \$3.553 million in 2006, \$3.400 million in 2007 and \$3.481 million in 2008.

Position reductions are projected to be 41 in 2006, 38 in 2007 and 38 in 2008.

One additional service change will be implemented beginning in 2006 as follows:

- **Eliminate Weekend Service** - The Authority currently provides service 24 hours a day, 7 days per week. All service meets or exceeds Staten Island Ferry service. Beginning in 2006, weekend service will be eliminated beginning at 2 a.m. Saturday through 5 a.m. Monday. Existing local bus service at the St. George Terminal is an available alternative. This action will save eight positions and \$0.401 million.

To achieve some of these budget reductions, Board approval will be necessary.

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**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE**

	<b>2003</b>	<b>2004</b>	<b>2005</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Revenue</b>						
Farebox Revenue	\$3.110	\$3.204	\$3.245	\$3.283	\$3.332	\$3.374
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.728	1.891	1.891	1.891	1.891	1.891
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$4.838</b>	<b>\$5.095</b>	<b>\$5.136</b>	<b>\$5.174</b>	<b>\$5.223</b>	<b>\$5.265</b>
<b>Expenses</b>						
Labor:						
Payroll	14.328	15.295	15.606	15.949	16.359	16.819
Overtime	1.236	0.732	0.747	0.763	0.783	0.805
Total Salaries & Wages	15.564	16.027	16.353	16.712	17.142	17.624
Health and Welfare	2.560	2.747	3.026	3.307	3.615	3.951
Pensions	1.490	1.649	1.874	2.059	2.266	2.493
Other Fringe Benefits	1.247	1.631	1.337	1.365	1.397	1.434
Total Fringe Benefits	5.297	6.027	6.237	6.731	7.278	7.878
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$20.861</b>	<b>\$22.054</b>	<b>\$22.590</b>	<b>\$23.443</b>	<b>\$24.420</b>	<b>\$25.502</b>
Non-Labor:						
Traction and Propulsion Power	1.588	1.632	1.738	1.851	1.971	2.099
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.144	0.144	0.146	0.148	0.151	0.155
Claims	0.216	0.221	0.226	0.231	0.232	0.243
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	1.436	1.811	2.089	2.148	2.218	2.293
Professional Service Contracts	0.178	0.317	0.319	0.325	0.333	0.341
Materials & Supplies	0.840	0.899	0.913	0.923	0.935	0.947
Other Business Expenses	0.008	0.006	0.006	0.006	0.006	0.006
<b>Total Non-Labor Expenses</b>	<b>\$4.410</b>	<b>\$5.030</b>	<b>\$5.437</b>	<b>\$5.632</b>	<b>\$5.846</b>	<b>\$6.084</b>
Other Expense Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$25.271</b>	<b>\$27.084</b>	<b>\$28.027</b>	<b>\$29.075</b>	<b>\$30.266</b>	<b>\$31.586</b>
Depreciation	6.626	7.344	10.337	10.337	10.337	10.337
<b>Total Expenses</b>	<b>\$31.897</b>	<b>\$34.428</b>	<b>\$38.364</b>	<b>\$39.412</b>	<b>\$40.603</b>	<b>\$41.923</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$27.059)</b>	<b>(\$29.333)</b>	<b>(\$33.228)</b>	<b>(\$34.238)</b>	<b>(\$35.380)</b>	<b>(\$36.658)</b>
Program to Eliminate the Gap	0.000	0.000	2.840	3.553	3.400	3.481
<b>Net Surplus/(Deficit)</b>	<b>(\$27.059)</b>	<b>(\$29.333)</b>	<b>(\$30.388)</b>	<b>(\$30.685)</b>	<b>(\$31.980)</b>	<b>(\$33.177)</b>



**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2003	2004	2005	2006	2007	2008
	Actuals	Mid-Year Forecast	Preliminary Budget			
<b>Revenue</b>						
Farebox Revenue	\$3.110	\$3.204	\$3.245	\$3.283	\$3.332	\$3.374
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.728	1.891	1.891	1.891	1.891	1.891
Capital and Other Reimbursements	1.682	1.235	1.019	1.044	1.075	1.115
<b>Total Revenue</b>	<b>\$6.520</b>	<b>\$6.330</b>	<b>\$6.155</b>	<b>\$6.218</b>	<b>\$6.298</b>	<b>\$6.380</b>
<b>Expenses</b>						
Labor:						
Payroll	14.711	15.604	15.861	16.209	16.626	17.094
Overtime	1.970	1.430	1.323	1.351	1.386	1.425
Total Salaries & Wages	16.681	17.034	17.184	17.560	18.012	18.519
Health and Welfare	2.919	2.807	3.076	3.361	3.674	4.016
Pensions	1.605	1.740	1.949	2.136	2.345	2.580
Other Fringe Benefits	1.333	1.708	1.400	1.430	1.464	1.502
Total Fringe Benefits	5.857	6.255	6.425	6.927	7.483	8.098
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$22.538</b>	<b>\$23.289</b>	<b>\$23.609</b>	<b>\$24.487</b>	<b>\$25.495</b>	<b>\$26.617</b>
Non-Labor:						
Traction and Propulsion Power	1.588	1.632	1.738	1.851	1.971	2.099
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.144	0.144	0.146	0.148	0.151	0.155
Claims	0.216	0.221	0.226	0.231	0.232	0.243
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	1.436	1.811	2.089	2.148	2.218	2.293
Professional Service Contracts	0.178	0.317	0.319	0.325	0.333	0.341
Materials & Supplies	0.845	0.899	0.913	0.923	0.935	0.947
Other Business Expenses	0.008	0.006	0.006	0.006	0.006	0.006
<b>Total Non-Labor Expenses</b>	<b>\$4.415</b>	<b>\$5.030</b>	<b>\$5.437</b>	<b>\$5.632</b>	<b>\$5.846</b>	<b>\$6.084</b>
Other Expense Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$26.953</b>	<b>\$28.319</b>	<b>\$29.046</b>	<b>\$30.119</b>	<b>\$31.341</b>	<b>\$32.701</b>
Depreciation	6.626	7.344	10.337	10.337	10.337	10.337
<b>Total Expenses</b>	<b>\$33.579</b>	<b>\$35.663</b>	<b>\$39.383</b>	<b>\$40.456</b>	<b>\$41.678</b>	<b>\$43.038</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$27.059)</b>	<b>(\$29.333)</b>	<b>(\$33.228)</b>	<b>(\$34.238)</b>	<b>(\$35.380)</b>	<b>(\$36.658)</b>
Program to Eliminate the Gap	0.000	0.000	2.840	3.553	3.400	3.481
<b>Net Surplus/(Deficit)</b>	<b>(\$27.059)</b>	<b>(\$29.333)</b>	<b>(\$30.388)</b>	<b>(\$30.685)</b>	<b>(\$31.980)</b>	<b>(\$33.177)</b>



**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Cash Receipts & Expenditures**  
(\$ in millions)

	2003	2004	2005			
	Actuals	Mid-Year Forecast	Preliminary Budget	2006	2007	2008
<b>Receipts</b>						
Farebox Revenue	\$3.024	\$3.204	\$3.245	\$3.283	\$3.332	\$3.374
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.499	1.891	1.891	1.891	1.891	1.891
Capital and Other Reimbursements	1.707	1.341	1.013	1.038	1.068	1.115
<b>Total Receipts</b>	<b>\$6.230</b>	<b>\$6.436</b>	<b>\$6.149</b>	<b>\$6.212</b>	<b>\$6.291</b>	<b>\$6.380</b>
<b>Expenditures</b>						
Labor:						
Payroll	15.168	15.604	15.861	16.209	16.626	17.094
Overtime	1.484	1.430	1.323	1.351	1.386	1.425
Total Salaries & Wages	16.652	17.034	17.184	17.560	18.012	18.519
Health and Welfare	2.753	2.807	3.076	3.361	3.674	4.016
Pensions	1.577	1.740	1.949	2.136	2.345	2.580
Other Fringe Benefits	1.690	1.708	1.400	1.430	1.464	1.502
Total Fringe Benefits	6.020	6.255	6.425	6.927	7.483	8.098
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$22.672</b>	<b>\$23.289</b>	<b>\$23.609</b>	<b>\$24.487</b>	<b>\$25.495</b>	<b>\$26.617</b>
Non-Labor:						
Traction and Propulsion Power	1.588	1.632	1.738	1.851	1.971	2.099
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.144	0.144	0.146	0.148	0.151	0.155
Claims	0.341	0.221	0.226	0.231	0.232	0.243
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	1.289	1.811	2.089	2.148	2.218	2.293
Professional Service Contracts	0.178	0.317	0.319	0.325	0.333	0.341
Materials & Supplies	0.961	0.899	0.913	0.923	0.935	0.947
Other Business Expenditures	0.008	0.006	0.006	0.006	0.006	0.006
<b>Total Non-Labor Expenditures</b>	<b>\$4.509</b>	<b>\$5.030</b>	<b>\$5.437</b>	<b>\$5.632</b>	<b>\$5.846</b>	<b>\$6.084</b>
Other Expenditure Adjustments:						
Other	\$0.000	0.001	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$27.181</b>	<b>\$28.320</b>	<b>\$29.046</b>	<b>\$30.119</b>	<b>\$31.341</b>	<b>\$32.701</b>
<b>Baseline Net Cash Surplus/(Deficit)</b>	<b>(\$20.951)</b>	<b>(\$21.884)</b>	<b>(\$22.897)</b>	<b>(\$23.907)</b>	<b>(\$25.050)</b>	<b>(\$26.321)</b>
Program to Eliminate the Gap	0.000	0.000	2.840	3.553	3.400	3.481
<b>Net Cash Surplus/(Deficit)</b>	<b>(\$20.951)</b>	<b>(\$21.884)</b>	<b>(\$20.057)</b>	<b>(\$20.354)</b>	<b>(\$21.650)</b>	<b>(\$22.840)</b>

**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

	2003	2004	2005			
	Actuals	Mid-Year Forecast	Preliminary Budget	2006	2007	2008
<b>Receipts</b>						
Farebox Revenue	(\$0.086)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.229)	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.025	0.106	(0.006)	(0.006)	(0.007)	0.000
<b>Total Receipt Adjustments</b>	<b>(\$0.290)</b>	<b>\$0.106</b>	<b>(\$0.006)</b>	<b>(\$0.006)</b>	<b>(\$0.007)</b>	<b>\$0.000</b>
<b>Expenditures</b>						
Labor:						
Payroll	(0.457)	0.000	0.000	0.000	0.000	0.000
Overtime	0.486	0.000	0.000	0.000	0.000	0.000
Total Salaries & Wages	0.029	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.166	0.000	0.000	0.000	0.000	0.000
Pensions	0.028	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	(0.357)	0.000	0.000	0.000	0.000	0.000
Total Fringe Benefits	(0.163)	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>(\$0.134)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Non-Labor:						
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	(0.125)	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	0.147	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	(0.116)	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenditures</b>	<b>(\$0.094)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Other Expenditure Adjustments:						
Other	0.000	(0.001)	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>(\$0.001)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditure Adjustments</b>	<b>(\$0.228)</b>	<b>(\$0.001)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>(\$0.518)</b>	<b>\$0.105</b>	<b>(\$0.006)</b>	<b>(\$0.006)</b>	<b>(\$0.007)</b>	<b>\$0.000</b>
Depreciation Adjustment	6.626	7.344	10.337	10.337	10.337	10.337
<b>Baseline Total Cash Conversion Adjustmer</b>	<b>\$6.108</b>	<b>\$7.449</b>	<b>\$10.331</b>	<b>\$10.331</b>	<b>\$10.330</b>	<b>\$10.337</b>
Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$6.108</b>	<b>\$7.449</b>	<b>\$10.331</b>	<b>\$10.331</b>	<b>\$10.330</b>	<b>\$10.337</b>

**MTA Staten Island Railway**  
**2004-2008 Financial Plan**  
**Year-To-Year Changes by Category-Baseline Narrative**

**TOTAL REVENUES**

**Farebox Revenue**

- Farebox Revenue improvements of: 2005-\$.041 million (0.8%), 2006-\$.038 million (0.7%), 2007-\$.049 million (0.9%), and 2008-\$.042 million (0.8%) were due to projected increases in ridership.
- The ridership increase is based upon Global Insight's NYC employment growth forecasts as follows: 2005-1.37%, 2006-1.44%, 2007-1.25%, 2008-0.88%.

**Other Operating Revenue**

- No changes.

**Capital and Other Reimbursements**

- Reimbursements are projected to decrease by \$.216 million or 17.5% from 2004 to 2005 due to the scheduled completion of the Signal Modernization capital project and the projected start of a three bridge replacements program requiring smaller in-house labor support.
- Annual increases are projected from 2006 through 2008 to provide for reimbursement consistent with projected CPI increases for labor expenses and actuarial-based pension increases as explained below.

**TOTAL EXPENSES**

**Payroll**

- Increases largely represent effective inflationary increases as follows: 2005-2.03%, 2006-2.20%, 2007-2.57%, and 2008-2.81%.
- Reimbursable expenses decreased by \$.054 million from 2004 to 2005 due to the completion of a significant capital project.

**Overtime**

- 2004-2008 payroll wage rate increase assumptions apply.
- Reimbursable expenses decreased by \$.122 million from 2004 to 2005, due to the completion of a significant capital project.

**Health & Welfare**

- Increases include the following inflation rate assumptions: 2005-12.9%, and 2006 through 2008-9.3%.

**Pension**

- Significant projected increases in expenses are based on information from pension plan actuaries.

### **Other Fringe Benefits**

- Favorable change in 2005 was due to a high level of worker's compensation claims in 2004, not projected to recur.
- Inflation assumptions consistent with payroll rate increase assumptions.

### **Traction and Propulsion Power**

- Reflects NYPA annual rate increases of 6.5% effective April 1, 2004.

### **Insurance**

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.

### **Claims**

- Assumes annual inflation of 2.5% for 2005 through 2008.

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

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- Non-reimbursable expenses reflect NYPA 6.5% annual rate increases effective April 1, 2004 for lighting expenses.
- 2004-2008 increased power consumption associated with new signal system as follows: 2004-26.9%, 2005-15.3%, 2006-2.8%, 2007-3.3%, and 2008-3.4%.

### **Professional Service Contracts**

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- 2004-2008 reflects higher costs associated with NYS bridge inspection requirements as follows: 2004-78.6%, 2005-0.6%, 2006-1.9%, 2007-2.5%, and 2008-2.4%.

### **Materials and Supplies**

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.50%, 2006-1.17%, 2007-1.23%, and 2008-1.31%.

### **Other Business Expenses**

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.

### **Depreciation**

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include Right of way fencing, track-work, and a new signal system.

## **TOTAL RECEIPTS**

### **Farebox Receipts**

- Farebox receipt improvements of: 2005-\$.041 million (0.8%), 2006-\$.038 million (0.7%), 2007-\$.049 million (0.9%), and 2008-\$.042 million (0.8%) were due to projected increases in ridership.
- The ridership increase is based upon Global Insight's NYC employment forecasts as follows: 2005-1.37%, 2006-1.44%, 2007-1.25%, 2008-0.88%.

### **Other Operating Receipts**

- No changes.

### **Capital and Other Reimbursements**

- Reimbursements are projected to decrease by \$.216 million or 17.5% from 2004 to 2005 due to the scheduled completion of the Signal Modernization capital project and the projected start of a three bridge replacements program requiring reduced in-house labor support.
- Cash adjustments are reflected annually to recognize the change in timing of receipts.

## **TOTAL EXPENDITURES**

### **Payroll**

- Increases largely represent effective inflationary increases as follows: 2005-2.03%, 2006-2.20%, 2007-2.57%, and 2008-2.81%.
- Reimbursable expenses decreased by \$.054 million from 2004 to 2005, due to the completion of a significant capital project.

### **Overtime**

- 2004-2008 payroll wage rate increase assumptions apply.
- Reimbursable expenses decreased by \$.122 million from 2004 to 2005, due to the completion of a significant capital project.

### **Health & Welfare**

- Increases include the following inflation rate assumptions: 2005-12.9%, and 2006 through 2008-9.3%.

### **Pension**

- Significant projected increases in expenses are based on information from pension plan actuaries.

### **Other Fringe Benefits**

- Favorable change in 2005 was due to a high level of worker's compensation claims in 2004, not projected to recur.
- Inflation assumptions consistent with payroll rate increase assumptions

### **Traction and Propulsion Power**

- Reflects NYPA 6.5% annual rate increases effective April 1, 2004.

### **Insurance**

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.

### **Claims**

- Assumes annual inflation of 2.5% for 2005 through 2008.

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

- 2005-2008 inflation assumptions are based on Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- Non-reimbursable expenses reflect NYPA 6.5% annual rate increases effective April 1, 2004 for lighting expenses.
- 2004-2008 increased power consumption associated with new signal system as follows: 2004-26.9%, 2005-15.3%, 2006-2.8%, 2007-3.3%, and 2008-3.4%.

### **Professional Service Contracts**

- 2005-2008 inflation assumptions are based on Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- 2004-2008 reflects higher costs associated with NYS bridge inspection requirements as follows: 2004-78.6%, 2005-0.6%, 2006-1.9%, 2007-2.5%, and 2008-2.4%.

### **Materials and Supplies**

- 2005-2008 inflation assumptions are based on Global Insight's estimates as follows: 2005-1.50%, 2006-1.17%, 2007-1.23%, and 2008-1.31%.

### **Other Business Expenses**

- 2005-2008 inflation assumptions are based on Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.

**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	Favorable/(Unfavorable)								
	2004	2005	Change 2005-2004	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007
<b>Revenue</b>									
Farebox Revenue	\$3.204	\$3.245	\$0.041	\$3.283	\$0.038	\$3.332	\$0.049	\$3.374	\$0.042
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.891	1.891	0.000	1.891	0.000	1.891	0.000	1.891	0.000
Capital and Other Reimbursements	1.235	1.019	(0.216)	1.044	0.025	1.075	0.031	1.115	0.040
<b>Total Revenue</b>	<b>\$6.330</b>	<b>\$6.155</b>	<b>(\$0.175)</b>	<b>\$6.218</b>	<b>\$0.063</b>	<b>\$6.298</b>	<b>\$0.080</b>	<b>\$6.380</b>	<b>\$0.082</b>
<b>Expenses</b>									
Labor:									
Payroll	15.604	15.861	(0.257)	16.209	(0.348)	16.626	(0.417)	17.094	(0.468)
Overtime	1.430	1.323	0.107	1.351	(0.028)	1.386	(0.035)	1.425	(0.039)
Total Salaries & Wages	17.034	17.184	(0.150)	17.560	(0.376)	18.012	(0.452)	18.519	(0.507)
Health and Welfare	2.807	3.076	(0.269)	3.361	(0.285)	3.674	(0.313)	4.016	(0.342)
Pensions	1.740	1.949	(0.209)	2.136	(0.187)	2.345	(0.209)	2.580	(0.235)
Other Fringe Benefits	1.708	1.400	0.308	1.430	(0.030)	1.464	(0.034)	1.502	(0.038)
Total Fringe Benefits	6.255	6.425	(0.170)	6.927	(0.502)	7.483	(0.556)	8.098	(0.615)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$23.289</b>	<b>\$23.609</b>	<b>(\$0.320)</b>	<b>\$24.487</b>	<b>(\$0.878)</b>	<b>\$25.495</b>	<b>(\$1.008)</b>	<b>\$26.617</b>	<b>(\$1.122)</b>
Non-Labor:									
Traction and Propulsion Power	1.632	1.738	(0.106)	1.851	(0.113)	1.971	(0.120)	2.099	(0.128)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.144	0.146	(0.002)	0.148	(0.002)	0.151	(0.003)	0.155	(0.004)
Claims	0.221	0.226	(0.005)	0.231	(0.005)	0.232	(0.001)	0.243	(0.011)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	1.811	2.089	(0.278)	2.148	(0.059)	2.218	(0.070)	2.293	(0.075)
Professional Service Contracts	0.317	0.319	(0.002)	0.325	(0.006)	0.333	(0.008)	0.341	(0.008)
Materials & Supplies	0.899	0.913	(0.014)	0.923	(0.010)	0.935	(0.012)	0.947	(0.012)
Other Business Expenses	0.006	0.006	0.000	0.006	0.000	0.006	0.000	0.006	0.000
<b>Total Non-Labor Expenses</b>	<b>\$5.030</b>	<b>\$5.437</b>	<b>(\$0.407)</b>	<b>\$5.632</b>	<b>(\$0.195)</b>	<b>\$5.846</b>	<b>(\$0.214)</b>	<b>\$6.084</b>	<b>(\$0.238)</b>
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$28.319</b>	<b>\$29.046</b>	<b>(\$0.727)</b>	<b>\$30.119</b>	<b>(\$1.073)</b>	<b>\$31.341</b>	<b>(\$1.222)</b>	<b>\$32.701</b>	<b>(\$1.360)</b>
Depreciation	7.344	10.337	(2.993)	10.337	0.000	10.337	0.000	10.337	0.000
<b>Total Expenses</b>	<b>\$35.663</b>	<b>\$39.383</b>	<b>(\$3.720)</b>	<b>\$40.456</b>	<b>(\$1.073)</b>	<b>\$41.678</b>	<b>(\$1.222)</b>	<b>\$43.038</b>	<b>(\$1.360)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$29.333)</b>	<b>(\$33.228)</b>	<b>(\$3.895)</b>	<b>(\$34.238)</b>	<b>(\$1.010)</b>	<b>(\$35.380)</b>	<b>(\$1.142)</b>	<b>(\$36.658)</b>	<b>(\$1.278)</b>
Program to Eliminate the Gap	0.000	2.840	2.840	3.553	0.713	3.400	(0.153)	3.481	0.081
<b>Net Surplus/(Deficit)</b>	<b>(\$29.333)</b>	<b>(\$30.388)</b>	<b>(\$1.055)</b>	<b>(\$30.685)</b>	<b>(\$0.297)</b>	<b>(\$31.980)</b>	<b>(\$1.295)</b>	<b>(\$33.177)</b>	<b>(\$1.197)</b>

**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Year-to-Year Changes by Category - Cash Basis**  
**(\$ in millions)**

	Favorable/(Unfavorable)								
	2004	2005	Change 2005-2004	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007
<b>Receipts</b>									
Farebox Revenue	\$3.204	\$3.245	\$0.041	\$3.283	\$0.038	\$3.332	\$0.049	\$3.374	\$0.042
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.891	1.891	0.000	1.891	0.000	1.891	0.000	1.891	0.000
Capital and Other Reimbursements	1.341	1.013	(0.328)	1.038	0.025	1.068	0.030	1.115	0.047
<b>Total Receipts</b>	<b>\$6.436</b>	<b>\$6.149</b>	<b>(\$0.287)</b>	<b>\$6.212</b>	<b>\$0.063</b>	<b>\$6.291</b>	<b>\$0.079</b>	<b>\$6.380</b>	<b>\$0.089</b>
<b>Expenditures</b>									
Labor:									
Payroll	15.604	15.861	(0.257)	16.209	(0.348)	16.626	(0.417)	17.094	(0.468)
Overtime	1.430	1.323	0.107	1.351	(0.028)	1.386	(0.035)	1.425	(0.039)
Total Salaries & Wages	17.034	17.184	(0.150)	17.560	(0.376)	18.012	(0.452)	18.519	(0.507)
Health and Welfare	2.807	3.076	(0.269)	3.361	(0.285)	3.674	(0.313)	4.016	(0.342)
Pensions	1.740	1.949	(0.209)	2.136	(0.187)	2.345	(0.209)	2.580	(0.235)
Other Fringe Benefits	1.708	1.400	0.308	1.430	(0.030)	1.464	(0.034)	1.502	(0.038)
Total Fringe Benefits	6.255	6.425	(0.170)	6.927	(0.502)	7.483	(0.556)	8.098	(0.615)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$23.289</b>	<b>\$23.609</b>	<b>(\$0.320)</b>	<b>\$24.487</b>	<b>(\$0.878)</b>	<b>\$25.495</b>	<b>(\$1.008)</b>	<b>\$26.617</b>	<b>(\$1.122)</b>
Non-Labor:									
Traction and Propulsion Power	1.632	1.738	(0.106)	1.851	(0.113)	1.971	(0.120)	2.099	(0.128)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.144	0.146	(0.002)	0.148	(0.002)	0.151	(0.003)	0.155	(0.004)
Claims	0.221	0.226	(0.005)	0.231	(0.005)	0.232	(0.001)	0.243	(0.011)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	1.811	2.089	(0.278)	2.148	(0.059)	2.218	(0.070)	2.293	(0.075)
Professional Service Contracts	0.317	0.319	(0.002)	0.325	(0.006)	0.333	(0.008)	0.341	(0.008)
Materials & Supplies	0.899	0.913	(0.014)	0.923	(0.010)	0.935	(0.012)	0.947	(0.012)
Other Business Expenditures	0.006	0.006	0.000	0.006	0.000	0.006	0.000	0.006	0.000
<b>Total Non-Labor Expenditures</b>	<b>\$5.030</b>	<b>\$5.437</b>	<b>(\$0.407)</b>	<b>\$5.632</b>	<b>(\$0.195)</b>	<b>\$5.846</b>	<b>(\$0.214)</b>	<b>\$6.084</b>	<b>(\$0.238)</b>
Other Expenditure Adjustments:									
Other	0.001	0.000	0.001	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.001</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$28.320</b>	<b>\$29.046</b>	<b>(\$0.726)</b>	<b>\$30.119</b>	<b>(\$1.073)</b>	<b>\$31.341</b>	<b>(\$1.222)</b>	<b>\$32.701</b>	<b>(\$1.360)</b>
<b>Baseline Net Cash Surplus/(Deficit)</b>	<b>(\$21.884)</b>	<b>(\$22.897)</b>	<b>(\$1.013)</b>	<b>(\$23.907)</b>	<b>(\$1.010)</b>	<b>(\$25.050)</b>	<b>(\$1.143)</b>	<b>(\$26.321)</b>	<b>(\$1.271)</b>
Program to Eliminate the Gap	0.000	2.840	2.840	3.553	0.713	3.400	(0.153)	3.481	0.081
<b>Net Cash Surplus/(Deficit)</b>	<b>(\$21.884)</b>	<b>(\$20.057)</b>	<b>\$1.827</b>	<b>(\$20.354)</b>	<b>(\$0.297)</b>	<b>(\$21.650)</b>	<b>(\$1.296)</b>	<b>(\$22.840)</b>	<b>(\$1.190)</b>



**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Ridership/Traffic Volume (Utilization)**  
(in millions)

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<b>Baseline Total Ridership</b>	<b>3.365</b>	<b>3.400</b>	<b>3.432</b>	<b>3.474</b>	<b>3.51</b>
Impact of:					
New Needs	0.000	0.000	0.000	0.000	0.000
Program to Eliminate the Gap	0.000	0.256	0.015	0.015	0.015
<b>Total Ridership</b>	<b>3.365</b>	<b>3.656</b>	<b>3.447</b>	<b>3.489</b>	<b>3.525</b>

**MTA Staten Island Railway  
2004-2008 Financial Plan  
Summary of Plan to Plan Changes-Baseline Narrative**

**2004: July Financial Plan vs. February Financial Plan**

**Revenue Re-estimates**

- Passenger revenue shortfall of \$.184 million partially offset by \$.036 student reimbursement improvement.

**Expense Re-estimates**

- Health and Welfare expenses reflect \$.067 million in additional costs associated with increased levels of covered retirees.
- Workers compensation includes \$.319 million for employee claims paid in excess of budgeted levels.
- Inflationary increase of \$.052 million primarily based upon Global Insight's re-estimates of inflation rates.
- Maintenance and Other Operating Contracts reflect \$.387 million in higher power consumption associated with the new signal system.
- Professional Service Contracts reflect \$.140 million in higher costs associated with additional NYS bridge inspection requirements.

**2005: July Financial Plan vs. February Financial Plan**

**Revenue Re-estimates**

- Passenger revenue shortfall of \$.178 million partially offset by \$.036 student reimbursement improvement.

**Expense Re-estimates**

- Inflationary increase of \$.090 million primarily based upon Global Insight's re-estimate of inflation rates.
- Maintenance and Other Operating Contracts reflect \$.624 million in higher power consumption associated with the new signal system.
- Professional Service Contracts reflect \$.140 million in higher costs associated with additional NYS bridge inspection requirements.

**2006: July Financial Plan vs. February Financial Plan**

**Revenue Re-estimates**

- Passenger revenue shortfall of \$.168 million partially offset by \$.036 student reimbursement improvement.

**Expense Re-estimates**

- Inflationary decrease of \$.021 million primarily based upon Global Insight's re-estimate of inflation rates.
- Maintenance and Other Operating Contracts reflect \$.638 million in higher power consumption associated with the new signal system.
- Professional Service Contracts reflect \$.143 million in higher costs associated with additional NYS bridge inspection requirements.

## **2007: July Financial Plan vs. February Financial Plan**

### **Revenue Re-estimates**

- Passenger revenue shortfall of \$.169 million partially offset by \$.036 student reimbursement improvement.

### **Expense Re-estimates**

- Inflationary decrease of \$.076 million, primarily based upon Global Insight's re-estimate of inflation rates.
- Maintenance and Other Operating Contracts reflect \$.655 million in higher power consumption associated with the new signal system.
- Professional Service Contracts reflect \$.147 million in higher costs associated with additional NYS bridge inspection requirements.

### **Other Assumptions**

#### **Total Non-Reimbursable and Reimbursable Positions 2003 - 2008**

- 2003 actual incumbents of 305 include 8 non-reimbursable vacancies.
- Total position levels of 313 maintained through 2008.

#### **Ridership/Utilization Projections 2003-2008**

- The ridership increase is based upon Global Insight's NYC employment forecasts as follows: 2005-1.37%, 2006-1.44%, 2007-1.25%, and 2008-0.88%.

**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>2004 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$20.877)</b>	<b>(\$21.895)</b>	<b>(\$23.009)</b>	<b>(\$24.184)</b>
<b>Changes:</b>				
Revenue				
Passenger Revenue Shortfall	(0.184)	(0.178)	(0.168)	(0.169)
Student Reimbursement Improvement	0.036	0.036	0.036	0.036
Sub-Total Revenue Changes	(\$ .148)	(\$ .142)	(\$ .132)	(\$ .133)
Expenses				
Health and Welfare - Retiree Benefits	(0.067)			
Expense Inflater Revision Impact	(0.052)	(0.090)	0.021	0.076
Workers Compensation	(0.319)			
Power Consumption-New Signal System	(0.387)	(0.624)	(0.638)	(0.655)
Bridge Inspections	(0.140)	(0.140)	(0.143)	(0.147)
Sub-Total Expense Changes	(\$ .965)	(\$ .854)	(\$ .760)	(\$ .726)
Cash Adjustments:				
Revenue				
Expense				
Sub-Total Cash Adjustment Changes	\$ .000	\$ .000	\$ .000	\$ .000
Program to Eliminate the Gap	0.000	2.840	3.553	3.400
<b>Total Changes</b>	<b>(\$1.113)</b>	<b>\$1.844</b>	<b>\$2.661</b>	<b>\$2.541</b>
<b>2004 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$21.990)</b>	<b>(\$20.051)</b>	<b>(\$20.348)</b>	<b>(\$21.643)</b>

**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

**REIMBURSABLE**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>2004 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.106</b>	<b>(\$0.006)</b>	<b>(\$0.006)</b>	<b>(\$0.007)</b>
<b>Changes:</b>				
Revenue				
Capital and Other Reimbursements	(0.005)	(0.006)	(0.007)	(0.004)
Sub-Total Revenue Changes	(\$0.005)	(\$0.006)	(\$0.007)	(\$0.004)
Expenses				
Reimbursable Labor and Fringe Inflaters	.005	0.006	0.007	0.004
Sub-Total Expense Changes	\$0.005	\$0.006	\$0.007	\$0.004
Cash Adjustments:				
Revenue				
Expense				
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2004 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.106</b>	<b>(\$0.006)</b>	<b>(\$0.006)</b>	<b>(\$0.007)</b>

**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>2004 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$20.771)</b>	<b>(\$21.901)</b>	<b>(\$23.015)</b>	<b>(\$24.191)</b>
<b>Changes:</b>				
Revenue				
Passenger Revenue Shortfall	(0.184)	(0.178)	(0.168)	(0.169)
Student Reimbursement Improvement	0.036	0.036	0.036	0.036
Capital and Other Reimbursements	(.005)	(.006)	(.007)	(.004)
Sub-Total Revenue Changes	(\$ .153)	(\$ .148)	(\$ .139)	(\$ .137)
Expenses				
Health and Welfare - Retiree Benefits	(0.067)			
Expense Inflator Revision Impact	(0.052)	(0.090)	0.021	0.076
Workers Compensation	(0.319)			
Reimbursable Labor and Fringe Inflaters	0.005	0.006	0.007	0.004
Power Consumption-New Signal System	(0.387)	(0.624)	(0.638)	(0.655)
Bridge Inspections	(0.140)	(0.140)	(0.143)	(0.147)
Sub-Total Expense Changes	(\$ .960)	(\$ .848)	(\$ .753)	(\$ .722)
Cash Adjustments:				
Revenue				
Expense				
Sub-Total Cash Adjustment Changes	\$ .000	\$ .000	\$ .000	\$ .000
Program to Eliminate the Gap	0.000	2.840	3.553	3.400
<b>Total Changes</b>	<b>(\$1.113)</b>	<b>\$1.844</b>	<b>\$2.661</b>	<b>\$2.541</b>
<b>2004 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$21.884)</b>	<b>(\$20.057)</b>	<b>(\$20.354)</b>	<b>(\$21.650)</b>

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**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Summary of the Program to Eliminate the Gap**  
**(\$ in millions)**

	Favorable/(Unfavorable)									
	2004		2005		2006		2007		2008	
	Positions <sup>1</sup>	Dollars	Positions <sup>1</sup>	Dollars	Positions <sup>1</sup>	Dollars	Positions <sup>1</sup>	Dollars	Positions <sup>1</sup>	Dollars
<b>LIST of PROGRAMS</b>										
Administration:										
Sub-Total Administration	0	\$ .000	0	\$ .000	0	\$ .000	0	\$ .000	0	\$ .000
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	0	\$ .000	0	\$ .000	0	\$ .000	0	\$ .000	0	\$ .000
Service:										
One Person Train Operation (OPTO) Service Support			26	1.747	26	1.809	26	1.876	26	1.950
Add fare collection at the Tompkinsville train station			0	0.300	0	0.300	0	0.300	0	0.300
Modify Weekend Headways			1	0.067	1	0.069	1	0.072	1	0.075
Modify Weekday Headways			2	0.134	2	0.139	2	0.144	2	0.149
Reduce Trains to Two Cars During Off-Peak			0	0.188	0	0.188	0	0.188	0	0.188
Eliminate Weekend Service			0	0.000	8	0.401	8	0.401	8	0.401
Sub-Total Service	0	\$ .000	29	\$ 2.437	37	\$ 2.906	37	\$ 2.981	37	\$ 3.063
Maintenance:										
Reduce the size of the car fleet by 12 R44 B units			4	0.269	4	0.327	1	0.099	1	0.099
Facility Painting/ Station Maintenance			2	0.134		-		-		-
Sub-Total Maintenance	0	\$ .000	6	\$ .403	4	\$ .327	1	\$ .099	1	\$ .099
Revenue Enhancement:										
Sub-Total Revenue Enhancement	0	\$ .000	0	\$ .000	0	\$ .000	0	\$ .000	0	\$ .000
Other:										
Sub-Total Other	0	\$ .000	0	\$ .000	0	\$ .000	0	\$ .000	0	\$ .000
<b>Total Program to Eliminate the Gap</b>	<b>0</b>	<b>\$ .000</b>	<b>35</b>	<b>\$ 2.840</b>	<b>41</b>	<b>\$ 3.234</b>	<b>38</b>	<b>\$ 3.081</b>	<b>38</b>	<b>\$ 3.162</b>
<b>Unspecified Reductions</b>			<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0.319</b>	<b>0</b>	<b>0.319</b>	<b>0</b>	<b>0.319</b>
<b>Total Reductions</b>	<b>0</b>	<b>\$ .000</b>	<b>35</b>	<b>\$ 2.840</b>	<b>41</b>	<b>\$ 3.553</b>	<b>38</b>	<b>\$ 3.400</b>	<b>38</b>	<b>\$ 3.481</b>

<sup>1</sup> Reflects the impact of amendments on year-end positions.



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**MTA Staten Island Railway  
July Financial Plan 2005 - 2008  
Program to Eliminate the Gap (PEG) Worksheet**

**PEG Category:** Service

**Program:** One Person Train Operation (OPTO)

<b>Background Details:</b>	Currently the Authority operates four car trains with a crew of one Train Operator and one Conductor.
----------------------------	---

<b>PEG Description and Implementation Plan:</b>	Implementation of One Person Train Operation (OPTO) will reduce crew size to one Train Operator. Projections are that 27 Conductor positions can be eliminated.
<b>PEG Implementation Date:</b>	1/1/05
	<b>When will PEG savings begin?:</b> Based on renegotiation of labor agreements

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.747	\$1.808	\$1.875	\$1.949
<i>Total Reduction in Positions Required</i>	0	29	26	26	26
Current Level of Vacancies	0	3	26	26	26

*Impact on Operations:*  
Ridership Per Week (in thousands)  
Mean Distance Between Failure  
On-Time Performance

Other  
(Identify Appropriate Indicator)

*List of Other Concerns:*

**MTA Staten Island Railway  
July Financial Plan 2005 - 2008  
Program to Eliminate the Gap (PEG) Worksheet**

**PEG Category:** Service

**Program:** Add fare collection at the Tompkinsville train station

<b>Background Details:</b>	The Tompkinsville train station is a free entry/exit station located less than .5 miles from the St. George Terminal. Consequently, a significant number of passengers can avoid the fare collection system in St. George by entering and exiting the system at Tompkinsville.
----------------------------	--

<b>PEG Description and Implementation Plan:</b>	Implement a fare collection system at Tompkinsville to generate additional revenue and eliminate the opportunity to avoid fare collection at St. George.
<b>PEG Implementation Date:</b>	1/1/05 <span style="float: right;"><b>When will PEG savings begin?:</b> 1/1/05</span>

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.300	\$0.300	\$0.300	\$0.300
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Level of Vacancies	0	0	0	0	0
 <i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

*List of Other Concerns:*

**MTA Staten Island Railway  
July Financial Plan 2005 - 2008  
Program to Eliminate the Gap (PEG) Worksheet**

**PEG Category:** Service

**Program:** Modify Weekend Headways

<b>Background Details:</b>	The Authority has always maintained a schedule that was well coordinated with Ferry service. At certain times on weekends our headways exceed those of the Staten Island Ferry.
----------------------------	---

<b>PEG Description and Implementation Plan:</b>	Modify our weekend service headways to correspond with the Staten Island Ferry connections.
<b>PEG Implementation Date:</b>	1/1/05 <span style="float: right;"><b>When will PEG savings begin?:</b> 1/1/5</span>

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.067	\$0.069	\$0.072	\$0.075
<i>Total Reduction in Positions Required</i>	0	1	1	1	1
Current Level of Vacancies	0	0	0	0	0
 <i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

*List of Other Concerns:*

**MTA Staten Island Railway  
July Financial Plan 2005 - 2008  
Program to Eliminate the Gap (PEG) Worksheet**

**PEG Category:** Service

**Program:** Modify Weekday Headways

<b>Background Details:</b>	Currently Authority weekday service includes additional express service during selected periods in anticipation of increased passengers.
----------------------------	--

<b>PEG Description and Implementation Plan:</b>	Eliminate those selected service enhancements which are being under-utilized due the depressed ridership trend.
<b>PEG Implementation Date:</b>	1/1/05 <span style="float: right;"><b>When will PEG savings begin?:</b> 1/1/05</span>

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.134	\$0.139	\$0.144	\$0.149
<i>Total Reduction in Positions Required</i>	0	2	2	2	2
Current Level of Vacancies	0	0	0	0	0
 <i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

*List of Other Concerns:*

**MTA Staten Island Railway  
July Financial Plan 2005 - 2008  
Program to Eliminate the Gap (PEG) Worksheet**

**PEG Category:** Service

**Program:** Reduce Trains to Two Cars During Off-Peak

<b>Background Details:</b>	Currently the Authority operates four (4) car trains for all passenger service.
----------------------------	---

<b>PEG Description and Implementation Plan:</b>	Reduce trains to two (2) cars during off-peak hours. With recent ridership declines this plan should not adversely affect current customers.
<b>PEG Implementation Date:</b>	1/1/05
<b>When will PEG savings begin?:</b>	1/1/05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.188	\$0.188	\$0.188	\$0.188
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Level of Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

*List of Other Concerns:*

**MTA Staten Island Railway  
July Financial Plan 2005 - 2008  
Program to Eliminate the Gap (PEG) Worksheet**

**PEG Category:** Maintenance

**Program:** Reduce the size of the car fleet by 12 R44 B units

<b>Background Details:</b>	The current SIR fleet of 64 cars includes an increase of 12 cars early in the 1990's. This action was in anticipation of operating 5 car trains to accommodate the expected growth in ridership which has not materialized.
----------------------------	---

<b>PEG Description and Implementation Plan:</b>	Reduce the fleet size back to its original 52 cars thereby reducing maintenance and cleaning costs.
<b>PEG Implementation Date:</b>	1/1/05 <span style="float: right;"><b>When will PEG savings begin?:</b> 1/1/05</span>

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.269	\$0.327	\$0.099	\$0.099
<i>Total Reduction in Positions Required</i>	0	4	4	4	4
Current Level of Vacancies	0	0	0	0	0
 <i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

*List of Other Concerns:*

**MTA Staten Island Railway  
July Financial Plan 2005 - 2008  
Program to Eliminate the Gap (PEG) Worksheet**

**PEG Category:** Maintenance

**Program:** Facility Painting/ Station Maintenance

<b>Background Details:</b>	Currently Authority budgeted cycles for painting interiors/exterior of facilities is 5 years while station maintenance is performed continuously on an as needed basis.
----------------------------	---

<b>PEG Description and Implementation Plan:</b>	Interior/exterior facility painting cycles will be increased to every 6 years and efficiencies will be developed and implemented for station related masonry and carpentry repairs.
<b>PEG Implementation Date:</b>	1/1/05 <span style="float: right;"><b>When will PEG savings begin?:</b> 1/1/05</span>

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.134	\$0.000	\$0.000	\$0.000
<i>Total Reduction in Positions Required</i>	0	2	0	0	0
Current Level of Vacancies	0	0	0	0	0
 <i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

*List of Other Concerns:*



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**MTA Staten Island Railway  
July Financial Plan 2005 - 2008  
Program to Eliminate the Gap (PEG) Worksheet**

**PEG Category:** Service

**Program:** Eliminate Weekend Service

<b>Background Details:</b>	The Authority currently provides service 24 hours a day, 7 days per week. All service meets or exceeds Staten Island Ferry service.
----------------------------	---

<b>PEG Description and Implementation Plan:</b>	Eliminate weekend service beginning at 2 a.m. Saturday through 5 a.m. Monday. Existing local bus service at the St. George Terminal is an available alternate.
<b>PEG Implementation Date:</b>	1/1/06 <span style="float: right;"><b>When will PEG savings begin?:</b> 1/1/06</span>

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.401	\$0.401	\$0.401
<i>Total Reduction in Positions Required</i>	0	0	8	8	8
Current Level of Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)			(5)	(5)	(5)
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

*List of Other Concerns:*

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**MTA Staten Island Railway**  
**July Financial Plan 2005 - 2008**  
**Total Non-Reimbursable - Reimbursable Positions at End-of-Year**  
**Full-Time Positions and Full-Time Equivalents**  
**(\$ in millions)**

<b>Departments</b>	<b>2003 Actuals</b>	<b>2004 Mid-Year Forecast</b>	<b>2005 Preliminary Budget</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Police	24	24	24	24	24	24
Mechanical	38	37	37	37	37	37
Cleaning	20	22	22	22	22	22
Power/Signals	23	22	22	22	22	22
M of W	45	49	49	49	49	49
B & B	24	24	24	24	24	24
Transportation	97	99	99	99	99	99
Administration	34	36	36	36	36	36
<b>Baseline Total Positions*</b>	305	313	313	313	313	313
<i>Non-Reimbursable</i>	299	307	307	307	307	307
<i>Reimbursable</i>	6	6	6	6	6	6
<i>Total Full-Time</i>	305	313	313	313	313	313
<i>Total Full-Time-Equivalents</i>	0	0	0	0	0	0
<hr style="border: 1px solid gray;"/>						
Impact of: Program to Eliminate the Gap	0	0	(35)	(41)	(38)	(38)
<b>Total Positions</b>	305	313	278	272	275	275
<i>Non-Reimbursable</i>	299	307	272	266	269	269
<i>Reimbursable</i>	6	6	6	6	6	6
<i>Total Full-Time</i>	305	313	278	272	275	275
<i>Total Full-Time-Equivalents</i>						

\* Baseline Positions for 2004 thru 2008 include 10 authorized positions which represent vacancy savings in the February 2004 Financial Plan.

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