

MTA 2012 BUDGET ADOPTION MATERIALS

**MTA Finance Committee
MTA Board**

**December 19, 2011
December 21, 2011**



Metropolitan Transportation Authority

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MTA 2012 Budget Adoption Materials

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**I. Staff Summary MTA Consolidated
2012 Budget**

Staff Summary

Subject MTA Consolidated 2012 Operating Budget
Department
Department Chief Financial Officer
Department Head Name Robert E. Foran
Project Manager/Division Head Douglas F. Johnson

Date December 14, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/19			
2	Board	12/21			

Internal Approvals			
Order	Approval	Order	Approval
		1	Chief Financial Officer
		2	Legal
		3	Executive Director

Purpose:

To secure MTA Board (i) adoption of the accompanying 2012 Final Proposed Budget and the Four Year Financial Plan 2012-2015 (December Plan), which includes approving the 2011 Final Estimate, the General Reserve, and all Plan Adjustments (items below the baseline), and (ii) authorization of Budget and Plan adjustments, budget and cash management actions and other staff actions as set forth below in the Staff Summary.

Discussion:

This document summarizes the Plan presented to the Board in November (“November Plan”) and describes new developments that have adversely impacted this Plan and which require the Board’s consideration of additional budgetary measures to be incorporated into the 2012 Final Proposed Budget and Four-Year Financial Plan (the “December Plan”).

Subsequent to the November Plan, the MTA has made several important re-estimates that are detailed on pages 3-4 (and Attachment A). Recent discussions with the New York State Division of the Budget (NYSDOB) indicate a likely reduction in the level of MMTOA taxes that were projected in the November Plan. A modest increase in the level of taxes known as MTA Aid will offset some of that reduction, as will the release of certain reserves. However, in order to eliminate the remaining 2012 shortfall and to offset the net subsidy reduction in the out-years, the MTA will implement \$35 million in recurring deficit reduction measures that currently are unspecified. These measures will be identified early in 2012 and incorporated into the July 2012 Financial Plan.

Recent legislation signed into law by Governor Cuomo makes significant changes to the Payroll Mobility Tax (PMT) by eliminating or reducing the PMT for certain taxpayers including public and private schools, small employers and self-employed with income below a legislated threshold. New York State projects a reduction in PMT revenues of \$310 million annually; however, the December Act expressly provides that any reductions in transit aid attributable to these reductions in the payroll mobility tax “shall be offset through alternative sources that will be included in the state budget” (“replacement funds”). This Financial Plan, therefore, assumes that there will be no reduction in net revenue to the MTA.

The December Plan projects ending cash balances of \$200 million in 2011, \$1 million in 2012, and \$80 million in 2013 with projected cash deficits of \$141 million in 2014 and \$211 million in 2015 (see Attachment A). Compared with the November Financial Plan, the forecast of Net Cash Balances is \$21 million higher in 2011 and flat in 2012. Projections for 2013 through 2015 are slightly worse than the November Plan by \$16 million, \$19 million, and \$5 million respectively.

The November Financial Plan 2012-2015

The 2011 November Forecast, 2012 Final Proposed Budget and November Financial Plan 2012-2015 (the “November Plan” or “Plan”), which was presented to the MTA Board at its last meeting, reaffirms the MTA’s commitment to establishing fiscal stability for the MTA’s finances. The Plan includes a continued focus on cost cutting to achieve \$850 million annual recurring savings by 2015, with a cumulative total efficiency savings in the Plan alone of almost \$4 billion, without budget-driven service cuts; continued receipt of dedicated taxes and subsidies; and agreement with labor for “net zero” wage savings of more than \$300 million annually by 2015. Consistent with the 2009 State understanding on MTA financing, the Plan also includes 7.5 % fare and toll increases in 2013 and 2015. The Plan will protect the revenues budgeted for capital Pay-As-You-Go so that they will be available to pay debt service on new debt critical to funding the final three years of the 2010-14 Capital Program. The capital funding proposal will require approval by the Board and Capital Program Review Board.

The November Plan incorporates the increased MTA efficiency targets that were established in the July Plan and has significantly reduced the portion of the future targets that are unidentified. Vigilance will be required not to backslide where savings have been achieved. The MTA must continue to seek out and pursue new opportunities not just to deliver existing services more efficiently, but also to create savings that can be reinvested for improved reliability and service.

Additionally, the November Plan assumes that labor settlements will include three years of “net zero” wage growth. With approximately 60% of the MTA’s expenses driven by labor costs, it is essential that growth in this area reflect the economic realities of this region and the State. The MTA’s plan includes three years of “net zero” wage savings which are in line with the contract agreements reached by the State and its two largest unions, the CSEA and PEF. By the end of 2011, non-represented employees will have gone three years without a wage increase.

The Plan captures the impacts of three significant weather events that took place during 2011 that affected MTA operations and finances – record breaking January snowfalls, an October Nor’easter that dropped unusually early, heavy snowfall and August’s Tropical Storm Irene. Irene caused extensive infrastructure damage to MTA properties with Metro-North’s Port Jervis line the hardest hit. Metro-North and its employees did an excellent job mitigating the impact and cost of that storm, restoring service on November 28th. Repairs were done faster and less expensively than originally estimated, and recoveries from insurance and the Federal Emergency Management Agency (FEMA) are anticipated in 2012.

For 2012 and beyond, the Plan continues to assume the exclusion of LI Bus from all budget forecasts of MTA subsidies. We note that there will be recurring costs beyond 2011 to finish the “wind-down” of MTA operations and future payments for employee and other liabilities including vacation and sick leave balances, retiree health insurance, worker’s compensation claims, pension liabilities and unemployment insurance. While these costs likely will impact MTA short-term cash flow, such expenses are the financial responsibility of Nassau County under the terms of the Lease and Operating Agreement between Nassau County and the MTA, and MTA will seek reimbursement for such future expenses from the County.

Other Changes between the July and November Plans

November Plan subsidy projections are similar to July. The November Plan recognized the likelihood that State subsidies to the MTA will be lower than anticipated because of a slow-down in the economic activity supporting those specific taxes. These losses, however, are expected to be mostly offset by higher real estate revenues. Agency projections are also similar to July as the combination of lower passenger revenues and higher claims costs are being offset by slightly lower costs for health & welfare and energy. Lower debt service and favorable spending in 2011 will help to finance reinvestments that are described below.

The elimination of most of the remaining general reserve in 2011, and a significant shift in the timing of expenses from 2011 to 2012 will permit the MTA to repay an inter-agency loan of \$135 million in 2011 rather than in 2012, as was assumed in the July Plan. In 2012 and beyond, the General Reserve increases to approximately one percent of the MTA’s operating budget. Energy fluctuations and weather impacts seen in 2011 alone demonstrate the necessity of an increased General Reserve. The November Plan continues the fuel hedge program through 2015.

The November Plan projected a \$179 million ending cash balance in 2011, a positive balance (less than \$1 million) in 2012, and a \$96 million ending cash balance in 2013. Projected cash deficits of \$122 million in 2014 and \$206 million in 2015 reflect a worsening in out-year results.

Reinvestments for Improved Reliability and Service Quality

While striving to reduce expenses, the MTA continues to address the important issues of reliability and service quality and has made appropriate reinvestments. New York City Transit is adding staff to improve signal maintenance and repairs and to improve the reliability and safety of its escalators and elevators. NYC Transit is also adding resources to extend the useful life of its R-32 subway car fleet until replacements are delivered in 2017, and is reinstating its Work Experience Program, that will result in substantial improvements to station and car cleanliness. Bus Customer Information Systems (CIS) are being rolled out, which will provide real-time information for bus passengers so that riders will know when buses will arrive and their current locations. This pilot program will deploy CIS to all Staten Island buses by the end of 2011, and will be rolled-out to all buses throughout the MTA system beginning in 2012.

Metro-North will rehabilitate its Harlem River Lift Bridge, which was severely damaged in a 2010 fire, and will purchase equipment to improve its response to heavy snowfall and icing conditions. MNR will also overhaul several West of Hudson locomotives to extend their reliability through 2020 and complete its door modification program for its M-3 fleet. The Long Island Rail Road is rolling out systems to improve the service and schedule status information it provides to its customers during major service disruptions. MTA Bus is adding road dispatchers for service support and investing in customer convenience and related amenities by expanding the existing Guide-A-Ride program and implementing a Passenger Environment Survey process much like NYCT that will provide information on the customer experience.

Risks Identified in the November Plan

Despite an improved outlook, significant risks remain. *The regional economy remains weak, and if there is a “double dip” recession, the MTA has limited financial reserves to offset lower-than-expected operating revenues and dedicated taxes.* The Plan assumes that State budget actions will reflect full remittance to MTA of all resources collected on MTA's behalf and that fare and toll increases will be implemented as forecasted.

An additional significant risk to the MTA is the underfunding of the 2010 - 2014 Capital Program. Failure to fund this program would put the MTA at risk of violating the Federal Full Funding Grant Agreements for the mega-projects and/or deferring necessary investment in state of good repair and normal replacement of its capital assets, both of which are essential to the reliability of the system. This outcome would undermine MTA's financial rating and its ability to deliver essential transportation services for the region. For this reason, the Plan continues to protect revenues set aside for capital PAYGO, which are proposed to be re-budgeted to pay debt service on new bonds to fully fund the last three years of the Capital Program, subject to review and approval by the MTA Board and CPRB.

New Developments

Subsequent to the November Plan, the MTA has made several important re-estimates that are described below and captured on page 2 of Attachment A:

- Recent discussions with the State Division of the Budget (DOB) subsequent to the November Plan have yielded information that has caused the MTA to change its estimate of State operating aid to MTA from Metropolitan Mass Transportation Operating Assistance (“MMTOA”) by an amount that is \$87 million lower in 2012 than was forecast in the November Plan. For 2013 through 2015, revised MMTOA estimates, when compared with the November Plan, are unfavorable by \$58 million, \$45 million and \$47 million, respectively. The downward revisions are attributable to lower revenues, updated allocation projections and an increase in the amount that NYS will reserve (and therefore, not pay out) to hedge against economic risks.
- PMT - Recent legislation signed into law by Governor Cuomo, (the December Act) makes significant changes to the Payroll Mobility Tax (PMT). The provisions eliminate or reduce the PMT imposed within the MTA Commuter Transportation District for certain taxpayers including public and private schools, small employers and self-employed with income below a legislated threshold. As a result of the changes, the Governor's Memorandum in support of the December Act projects a reduction in PMT revenues of \$310 million annually. The December Act further expressly provides that any reductions in transit aid attributable to these reductions in the payroll mobility tax “shall be offset through alternative sources that will be included in the state budget” (“replacement funds”). A portion of the \$310 million is already included in the current State Financial Plan.
- MTA Aid – These taxes are running \$13 million favorable, with the increase attributable to the auto rental tax and the taxi surcharge; the majority of this variance reflects receipts since the preparation of the November Plan. Based on discussions with NYSDOB, \$7 million of this favorable variance is likely to be recurring. All other

subsidies are tracking close to budget. While the improvement in MTA Aid offsets a small portion of the reduced MMTOA projections, the net 2011-2012 subsidy impact is \$67 million unfavorable.

- 2011 General Reserve - The November Plan left \$8 million dollars in MTA's General Reserve for 2011 to mitigate potential unfavorable financial impacts from the October Nor'easter and other potential storms through the remainder of the year. The MTA is confident that any storm impacts can be absorbed within existing Agency forecasts, and is releasing the rest of that reserve, which will improve the cash carryover into 2012 by \$8 million.
- 2012 General Reserve - The November Financial Plan recognized the risks posed by a tenuous economic recovery (see underlined sentence above). This risk was one reason that the cash reserve for 2012 was increased to \$125 million, approximately 1% of the MTA's operating budget. Since the reduced MMTOA estimate is clearly one of the risks cited in the November Financial Plan, and that risk has now been quantified and incorporated into this Plan, the MTA will lower the 2012 General Reserve by \$25 million to partially cover the MMTOA shortfall. Out-year reserve levels will not be adjusted.

The use of reserves offsets some but not all of the above unfavorable subsidy re-estimate. In order to eliminate the remaining 2012 shortfall and to offset the net subsidy reduction in the out-years, the MTA will implement \$35 million in recurring deficit reduction measures that currently are unspecified. These measures will be identified early in 2012 and be incorporated into the July 2012 Financial Plan.

The December Plan projects ending cash balances of \$200 million in 2011, \$1 million in 2012, and \$80 million in 2013 with projected cash deficits of \$141 million in 2014 and \$211 million in 2015. Compared with the November Financial Plan, the forecast of Net Cash Balances is \$21 million higher in 2011 and flat in 2012. Projections for 2013 through 2015 are slightly worse than November by \$16 million, \$19 million, and \$5 million respectively.

Recommendation:

It is recommended that the Board:

- Adopt the 2012 Final Proposed Budget and Four Year Financial Plan 2012-2015 (December Plan), which includes approving the 2011 Final Estimate, the General Reserve, and all Plan Adjustments (items below the baseline). The approval of this Plan will supersede prior Board Plan Approvals for this period.
- Authorize staff, under the guidance of the Executive Director, to take actions to implement the subsidy and other technical adjustments set forth in the December Plan.
- Authorize technical adjustments to Agency Budgets and forecasts of a non-material nature in the February Plan.
- Authorize adjustment of Agency 2012 Budgets and forecasts to reflect labor settlements approved from time to time by the Board.
- Consistent with last December's Board Action, which authorized staff under the direction of the Chair/CEO to take actions in furtherance of ending subsidization of the Long Island Bus deficit, authorize the transfer of certain LI Bus staff temporarily to MTA HQ to continue "wind down" work necessary to close out LI Bus' operations.
- As previously approved, the Plan assumes that the MTA will enter into fuel hedge agreements, up to 12 months in length, and set aside up to \$100 million to collateralize these hedges. It is recommended that the Board authorize staff to continue its previously authorized energy hedge program and authorize forward hedges up to but not exceeding 24 months in duration to always assure one full year of price certainty for the hedged amount.
- Approve additional budget and cash management actions, as has been done in past budget adoptions, as further described below:

Advance of Bridges and Tunnels Operating Surplus

As has been done on previous occasions, the Board is requested to authorize Bridges and Tunnels to advance to MTA and NYC Transit, to the extent funds are available, all or part of the estimated operating surplus for the year 2012, when and as directed by the Executive Director or his designee.

Uses of MTA MRT-2 Corporate Account Monies

Unlike many other forms of intergovernmental aid, these subsidy monies, by statute, can be allocated at the Board's discretion. It is recommended that the Board authorize that these funds be used as set forth in the Plan, authorize staff under direction of the Executive Director to administer these funds in a manner consistent with the Plan, and to temporarily help stabilize cash-flow requirements. As in the past, the advance of funds to the MTA and its affiliates and subsidiaries to stabilize cash-flow requirements may be made, provided that such advances are repaid prior to the end of the fiscal year in which made.

Uses of Payroll Mobility Tax (and Replacement Funds) and Other New Taxes

Like the MRT-2 Corporate Account moneys, these subsidy moneys, by statute, can be allocated at the Board's discretion. It is recommended that the Board authorize that the revenues from the PMT (and Replacement Funds) be released as needed: (i) for pledged revenues by MTA to secure and be applied to the payment of bonds to be issued in the future, to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) to pay capital costs, including debt service of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary. It is further recommended that the Board authorize that subject to the provisions of any such pledge, or in the event there is no such pledge, the PMT Revenues be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary, and that the Executive Director or his designee be authorized to release these funds as needed in any of these areas described above.

Further, it is recommended that the Board authorize that the revenues in the MTA Aid Trust Account (derived from four fees and taxes imposed in the Metropolitan Commuter Transportation District - a supplemental motor vehicle license fee, a supplemental motor vehicle registration fee, a tax on medallion taxicab rides, and a supplemental tax on passenger car rentals) be released as needed and used as pledged revenues by MTA or pledged to the Triborough Bridge and Tunnel Authority to secure debt of MTA Bridges and Tunnels. Further subject to the provisions of such pledge, or in the event there is no such pledge, it is recommended that that the Executive Director or his designee be authorized to direct the release of these funds to be used by MTA for the payment of operating and capital costs of the MTA, its subsidiaries, and MTA New York City Transit and its subsidiary.

Inter-Agency Loans

The Board is requested to authorize the Executive Director or his designee, acting under Section 1266 (6-a) of the Public Authorities Law, to enter into inter-agency loan agreements among the MTA and its affiliates and subsidiaries. This authorization would allow the temporary movement of funds among agencies to meet cash flow requirements for operating or capital purposes resulting from a mismatch between the receipt of subsidies and other monies and cash flow needs. The statute requires that any such inter-agency loans be repaid no later than the end of the next succeeding calendar year.

Use of Stabilization Reserve: Provision for Prompt Payment of Contractual Obligations

In 1996, the Board approved the establishment of a Stabilization Reserve, to be held by the MTA Treasurer (the "Treasurer"), to stabilize MTA Agencies' cash flow requirements. The fund consists of two accounts, the MTA New York City Transit Account (the "Transit Account") and the MTA Commuter Railroad Account (the "Commuter Railroad Account"). The Board is requested to authorize the use of any balances in such accounts, plus any amounts authorized below to be transferred to such accounts, to meet the cash flow requirements of MTA New York City Transit and the MTA Commuter Railroads and to authorize MTA New York City Transit to pay to the Treasurer for deposit in the Transit Account such amounts as it deems necessary to accomplish the purpose thereof, consistent with this Plan; and the Treasurer, subject to the approval of the Executive Director or his designee, to pay into the Commuter Railroad Account, such amounts as are deemed necessary to accomplish the purpose thereof, consistent with this Plan. The Treasurer, upon request of MTA New York City Transit, shall pay to NYCT such amounts as are necessary to meet cash flow requirements of NYCT and as authorized by the Executive Director or his designee, shall transfer from the Commuter Railroad Account such amounts as are necessary to meet the cash flow requirements of MTA Commuter Railroads. The Treasurer shall also use such funds as from time to time may be necessary or convenient to timely make debt service payments on MTA bonds.

Government Accounting Standards Board (GASB) Contributions

In June 2008, the MTA approved the establishment of the "MTA Retiree Welfare Benefits Trust" to govern the administration and investment of the OPEB trust assets. Pending transfer to the "Trust," the Treasurer will continue to hold the 2006 through 2011 funds set aside in discrete sub-accounts that comprise the GASB Account. Moreover, agencies will make contributions of \$58 million as set forth in the 2012 Budget to the GASB Account in 2012 (with additional contributions in the out years of the Plan). The Treasurer is authorized to use the GASB accounts to fund intra-agency loans as well as inter-agency loans. If an agency uses its own GASB funds to meet 2012 cash flow needs, the amounts withdrawn in 2012 must be paid back by December 31, 2014. If the GASB funds are used as inter-agency loans in 2012, they would be subject to repayment no later than December 31, 2013, consistent with the Inter-Agency Loan provision described above.

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METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2012-2015
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.	Non-Reimbursable	2010 Actual ¹	2011 Final Estimate	2012 Final Proposed Budget	2013	2014	2015
10	Operating Revenue						
11	Farebox Revenue	\$4,586	\$4,991	\$5,050	\$5,122	\$5,208	\$5,286
12	Toll Revenue	1,417	1,499	1,510	1,508	1,514	1,520
13	Other Revenue	491	496	524	551	589	630
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$6,495	\$6,986	\$7,085	\$7,181	\$7,310	\$7,436
17	Operating Expense						
18	Labor Expenses:						
19	Payroll ¹	\$4,171	\$4,206	\$4,248	\$4,265	\$4,358	\$4,461
20	Overtime ¹	443	523	463	460	467	475
21	Health & Welfare	738	776	863	938	1,026	1,123
22	OPEB Current Payment	356	390	435	484	530	581
23	Pensions	1,030	1,091	1,308	1,321	1,374	1,434
24	Other-Fringe Benefits	540	485	489	500	514	530
25	Reimbursable Overhead	(345)	(328)	(334)	(316)	(317)	(311)
26	Sub-total Labor Expenses	\$6,933	\$7,143	\$7,473	\$7,651	\$7,952	\$8,293
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	\$325	\$337	\$385	\$428	\$477	\$530
30	Fuel for Buses and Trains	190	244	240	254	255	263
31	Insurance	10	15	23	33	46	56
32	Claims	285	232	229	234	245	257
33	Paratransit Service Contracts	380	356	404	468	550	637
34	Maintenance and Other Operating Contracts	542	616	670	682	706	764
35	Professional Service Contracts	203	189	213	213	218	221
36	Materials & Supplies	511	525	583	599	617	669
37	Other Business Expenses	190	170	160	164	166	170
38	Sub-total Non-Labor Expenses	\$2,636	\$2,684	\$2,906	\$3,075	\$3,281	\$3,568
40	Other Expense Adjustments:						
41	Other	(\$18)	\$5	\$36	\$34	\$35	\$35
42	General Reserve	0	8	125	130	135	145
43	Sub-total Other Expense Adjustments	(\$18)	\$13	\$161	\$164	\$170	\$180
45	Total Operating Expense before Non-Cash Liability Adj.	\$9,550	\$9,840	\$10,540	\$10,891	\$11,403	\$12,041
47	Depreciation	\$1,981	\$2,077	\$2,179	\$2,245	\$2,325	\$2,420
48	OPEB Obligation	1,167	1,241	1,256	1,281	1,306	1,338
49	Environmental Remediation	19	9	9	9	9	9
51	Total Operating Expense after Non-Cash Liability Adj.	\$12,717	\$13,167	\$13,984	\$14,426	\$15,043	\$15,809
53	Net Deficit Before Subsidies and Debt Service	(\$6,222)	(\$6,181)	(\$6,899)	(\$7,245)	(\$7,733)	(\$8,372)
55	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$3,166	\$3,326	\$3,444	\$3,535	\$3,640	\$3,768
57	Debt Service (excludes Service Contract Bonds)	(1,781)	(1,949)	(2,129)	(2,271)	(2,418)	(2,555)
59	Total Operating Expense with Debt Service	\$11,332	\$11,789	\$12,669	\$13,162	\$13,822	\$14,596
61	Dedicated Taxes and State/Local Subsidies	\$4,914	\$5,249	\$5,509	\$5,782	\$6,023	\$6,246
63	Net Deficit After Subsidies and Debt Service	\$77	\$446	(\$76)	(\$199)	(\$488)	(\$914)
65	Conversion to Cash Basis: GASB Account	(67)	(\$39)	(57)	(61)	(65)	(67)
66	Conversion to Cash Basis: All Other	20	(\$419)	(27)	(267)	(343)	(400)
68	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$30	(\$13)	(\$160)	(\$527)	(\$896)	(\$1,381)
69	NOVEMBER ADJUSTMENTS (detail on page 2)	0	32	(19)	624	678	1,176
70	PRIOR-YEAR CARRY-OVER	130	160	179	0	96	0
71	NET CASH BALANCE (NOVEMBER PLAN)	\$160	\$179	\$0	\$96	(\$122)	(\$206)
73	DECEMBER ADJUSTMENTS (detail on page 2)	0	21	(20)	(17)	(4)	(5)
74	CHANGE IN PRIOR-YEAR CARRY-OVER	0	0	21	1	(16)	0
75	NET CASH BALANCE (DECEMBER PLAN)	\$160	\$200	\$1	\$80	(\$141)	(\$211)

¹ In order to establish consistency among Agencies when reporting overtime results, certain overtime-related expenses that had been captured within payroll (straight-time) were shifted to the overtime category beginning in 2011. However, the 2010 Actual results do not reflect the change. The result would have been a zero-sum shift of approximately \$48 million from payroll to overtime, making the 2010 Actual for Overtime \$491 million and Payroll \$4,121 million.

METROPOLITAN TRANSPORTATION AUTHORITY
Financial Plan 2012-2015 (December Plan)
(\$ in millions)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
November Plan Cash Surplus/(Deficit) Before Adjustments	(\$13)	(\$160)	(\$527)	(\$896)	(\$1,381)
Fare/Toll Increases:					
Fare/Toll Yields on 1/1/13: 7.5%	-	-	449	466	472
Fare/Toll Yields on 1/1/15: 7.5%	-	-	-	-	494
<i>Subtotal:</i>	-	-	<u>449</u>	<u>466</u>	<u>966</u>
MTA Initiatives:					
New MTA Efficiencies	6	30	93	84	79
3 Zeroes Salary/Wage Initiative	15	26	35	83	95
Accelerate 3 Zeroes	11	25	27	24	15
MetroCard Green Fee and Cost Savings	-	-	20	20	20
<i>Subtotal:</i>	<u>32</u>	<u>81</u>	<u>175</u>	<u>212</u>	<u>210</u>
MTA Re-estimates:					
Continuing Energy Hedge Program	-	(100)	-	-	-
<i>Subtotal:</i>	-	<u>(100)</u>	-	-	-
Total Adjustments:	32	(19)	624	678	1,176
Prior Year Carryover	160	179	0	96	-
November Financial Plan Net Cash Surplus/(Deficit)	\$179	\$0	\$96	(\$122)	(\$206)
Changes to November Plan:					
MTA Re-estimates:					
MMTOA	-	(87)	(58)	(45)	(47)
MTA Aid	13	7	7	7	7
Reduced PMT	-	(212)	(324)	(338)	(352)
State Actions to Replace PMT Revenue	-	212	324	338	352
<i>Subtotal:</i>	<u>13</u>	<u>(80)</u>	<u>(52)</u>	<u>(39)</u>	<u>(40)</u>
Policy Actions:					
Reduce General Reserve	8	25	-	-	-
Unspecified Deficit Reduction	-	35	35	35	35
<i>Subtotal:</i>	<u>8</u>	<u>60</u>	<u>35</u>	<u>35</u>	<u>35</u>
Changes in Baseline from November Plan:	21	(20)	(17)	(4)	(5)
Change in Prior-Year Carryover	-	21	1	(16)	-
December Financial Plan Net Cash Surplus/(Deficit)	\$200	\$1	\$80	(\$141)	(\$211)

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II. Staff Summaries Agencies' 2012 Budgets

Bridges and Tunnels

Staff Summary

Subject 2012 Budget
Department Office of the Chief Financial Officer
Department Head Name Don Spero
Department Head Signature
Project Manager Name Dore Abrams

Date 12/09/2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	B&T Committee	12/19/11	X		
2	Finance Committee	12/19/11	X		
3	MTA Board	12/21/11	X		

Internal Approvals			
Order	Approval	Order	Approval
3	President		VP Staff Services
2	Executive Vice President		VP Procurement & Materials
	General Counsel		VP Labor Relations
	VP Operations		VP & Chief Engineer

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
1	Chief Financial Officer		Chief Technology Officer		Chief Health & Safety Officer		Other
	Chief Security Officer		Chief Maintenance Officer		Chief EEO Officer		

PURPOSE:

To secure MTA Board adoption of the MTA Bridges and Tunnels' (B&T) 2011 November Forecast and 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 (December Plan).

DISCUSSION:

The 2012 Final Proposed Budget, which is consistent with the information presented to the Board in November, provides the funding necessary for B&T to maintain service levels, as well as MTA's commitment to safety and security. The baseline projections that follow include the impact of budget reduction initiatives as well as the impact of the MTA-wide Non-Revenue Fleet Reduction Initiative. It does not include the impacts of toll increases, any new additional MTA Efficiencies, or further reductions in wage growth assumptions for both represented and non-represented employees. These below-the-line items will be presented as part of MTA consolidated materials.

B&T estimates that for 2011 and 2012 combined, it will provide \$2,244.0 million in baseline net operating income.

2011 November Forecast:

The 2011 November Forecast projects \$1,513.4 million in non-reimbursable revenues, of which \$1,498.5 million is from Toll Revenue. Total non-reimbursable expenses before depreciation and other post-employment benefits are projected to be \$380.5 million, consisting of \$213.5 million in labor expenses and \$167.0 million in non-labor expenses. Total Support to Mass Transit is projected to be \$899.7 million. Total end-of-year positions are projected at 1,663, including 1,619 non-reimbursable positions and 44 reimbursable positions.

2012 Final Proposed Budget:

The 2012 Final Proposed Budget projects \$1,525.3 million in non-reimbursable revenues, of which \$1,510.5 million is from Toll Revenue. Total non-reimbursable expenses before depreciation and other post-employment benefits are projected to be \$414.2 million, consisting of over \$233.9 million in labor expenses and over \$180.2 million in non-labor expenses. Total Support to Mass Transit is projected to be \$848.0 million. Total end-of-year positions are projected at 1,639, including 1,595 non-reimbursable positions and 44 reimbursable positions.

KEY INITIATIVES:

- **All Electronic Tolling Pilot at the Henry Hudson Bridge:** Phase 1, which included the removal of gates early in 2011, is currently underway. The data collected from the pilot will be used to evaluate its success and guide future policy decisions in regard to the means of toll collection.
- **E-ZPass On-The-Go:** This program is aimed at increasing E-ZPass market share by enabling customers to purchase a prepaid E-ZPass tag and account kit at participating retailers. The network of participating retailers will be expanded in 2012. In addition, sale of On-The-Go tags began at the Henry Hudson Bridge in 2011 and will be expanded to other facilities in 2012.
- **E-ZPass Tag Replacement Program:** This program, which began toward the end of 2010 and will continue through the financial plan period, ensures that tags are replaced before the tag components expire, greatly decreasing the possibility that customers will experience tag performance problems.
- **Travel Time Information:** Currently, the RFK, Verrazano-Narrows, Henry Hudson and Throgs Neck bridges have variable message signs with travel time information. Further expansion at these facilities, and installation of new signs at the Bronx-Whitestone Bridge and at the Queens Midtown and Brooklyn-Battery tunnels will continue through 2012. In addition, B&T is currently developing a traveler information system for application on mobile devices including iPhones.
- **Non-Revenue Fleet Reduction Initiative:** B&T's participation in this MTA-wide initiative will generate \$2.3 million in savings through 2012.

2011 BUDGET REDUCTION PROGRAM (BRP)

B&T's 2011 BRP consists of two components:

- A new contract for E-ZPass tags secured by B&T, in partnership with the E-ZPass Inter-Agency Group (an association of 24 toll agencies in 14 states and one border crossing), significantly lowers tag prices, which will produce savings of \$9.3 million in 2011 and \$1.9 million in 2012.
- Eliminating a contract for janitorial services in the fourth quarter of 2011 and covering these needs with in-house custodial staff will save \$0.1 million in 2011 and \$0.4 million in 2012.

IMPACT ON FUNDING

The 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan 2012-2015, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

RECOMMENDATION

It is recommended that the MTA Board adopt the 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 for MTA Bridges and Tunnels.

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
Vehicle Toll Revenue	\$1,417.046	\$1,498.521	\$1,510.495	\$1,508.101	\$1,513.687	\$1,520.452
Other Operating Revenue	15.723	14.749	14.664	14.445	14.091	13.944
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.147	0.126	0.108	0.162	1.037	2.534
Total Revenue	\$1,432.916	\$1,513.396	\$1,525.267	\$1,522.708	\$1,528.815	\$1,536.930
Operating Expenses						
<u>Labor:</u>						
Payroll	\$122.138	\$120.881	\$129.428	\$129.445	\$131.938	\$135.200
Overtime	18.456	19.973	21.510	21.528	21.771	22.174
Health and Welfare	19.553	22.111	24.530	26.194	28.511	31.006
OPEB Current Payment	12.308	14.126	15.553	16.548	17.922	19.409
Pensions	24.490	26.430	32.319	32.099	35.407	37.925
Other Fringe Benefits	18.618	15.267	15.716	15.946	16.435	17.088
Reimbursable Overhead	(6.064)	(5.329)	(5.116)	(5.114)	(5.095)	(5.145)
Total Labor Expenses	\$209.499	\$213.460	\$233.940	\$236.646	\$246.889	\$257.657
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	6.514	6.878	7.460	8.169	8.949	9.806
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	122.395	116.529	121.390	128.568	145.959	166.031
Professional Service Contracts	11.785	18.427	20.448	20.790	21.125	21.536
Materials & Supplies	29.845	22.139	27.216	26.140	26.901	25.483
Other Business Expenses	3.172	3.047	3.718	3.773	3.830	3.888
Total Non-Labor Expenses	\$173.711	\$167.020	\$180.232	\$187.441	\$206.763	\$226.744
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$383.210	\$380.480	\$414.171	\$424.087	\$453.652	\$484.402
Add: Depreciation	\$77.846	\$85.618	\$89.928	\$94.429	\$104.389	\$111.667
Add: OPEB Obligation	54.592	57.310	59.475	62.579	60.125	66.240
Add: Environmental Remediation	0.239	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$515.887	\$523.408	\$563.574	\$581.095	\$618.166	\$662.309
Less: Depreciation	77.846	85.618	89.928	94.429	104.389	111.667
Less: OPEB Obligation	54.592	57.310	59.475	62.579	60.125	66.240
Total Expenses	\$383.449	\$380.480	\$414.171	\$424.087	\$453.652	\$484.402
Baseline Income/(Deficit)	\$1,049.467	\$1,132.915	\$1,111.095	\$1,098.621	\$1,075.163	\$1,052.528

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
Page 1 of 2

	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Revenue						
Vehicle Toll Revenue	\$1,417.046	\$1,498.521	\$1,510.495	\$1,508.101	\$1,513.687	\$1,520.452
Other Operating Revenue	15.723	14.749	14.664	14.445	14.091	13.944
Capital and Other Reimbursements	14.589	13.997	14.051	14.194	14.261	14.494
Investment Income	0.147	0.126	0.108	0.162	1.037	2.534
Total Revenue	\$1,447.505	\$1,527.393	\$1,539.318	\$1,536.902	\$1,543.076	\$1,551.424
Expenses						
<u>Labor:</u>						
Payroll	\$127.316	\$126.469	\$135.005	\$135.011	\$137.460	\$140.722
Overtime	18.835	20.107	21.712	21.686	21.886	22.274
Health and Welfare	20.939	23.117	25.645	27.396	29.787	32.364
OPEB Current Payment	12.308	14.126	15.553	16.548	17.922	19.409
Pensions	25.455	27.671	33.685	33.574	36.981	39.604
Other Fringe Benefits	19.235	15.966	16.391	16.625	17.114	17.778
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$224.088	\$227.457	\$247.991	\$250.840	\$261.150	\$272.151
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	6.514	6.878	7.460	8.169	8.949	9.806
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	122.395	116.529	121.390	128.568	145.959	166.031
Professional Service Contracts	11.785	18.427	20.448	20.790	21.125	21.536
Materials & Supplies	29.845	22.139	27.216	26.140	26.901	25.483
Other Business Expenses	3.172	3.047	3.718	3.773	3.830	3.888
Total Non-Labor Expenses	\$173.711	\$167.020	\$180.232	\$187.441	\$206.763	\$226.744
<u>Other Expense Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$397.799	\$394.477	\$428.222	\$438.281	\$467.913	\$498.896
Add: Depreciation	\$77.846	\$85.618	\$89.928	\$94.429	\$104.389	\$111.667
Add: OPEB Obligation	54.592	57.310	59.475	62.579	60.125	66.240
Add: Environmental Remediation	0.239	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$530.476	\$537.405	\$577.625	\$595.289	\$632.427	\$676.803
Less: Depreciation	\$77.846	\$85.618	\$89.928	\$94.429	\$104.389	\$111.667
Less: OPEB Obligation	54.592	57.310	59.475	62.579	60.125	66.240
Total Expenses	\$398.038	\$394.477	\$428.222	\$438.281	\$467.913	\$498.896
Baseline Income/(Deficit)	\$1,049.467	\$1,132.915	\$1,111.095	\$1,098.621	\$1,075.163	\$1,052.528

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
Page 2 of 2

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Baseline Income/(Deficit)	\$1,049.467	\$1,132.915	\$1,111.095	\$1,098.621	\$1,075.163	\$1,052.528
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$10.656	\$11.543	\$19.370	\$17.781	\$17.843	\$17.849
Reserves	14.340	14.353	14.548	14.762	15.003	15.258
GASB 45 Reserves	2.322	1.787	1.927	1.932	1.966	2.017
Adjusted Baseline Income/(Deficit)	\$1,022.149	\$1,105.232	\$1,075.250	\$1,064.147	\$1,040.351	\$1,017.405
Less: Debt Service	592.893	611.821	619.352	638.397	667.572	703.482
Income Available for Distribution	\$429.256	\$493.411	\$455.898	\$425.750	\$372.779	\$313.923
<u>Distributable To:</u>						
MTA - Investment Income	\$0.147	\$0.126	\$0.108	\$0.162	\$1.037	\$2.534
MTA - Distributable Income	277.083	323.896	300.232	285.346	258.480	228.190
NYCT - Distributable Income	152.026	169.389	155.558	140.242	113.262	83.199
Total Distributable Income:	\$429.256	\$493.411	\$455.898	\$425.750	\$372.779	\$313.923
<u>Actual Cash Transfers:</u>						
MTA - Investment Income	\$0.256	\$0.147	\$0.126	\$0.108	\$0.162	\$1.037
MTA - Transfers	265.776	328.908	302.599	286.835	261.167	231.219
NYCT - Transfers	140.167	168.432	156.941	141.773	115.960	86.206
Total Cash Transfers:	\$406.199	\$497.487	\$459.666	\$428.716	\$377.289	\$318.461
<u>SUPPORT TO MASS TRANSIT:</u>						
Total Revenues	\$1,447.505	\$1,527.393	\$1,539.318	\$1,536.902	\$1,543.076	\$1,551.424
Less: Net Operating Expenses	398.038	394.477	428.222	438.281	467.913	498.896
Net Operating Income:	\$1,049.467	\$1,132.915	\$1,111.095	\$1,098.621	\$1,075.163	\$1,052.528
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$0.000	\$205.505	\$227.252	\$245.052	\$273.964	\$310.460
Capitalized Assets	10.656	11.543	19.370	17.781	17.843	17.849
Reserves	14.340	14.353	14.548	14.762	15.003	15.258
GASB Reserves	2.322	1.787	1.927	1.932	1.966	2.017
Total Deductions from Operating Income:	\$27.318	\$233.189	\$263.097	\$279.526	\$308.776	\$345.584
Total Support to Mass Transit:	\$1,022.149	\$899.727	\$847.999	\$819.095	\$766.387	\$706.945

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Traffic Volume (Utilization)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Traffic Volume</u> Baseline						
Total	291.714	283.095	286.442	287.026	288.815	290.840
<u>Toll Revenue</u> Baseline						
Total	\$1,417.046	\$1,498.521	\$1,510.495	\$1,508.101	\$1,513.687	\$1,520.452

MTA BRIDGES & TUNNELS
November Financial Plan 2012-2015
2011 Budget Reduction Proposals - Accrual Basis
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2011	Pos.	2012	Pos.	2013	Pos.	2014	Pos.	2015
Administration										
E-ZPass Initiatives	-	9.326	-	1.875	-	5.838	-	(2.040)	-	(0.187)
<i>Subtotal Administration</i>	-	9.326	-	1.875	-	\$5.838	-	(\$2.040)	-	(\$0.187)
Customer Convenience/Amenities										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Customer Convenience/Amenities</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance										
Elimination of Contracted Janitorial Services	(10)	0.093	(10)	0.379	(10)	0.376	(10)	0.375	(10)	0.374
<i>Subtotal Maintenance</i>	(10)	0.093	(10)	0.379	(10)	0.376	(10)	0.375	(10)	0.374
Revenue Enhancement										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Revenue Enhancement</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Safety										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Security										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Security</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service Support										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service Support</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Other										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Other</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	(10)	\$9.419	(10)	\$2.254	(10)	\$6.214	(10)	(\$1.665)	(10)	\$0.187

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Executive	2	2	2	2	2	2
Law	7	7	7	7	7	7
CFO ⁽¹⁾	31	27	18	18	18	18
Labor Relations	4	5	5	5	5	5
Procurement & Materials	26	0	0	0	0	0
Staff Services ⁽²⁾	28	31	17	17	17	17
EEO	1	1	1	1	1	1
Total Administration	99	73	50	50	50	50
Operations						
Revenue Management	41	41	41	41	41	41
Operations (Non-Security)	724	728	728	728	728	728
Total Operations	765	769	769	769	769	769
Maintenance						
Maintenance	169	168	168	168	168	168
Operations - Maintainers	159	170	170	170	170	170
Technology	55	56	52	52	52	52
Internal Security - Tech Svcs	9	8	8	8	8	8
Total Maintenance	392	402	398	398	398	398
Engineering/Capital						
Engineering & Construction	128	128	128	128	128	128
Health & Safety	8	8	8	8	8	8
Planning & Budget Capital	12	12	12	12	12	12
Total Engineering/Capital	148	148	148	148	148	148
Public Safety						
Operations (Security)	232	233	236	236	236	236
Internal Security - Operations	34	38	38	38	38	38
Total Public Safety	266	271	274	274	274	274
Total Baseline Positions	1,670	1,663	1,639	1,639	1,639	1,639
<i>Non-Reimbursable</i>	1,625	1,619	1,595	1,595	1,595	1,595
<i>Reimbursable</i>	45	44	44	44	44	44
<i>Total Full-Time</i>	1,670	1,663	1,639	1,639	1,639	1,639
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0

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

(2) Includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
November Financial Plan 2012-2015
Total Positions by Function and Occupation

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	37	26	20	20	20	20
Professional, Technical, Clerical	62	47	30	30	30	30
Operational Hourlies	-	-	-	-	-	-
Total Administration	99	73	50	50	50	50
Operations						
Managers/Supervisors	48	50	49	49	49	49
Professional, Technical, Clerical	50	41	42	42	42	42
Operational Hourlies ⁽¹⁾	667	678	678	678	678	678
Total Operations	765	769	769	769	769	769
Maintenance						
Managers/Supervisors	34	33	31	31	31	31
Professional, Technical, Clerical	49	56	54	54	54	54
Operational Hourlies ⁽²⁾	309	313	313	313	313	313
Total Maintenance	392	402	398	398	398	398
Engineering/Capital						
Managers/Supervisors	30	30	30	30	30	30
Professional, Technical, Clerical	118	118	118	118	118	118
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	148	148	148	148	148	148
Public Safety						
Managers/Supervisors	10	9	9	9	9	9
Professional, Technical, Clerical	24	28	28	28	28	28
Operational Hourlies ⁽³⁾	232	234	237	237	237	237
Total Public Safety	266	271	274	274	274	274
Total Positions						
Managers/Supervisors	159	148	139	139	139	139
Professional, Technical, Clerical	303	290	272	272	272	272
Operational Hourlies	1,208	1,225	1,228	1,228	1,228	1,228
Total Positions	1,670	1,663	1,639	1,639	1,639	1,639

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

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

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

Capital Construction Company

Staff Summary



Subject 2012 Budget
Department Office of the Chief Financial Officer
Department Head Name Anthony D'Amico
Department Head Signature
Project Manager Name Laurie Lombardi

Date November 30, 2011
Vendor Name NA
Contract Number NA
Contract Manager Name NA
Table of Contents Ref # NA

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	12/19/11	X		
2	MTA Board	12/21/11	X		

Internal Approvals			
Order	Approval	Order	Approval
	President MTACC		
	Executive VP		
	Chief Financial Officer		

Purpose:

To secure MTA Board adoption of the MTA Capital Construction's (MTACC) 2011 November Forecast, 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 (December Plan).

Discussion:

MTACC costs are 100 percent reimbursable from the MTA Capital Program. The Financial Plan contains costs that are non-project specific and are for the provision of company-wide construction support from specialty contractors and oversight agencies. The baseline projections that follow for MTA CC include the impact of the MTA-wide initiative to reduce reimbursable administrative positions. Both the 2011 November Forecast and the 2012 Final Proposed Budget continue to project a staffing level of 140 by year-end.

2011 November Forecast:

MTACC projects 2011 reimbursable expenses of \$32.8 million. Non-Labor costs were projected at \$7.3 million. Approximately \$1.6 million of the projected non-labor costs are required by MTAHQ to fund independent compliance monitoring services, MTA Audit quarterly chargebacks, and AAPL insurance. Monies are also budgeted for engineering, legal, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and other back-office costs, including computer equipment and mobile communications device upgrades and supplies.

2012 Final Proposed Budget:

MTACC projects 2012 expenses of \$31.0 million. The 2012 Final Proposed Budget contains Non-Labor costs projected at \$5.2 million. Similar to the 2011 November Forecast, Non-Labor costs include independent compliance monitoring services, MTA Audit quarterly chargebacks and AAPL insurance. Additional projections include the reimbursement of NYCT for administrative support staff and services, temporary services (e.g. indefinite quantity consultants and firms to support project controls, change order and claims management), legal and engineering services, workforce development through employee training, and other office costs such as for communications and computer equipment.

Impact on Funding:

The 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan 2012-2015, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

Recommendations:

It is recommended that the MTA Board adopt the 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 for the MTA Capital Construction Company.

MTA CAPITAL CONSTRUCTION
November Financial Plan 2012-2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	27	41	41	41	41	41
Operational Hourlies	-	-	-	-	-	-
Total Administration	27	41	41	41	41	41
Operations						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Operations	-	-	-	-	-	-
Maintenance						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Maintenance	-	-	-	-	-	-
Engineering/Capital						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	101	99	99	99	99	99
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	101	99	99	99	99	99
Public Safety						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	128	140	140	140	140	140
Operational Hourlies	-	-	-	-	-	-
Total Baseline Positions	128	140	140	140	140	140

Long Island Bus

Subject 2011 November Forecast
Department Finance
Department Head Name Thomas Del Sorbo
Department Head Signature
Project Manager Name John Kivlehan

Date December 5, 2011
Vendor Name NA
Contract Number NA
Contract Manager Name NA
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Bus Ops Committee	12/19/11	X		
2	Finance Committee	12/19/11	X		
3	MTA Board	12/21/11	X		

Internal Approvals			
Order	Approval	Order	Approval
1	EVP, Finance & Administration		
2	President		

Purpose

To secure MTA Board adoption of MTA Long Island Bus's 2011 November Forecast (December Plan).

Discussion

Consistent with the MTA Board's authorization, the existing Lease & Operating Agreement between Nassau County and LI Bus will terminate as of December 31, 2011. Accordingly, LI Bus' financial plan consists of a 2011 November Forecast only, which assumes the cessation of LI Bus operations on December 31, 2011. For 2012 and beyond, the Plan continues to assume the exclusion of LI Bus from all budget forecasts of MTA subsidies.

2011 November Forecast-Baseline

Total operating revenues are projected at \$48.0 million, including \$46.3 million of farebox revenues. Total operating expenses are projected to be \$127.9 million in 2011, consisting of labor costs of \$102.4 million and non-labor expenses of \$25.5 million. Non-cash other post-employment benefit expenses are projected at \$9.0 million. The total Net Cash Deficit is projected to be \$98.2 million. Total reimbursable expenses are projected at \$9.0 million and are fully offset by reimbursable revenue. Total end-of-year positions are projected at 1,048 including 1,033 non-reimbursable positions and 15 reimbursable positions.

Impact on Funding

The 2011 November Forecast, which is presented in the attached tables, is consistent with the proposed MTA Financial Plan.

Recommendation

It is recommended that the MTA Board adopt the 2011 November Forecast for MTA Long Island Bus.

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MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
Farebox Revenue	\$43.818	\$46.271	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	1.589	\$1.716	-	-	-	-
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$45.407	\$47.987	\$0.000	\$0.000	\$0.000	\$0.000
Operating Expenses						
<u>Labor:</u>						
Payroll	\$59.922	\$60.926	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	10.055	9.833	-	-	-	-
Health and Welfare	11.065	15.596	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Current Payment	0.717	0.850	\$0.000	\$0.000	\$0.000	\$0.000
Pensions	6.896	8.286	\$0.000	\$0.000	\$0.000	\$0.000
Other Fringe Benefits	13.813	6.866	\$0.000	\$0.000	\$0.000	\$0.000
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$102.468	\$102.357	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	\$8.524	\$9.103	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	0.519	0.610	-	-	-	-
Claims	6.746	3.733	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	8.859	9.158	-	-	-	-
Professional Service Contracts	1.972	1.601	-	-	-	-
Materials & Supplies	3.004	1.143	-	-	-	-
Other Business Expenses	(0.313)	0.189	-	-	-	-
Total Non-Labor Expenses	\$29.311	\$25.536	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$131.779	\$127.893	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	9.009	8.960	-	-	-	-
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$140.788	\$136.853	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Surplus/(Deficit)	(\$95.381)	(\$88.866)	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Revenue						
Farebox Revenue	\$43.818	\$46.271	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	1.589	1.716	-	-	-	-
Capital and Other Reimbursements	8.484	9.033	-	-	-	-
Total Revenue	\$53.891	\$57.020	\$0.000	\$0.000	\$0.000	\$0.000
Expenses						
Labor:						
Payroll	\$60.728	\$61.956	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	11.443	9.833	-	-	-	-
Health and Welfare	11.327	15.998	-	-	-	-
OPEB Current Payment	1.891	2.137	-	-	-	-
Pensions	7.077	8.402	-	-	-	-
Other Fringe Benefits	14.084	7.065	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$106.550	\$105.390	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	\$8.723	\$9.103	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	0.519	0.610	-	-	-	-
Claims	6.746	3.733	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.010	9.158	-	-	-	-
Professional Service Contracts	1.972	1.601	-	-	-	-
Materials & Supplies	7.056	7.143	-	-	-	-
Other Business Expenses	(0.313)	0.189	-	-	-	-
Total Non-Labor Expenses	\$33.713	\$31.536	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$140.263	\$136.927	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	9.009	8.960	-	-	-	-
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$149.272	\$145.887	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Surplus/(Deficit)	(\$95.381)	(\$88.866)	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$44.023	\$46.160	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	3.601	1.666	-	-	-	-
Capital and Other Reimbursements	12.217	6.621	-	-	-	-
Total Receipts	\$59.841	\$54.447	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
Labor:						
Payroll	\$59.872	64.809	-	-	-	-
Overtime	11.016	9.795	-	-	-	-
Health and Welfare	12.727	15.931	-	-	-	-
OPEB Current Payment	1.838	2.137	-	-	-	-
Pensions	4.378	13.598	-	-	-	-
Other Fringe Benefits	8.056	7.021	-	-	-	-
GASB Account	0.327	0.338	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$98.214	\$113.629	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$9.379	\$8.802	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	0.091	1.208	-	-	-	-
Claims	2.534	9.344	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	9.038	12.975	-	-	-	-
Professional Service Contracts	1.935	1.507	-	-	-	-
Materials & Supplies	7.276	5.034	-	-	-	-
Other Business Expenses	1.173	0.161	-	-	-	-
Total Non-Labor Expenditures	\$31.426	\$39.030	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenditure Adjustments:						
Other	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$129.640	\$152.660	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Cash Deficit	(\$69.799)	(\$98.213)	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	<u>Actual</u>	<u>Forecast</u>	<u>Final Proposed Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Receipts						
Farebox Revenue	\$0.205	(\$0.111)	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	2.012	(0.050)	-	-	-	-
Capital and Other Reimbursements	3.733	(2.412)	-	-	-	-
Total Receipts	\$5.950	(\$2.573)	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.856	(\$2.853)	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.427	0.038	-	-	-	-
Health and Welfare	(1.400)	0.066	-	-	-	-
OPEB Current Payment	0.053	0.000	-	-	-	-
Pensions	2.699	(5.196)	-	-	-	-
Other Fringe Benefits	6.028	0.044	-	-	-	-
GASB Account	(0.327)	(0.338)	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$8.336	(\$8.239)	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	(0.656)	0.301	-	-	-	-
Insurance	0.428	(0.598)	-	-	-	-
Claims	4.212	(5.611)	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.028)	(3.817)	-	-	-	-
Professional Service Contracts	0.037	0.094	-	-	-	-
Materials & Supplies	(0.220)	2.109	-	-	-	-
Other Business Expenditures	(1.486)	0.028	-	-	-	-
Total Non-Labor Expenditures	\$2.287	(\$7.494)	\$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
<u>Gap Closing Actions:</u>						
	-	-	-	-	-	-
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$16.573	(\$18.306)	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	9.009	8.960	-	-	-	-
Environmental Remediation	-	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$25.582	(\$9.346)	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND BUS
November Financial Plan 2012-2015
Ridership/Traffic Volume (Utilization)
(in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
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RIDERSHIP

Fixed Route	30.817	30.654				
Paratransit	0.357	0.315				
Total Ridership	31.174	30.969	0.000	0.000	0.000	0.000

FAREBOX REVENUE

Fixed Route	\$42.613	\$45.105				
Paratransit	1.205	1.166				
Total Revenue	\$43.818	\$46.271	\$0.000	\$0.000	\$0.000	\$0.000

MTA Long Island Bus
November Financial Plan 2012-2015
Total Positions by Function and Department
Non- Reimbursable/ Reimbursable and Full-Time Positions/ Full- Time Equivalents

FUNCTION/DEPARTMENT	2010 Actuals	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Office of the EVP	0	0	0	0	0	0
Human Resources	5	3	0	0	0	0
Office of Management and Budget	5	6	0	0	0	0
Technology & Information Services	16	17	0	0	0	0
Materiel	12	12	0	0	0	0
Controller	10	10	0	0	0	0
Office of the President	2	2	0	0	0	0
System Safety Administration	3	3	0	0	0	0
Law	10	9	0	0	0	0
Corporate Communications	2	3	0	0	0	0
Labor Relations	0	1	0	0	0	0
Non-Departmental	0	5	0	0	0	0
Total Administration	65	71	0	0	0	0
Operations						
Buses (Fixed Route)	540	531	0	0	0	0
Buses (Paratransit)	146	142	0	0	0	0
Office of the Executive Vice President, Regional	0	0	0	0	0	0
Safety & Training	6	5	0	0	0	0
Road Operations	19	19	0	0	0	0
Transportation Support	16	14	0	0	0	0
Operations Planning	4	5	0	0	0	0
Revenue Control	5	6	0	0	0	0
Total Operations	736	722	0	0	0	0
Maintenance						
Buses (Fixed Route)	179	183	0	0	0	0
Buses (Paratransit)	8	12	0	0	0	0
Maintenance Support/CMF	22	21	0	0	0	0
Facilities	13	15	0	0	0	0
Supply Logistics	16	18	0	0	0	0
Total Maintenance	238	249	0	0	0	0
Engineering/Capital						
Capital Program Management	2	3	0	0	0	0
Public Safety						
Security	3	3	0	0	0	0
Total Positions	1,044	1,048	0	0	0	0
Non-Reimbursable	1,029	1,033	-	-	-	-
Reimbursable	15	15	-	-	-	-
Total Full-Time	945	949	-	-	-	-
Total Full-Time Equivalents	99	99	-	-	-	-

**MTA Long Island Bus
November Financial Plan 2012-2015
Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP	2010 Actuals	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	31	29	-	-	-	-
Professional, Technical, Clerical	34	37	-	-	-	-
Operational Hourlies	-	5	-	-	-	-
Total Administration	65	71	-	-	-	-
Operations						
Managers/Supervisors	67	61	-	-	-	-
Professional, Technical, Clerical	43	38	-	-	-	-
Operational Hourlies	626	623	-	-	-	-
Total Operations	736	722	0	0	0	0
Maintenance						
Managers/Supervisors	40	38	-	-	-	-
Professional, Technical, Clerical	2	2	-	-	-	-
Operational Hourlies	196	209	-	-	-	-
Total Maintenance	238	249	0	0	0	0
Engineering/Capital						
Managers/Supervisors	1	2	-	-	-	-
Professional, Technical, Clerical	1	1	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	2	3	0	0	0	0
Public Safety						
Managers/Supervisors	1	1	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	2	2	-	-	-	-
Total Public Safety	3	3	0	0	0	0
Total Baseline Positions						
Managers/Supervisors	140	131	-	-	-	-
Professional, Technical, Clerical	80	78	-	-	-	-
Operational Hourlies	824	839	-	-	-	-
Total Baseline Positions	1,044	1,048	-	-	-	-

Long Island Rail Road

Subject 2012 Budget
Department Office of Management & Budget
Department Head Name Gerard E. Ring
Department Head Signature
Project Manager Name

Date December 7, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR & LIRR Committee		X		
2	Finance Committee		X		
3	MTA Board		X		

Internal Approvals			
Order	Approval	Order	Approval
3	President		VP Svc Plng Tech & CPM
	Exec Vice President		VP Mkt Dev & Public Affairs
	Sr. VP Operations		General Counsel
	VP Labor Relations	2	VP & CFO

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
1	Exec Dir Mgmt & Budget						

Purpose

To secure MTA Board adoption of the MTA Long Island Rail Road's (MTA LIRR) 2011 November Forecast, 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012 – 2015 (collectively, the December Plan).

Discussion

The 2012 Final Proposed Budget is consistent with the MTA Financial Plan and enables the railroad to maintain safe, secure, and reliable rail transportation. The 2012 Final Proposed Budget maintains train service at current levels, and continues investments in service reliability, safety, and security.

The baseline projections that follow for MTA LIRR include the impact of on-going budget reduction initiatives such as reduced non-reimbursable administrative headcount, lower rolling stock maintenance costs, and inventory reductions, as well as MTA-wide initiatives, including non-revenue vehicle fleet efficiency savings and reductions in reimbursable administrative positions. The projections do not include the impacts of fare increases, any new additional MTA efficiencies, or further reductions in wage growth assumptions for both represented and non-represented employees. These below-the-line items will be presented as part of MTA consolidated materials.

2011 November Forecast - Baseline

The total Non-Reimbursable November Forecast contains \$601.5 million in revenue, including Passenger Revenue projections of \$567.5 million and \$34.0 million in other revenue from advertising, rental, special services, and scrap material. The Farebox revenue is based on a projected annual ridership of 80.4 million passengers. Total Non-Reimbursable expenses for the 2011 November Forecast total \$1,189.2 million before non-cash liability adjustments. Including non-cash liability adjustments, total Non-Reimbursable expenses for the 2011 November Forecast are \$1,581.1 million. Cash adjustments for non-cash items and timing total \$410.5 million. The resulting Net Cash Deficit is projected to be \$569.2 million in 2011. Total Non-Reimbursable headcount was 5,849 positions. Reimbursable projections total \$205.3 million and 631 positions.

2012 Final Proposed Budget - Baseline

The Non-Reimbursable Final Proposed Budget contains \$611.4 million in revenue, including Passenger Revenue projections of \$570.7 million and \$40.7 million in other revenue from advertising, rental, special services, and scrap material. The Farebox revenue is based on a projected annual ridership of 81.0 million passengers. Total Non-Reimbursable expenses for the 2012 Final Proposed Non-Reimbursable Budget total \$1,288.0 million before non-cash liability adjustments. Including non-cash liability adjustments, total Non-Reimbursable expenses for the 2012 Final Proposed Non-Reimbursable Budget are \$1,684.3 million. Cash adjustments for non-cash items and timing total \$420.3 million. The resulting Net Cash Deficit is projected to be \$652.6 million in 2012. Total Non-Reimbursable headcount is 5,940 positions. Reimbursable projections total \$215.0 million and 568 positions.

The 2012 Final Proposed Non-Reimbursable Budget before non-cash liability adjustments is comprised of \$913.2 million in labor expenses (payroll and benefits), which represent 71 percent of total expenses. Total employee headcount is 5,940, of whom approximately 90 percent are in the operating departments. The balance of the expenses are non-payroll and are related to the operation and maintenance of the fleet and infrastructure, with expenses allocated for traction and propulsion and diesel fuel of \$116.2 million, materials & supplies of \$116.0 million, professional and maintenance services contracts of \$98.6 million and all other costs of \$44.0 million.

Key Initiatives

The 2012 Final Proposed Budget provides funding to achieve the MTA LIRR's On-Time-Performance target, to continue Reliability Centered Maintenance of rolling stock to ensure fleet availability, and to maintain the right-of way in a state of good repair. Further, the budget reflects new investments in communication that will improve train information to customers. These improvements include expansion of the Public Information Office, enhancement of the Audio Visual Paging System, and implementation of Real Time, which enables train information to be sent to customers to through handheld electronic devices.

2011 Budget Reduction Program (BRP)

This 2012 Final Proposed Budget includes budget reduction initiatives that increase efficiencies in service support and fleet maintenance, improve revenue collection, and realize administrative savings. The BRP is projected to save \$11.6 million in 2012 and reduce headcount by 27 positions.

Impact on Funding

The 2011 November Forecast, 2012 Final Proposed Budget and the Four-Year Financial Plan baseline projections for 2012 – 2015, which are presented on the attached schedules, are consistent with the proposed MTA Financial Plan.

Recommendation

It is recommended that the MTA Board adopt the MTA Long Island Rail Road's 2011 November Forecast, the 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012 – 2015.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
Farebox Revenue	\$523.206	\$567.454	\$570.727	\$575.234	\$579.630	\$584.163
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	34.404	34.030	40.695	38.367	39.613	40.349
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$557.610	\$601.484	\$611.422	\$613.601	\$619.243	\$624.512
Operating Expenses						
<u>Labor:</u>						
Payroll	\$419.860	\$414.104	\$424.369	\$427.975	\$449.093	\$470.430
Overtime	79.507	81.830	73.961	73.195	74.570	75.690
Health and Welfare	75.366	83.372	93.058	98.148	109.733	121.836
OPEB Current Payment	48.116	55.394	60.940	65.312	71.212	77.623
Pensions	139.513	157.826	198.078	198.393	199.442	207.011
Other Fringe Benefits	90.190	89.345	92.726	94.509	99.834	105.023
Reimbursable Overhead	(26.597)	(26.026)	(29.961)	(21.648)	(20.614)	(14.805)
Total Labor Expenses	\$825.956	\$855.845	\$913.171	\$935.884	\$983.270	\$1,042.808
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$79.999	\$83.815	\$90.811	\$98.285	\$108.199	\$120.174
Fuel for Buses and Trains	17.219	23.986	25.416	26.450	26.155	26.155
Insurance	14.745	15.034	16.204	17.472	18.879	20.431
Claims	10.290	15.810	16.110	16.110	16.457	16.813
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	64.263	72.661	76.709	74.033	77.659	81.804
Professional Service Contracts	17.086	17.922	21.891	20.014	20.644	21.297
Materials & Supplies	91.974	94.541	116.010	113.679	119.765	122.435
Other Business Expenses	9.348	9.573	11.693	12.478	12.735	13.003
Total Non-Labor Expenses	\$304.924	\$333.342	\$374.844	\$378.521	\$400.493	\$422.112
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,130.880	\$1,189.187	\$1,288.015	\$1,314.405	\$1,383.763	\$1,464.920
Depreciation	319.485	314.997	317.060	309.279	298.284	307.186
OPEB Obligation	64.984	74.940	77.250	79.568	81.955	84.413
Environmental Remediation	(0.356)	2.000	2.000	2.000	2.000	2.000
Total Expenses	\$1,514.993	\$1,581.124	\$1,684.325	\$1,705.252	\$1,766.002	\$1,858.519
Baseline Surplus/(Deficit)	(\$957.382)	(\$979.640)	(\$1,072.903)	(\$1,091.651)	(\$1,146.759)	(\$1,234.007)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$319.485	\$314.997	\$317.060	\$309.279	\$298.284	\$307.186
Operating/Capital	(8.090)	(3.428)	(8.489)	(8.590)	(9.774)	(10.042)
Other Cash Adjustment	48.052	98.905	111.722	95.183	86.659	89.470
Total Cash Conversion Adjustments	\$359.447	\$410.474	\$420.293	\$395.872	\$375.169	\$386.614
Net Cash Surplus/(Deficit)	(\$597.935)	(\$569.166)	(\$652.610)	(\$695.779)	(\$771.590)	(\$847.393)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2010	2011	2012			
	Actual	November	Final Proposed	2013	2014	2015
		Forecast	Budget			
Revenue						
Farebox Revenue	\$523.206	\$567.454	\$570.727	\$575.234	\$579.630	\$584.163
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	34.404	34.030	40.695	38.367	39.613	40.349
Capital and Other Reimbursements	178.454	205.316	214.960	222.347	225.921	222.777
Total Revenue	\$736.064	\$806.800	\$826.382	\$835.948	\$845.164	\$847.289
Expenses						
<u>Labor:</u>						
Payroll	\$489.967	\$481.941	\$497.035	\$508.546	\$531.199	\$553.547
Overtime	92.914	92.256	83.624	84.507	85.965	87.303
Health and Welfare	87.573	95.130	105.575	112.266	124.107	136.394
OPEB Current Payment	48.116	55.394	60.940	65.312	71.212	77.623
Pensions	161.091	178.636	216.088	217.982	219.385	227.209
Other Fringe Benefits	105.039	103.310	107.801	111.512	117.145	122.556
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$984.700	\$1,006.667	\$1,071.063	\$1,100.125	\$1,149.013	\$1,204.632
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$80.146	\$83.974	\$90.811	\$98.285	\$108.199	\$120.174
Fuel for Buses and Trains	17.219	23.986	25.416	26.450	26.155	26.155
Insurance	15.715	20.160	22.429	24.564	26.107	27.721
Claims	10.290	15.810	16.110	16.110	16.457	16.813
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	72.477	83.457	86.060	83.517	87.315	91.593
Professional Service Contracts	18.641	19.787	23.464	20.787	21.376	22.035
Materials & Supplies	100.661	130.729	155.849	154.346	162.235	165.478
Other Business Expenses	9.485	9.679	11.773	12.568	12.827	13.096
Total Non-Labor Expenses	\$324.634	\$387.582	\$431.912	\$436.627	\$460.671	\$483.065
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,309.333	\$1,394.249	\$1,502.975	\$1,536.752	\$1,609.684	\$1,687.697
Depreciation	\$319.485	\$314.997	\$317.060	\$309.279	\$298.284	\$307.186
OPEB Obligation	64.984	74.940	77.250	79.568	81.955	84.413
Environmental Remediation	(0.356)	2.254	2.000	2.000	2.000	2.000
Total Expenses	\$1,693.447	\$1,786.440	\$1,899.285	\$1,927.599	\$1,991.923	\$2,081.296
Baseline Surplus/(Deficit)	(\$957.382)	(\$979.640)	(\$1,072.903)	(\$1,091.651)	(\$1,146.759)	(\$1,234.007)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$319.485	\$314.997	\$317.060	\$309.279	\$298.284	\$307.186
Operating/Capital	(8.090)	(3.428)	(8.489)	(8.590)	(9.774)	(10.042)
Other Cash Adjustment	48.052	98.905	111.722	95.183	86.659	89.470
Total Cash Conversion Adjustments	\$359.447	\$410.474	\$420.293	\$395.872	\$375.169	\$386.614
Net Cash Surplus/(Deficit)	(\$597.935)	(\$569.166)	(\$652.610)	(\$695.779)	(\$771.590)	(\$847.393)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$550.275	\$598.173	\$599.727	\$605.234	\$609.630	\$614.163
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	38.852	77.372	52.110	50.019	51.309	52.196
Capital and Other Reimbursements	201.892	160.890	251.616	208.768	211.010	207.447
Total Receipts	\$791.019	\$836.435	\$903.453	\$864.021	\$871.949	\$873.806
Expenditures						
<u>Labor:</u>						
Payroll	\$492.961	\$477.059	\$494.774	\$506.262	\$528.846	\$551.124
Overtime	90.892	94.064	83.624	84.507	85.965	87.303
Health and Welfare	87.877	95.130	105.575	112.266	124.107	136.394
OPEB Current Payment	48.040	55.394	60.940	65.312	71.212	77.623
Pensions	178.975	178.636	216.088	217.982	219.385	227.209
Other Fringe Benefits	106.109	103.448	107.801	111.512	117.145	122.556
GASB Account	7.358	7.233	8.087	8.992	9.818	11.038
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$1,012.212	\$1,010.964	\$1,076.889	\$1,106.833	\$1,156.478	\$1,213.247
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$79.062	\$107.051	\$100.419	\$101.068	\$111.168	\$123.342
Fuel for Buses and Trains	17.914	21.986	27.416	26.450	26.155	26.155
Insurance	17.996	21.372	20.986	24.090	26.681	27.185
Claims	5.664	13.233	18.259	14.259	14.586	14.922
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	77.794	75.589	96.360	83.817	87.615	91.893
Professional Service Contracts	19.241	17.944	20.464	17.787	18.226	18.728
Materials & Supplies	121.157	98.697	154.915	143.346	160.235	163.078
Other Business Expenses	9.227	9.104	11.355	12.150	12.395	12.649
Total Non-Labor Expenditures	\$348.055	\$364.976	\$450.174	\$422.967	\$457.061	\$477.952
<u>Other Expenditure Adjustments:</u>						
Other	29.348	29.000	29.000	30.000	30.000	30.000
Total Other Expenditure Adjustments	\$29.348	\$29.000	\$29.000	\$30.000	\$30.000	\$30.000
Total Expenditures	\$1,389.615	\$1,404.940	\$1,556.063	\$1,559.800	\$1,643.539	\$1,721.199
Cash Timing and Availability Adjustment	0.661	(0.661)	0.000	0.000	0.000	0.000
Baseline Cash Surplus/(Deficit)	(\$597.935)	(\$569.166)	(\$652.610)	(\$695.779)	(\$771.590)	(\$847.393)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$27.069	\$30.719	\$29.000	\$30.000	\$30.000	\$30.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	4.448	43.342	11.415	11.652	11.696	11.847
Capital and Other Reimbursements	23.438	(44.426)	36.656	(13.579)	(14.911)	(15.330)
Total Receipts	\$54.955	\$29.635	\$77.071	\$28.073	\$26.785	\$26.517
Expenditures						
<u>Labor:</u>						
Payroll	(\$2.994)	\$4.882	\$2.261	\$2.284	\$2.353	\$2.423
Overtime	2.022	(1.808)	-	-	-	-
Health and Welfare	(0.304)	-	-	-	-	-
OPEB Current Payment	0.076	-	-	-	-	-
Pensions	(17.884)	-	-	-	-	-
Other Fringe Benefits	(1.070)	(0.138)	-	-	-	-
GASB Account	(7.358)	(7.233)	(8.087)	(8.992)	(9.818)	(11.038)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$27.512)	(\$4.297)	(\$5.826)	(\$6.708)	(\$7.465)	(\$8.615)
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$1.084	(\$23.077)	(\$9.608)	(\$2.783)	(\$2.969)	(\$3.168)
Fuel for Buses and Trains	(0.695)	2.000	(2.000)	-	-	-
Insurance	(2.281)	(1.212)	1.443	0.474	(0.574)	0.536
Claims	4.626	2.577	(2.149)	1.851	1.871	1.891
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(5.317)	7.868	(10.300)	(0.300)	(0.300)	(0.300)
Professional Service Contracts	(0.600)	1.843	3.000	3.000	3.150	3.307
Materials & Supplies	(20.496)	32.032	0.934	11.000	2.000	2.400
Other Business Expenditures	0.258	0.575	0.418	0.418	0.432	0.447
Total Non-Labor Expenditures	(\$23.421)	\$22.606	(\$18.262)	\$13.660	\$3.610	\$5.113
<u>Other Expenditures Adjustments:</u>						
Other	(29.348)	(29.000)	(29.000)	(30.000)	(30.000)	(30.000)
Total Other Expenditures Adjustments	(\$29.348)	(\$29.000)	(\$29.000)	(\$30.000)	(\$30.000)	(\$30.000)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$25.327)	\$18.944	\$23.983	\$5.025	(\$7.070)	(\$6.985)
Depreciation Adjustment	\$319.485	\$314.997	\$317.060	\$309.279	\$298.284	\$307.186
OPEB Obligation	64.984	74.940	77.250	79.568	81.955	84.413
Environmental Remediation	(0.356)	2.254	2.000	2.000	2.000	2.000
Cash Timing and Availability Adjustment	0.661	(0.661)	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$359.447	\$410.474	\$420.293	\$395.872	\$375.169	\$386.614

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Ridership/(Utilization)
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>RIDERSHIP</u>						
Monthly	45.700	45.092	45.642	45.968	46.342	46.712
Weekly	1.755	1.605	1.611	1.624	1.637	1.649
Total Commutation	47.455	46.698	47.252	47.592	47.979	48.362
One-Way Full Fare	7.370	7.493	7.518	7.576	7.637	7.697
One-Way Off Peak	17.208	17.109	17.166	17.299	17.438	17.575
All Other	9.522	9.050	9.041	9.123	9.162	9.227
Total Commutation	34.100	33.652	33.724	33.998	34.236	34.499
Total Ridership	81.556	80.350	80.977	81.589	82.215	82.861
<u>FAREBOX REVENUE</u>						
Passenger Revenue	\$523.206	\$567.454	\$570.727	\$575.234	\$579.630	\$584.163
Total Revenue	\$523.206	\$567.454	\$570.727	\$575.234	\$579.630	\$584.163

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
2011 Budget Reduction Proposals - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2011	Pos.	2012	Pos.	2013	Pos.	2014	Pos.	2015
Administration										
Administrative and Management Staff Reductions	5	0.522	6	0.629	6	0.685	6	0.705	6	0.724
Administrative Savings Initiatives - Non Payroll Savings	-	4.978	-	2.654	-	3.690	-	3.690	-	3.692
Delay hiring In Transportation Services Department	6	0.493	-	0.000	-	0.000	-	0.000	-	0.000
Reduce Projected Costs for Misc. Labor Expenses	-	0.408	-	0.392	-	0.392	-	0.392	-	0.392
Additional Non Payroll Savings	-	1.000	-	2.500	-	3.000	-	3.000	-	3.000
Project Elimination and Deferral	-	2.365	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Administration	11	9.766	6	6.175	6	7.767	6	7.787	6	7.809
Customer Convenience/Amenities										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Customer Convenience/Amenities	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance										
Lower M3 Running Repair Maintenance	-	0.862	-	1.902	-	1.382	-	1.382	-	1.382
Extend M7 RCM Schedule for HVAC	5	0.923	5	1.637	5	1.724	5	1.724	5	1.724
Subtotal Maintenance	5	1.785	5	3.538	5	3.106	5	3.106	5	3.105
Revenue Enhancement										
AVS Implementation	-	0.312	-	1.250	-	1.250	-	1.250	-	1.250
Subtotal Revenue Enhancement	-	0.312	-	1.250	-	1.250	-	1.250	-	1.250
Safety										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Security										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service Support										
Transportation and Operations Efficiencies	-	0.000	12	0.188	12	1.187	12	1.220	12	1.252
Eliminate Crews that Support Sheridan Shop Diesel	-	-	-	-	-	-	-	-	-	-
Locomotive Moves	4	0.335	4	0.452	4	0.460	4	0.473	4	0.486
Subtotal Service Support	4	0.335	16	0.640	16	1.647	16	1.693	16	1.738
Other										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	20	\$12.197	27	\$11.603	27	\$13.770	27	\$13.836	27	\$13.902

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2012-2015
Total Positions by Function and Occupation

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	295	326	332	332	338	348
Professional, Technical, Clerical	346	308	304	304	304	304
Operational Hourlies	-	-	-	-	-	-
Total Administration	641	634	636	636	642	652
Operations						
Managers/Supervisors	270	299	304	304	303	304
Professional, Technical, Clerical	176	159	151	151	151	151
Operational Hourlies	1,665	1,628	1,644	1,641	1,799	1,891
Total Operations	2,111	2,086	2,099	2,096	2,253	2,346
Maintenance						
Managers/Supervisors	661	682	688	689	693	729
Professional, Technical, Clerical	241	256	260	262	262	264
Operational Hourlies	2,690	2,705	2,712	2,729	2,749	2,753
Total Maintenance	3,592	3,643	3,660	3,680	3,704	3,746
Engineering/Capital						
Managers/Supervisors	91	97	95	95	95	95
Professional, Technical, Clerical	18	20	18	18	18	18
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	109	117	113	113	113	113
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	1,317	1,404	1,419	1,420	1,429	1,476
Professional, Technical, Clerical	781	743	733	735	735	737
Operational Hourlies	4,355	4,333	4,356	4,370	4,548	4,644
Total Baseline Positions	6,453	6,480	6,508	6,525	6,712	6,857

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Metro-North Railroad

Staff Summary

Subject 2012 Budget
Department Budget
Department Head Name Joseph Pavone
Department Head Signature
Project Manager Name

Date December 6, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref#

Board Action					
Order	To	Date	Approval	Info	Other
	M-N Comm. Mtg.	12/19			
	MTA Fin. Comm.	12/19			
	MTA Board Mtg.	12/21			

Internal Approvals			
Order	Approval	Order	Approval
	President		Budget
	VP Operations		VP Capital Programs
	VP Finance & IT		Engr/Const
	Controller		Project Reporting

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
	VP Planning & Development		Corporate & Public Affairs		Labor Relations		General Counsel
	Press		VP Human Resources		Human Resources		Other

Purpose

To secure MTA Board adoption of the MTA Metro-North Railroad's 2011 November Forecast, 2012 Final Proposed Budget, and the Four-Year Financial Plan 2012-2015 (December Plan).

Discussion:

The 2012 Final Proposed Budget is consistent with the MTA Financial Plan and enables the railroad to maintain safe, secure, and reliable rail transportation. The 2011–2015 Financial Plan sustains cost cutting initiatives, maintains train service at current levels, continues investments in service reliability, safety, and security, and includes MTA-wide efficiency initiatives that control labor cost growth, reduce reimbursable administrative positions, and generate cost savings for the replacement and maintenance of non-revenue vehicle fleet. The Financial Plan also includes fare increases in the State of Connecticut of 5.3% in 2012, 5.0% in 2013 and 2014, and 1.0% in 2015.

The baseline projections that follow for MTA Metro-North Railroad (MNR) do not include the impact of New York State fare increases, any new additional MTA efficiency initiatives, or further reductions in wage growth assumptions for both represented and non-represented employees. These below-the-line items will be presented as part of MTA consolidated materials.

2011 November Forecast

The 2011 Non-Reimbursable baseline forecast reflects revenue projections totaling \$611.2 million and expense projections, including non-cash accruals for Depreciation, Other Post Employment Benefits and Environmental Remediation, of \$1,273.8 million that generate an operating deficit of \$662.6 million. Cash adjustments of \$274.1 million reduce that amount to a cash deficit of \$388.5 million, of which \$287.2 million represents the MTA share and \$101.3 million the ConnDOT share.

The 2011 November Forecast for Reimbursable revenue and expense projections total \$206.4 million and include cost savings from the reduction in reimbursable administrative positions and \$16.8 million for Port Jervis line reconstruction.

Total end-of-year positions are projected at 6,235, including 5,589 non-reimbursable positions and 646 reimbursable positions.

2012 Final Proposed Budget

The 2012 Non-Reimbursable baseline budget reflects revenue projections totaling \$632.9 million and expenses, including non-cash accruals for Depreciation, Other Post Employment Benefits and Environmental Remediation, of \$1,353.0 million that generate an operating deficit of \$720.2 million. Cash adjustments of \$252.2 million reduce that amount to a cash deficit of \$468.0 million, of which \$366.0 million represents the MTA share and \$101.9 million the ConnDOT share. The 2012 November Forecast for Reimbursable revenue and expense projections total \$211.0 million.

Non-reimbursable Farebox Revenue of \$589.0 million is 4.0% higher than 2011 reflecting projected East of Hudson ridership growth of 2.1% and a 5.3% State of Connecticut fare increase on the New Haven Line starting January 1, 2012. System-wide ridership, projected at 83.6 million customers, is 2.3% higher than 2011. Other Operating Revenue of \$43.9 million reflects GCT net retail revenues, advertising, commissary operations and outlying station revenue. Total end-of-year positions are projected at 6,319, including 5,709 non-reimbursable positions and 610 reimbursable positions.

Operating expenses reflect current cost trends for energy, employee benefit costs and insurance, as well as inflation-based increases for material. Labor costs reflect CPI-based wage increase assumptions, the removal of extraordinary 2011 overtime for weather emergencies, and, to address higher turnover rates expected in 2013, the accelerated development and training of critical operating positions that require long term technical training.

Key Initiatives

Other program changes include cost adjustments associated with the integration of new M-8 cars into New Haven Line service, continuation of locomotive overhauls, installation of M-3 door modifications that will improve the safety and reliability of this equipment, and compliance with FRA-mandated Conductor Certification and Hours of Service guidelines. To improve Customer Service, a cyclical signage replacement program will begin at outlying stations and electronic station signs will be installed at outlying stations. GCT renovation projects include the start of an escalator replacement program and the redevelopment of the Trainshed to improve the customer environment and prepare for the expanded use of technology to provide service information and advertising.

2011 Budget Reduction Program (BRP)

The 2011 Forecast includes BRP savings of \$2.7 million from payroll reductions and delayed service adjustments.

Impact on Funding

The 2011 November Forecast, the 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015, which are presented in the attached schedules are consistent with the proposed MTA Financial Plan.

Recommendation

It is recommended that the MTA Board adopt MTA Metro-North Railroad's 2011 November Forecast, 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015.

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MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010	2011	2012			
	Actual	November	Final	2013	2014	2015
		Forecast	Proposed			
			Budget			
Operating Revenue						
Farebox Revenue	\$526.691	\$566.059	\$588.964	\$610.419	\$633.428	\$650.090
Port Jervis Line Reconstruction	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	46.823	45.157	43.902	45.600	47.978	49.733
MNR - MTA	0.000	0.000	0.000	0.000	0.000	0.000
MNR - CDOT	0.000	0.000	0.000	0.000	0.000	0.000
MNR - Other	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$573.514	\$611.217	\$632.866	\$656.019	\$681.406	\$699.823
Operating Expenses						
Labor:						
Payroll	\$386.240	\$390.992	\$411.421	\$420.025	\$429.808	\$439.018
Overtime	54.682	58.159	54.394	55.222	56.295	57.354
Health and Welfare	71.226	79.226	91.818	104.988	114.202	124.926
OPEB Current Payment	13.002	15.250	16.000	17.000	18.000	18.500
Pensions	47.669	53.537	67.247	68.453	66.753	70.583
Other Fringe Benefits	79.345	80.389	83.628	85.685	87.929	90.352
Reimbursable Overhead	(35.009)	(37.065)	(42.939)	(43.481)	(44.323)	(45.157)
Total Labor	\$617.155	\$640.487	\$681.569	\$707.892	\$728.664	\$755.576
Non-Labor:						
Traction and Propulsion Power	\$61.853	\$62.725	\$71.518	\$81.956	\$92.364	\$104.321
Fuel for Buses and Trains	15.891	23.796	25.908	27.429	27.166	27.418
Insurance	10.575	10.248	10.893	11.979	13.189	14.522
Claims	7.235	11.001	12.000	12.000	11.975	11.975
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	88.006	109.160	109.042	102.008	99.570	100.244
Professional Service Contracts	27.931	34.705	37.828	38.037	38.463	38.880
Materials & Supplies	78.201	87.950	86.277	87.444	93.422	96.991
Other Business Expenses	13.594	16.256	15.260	15.535	16.357	16.150
Total Non-Labor	\$303.286	\$355.841	\$368.726	\$376.388	\$392.506	\$410.501
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.	\$920.441	\$996.328	\$1,050.295	\$1,084.280	\$1,121.170	\$1,166.077
Depreciation	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
OPEB Obligation	45.698	56.275	59.997	61.143	62.402	63.713
Environmental Remediation	3.753	6.527	6.723	6.925	7.132	7.346
Total Expenses	\$1,188.944	\$1,273.807	\$1,353.030	\$1,392.871	\$1,436.182	\$1,487.769
Surplus/(Deficit)	(\$615.430)	(\$662.591)	(\$720.164)	(\$736.852)	(\$754.776)	(\$787.946)
Cash Conversion Adjustments:						
Depreciation	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
Operating/Capital	(12.415)	(10.469)	(19.977)	(17.000)	(17.000)	(17.000)
Other Cash Adjustments	16.622	69.856	36.169	57.008	37.585	56.649
Total Cash Conversion Adjustments	\$223.259	\$274.064	\$252.207	\$280.531	\$266.063	\$290.282
Cash Surplus/(Deficit)	(\$392.171)	(\$388.527)	(\$467.957)	(\$456.321)	(\$488.713)	(\$497.664)

MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Revenue						
Farebox Revenue	\$526.691	\$566.059	\$588.964	\$610.419	\$633.428	\$650.090
Port Jervis Line Reconstruction	0.000	16.304	10.211	0.000	0.000	0.000
Other Operating Revenue	46.823	45.157	43.902	45.600	47.978	49.733
MNR - MTA	87.611	88.668	119.766	124.652	128.094	132.242
MNR - CDOT	70.617	84.609	66.846	60.850	60.204	59.777
MNR - Other	22.293	16.783	14.135	13.478	13.774	14.132
Capital and Other Reimbursements	180.521	190.060	200.747	198.980	202.072	206.151
Total Revenue	\$754.035	\$817.581	\$843.824	\$854.999	\$883.478	\$905.974
Expenses						
Labor:						
Payroll	\$427.342	\$433.708	\$457.597	\$466.816	\$477.502	\$487.603
Overtime	70.538	73.984	72.144	73.131	74.552	75.954
Health and Welfare	81.077	89.953	105.469	120.342	130.863	143.017
OPEB Current Payment	13.002	15.250	16.000	17.000	18.000	18.500
Pensions	52.860	59.030	76.398	77.702	75.756	80.096
Other Fringe Benefits	88.814	90.605	94.370	96.601	99.094	101.796
Reimbursable Overhead	(0.131)	(0.426)	(0.293)	(0.289)	(0.295)	(0.300)
Total Labor	\$733.502	\$762.103	\$821.685	\$851.303	\$875.472	\$906.666
Non-Labor:						
Traction and Propulsion Power	\$61.853	\$62.725	\$71.518	\$81.956	\$92.364	\$104.321
Fuel for Buses and Trains	15.891	23.796	25.908	27.429	27.166	27.418
Insurance	14.249	14.161	16.134	17.318	18.631	20.066
Claims	7.235	11.001	12.000	12.000	11.975	11.975
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	130.249	146.367	122.014	112.956	110.744	111.652
Professional Service Contracts	33.703	38.248	43.023	44.860	43.104	41.296
Materials & Supplies	90.389	112.110	122.957	119.350	126.865	132.107
Other Business Expenses	13.891	15.877	15.803	16.088	16.921	16.727
Total Non-Labor	\$367.460	\$424.285	\$429.357	\$431.957	\$447.770	\$465.562
Other Adjustments:						
Port Jervis Line Reconstruction	0.000	16.304	10.211	0.000	0.000	0.000
Total Other Adjustments	\$0.000	\$16.304	\$10.211	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,100.962	\$1,186.388	\$1,251.042	\$1,283.260	\$1,323.242	\$1,372.228
Depreciation	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
OPEB Obligation	45.698	56.275	59.997	61.143	62.402	63.713
Environmental Remediation	3.753	6.527	6.723	6.925	7.132	7.346
Total Expenses	\$1,369.465	\$1,480.171	\$1,563.988	\$1,591.851	\$1,638.254	\$1,693.920
Surplus/(Deficit)	(\$615.430)	(\$662.591)	(\$720.164)	(\$736.852)	(\$754.776)	(\$787.946)
Cash Conversion Adjustments:						
Depreciation	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
Operating/Capital	(12.415)	(10.469)	(19.977)	(17.000)	(17.000)	(17.000)
Other Cash Adjustments	16.622	69.856	36.169	57.008	37.585	56.649
Total Cash Conversion Adjustments	\$223.259	\$274.064	\$252.207	\$280.531	\$266.063	\$290.282
Cash Surplus/(Deficit)	(\$392.171)	(\$388.527)	(\$467.957)	(\$456.321)	(\$488.713)	(\$497.664)

MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010	2011	2012			
	Actual	November	Final	2013	2014	2015
		Forecast	Budget			
Receipts						
Farebox Revenue	\$535.551	\$573.494	\$613.063	\$618.369	\$641.528	\$658.590
Port Jervis Line Reconstruction	0.000	16.304	10.211	0.000	0.000	0.000
Other Operating Revenue	65.258	68.040	68.421	70.370	72.559	74.379
MNR - MTA	99.641	78.113	120.134	126.981	126.380	129.889
MNR - CDOT	68.593	85.208	67.121	61.094	60.289	59.873
MNR - Other	14.895	22.203	12.737	13.642	13.685	14.027
Capital and Other Reimbursements	183.129	185.524	199.992	201.717	200.354	203.789
Total Receipts	\$783.938	\$843.362	\$891.687	\$890.456	\$914.441	\$936.758
Expenditures						
Labor:						
Payroll	\$427.365	\$432.003	\$460.571	\$465.900	\$484.434	\$485.720
Overtime	71.438	73.926	72.861	72.850	76.330	75.655
Health and Welfare	85.380	93.241	108.257	124.093	134.943	147.175
OPEB Current Payment	13.204	15.250	16.000	17.000	18.000	18.500
Pensions	58.470	59.146	76.508	77.807	75.860	80.205
Other Fringe Benefits	87.324	90.473	95.514	96.923	100.862	101.398
GASB Account	14.432	0.000	8.746	9.607	10.512	11.229
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor	\$757.613	\$764.039	\$838.457	\$864.180	\$900.941	\$919.882
Non-Labor:						
Traction and Propulsion Power	\$65.971	\$62.725	\$71.518	\$81.956	\$92.364	\$104.321
Fuel for Buses and Trains	15.891	23.796	25.908	27.429	27.166	27.418
Insurance	17.658	14.330	15.935	17.103	19.598	19.840
Claims	8.717	11.147	12.146	12.146	12.121	12.121
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	156.544	159.703	163.242	140.406	143.508	143.867
Professional Service Contracts	37.696	39.537	44.058	45.624	43.854	42.032
Materials & Supplies	83.889	115.311	137.281	132.565	137.300	138.484
Other Business Expenses	32.130	24.997	40.888	25.368	26.302	26.457
Total Non-Labor	\$418.496	\$451.546	\$510.976	\$482.597	\$502.213	\$514.540
Other Adjustments:						
Port Jervis Line Reconstruction	\$0.000	\$16.304	\$10.211	\$0.000	\$0.000	\$0.000
Cash Timing and Availability Adjustment	(12.335)	0.000	0.000	0.000	0.000	0.000
Total Other Adjustments	(\$12.335)	\$16.304	\$10.211	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,163.774	\$1,231.889	\$1,359.644	\$1,346.777	\$1,403.154	\$1,434.422
Cash Deficit	(\$379.836)	(\$388.527)	(\$467.957)	(\$456.321)	(\$488.713)	(\$497.664)
Subsidies						
MTA	(\$302.177)	(\$287.188)	(\$366.018)	(\$353.126)	(\$389.155)	(\$396.570)
CDOT	(77.659)	(101.339)	(101.939)	(103.195)	(99.558)	(101.094)
Total Subsidies	(\$379.836)	(\$388.527)	(\$467.957)	(\$456.321)	(\$488.713)	(\$497.664)

MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	Actual	November	Final	2013	2014	2015
		Forecast	Proposed			
			Budget			
Receipts						
Farebox Revenue	\$8.860	\$7.435	\$24.099	\$7.950	\$8.100	\$8.500
Port Jervis Line Reconstruction	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	18.435	22.883	24.519	24.770	24.581	24.646
MNR - MTA	12.030	(10.555)	0.368	2.329	(1.714)	(2.353)
MNR - CDOT	(2.024)	0.599	0.275	0.244	0.085	0.096
MNR - Other	(7.398)	5.420	(1.398)	0.164	(0.089)	(0.105)
Capital and Other Reimbursements	2.608	(4.536)	(0.755)	2.737	(1.718)	(2.362)
Total Receipts	\$29.903	\$25.781	\$47.863	\$35.457	\$30.963	\$30.784
Expenditures						
Labor:						
Payroll	(\$0.023)	\$1.705	(\$2.974)	\$0.916	(\$6.932)	\$1.883
Overtime	(0.900)	0.058	(0.717)	0.281	(1.778)	0.299
Health and Welfare	(4.303)	(3.288)	(2.788)	(3.751)	(4.080)	(4.158)
OPEB Current Payment	(0.202)	0.000	0.000	0.000	0.000	0.000
Pensions	(5.610)	(0.116)	(0.110)	(0.105)	(0.104)	(0.109)
Other Fringe Benefits	1.490	0.132	(1.144)	(0.322)	(1.768)	0.398
GASB Account	(14.432)	0.000	(8.746)	(9.607)	(10.512)	(11.229)
Reimbursable Overhead	(0.131)	(0.426)	(0.293)	(0.289)	(0.295)	(0.300)
Total Labor	(\$24.111)	(\$1.936)	(\$16.772)	(\$12.877)	(\$25.469)	(\$13.216)
Non-Labor:						
Traction and Propulsion Power	(\$4.118)	\$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	(3.409)	(0.169)	0.199	0.215	(0.967)	0.226
Claims	(1.482)	(0.146)	(0.146)	(0.146)	(0.146)	(0.146)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(26.295)	(13.336)	(41.228)	(27.449)	(32.764)	(32.215)
Professional Service Contracts	(3.993)	(1.289)	(1.035)	(0.764)	(0.750)	(0.736)
Materials & Supplies	6.500	(3.201)	(14.324)	(13.215)	(10.435)	(6.377)
Other Business Expenditures	(18.239)	(9.120)	(25.085)	(9.279)	(9.381)	(9.730)
Total Non-Labor	(\$51.036)	(\$27.261)	(\$81.619)	(\$50.638)	(\$54.443)	(\$48.978)
Other Adjustments:						
Port Jervis Line Reconstruction	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before						
Depreciation and GASB Adjs.	(\$45.244)	(\$3.415)	(\$50.528)	(\$28.058)	(\$48.949)	(\$31.410)
Depreciation Adjustment	\$219.052	\$214.677	\$236.015	\$240.523	\$245.478	\$250.633
OPEB Obligation	45.698	56.275	59.997	61.143	62.402	63.713
Environmental Remediation	3.753	6.527	6.723	6.925	7.132	7.346
Total Cash Conversion Adjustments	\$223.259	\$274.064	\$252.207	\$280.533	\$266.063	\$290.282

**MTA Metro-North Railroad
November Financial Plan 2012 - 2015
Ridership (Utilization)
(in millions)**

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
<u>Ridership</u>						
Harlem Line	26.231	26.252	26.898	27.442	28.066	28.789
Hudson Line	15.656	15.755	16.274	16.683	17.136	17.565
New Haven Line	37.324	38.091	38.588	39.043	39.534	40.208
Total East of Hudson Ridership	79.211	80.098	81.760	83.168	84.736	86.562
West of Hudson	1.889	1.655	1.859	1.952	2.001	2.043
Total Ridership	81.100	81.753	83.619	85.120	86.737	88.605
<u>Farebox Revenue</u>						
Harlem Line	\$156.235	\$171.877	\$176.067	\$179.948	\$184.327	\$189.406
Hudson Line	114.087	125.935	130.264	133.746	137.658	141.337
New Haven Line	255.608	267.469	281.778	295.825	310.519	318.404
West of Hudson Mail & Ride	0.892	0.778	0.855	0.900	0.924	0.943
Total Farebox Revenue	\$526.823	\$566.059	\$588.964	\$610.419	\$633.428	\$650.090

MTA Metro-North Railroad
November Financial Plan 2012-2015
2011 Budget Reduction Proposals (BRPs)
(\$ in millions)

		2011		2012		2013		2014		2015	
		Pos	Dollars	Pos	Dollars	Pos	Dollars	Pos	Dollars	Pos	Dollars
Administration		-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
		-	-	-	-	-	-	-	-	-	-
Sub-Total	Administration	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Customer Convenience/Amenities											
	East of Hudson Service	-	\$0.670	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
	West of Hudson Service	-	\$0.675	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Sub-Total	Customer Convenience/Amenities	-	\$1.345	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Maintenance											
		-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
		-	-	-	-	-	-	-	-	-	-
Sub-Total	Maintenance	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Other											
	Payroll Savings from Hiring Delays (1st Quarter 2011)		\$1.350		\$0.000		\$0.000		\$0.000		\$0.000
Sub-Total	Other	-	\$1.350	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Revenue											
		-	-	-	-	-	-	-	-	-	-
Sub-Total	Revenue Enhancement	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Safety											
Sub-Total	Safety	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Security											
Sub-Total	Security	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Service											
	None	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Sub-Total	Service	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Service Support											
Sub-Total	Service Support	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000
Total Programs		0	\$2.695	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000

MTA METRO-NORTH RAILROAD
November Financial Plan 2012 - 2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents

FUNCTION/DEPARTMENT	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
President	3	3	3	3	3	3
Labor Relations	9	9	9	9	9	9
Safety	16	16	19	19	19	19
COS/ Corporate & Public Affairs	15	15	17	17	17	17
Customer Service	38	45	45	45	45	45
Legal	16	17	17	17	17	17
Claims	14	14	14	14	14	14
Environmental Compliance & Svce	7	7	7	7	7	7
VP Administration	3	3	3	3	3	3
VP Human Resources	3	3	3	3	3	3
Human Resources & Diversity	36	25	24	24	24	24
Training	27	37	47	47	47	44
Employee Relations & Diversity	4	4	4	4	4	4
VP Planning	2	2	2	2	2	2
Operations Planning & Analysis	16	17	17	17	17	17
Capital Planning & Programming	14	13	13	13	13	13
Business Development Facilities & Mktg	23	21	21	21	21	21
Long Range Planning	10	8	8	8	8	8
VP Finance & Info Systems	2	2	2	2	2	2
Controller	105	78	78	77	77	77
Information Technology & Project Mgmt	94	96	97	97	97	97
Budget	14	18	18	18	18	18
Procurement & Material Management	43	42	41	41	41	41
Corporate	0	0	0	0	0	0
Total Administration	514	495	509	508	508	505
Operations						
Operations Administration	52	55	55	55	55	55
Operations Services	1,653	1,729	1,771	1,788	1,802	1,819
Customer Service	234	236	236	236	236	236
Business Development Facilities & Mktg	38	38	38	38	38	38
Metro-North West	27	29	28	28	28	28
Total Operations	2,004	2,087	2,128	2,145	2,159	2,176
Maintenance						
GCT	352	368	375	387	393	393
Maintenance of Equipment	1,255	1,334	1,338	1,351	1,365	1,365
Maintenance of Way	1,559	1,734	1,752	1,758	1,758	1,758
Procurement & Material Management	120	120	120	120	120	120
Total Maintenance	3,286	3,556	3,585	3,616	3,636	3,636
Engineering/Capital						
Construction Management	38	37	37	37	37	37
Engineering & Design	64	60	60	60	60	60
Total Engineering/Capital	102	97	97	97	97	97
Baseline Total Positions	5,906	6,235	6,319	6,366	6,400	6,414
<i>Non-Reimbursable</i>	5,376	5,589	5,709	5,756	5,790	5,804
<i>Reimbursable</i>	530	646	610	610	610	610
<i>Total Full-Time</i>	5,905	6,234	6,318	6,365	6,399	6,413
<i>Total Full-Time-Equivalents</i>	1	1	1	1	1	1

* Reflects Authorized positions

MTA METRO-NORTH RAILROAD
November Financial Plan 2012 - 2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	49	57	57	56	56	56
Professional, Technical, Clerical	465	438	452	452	452	449
Operational Hourlies	-	-	-	-	-	-
Total Administration	514	495	509	508	508	505
Operations						
Managers/Supervisors	26	27	27	27	27	27
Professional, Technical, Clerical	509	499	505	505	505	505
Operational Hourlies	1,469	1,561	1,596	1,613	1,627	1,644
Total Operations	2,004	2,087	2,128	2,145	2,159	2,176
Maintenance						
Managers/Supervisors	39	57	57	57	57	57
Professional, Technical, Clerical	998	1,019	1,032	1,038	1,038	1,038
Operational Hourlies	2,249	2,480	2,496	2,521	2,541	2,541
Total Maintenance	3,286	3,556	3,585	3,616	3,636	3,636
Engineering/Capital						
Managers/Supervisors	30	27	27	27	27	27
Professional, Technical, Clerical	72	70	70	70	70	70
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	102	97	97	97	97	97
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	144	168	168	167	167	167
Professional, Technical, Clerical	2,044	2,026	2,059	2,065	2,065	2,062
Operational Hourlies	3,718	4,041	4,092	4,134	4,168	4,185
Total Baseline Positions	5,906	6,235	6,319	6,366	6,400	6,414

* Reflects Authorized Positions

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MTA Headquarters

Staff Summary

Subject MTA Headquarters 2012 Budget
Department Chief Financial Officer
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature
Project Manager/Division Head

Date December 09, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	12/19			
2	Board	12/21			

Internal Approvals			
Order	Approval	Order	Approval
	Executive Director		Office of Civil Rights
2	Chief Operating Officer	1	Legal
	Chief Financial Officer		Procurement
3	Chief of Staff		Administrator

Purpose:

To secure MTA Board adoption of the Metropolitan Transportation Authority Headquarters 2011 November Forecast, 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 (December Plan).

Discussion:

The 2012 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to maintain MTA Headquarters' operations, which includes Policy and Oversight, Consolidated Functions, the Business Service Center (BSC), and MTA Security, including the MTA Police Department. The baseline projections that follow for MTA Headquarters includes the impact of budget reduction initiatives and internal efficiencies. It does not include any new additional MTA efficiencies, or further reductions in wage growth assumptions for both represented and non-represented employees. These below-the-line items will be presented as part of MTA consolidated materials. Also, consistent with the July and November Financial Plans, the MTA will eliminate the subsidization of the Long Island Bus deficit and re-estimates New York City subsidies, which results in lower support for subsidiaries.

2011 November Forecast:

The 2011 November Forecast Baseline Deficit of \$377.5 million includes total Non-Reimbursable Operating Revenues of \$56.0 million and total expenses before depreciation and other post-employment benefits of \$325.8 million, consisting of \$188.9 million in labor expenses and \$136.9 million in non-labor expenses. Total Capital and Other Reimbursements are projected to be \$58.3 million. Total reimbursable labor expenses are \$51.9 million and non-labor expenses are \$6.4 million. Cash Adjustments prior to depreciation and OPEB obligation are unfavorable by \$6.5 million, reflecting Headquarters' Operating Capital needs of \$14.2 million. The Baseline Cash Deficit is projected to be \$276.3 million. Total end-of-year positions are projected to be 1,732, including 1,684 non-reimbursable positions and 48 reimbursable positions.

2012 Final Proposed Budget:

The 2012 Final Proposed Budget Baseline Deficit of \$397.9 million includes Total Non-Reimbursable Operating Revenues of \$56.7 million and total expenses before depreciation and other post-employment benefits of \$343.9 million, consisting of \$197.6 million in labor expenses and \$146.3 million in non-labor expenses. Capital and Other Reimbursements are projected to be \$74.6 million. Total reimbursable labor expenses are \$62.0 million and non-labor expenses are \$12.6 million. Cash Adjustments prior to depreciation and OPEB obligation are unfavorable by \$16.6 million, reflecting Headquarters' Operating Capital needs of \$24.5 million, which are somewhat offset by favorable non-labor expense adjustments.

Staff Summary

The Baseline Cash Deficit is projected to be \$303.8 million. Total end-of-year positions are projected to be 1,765, including 1,717 non-reimbursable positions and 48 reimbursable positions.

2012 Key Initiatives:

- Phase 2 implementation of the Business Service Center will incorporate NYCT, MTA Bus and B&T Human Resources and Payroll functions.
- New Fare Payments Systems and Bus Customer Information Systems will improve services and provide a high level of communication and convenience to customers.
- Evaluation and improvement of procuring goods and services processes.
- Rationalization and consolidation of Information Technology equipment and services.
- Oversight of the West Side Yard Development project with all funding reimbursable by the project developer.

2011 Budget Reduction Program (BRP):

Savings of \$3.1 million in 2011 result from reduced operating capital requirements related to facilities and telecommunications equipment, as well as savings in maintenance and other operating contracts and professional services contracts. Savings of \$2.8 million in these categories continue into 2012.

Impact on Funding:

The 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan 2012-2015, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

Recommendation:

It is recommended that the MTA Board adopt the 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015.

MTA HEADQUARTERS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010	2011	2012			
	<u>Actual</u>	<u>Forecast</u>	<u>Final Proposed Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Operating Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.641	51.587	52.628	52.471	53.468	54.569
Other	4.032	4.435	4.085	4.160	4.239	4.326
Total Other Operating Revenue	56.673	56.023	56.713	56.631	57.707	58.896
Capital and Other Reimbursements						
Total Revenue	\$56.673	\$56.023	\$56.713	\$56.631	\$57.707	\$58.896
Operating Expenses						
<u>Labor:</u>						
Payroll	\$124.305	\$155.883	\$161.792	\$163.142	\$167.571	\$170.885
Overtime	7.093	8.863	8.775	8.932	9.098	9.103
Health and Welfare	16.894	19.692	25.661	26.608	29.074	31.803
OPEB Current Payment	3.091	6.957	8.400	9.600	10.900	12.200
Pensions	25.278	29.929	35.703	39.436	39.918	42.238
Other Fringe Benefits	11.980	15.616	14.332	14.332	14.901	15.489
Reimbursable Overhead	(46.238)	(47.992)	(57.097)	(58.829)	(60.753)	(56.422)
Total Labor Expenses	\$142.403	\$188.948	\$197.566	\$203.220	\$210.708	\$225.297
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	5.878	2.729	3.391	3.730	4.104	4.514
Claims	-	2.435	0.999	1.099	1.209	1.330
Paratransit Service Contracts	-					
Maintenance and Other Operating Contracts	26.245	31.826	44.737	48.822	53.772	56.828
Professional Service Contracts	33.769	25.393	34.929	35.630	34.958	36.013
Materials & Supplies	7.024	6.511	6.652	5.783	5.881	5.995
<u>Other Business Expenses</u>						
MTA Internal Subsidy	49.600	\$23.262	0.600	0.600	0.600	0.600
Other	43.035	44.698	55.017	55.438	56.112	58.147
Total Other Business Expenses	92.635	67.960	55.617	56.038	56.712	58.747
Total Non-Labor Expenses	\$165.551	\$136.853	\$146.325	\$151.102	\$156.635	\$163.427
<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.	\$307.954	\$325.801	\$343.891	\$354.323	\$367.343	\$388.724
Depreciation	25.167	40.646	39.713	29.624	30.147	29.683
OPEB Obligation	57.848	67.100	71.000	75.000	79.300	83.600
Total Expenses	\$390.969	\$433.547	\$454.604	\$458.947	\$476.790	\$502.008
Baseline Surplus/(Deficit)	(\$334.296)	(\$377.525)	(\$397.891)	(\$402.316)	(\$419.084)	(\$443.112)

MTA HEADQUARTERS
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2010	2011	2012			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	52.641	51.587	52.628	52.471	53.468	54.569
Other	4.032	4.435	4.085	4.160	4.239	4.326
Total Other Operating Revenue	56.673	56.023	56.713	56.631	57.707	58.896
Capital and Other Reimbursements	55.555	58.348	74.635	85.379	92.660	88.644
Total Revenue	\$112.228	\$114.371	\$131.348	\$142.010	\$150.367	\$147.540
Expenses						
<u>Labor:</u>						
Payroll	\$126.305	\$158.723	\$165.495	\$166.918	\$171.419	\$174.804
Overtime	7.093	8.863	8.775	8.932	9.098	9.103
Health and Welfare	17.218	20.151	26.194	27.229	29.754	32.547
OPEB Current Payment	3.091	6.957	8.400	9.600	10.900	12.200
Pensions	25.533	30.263	36.135	39.989	40.499	42.848
Other Fringe Benefits	12.170	15.893	14.605	14.645	15.226	15.827
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$191.410	\$240.850	\$259.605	\$267.313	\$276.896	\$287.329
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	5.891	2.839	3.503	3.854	4.239	4.663
Claims	-	2.435	0.999	1.099	1.209	1.330
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	26.245	31.904	44.852	48.939	53.891	56.950
Professional Service Contracts	40.283	31.513	47.051	56.425	60.921	62.094
Materials & Supplies	7.024	6.545	6.708	5.841	5.940	6.055
<u>Other Business Expenses</u>						
MTA Internal Subsidy	49.600	23.262	0.600	0.600	0.600	0.600
Other Business Expenses	43.056	44.802	55.207	55.631	56.308	58.348
Total Other Business Expenses	92.656	68.064	55.807	56.231	56.908	58.948
Total Non-Labor Expenses	\$172.099	\$143.299	\$158.921	\$172.389	\$183.108	\$190.039
<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.	\$363.509	\$384.149	\$418.526	\$439.702	\$460.003	\$477.369
Depreciation	25.167	40.646	39.713	29.624	30.147	29.683
OPEB Obligation	57.848	67.100	71.000	75.000	79.300	83.600
Total Expenses	\$446.524	\$491.895	\$529.239	\$544.326	\$569.451	\$590.652
Baseline Surplus/(Deficit)	(\$334.296)	(\$377.524)	(\$397.891)	(\$402.316)	(\$419.084)	(\$443.112)

MTA HEADQUARTERS
November Financial Plan 2012-2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<i>Other Operating Revenue</i>						
Rental Income	52.532	51.347	52.628	52.471	53.468	54.569
Other	<u>4.065</u>	<u>4.664</u>	<u>4.335</u>	<u>4.415</u>	<u>4.498</u>	<u>4.591</u>
Total Other Operating Revenue	56.597	56.012	56.963	56.885	57.966	59.160
Capital and Other Reimbursements	55.555	58.348	74.635	85.379	92.660	88.644
Total Receipts	\$112.152	\$114.360	\$131.598	\$142.265	\$150.627	\$147.804
Expenditures						
<i>Labor:</i>						
Payroll	\$138.118	\$154.558	\$163.005	\$164.389	\$168.773	\$172.099
Overtime	7.091	8.863	8.775	8.932	9.098	9.103
Health and Welfare	16.810	19.151	25.166	26.157	28.636	31.407
OPEB Current Payment	5.652	6.957	8.400	9.600	10.900	12.200
Pensions	36.241	30.552	39.355	40.859	41.285	43.388
Other Fringe Benefits	12.610	15.832	14.548	14.585	15.164	15.762
GASB Account	0.991	1.000	1.029	1.073	1.118	1.140
Reimbursable Overhead	0.000	-	-	-	-	-
Total Labor Expenditures	\$217.513	\$236.913	\$260.278	\$265.594	\$274.974	\$285.100
<i>Non-Labor:</i>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	3.217	2.555	3.260	3.586	3.945	4.339
Claims	-	2.435	0.999	1.099	1.209	1.330
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	23.972	29.535	43.618	47.593	52.409	55.384
Professional Service Contracts	29.426	28.825	44.228	53.040	57.265	58.368
Materials & Supplies	8.167	6.618	6.541	5.695	5.791	5.903
<i>Other Business Expenses</i>						
MTA Internal Subsidy	49.600	23.262	0.600	0.600	0.600	0.600
Other Business Expenses	<u>43.650</u>	<u>46.339</u>	<u>51.342</u>	<u>51.737</u>	<u>52.367</u>	<u>54.264</u>
Total Other Business Expenses	93.250	69.601	51.942	52.337	52.967	54.864
Total Non-Labor Expenditures	\$158.032	\$139.568	\$150.589	\$163.350	\$173.586	\$180.188
<i>Other Expenditure Adjustments:</i>						
Operating Capital	\$4.591	14.157	24.502	20.566	20.566	20.566
Total Other Expenditure Adjustments	\$4.591	\$14.157	\$24.502	\$20.566	\$20.566	\$20.566
Total Expenditures	\$380.136	\$390.638	\$435.369	\$449.510	\$469.126	\$485.854
Baseline Cash Deficit	(\$267.984)	(\$276.278)	(\$303.771)	(\$307.246)	(\$318.499)	(\$338.049)

MTA HEADQUARTERS
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	(0.109)	(0.240)	-	-	-	-
Other Operating Revenue	0.033	0.229	0.250	0.255	0.259	0.265
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	(\$0.076)	(\$0.011)	\$0.250	\$0.255	\$0.259	\$0.265
Expenditures						
Labor:						
Payroll	(\$11.813)	\$4.165	\$2.490	\$2.529	\$2.646	\$2.705
Overtime	0.002	\$0.000				
Health and Welfare	0.408	\$1.000	1.029	1.073	1.118	1.140
OPEB Current Payment	(2.561)	\$0.000	0.000	0.000	0.000	0.000
Pensions	(10.708)	(\$0.289)	(3.219)	(0.870)	(0.786)	(0.540)
Other Fringe Benefits	(0.440)	\$0.061	0.057	0.059	0.062	0.065
GASB Account	(0.991)	(\$1.000)	(1.029)	(1.073)	(1.118)	(1.140)
Reimbursable Overhead	0.000	\$0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$26.103)	\$3.937	(\$0.673)	\$1.718	\$1.922	\$2.230
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	2.674	0.284	0.243	0.268	0.294	0.324
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.273	2.369	1.233	1.346	1.482	1.566
Professional Service Contracts	10.857	2.688	2.823	3.386	3.655	3.726
Materials & Supplies	(1.143)	(0.073)	0.168	0.146	0.148	0.151
Other Business Expenses						
MTA Internal Subsidy		0.000	-	-	-	-
Other Business Expenses	(0.594)	(1.537)	3.864	3.894	3.942	4.084
Total Other Business Expenses	(0.594)	(1.537)	3.864	3.894	3.942	4.084
Total Non-Labor Expenditures	\$14.067	\$3.731	\$8.332	\$9.039	\$9.522	\$9.851
Other Expenditure Adjustments:						
Operating Capital	(\$4.591)	(\$14.157)	(\$24.502)	(\$20.566)	(\$20.566)	(\$20.566)
Total Other Expenditure Adjustments	(\$4.591)	(\$14.157)	(\$24.502)	(\$20.566)	(\$20.566)	(\$20.566)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$16.703)	(\$6.500)	(\$16.593)	(\$9.554)	(\$8.863)	(\$8.221)
Depreciation Adjustment	25.167	40.646	39.713	29.624	30.147	29.683
OPEB Obligation	57.848	67.100	71.000	75.000	79.300	83.600
Baseline Total Cash Conversion Adjustments	\$66.312	\$101.246	\$94.120	\$95.070	\$100.584	\$105.063

MTA HEADQUARTERS
November Financial Plan 2012-2015
2011 Budget Reduction Plan Summary
(\$ in millions)

	2011		2012		2013		2014		2015	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS										
Administration:										
Administration and Professional Services		0.490		0.450		0.459		0.468		0.477
Operating Capital/Projects		1.538		2.313		0.000		0.000		0.000
Sub-Total Administration	0	\$2.028	0	\$2.763	0	\$.459	0	\$.468	0	\$.477
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:										
Sub-Total Maintenance	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Safety/Security:										
Operating/Capital Project Reduction		1.100								
Sub-Total Other	0	\$1.100	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total BRPs	0	\$3.128	0	\$2.763	0	\$.459	0	\$.468	0	\$.477

¹ Reflects the impact of amendments on year-end positions.

MTA HEADQUARTERS
November Financial Plan 2012 - 2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	399	441	446	446	446	446
Professional, Technical, Clerical	311	510	538	521	521	521
Operational Hourlies						
Total Administration	710	951	984	967	967	967
Operations						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Operations	-	-	-	-	-	-
Maintenance						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Maintenance	-	-	-	-	-	-
Engineering/Capital						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Engineering/Capital	-	-	-	-	-	-
Public Safety						
Managers/Supervisors	34	38	38	38	38	38
Professional, Technical, Clerical	69	75	75	75	75	75
Operational Hourlies (Uniformed)	655	668	668	668	668	698
Total Public Safety	758	781	781	781	781	811
Total Positions						
Managers/Supervisors	433	479	484	484	484	484
Professional, Technical, Clerical	380	585	613	596	596	596
Operational Hourlies	655	668	668	668	668	698
Total Baseline Positions	1,468	1,732	1,765	1,748	1,748	1,778

Inspector General

Staff Summary

Subject: 2012 Budget
Department Office of the Inspector General
Department Head Name Barry L. Kluger
Department Head Signature
Project Manager/Division Head

Date November 30, 2011
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/19	X		
2	Board	12/21	X		

Internal Approvals			
Order	Approval	Order	Approval
	Executive Director		Civil Rights
	Chief of Staff		Legal
	Budgets and Financial Mgmt.		Other

Purpose:

To secure MTA Board adoption of the MTA Office of the Inspector General's 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 (December Plan).

Discussion:

The Office of the Inspector General's budget is predominately driven by wages and benefits necessary to support our investigative unit, including attorneys, investigators and personnel with financial investigations expertise skills; our audit and analysis unit with staff that have qualitative and quantitative analytical skills; and an administrative and support function, including but not limited to personnel for purchasing, information systems, accounting and reception. These resources are used to investigate and audit matters of concern throughout the MTA and its subsidiaries.

2011 November Forecast - Baseline

In the 2011 November Forecast, a total of \$12.8 million is projected in baseline expenses, which remains unchanged from the July Mid-Year Forecast. The variance of approximately \$0.3 million in actual spending on professional service contracts in 2010 and the November Forecast is due to the rollover of funds from 2010 for anticipated spending on legal matters and joint investigations including a confidential investigation the expenses for which are shared by the New York County District Attorney and the Port Authority Inspector General's office. The funding is for on-going investigations, legal fees and outside engineering and construction consultants retained for joint investigations.

The variance of approximately \$0.177 million in actual spending on other business expenses in 2010 and in the November Forecast is primarily due to savings in employee expenses as a result of vacancies and lower-than-anticipated real estate taxes in 2010.

2012 Final Proposed Budget - Baseline

In the 2012 Final Proposed Budget, a total of \$13.1 million is projected in baseline expenses, which is \$0.39 million lower than the 2012 Preliminary Budget primarily due to lower fringe benefit expenses.

Recommendation:

It is recommended that the MTA Board approve the Office of the Inspector General's 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015.

INSPECTOR GENERAL
November Financial Plan 2012 - 2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	0.174	(0.098)	(0.092)	0.446	(0.210)	(0.050)
Total Receipts	\$0.174	(\$0.098)	(\$0.092)	\$0.446	(\$0.210)	(\$0.050)
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other - Operating Capital	(\$0.315)	\$0.000	\$0.000	(\$0.600)	\$0.000	(\$0.150)
Total Other Expenditures Adjustments	(\$0.315)	\$0.000	\$0.000	(\$0.600)	\$0.000	(\$0.150)
Total Cash Conversion Adjustments before Depreciation	(\$0.141)	(\$0.098)	(\$0.092)	(\$0.154)	(\$0.210)	(\$0.200)
Depreciation	0.141	0.098	0.092	0.154	0.210	0.200
Total Cash Conversion Adjustments	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000

**First Mutual Transportation Assurance Co.
(FMTAC)**

Subject FMTAC 2012 Budget
Department Risk and Insurance Management
Department Head Name James Henly, General Counsel
Department Head Signature
Project Manager Name Laureen Coyne, Director Risk and Insurance Mgmt.

Date December 09, 2011
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	12/19	x		
2	Board	12/21	x		

Internal Approvals			
Order	Approval	Order	Approval
1	Risk and Insurance Management		
2	Legal		
3	Budget		

Purpose:
To secure MTA Board adoption of the First Mutual Transportation Assurance Company's (FMTAC) 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 (December Plan).

Discussion:
The 2012 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient resources to address the challenges related to insurance and risk management of the MTA. This is accomplished by maximizing the efficiency and flexibility of the insurance programs while minimizing costs to the MTA and its subsidiaries.

On an accrual basis, the 2011 November Forecast contains \$21.7 million of revenues and favorable total expenses of \$11.6 million resulting in a Net Surplus of \$33.4 million. The 2012 Final Proposed Budget contains \$22.0 million of revenues and favorable total expenses of \$10.0 million resulting in a Net Surplus of \$32.0 million. For all years, on a cash basis, FMTAC generates a net cash deficit of zero and has no impact on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Impact of Funding:
The 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan 2012 – 2015, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

Recommendation:
It is recommended that the MTA Board adopt FMTAC's 2011 November Forecast, the 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2010	2011	2012			
	Actual	November	Final Proposed	2013	2014	2015
		Forecast	Budget			
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	18.324	20.885	21.179	21.567	21.977	22.430
Investment Income	11.526	0.828	0.840	0.855	0.871	0.889
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$29.850	\$21.713	\$22.019	\$22.422	\$22.848	\$23.319
Operating Expenses						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(98.584)	(91.211)	(98.115)	(108.056)	(121.111)	(137.491)
Claims	90.159	71.038	79.407	88.367	96.282	102.812
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	9.361	8.532	8.703	8.877	9.054	9.235
Total Non-Labor Expenses	\$0.936	(\$11.641)	(\$10.005)	(\$10.812)	(\$15.775)	(\$25.444)
<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	\$0.936	(\$11.641)	(\$10.005)	(\$10.812)	(\$15.775)	(\$25.444)
Depreciation	-	-	-	-	-	-
Total Expenses	\$0.936	(\$11.641)	(\$10.005)	(\$10.812)	(\$15.775)	(\$25.444)
Baseline Surplus/(Deficit)	\$28.914	\$33.354	\$32.025	\$33.234	\$38.623	\$48.762

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	Actual	November	Final Proposed	2013	2014	2015
		Forecast	Budget			
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	9.799	10.952	12.188	13.280	14.181
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$9.799	\$10.952	\$12.188	\$13.280	\$14.181
<u>Other Expenditures Adjustments:</u>						
Other	(\$28.914)	(\$43.153)	(\$42.977)	(\$45.422)	(\$51.903)	(\$62.943)
Total Other Expenditures Adjustments	(\$28.914)	(\$43.153)	(\$42.977)	(\$45.422)	(\$51.903)	(\$62.943)
Total Cash Conversion Adjustments before Depreciation	(\$28.914)	(\$33.354)	(\$32.025)	(\$33.234)	(\$38.623)	(\$48.762)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$28.914)	(\$33.354)	(\$32.025)	(\$33.234)	(\$38.623)	(\$48.762)

New York City Transit

Staff Summary

Subject 2012 Budget
Department Office of Management & Budget
Department Head Name Aaron Stern
Department Head Signature
Project Manager Name

Date December 1, 2011
Vendor Name NA
Contract Number NA
Contract Manager Name NA
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	TA Committee		X		
2	Finance Committee		X		
3	MTA Board		X		

Internal Approvals			
Order	Approval	Order	Approval
1	OMB – Director		
2	Executive VP		
3	President		

Purpose

To secure MTA Board adoption of MTA New York City Transit’s 2011 November Forecast, 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 (December Plan).

Discussion

The 2012 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to maintain MTA New York City Transit’s current service levels, as well as MTA’s commitment to safety and security. The baseline projections that follow for MTA New York City Transit include the impact of budget reduction initiatives and MTA-wide initiatives such as reductions in reimbursable administrative positions and non-revenue vehicle fleet efficiency savings. It does not include the impacts of fare increases, any new additional MTA efficiencies, or further reductions in wage growth assumptions for both represented and non-represented employees. These below-the-line items will be presented as part of MTA consolidated materials.

2011 November Forecast-Baseline

Total operating revenues are projected at \$3.930 billion, including \$3.629 billion of farebox revenues. Total operating expenses are projected to be \$6.269 billion in 2011, consisting of labor costs of \$4.740 billion and non-labor expenses of \$1.528 billion. Non-cash depreciation expense is projected at \$1.370 billion and other post-employment benefit expenses are projected at \$918.7 million. After including favorable cash adjustments of \$2.286 billion, the projected net cash deficit is \$2.341 billion. Projected reimbursable expenses of \$919.6 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 45,715, including 40,819 non-reimbursable positions and 4,896 reimbursable positions.

2012 Final Proposed Budget-Baseline

Total operating revenues are projected at \$4.030 billion, including farebox revenues of \$3.705 billion. Total operating expenses are projected to be \$6.721 billion in 2012, consisting of labor costs of \$5.023 billion and non-labor expenses of \$1.698 billion. Non-cash depreciation expense is projected at \$1.445 billion and other post-employment benefit expenses are projected at \$929.9 million. After including favorable cash adjustments of \$2.484 billion, the projected net cash deficit is \$2.582 billion. Projected reimbursable expenses of \$883.5 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 45,599, including 41,071 non-reimbursable positions and 4,528 reimbursable positions.

Key Initiatives

The 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015 include the following eight key initiatives:

- **Signals Maintenance** - 161 positions with annual expenses of \$14.4 million are required to remedy underperformance of signal inspections and maintenance.
- **R32 Scheduled Maintenance (SMS)** - 52 positions with annual expenses of \$7.9 million are required out of necessity to enable this fleet to remain in service beyond its normal useful life, as the R44 fleet retirement has been accelerated due to structural defects.
- **Elevator and Escalator Maintenance** - 29 positions with annual expenses of \$2.6 million are required in order to improve safety and reliability.
- **Work Experience Program Reinstatement** – This program, which was established in 1998 and cancelled in 2008, requires 20 positions with annual expenses of \$2.8 million for program management. It is anticipated that there will be about 1,000 public assistance participants in the program, equivalent to 225 regular NYCT cleaners.
- **Subways Scheduled Maintenance (SMS)** – Due to changes in workscope, 14 positions with expenses of \$7.4 million in 2012, 79 positions with expenses of \$15.1 million in 2013 and 125 positions with expenses of \$25.0 million in 2015 are required.
- **Expansion of Select Bus Service (SBS)** - \$5.1 million of expenses in 2013 and \$6.2 million in subsequent years are required to expand bus service to Nostrand Avenue (2013), Hylan Boulevard, and Webster Avenue.
- **SONET/ATM-B Maintenance Requirements** – 16 positions with annual expenses of \$2.6 million are required to extend SONET technology, previously installed at 178 stations on Subdivision A, to 289 stations on Subdivision B, and to provide for maintenance of related equipment.
- **Refuse Collection Capability**– 19 positions and \$1.6 million of annual expenses are required to operate two additional refuse collection trains.

Budget Reduction Program

The primary savings component in this program are **paratransit savings** of \$25.4 million in 2011, \$66.2 million in 2012, \$85.5 million in 2013, \$123.6 million in 2014 and \$157.4 million in 2015, which result primarily from the annualization of efficiencies achieved in 2011, mostly from the diversion of ridership to lower cost vouchers and taxis, increased use of the fixed route accessible system, where possible, tightened application of current eligibility standards, and lower than expected utilization.

Impact on Funding

The 2011 November Forecast, the 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

Recommendation

It is recommended that the MTA Board adopt the 2011 November Forecast, the 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015 for MTA New York City Transit and the related authorization to draw down Transit Adjudication Bureau (TAB) receipts and interest consistent with this Final Proposed Budget.

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
<u>Farebox Revenue:</u>						
Subway	2,398.466	2,689.411	2,746.177	2,784.519	2,829.559	2,873.194
Bus	838.969	868.384	885.066	891.990	900.720	908.673
Paratransit	15.356	14.647	17.003	19.573	22.529	25.928
Fare Media Liability	66.897	56.092	56.221	52.221	52.221	52.221
Farebox Revenue	\$3,319.688	\$3,628.534	\$3,704.467	\$3,748.303	\$3,805.029	\$3,860.016
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue:						
Fare Reimbursement	84.017	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	87.200	112.063	132.619	155.844	184.374	216.825
Other	111.284	105.809	108.592	112.381	116.343	120.450
Other Operating Revenue	\$282.501	\$301.888	\$325.227	\$352.241	\$384.733	\$421.291
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$3,602.189	\$3,930.422	\$4,029.694	\$4,100.544	\$4,189.762	\$4,281.307
Expenses						
Labor:						
Payroll	2,827.360	2,823.141	2,877.006	2,879.935	2,934.779	2,987.970
Overtime	224.273	299.977	262.400	260.166	264.085	268.241
Total Salaries & Wages	3,051.633	3,123.118	3,139.406	3,140.101	3,198.864	3,256.211
Health and Welfare	500.749	515.497	580.019	629.257	686.472	747.736
OPEB Current Payment	265.361	283.009	318.496	359.147	395.418	435.482
Pensions	749.179	776.780	925.072	930.624	980.711	1,023.589
Other Fringe Benefits	304.010	253.677	258.475	264.166	271.254	276.753
Total Fringe Benefits	1,819.299	1,828.963	2,082.062	2,183.194	2,333.855	2,483.560
Reimbursable Overhead	(231.009)	(212.025)	(198.738)	(186.938)	(186.466)	(189.509)
Total Labor Expenses	\$4,639.923	\$4,740.056	\$5,022.730	\$5,136.357	\$5,346.253	\$5,550.262
Non-Labor:						
Traction and Propulsion Power	180.342	186.891	209.018	233.538	262.082	290.071
Fuel for Buses and Trains	121.202	155.312	167.183	177.316	178.989	186.814
Insurance	56.362	57.429	68.387	83.227	101.596	124.440
Claims	125.632	103.505	95.039	90.116	92.245	96.244
Paratransit Service Contracts	379.761	356.043	404.193	468.083	550.025	636.950
Maintenance and Other Operating Contracts	208.183	247.015	286.720	302.533	298.866	322.617
Professional Service Contracts	106.924	83.759	90.273	91.146	93.026	92.989
Materials & Supplies	276.434	279.329	315.952	336.367	340.708	379.479
Other Business Expenses	59.162	59.163	61.242	63.471	64.909	66.316
Total Non-Labor Expenses	\$1,514.002	\$1,528.446	\$1,698.007	\$1,845.797	\$1,982.446	\$2,195.920
Other Expense Adjustments:						
Other	1.340	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.340	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before						
Depreciation and GASB Adjustments	\$6,155.265	\$6,268.502	\$6,720.737	\$6,982.154	\$7,328.699	\$7,746.182
Depreciation	1,289.637	1,370.000	1,445.000	1,520.000	1,595.000	1,670.000
OPEB Obligation	881.439	918.747	929.883	943.779	962.640	979.780
Environmental Remediation	10.667	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$8,337.008	\$8,557.249	\$9,095.620	\$9,445.933	\$9,886.339	\$10,395.962
Net Surplus/(Deficit)	(\$4,734.819)	(\$4,626.827)	(\$5,065.926)	(\$5,345.389)	(\$5,696.577)	(\$6,114.655)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Revenue						
<u>Farebox Revenue:</u>						
Subway	\$2,398.466	\$2,689.411	\$2,746.177	\$2,784.519	\$2,829.559	\$2,873.194
Bus	838.969	868.384	885.066	891.990	900.720	908.673
Paratransit	15.356	14.647	17.003	19.573	22.529	25.928
Fare Media Liability	66.897	56.092	56.221	52.221	52.221	52.221
Farebox Revenue	\$3,319.688	\$3,628.534	\$3,704.467	\$3,748.303	\$3,805.029	\$3,860.016
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.017	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	87.200	112.063	132.619	155.844	184.374	216.825
Other	111.284	105.809	108.592	112.381	116.343	120.450
Other Operating Revenue	282.501	301.888	325.227	352.241	384.733	421.291
Capital and Other Reimbursements	981.908	919.585	883.499	845.180	848.167	863.240
Total Revenue	\$4,584.097	\$4,850.007	\$4,913.193	\$4,945.724	\$5,037.929	\$5,144.547
Expenses						
<u>Labor:</u>						
Payroll	3,220.922	3,200.744	3,244.716	3,231.674	3,285.609	3,344.225
Overtime	317.014	378.513	328.315	324.917	329.464	334.797
Total Salaries & Wages	3,537.936	3,579.257	3,573.031	3,556.591	3,615.073	3,679.022
Health and Welfare	521.378	538.093	603.633	654.827	714.320	778.046
OPEB Current Payment	265.361	283.009	318.496	359.147	395.418	435.482
Pensions	767.386	795.841	943.574	949.230	1,000.793	1,045.047
Other Fringe Benefits	420.590	364.166	366.616	366.549	373.218	380.311
Total Fringe Benefits	1,974.715	1,981.109	2,232.319	2,329.753	2,483.749	2,638.886
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$5,512.651	\$5,560.366	\$5,805.350	\$5,886.344	\$6,098.822	\$6,317.908
<u>Non-Labor:</u>						
Traction and Propulsion Power	180.436	186.891	209.018	233.538	262.082	290.071
Fuel for Buses and Trains	121.448	155.338	167.204	177.337	179.010	186.835
Insurance	56.362	57.429	68.387	83.227	101.596	124.440
Claims	125.821	103.505	95.039	90.116	92.245	96.242
Paratransit Service Contracts	380.863	356.043	404.193	468.083	550.025	636.950
Maintenance and Other Operating Contracts	243.124	278.426	319.422	335.235	332.471	356.222
Professional Service Contracts	123.275	98.858	104.849	105.798	107.678	107.641
Materials & Supplies	331.838	329.803	368.202	382.855	386.698	425.467
Other Business Expenses	60.015	61.428	62.572	64.801	66.239	67.646
Total Non-Labor Expenses	\$1,623.182	\$1,627.721	\$1,798.886	\$1,940.990	\$2,078.044	\$2,291.514
<u>Other Expense Adjustments:</u>						
Other	1.340	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.340	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjustments						
Depreciation and GASB Adjustments	\$7,137.173	\$7,188.087	\$7,604.236	\$7,827.334	\$8,176.866	\$8,609.422
Depreciation	1,289.637	1,370.000	1,445.000	1,520.000	1,595.000	1,670.000
OPEB Obligation	881.439	918.747	929.883	943.779	962.640	979.780
Environmental Remediation	10.667	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$9,318.916	\$9,476.834	\$9,979.119	\$10,291.113	\$10,734.506	\$11,259.202
Net Surplus/(Deficit)	(\$4,734.819)	(\$4,626.827)	(\$5,065.926)	(\$5,345.389)	(\$5,696.577)	(\$6,114.655)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012 - 2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	Actual	November	Final Proposed	2013	2014	2015
		Forecast	Budget			
Receipts						
Fare Revenue	(8.047)	11.730	(1.469)	9.931	4.231	4.231
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	(0.017)	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	(1.800)	0.335	(0.155)	(0.262)	(0.144)	(0.275)
Other	4.516	0.500	1.000	1.000	1.000	1.000
Other Operating Revenue	\$2.699	\$0.835	\$0.845	\$0.738	\$0.856	\$0.725
Capital and Other Reimbursements	(38.242)	(83.327)	155.878	7.479	(1.126)	(3.647)
Total Receipt Adjustments	(\$43.590)	(\$70.762)	\$155.254	\$18.148	\$3.961	\$1.309
Expenditures						
Labor:						
Payroll	11.522	48.011	(30.524)	22.856	25.322	26.531
Overtime	4.714	5.678	(3.089)	2.298	2.539	2.656
Total Salaries & Wages	16.236	53.689	(33.613)	25.154	27.861	29.187
Health and Welfare	20.778	(41.963)	2.760	4.336	4.704	5.104
OPEB Current Payment	(0.039)	0.000	0.000	0.000	0.000	0.000
Pensions	(81.281)	22.438	12.691	12.345	30.396	23.490
Other Fringe Benefits	82.765	29.283	26.852	29.914	29.019	27.819
Total Fringe Benefits	22.223	9.758	42.303	46.595	64.119	56.413
GASB Account	(40.400)	(26.523)	(34.370)	(35.762)	(36.421)	(37.101)
Reimbursable Overhead						
Total Labor Expenditures	(\$1.941)	\$36.924	(\$25.680)	\$35.987	\$55.559	\$48.499
Non-Labor:						
Traction and Propulsion Power	1.236	(2.800)	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	(1.652)	2.700	0.000	0.000	0.000	0.000
Insurance	(8.138)	2.328	(3.549)	(1.804)	(1.898)	(5.498)
Claims	41.668	2.705	7.974	8.247	8.528	10.630
Paratransit Service Contracts	(5.437)	(11.900)	2.000	2.000	2.000	2.000
Maintenance and Other Operating Contracts	(14.019)	(6.900)	(10.700)	(10.700)	(10.700)	(10.700)
Professional Service Contracts	18.175	3.476	6.000	6.000	6.000	6.000
Materials & Supplies	11.738	41.485	(22.000)	(2.000)	(2.000)	(2.000)
Other Business Expenditures	(1.785)	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$41.786	\$31.094	(\$20.275)	\$1.743	\$1.930	\$0.432
Other Expenditure Adjustments:						
Other	1.340	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$1.340	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$41.185	\$68.018	(\$45.955)	\$37.730	\$57.489	\$48.931
Total Cash Conversion Adjustments before Depreciation and GASB Adjustments	(\$2.405)	(\$2.744)	\$109.299	\$55.878	\$61.450	\$50.240
Depreciation Adjustment	1,289.637	1,370.000	1,445.000	1,520.000	1,595.000	1,670.000
OPEB Obligation	881.439	918.747	929.883	943.779	962.640	979.780
Environmental Remediation	10.667	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$2,179.338	\$2,286.003	\$2,484.182	\$2,519.657	\$2,619.090	\$2,700.020

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012 - 2015
Cash Receipts & Expenditures

CASH RECEIPTS AND EXPENDITURES						
	2010	2011	2012			
	Actual	November	Final Proposed	2013	2014	2015
		Forecast	Budget			
Receipts						
Farebox Revenue	3,311.641	3,640.264	3,702.998	3,758.234	3,809.260	3,864.247
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.000	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	85.400	112.398	132.464	155.582	184.230	216.550
Other	115.800	106.309	109.592	113.381	117.343	121.450
Other Operating Revenue	\$285.200	\$302.723	\$326.072	\$352.979	\$385.589	\$422.016
Capital and Other Reimbursements	943.666	836.258	1,039.377	852.659	847.041	859.593
Total Receipts	\$4,540.507	\$4,779.245	\$5,068.447	\$4,963.872	\$5,041.890	\$5,145.856
Expenditures						
<u>Labor:</u>						
Payroll	3,209.400	3,152.733	3,275.240	3,208.818	3,260.287	3,317.694
Overtime	312.300	372.835	331.404	322.619	326.925	332.141
Total Salaries & Wages	3,521.700	3,525.568	3,606.644	3,531.437	3,587.212	3,649.835
Health and Welfare	500.600	580.056	600.873	650.491	709.616	772.942
OPEB Current Payment	265.400	283.009	318.496	359.147	395.418	435.482
Pensions	848.667	773.403	930.883	936.885	970.397	1,021.557
Other Fringe Benefits	337.825	334.883	339.764	336.635	344.199	352.492
Total Fringe Benefits	1,952.492	1,971.351	2,190.016	2,283.158	2,419.630	2,582.473
GASB Account	40.400	26.523	34.370	35.762	36.421	37.101
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$5,514.592	\$5,523.442	\$5,831.030	\$5,850.357	\$6,043.263	\$6,269.409
<u>Non-Labor:</u>						
Traction and Propulsion Power	179.200	189.691	209.018	233.538	262.082	290.071
Fuel for Buses and Trains	123.100	152.638	167.204	177.337	179.010	186.835
Insurance	64.500	55.101	71.936	85.031	103.494	129.938
Claims	84.153	100.800	87.065	81.869	83.717	85.612
Paratransit Service Contracts	386.300	367.943	402.193	466.083	548.025	634.950
Maintenance and Other Operating Contracts	257.143	285.326	330.122	345.935	343.171	366.922
Professional Service Contracts	105.100	95.382	98.849	99.798	101.678	101.641
Materials & Supplies	320.100	288.318	390.202	384.855	388.698	427.467
Other Business Expenditures	61.800	61.428	62.572	64.801	66.239	67.646
Total Non-Labor Expenditures	\$1,581.396	\$1,596.627	\$1,819.161	\$1,939.247	\$2,076.114	\$2,291.082
<u>Other Expenditure Adjustments:</u>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$7,095.988	\$7,120.069	\$7,650.191	\$7,789.604	\$8,119.377	\$8,560.491
Net Cash Deficit	(\$2,555.481)	(\$2,340.824)	(\$2,581.744)	(\$2,825.732)	(\$3,077.487)	(\$3,414.635)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
Ridership/Traffic Volume (Utilization)
(\$ in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
RIDERSHIP						
Subway	1,604,198	1,635,471	1,669,289	1,691,613	1,717,838	1,743,245
Bus	696,923	665,617	677,433	682,237	688,293	693,811
Paratransit	9,017	9,041	10,501	12,077	13,888	15,971
Total Ridership	2,310,138	2,310,129	2,357,223	2,385,927	2,420,019	2,453,027

FAREBOX REVENUE (Excluding fare media liability)

Subway	2,398,466	2,689,411	2,746,177	2,784,519	2,829,559	2,873,194
Bus	838,969	868,384	885,066	891,990	900,720	908,673
Paratransit	15,356	14,647	17,003	19,573	22,529	25,928
Total Farebox Revenue	3,252,791	3,572,442	3,648,246	3,696,082	3,752,808	3,807,795

MTA NEW YORK CITY TRANSIT
November Financial Plan 2012-2015
2011 Budget Reduction Plan Summary
(\$ in millions)

	2011		2012		2013		2014		2015	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS										
Administration:										
2011 BRP - Additional DEVA Savings	-	\$5,864	-	\$5,864	-	\$5,864	-	\$5,864	-	\$5,864
2011 BRP - Other Reestimates	-	\$2,857	-	\$1,857	-	\$1,857	-	\$1,857	-	\$1,857
Sub-Total Administration	-	\$8,721	-	\$7,721	-	\$7,721	-	\$7,721	-	\$7,721
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	-	\$,000	-	\$,000	-	\$,000	-	\$,000	-	\$,000
Service:										
2011 BRP - CNG Tax Credit	-	\$6,800	-	\$1,000	-	-	-	-	-	-
2011 BRP - B Division Work Program Efficiency	18	\$1,684	18	\$1,965	18	\$1,965	18	\$1,965	18	\$1,965
Paratransit - Additional Savings	-	\$25,433	-	\$66,200	-	\$85,479	-	\$233,565	-	\$157,426
Fuel Economies-Sprague Differential Reduction	-	-	-	\$1,300	-	\$1,300	-	\$1,100	-	\$,000
Sub-Total Service	18	\$33,917	18	\$70,465	18	\$88,744	18	\$126,630	18	\$159,391
Maintenance:										
2011 BRP - SMS Oil-less Compressor Efficiency	13	\$1,736	3	\$,279	3	\$,279	3	\$,279	3	\$,279
2011 BRP - DOB OTPS Reductions	-	\$3,000	-	-	-	-	-	-	-	-
2011 BRP - R44 Disposal Economy	-	\$2,154	-	\$1,168	-	-	-	-	-	-
Sub-Total Maintenance	13	\$6,890	3	\$1,447	3	\$,279	3	\$,279	3	\$,279
Safety/Security:										
Sub-Total Safety/Security	-	\$,000	-	\$,000	-	\$,000	-	\$,000	-	\$,000
Other:										
Addit'l. Inventory Draw-down (NYCT 10-31 BRP)	-	\$3,000	-	-	-	-	-	-	-	-
Sub-Total Other	-	\$3,000	-	\$,000	-	\$,000	-	\$,000	-	\$,000
Total / BRP	31	\$52,528	21	\$79,633	21	\$96,744	21	\$134,630	21	\$167,391

¹ Reflects the impact of amendments on year-end positions.

MTA New York City Transit
November Financial Plan 2012-2015
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Office of the President	18	20	20	20	20	20
Law	263	266	266	266	266	266
Office of the EVP	33	41	41	38	38	38
Human Resources	293	303	181	181	181	181
Office of Management and Budget	39	39	39	39	39	39
Capital Planning & Budget	31	31	31	31	31	31
Corporate Communications	226	245	243	243	243	243
AFC Program Management & Sales	56	54	54	54	54	54
Technology & Information Services	436	426	395	391	390	389
Non-Departmental	29	84	85	85	85	85
Labor Relations	69	96	96	96	96	96
Materiel	241	237	234	230	224	224
Controller	182	145	121	121	121	121
Total Administration	1,916	1,987	1,806	1,795	1,788	1,787
Operations						
Subways Service Delivery	10,121	7,391	7,390	7,315	7,314	7,311
Subways Operation Support /Admin	398	311	311	311	311	311
Subways Stations	-	2,677	2,693	2,693	2,693	2,693
Subtotal - Subways	10,519	10,379	10,394	10,319	10,318	10,315
Buses	10,093	10,255	10,294	10,291	10,291	10,291
Paratransit	141	150	148	148	148	148
Operations Planning	374	374	376	371	371	371
Revenue Control	426	423	423	423	423	423
Total Operations	21,553	21,581	21,635	21,552	21,551	21,548
Maintenance						
Subways Service Delivery	557	-	-	-	-	-
Subways Operation Support /Admin	219	169	166	166	166	163
Subways Engineering	317	313	300	284	258	258
Subways Car Equipment	3,964	3,935	4,110	4,173	4,089	4,098
Subways Infrastructure	2,507	1,696	1,641	1,633	1,634	1,634
Subways Stations	1,978	3,522	3,540	3,533	3,736	3,736
Subways Track	2,705	2,747	2,692	2,692	2,692	2,692
Subways Power	666	659	622	595	596	596
Subways Signals	1,294	1,413	1,451	1,407	1,383	1,383
Subways Electronics Maintenance	1,351	1,430	1,404	1,399	1,399	1,392
Subtotal - Subways	15,558	15,884	15,926	15,882	15,953	15,952
Buses	3,761	3,766	3,725	3,733	3,738	3,713
Revenue Control	137	137	150	150	150	150
Supply Logistics	548	547	547	546	546	546
System Safety	87	88	88	88	88	88
Total Maintenance	20,091	20,422	20,436	20,399	20,475	20,449
Engineering/Capital						
Capital Program Management	1,349	1,218	1,218	1,218	1,218	1,218
Total Engineering/Capital	1,349	1,218	1,218	1,218	1,218	1,218
Public Safety						
Security	505	507	504	504	504	504
Total Public Safety	505	507	504	504	504	504
Total Baseline Positions	45,414	45,715	45,599	45,468	45,536	45,506
Non-Reimbursable	40,679	40,819	41,071	41,153	41,278	41,262
Reimbursable	4,735	4,896	4,528	4,315	4,258	4,244
Total Full-Time	45,215	45,561	45,444	45,313	45,381	45,351
Total Full-Time Equivalents	199	154	155	155	155	155

**MTA New York City Transit
November Financial Plan 2012-2015
Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011	November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration							
Managers/Supervisors	571		651	618	610	604	603
Professional, Technical, Clerical	1,293		1,219	1,072	1,069	1,068	1,068
Operational Hourlies	52		117	116	116	116	116
Total Administration	1,916		1,987	1,806	1,795	1,788	1,787
Operations							
Managers/Supervisors	2,501		2,486	2,516	2,492	2,491	2,488
Professional, Technical, Clerical	461		365	364	363	363	363
Operational Hourlies	18,591		18,730	18,755	18,697	18,697	18,697
Total Operations	21,553		21,581	21,635	21,552	21,551	21,548
Maintenance							
Managers/Supervisors	3,642		3,858	3,861	3,838	3,842	3,840
Professional, Technical, Clerical	1,007		1,053	1,026	995	986	980
Operational Hourlies	15,442		15,511	15,549	15,566	15,647	15,629
Total Maintenance	20,091		20,422	20,436	20,399	20,475	20,449
Engineering/Capital							
Managers/Supervisors	293		272	272	272	272	272
Professional, Technical, Clerical	1,054		944	944	944	944	944
Operational Hourlies	2		2	2	2	2	2
Total Engineering/Capital	1,349		1,218	1,218	1,218	1,218	1,218
Public Safety							
Managers/Supervisors	116		128	129	129	129	129
Professional, Technical, Clerical	33		32	32	32	32	32
Operational Hourlies	356		347	343	343	343	343
Total Public Safety	505		507	504	504	504	504
Total Baseline Positions							
Managers/Supervisors	7,123		7,395	7,396	7,341	7,338	7,332
Professional, Technical, Clerical	3,848		3,613	3,438	3,403	3,393	3,387
Operational Hourlies	34,443		34,707	34,765	34,724	34,805	34,787
Total Baseline Positions	45,414		45,715	45,599	45,468	45,536	45,506
Non-Reimbursable	40,679		40,819	41,071	41,153	41,278	41,262
Reimbursable	4,735		4,896	4,528	4,315	4,258	4,244
Total Full-Time	45,215		45,561	45,444	45,313	45,381	45,351
Total Full-Time Equivalents	199		154	155	155	155	155

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MTA BUS COMPANY

Staff Summary



Subject 2012 Budget
Department Finance
Department Head Name Thomas Del Sorbo
Department Head Signature
Project Manager Name John Kivlehan

Date November 30, 2011
Vendor Name NA
Contract Number NA
Contract Manager Name NA
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Bus Ops Committee	12/19/11	X		
2	Finance Committee	12/19/11	X		
3	MTA Board	12/21/11	X		

Internal Approvals			
Order	Approval	Order	Approval
1	EVP, Finance & Admin		
2	President		

Purpose

To secure MTA Board adoption of MTA Bus Company’s 2011 November Forecast, 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 (December Plan).

Discussion

The 2012 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to maintain MTA Bus current service levels, as well as MTA’s commitment to safety and security. The baseline projections that follow for MTA Bus do not include the impact of fare increases, any new additional MTA efficiencies, or further reductions in wage growth assumptions for both represented and non-represented employees. These below-the-line items will be presented as part of MTA consolidated materials.

2011 November Forecast-Baseline

Total operating revenues are projected at \$196.2 million, including \$177.4 million of farebox revenues. Total non-reimbursable expenses before depreciation and GASB adjustments are projected to be \$522.0 million in 2011, consisting of labor costs of \$376.0 million and non-labor expenses of \$146.0 million. Non-cash depreciation expense is projected at \$42.2 million and the GASB adjustments for OPEB expenses are projected at \$54.6 million. After including a favorable \$15.1 million cash timing adjustment, the projected net cash deficit is \$352.5 million. Total reimbursable expenses are projected at \$7.2 million, which is fully offset by reimbursable revenue. Total end-of-year positions are projected at 3,525, consisting of 3,462 non-reimbursable positions and 63 reimbursable positions.

2012 Final Proposed Budget-Baseline

Total operating revenues are budgeted at \$199.2 million, including farebox revenues of \$180.2 million. Total non-reimbursable expenses before depreciation and GASB adjustments are budgeted to be \$539.3 million in 2012, consisting of labor costs of \$394.5 million and non-labor expenses of \$144.8 million. Non-cash depreciation expense is budgeted at \$42.2 million and the GASB adjustments for OPEB expenses are budgeted at \$55.4 million. After including an unfavorable \$15.1 million cash timing adjustment, the projected net cash deficit is \$344.8 million. Total reimbursable revenue is budgeted at \$7.7 million. Total 2012 end-of-year positions are projected at 3,526, consisting of 3,462 non-reimbursable positions and 64 reimbursable positions.

Key Initiatives

The 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015 include the following key initiatives:

- **Shop Overhaul Plan / Life Extension Overhauls** – Revise the Bus Overhaul program to reflect new information on bus deliveries while taking into consideration previous overhaul work.
- **Guide-A-Ride / Passenger Environment Survey** – Expand the existing NYCT Guide-A-Ride and Passenger Environment Survey information services to include MTA Bus.
- **Road Maintenance Supervision** - Improve operations by increasing Road Maintenance Supervision by providing round the clock oversight throughout the MTA Bus service region.

Impact on Funding

The 2011 November Forecast, the 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015 revenues, expenses and positions, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

Recommendation

It is recommended that the MTA Board adopt the 2011 November Forecast, the 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015 for MTA Bus Company.

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Operating Revenue						
Farebox Revenue	\$167.954	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964
Other Operating Revenue	21.625	18.841	19.019	19.391	19.771	20.169
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$189.579	\$196.192	\$199.187	\$201.270	\$203.727	\$206.133
Operating Expenses						
Labor:						
Payroll	\$212.615	\$224.137	\$227.302	227.000	\$226.713	\$239.811
Overtime	48.069	44.044	41.568	40.643	39.985	41.334
Health and Welfare	40.639	37.129	44.118	48.765	53.888	60.829
OPEB Current Payment	12.576	13.892	14.586	15.315	16.081	16.885
Pensions	32.835	34.049	43.722	46.003	46.275	46.991
Other Fringe Benefits	20.452	22.707	23.242	23.682	22.801	23.929
Reimbursable Overhead	(0.237)	-	-	-	-	-
Total Labor Expenses	\$366.949	\$375.956	\$394.538	\$401.408	\$405.742	\$429.779
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$27.106	\$37.801	\$38.582	\$40.086	\$39.869	\$40.017
Insurance	13.552	13.291	14.668	16.135	19.791	19.523
Claims	45.335	24.000	25.000	26.000	27.000	28.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	18.923	26.864	28.440	22.779	27.416	33.727
Professional Service Contracts	3.221	6.850	6.907	7.122	9.623	9.776
Materials & Supplies	23.727	32.248	26.904	27.928	28.611	36.186
Other Business Expenses	2.678	4.993	4.251	4.172	2.474	2.532
Total Non-Labor Expenses	\$134.541	\$146.046	\$144.753	\$144.221	\$154.784	\$169.761
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$501.490	\$522.002	\$539.291	\$545.630	\$560.526	\$599.540
Depreciation	\$40.388	\$42.235	\$42.235	\$42.235	\$42.235	\$42.235
OPEB Obligation	51.600	54.630	55.415	56.296	56.919	57.663
Environmental Remediation	4.109	-	-	-	-	-
Total Expenses	\$597.587	\$618.867	\$636.941	\$644.160	\$659.680	\$699.437
Baseline Surplus/(Deficit)	(\$408.008)	(\$422.674)	(\$437.754)	(\$442.890)	(\$455.953)	(\$493.304)

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Revenue						
Farebox Revenue	\$167.954	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964
Other Operating Revenue	21.625	18.841	19.019	19.391	19.771	20.169
Capital and Other Reimbursements	2.014	7.191	7.727	7.406	7.516	7.625
Total Revenue	\$191.593	\$203.384	\$206.914	\$208.676	\$211.243	\$213.758
Expenses						
Labor:						
Payroll	\$213.800	\$229.474	\$233.021	\$232.489	\$232.284	\$245.465
Overtime	48.069	44.044	41.568	40.643	39.985	41.334
Health and Welfare	40.975	38.102	45.170	49.773	54.911	61.867
OPEB Current Payment	12.576	13.892	14.586	15.315	16.081	16.885
Pensions	33.000	34.498	44.214	46.464	46.740	47.460
Other Fringe Benefits	20.543	23.139	23.707	24.130	23.257	24.392
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$368.963	\$383.148	\$402.265	\$408.814	\$413.258	\$437.403
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	\$27.106	\$37.801	\$38.582	\$40.086	\$39.869	\$40.017
Insurance	13.552	13.291	14.668	16.135	19.791	19.523
Claims	45.335	24.000	25.000	26.000	27.000	28.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	18.923	26.864	28.440	22.779	27.416	33.727
Professional Service Contracts	3.221	6.850	6.907	7.122	9.623	9.776
Materials & Supplies	23.727	32.248	26.904	27.928	28.611	36.186
Other Business Expenses	2.678	4.993	4.251	4.172	2.474	2.532
Total Non-Labor Expenses	\$134.541	\$146.046	\$144.753	\$144.221	\$154.784	\$169.761
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Gap Closing Actions:						
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation & GASB Adj.	\$503.504	\$529.193	\$547.018	\$553.036	\$568.042	\$607.164
Depreciation	\$40.388	\$42.235	\$42.235	\$42.235	\$42.235	\$42.235
OPEB Obligation	51.600	54.630	55.415	56.296	56.919	57.663
Environmental Remediation	4.109	-	-	-	-	-
Total Expenses	\$599.601	\$626.058	\$644.668	\$651.566	\$667.196	\$707.062
Baseline Surplus/(Deficit)	(\$408.008)	(\$422.674)	(\$437.754)	(\$442.890)	(\$455.953)	(\$493.304)

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2010	2011	2012			
	Actual	November Forecast	Final Proposed Budget	2013	2014	2015
Receipts						
Farebox Revenue	\$166.068	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964
Other Operating Revenue	23.806	18.841	19.019	19.391	19.771	20.169
Capital and Other Reimbursements	2.737	11.163	11.838	11.997	12.236	12.477
Total Receipts	\$192.611	\$207.356	\$211.025	\$213.267	\$215.963	\$218.610
Expenditures						
Labor:						
Payroll	\$210.046	\$231.295	\$246.136	\$230.508	\$230.292	\$243.455
Overtime	49.269	44.044	41.568	40.643	39.985	41.334
Health and Welfare	43.683	45.280	44.766	49.365	54.501	61.453
OPEB Current Payment	12.576	13.892	14.586	15.315	16.081	16.885
Pensions	37.850	36.199	44.040	46.289	46.567	47.288
Other Fringe Benefits	20.300	24.581	23.542	23.962	23.088	24.220
GASB Account	3.579	3.948	4.317	5.317	6.317	6.317
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$377.302	\$399.239	\$418.955	\$411.400	\$416.830	\$440.952
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$28.941	\$36.425	\$38.582	\$40.086	\$39.869	\$40.017
Insurance	4.506	28.955	14.668	16.135	19.791	19.523
Claims	18.709	18.000	17.100	22.000	24.000	24.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	19.935	28.676	28.440	22.779	27.416	33.727
Professional Service Contracts	5.034	9.008	6.907	7.122	9.623	9.776
Materials & Supplies	24.933	34.514	26.904	27.928	28.611	36.186
Other Business Expenses	0.711	5.057	4.251	4.172	2.474	2.532
Total Non-Labor Expenditures	\$102.769	\$160.635	\$136.853	\$140.221	\$151.784	\$165.760
Other Expenditure Adjustments:						
Other	0.010	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.010	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Gap Closing Actions:						
Total Gap Closing Actions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$480.081	\$559.874	\$555.808	\$551.622	\$568.614	\$606.712
Baseline Cash Deficit	(\$287.469)	(\$352.518)	(\$344.783)	(\$338.355)	(\$352.651)	(\$388.102)

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Accrual Statement of Operations by Category
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2010	2011	2012			
	Actual	November	Final Proposed	2013	2014	2015
		Forecast	Budget			
Receipts						
Farebox Revenue	(\$1.886)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	2.181	-	-	-	-	-
Capital and Other Reimbursements	0.723	3.972	4.111	4.591	4.720	4.853
Total Receipts	\$1.019	\$3.972	\$4.111	\$4.591	\$4.720	\$4.853
Expenditures						
Labor:						
Payroll	\$3.754	(\$1.821)	(\$13.116)	1.982	1.992	2.011
Overtime	(1.200)	-	-	-	-	-
Health and Welfare	(2.707)	(7.178)	0.403	0.407	0.410	0.414
OPEB Current Payment	-	-	-	-	-	-
Pensions	(4.850)	(1.702)	0.174	0.175	0.173	0.173
Other Fringe Benefits	0.243	(1.442)	0.165	0.167	0.169	0.171
Pattern Labor Provision	-	-	-	-	-	-
GASB Account	(3.579)	(3.948)	(4.317)	(5.317)	(6.317)	(6.317)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$8.339)	(\$16.091)	(\$16.690)	(\$2.586)	(\$3.572)	(\$3.548)
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	(\$1.835)	\$1.376	-	-	-	-
Insurance	9.045	(15.664)	-	-	-	-
Claims	26.627	6.000	7.900	4.000	3.000	4.000
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(1.012)	(1.812)	-	-	-	-
Professional Service Contracts	(1.814)	(2.158)	-	-	-	-
Materials & Supplies	(1.205)	(2.267)	-	-	-	-
Other Business Expenditures	1.967	(0.065)	-	-	-	-
Total Non-Labor Expenditures	\$31.773	(\$14.589)	\$7.900	\$4.000	\$3.000	\$4.000
Other Expenditures Adjustments:						
Other	(0.010)	-	-	-	-	-
Total Other Expenditures Adjustments	(\$0.010)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$24.442	(\$26.708)	(\$4.678)	\$6.005	\$4.148	\$5.305
Depreciation Adjustment	\$40.388	\$42.235	\$42.235	\$42.235	\$42.235	\$42.235
OPEB Obligation	51.600	54.630	55.415	56.296	56.919	57.663
Environmental Remediation	4.109	-	-	-	-	-
Baseline Total Cash Conversion Adjustments	\$120.539	\$70.156	\$92.972	\$104.535	\$103.302	\$105.203

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Ridership/(Utilization)
(in millions)

	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
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RIDERSHIP

Fixed Route	116.963	118.840	119.757	120.879	121.937
Baseline Total Ridership	116.963	118.840	119.757	120.879	121.937

FAREBOX REVENUE

Fixed Route	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964
Baseline Total Revenue	\$177.351	\$180.168	\$181.879	\$183.956	\$185.964

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Total Positions by Function & Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2010	2011	2012	2013	2014	2015
	Actual	November Forecast	Final Proposed Budget			
Administration						
Office of the EVP	4	4	4	4	4	4
Human Resources	9	8	6	6	6	6
Office of Management and Budget	13	17	17	17	17	17
Technology & Information Services	27	17	17	18	18	18
Materiel	15	18	18	18	18	18
Controller	32	29	13	13	13	13
Office of the President	4	7	6	6	6	6
System Safety Administration	1	5	5	5	5	5
Law	19	21	21	21	21	21
Corporate Communications	2	2	2	2	2	2
Labor Relations	-	4	4	4	4	4
Non Departmental	-	46	57	57	64	68
Total Administration	126	178	170	171	178	182
Operations						
Buses	2,035	2,048	2,049	2,049	2,049	2,049
Office of the Executive Vice President, Regional	1	1	1	1	1	1
Safety & Training	47	23	23	23	23	23
Road Operations	106	119	116	116	116	116
Transportation Support	21	20	20	20	20	20
Operations Planning	23	23	30	30	30	30
Revenue Control	25	21	21	21	21	21
Total Operations	2,258	2,255	2,260	2,260	2,260	2,260
Maintenance						
Buses	719	739	739	731	731	731
Maintenance Support/CMF	91	153	152	151	133	213
Facilities	29	72	72	72	72	72
Supply Logistics	80	82	83	83	83	83
Total Maintenance	919	1,046	1,046	1,037	1,019	1,099
Engineering/Capital						
Capital Program Management	26	34	38	38	38	38
Public Safety						
Office of the Senior Vice President	10	12	12	12	12	12
Total Positions	3,339	3,525	3,526	3,518	3,507	3,591
Non-Reimbursable	3,300	3,462	3,462	3,454	3,443	3,527
Reimbursable	39	63	64	64	64	64
Total Full-Time	3,339	3,510	3,511	3,503	3,492	3,576
Total Full-Time Equivalents	-	15	15	15	15	15

MTA BUS COMPANY
November Financial Plan 2012 - 2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011	2012	2013	2014	2015
		November Forecast	Final Proposed Budget			
Administration						
Managers/Supervisors	43	41	43	43	43	43
Professional, Technical, Clerical	83	91	70	71	71	71
Operational Hourlies	-	46	57	57	64	68
Total Administration	126	178	170	171	178	182
Operations						
Managers/Supervisors	288	292	292	292	292	292
Professional, Technical, Clerical	51	45	50	50	50	50
Operational Hourlies	1,919	1,918	1,918	1,918	1,918	1,918
Total Operations	2,258	2,255	2,260	2,260	2,260	2,260
Maintenance						
Managers/Supervisors	177	203	204	204	204	204
Professional, Technical, Clerical	10	12	12	12	12	12
Operational Hourlies	732	831	830	821	803	883
Total Maintenance	919	1,046	1,046	1,037	1,019	1,099
Engineering/Capital						
Managers/Supervisors	14	18	22	22	22	22
Professional, Technical, Clerical	12	16	16	16	16	16
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	26	34	38	38	38	38
Public Safety						
Managers/Supervisors	5	9	9	9	9	9
Professional, Technical, Clerical	5	3	3	3	3	3
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	10	12	12	12	12	12
Total Positions						
Managers/Supervisors	527	563	570	570	570	570
Professional, Technical, Clerical	161	167	151	152	152	152
Operational Hourlies	2,651	2,795	2,805	2,796	2,785	2,869
Total Baseline Positions	3,339	3,525	3,526	3,518	3,507	3,591

Staten Island Railway

Staff Summary

Subject 2012 Budget
Department Office of Management & Budget
Department Head Name Aaron Stern
Department Head Signature
Project Manager Name

Date December 1, 2011
Vendor Name
Contract Number NA
Contract Manager Name NA
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	TA Committee		X		
2	Finance Committee		X		
3	MTA Board		X		

Internal Approvals			
Order	Approval	Order	Approval
1	OMB – Director		
2	Executive VP		
3	President		

Purpose

To secure MTA Board adoption of MTA Staten Island Railway’s 2011 November Forecast, 2012 Final Proposed Budget, and the Four-Year Financial Plan for 2012-2015 (December Plan).

Discussion

The 2012 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to maintain MTA Staten Island Railway’s current service levels, as well as MTA’s commitment to safety and security. The baseline projections that follow for MTA Staten Island Railway include the impact of budget reduction initiatives and an MTA specific initiative of non-revenue vehicle fleet efficiency savings. It does not include the impact of fare increases, any new additional MTA efficiencies, or further reductions in wage growth assumptions for both represented and non-represented employees. These below-the-line items will be presented as part of MTA consolidated materials.

2011 November Forecast-Baseline

Total operating revenues are projected at \$7.7 million, including farebox revenues of \$5.6 million. Total operating expenses are projected to be \$34.4 million in 2011, consisting of labor costs of \$26.3 million and non-labor expenses of \$8.1 million. Non-cash depreciation expense is projected at \$9.0 million and other post-employment benefit expenses are projected at \$2.8 million. After including favorable cash adjustments of \$11.4 million, the projected net cash deficit is \$27.1 million. Projected reimbursable expenses of \$0.6 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 266, including 263 non-reimbursable positions and 3 reimbursable positions.

2012 Final Proposed Budget-Baseline

Total operating revenues are projected at \$7.8 million, including farebox revenues of \$5.7 million. Total operating expenses are projected to be \$40.8 million in 2012, consisting of labor costs of \$29.5 million and non-labor expenses of \$11.4 million. Non-cash depreciation expense is projected at \$9.0 million and other post-employment benefit expenses are projected at \$3.0 million. After including favorable cash adjustments of \$6.8 million, the projected net cash deficit is \$38.3 million. Projected reimbursable expenses of \$1.7 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 267, including 264 non-reimbursable positions and 3 reimbursable positions.

Key Initiatives

The 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015 include the following two key initiatives:

- **Non-Revenue Vehicle Replacement** - \$3.8 million of costs over the financial plan period to replace most of the current fleet, which now includes several vehicles that have exceeded their useful lives or are in poor condition. This investment is necessary in order to establish a fully functional fleet to meet both operational and new State emissions requirements. Some vehicles will be replaced by those identified at other MTA agencies while other vehicles have been eliminated. These actions are consistent with the MTA non-revenue vehicle fleet efficiency savings initiative.
- **Additional Electronics Maintenance Requirements** – \$0.7 million of annual expenses and 6 positions effective 2012 are necessary to provide sufficient expertise to support planned and on-going implementation of electronics equipment and systems, including Closed Circuit Television (CCTV) installations in stations.

2011 Budget Reduction Program

The 2011 Budget Reduction Program represents \$0.4 million of efficiency savings in 2011.

Impact on Funding

The 2011 November Forecast, the 2012 Final Proposed Budget and the Four-Year Financial Plan for 2012-2015, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

Recommendation

It is recommended that the MTA Board adopt the 2011 November Forecast, the 2012 Final Proposed Budget and the Four-Year Financial Plan 2012-2015 for MTA Staten Island Railway.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2010	2011	2012			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Operating Revenue						
Farebox Revenue	\$5.020	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.167	2.071	2.071	2.071	2.071	2.071
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$7.187	\$7.658	\$7.797	\$7.880	\$7.975	\$8.066
Operating Expenses						
<u>Labor:</u>						
Payroll	\$18.934	\$16.281	\$17.116	\$17.319	\$17.641	\$17.957
Overtime	1.092	0.792	0.681	0.696	0.712	0.727
Health and Welfare	2.697	3.390	3.781	3.982	4.299	4.641
OPEB Current Payment	0.545	0.585	0.639	0.678	0.733	0.793
Pensions	3.850	4.000	5.941	5.970	5.849	6.094
Other Fringe Benefits	1.588	1.238	1.302	1.316	1.340	1.369
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$28.706	\$26.286	\$29.460	\$29.961	\$30.574	\$31.581
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$2.943	\$3.659	\$3.997	\$4.467	\$5.014	\$5.640
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.258	0.349	0.267	0.293	0.440	0.355
Claims	0.021	0.272	0.277	0.282	0.288	0.294
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	4.842	2.321	2.779	2.855	2.959	3.117
Professional Service Contracts	0.396	0.415	0.421	0.429	0.439	0.447
Materials & Supplies	0.997	1.115	3.614	1.714	1.978	2.023
Other Business Expenses	0.000	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$9.457	\$8.136	\$11.360	\$10.045	\$11.123	\$11.881
<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.	\$38.163	\$34.422	\$40.820	\$40.006	\$41.697	\$43.462
Depreciation	\$9.106	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
OPEB Obligation	1.900	2.800	3.000	3.000	3.000	3.000
Environmental Remediation	0.208	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$49.377	\$46.222	\$52.820	\$52.006	\$53.697	\$55.462
Baseline Surplus/(Deficit)	(\$42.190)	(\$38.564)	(\$45.023)	(\$44.126)	(\$45.722)	(\$47.396)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE

	2010 <u>Actual</u>	2011 November <u>Forecast</u>	2012 Final Proposed <u>Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenue						
Farebox Revenue	\$5.020	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.167	2.071	2.071	2.071	2.071	2.071
Capital and Other Reimbursements	0.193	0.600	1.672	1.674	1.680	1.680
Total Revenue	\$7.380	\$8.258	\$9.469	\$9.554	\$9.655	\$9.746
Expenses						
<u>Labor:</u>						
Payroll	\$18.989	\$16.381	\$17.404	\$17.606	\$17.929	\$18.245
Overtime	1.155	1.092	1.385	1.400	1.416	1.431
Health and Welfare	2.719	3.490	4.290	4.495	4.816	5.158
OPEB Current Payment	0.545	0.585	0.639	0.678	0.733	0.793
Pensions	3.894	4.050	6.035	6.064	5.943	6.188
Other Fringe Benefits	1.597	1.288	1.379	1.392	1.417	1.446
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$28.899	\$26.886	\$31.132	\$31.635	\$32.254	\$33.261
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$2.943	\$3.659	\$3.997	\$4.467	\$5.014	\$5.640
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.258	0.349	0.267	0.293	0.440	0.355
Claims	0.021	0.272	0.277	0.282	0.288	0.294
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	4.842	2.321	2.779	2.855	2.959	3.117
Professional Service Contracts	0.396	0.415	0.421	0.429	0.439	0.447
Materials & Supplies	0.997	1.115	3.614	1.714	1.978	2.023
Other Business Expenses	0.000	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$9.457	\$8.136	\$11.360	\$10.045	\$11.123	\$11.881
<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	\$38.356	\$35.022	\$42.492	\$41.680	\$43.377	\$45.142
Depreciation	\$9.106	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
OPEB Obligation	1.900	2.800	3.000	3.000	3.000	3.000
Environmental Remediation	0.208	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$49.570	\$46.822	\$54.492	\$53.680	\$55.377	\$57.142
Baseline Surplus/(Deficit)	(\$42.190)	(\$38.564)	(\$45.023)	(\$44.126)	(\$45.722)	(\$47.396)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>November</u> <u>Forecast</u>	<u>2012</u> <u>Final Proposed</u> <u>Budget</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Receipts						
Farebox Revenue	\$5.000	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.140	2.071	2.071	2.071	2.071	2.071
Capital and Other Reimbursements	0.081	0.600	1.672	1.674	1.680	1.680
Total Receipts	\$7.221	\$8.258	\$9.469	\$9.554	\$9.655	\$9.746
Expenditures						
<u>Labor:</u>						
Payroll	\$15.578	\$16.381	\$21.959	\$17.606	\$17.929	\$18.245
Overtime	1.072	1.092	1.385	1.400	1.416	1.431
Health and Welfare	2.826	3.490	4.290	4.495	4.816	5.158
OPEB Current Payment	0.545	0.585	0.639	0.678	0.733	0.793
Pensions	3.431	4.050	6.035	6.064	5.943	6.188
Other Fringe Benefits	1.606	1.288	1.727	1.392	1.417	1.446
GASB Account	0.290	0.317	0.347	0.379	0.415	0.415
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$25.348	\$27.203	\$36.382	\$32.014	\$32.669	\$33.676
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$2.968	\$3.659	\$3.997	\$4.467	\$5.014	\$5.640
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.159	0.383	0.267	0.293	0.440	0.355
Claims	0.250	0.272	0.277	0.282	0.288	0.294
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	6.466	2.321	2.779	2.855	2.959	3.117
Professional Service Contracts	0.441	0.415	0.421	0.429	0.439	0.447
Materials & Supplies	0.782	1.130	3.614	1.714	1.978	2.023
Other Business Expenses	0.000	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenditures	\$11.066	\$8.185	\$11.360	\$10.045	\$11.123	\$11.881
<u>Other Expenditure Adjustments:</u>						
Other						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$36.414	\$35.388	\$47.742	\$42.059	\$43.792	\$45.557
Baseline Cash Deficit	(\$29.193)	(\$27.130)	(\$38.273)	(\$32.505)	(\$34.137)	(\$35.811)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	<u>Actual</u>	<u>November</u>	<u>Final Proposed</u>			
		<u>Forecast</u>	<u>Budget</u>			
Receipts						
Farebox Revenue	(\$0.020)	\$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	(0.027)	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	(0.112)	0.000	0.000	0.000	0.000	0.000
Total Receipts	(\$0.159)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$3.411	\$0.000	(\$4.555)	\$0.000	\$0.000	\$0.000
Overtime	0.083	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(0.107)	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.463	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	(0.009)	0.000	(0.348)	0.000	0.000	0.000
GASB Account	(0.290)	(0.317)	(0.347)	(0.379)	(0.415)	(0.415)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$3.551	(\$0.317)	(\$5.250)	(\$0.379)	(\$0.415)	(\$0.415)
<u>Non-Labor:</u>						
Traction and Propulsion Power	(\$0.025)	\$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	0.099	(0.034)	0.000	0.000	0.000	0.000
Claims	(0.229)	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(1.624)	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	(0.045)	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.215	(0.015)	0.000	0.000	0.000	0.000
Other Business Expenditures	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	(\$1.609)	(\$0.049)	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$1.783	(\$0.366)	(\$5.250)	(\$0.379)	(\$0.415)	(\$0.415)
Depreciation Adjustment	\$9.106	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
OPEB Obligation	1.900	2.800	3.000	3.000	3.000	3.000
Environmental Remediation	0.208	0.000	0.000	0.000	0.000	0.000
Baseline Total Cash Conversion Adjustments	\$12.997	\$11.434	\$6.750	\$11.621	\$11.585	\$11.585
Total Cash Conversion Adjustments	\$12.997	\$11.434	\$6.750	\$11.621	\$11.585	\$11.585

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Ridership/(Utilization)
(in millions)

	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
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RIDERSHIP

Fixed Route	4.370	4.566	4.658	4.716	4.781	4.843
	-	-	-	-	-	-
Baseline Total Ridership	4.370	4.566	4.658	4.716	4.781	4.843

FAREBOX REVENUE

Fixed Route	\$5.020	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995
Baseline Total Revenue	\$5.020	\$5.587	\$5.726	\$5.809	\$5.904	\$5.995

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012-2015
2011 Budget Reduction Plan Summary
(\$ in millions)

	2011		2012		2013		2014		2015	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS										
Administration:										
Sub-Total Administration	0	\$ 400	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
Sub-Total Customer Convenience & Amen	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
Service:										
Sub-Total Service	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
Maintenance:										
Sub-Total Maintenance	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
Safety/Security:										
Sub-Total Other	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
Total BRP	0	\$ 400	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000

¹ Reflects the impact of amendments on year-end positions.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2012 - 2015
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2010 Actual	2011 November Forecast	2012 Final Proposed Budget	2013	2014	2015
Administration						
Managers/Supervisors	12	12	12	12	12	12
Professional, Technical, Clerical	14	10	9	9	9	9
Operational Hourlies	-	-	-	-	-	-
Total Administration	26	22	21	21	21	21
Operations						
Managers/Supervisors	8	8	8	8	8	8
Professional, Technical, Clerical	4	4	4	4	4	4
Operational Hourlies	81	83	79	79	79	79
Total Operations	93	95	91	91	91	91
Maintenance						
Managers/Supervisors	7	6	6	6	6	6
Professional, Technical, Clerical	3	3	3	3	3	3
Operational Hourlies	137	140	146	146	146	146
Total Maintenance	147	149	155	155	155	155
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 Positions						
Managers/Supervisors	27	26	26	26	26	26
Professional, Technical, Clerical	21	17	16	16	16	16
Operational Hourlies	218	223	225	225	225	225
Baseline Total Positions	266	266	267	267	267	267

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