

# BUDGETWATCH

## February 2018 Flash Report

**Overall Latest Condition** (reporting on operations through January and subsidies through February):

Overall, preliminary results early in 2018 have been somewhat unfavorable. In January, the MTA experienced lower subway, bus and commuter rail passenger revenue, which were adversely affected by an early January snowstorm; B&T toll revenues were modestly favorable. Preliminary expenses were slightly unfavorable; primarily reflecting higher labor expenses (including overtime) at NYCT which were mostly offset by favorable results at the other Agencies. Overtime costs were unfavorable, primarily at NYCT to address subway delays, overcrowding and employee coverage. Debt service savings were timing-related. Through February, subsidies were \$8 million, or 1.3% favorable: PMT collections were \$4 million positive, and real estate transaction tax collections were \$3.6 million favorable.

### Passenger and Toll Revenues

Month of January 2018 (\$ in millions)				
	Actual	Adopted Budget	Diff	% Diff
NYCT:				
Subway	\$271.4	\$284.6	(\$13.2)	-4.6%
Bus	72.7	79.2	(6.6)	-8.3%
Other	8.0	8.1	(0.2)	-1.9%
NYCT	\$352.1	\$372.0	(\$19.9)	-5.4%
MTA Bus	15.3	18.0	(2.7)	-15.2%
LIRR	56.2	56.4	(0.3)	-0.5%
MNR	56.8	57.9	(1.0)	-1.8%
<b>Sub-total</b>	<b>\$480.4</b>	<b>\$504.3</b>	<b>(\$24.0)</b>	<b>-4.8%</b>
B&T	146.2	143.2	3.1	2.1%
<b>Total</b>	<b>\$626.6</b>	<b>\$647.5</b>	<b>(\$20.9)</b>	<b>-3.2%</b>

For the month, passenger revenues were unfavorable by \$24.0 million, or 4.8%. Revenues at NYCT, the Commuter Railroads, and MTA Bus were lower mostly due to adverse weather, particularly Winter Storm Grayson on January 4. Toll revenues were favorable for the month, reflecting higher than anticipated traffic levels.

### Total Operating Expenses before Non-Cash Liability Adjustments

Month of January 2018 (\$ in millions)				
	Actual	Adopted Budget	Diff	% Diff
NYCT	\$721.2	\$705.1	(\$16.1)	-2.3%
MTA Bus	63.9	67.2	3.3	4.9%
LIRR	129.9	137.5	7.6	5.5%
MNR	112.6	114.3	1.7	1.5%
B&T	43.1	43.7	0.6	1.4%
<b>Total</b>	<b>\$1,070.7</b>	<b>\$1,067.8</b>	<b>(\$2.9)</b>	<b>-0.3%</b>

Overall expenses for January were unfavorable by \$2.9 million, or 0.3%. NYCT was unfavorable mainly due to higher labor expenses, particularly overtime. The LIRR was favorable due to vacancies and timing-related savings for materials, professional services and other business expenses (partially offset by higher overtime). MTA Bus was favorable, mostly due to lower expenses for health & welfare, maintenance, professional services, and materials. MNR was favorable due to delays in procured services, and B&T was favorable due to vacancies.

## Overtime

Month of January 2018 (\$ in millions)				
	Adopted			
	Actual	Budget	Diff	% Diff
NYCT	\$56.1	\$43.9	(\$12.2)	-27.8%
MTA Bus	5.9	5.8	(0.1)	-2.0%
LIRR	13.7	12.4	(1.4)	-11.2%
MNR	9.3	8.6	(0.7)	-8.1%
B&T	<u>2.3</u>	<u>2.3</u>	<u>(0.0)</u>	<u>-1.6%</u>
<b>Total</b>	<b>\$87.3</b>	<b>\$72.9</b>	<b>(\$14.4)</b>	<b>-19.8%</b>

Preliminary overtime expenses for the month were \$14.4 million, or 19.8%, unfavorable. Winter Storm Grayson impacted overtime spending throughout the MTA, but the main contributor of the overage was at NYCT, due to requirements to mitigate subway service delays and overcrowding, and to provide vacancy/absentee coverage. The unfavorable LIRR variance also reflected higher vacancy coverage requirements.

## Debt Service

Debt Service expenses for January were \$217.5 million, which was \$10.9 million, or 4.8%, favorable to Budget due to the timing of debt service payments.

## State Dedicated Taxes and Fees

YTD February 2018 (\$ in millions)					Month of February 2018 (\$ in millions)				
	Adopted					Adopted			
	Actual	Budget	Diff	% Diff		Actual	Budget	Diff	% Diff
MMTOA	\$0.0	\$0.0	\$0.0	0.0%	MMTOA	\$0.0	\$0.0	\$0.0	0.0%
PBT	108.4	108.1	0.3	0.3%	PBT	49.3	45.4	3.9	8.7%
PMT <sup>1</sup>	355.0	350.9	4.1	1.2%	PMT <sup>1</sup>	210.0	206.3	3.7	1.8%
MTA Aid <sup>2</sup>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	MTA Aid <sup>2</sup>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
<b>Total</b>	<b>\$463.4</b>	<b>\$459.0</b>	<b>\$4.4</b>	<b>1.0%</b>	<b>Total</b>	<b>\$259.3</b>	<b>\$251.6</b>	<b>\$7.7</b>	<b>3.0%</b>

The first MMTOA payment for the year is not expected until May. Petroleum Business Tax (PBT) receipts for February were \$3.9 million (8.7%) favorable, bringing the year-to-date variance close to the target. February Payroll Mobility Tax (PMT) collections were \$3.7 million (1.8%) favorable, improving the YTD favorable to \$4.1 million (1.2%). MTA Aid receipts are transferred quarterly, with the first transfer scheduled for March.

## Real Estate Transaction Taxes

YTD February 2018 (\$ in millions)					Month of February 2018 (\$ in millions)				
	Adopted					Adopted			
	Actual	Budget	Diff	% Diff		Actual	Budget	Diff	% Diff
MRT	\$75.6	\$78.5	(\$2.8)	-3.6%	MRT	\$39.5	\$39.2	\$0.3	0.7%
NYC Urban	<u>94.4</u>	<u>87.9</u>	<u>\$6.4</u>	<u>7.3%</u>	NYC Urban	<u>51.4</u>	<u>44.0</u>	<u>\$7.4</u>	<u>16.8%</u>
<b>Total</b>	<b>\$170.0</b>	<b>\$166.4</b>	<b>\$3.6</b>	<b>2.2%</b>	<b>Total</b>	<b>\$90.9</b>	<b>\$83.2</b>	<b>\$7.7</b>	<b>9.2%</b>

Total real estate transaction taxes for February were \$7.7 million (9.2%) favorable, with a favorable YTD variance of \$3.6 million (2.2%). Compared with last year through February, real estate taxes are \$50.1 million (22.7%) lower; Urban Tax is below last year's level by \$42.4 million (31.0%), and MRT is \$7.7 million (9.2%) unfavorable.

<sup>1</sup> PMT replacement funds, that are expected to total \$244.3 million for the year, are excluded from the results reported in this table.

<sup>2</sup> MTA Aid includes the License Fee, Vehicle Registration Fee, Taxi Fee and Automobile Rental Fee.

**Regional Mortgage Recording Tax**<sup>3</sup> receipts for February were \$0.3 million (0.7%) favorable; MRT-1 was favorable by \$1.2 million, and MRT-2 receipts were unfavorable by \$0.9 million. YTD MRT receipts were unfavorable by \$2.8 million (3.6%), with MRT-1 receipts \$0.5 million unfavorable and MRT-2 receipts \$2.3 million unfavorable.

**New York City Urban Tax**<sup>4</sup> receipts for February were \$7.4 million (16.8%) favorable, and YTD receipts were \$6.4 million (7.3%) favorable. February receipts for the Real Property Transfer Tax (RPTT) component were \$4.1 million (15.3%) favorable while receipts from the Mortgage Recording Tax (MRT) component were \$3.4 million (19.3%) favorable. YTD, RPTT receipts were \$3.1 million (5.9%) favorable, while MRT receipts were \$3.3 million (9.5%) favorable.

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<sup>3</sup> Mortgage Recording Taxes consist of two separate taxes on mortgages recorded in the twelve-county region: MRT-1 is a tax on all mortgages, while MRT-2 is also imposed on residential real estate structures containing up to six dwelling units.

<sup>4</sup> New York City Urban Taxes are imposed on commercial property and apartment building transactions within New York City. The MRT component is imposed on mortgages exceeding \$500,000, and the Real Property Transfer Tax component is imposed on transfers exceeding \$500,000.





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## Regional Economy Report

### New York City Employment

#### Sectors with Year-over-Year Employment Gains

- Construction, Mining, Natural Resources
- Financial Activities
- Education & Health Services
- Other Services
- Transportation, Utilities
- Professional & Business Services
- Leisure & Hospitality
- Government

#### Sectors with Year-over-Year Employment Losses

- Manufacturing
- Information
- Trade

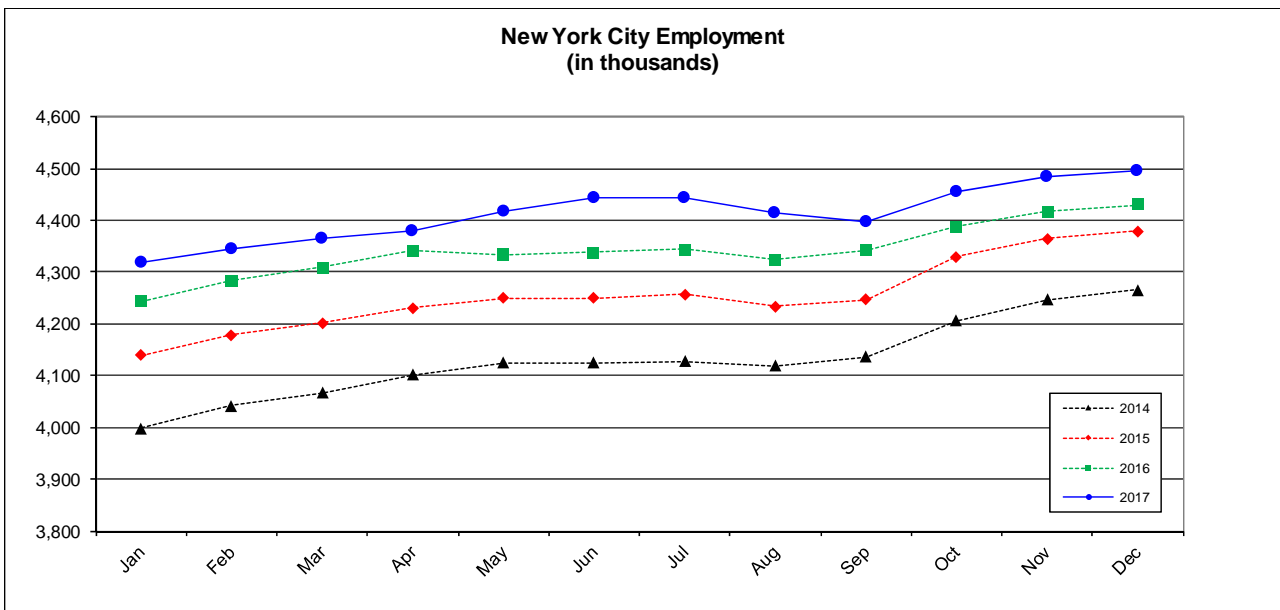
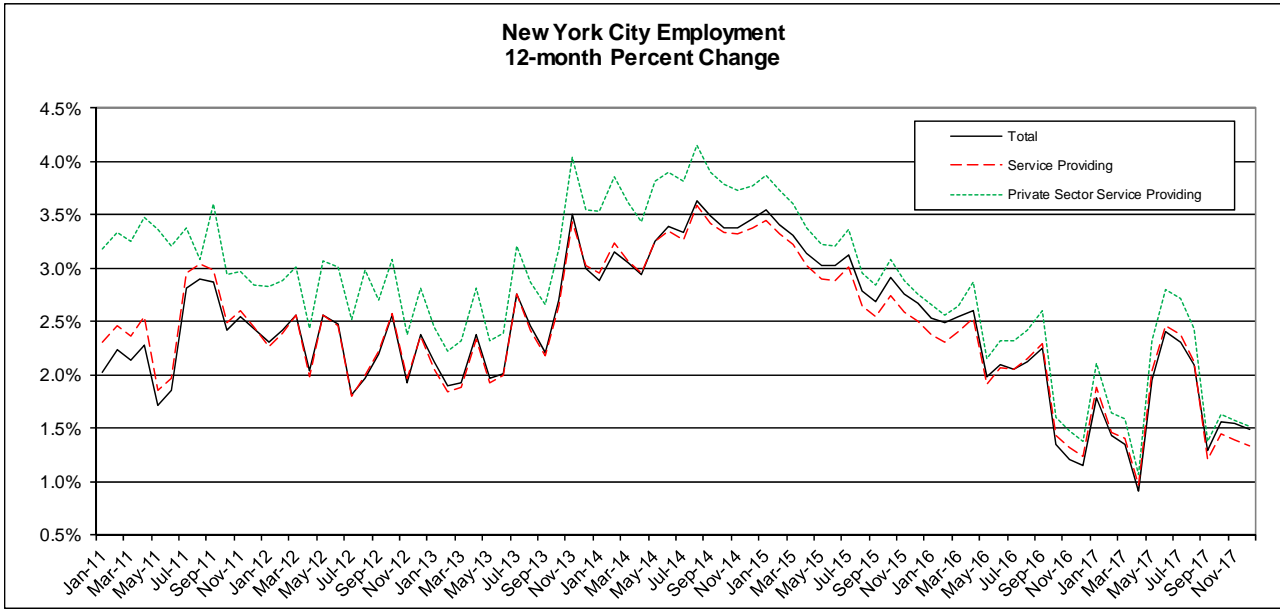
New York City Employment (in thousands)				Dec-17 versus			
	Prelim Dec-17	Revised Nov-17	Dec-16	Nov-17		Dec-16	
				Net	Pct	Net	Pct
<b>Total Employment</b>	<b>4,495.2</b>	<b>4,485.3</b>	<b>4,429.3</b>	<b>9.9</b>	<b>0.2%</b>	<b>65.9</b>	<b>1.5%</b>
<b>Goods Producing</b>	<b>232.7</b>	<b>234.4</b>	<b>223.0</b>	<b>(1.7)</b>	<b>-0.7%</b>	<b>9.7</b>	<b>4.3%</b>
Construction, Mining, Nat Res	158.2	158.9	148.1	(0.7)	-0.4%	10.1	6.8%
Manufacturing	74.5	75.5	74.9	(1.0)	-1.3%	(0.4)	-0.5%
<b>Service Providing</b>	<b>4,262.5</b>	<b>4,250.9</b>	<b>4,206.3</b>	<b>11.6</b>	<b>0.3%</b>	<b>56.2</b>	<b>1.3%</b>
Transportation, Utilities	142.9	139.6	139.9	3.3	2.4%	3.0	2.1%
Trade	501.6	498.6	510.3	3.0	0.6%	(8.7)	-1.7%
Information	189.6	191.9	196.6	(2.3)	-1.2%	(7.0)	-3.6%
Financial Activities	477.3	476.1	463.3	1.2	0.3%	14.0	3.0%
Professional & Business Svcs	757.6	752.8	741.0	4.8	0.6%	16.6	2.2%
Education & Health Svcs	991.0	987.5	967.5	3.5	0.4%	23.5	2.4%
Leisure & Hospitality	449.0	450.7	439.6	(1.7)	-0.4%	9.4	2.1%
Other Services	194.3	194.1	189.6	0.2	0.1%	4.7	2.5%
Government	559.2	559.6	558.5	(0.4)	-0.1%	0.7	0.1%

Preliminary December 2017 employment in New York City shows a gain of 65,900 jobs (1.5%) when compared to last December's employment level. This marks the ninety-third consecutive month in which employment has improved over its level from one year earlier. The Education & Health Services and the Professional & Business Services sectors experienced the greatest gains in the number of jobs among the major sectors, adding 23,500 and 16,600 jobs, respectively, over the past twelve months.

Employment in New York City's service-providing sectors increased by 56,200 jobs (1.3%) over the December 2016 level. Private-sector service-providing employment in New York City increased by 55,500 jobs (1.5%), the ninety-fourth consecutive month of year-to-year improvement.

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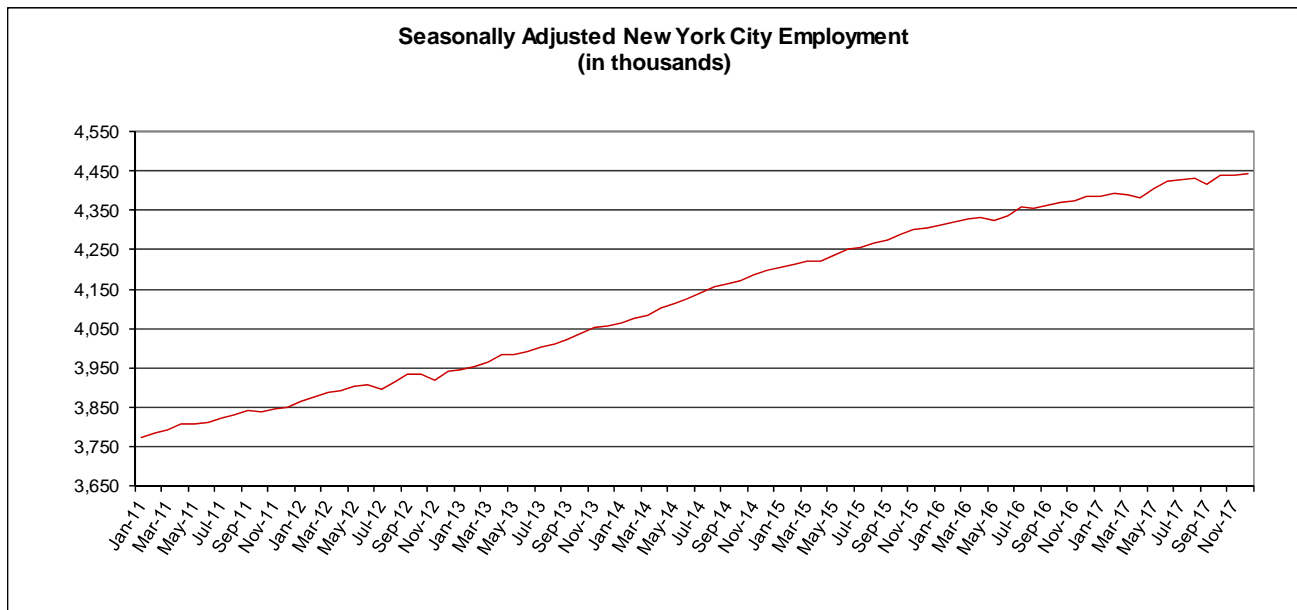
## Regional Economy Report



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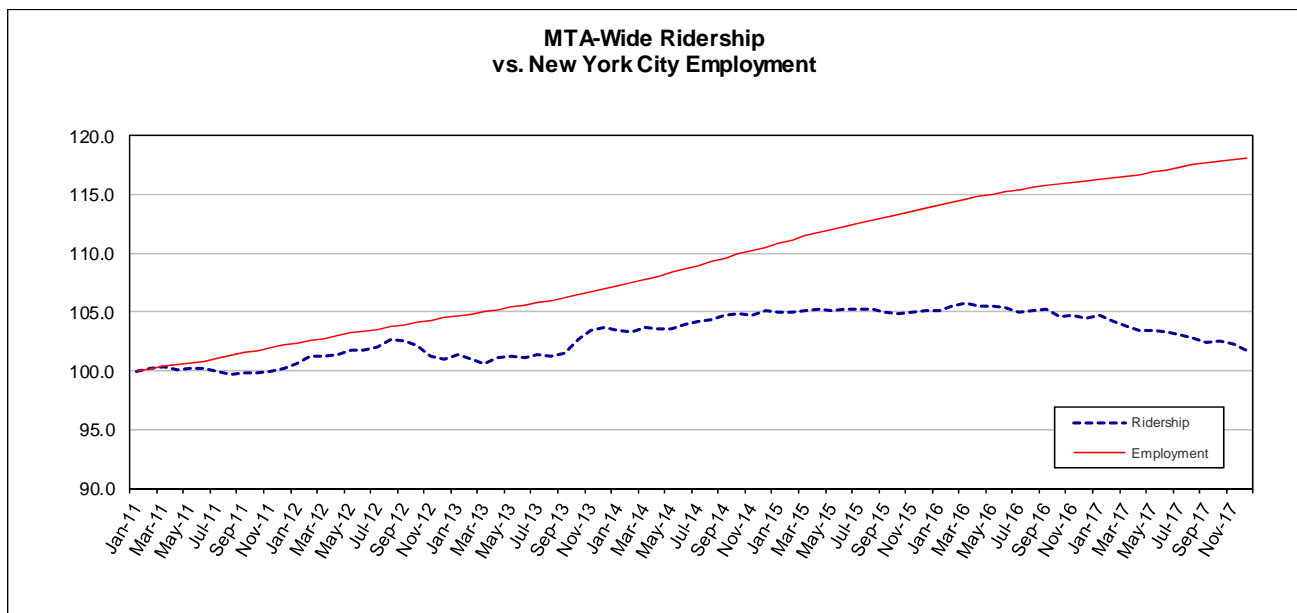
## Regional Economy Report

In December, seasonally adjusted New York City employment of 4.44 million was higher than in December 2016 by 56,000 jobs (1.28%), and was higher than the prior month by 3,600 jobs (0.08%).



### Ridership and Employment

In December 2008, the twelve-month moving average for employment began to decline after increasing in 56 of the previous 59 months. For sixteen consecutive months – though March 2010 – the twelve-month moving average fell, and employment levels declined by 3%. Since then, the twelve-month employment average has increased with almost no interruption. Considering the more recent period since January 2011, the twelve-month average for employment has increased by 18.1% through December 2017, while the 12-month average MTA-wide ridership has grown by 1.8%. The twelve-month average for ridership in December 2017 was 2.5% lower than one year earlier.





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## Regional Economy Report

### Consumer Price Index

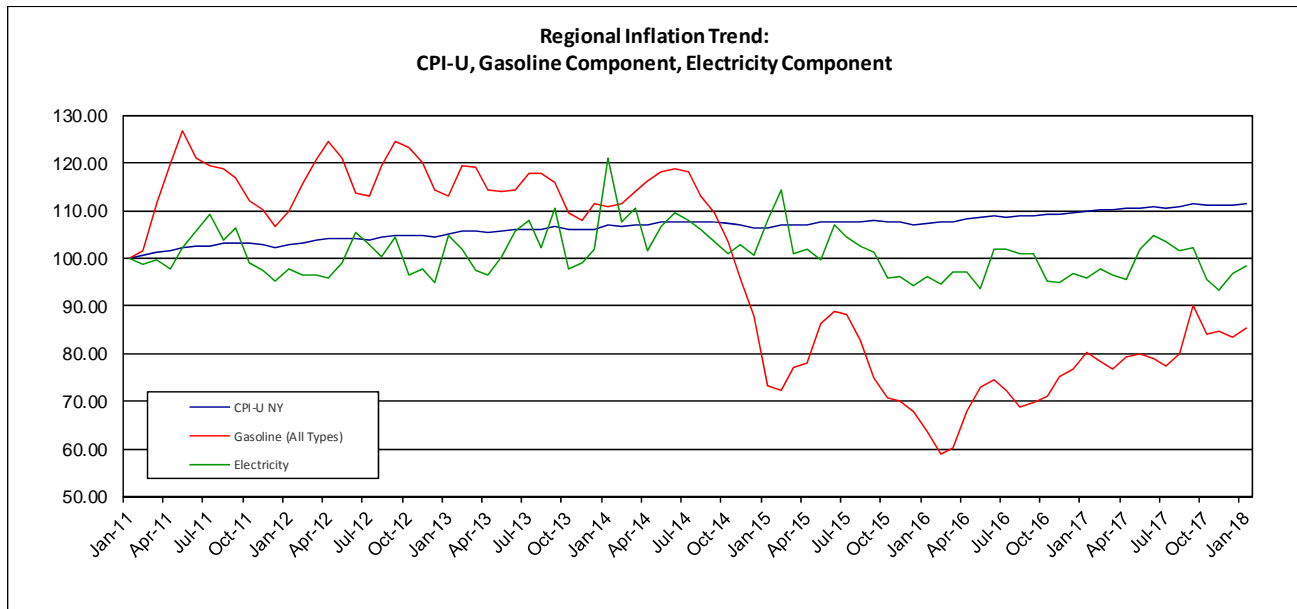
#### Goods Reporting Month-over-Month Price Increases

- Food
- Electricity
- Transportation
- Medical Care
- Apparel
- Gasoline

#### Goods Reporting Month-over-Month Price Declines

[none]

	Jan-18 versus							
	Dec-17		Jan-17		Dec-17		Jan-17	
	Jan-18	Dec-17	Jan-17	Net	Pct	Net	Pct	
<b>Regional CPI-U</b>	<b>270.77</b>	<b>269.56</b>	<b>266.92</b>	1.21	0.4%	3.85	1.4%	
Medical Care Component	483.36	481.15	474.45	2.21	0.5%	8.91	1.9%	
Electricity Component	179.63	177.01	174.82	2.62	1.5%	4.81	2.8%	
Gasoline (all grades) Component	212.13	207.16	199.14	4.97	2.4%	12.99	6.5%	
<b>National CPI-U</b>	<b>247.87</b>	<b>246.52</b>	<b>242.84</b>	1.34	0.5%	5.03	2.1%	

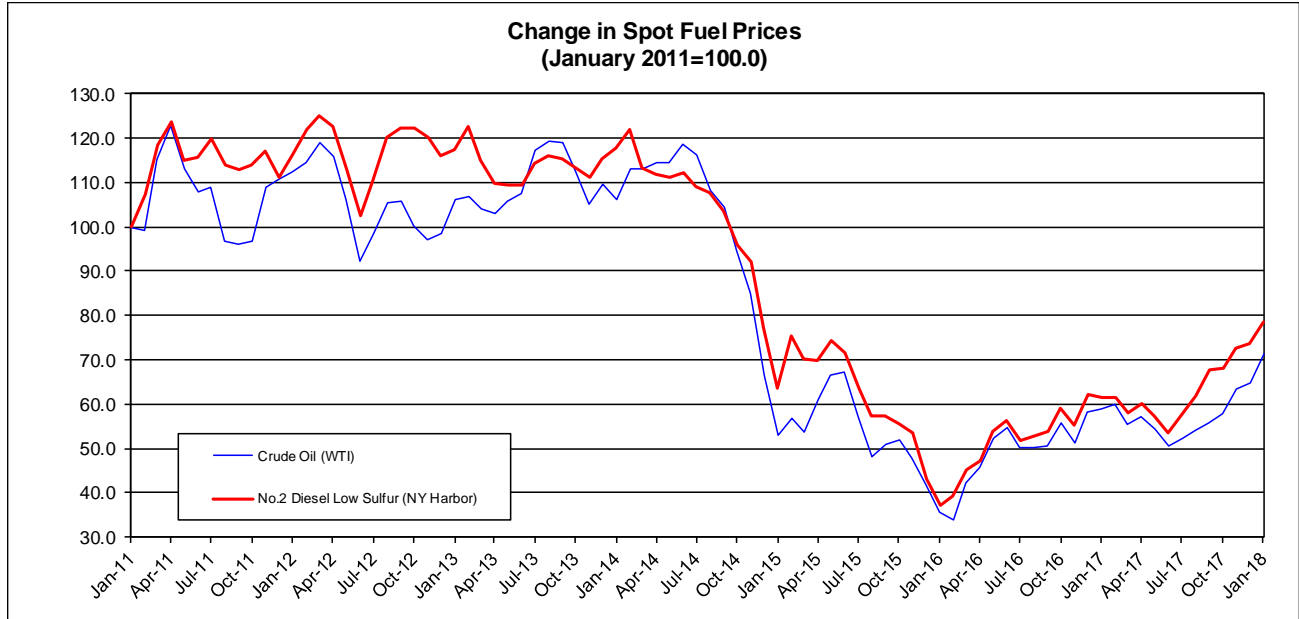


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## Regional Economy Report

### Fuel Prices

Fuel - Spot Prices <i>NY Harbor, except Crude Oil (WTI)</i>	Latest Price:			Jan-18 versus		
	2/12/18	Jan-18	Dec-17	Jan-17	Dec-17	Jan-17
Crude Oil (\$/bbl)	59.41	63.70	57.88	52.50	10.1%	21.3%
Conventional Regular Gasoline (\$/gal)	1.73	1.90	1.76	1.62	8.1%	17.2%
Low Sulfur No.2 Diesel Fuel (\$/gal)	1.85	2.07	1.94	1.62	6.7%	27.8%
No.2 Heating Oil (\$/gal)	1.77	2.02	1.86	1.55	8.3%	30.0%



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## Regional Economy Report

Nassau, Suffolk Employment (in thousands)				Dec-17 versus			
	Prelim Dec-17	Revised Nov-17	Dec-16	Nov-17		Dec-16	
				Net	Percent	Net	Percent
<b>Total Employment</b>	<b>1,357.1</b>	<b>1,353.9</b>	<b>1,352.2</b>	<b>3.2</b>	<b>0.2%</b>	<b>4.9</b>	<b>0.4%</b>
<b>Goods Producing</b>	<b>144.8</b>	<b>146.7</b>	<b>144.1</b>	<b>-1.9</b>	<b>-1.3%</b>	<b>0.7</b>	<b>0.5%</b>
Construction, Mining, Nat Res	75.0	76.9	72.8	-1.9	-2.5%	2.2	3.0%
Manufacturing	69.8	69.8	71.3	0.0	0.0%	-1.5	-2.1%
<b>Service Providing</b>	<b>1,212.3</b>	<b>1,207.2</b>	<b>1,208.1</b>	<b>5.1</b>	<b>0.4%</b>	<b>4.2</b>	<b>0.3%</b>
Transportation, Utilities	47.7	46.0	46.3	1.7	3.7%	1.4	3.0%
Trade	240.3	238.4	245.7	1.9	0.8%	-5.4	-2.2%
Information	19.2	18.7	19.4	0.5	2.7%	-0.2	-1.0%
Financial Activities	71.2	70.4	71.9	0.8	1.1%	-0.7	-1.0%
Professional & Business Svcs	176.7	177.1	178.6	-0.4	-0.2%	-1.9	-1.1%
Education & Health Svcs	275.6	276.1	268.1	-0.5	-0.2%	7.5	2.8%
Leisure & Hospitality	121.7	120.5	117.5	1.2	1.0%	4.2	3.6%
Other Services	58.3	59.3	58.3	-1.0	-1.7%	0.0	0.0%
Government	201.6	200.7	202.3	0.9	0.4%	-0.7	-0.3%

Orange, Rockland, Westchester Employment (in thousands)				Dec-17 versus			
	Prelim Dec-17	Revised Nov-17	Dec-16	Nov-17		Dec-16	
				Net	Percent	Net	Percent
<b>Total Employment</b>	<b>727.1</b>	<b>729.9</b>	<b>720.0</b>	<b>-2.8</b>	<b>-0.4%</b>	<b>7.1</b>	<b>1.0%</b>
<b>Goods Producing</b>	<b>68.1</b>	<b>68.2</b>	<b>67.1</b>	<b>-0.1</b>	<b>-0.1%</b>	<b>1.0</b>	<b>1.5%</b>
Construction, Mining, Nat Res	39.0	39.2	37.8	-0.2	-0.5%	1.2	3.2%
Manufacturing	29.1	29.0	29.3	0.1	0.3%	-0.2	-0.7%
<b>Service Providing</b>	<b>659.0</b>	<b>661.7</b>	<b>652.9</b>	<b>-2.7</b>	<b>-0.4%</b>	<b>6.1</b>	<b>0.9%</b>
Transportation, Utilities	26.8	26.0	26.5	0.8	3.1%	0.3	1.1%
Trade	127.2	124.7	124.0	2.5	2.0%	3.2	2.6%
Information	12.5	12.5	13.1	0.0	0.0%	-0.6	-4.6%
Financial Activities	37.6	37.6	37.1	0.0	0.0%	0.5	1.3%
Professional & Business Svcs	93.3	94.3	93.6	-1.0	-1.1%	-0.3	-0.3%
Education & Health Svcs	157.3	159.0	153.9	-1.7	-1.1%	3.4	2.2%
Leisure & Hospitality	58.9	60.7	60.9	-1.8	-3.0%	-2.0	-3.3%
Other Services	33.5	33.6	32.9	-0.1	-0.3%	0.6	1.8%
Government	111.9	113.3	110.9	-1.4	-1.2%	1.0	0.9%

Dutchess, Putnam Employment (in thousands)				Dec-17 versus			
	Prelim Dec-17	Revised Nov-17	Dec-16	Nov-17		Dec-16	
				Net	Percent	Net	Percent
<b>Total Employment</b>	<b>149.3</b>	<b>149.8</b>	<b>145.5</b>	<b>-0.5</b>	<b>-0.3%</b>	<b>3.8</b>	<b>2.6%</b>
<b>Goods Producing</b>	<b>18.7</b>	<b>18.9</b>	<b>17.9</b>	<b>-0.2</b>	<b>-1.1%</b>	<b>0.8</b>	<b>4.5%</b>
Construction, Mining, Nat Res	8.6	8.9	8.0	-0.3	-3.4%	0.6	7.5%
Manufacturing	10.1	10.0	9.9	0.1	1.0%	0.2	2.0%
<b>Service Providing</b>	<b>130.6</b>	<b>130.9</b>	<b>127.6</b>	<b>-0.3</b>	<b>-0.2%</b>	<b>3.0</b>	<b>2.4%</b>
Transportation, Utilities	4.6	4.5	4.4	0.1	2.2%	0.2	4.5%
Trade	20.6	20.4	20.2	0.2	1.0%	0.4	2.0%
Information	1.9	1.8	2.0	0.1	5.6%	-0.1	-5.0%
Financial Activities	4.8	4.8	4.8	0.0	0.0%	0.0	0.0%
Professional & Business Svcs	11.5	11.7	11.6	-0.2	-1.7%	-0.1	-0.9%
Education & Health Svcs	39.2	39.5	38.2	-0.3	-0.8%	1.0	2.6%
Leisure & Hospitality	13.9	14.2	13.0	-0.3	-2.1%	0.9	6.9%
Other Services	7.5	7.4	7.0	0.1	1.4%	0.5	7.1%
Government	26.6	26.6	26.4	0.0	0.0%	0.2	0.8%

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