

BUDGETWATCH

October 2014 Flash Report

(Forecast figures in this report refer to the 2014 Mid-Year Forecast)

Summary of September Budgetwatch (reporting on operations through August and subsidies through September):

Preliminary YTD results were favorable. Operating results, encompassing passenger/toll revenues and operating expenses, were favorable for the month and also YTD, although much of the favorable operating expense variance was associated with the timing of accruals associated with represented labor agreements. Adjusted for timing, overall operating results were still mainly favorable, with the exception of overtime and fuel. YTD debt service costs were favorable due to lower rates. Subsidies were slightly below target YTD, with favorable collections of Urban Tax and Payroll Mobility Taxes (PMT) receipts offsetting much of the combined shortfall in Petroleum Business Tax (PBT) and MTA Aid.

Overall Latest Condition (reporting on operations through September and subsidies through October):

Overall, preliminary net results were favorable for the month and YTD. Operating results, encompassing passenger/toll revenues and operating expenses, were favorable for the month and also YTD. Operating expenses were very favorable; however, much of that variance was associated with the timing of accruals associated with represented labor agreements. Adjusted for timing, overall operating results were still mainly favorable, with the exception of overtime and fuel.

YTD debt service costs were favorable due to lower rates. Subsidies were above target YTD, with favorable collections of Urban Tax, Petroleum Business Tax (PBT) and Payroll Mobility Tax (PMT) receipts offsetting much of the combined shortfall in Mortgage Recording Tax (MRT) and MTA Aid.

Passenger and Toll Revenues

YTD September 2014 (\$ in millions)					Month of September 2014 (\$ in millions)				
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Diff</u>	<u>%Diff</u>		<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Diff</u>	<u>%Diff</u>
NYCT:					NYCT:				
Subway	\$2,358.0	\$2,330.9	\$27.1	1.2%	Subway	\$276.1	\$264.4	\$11.7	4.4%
Bus	712.4	709.1	3.3	0.5%	Bus	84.4	82.3	2.1	2.5%
Other	<u>60.7</u>	<u>63.8</u>	<u>(3.1)</u>	<u>-4.9%</u>	Other	<u>7.4</u>	<u>7.5</u>	<u>(0.1)</u>	<u>-1.4%</u>
NYCT	\$3,131.0	\$3,103.8	\$27.2	0.9%	NYCT	\$367.9	\$354.3	\$13.6	3.8%
LIRR	491.7	487.0	4.7	1.0%	LIRR	56.0	55.4	0.6	1.1%
MNR	<u>482.0</u>	<u>479.1</u>	<u>2.9</u>	<u>0.6%</u>	MNR	<u>54.9</u>	<u>54.8</u>	<u>0.1</u>	<u>0.2%</u>
Sub-total	\$4,104.8	\$4,070.0	\$34.8	0.9%	Sub-total	\$478.8	\$464.5	\$14.4	3.1%
B&T	<u>1,253.3</u>	<u>1,237.6</u>	<u>15.7</u>	<u>1.3%</u>	B&T	<u>143.9</u>	<u>139.8</u>	<u>4.1</u>	<u>2.9%</u>
Total	\$5,358.1	\$5,307.6	\$50.5	1.0%	Total	\$622.7	\$604.2	\$18.5	3.1%

Through September, combined passenger and toll revenues were \$50.5 million favorable compared with the Mid-Year Forecast. For the month, passenger revenues were \$14.4 million, or 3.1%, above Forecast, and toll revenues were favorable by \$4.1 million, or 2.9%. NYCT was better than target for the month due to higher subway and bus ridership. At the LIRR, revenues were favorable due to strong ridership growth, while favorable Metro-North revenues reflect slightly higher than expected non-commutation ridership. Toll revenues were favorable for the month and YTD primarily due to higher traffic.

Total Operating Expenses before Non-Cash Liability Adjustments

	YTD September 2014 (\$ in millions)				Month of September 2014 (\$ in millions)					
	Actual	Mid-Year		Diff	% Diff	Actual	Mid-Year		Diff	% Diff
		Forecast					Forecast			
NYCT	\$5,499.1	\$5,588.4	\$89.3	1.6%	NYCT	\$540.2	\$540.3	\$0.0	0.0%	
LIRR	1,107.7	1,170.2	62.5	5.3%	LIRR	120.8	122.3	1.5	1.2%	
MNR	931.8	963.4	31.6	3.3%	MNR	99.4	99.5	0.1	0.1%	
B&T	301.3	322.5	21.2	6.6%	B&T	43.3	44.5	1.2	2.7%	
Total	\$7,839.9	\$8,044.5	\$204.6	2.5%	Total	\$803.7	\$806.6	\$2.8	0.4%	

For the month, expenses were \$2.8 million, or 0.4%, favorable to Forecast. This variance mainly reflects favorable timing-related variances for non-labor expenses at the LIRR and MNR, mostly offset by unfavorable labor expense variances at the commuter railroads due to the timing of retroactive wage accruals. NYCT was on target, as slightly lower labor costs were offset by slightly higher non-labor costs. The LIRR was favorable by \$1.5 million, or 1.2%, due to the timing of materials & supplies, professional service contracts, other business expenses, and maintenance and other operating contracts and mostly offset by higher labor expenses due to the timing of retroactive wage accruals. MNR was on target with the forecast, as higher labor costs due to the timing of retroactive wage accruals were offset by lower non-labor costs due to the timing of maintenance contracts. B&T was favorable by \$1.2 million, or 2.7%, largely due to higher vacancies.

Year-to-date preliminary expenses were \$204.6 million, or 2.5%, favorable to the Mid-Year Forecast, with two-thirds of the variance arising from labor expenses that reflect the favorable timing associated with the labor settlements. Most notably, NYCT's favorable variance is made up of lower labor expenses of \$84.7 million, and lower non-labor expenses of \$4.5 million. Lower pension costs account for \$79 million of NYCT's favorable labor variance, as additional NYCERS expenses anticipated in July are awaiting additional actuarial analysis and will not be made until later in the year. NYCT's favorable non-labor variance was mostly attributable to lower paratransit contract expenses and maintenance contracts, partly offset by higher energy costs. LIRR labor expenses were favorable by \$29.8 million and non-labor expenses were favorable by \$32.7 million mainly due to the timing of materials & supplies, maintenance contracts, professional services, and other business expenses. MNR labor expenses were favorable by \$13.1 million and non-labor expenses were favorable by \$29.8 million, primarily due to electric power, professional services, and maintenance contracts. B&T was \$21.2 million favorable mainly due to higher vacancies and the timing of maintenance contract costs.

Overtime

	YTD September 2014 (\$ in millions)				Month of September 2014 (\$ in millions)					
	Actual	Mid-Year		Diff	% Diff	Actual	Mid-Year		Diff	% Diff
		Forecast					Forecast			
NYCT	\$314.5	\$309.1	(\$5.4)	-1.8%	NYCT	\$30.8	\$30.1	(\$0.7)	-2.4%	
LIRR	98.1	98.0	(0.1)	-0.1%	LIRR	10.2	9.1	(1.1)	-12.1%	
MNR	76.1	73.6	(2.5)	-3.4%	MNR	6.9	6.0	(0.9)	-15.0%	
B&T	15.3	16.4	1.1	6.9%	B&T	1.4	1.7	0.3	16.6%	
Total	\$504.0	\$497.1	(\$6.9)	-1.4%	Total	\$49.4	\$47.0	(\$2.4)	-5.2%	

Year-to-date preliminary overtime expenses were 1.4% unfavorable to the Mid-Year Forecast. For the month, expenses were \$2.4 million, or 5.2%, unfavorable to forecast. NYCT was 2.4% unfavorable, and an explanation for this variance was not available at the time of this report. NYCT's unfavorable year-to-date variances reflects the impacts from traffic congestion, increased breakdowns and related ramp delays on Department of Buses operations, as well as increased maintenance work on over-aged buses and on Bus facilities. The LIRR was 12.1% unfavorable mainly due to a retroactive wage adjustment, while MNR was 15.0% unfavorable mainly due to increased requirements for the station enhancement program and the emergency replacement of bridge timbers. B&T was 16.6% favorable due to a lower vacancy level than was expected when overtime was budgeted. While the Mid-Year Forecast included significant increases in Overtime from Adopted Budget levels, continuing unfavorable Overtime results will be re-examined during the November Financial Plan process.

Debt Service

Debt service expenses for September were \$194.5 million, which was \$9.5 million, or 4.7%, favorable against the Mid-Year Forecast due to lower than projected rates and the timing of interest payments. September YTD debt service costs were \$1,721.6 million, which was \$27.5 million, or 1.6%, favorable, also due to lower than projected rates and the timing of interest payments.

PMT and MTA Aid

YTD October 2014 (\$ in millions)					Month of October 2014 (\$ in millions)				
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Diff</u>	<u>%Diff</u>		<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Diff</u>	<u>%Diff</u>
PMT	\$1,066.1	\$1,058.5	\$7.6	0.7%	PMT	\$81.9	\$79.8	\$2.1	2.7%
MTA Aid	<u>225.3</u>	<u>236.0</u>	<u>(\$10.7)</u>	<u>-4.5%</u>	MTA Aid	<u>0.0</u>	<u>0.0</u>	<u>\$0.0</u>	<u>0.0%</u>
Total	\$1,291.4	\$1,294.5	(\$3.1)	-0.2%	Total	\$81.9	\$79.8	\$2.1	2.7%

Notes: 1) MTA Aid includes the License Fee, Vehicle Registration Fee, Taxi Fee, Automobile Rental Fee.
2) PMT replacement funds totaling \$307 million for the year, excluded from the results reported in this table, are projected to be received in five equal installments of \$61 million.

October Payroll Mobility Tax (PMT) receipts were \$2.1 million, or 2.7% above forecast; the YTD variance was favorable by \$7.6 million, or 0.7%, reflecting slightly better than expected activity in October and YTD.

MTA Aid YTD receipts of \$225.3 million were \$10.7 million or 5.0% unfavorable. Most of the shortfall was real due to an overstated MTA Aid forecast for 2014, reflecting an incorrect assumption of a temporary lag in receipts during the final two weeks of 2013 that was carried into the 2014 forecast. This situation will be corrected in the 2014 November Plan to recognize the permanency of the 2013 shortfall. The final 2014 MTA Aid quarterly payment will be received in December and reported with MTA's December results.

PBT and MMTOA

YTD October 2014 (\$ in millions)					Month of October 2014 (\$ in millions)				
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Diff</u>	<u>%Diff</u>		<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Diff</u>	<u>%Diff</u>
PBT	\$538.5	\$529.6	\$8.9	1.7%	PBT	\$65.0	\$46.0	\$19.1	41.4%
MMTOA	<u>902.0</u>	<u>902.0</u>	<u>\$0.0</u>	<u>0.0%</u>	MMTOA	<u>185.6</u>	<u>185.6</u>	<u>\$0.0</u>	<u>0.0%</u>
Total	\$1,440.5	\$1,431.6	\$8.9	0.6%	Total	\$250.7	\$231.6	\$19.1	8.2%

For October, Petroleum Business Tax (PBT) receipts of \$65.0 million were \$19.1 million, or 41.4%, above the Mid-Year forecast, \$12 million of which reflected a timing reversal of the September unfavorable variance; YTD PBT receipts of \$538.5 million was favorable by \$8.9 million, or 1.7%. Some of the favorable YTD variance was due to better than expected activity for the year.

The MMTOA payments for the month of \$185.6 million and YTD of \$902.0 million were consistent with the Budget.

Real Estate Transaction Taxes

YTD October 2014 (\$ in millions)					Month of October 2014 (\$ in millions)				
	<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Diff</u>	<u>%Diff</u>		<u>Actual</u>	<u>Mid-Year Forecast</u>	<u>Diff</u>	<u>%Diff</u>
MRT	\$293.1	\$307.3	(\$14.2)	-4.6%	MRT	\$30.1	\$34.1	(\$4.0)	-11.7%
NYC Urban	<u>647.9</u>	<u>609.4</u>	<u>\$38.4</u>	<u>6.3%</u>	NYC Urban	<u>\$65.1</u>	<u>48.1</u>	<u>\$17.0</u>	<u>35.4%</u>
Total	\$941.0	\$916.8	\$24.2	2.6%	Total	\$95.2	\$82.2	\$13.0	15.9%

Total real estate taxes for October were \$13.0 million (15.9%) favorable against the Mid-Year Forecast, contributing to a favorable YTD variance of \$24.2 million (2.6%). YTD Total Real Estate Transaction Taxes are ahead of 2013 levels by \$187.5 million, or 24.9%, reflecting strong Urban Tax collections while MRT receipts have been slightly unfavorable.

Regional Mortgage Recording Tax¹ receipts for October were \$4.0 million or 11.7% below the Mid-Year Forecast; MRT-1 was \$1.5 million unfavorable, while MRT-2 receipts were unfavorable by \$2.5 million. YTD MRT receipts fell short of the Mid-Year Forecast by \$14.2 million or 4.6%, with MRT-1 receipts \$4.8 million unfavorable and MRT-2 receipts \$9.4 million unfavorable.

New York City Urban Tax² receipts for October were \$17.0 million or 35.4% favorable, making YTD Urban Tax receipts \$38.4 million (6.3%) favorable. For October, the MRT portion of the Urban Tax was \$1.6 million or 9.3% favorable, while the Real Property Transfer Tax (RPTT) portion of the Urban Tax was favorable by \$15.4 million or 50.1%. Urban Tax revenues have shown considerable variability in 2014: \$343 million (53% of the YTD total) was received over just four months – January, February, July and October – while the other six months have averaged \$51 million, consistent with the \$50 million monthly average for all of 2013 and just slightly ahead of the the \$48 million per month projected for the remainder of 2014.

¹ Mortgage Recording Taxes consist of two separate taxes on all mortgages recorded in the twelve-county region: MRT-1 is a tax on both commercial and residential mortgages, while MRT-2 is imposed on residential real estate structures containing one to six dwelling units.

² New York City Urban Taxes are imposed on non-residential property and apartment building transactions within New York City that are valued at over \$500,000. The MRT component of the Urban Tax is imposed on mortgages of commercial property exceeding \$500,000, and the Real Property Transfer Tax component is imposed on the transfer of NYC commercial real properties valued over \$500K.

Real Estate Transaction Taxes Receipts (\$ in millions)

Mid-Year Forecast vs. Actual Receipts

2014 Mid-Year Forecast	2014	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD Oct
MRT-1	\$266.2	\$22.7	\$25.0	\$14.7	\$21.0	\$18.6	\$24.0	\$23.4	\$23.4	\$23.4	\$23.4	\$23.4	\$23.4	\$219.5
MRT-2	109.3	8.8	7.8	6.4	7.2	6.9	7.7	10.7	10.7	10.7	10.7	10.7	10.7	87.9
Total MRT	\$375.5	\$31.5	\$32.9	\$21.2	\$28.2	\$25.5	\$31.7	\$34.1	\$34.1	\$34.1	\$34.1	\$34.1	\$34.1	\$307.3
RPTT	\$483.1	\$81.2	\$48.2	\$19.6	\$33.3	\$27.9	\$36.1	\$83.2	\$30.7	\$30.7	\$30.7	\$30.7	\$30.7	\$421.6
MRT	222.5	19.7	26.0	10.8	20.6	16.0	25.4	17.3	17.3	17.3	17.3	17.3	17.3	187.9
Total Urban Tax - NYCT 90% share	\$705.6	\$100.9	\$74.2	\$30.4	\$53.9	\$43.9	\$61.4	\$100.6	\$48.1	\$48.1	\$48.1	\$48.1	\$48.1	\$609.4
Total Real Estate Taxes	\$1,081.111	\$132.4	\$107.1	\$51.5	\$82.1	\$69.4	\$93.1	\$134.6	\$82.2	\$82.2	\$82.2	\$82.2	\$82.2	\$916.8

2014 Monthly Actuals	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD Oct
MRT-1	\$22.7	\$25.0	\$14.7	\$21.0	\$18.6	\$24.0	\$20.3	\$22.5	\$23.9	\$21.9			\$214.6
MRT-2	8.8	7.8	6.4	7.2	6.9	7.7	7.4	8.6	9.3	8.2			78.5
Total MRT	\$31.5	\$32.9	\$21.2	\$28.2	\$25.5	\$31.7	\$27.7	\$31.1	\$33.2	\$30.1			\$293.1
RPTT	\$81.2	\$48.2	\$19.6	\$33.3	\$27.9	\$36.1	\$84.5	\$37.9	\$36.9	\$46.1			\$451.6
MRT	19.7	26.0	10.8	20.6	16.0	25.4	18.5	19.4	20.9	19.0			196.3
Total Urban Tax - NYCT 90% share	\$100.9	\$74.2	\$30.4	\$53.9	\$43.9	\$61.4	\$103.0	\$57.3	\$57.8	\$65.1			\$647.9
Total Real Estate Taxes	\$132.4	\$107.1	\$51.5	\$82.1	\$69.4	\$93.1	\$130.7	\$88.4	\$91.0	\$95.2			\$941.0

Variances	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD Oct
MRT-1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$3.1)	(\$0.8)	\$0.5	(\$1.5)			(\$4.8)
MRT-2	0.0	0.0	0.0	0.0	0.0	0.0	(3.3)	(2.1)	(1.4)	(2.5)			(9.4)
Total MRT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$6.4)	(\$3.0)	(\$0.9)	(\$4.0)			(\$14.2)
RPTT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.2	\$7.2	\$6.2	\$15.4			\$30.0
MRT	0.0	0.0	0.0	0.0	0.0	0.0	1.2	2.0	3.6	1.6			8.4
Total Urban Tax - NYCT 90% share	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.4	\$9.2	\$9.8	\$17.0			\$38.4
Total Real Estate Taxes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$3.9)	\$6.3	\$8.9	\$13.0			\$24.2
MRT-1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-13.2%	-3.5%	2.4%	-6.4%			-2.2%
MRT-2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-30.8%	-19.9%	-13.4%	-23.2%			-10.7%
Total MRT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-18.8%	-8.7%	-2.6%	-11.7%			-4.6%
RPTT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	23.4%	20.1%	50.1%			7.1%
MRT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.9%	11.7%	20.6%	9.3%			4.5%
Total Urban Tax - NYCT 90% share	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	19.2%	20.3%	35.4%			6.3%
Total Real Estate Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.9%	7.6%	10.8%	15.9%			2.6%

Real Estate Transaction Taxes Receipts (\$ in millions)

2014 Receipts vs. 2013 Receipts

2013 Monthly Actuals	2013 Act	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	YTD Oct
MRT-1	\$253.6	\$20.5	\$24.6	\$16.0	\$18.7	\$18.1	\$21.4	\$16.9	\$22.9	\$25.1	\$23.8	\$25.7	\$19.7	\$208.2
MRT-2	108.8	7.9	8.6	7.6	7.9	8.1	9.4	8.4	10.5	11.6	11.0	10.1	7.7	90.9
Total MRT	\$362.4	\$28.5	\$33.2	\$23.6	\$26.6	\$26.2	\$30.8	\$25.4	\$33.4	\$36.7	\$34.7	\$35.8	\$27.5	\$299.2
RPTT	\$399.0	\$44.9	\$56.8	\$14.5	\$42.4	\$13.1	\$17.5	\$19.9	\$35.4	\$25.6	\$27.8	\$68.4	\$32.9	\$297.7
MRT	195.5	18.5	23.6	10.1	14.8	13.2	16.4	10.2	16.2	17.8	15.8	21.9	17.0	156.7
Total Urban Tax - NYCT 90% share	\$594.5	\$63.3	\$80.4	\$24.6	\$57.1	\$26.3	\$33.9	\$30.1	\$51.6	\$43.4	\$43.7	\$90.3	\$49.8	\$454.4
Total Real Estate Taxes	\$956.9	\$91.8	\$113.6	\$48.2	\$83.7	\$52.5	\$64.7	\$55.5	\$85.0	\$80.1	\$78.4	\$126.1	\$77.3	\$753.5

2014 Monthly Actuals	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	YTD Oct
MRT-1	\$22.7	\$25.0	\$14.7	\$21.0	\$18.6	\$24.0	\$20.3	\$22.5	\$23.9	\$21.9			\$214.6
MRT-2	8.8	7.8	6.4	7.2	6.9	7.7	7.4	8.6	9.3	8.2			78.5
Total MRT	\$31.5	\$32.9	\$21.2	\$28.2	\$25.5	\$31.7	\$27.7	\$31.1	\$33.2	\$30.1			\$293.1
RPTT	\$81.2	\$48.2	\$19.6	\$33.3	\$27.9	\$36.1	\$84.5	\$37.9	\$36.9	\$46.1			\$451.6
MRT	19.7	26.0	10.8	20.6	16.0	25.4	18.5	19.4	20.9	19.0			196.3
Total Urban Tax - NYCT 90% share	\$100.9	\$74.2	\$30.4	\$53.9	\$43.9	\$61.4	\$103.0	\$57.3	\$57.8	\$65.1			\$647.9
Total Real Estate Taxes	\$132.4	\$107.1	\$51.5	\$82.1	\$69.4	\$93.1	\$130.7	\$88.4	\$91.0	\$95.2			\$941.0

Variiances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Oct
MRT-1	\$2.2	\$0.4	(\$1.3)	\$2.3	\$0.5	\$2.5	\$3.3	(\$0.4)	(\$1.2)	(\$1.9)			\$6.4
MRT-2	0.9	(0.8)	(1.1)	(0.7)	(1.2)	(1.6)	(1.0)	(1.9)	(2.3)	(2.7)			(12.5)
Total MRT	\$3.0	(\$0.4)	(\$2.5)	\$1.6	(\$0.7)	\$0.9	\$2.3	(\$2.3)	(\$3.5)	(\$4.6)			(\$6.0)
RPTT	\$36.3	(\$8.6)	\$5.1	(\$9.1)	\$14.8	\$18.6	\$64.6	\$2.5	\$11.3	\$18.3			\$153.9
MRT	1.2	2.4	0.7	5.9	2.8	8.9	8.3	3.2	3.1	3.1			39.6
Total Urban Tax - NYCT 90% share	\$37.5	(\$6.2)	\$5.8	(\$3.2)	\$17.6	\$27.5	\$72.9	\$5.7	\$14.4	\$21.4			\$193.5
Total Real Estate Taxes	\$40.6	(\$6.6)	\$3.3	(\$1.6)	\$16.9	\$28.4	\$75.2	\$3.5	\$11.0	\$16.8			\$187.5
MRT-1	10.5%	1.6%	-8.2%	12.5%	2.5%	11.7%	19.6%	-1.7%	-4.6%	-8.0%			3.1%
MRT-2	11.1%	-8.8%	-15.1%	-9.0%	-14.3%	-17.6%	-12.1%	-17.9%	-19.9%	-24.7%			-13.7%
Total MRT	10.7%	-1.1%	-10.4%	6.1%	-2.7%	2.8%	9.1%	-6.8%	-9.5%	-13.3%			-2.0%
RPTT	81.0%	-15.1%	35.2%	-21.5%	112.6%	106.3%	325.4%	7.2%	44.1%	65.9%			51.7%
MRT	6.4%	10.0%	6.7%	39.8%	21.3%	54.5%	81.3%	19.8%	17.5%	19.7%			25.3%
Total Urban Tax - NYCT 90% share	59.2%	-7.7%	23.5%	-5.6%	66.8%	81.2%	242.4%	11.1%	33.2%	49.1%			42.6%
Total Real Estate Taxes	44.2%	-5.8%	6.9%	-1.9%	32.1%	43.9%	135.6%	4.1%	13.7%	21.5%			24.9%

October 2014 BudgetWatch Regional Economy

New York City Employment

Sectors with Employment Gains in September 2014 Compared to September 2013

- Transportation, Utilities
- Other Services
- Education and Health Svcs
- Financial Activities
- Manufacturing



- Construction, Mining, Natural Resources
- Leisure and Hospitality
- Trade
- Professional and Business Services

Sectors with Employment losses in September 2014 Compared to September 2013

- Government
- Information



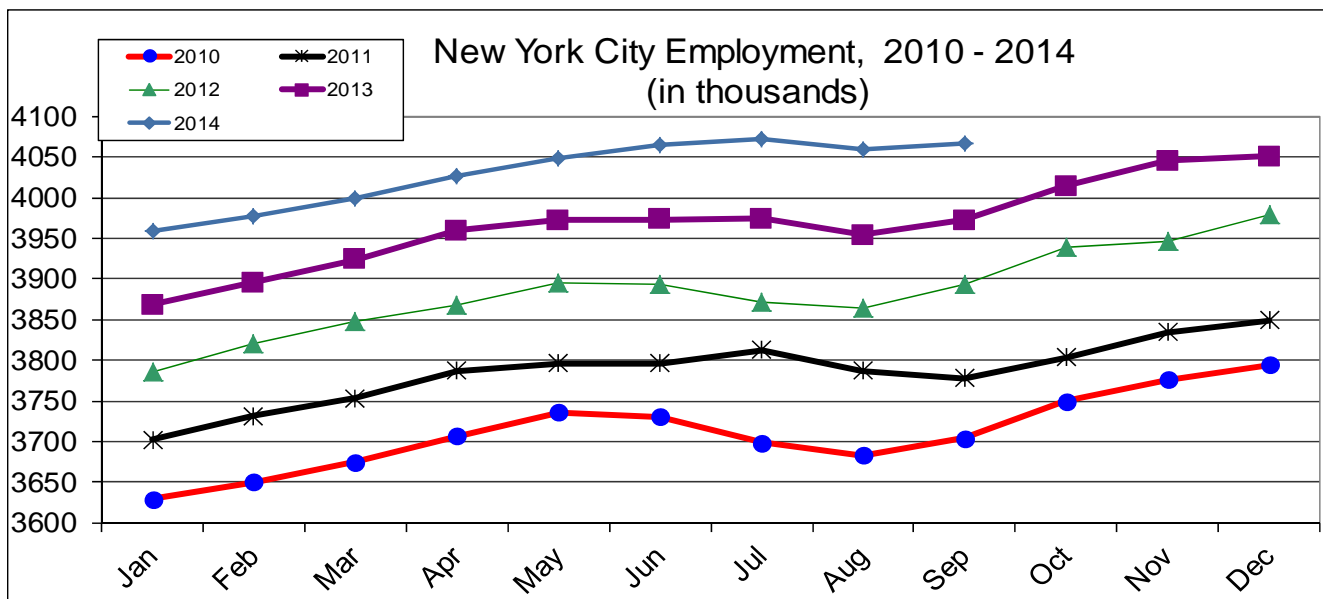
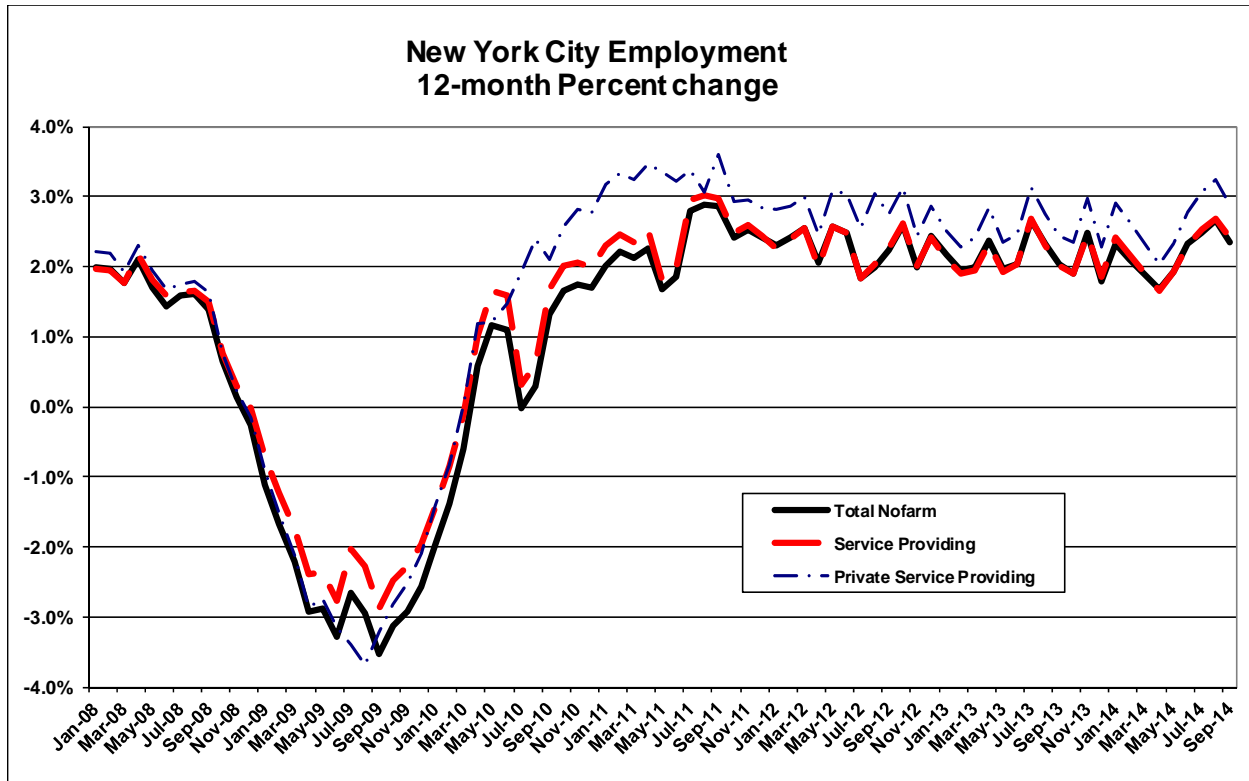
<i>New York City Employment</i> <i>(in thousands)</i>	Prelim Sep-14	Revised Aug-14	Sep-13	Gain / (Loss)			
				Sep-14 versus:			
				Aug-14		Sep-13	
				Net	Percent	Net	Percent
Total Employment	4066.0	4059.2	3972.5	6.8	0.2%	93.5	2.4%
Goods Producing	203.4	205.4	200.9	(2.0)	-1.0%	2.5	1.2%
Construction, Mining, Nat Res	126.2	128.0	123.9	(1.8)	-1.4%	2.3	1.9%
Manufacturing	77.2	77.4	77.0	(0.2)	-0.3%	0.2	0.3%
Service Producing	3862.6	3853.8	3771.6	8.8	0.2%	91.0	2.4%
Transportation, Utilities	123.5	120.4	122.5	3.1	2.6%	1.0	0.8%
Trade	499.2	497.5	483.2	1.7	0.3%	16.0	3.3%
Information	177.3	180.7	181.2	(3.4)	-1.9%	(3.9)	-2.2%
Financial Activities	444.4	447.7	436.9	(3.3)	-0.7%	7.5	1.7%
Education & Health Svcs	665.3	664.3	645.3	1.0	0.2%	20.0	3.1%
Professional & Business Svcs	835.8	823.4	803.8	12.4	1.5%	32.0	4.0%
Leisure & Hospitality	402.1	401.7	386.4	0.4	0.1%	15.7	4.1%
Other Services	178.9	177.0	174.3	1.9	1.1%	4.6	2.6%
Government	536.1	541.1	538.0	(5.0)	-0.9%	(1.9)	-0.4%

Preliminary September 2014 employment in New York City shows a gain of 93.5 thousand jobs (an increase of 2.4%) compared to last September's employment level. This marks the fiftieth consecutive month in which employment has improved over its level from one year earlier. The Professional & Business Services and the Education & Health Services sectors experienced the greatest gains among the major sectors, adding 32,000 and 20,000 jobs, respectively, over the past twelve months.

October 2014 BudgetWatch

Regional Economy

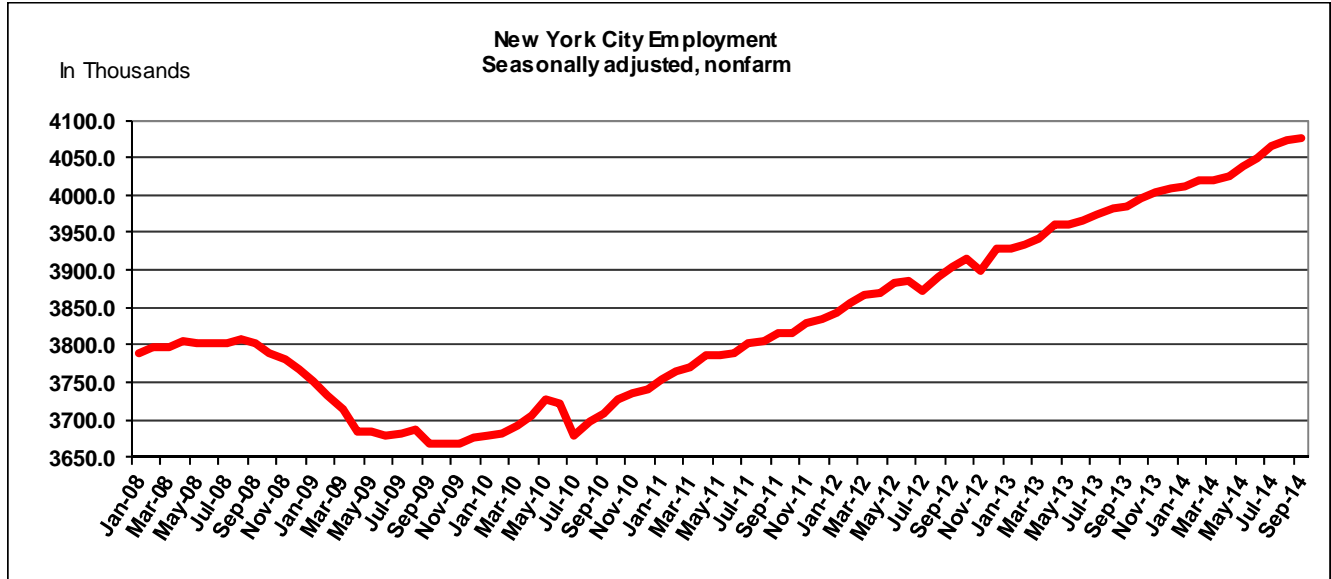
Employment in New York City's service-producing sectors increased by 91.0 thousand jobs, an increase of 2.4% over the September 2013 level. Private-sector service-providing employment in New York City increased by 92.9 thousand jobs, 2.9% higher than the level of one year ago, and September marks the fifty-fourth consecutive month that has seen a year-to-year improvement of more than one percent.



October 2014 BudgetWatch

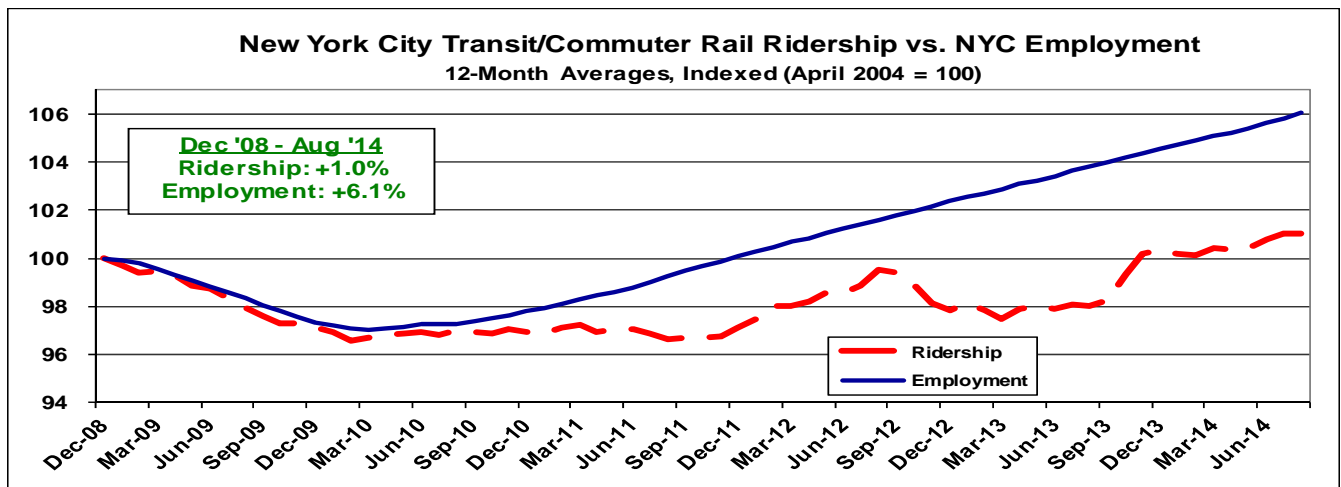
Regional Economy

In September, seasonally adjusted New York City employment of 4.1 million was higher than in September 2013 by 90.9 thousand jobs (2.3%), and slightly higher than in August 2014 by 3.0 thousand jobs.



Ridership and Employment

In December 2008, the twelve-month moving average for employment began to decline after increasing in 51 of the previous 59 months. For the next fifteen months in a row, the twelve-month moving average fell, and employment levels declined by 4.0%. In the 54 months from March 2010 through August 2014, the twelve-month monthly employment average has increased fifty-three times, and was 6.1% higher in August 2014 than the December 2008 level. Annualized (12-month average) New York City Transit/Commuter Rail ridership has grown to 1.0% above the December 2008 level. The twelve-month average for ridership in August 2014 was 3.1% higher than one year earlier.



October 2014 BudgetWatch Regional Economy

Consumer Price Index

Goods Reporting Price Increases in August 2014 Compared to July 2014

- Apparel

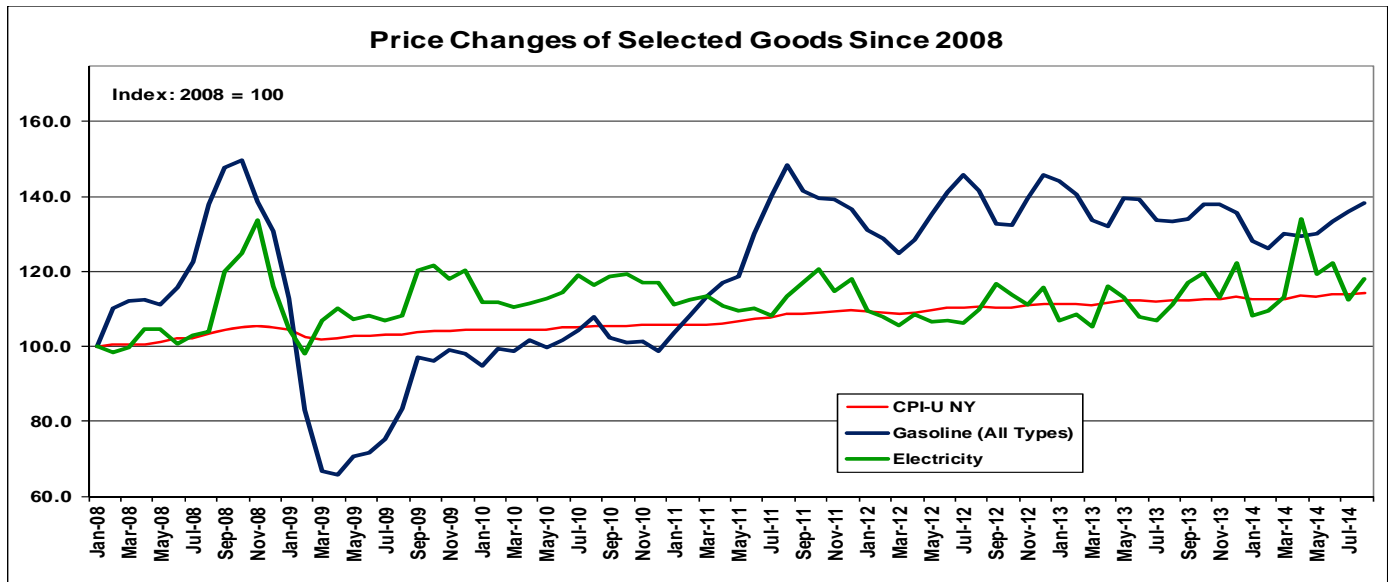


Goods Reporting Price Declines in August 2014 Compared to July 2014

- Transportation
- Gasoline
- Food
- Medical Care
- Electricity

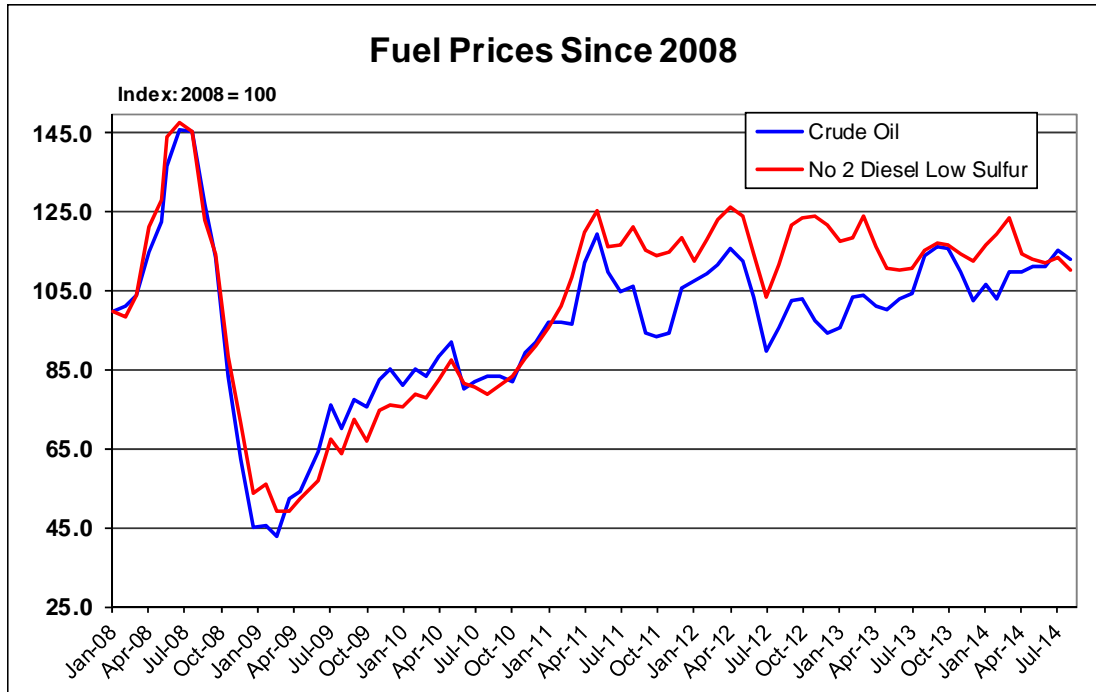


NY-NJ-CT Consumer Price Index All Urban Consumers (CPI-U)	Aug-14	Jul-14	Aug-13	Increase / (Decrease) Aug-14 vs			
				Jul-14		Aug-13	
				Net	Percent	Net	Percent
				Regional CPI-U	261.1	261.5	257.7
Medical Care Component	438.5	439.7	427.0	-1.2	-0.3%	11.5	2.7%
Electricity Component	193.5	197.2	186.6	-3.7	-1.9%	6.9	3.7%
Gasoline (all grades) Component	280.6	293.4	292.5	-12.8	-4.4%	(11.9)	-4.1%
National CPI-U	237.9	238.3	233.9	-0.4	-0.2%	4.0	1.7%



October 2014 BudgetWatch Regional Economy

Fuel Prices



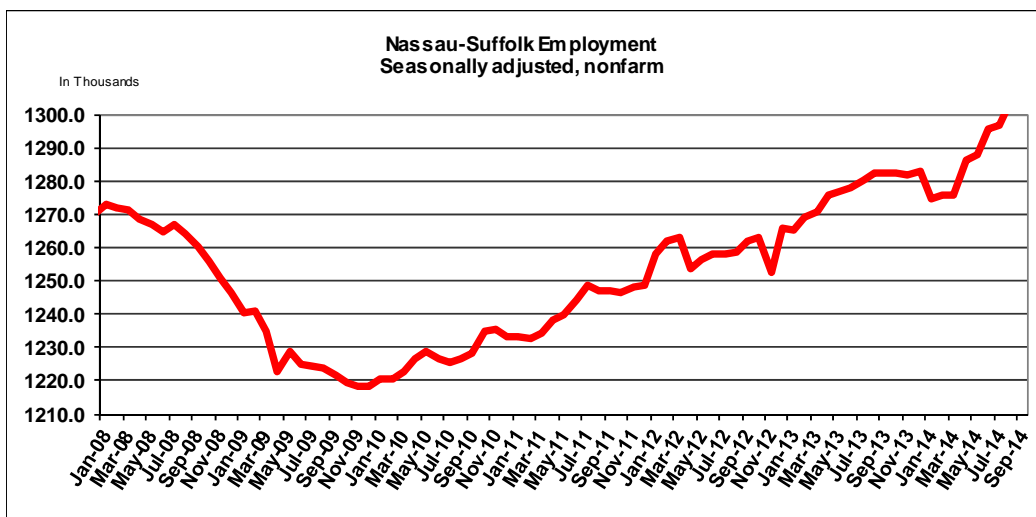
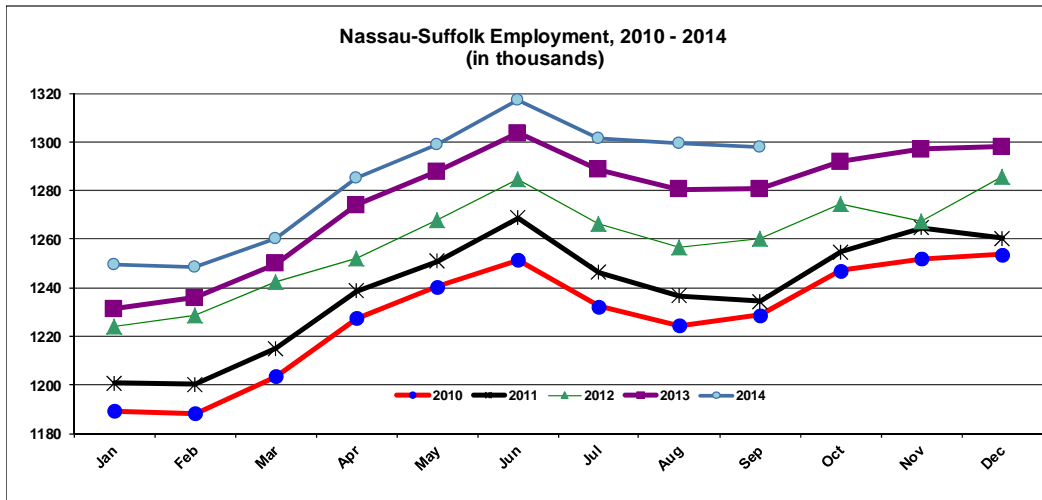
NOTE: Latest Crude Oil and No.2 Diesel Low Sulfur prices: March 18, 2014

Fuel Prices New York Spot Prices	Spot Price on: October 14, 2014	Most Recent Quarter			Change, Sep '14 vs.			
		Sep-14	Aug-14	Jul-14	Sep-13	Aug-14	Jul-14	Sep-13
		Crude Oil *	81.72	93.21	96.54	103.59	106.29	-3.4%
Conventional Regular Gasoline **	2.31	2.72	2.71	2.80	2.80	0.6%	-2.9%	-2.7%
Low Sulfur No.2 Diesel Fuel **	2.48	2.74	2.85	2.88	3.05	-3.9%	-4.8%	-10.1%
No.2 Heating Oil **	2.40	2.63	2.75	2.78	2.96	-4.4%	-5.2%	-11.1%

*\$ per barrel, ** \$ per gallon

October 2014 BudgetWatch Regional Economy

Nassau & Suffolk Employment (in thousands)	Gain / (Loss) Sep-14 versus						
	Prelim Sep-14	Revised Aug-14	Sep-13	Aug-14		Sep-13	
				Net	Percent	Net	Percent
Total Employment	1297.8	1299.2	1280.6	(1.4)	-0.1%	17.2	1.3%
Goods Producing	145.8	145.6	144.4	0.2	0.1%	1.4	1.0%
Construction, Mining, Nat Res	73.1	72.4	70.3	0.7	1.0%	2.8	4.0%
Manufacturing	72.7	73.2	74.1	(0.5)	-0.7%	(1.4)	-1.9%
Service Producing	1152.0	1153.6	1136.2	(1.6)	-0.1%	15.8	1.4%
Transportation, Utilities	41.4	39.3	40.4	2.1	5.3%	1.0	2.5%
Trade	233.5	235.9	228.0	(2.4)	-1.0%	5.5	2.4%
Information	23.4	23.7	23.7	(0.3)	-1.3%	(0.3)	-1.3%
Financial Activities	72.0	71.5	73.5	0.5	0.7%	(1.5)	-2.0%
Education & Health Svcs	173.7	175.8	169.9	(2.1)	-1.2%	3.8	2.2%
Professional & Business Svcs	244.9	240.9	236.1	4.0	1.7%	8.8	3.7%
Leisure & Hospitality	121.0	128.4	120.9	(7.4)	-5.8%	0.1	0.1%
Other Services	57.1	58.6	56.7	(1.5)	-2.6%	0.4	0.7%
Government	185.0	179.5	187.0	5.5	3.1%	(2.0)	-1.1%



October 2014 BudgetWatch Regional Economy

Poughkeepsie-Newburgh-Middletown Employment (in thousands)	Gain / (Loss) Sep-14 versus						
	Prelim Sep-14	Revised Aug-14	Sep-13	Aug-14		Sep-13	
				Net	Percent	Net	Percent
Total Employment	254.4	253.4	254.0	1.0	0.4%	0.4	0.2%
Goods Producing	29.1	28.9	28.6	0.2	0.7%	0.5	1.7%
Construction, Mining, Nat Res	10.8	10.6	10.1	0.2	1.9%	0.7	6.9%
Manufacturing	18.3	18.3	18.5	0.0	0.0%	(0.2)	-1.1%
Service Producing	225.3	224.5	225.4	0.8	0.4%	(0.1)	0.0%
Transportation, Utilities	9.1	8.9	8.9	0.2	2.2%	0.2	2.2%
Trade	48.3	49.1	47.6	(0.8)	-1.6%	0.7	1.5%
Information	3.5	3.6	3.6	(0.1)	-2.8%	(0.1)	-2.8%
Financial Activities	8.6	8.6	8.7	0.0	0.0%	(0.1)	-1.1%
Education & Health Svcs	22.2	22.1	23.4	0.1	0.5%	(1.2)	-5.1%
Professional & Business Svcs	53.9	51.8	53.7	2.1	4.1%	0.2	0.4%
Leisure & Hospitality	23.5	25.0	22.7	(1.5)	-6.0%	0.8	3.5%
Other Services	10.5	10.7	10.3	(0.2)	-1.9%	0.2	1.9%
Government	45.7	44.7	46.5	1.0	2.2%	(0.8)	-1.7%

