

**MTA 2017 BUDGET AND 2017-2020 FINANCIAL PLAN
ADOPTION MATERIALS**

**MTA Finance Committee
MTA Board**

**December 12, 2016
December 14, 2016**



Metropolitan Transportation Authority

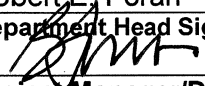
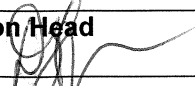
MTA 2017 Budget and 2017-2020 Financial Plan Adoption Materials

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
**I. Staff Summary MTA Consolidated
2017 Budget and 2017-2020
Financial Plan**

Staff Summary

Subject MTA 2017 Budget and 2017-2020 Financial Plan
Department Chief Financial Officer
Department Head Name Robert E. Foran
Department Head Signature 
Project Manager/Division Head Douglas F. Johnson 

Date December 12, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/12			
2	Board	12/14			

Internal Approvals			
Order	Approval	Order	Approval
		1	Chief Financial Officer 
		2	Legal 
		3	Chief of Staff 
		4	Chief Executive Officer 

Purpose:

To secure MTA Board (i) adoption of the accompanying **2017 Final Proposed Budget and the Four-Year Financial Plan 2017-2020 (“November Plan” or “Plan”)**, which includes approving the 2016 Final Estimate and Plan Adjustments (items below the baseline), and (ii) authorization of Budget and Plan adjustments, including MTA efficiency targets, policy actions and MTA re-estimates, as set forth below in this Staff Summary.

Discussion:

This document summarizes **the November Plan** presented to the Board for information purposes at the November Board meeting, which projects ending cash balances of \$260 million in 2016, \$23 million in 2017, \$76 million in 2018, and \$32 million in 2019 with a projected cash deficit of \$319 million in 2020 (see attachment A). Since 2010, our financial plans – which are developed in a disciplined, consistent, and transparent process – have included the continuous pursuit of recurring cost reductions to temper the amount of revenues needed from biennial fare and toll increases and governmental subsidies and to provide funding for the capital program. Our financial plans also have added or restored service when sustainable while also addressing long-term costs, that had previously been considered “uncontrollable”, such as pensions, health care, paratransit, and debt service.

The November Plan captures the major assumptions that were first identified in the July Plan. It is updated to reflect stakeholder input and the impact of new developments and risks. It includes a revised current year forecast and finalization of the proposed budget for the upcoming year along with projections for the three out-years.

The July Plan was balanced through 2019 with a deficit of \$371 million in 2020. That Plan was based upon three key inter-related elements: (i) biennial fare and toll revenue yield increases of 4% in 2017 and 2019 (equivalent to 2% annual increases); (ii) annually recurring cost reduction targets of \$1.6 billion in 2016 growing to almost \$2.0 billion by 2020; and (iii) increased funding for the Capital Program from \$566 million in debt service savings during the plan period.. The July Plan also funded important investments over the plan period including: \$195 million to improve the customer experience; \$145 million for enhanced maintenance and operations; \$78 million for service and service support; and \$46 million on safety and security.

Changes from the July Plan

There have been revenue and expense re-estimates and other changes since the July Plan:

Changes and re-estimates improving financial results over the plan period

- Lower debt service expenses (\$294 million)
 - Timing of bond issuances/lower than projected rates (\$128 million)
 - Refunding savings (\$116 million)
 - Assumed favorable borrowing rates (\$26 million)
 - Variable rate savings (\$24 million)
- Lower electricity expense forecasts (\$122 million)
- Higher passenger and toll revenue forecasts (\$64 million)
- Higher Payroll Mobility Tax (PMT) and MTA Aid (\$61 million)
- Lower health & welfare forecasts (\$46 million)

Changes and re-estimates worsening financial results over the plan period

- Lower Real Estate Transaction tax receipt estimates (\$83 million)

In total, net re-estimates and other changes through the plan period are projected to be \$507 million favorable from the July Plan.

Highlights of the November Plan

The November Plan continues to follow the approach reflected in July and earlier plans.

Hold projected fare/toll increases to 4% in 2017 and 2019. The Plan continues to project 4% biennial fare/toll increases (the equivalent of 2% per year). Consistent with recent Plans, a March implementation is anticipated for both the 2017 and 2019 increases. The 2017 increase, being planned for mid-March, is being changed from a 4% revenue yield to a 4% price increase, saving customers approximately \$26 million a year or \$94 million over the plan period.

Increase support for the Capital Program. This Plan retains from the July Plan \$566 million of debt service savings from the Hudson Yards lease securitization and lower interest rates (both realized and projected) during the plan period to support the capital program.

Identify additional savings. The strength of our financial position is enhanced by our continued cost reduction efforts. The MTA has now identified savings initiatives to meet most of the savings targets from pre-2016 Financial Plans. In July, the MTA identified initiatives to meet \$495 million, or 73%, of the \$535 million of cost reductions targeted in the February Plan. Initiatives in procurement efficiencies, paratransit, IT consolidation and retiree prescription costs have been or are being implemented. In July the savings targets were increased by an incremental \$50 million per year starting in 2017, growing to \$200 million in 2020. We now have identified and implemented initiatives that address \$229 million of the \$756 million savings targets included in the July Plan.

A rebid of our medical benefits that includes higher discounts and lower pricing will yield significant savings over the plan period. MTA-wide recurring annual savings will result from a six-month delay in the implementation of a 2% cost of living allowance (COLA) increase for non-represented employees. Other savings have been identified in energy delivery, NHL efficiencies at Metro-North, and additional IT payroll savings.

Reducing expenses previously considered uncontrollable. The growth in non-discretionary costs remains a challenge. Certain expense categories are dependent on factors that are largely outside the control of the MTA. The MTA is committed to reducing this growth with strategies that include paying down our pension liability (when funding is available), reducing costs for debt service and health & welfare, the hedging of fuel purchases, and proactively managing paratransit.

In this Plan, the MTA will invest the unused 2016 General Reserve of \$145 million to reduce the unfunded liability of the LIRR Additional Pension Plan, saving \$16 million per year starting in 2018. Over the plan period these savings total \$48 million. This Plan is also accelerating \$80 million of PAYGO funding by four years, saving \$20 million in debt service over the plan period. This is in addition to the \$200 million acceleration proposed in July which will save \$39 million over the period.

NYCT will realize health & welfare efficiency savings from the previously described Medical Rebid and from savings, identified in the July Plan, from the Employer Group Waiver Plan -- a discount prescription drug plan for Medicare-eligible retirees made available through the Affordable Care Act. The MTA will continue to hedge approximately half of the value of our fuel purchases to reduce price uncertainty. This Plan also retains realized fuel savings, lower insurance, and lower scheduling and certification costs in Paratransit service, resulting from improved adherence to eligibility requirements and more trips diverted to lower cost taxis and vouchers from higher cost "primary" providers.

The MTA has raised the targeted level of savings in every year since 2010. We expect to meet the 2016 target of nearly \$1.6 billion, and total annual recurring savings of the programs initiated since 2010 are now expected to approach \$2 billion by 2020. Had the MTA not achieved these recurring savings, fare and toll increases totaling 20 percent would have been required to cover the additional expenses.

The November Plan includes service and customer experience investments from prior plans as well:

- Expansion Projects
 - Second Avenue Subway operating costs (in service date December 2016)
 - #7 Extension (in service date September 2015)
 - Fulton Street Transit Center (in service date November 2014)
 - East Side Access (projected in service date December 2022)
- Operating support for capital and other projects
 - NYCT station enhancement program (31 Stations)
 - Installation and maintenance of real-time information display signs and USB ports
 - Maintenance of B Division Countdown Clocks (year-end 2018)
 - Automated Passenger Counters on buses
 - Wi-Fi access in all NYCT underground stations (year-end 2016) and MTA buses
 - Upgrade of MNR retail facilities
 - Lease 10 electric buses (Zero Emission Initiative pilot)
 - Expand MNR homeless outreach at outlying stations and MTA PD at City terminals

The November Plan provides for an additional \$395 million in important Maintenance and Operations, Customer Experience and Service/Service Support investments over the plan period.

Investments in Maintenance and Operations. Additional investments of \$163 million proposed in the November Plan include:

- Scheduled Maintenance Systems Reforecast (\$30 million over the plan period): NYCT will refurbish 288 subway cars scheduled for a 14-year overhaul.
- Lifecycle Asset Maintenance Plan (\$30 million, beginning in 2020): The LIRR, following the results of a study that will assess M7 fleet systems and maintenance plans, will begin to replace critical components required to safeguard the reliability of fleet.

- All Weather Tires (\$27 million over the plan period): NYCT and MTA Bus will replace the rear tires on all revenue service buses with all-weather tires, which will eliminate one round of tire rotation, decrease mileage on front and middle tires, and reduce reliance on chains that can damage fleet when used during severe weather conditions.
- Bus Shop Engine Rebuild (\$15 million over the plan period): NYCT will replace/rebuild diesel engines on buses reaching critical maintenance milestones.
- Right-of-Way Clean-Up (\$10 million over the plan period): MNR will implement a system-wide cyclical right-of-way clean up initiative, which includes the establishment of maintenance gangs dedicated to handle the cleanup of various types of waste in a prioritized fashion.

Investments that Improve the Customer Experience. Additional investments of \$160 million proposed in the November Plan include:

- Open Road Tolling (\$149 million over the plan period): B&T will increase back-office support (e.g., bill processing, image reviews, violation enforcement, and legal activities) to manage and safeguard the collection of toll revenue when existing methods migrate to an entirely cashless system through Open Road Tolling. Utilizing this latest technology will provide customers with the option to pay tolls either through E-ZPass or by the Tolls by Mail program, and will be implemented at all B&T bridges and tunnels by end of 2017.
- Social Media (\$9 million over the plan period): NYCT and the Commuter Railroads will significantly enhance presence on social media to ensure 24/7 coverage, improving ability to inform and interact with customers and potential business partners in a timelier and comprehensive fashion.

Service and Service Support Investments. Additional investments of \$72million proposed in the November Plan include:

- Platform Budget Service Adjustments (\$71 million over the plan period): NYCT and MTA Bus will improve the reliability and frequency of service in response to ridership trends, operating conditions and maintenance requirements. Included within those adjustments are schedule changes that will improve service on nine of MTA Bus's under-performing routes; and permanently reopen the New South Ferry station by mid-year 2017.
- Rockland County Bus Service (\$1 million over the plan period): Enhance Saturday and commence Sunday Tappan Zee Express bus service between Rockland County and the Hudson and Harlem lines in Westchester County.

The "Bottom Line"

All together, these changes, re-estimates, and recommendations result in a net improvement to MTA's financial forecast over the plan period and a reduction in the 2020 deficit from \$371 million to \$319 million.

Challenges Going Forward

While our financial position has improved, there are many challenges and risks ahead:

Biennial fare and toll increases approximating inflation. While we work diligently to control costs, the reality is that combined fares and tolls only cover approximately half of the operating costs ("Farebox Operating Ratio") and a little more than a third of total costs, including capital costs ("Farebox Recovery Ratio"). Moreover, many expenses are dependent on pricing factors beyond our direct control (e.g., energy, health & welfare and pensions). If projected fare and toll increases are not implemented, our financial situation will quickly deteriorate

as revenue will not be able to keep pace with inflation and other cost growth.

Achieving efficiencies/consolidations. Efforts to reduce costs will continue, but it becomes increasingly challenging as much of the “low hanging fruit” has been harvested. We must, however, continue to pursue efficiencies and consolidations to maximize annually recurring savings. If we do not achieve our targets, deficits will occur earlier and be larger. We must also remain focused on existing cost control efforts to avoid backsliding. We cannot afford to “give back” any of the savings that we have worked so hard to achieve.

Expiring labor contracts. Labor contracts for the majority of the represented workforce will expire by mid-January of 2017. The July Plan assumes that settled contracts will result in annual net expense growth of 2% per year, which is consistent with inflation projections. Any contract settlements above this level will require reprioritization and reductions in other areas.

Address chronic/looming cost issues. The MTA will continue to address chronic and looming cost issues that put pressure on our finances.

Outstanding liabilities for workers compensation and FELA (the commuter rail equivalent), judgments and claims have risen significantly in recent years. Workers compensations liability has more than doubled to \$2.4 billion over the last 6 years. Incident prevention measures, improved case management and fraud detection efforts are underway.

Health Care costs (including the “Cadillac Tax”), continue to be a concern. Employee and retiree health care costs have grown at a rate well in excess of inflation for many years. In addition, the “Cadillac Tax” component of the Affordable Care Act adds additional pressure. This is a 40% excise tax assessed on the premium cost of coverage for health plans that exceed a certain annual limit, originally scheduled for implementation in 2018, but since delayed until 2020. Final guidance from the Internal Revenue Service is still pending, but preliminary analysis projects that the MTA could be subject to an excise tax levy up to \$70 million in 2020 with larger increases going forward as projected premium costs outpace the inflationary adjustments to the thresholds.

General economic conditions. The finances of the MTA are highly influenced by economic factors. Passenger and toll revenues, dedicated taxes and subsidies, debt service, pensions and energy costs are all impacted by the health of the economy. If the economic assumptions reflected in the Plan are not realized, the November Plan projected results could be adversely affected.

Possibility of interest rates higher than forecast. Since 2008, we have benefitted from historically low interest rates. In December 2015, the Federal Open Markets Committee (FOMC) increased the federal funds rate for the first time since late 2008, by a quarter point to a target range of 0.25% to 0.50%, and indicated support for future actions that would return inflation to a 2 percent level. Recently, the FOMC noted that the labor market has continued to strengthen, and economic growth has picked up from the modest pace seen during the first half of 2016. While the FOMC has not increased rates further, it continues to target an eventual return to a 2 percent inflation rate and many economists believe the FOMC has indicated a rate increase is likely to be announced in the near term. While the November Financial Plan includes interest rate assumptions in line with the FOMC’s recent actions and policy statements on future actions, a sudden increase in economic activity may result in inflationary growth, which in turn could lead to an increasing of the federal funds rate beyond what is currently anticipated. Such an increase could lead to an increase in bond rates more than projected in the Plan, which would ultimately increase our debt service costs.

Maintaining discipline to use non-recurring revenues, favorable budget variances, excess resources to fund Contributions to Capital and/or reduce unfunded liabilities, such as OPEBs and pension liabilities. Simply put, this strategy converts favorable “one-shots” into recurring savings. Similarly, when possible, the MTA should reinvest debt service savings as Contributions to Capital, which has become an increasingly important source of funding for our Capital Program.

Recommendation:

It is recommended that the Board:

- Adopt the 2017 Final Proposed Budget and Four-Year Financial Plan 2017-2020 (November Plan), which includes approving the 2016 Final Estimate and Plan Adjustments (items below the baseline). The approval of this Plan will supersede prior Board Plan approvals for this period. Note that the projected 2017 and 2019 fare/toll increase proposals will require separate Board action in advance of those dates.
- Authorize staff, under the guidance of the Chief Executive Officer and the Chief Financial Officer, to take actions to implement the policy actions set forth in the Plan.
- Authorize staff to accelerate \$280 million of future planned “Committed to Capital” contributions into 2016. This acceleration, to be made at the discretion of the Chief Executive Officer and the Chief Financial Officer, is expected to lower debt service payments over the Plan period by \$58 million. This proposed acceleration is made possible by favorable timing and other re-estimates in 2015 and 2016.
- Authorize staff to use debt service savings during the plan period to make additional “Committed to Capital” contributions of \$566 million to the 2015-2019 Capital Program. Contributions are scheduled as follows: \$84 million in 2016, \$93 million in 2017, \$120 million in 2018, \$133 million in 2019 and \$137 million in 2020.
- Authorize staff to release the unexpended 2016 general reserve (\$145 million). At the discretion of the Chief Executive Officer and the Chief Financial Officer, these funds may be applied towards reducing the unfunded pension liability associated with the “LIRR Additional Plan,” which would result in savings of approximately \$16 million in pension costs in the out-years.
- Authorize technical adjustments to MTA budgets and forecasts of a non-material nature in the February Plan.
- Authorize adjustment of MTA budgets and forecasts to reflect labor settlements approved from time to time by the Board.
- Approve additional actions (including budget and cash management), as has been done in past budget adoptions, as 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 2017, when and as directed by the Chief Executive Officer, the Chief Financial Officer, or their designees.

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 Chief Executive Officer, the Chief Financial Officer or their designees, 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 they are repaid prior to the end of the fiscal year in which made.

Uses of Payroll Mobility Tax (and Replacement Funds) and MTA Aid

Like the MRT-2 Corporate Account moneys, these subsidy monies, 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 and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary, and that the Chief Executive Officer, the Chief Financial Officer, or their designees 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 the Chief Executive Officer, the Chief Financial Officer or their designees 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 and its subsidiaries, and New York City Transit, and its subsidiary.

Inter-Agency Loans

The Board is requested to authorize the Chief Executive Officer, the Chief Financial Officer, or their designees, 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 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 Chief Executive Officer, the Chief Financial Officer or their designees, 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 Chief Executive Officer, the Chief Financial Officer, or their designees, 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” (“OPEB Trust”) to govern the administration and investment of the OPEB trust assets. Through 2014, \$300 million was moved into the trust. The Treasurer will continue to hold the remaining funds set aside in discrete sub-accounts that comprise the GASB Account. 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 2017 cash flow needs, the amounts withdrawn in 2017 must be paid back by December 31, 2019. If the GASB funds are used as inter-agency loans in 2017, they would be subject to repayment no later than December 31, 2018, consistent with the Inter-Agency Loan provision described above.

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METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2017-2020
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.	Non-Reimbursable	Actual 2015	Final Estimate 2016	Final Proposed Budget 2017	2018	2019	2020
10	Operating Revenue						
11	Farebox Revenue	\$5,961	\$6,032	\$6,087	\$6,126	\$6,149	\$6,183
12	Toll Revenue	1,809	1,869	1,867	1,865	1,878	1,885
13	Other Revenue	689	688	707	733	762	790
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$8,459	\$8,589	\$8,661	\$8,725	\$8,789	\$8,858
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$4,696	\$4,840	\$5,027	\$5,160	\$5,273	\$5,418
20	Overtime	755	764	756	764	778	794
21	Health & Welfare	1,050	1,179	1,286	1,354	1,443	1,533
22	OPEB Current Payment	502	547	592	633	687	746
23	Pensions	1,249	1,355	1,317	1,330	1,332	1,322
24	Other-Fringe Benefits	861	867	874	910	934	966
25	Reimbursable Overhead	(380)	(419)	(426)	(406)	(405)	(400)
26	Sub-total Labor Expenses	\$8,732	\$9,132	\$9,426	\$9,746	\$10,042	\$10,379
28	Non-Labor Expenses:						
29	Electric Power	\$474	\$412	\$511	\$531	\$552	\$591
30	Fuel	162	128	158	164	173	188
31	Insurance	57	43	51	60	66	76
32	Claims	331	275	281	287	295	301
33	Paratransit Service Contracts	379	391	411	435	472	511
34	Maintenance and Other Operating Contracts	579	678	789	765	767	797
35	Professional Service Contracts	380	436	530	465	451	463
36	Materials & Supplies	543	592	650	641	632	698
37	Other Business Expenses	196	178	185	183	193	199
38	Sub-total Non-Labor Expenses	\$3,101	\$3,133	\$3,565	\$3,531	\$3,602	\$3,824
40	Other Expense Adjustments:						
41	Other	\$37	\$53	\$46	\$47	\$49	\$51
42	General Reserve	0	0	155	160	165	170
43	Sub-total Other Expense Adjustments	\$37	\$53	\$201	\$207	\$214	\$221
45	Total Operating Expense before Non-Cash Liability Adj.	\$11,871	\$12,318	\$13,192	\$13,484	\$13,857	\$14,424
47	Depreciation	\$2,443	\$2,496	\$2,588	\$2,660	\$2,728	\$2,794
48	OPEB Liability Adjustment	1,490	1,850	1,939	2,008	2,081	2,158
49	GASB 68 Pension Expense Adjustment	(410)	(188)	(94)	(104)	(101)	(130)
50	Environmental Remediation	21	6	6	6	6	6
52	Total Operating Expense after Non-Cash Liability Adj.	\$15,414	\$16,481	\$17,631	\$18,053	\$18,572	\$19,253
54	Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,543)	(\$4,163)	(\$4,439)	(\$4,569)	(\$4,715)	(\$4,829)
56	Debt Service (excludes Service Contract Bonds)	2,373	2,458	2,641	2,781	2,934	3,085
58	Total Operating Expense with Debt Service	\$14,244	\$14,776	\$15,833	\$16,265	\$16,791	\$17,509
60	Dedicated Taxes and State/Local Subsidies	\$6,596	\$6,735	\$6,789	\$6,966	\$7,127	\$7,318
62	Net Surplus/(Deficit) After Subsidies and Debt Service	\$811	\$548	(\$382)	(\$574)	(\$875)	(\$1,333)
64	Conversion to Cash Basis: GASB Account	0	0	0	(8)	(18)	(29)
65	Conversion to Cash Basis: All Other	(661)	(272)	(96)	278	28	131
67	CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	\$150	\$276	(\$478)	(\$303)	(\$865)	(\$1,231)
68	ADJUSTMENTS	0	(496)	241	357	821	879
69	PRIOR-YEAR CARRYOVER	330	480	260	23	76	32
70	NET CASH BALANCE	\$480	\$260	\$23	\$76	\$32	(\$319)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2017-2020
Plan Adjustments
(\$ in millions)

Line No.	Actual 2015	Final Estimate 2016	Final Proposed Budget 2017	2018	2019	2020
Cash Balance Before Prior-Year Carry-over	\$150	\$276	(\$478)	(\$303)	(\$865)	(\$1,231)
Fare/Toll Increases:						
Fare/Toll Increase in March 2017 (4% Rate)		-	242	284	286	287
Fare/Toll Increase in March 2019 (4% Yield)		-	-	-	277	326
Subsidy Impacts of 2017/2019 Fare/Toll Increase		-	(9)	(8)	(18)	(18)
Sub-Total		\$0	\$233	\$276	\$544	\$595
MTA Efficiencies:¹						
MTA Efficiencies - Not Yet Implemented		-	-	13	17	8
Additional MTA Efficiencies - 2016 July Plan		-	41	100	150	200
Sub-Total		\$0	\$41	\$113	\$167	\$208
Policy Actions:						
2016 July Plan:						
Acceleration of Committed to Capital Contribution		(200)	-	-	150	50
Debt Service Savings from Acceleration of Contribution		-	12	12	12	3
Committed to Capital - Additional Funding from DS Savings		(84)	(81)	(108)	(121)	(134)
Committed to Capital - DS Savings from Acceleration of Contribution		-	(12)	(12)	(12)	(3)
2016 November Plan:						
Acceleration of Committed to Capital Contribution		(80)	-	-	-	80
Debt Service Savings from Acceleration of Contribution		-	5	5	5	5
Invest 2016 General Reserve to Reduce Pension Liability		(145)	-	16	16	16
Sub-Total		(\$509)	(\$76)	(\$87)	\$50	\$17
MTA Re-estimates:						
Debt Service Savings from Lower Variable Rates & New Refundings		6	17	18	20	19
Other MTA Re-estimates		7	26	36	40	40
Sub-Total		\$14	\$43	\$54	\$61	\$59
TOTAL ADJUSTMENTS		(\$496)	\$241	\$357	\$821	\$879
Prior-Year Carry-Over	330	480	260	23	76	32
Net Cash Surplus/(Deficit)	\$480	\$260	\$23	\$76	\$32	(\$319)

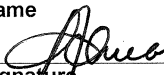
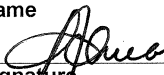
¹ The MTA strives to increase the level of annually recurring savings and does so by assigning savings targets that are captured below-the-line in Volume 1 of its financial plans. As savings initiatives are identified, they are incorporated into Agency baselines (Volume 2) with a corresponding reduction to the unidentified target. The July Plan identified a significant level of efficiencies reducing the level of remaining targeted savings to \$31 million in 2017, \$68 million in 2018, \$82 million in 2019 and \$76 million in 2020. As a result, the future targeted savings were increased in the July Plan by an incremental \$50 million per year starting in 2017 with savings from these new targets growing to \$200 million in 2020. The July Plan, therefore, assumed that \$81 million in additional savings would still need to be identified in 2017. Since the release of the July Plan, the MTA has identified \$40 million in savings towards the 2017 target (and further savings in the out years), reducing the remaining 2017 target to \$41 million in this Plan.

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**II. Agencies' Staff Summaries
2017 Budget and 2017-2020
Financial Plan**


Bridges and Tunnels


Staff Summary

Subject B&T 2017 Budget and 2017-2020 Financial Plan Adoption
Department Office of the Chief Financial Officer
Department Head Name Mildred Chua 
Department Head Signature 
Project Manager Name Dore Abrams

Date December 2, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	B&T Committee	12/12/16	X		
2	Finance Committee	12/12/16	X		
3	MTA Board	12/14/16	X		

Internal Approvals			
Order	Approval	Order	Approval
2	President 		VP Staff Services
	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) 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020.

DISCUSSION:

The 2017 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to maintain B&T's planned service levels, as well as MTA's commitment to provide safe, reliable and efficient transportation service to the metropolitan New York region. The baseline projections exclude the estimated impacts from projected toll increases, unidentified MTA efficiencies, and MTA policy actions. These impacts will be presented as part of MTA consolidated materials.

B&T estimates that for 2016 and 2017 combined, \$2,737.4 million will be provided in baseline net operating income.

2016 NOVEMBER FORECAST-BASELINE

The 2016 November Forecast projects \$1,897.3 million in non-reimbursable revenues, of which \$1,869.3 million is from Toll Revenue. Total non-reimbursable expenses before depreciation and other post-employment benefits are projected to be \$501.1 million, consisting of nearly \$248.1 million in labor expenses and nearly \$253.1 million in non-labor expenses. Total Support to Mass Transit is projected to be \$1.067 billion. Reimbursable revenue and expenses are both forecast at \$23.2 million. Total end-of-year positions are projected at 1,578, including 1,491 non-reimbursable positions and 87 reimbursable positions.

2017 FINAL PROPOSED BUDGET-BASELINE

The 2017 Final Proposed Budget projects \$1,894.2 million in non-reimbursable revenues, of which \$1,867.0 million is from Toll Revenue. Total non-reimbursable expenses before depreciation and other post-employment benefits are projected to be \$552.8 million, consisting of nearly \$273.5 million in labor expenses and nearly \$279.4 million in non-labor expenses. Total Support to Mass Transit is projected to be \$992.1 million. Reimbursable revenue and expenses are both forecast at \$23.9 million. Total end-of-year positions are projected at 1,591, including 1,504 non-reimbursable positions and 87 reimbursable positions.

MAJOR PROGRAMMATIC INITIATIVES

- **Governor's New York Crossings Project (NYCP)** – Major components of this initiative include:
 - B&T will be implementing Open Road Tolling (ORT) at its facilities throughout 2017 and all facilities will be fully operational by the end of the year. ORT will significantly enhance traffic flow, reduce congestion and decrease commute times, making it easier for New Yorkers to get where they need to go. Sensors and cameras will be suspended over the highway on gantries and vehicles will not be required to stop. Vehicles with E-ZPass will be automatically charged and non-E-ZPass vehicles will have their license plate recorded and a bill will be mailed to the registered owner of the vehicle.
 - New tunnel barriers will be installed to control major floods and seismic measures will be undertaken on bridges to provide long-term protection from earthquakes and other natural forces.
 - Approach plazas will be re-designed in ways that will enhance both the functionality and the aesthetics of the facilities. LED lighting, which can be programmed into different colors and patterns, will also be adopted on all B&T facilities.
 - Collaborations with New York State agencies will significantly enhance B&T's safety and security efforts. Anti-terrorism teams will be combined with traffic enforcement at crossings and new operating protocols will be developed across agencies.

- **Programs to Increase E-ZPass Usage**
 - **Marketing** efforts to promote the benefits of E-ZPass and the ease of opening and maintaining accounts may include promotional videos; links to social media, the MTA web site and travel related web sites; television, radio and print advertisements; customer communication through variable message signs; and a marketing presence at community events.
 - **MTA Reload Card** has made it significantly easier for customers to replenish their E-ZPass account with cash. To date, more than 170,000 cards have been issued to customers and approximately 17% of total cash replenishments are currently made using the reload cards.
 - **E-ZPass Pay Per Trip** enables customers to set up an E-ZPass account without a pre-paid balance by debiting their checking account through an Automated Clearinghouse (ACH) deduction on days when tolls are posted. To date, over 80,000 account holders have signed up for this initiative.

IMPACT ON FUNDING

The 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan 2017–2020, 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 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017–2020 for MTA Bridges and Tunnels.

The legal name of MTA Bridges and Tunnels is Triborough Bridge and Tunnel Authority.

MTA BRIDGES AND TUNNELS
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2015	2016	2017			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Revenue						
Vehicle Toll Revenue	\$1,808.901	\$1,869.308	\$1,866.960	\$1,865.491	\$1,878.098	\$1,885.161
Other Operating Revenue	36.172	27.527	26.220	26.220	26.220	26.220
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.183	0.427	0.987	1.240	1.240	1.240
Total Revenue	\$1,845.256	\$1,897.261	\$1,894.167	\$1,892.951	\$1,905.558	\$1,912.621
Operating Expenses						
<u>Labor:</u>						
Payroll	\$118.804	\$124.397	\$141.608	\$144.664	\$150.593	\$150.530
Overtime	21.914	26.309	26.658	27.190	27.740	28.305
Health and Welfare	25.014	24.854	31.044	31.554	32.774	34.026
OPEB Current Payment	16.799	18.153	19.424	19.871	20.745	21.679
Pensions	39.850	41.812	41.182	41.891	41.520	40.800
Other Fringe Benefits	19.918	17.681	18.936	19.291	21.210	21.960
Reimbursable Overhead	(7.200)	(5.123)	(5.368)	(5.151)	(5.150)	(5.148)
Total Labor Expenses	\$235.099	\$248.084	\$273.483	\$279.309	\$289.432	\$292.152
<u>Non-Labor:</u>						
Electric Power	\$4.991	\$4.966	\$5.971	\$6.221	\$6.488	\$6.961
Fuel	1.977	1.445	1.774	1.867	1.959	2.161
Insurance	14.798	14.855	15.617	16.323	17.081	17.886
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	129.500	151.154	177.037	227.408	231.890	239.017
Professional Service Contracts	27.936	39.450	40.885	40.914	41.410	42.513
Materials & Supplies	3.255	4.049	4.212	4.319	4.425	4.538
Other Business Expenses	35.203	37.141	33.866	34.753	35.649	36.743
Total Non-Labor Expenses	\$217.660	\$253.059	\$279.363	\$331.805	\$338.902	\$349.818
<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.	\$452.759	\$501.144	\$552.846	\$611.114	\$628.335	\$641.970
Add: Depreciation	\$109.783	\$119.521	\$127.853	\$136.766	\$146.300	\$156.499
Add: OPEB Obligation	71.148	67.291	70.656	74.189	77.898	81.793
Add: GASB 68 Pension Adjustment	(8.691)	(10.409)	(8.740)	(8.423)	(6.772)	(4.672)
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$624.999	\$677.546	\$742.615	\$813.646	\$845.761	\$875.590
Less: Depreciation	\$109.783	\$119.521	\$127.853	\$136.766	\$146.300	\$156.499
Less: OPEB Obligation	71.148	67.291	70.656	74.189	77.898	81.793
Less: GASB 68 Pension Adjustment	(8.691)	(10.409)	(8.740)	(8.423)	(6.772)	(4.672)
Total Expenses	\$452.759	\$501.144	\$552.846	\$611.114	\$628.335	\$641.970
Net Surplus/(Deficit)	\$1,392.497	\$1,396.118	\$1,341.321	\$1,281.838	\$1,277.223	\$1,270.651

MTA BRIDGES AND TUNNELS
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE

	2015	2016	2017			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenue						
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	20.575	23.151	23.873	24.157	24.403	24.649
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$20.575	\$23.151	\$23.873	\$24.157	\$24.403	\$24.649
Expenses						
<u>Labor:</u>						
Payroll	\$8.009	\$9.823	\$9.904	\$9.986	\$10.071	\$10.156
Overtime	0.827	1.558	1.587	1.616	1.646	1.670
Health and Welfare	1.655	2.427	2.587	2.764	2.835	2.910
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	1.962	2.847	3.008	3.182	3.202	3.222
Other Fringe Benefits	0.922	1.373	1.419	1.458	1.499	1.543
Reimbursable Overhead	7.200	5.123	5.368	5.151	5.150	5.148
Total Labor Expenses	\$20.575	\$23.151	\$23.873	\$24.157	\$24.403	\$24.649
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	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	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<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.	\$20.575	\$23.151	\$23.873	\$24.157	\$24.403	\$24.649
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Add: OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
Add: GASB 68 Pension Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$20.575	\$23.151	\$23.873	\$24.157	\$24.403	\$24.649
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Less: OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000
Less: GASB 68 Pension Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$20.575	\$23.151	\$23.873	\$24.157	\$24.403	\$24.649
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE
Page 1 of 2

	2015	2016	2017			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenue						
Vehicle Toll Revenue	\$1,808.901	\$1,869.308	\$1,866.960	\$1,865.491	\$1,878.098	\$1,885.161
Other Operating Revenue	36.172	27.527	26.220	26.220	26.220	26.220
Capital and Other Reimbursements	20.575	23.151	23.873	24.157	24.403	24.649
Investment Income	0.183	0.427	0.987	1.240	1.240	1.240
Total Revenue	\$1,865.831	\$1,920.412	\$1,918.040	\$1,917.108	\$1,929.962	\$1,937.271
Expenses						
<u>Labor:</u>						
Payroll	\$126.813	\$134.220	\$151.512	\$154.650	\$160.664	\$160.686
Overtime	22.741	27.868	28.245	28.806	29.386	29.975
Health and Welfare	26.669	27.281	33.631	34.318	35.609	36.936
OPEB Current Payment	16.799	18.153	19.424	19.871	20.745	21.679
Pensions	41.812	44.659	44.190	45.073	44.722	44.022
Other Fringe Benefits	20.840	19.054	20.355	20.748	22.710	23.503
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$255.674	\$271.236	\$297.356	\$303.466	\$313.836	\$316.802
<u>Non-Labor:</u>						
Electric Power	\$4.991	\$4.966	\$5.971	\$6.221	\$6.488	\$6.961
Fuel	1.977	1.445	1.774	1.867	1.959	2.161
Insurance	14.798	14.855	15.617	16.323	17.081	17.886
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	129.500	151.154	177.037	227.408	231.890	239.017
Professional Service Contracts	27.936	39.450	40.885	40.914	41.410	42.513
Materials & Supplies	3.255	4.049	4.212	4.319	4.425	4.538
Other Business Expenses	35.203	37.141	33.866	34.753	35.649	36.743
Total Non-Labor Expenses	\$217.660	\$253.059	\$279.363	\$331.805	\$338.902	\$349.818
<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.	\$473.334	\$524.295	\$576.719	\$635.271	\$652.738	\$666.620
Add: Depreciation	\$109.783	\$119.521	\$127.853	\$136.766	\$146.300	\$156.499
Add: OPEB Obligation	71.148	67.291	70.656	74.189	77.898	81.793
Add: GASB 68 Pension Adjustment	(8.691)	(10.409)	(8.740)	(8.423)	(6.772)	(4.672)
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$645.574	\$700.697	\$766.488	\$837.803	\$870.164	\$900.240
Less: Depreciation	\$109.783	\$119.521	\$127.853	\$136.766	\$146.300	\$156.499
Less: OPEB Obligation	71.148	67.291	70.656	74.189	77.898	81.793
Less: GASB 68 Pension Adjustment	(8.691)	(10.409)	(8.740)	(8.423)	(6.772)	(4.672)
Total Expenses	\$473.334	\$524.295	\$576.719	\$635.271	\$652.738	\$666.620
Net Surplus/(Deficit)	\$1,392.497	\$1,396.118	\$1,341.321	\$1,281.838	\$1,277.223	\$1,270.651

MTA BRIDGES AND TUNNELS
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE Page 2 of 2
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	2015 <u>Actual</u>	2016 November <u>Forecast</u>	2017 Final Proposed <u>Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net Suplus/(Deficit)	\$1,392.497	\$1,396.118	\$1,341.321	\$1,281.838	\$1,277.223	\$1,270.651
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$7.724	\$26.345	\$18.354	\$18.722	\$20.244	\$20.688
Reserves	29.283	26.881	27.515	28.173	28.863	29.602
GASB 45 Reserves	0.000	0.000	0.000	0.089	0.264	0.451
Adjusted Net Suplus/(Deficit)	\$1,355.490	\$1,342.892	\$1,295.452	\$1,234.854	\$1,227.852	\$1,219.910
Less: Debt Service	\$604.591	\$631.143	\$670.456	\$680.901	\$711.400	\$735.779
Income Available for Distribution	\$750.899	\$711.749	\$624.996	\$553.953	\$516.452	\$484.131
<u>Distributable To:</u>						
MTA - Investment Income	\$0.183	\$0.427	\$0.987	\$1.240	\$1.240	\$1.240
MTA - Distributable Income	432.282	409.176	367.732	331.696	313.472	296.578
NYCT - Distributable Income	318.434	302.146	256.277	221.017	201.741	186.314
Total Distributable Income:	\$750.899	\$711.749	\$624.996	\$553.953	\$516.452	\$484.131
<u>Actual Cash Transfers:</u>						
MTA - Investment Income	\$0.137	\$0.183	\$0.427	\$0.987	\$1.240	\$1.240
MTA - Transfers	426.246	424.571	371.876	335.299	315.294	298.267
NYCT - Transfers	313.857	308.952	260.864	224.543	203.668	187.856
Total Cash Transfers:	\$740.239	\$733.706	\$633.167	\$560.829	\$520.203	\$487.364
<u>SUPPORT TO MASS TRANSIT:</u>						
Total Revenues	\$1,865.831	\$1,920.412	\$1,918.040	\$1,917.108	\$1,929.962	\$1,937.271
Less: Net Operating Expenses	473.334	524.295	576.719	635.271	652.738	666.620
Net Operating Income:	\$1,392.497	\$1,396.118	\$1,341.321	\$1,281.838	\$1,277.223	\$1,270.651
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$230.545	\$275.865	\$303.353	\$315.889	\$343.454	\$371.872
Capitalized Assets	7.724	26.345	18.354	18.722	20.244	20.688
Reserves	29.283	26.881	27.515	28.173	28.863	29.602
GASB Reserves	0.000	0.000	0.000	0.089	0.264	0.451
Total Deductions from Operating Income:	\$267.552	\$329.091	\$349.222	\$362.873	\$392.825	\$422.613
Total Support to Mass Transit:	\$1,124.945	\$1,067.027	\$992.099	\$918.965	\$884.398	\$848.038

Note: Projected toll revenue increases in 2017 and 2019 are not captured in the sections above, they are captured in volume 1 of this Plan. The inclusion of this revenue will increase the level of support to mass transit.

MTA BRIDGES AND TUNNELS
November Financial Plan 2017-2020
Traffic Volume (Utilization)

	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
<u>Traffic Volume</u>	297.980	307.099	307.144	307.393	309.894	311.653
<u>Toll Revenue</u>	\$ 1,808.901	\$ 1,869.308	\$ 1,866.960	\$ 1,865.491	\$ 1,878.098	\$ 1,885.161

MTA BRIDGES & TUNNELS
November Financial Plan 2017-2020
2016 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020
<u>Administration</u>										
Delay of Non-Represented Wage Increase	-	0.438	-	0.448	-	0.456	-	0.465	-	0.475
Subtotal Administration	-	0.438	-	0.448	-	0.456	-	0.465	-	0.475
<u>Customer Convenience/Amenities</u>										
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
<u>Maintenance</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Maintenance	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Revenue Enhancement</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety/Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
Vacancies - Toll Collection and Management (July Plan)	-	9.780	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	9.780	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	-	\$10.218	-	\$0.448	-	\$0.456	-	\$0.465	-	\$0.475

MTA BRIDGES AND TUNNELS
November Financial Plan 2017-2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents

FUNCTION/DEPARTMENT	2015	2016	2017	2018	2019	2020
	Actual	November Forecast	Final Proposed Budget			
Administration						
Executive	7	8	8	8	8	8
Law ⁽¹⁾	14	13	16	16	16	16
CFO ⁽²⁾	17	25	25	25	25	26
Administration ⁽³⁾	37	37	38	38	38	38
EEO	1	2	2	2	2	2
Total Administration	76	85	89	89	89	90
Operations						
Revenue Management	39	43	43	43	43	43
Operations (Non-Security)	510	544	544	544	544	544
Total Operations	549	587	587	587	587	587
Maintenance						
Maintenance	190	197	198	198	198	198
Operations - Maintainers	160	181	183	183	183	183
Total Maintenance	350	378	381	381	381	381
Engineering/Capital						
Engineering & Construction	148	190	192	192	192	192
Health & Safety	9	10	10	10	10	10
Law ⁽¹⁾	20	24	24	24	24	24
Planning & Budget Capital	15	29	29	29	30	35
Total Engineering/Capital	192	253	255	255	256	261
Public Safety						
Operations (Security)	232	232	232	232	232	232
Internal Security - Operations	35	43	47	47	48	48
Total Public Safety	267	275	279	279	280	280
Total Positions	1,434	1,578	1,591	1,591	1,593	1,599
<i>Non-Reimbursable</i>	1,358	1,491	1,504	1,504	1,506	1,512
<i>Reimbursable</i>	76	87	87	87	87	87
<i>Total Full-Time</i>	1,434	1,578	1,591	1,591	1,593	1,599
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0

(1) Includes Legal and Procurement staff.

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

(3) Includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
November Financial Plan 2017-2020
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Managers/Supervisors	28	31	35	35	35	36
Professional, Technical, Clerical	48	54	54	54	54	54
Operational Hourlies	-	-	-	-	-	-
Total Administration	76	85	89	89	89	90
Operations						
Managers/Supervisors	157	215	215	215	215	215
Professional, Technical, Clerical	33	35	35	35	35	35
Operational Hourlies ⁽¹⁾	359	337	337	337	337	337
Total Operations	549	587	587	587	587	587
Maintenance						
Managers/Supervisors	17	18	18	18	18	18
Professional, Technical, Clerical	15	19	22	22	22	22
Operational Hourlies ⁽²⁾	318	341	341	341	341	341
Total Maintenance	350	378	381	381	381	381
Engineering/Capital						
Managers/Supervisors	42	60	62	62	62	62
Professional, Technical, Clerical	150	193	193	193	194	199
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	192	253	255	255	256	261
Public Safety						
Managers/Supervisors	45	46	46	46	46	46
Professional, Technical, Clerical	26	33	37	37	38	38
Operational Hourlies ⁽³⁾	196	196	196	196	196	196
Total Public Safety	267	275	279	279	280	280
Total Positions						
Managers/Supervisors	289	370	376	376	376	377
Professional, Technical, Clerical	272	334	341	341	343	348
Operational Hourlies	873	874	874	874	874	874
Total Positions	1,434	1,578	1,591	1,591	1,593	1,599

(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.

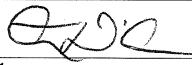
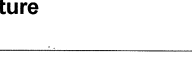
(3) Represents Bridge and Tunnel Officers, Sergeants and Lieutenants performing public safety. These positions are paid annually, not hourly.

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Capital Construction Company



Staff Summary



Subject MTACC 2017 Budget and 2017-2020 Financial Plan Adoption
Department Office of Executive Vice President & Chief Financial Officer
Department Head Name Anthony D'Amico 
Department Head Signature 
Project Manager Name Laurie Lombardi

Date November 28, 2016
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	12/12/16	X		
2	MTA Board	12/14/16	X		

Internal Approvals			
Order	Approval	Order	Approval
	President MTACC		
	Executive Vice President & Chief Financial Officer		 12/5/16

Purpose:

To secure MTA Board adoption of the MTA Capital Construction's (MTACC) 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020.

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 2016 November Forecast and the 2017 Final Proposed Budget project a staffing level of 140.

2016 November Forecast:

MTACC projects 2016 reimbursable expenses of \$35.7 million. Non-labor costs are projected at \$11.9 million. Approximately \$8.7 million of those costs are required to fund audit service chargebacks, office space at 2 Broadway, Small Businesses Mentoring Program (SBMP), All-Agency Protective Liability (AAPL) insurance, and budget system implementation. Monies are also budgeted for risk management software, legal, engineering and archeological services, reimbursement of NYCT for administrative support staff and services, and office costs including communications and upgrades to existing equipment.

2017 Final Proposed Budget:

MTACC projects 2017 expenses of \$37.4 million. The 2017 Final Proposed Budget contains non-labor costs projected at \$10.2 million, which includes \$6.1 million required funding for audit services, AAPL insurance, the Small Business Mentoring Program (SBMP), office space at 2 Broadway and budget system maintenance services. Similar to the November Forecast, the 2017 Budget includes reimbursement of NYCT for administrative support staff and services, consulting services to support project controls, change orders and claims management, legal, engineering and program management consulting services, office space construction, renovations, furniture and associated moving costs at 2 Broadway.

Impact on Funding:

The 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020, 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 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020 for the MTA Capital Construction Company.

MTA CAPITAL CONSTRUCTION
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	29.037	35.688	37.392	37.577	38.496	37.076
Total Revenue	\$29.037	\$35.688	\$37.392	\$37.577	\$38.496	\$37.076
Expenses						
<u>Labor:</u>						
Payroll	\$14.012	\$16.664	\$18.724	\$19.034	\$19.350	\$19.674
Overtime	0.009	0.021	-	-	-	-
Health and Welfare	2.220	2.260	2.694	2.750	2.865	2.985
OPEB Current Payment						
Pensions	2.722	2.341	2.885	2.973	3.128	3.256
Other Fringe Benefits	4.501	2.527	2.891	2.769	2.785	3.013
Reimbursable Overhead						
Total Labor Expenses	\$23.464	\$23.812	\$27.195	\$27.526	\$28.129	\$28.928
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.002	0.002	0.002	0.002	0.002	0.002
Insurance	0.032	0.475	0.523	0.575	0.632	0.696
Claims						
Paratransit Service Contracts						
Maintenance & Other Operating Contracts	3.038	3.313	3.783	3.509	3.678	3.857
Professional Service Contracts	2.317	7.867	5.665	5.742	5.828	3.401
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.185	0.219	0.224	0.223	0.226	0.192
Total Non-Labor Expenses	\$5.573	\$11.876	\$10.197	\$10.051	\$10.367	\$8.148
<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	\$29.037	\$35.688	\$37.392	\$37.577	\$38.496	\$37.076
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$29.037	\$35.688	\$37.392	\$37.577	\$38.496	\$37.076
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
November Financial Plan 2017-2020
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
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	29.037	35.688	37.392	37.577	38.496	37.076
Total Receipts	\$29.037	\$35.688	\$37.392	\$37.577	\$38.496	\$37.076
Expenditures						
<u>Labor:</u>						
Payroll	\$14.012	\$16.664	\$18.724	\$19.034	\$19.350	\$19.674
Overtime	0.009	0.021	-	-	-	-
Health and Welfare	2.220	2.260	2.694	2.750	2.865	2.985
OPEB Current Payment						
Pensions	2.722	2.341	2.885	2.973	3.128	3.256
Other Fringe Benefits	4.501	2.527	2.891	2.769	2.785	3.013
Reimbursable Overhead						
Total Labor Expenditures	\$23.464	\$23.812	\$27.195	\$27.526	\$28.129	\$28.928
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.002	0.002	0.002	0.002	0.002	0.002
Insurance	0.032	0.475	0.523	0.575	0.632	0.696
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	3.038	3.313	3.783	3.509	3.678	3.857
Professional Service Contracts	2.317	7.867	5.665	5.742	5.828	3.401
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.185	0.219	0.224	0.223	0.226	0.192
Total Non-Labor Expenditures	\$5.573	\$11.876	\$10.197	\$10.051	\$10.367	\$8.148
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment	\$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	\$29.037	\$35.688	\$37.392	\$37.577	\$38.496	\$37.076
Net Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
November Financial Plan 2017-2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
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	-	-	-	-	-	-
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	-	-	-	-	-	-
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>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
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	\$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	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
November Financial Plan 2017- 2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2016		2017	2018	2019	2020
	2015 Actual	November Forecast	Final Proposed Budget			
Administration						
MTACC	14	15	15	15	15	15
Engineering/Capital						
MTACC	40	44	44	44	44	44
East Side Access	20	27	27	27	27	27
Security Program	7	8	8	8	8	8
Second Avenue Subway	18	20	20	26	26	26
Lower Manhattan Project	16	14	14	12	12	12
7 Line Extension	11	10	10	-	-	-
Penn Station Access		2	2	8	8	8
Total Engineering/Capital	112	125	125	125	125	125
Total Baseline Positions	126	140	140	140	140	140
Non-Reimbursable	-	-	-	-	-	-
<i>Reimbursable</i>	126	140	140	140	140	140
<i>Total Full-Time</i>	126	140	140	140	140	140
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA CAPITAL CONSTRUCTION
November Financial Plan 2017-2020
Total Positions by Function and Occupation

FUNCTION/DEPARTMENT	2015 Actual	2016	2017	2018	2019	2020
		November Forecast	Final Proposed Budget			
Administration						
Managers/Supervisors						
Professional, Technical, Clerical	14	15	15	15	15	15
Operational Hourlies						
Total Administration	14	15	15	15	15	15
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	112	125	125	125	125	125
Operational Hourlies						
Total Engineering/Capital	112	125	125	125	125	125
Public Safety						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors						
Professional, Technical, Clerical	126	140	140	140	140	140
Operational Hourlies						
Total Baseline Positions	126	140	140	140	140	140

Long Island Rail Road

Subject LIRR 2017 Budget & 2017-2020 Financial Plan Adoption	Date December 1, 2016
Department Office of Management & Budget	Vendor Name
Department Head Name Francis Landers (acting) <i>Francis Landers</i>	Contract Number
Department Head Signature	Contract Manager Name
Project 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 <i>P. Kelly</i>		VP Svc Png Tech & CPM
	Exec Vice President		VP Mkt Dev & Public Affairs
	Sr. VP Operations		General Counsel
	VP Labor Relations	2	VP & CFO <i>my</i>

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
1	Exec Dir Mgmt & Budget <i>W</i>						

Purpose

To secure MTA Board adoption of the MTA Long Island Rail Road's (LIRR) 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017 – 2020.

Discussion

The 2017 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to maintain the Long Island Rail Road's commitment to provide safe, reliable and efficient commuter rail service to the metropolitan New York region. The LIRR projections do not include the estimated impacts from projected fare increases, unidentified MTA efficiencies, and MTA policy actions. These impacts will be presented as part of MTA consolidated materials. The 2017 Final Proposed Budget continues funding initiatives in support of these goals.

The LIRR's financial plan contains funding to maintain infrastructure and rolling stock in a reliable condition. Its focus on Reliability Centered Maintenance (RCM) for rolling stock to ensure maximum fleet availability and on maintenance of the right-of way to maintain a state of good repair remains steadfast. Rolling stock investments in the 2017 Final Proposed Budget and Four-Year Financial Plan for 2017-2020 include addressing the next phase of components on M7 trucks that have met their useful life including brake calipers and traction motors, developing and implementing a Lifecycle Asset Management plan for the M7 fleet that would address potential obsolescence of critical system components, refurbishing certain door components, accelerating seat cushion repairs and replacing the obsolete communications control unit on the C3, restoring automated announcement capability.

Achieving an efficient operation remains a priority. The baseline projections outlined below reflect both continued financial savings from past non-service related budget reduction initiatives and new or enhanced reduction initiatives.

- The LIRR has developed more sophisticated staffing models to strike a more efficient balance between straight time and overtime usage.
- The LIRR is reviewing third party contractual spending trends to identify future savings opportunities.
- The LIRR continues to subject all areas of the budget to intensive review, specifically payroll-related operational costs, overtime, inventory and administration.

2016 November Forecast - Baseline

Non-Reimbursable/Reimbursable expenses for the 2016 November Forecast before non-cash liability adjustments total \$1,724.3 million. This is comprised of \$1,391.0 million of Non-Reimbursable expenses and \$333.4 million of Reimbursable expenses. Total Non-Reimbursable/Reimbursable revenue for the 2016 November Forecast is \$1,102.3 million. This is comprised of \$768.9 million of Non-Reimbursable revenue and \$333.4 million of Reimbursable revenue.

The Non-Reimbursable revenue for the 2016 November Forecast of \$768.9 million includes Farebox Revenue projections of \$711.9 million. This is based on a projected annual ridership of 89.2 million customers, which is a 1.8% increase over 2015. The Forecast also assumes \$57.0 million in other revenue from advertising, rental fees, special services and freight.

Excluding non-cash liability adjustments, Non-Reimbursable expenses for the 2016 November Forecast totals \$1,391.0 million. Including non-cash liability adjustments, total Non-Reimbursable expenses for the 2016 November Forecast increases to \$1,981.4 million. The cash adjustments for non-cash items and timing of expenses/receipts total \$596.1 million. The resulting Net Cash Deficit is projected to be \$616.3 million in 2016.

Total Non-Reimbursable headcount is 6,148 positions. Total Reimbursable headcount is 1,118 positions.

2017 Final Proposed Budget - Baseline

Non-Reimbursable/Reimbursable expenses for the 2017 Final Proposed Budget before non-cash liability adjustments are \$1,903.3 million, comprised of \$1,523.9 million of Non-Reimbursable expenses and \$379.4 million of Reimbursable expenses. The total Non-Reimbursable/Reimbursable revenue for the 2017 Final Proposed Budget is \$1,152.2 million, comprised of \$772.8 million of Non-Reimbursable revenue and \$379.4 million of Reimbursable revenue.

The Non-Reimbursable revenue for the 2017 Final Proposed Budget of \$772.8 million includes Passenger Revenue projections of \$715.1 million and \$57.7 million in other revenue from advertising, rental fees, and special services. The Farebox revenue is based on a projected annual ridership of 89.5 million passengers, which is a 0.3% increase over 2016. Excluding non-cash liability adjustments, Non-Reimbursable expenses for the 2017 Final Proposed Budget total \$1,523.9 million. Including non-cash liability adjustments, total Non-Reimbursable expenses for the 2017 Final Proposed Budget increases to \$2,125.6 million. Cash adjustments for non-cash items and timing of expenses/receipts total \$593.0 million. The resulting Net Cash Deficit is projected to be \$759.8 million in 2017.

The Non-Reimbursable expense budget, before non-cash liability adjustments, of \$1,523.9 million is comprised of \$1,061.7 million in labor expenses (payroll and benefits), which represent 70% of total expenses. 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 electric power and fuel of \$112.2 million, materials & supplies

of \$180.0 million, professional and maintenance services contracts of \$124.0 million and all other costs of \$46.0 million.

Total Non-Reimbursable headcount is 6,254 positions. Total Reimbursable headcount is 1,215 positions. The Total Non-Reimbursable/Reimbursable headcount is 7,469, of which 90 percent are in the operating departments.

Budget Reduction Initiatives

Tighter management control and increased oversight of non-payroll budgets and improved inventory control result in savings of \$6.1 million on average every year of the financial plan.

Impact on Funding

The 2016 November Forecast, 2017 Final Proposed Budget and the Four-Year Financial Plan 2017 – 2020, 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 2016 November Forecast, the 2017 Final Proposed Budget and the Four-Year Financial Plan for 2017 – 2020 for the MTA Long Island Rail Road.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Operating Revenue						
Farebox Revenue	\$695.447	\$711.894	\$715.099	\$717.227	\$719.083	\$720.497
Toll Revenue	0.000	-	-	-	-	-
Other Operating Revenue	55.298	57.004	57.681	56.706	57.540	58.384
Capital and Other Reimbursements	0.000	-	-	-	-	-
Total Revenue	\$750.745	\$768.898	\$772.780	\$773.933	\$776.623	\$778.881
Operating Expenses						
<u>Labor:</u>						
Payroll	\$486.079	\$510.224	\$528.417	\$566.400	\$583.703	\$619.702
Overtime	117.454	119.585	119.311	123.718	127.073	132.307
Health and Welfare	83.473	96.667	104.870	114.290	121.063	131.299
OPEB Current Payment	56.685	62.504	69.074	71.051	74.530	78.249
Pensions	135.453	140.400	136.853	149.325	158.377	160.672
Other Fringe Benefits	126.050	124.907	129.725	139.058	143.304	150.591
Reimbursable Overhead	(46.548)	(28.297)	(26.558)	(19.867)	(18.130)	(18.081)
Total Labor Expenses	\$958.644	\$1,025.990	\$1,061.692	\$1,143.975	\$1,189.920	\$1,254.739
<u>Non-Labor:</u>						
Electric Power	\$92.041	\$76.338	\$95.102	\$98.027	\$101.739	\$107.081
Fuel	17.669	14.115	17.093	17.753	18.492	20.048
Insurance	21.948	22.559	24.334	26.882	29.032	31.370
Claims	6.531	4.406	4.370	4.370	4.419	4.471
Paratransit Service Contracts	0.000	-	-	-	-	-
Maintenance and Other Operating Contracts	62.040	66.318	80.525	80.416	83.814	97.717
Professional Service Contracts	62.514	25.367	43.445	31.568	30.635	35.261
Materials & Supplies	119.661	139.099	179.978	174.693	162.913	213.197
Other Business Expenses	14.003	16.780	17.392	21.520	17.408	17.869
Total Non-Labor Expenses	\$396.408	\$364.982	\$462.239	\$455.229	\$448.452	\$527.014
<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.	\$1,355.052	\$1,390.972	\$1,523.931	\$1,599.204	\$1,638.372	\$1,781.753
Depreciation	\$325.025	\$335.945	\$339.290	\$342.667	\$346.078	\$349.523
OPEB Liability Adjustment	85.252	83.476	85.981	88.560	91.217	93.953
GASB 68 Pension Expense Adjustment	(30.730)	169.000	174.400	172.600	174.100	162.400
Environmental Remediation	1.953	2.000	2.000	2.000	2.000	2.000
Total Expenses	\$1,736.552	\$1,981.393	\$2,125.602	\$2,205.031	\$2,251.767	\$2,389.629
Net Surplus/(Deficit)	(\$985.807)	(\$1,212.495)	(\$1,352.822)	(\$1,431.098)	(\$1,475.144)	(\$1,610.748)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$325.025	\$335.945	\$339.290	\$342.667	\$346.078	\$349.523
Operating/Capital	(14.197)	(15.671)	(28.966)	(16.747)	(13.168)	(13.999)
Other Cash Adjustment	86.368	275.872	282.718	267.837	267.974	256.693
Total Cash Conversion Adjustments	\$397.196	\$596.146	\$593.042	\$593.757	\$600.884	\$592.217
Net Cash Surplus/(Deficit)	(\$588.611)	(\$616.349)	(\$759.780)	(\$837.341)	(\$874.260)	(\$1,018.531)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2015	2016	2017			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	369.431	333.374	379.381	319.530	303.641	304.759
Total Revenue	\$369.431	\$333.374	\$379.381	\$319.530	\$303.641	\$304.759
Expenses						
<u>Labor:</u>						
Payroll	\$111.908	\$104.637	\$132.292	\$117.514	\$112.596	\$112.061
Overtime	35.868	34.178	30.372	20.811	19.728	20.122
Health and Welfare	27.693	23.318	29.342	25.206	23.881	23.799
OPEB Current Payment	-	-	-	-	-	-
Pensions	43.429	40.500	47.674	40.954	38.801	38.668
Other Fringe Benefits	25.160	24.138	30.005	25.776	24.421	24.337
Reimbursable Overhead	46.548	28.297	26.558	19.867	18.130	18.081
Total Labor Expenses	\$290.606	\$255.068	\$296.243	\$250.128	\$237.557	\$237.068
<u>Non-Labor:</u>						
Electric Power	\$0.848	\$0.965	\$0.125	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	5.739	7.401	8.998	7.702	7.454	7.582
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	16.980	24.392	15.452	12.621	12.564	12.578
Professional Service Contracts	2.626	1.397	0.711	0.652	0.656	0.669
Materials & Supplies	51.290	43.339	57.445	48.078	45.079	46.532
Other Business Expenses	1.342	0.812	0.407	0.349	0.331	0.330
Total Non-Labor Expenses	\$78.825	\$78.306	\$83.138	\$69.402	\$66.084	\$67.691
<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	\$369.431	\$333.374	\$379.381	\$319.530	\$303.641	\$304.759
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$369.431	\$333.374	\$379.381	\$319.530	\$303.641	\$304.759
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2015 <u>Actual</u>	2016 November <u>Forecast</u>	2017 Final Proposed <u>Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenue						
Farebox Revenue	\$695.447	\$711.894	\$715.099	\$717.227	\$719.083	\$720.497
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	55.298	57.004	57.681	56.706	57.540	58.384
Capital and Other Reimbursements	369.431	333.374	379.381	319.530	303.641	304.759
Total Revenue	\$1,120.177	\$1,102.272	\$1,152.161	\$1,093.463	\$1,080.264	\$1,083.640
Expenses						
<u>Labor:</u>						
Payroll	\$597.986	\$614.861	\$660.709	\$683.914	\$696.299	\$731.763
Overtime	153.322	153.763	149.683	144.529	146.801	152.429
Health and Welfare	111.166	119.985	134.212	139.496	144.944	155.098
OPEB Current Payment	56.685	62.504	69.074	71.051	74.530	78.249
Pensions	178.882	180.900	184.527	190.279	197.178	199.340
Other Fringe Benefits	151.210	149.045	159.730	164.834	167.725	174.928
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$1,249.251	\$1,281.058	\$1,357.935	\$1,394.103	\$1,427.477	\$1,491.807
<u>Non-Labor:</u>						
Electric Power	\$92.889	\$77.303	\$95.227	\$98.027	\$101.739	\$107.081
Fuel	17.669	14.115	17.093	17.753	18.492	20.048
Insurance	27.687	29.960	33.332	34.584	36.486	38.952
Claims	6.531	4.406	4.370	4.370	4.419	4.471
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	79.020	90.710	95.977	93.037	96.378	110.295
Professional Service Contracts	65.140	26.764	44.156	32.220	31.291	35.930
Materials & Supplies	170.951	182.438	237.423	222.771	207.992	259.729
Other Business Expenses	15.345	17.592	17.799	21.869	17.739	18.199
Total Non-Labor Expenses	\$475.232	\$443.288	\$545.377	\$524.631	\$514.536	\$594.705
<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.	\$1,724.483	\$1,724.346	\$1,903.312	\$1,918.734	\$1,942.013	\$2,086.512
Depreciation	\$325.025	\$335.945	\$339.290	\$342.667	\$346.078	\$349.523
OPEB Liability Adjustment	85.252	83.476	85.981	88.560	91.217	93.953
GASB 68 Pension Expense Adjustment	(30.730)	169.000	174.400	172.600	174.100	162.400
Environmental Remediation	1.953	2.000	2.000	2.000	2.000	2.000
Total Expenses	\$2,105.983	\$2,314.767	\$2,504.983	\$2,524.561	\$2,555.408	\$2,694.388
Net Surplus/(Deficit)	(\$985.807)	(\$1,212.495)	(\$1,352.822)	(\$1,431.098)	(\$1,475.144)	(\$1,610.748)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$325.025	\$335.945	\$339.290	\$342.667	\$346.078	\$349.523
Operating/Capital	(14.197)	(15.671)	(28.966)	(16.747)	(13.168)	(13.999)
Other Cash Adjustment	86.368	275.872	282.718	267.837	267.974	256.693
Total Cash Conversion Adjustments	\$397.196	\$596.146	\$593.042	\$593.757	\$600.884	\$592.217
Net Cash Surplus/(Deficit)	(\$588.611)	(\$616.349)	(\$759.780)	(\$837.341)	(\$874.260)	(\$1,018.531)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Receipts						
Farebox Revenue	\$716.217	\$732.847	\$735.099	\$737.227	\$739.083	\$740.497
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	71.235	47.904	42.649	41.220	41.584	41.945
Capital and Other Reimbursements	325.301	308.888	349.862	302.216	289.895	290.168
Total Receipts	\$1,112.753	\$1,089.639	\$1,127.610	\$1,080.663	\$1,070.562	\$1,072.610
Expenditures						
<u>Labor:</u>						
Payroll	\$608.276	\$610.911	\$654.308	\$677.368	\$689.606	\$724.919
Overtime	155.605	154.417	149.683	144.529	146.801	152.429
Health and Welfare	113.593	107.590	134.212	139.496	144.944	155.098
OPEB Current Payment	58.445	58.259	69.074	71.051	74.530	78.249
Pensions	168.442	177.889	184.527	190.279	197.178	199.340
Other Fringe Benefits	141.594	148.297	158.730	163.834	166.725	173.928
GASB Account	-	-	-	0.395	1.091	1.835
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$1,245.955	\$1,257.363	\$1,350.534	\$1,386.952	\$1,420.875	\$1,485.798
<u>Non-Labor:</u>						
Electric Power	\$93.862	\$77.913	\$95.227	\$98.027	\$101.739	\$107.081
Fuel	18.927	14.215	17.093	17.753	18.492	20.048
Insurance	30.600	27.694	32.029	34.885	36.060	39.275
Claims	1.951	2.636	1.747	1.747	1.748	1.748
Paratransit Service Contracts	0.000	-	-	-	-	-
Maintenance and Other Operating Contracts	76.926	101.781	92.271	93.037	96.378	110.295
Professional Service Contracts	20.540	23.971	39.544	27.377	26.206	30.591
Materials & Supplies	174.863	166.550	221.821	217.032	206.273	258.807
Other Business Expenses	15.592	13.865	17.124	21.194	17.051	17.498
Total Non-Labor Expenditures	\$433.259	\$428.625	\$516.856	\$511.052	\$503.947	\$585.343
<u>Other Expenditure Adjustments:</u>						
Other	\$20.021	20.000	20.000	20.000	20.000	20.000
Total Other Expenditure Adjustments	\$20.021	\$20.000	\$20.000	\$20.000	\$20.000	\$20.000
Total Expenditures	\$1,699.235	\$1,705.988	\$1,887.390	\$1,918.004	\$1,944.822	\$2,091.141
Cash Timing and Availability Adjustment	(\$2.129)	-	-	-	-	-
Net Cash Surplus/(Deficit)	(\$588.611)	(\$616.349)	(\$759.780)	(\$837.341)	(\$874.260)	(\$1,018.531)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Receipts						
Farebox Revenue	\$20.770	\$20.953	\$20.000	\$20.000	\$20.000	\$20.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	15.937	(9.100)	(15.032)	(15.486)	(15.956)	(16.439)
Capital and Other Reimbursements	(44.130)	(24.486)	(29.519)	(17.314)	(13.746)	(14.591)
Total Receipts	(\$7.423)	(\$12.633)	(\$24.551)	(\$12.800)	(\$9.702)	(\$11.030)
Expenditures						
Labor:						
Payroll	(\$10.290)	\$3.950	\$6.401	\$6.546	\$6.693	\$6.844
Overtime	(2.283)	(0.654)	-	-	-	-
Health and Welfare	(2.427)	12.395	-	-	-	-
OPEB Current Payment	(1.760)	4.245	-	-	-	-
Pensions	10.440	3.011	-	-	-	-
Other Fringe Benefits	9.616	0.748	1.000	1.000	1.000	1.000
GASB Account	-	-	-	(0.395)	(1.091)	(1.835)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$3.296	\$23.695	\$7.401	\$7.151	\$6.602	\$6.009
Non-Labor:						
Electric Power	(\$0.973)	(\$0.610)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(1.258)	(0.100)	-	-	-	-
Insurance	(2.913)	2.266	1.303	(0.301)	0.426	(0.323)
Claims	4.581	1.770	2.623	2.623	2.671	2.723
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.094	(11.071)	3.706	-	-	-
Professional Service Contracts	44.600	2.793	4.612	4.843	5.085	5.339
Materials & Supplies	(3.912)	15.888	15.602	5.739	1.719	0.922
Other Business Expenditures	(0.247)	3.727	0.675	0.675	0.688	0.701
Total Non-Labor Expenditures	\$41.973	\$14.663	\$28.521	\$13.579	\$10.589	\$9.362
Other Expenditures Adjustments:						
Other	(\$20.021)	(\$20.000)	(\$20.000)	(\$20.000)	(\$20.000)	(\$20.000)
Total Other Expenditures Adjustments	(\$20.021)	(\$20.000)	(\$20.000)	(\$20.000)	(\$20.000)	(\$20.000)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$17.825	\$5.725	(\$8.629)	(\$12.070)	(\$12.511)	(\$15.659)
Depreciation Adjustment	\$325.025	\$335.945	\$339.290	\$342.667	\$346.078	\$349.523
OPEB Liability Adjustment	85.252	83.476	85.981	88.560	91.217	93.953
GASB 68 Pension Expense Adjustment	(30.730)	169.000	174.400	172.600	174.100	162.400
Environmental Remediation	1.953	2.000	2.000	2.000	2.000	2.000
Cash Timing and Availability Adjustment	(2.129)	-	-	-	-	-
Total Cash Conversion Adjustments	\$397.196	\$596.146	\$593.042	\$593.757	\$600.884	\$592.217

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
Ridership/(Utilization)
(\$ in millions)

	2015	2016	2017			
	Actual	November	Final			
		Forecast	Proposed	2018	2019	2020
			Budget			
<u>RIDERSHIP</u>						
Monthly	48.420	49.629	49.678	49.981	50.092	50.394
Weekly	1.966	1.904	1.916	1.922	1.927	1.931
Total Commutation	50.386	51.533	51.594	51.903	52.019	52.325
One-Way Full Fare	8.491	8.531	8.569	8.593	8.612	8.629
One-Way Off Peak	18.105	18.357	18.438	18.490	18.531	18.568
All Other	10.667	10.824	10.880	10.922	10.978	10.998
Total Commutation	37.263	37.712	37.887	38.005	38.121	38.195
Total Ridership	87.649	89.245	89.481	89.908	90.140	90.520
<u>FAREBOX REVENUE</u>						
Baseline Total Farebox Revenue	\$695.447	\$711.894	\$715.099	\$717.227	\$719.083	\$720.497

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
2016 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020
<u>Administration</u>										
Non Represented Wage Increases		0.423		0.497		0.530		0.589		0.666
Ongoing Position Vacancies Resulting From Attrition and Time to Hire	-	1.500	-	1.500	-	1.500	-	1.500	-	1.500
Tighter Controls and Prioritization of Non-payroll Funds to Core Mission Initiatives	-	0.000	-	2.550	-	2.550	-	2.550	-	2.550
<i>Subtotal Administration</i>	-	\$1.923	-	\$4.547	-	\$4.580	-	\$4.639	-	\$4.716
<u>Customer Convenience/Amenities</u>										
<i>Subtotal Customer Convenience/Amenities</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
Joint Facility Agreement/PRIIA	-	3.300	-	1.500	-	1.500	-	1.500	-	1.500
<i>Subtotal Maintenance</i>	-	3.300	-	1.500	-	1.500	-	1.500	-	1.500
<u>Revenue Enhancement</u>										
<i>Subtotal Revenue Enhancement</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety</u>										
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
<i>Subtotal Security</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
<i>Subtotal Service</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
<i>Subtotal Service Support</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
<i>Subtotal Other</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	-	\$5.223	-	\$6.047	-	\$6.080	-	\$6.139	-	\$6.216

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Executive VP	9	2	2	2	2	2
Enterprise Asset Management	0	0	7	7	7	7
Sr Vice President - Engineering	0	13	2	2	2	2
Labor Relations	17	19	19	19	19	19
Procurement & Logistics (excl. Stores)	81	86	89	89	86	85
Human Resources	32	33	33	39	49	52
Sr VP Administration	1	2	2	2	2	2
Strategic Investments	31	25	17	17	17	17
President	4	4	4	4	4	4
VP & CFO	2	4	4	4	4	4
Information Technology	0	0	0	0	0	0
Controller	39	43	43	43	44	44
Management and Budget	19	21	21	21	21	21
BPM, Controls, & Compliance	6	7	7	7	7	7
Market Dev. & Public Affairs	67	71	71	71	71	71
Gen. Counsel & Secretary	30	33	33	33	33	33
Diversity Management	2	3	3	3	3	3
Security	12	14	14	14	14	14
System Safety	31	36	36	36	36	36
Training	59	65	67	67	66	73
Service Planning	21	23	25	27	27	27
Rolling Stock Programs	0	11	17	17	17	17
Sr Vice President - Operations	2	2	2	2	2	2
Total Administration	465	517	518	526	533	542
Operations						
Train Operations	2,057	2,173	2,214	2,306	2,332	2,484
Customer Service	297	299	303	303	303	303
Total Operations	2,354	2,472	2,517	2,609	2,635	2,787
Maintenance						
Engineering	1,821	1,902	1,993	1,948	1,963	1,960
Equipment	2,076	2,079	2,132	2,113	2,070	2,065
Procurement (Stores)	95	94	96	96	94	94
Total Maintenance	3,992	4,075	4,221	4,157	4,127	4,119
Engineering/Capital						
Department of Project Management	122	156	156	156	155	154
Special Projects/East Side Access	34	46	46	46	45	45
Positive Train Control	0	0	11	11	9	5
Total Engineering/Capital	156	202	213	213	209	204
Total Baseline Positions	6,967	7,266	7,469	7,505	7,504	7,652
<i>Non-Reimbursable</i>	6,131	6,148	6,254	6,570	6,615	6,787
<i>Reimbursable</i>	836	1,118	1,215	935	889	865
<i>Total Full-Time</i>	6,967	7,266	7,469	7,505	7,504	7,652
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2017-2020
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Managers/Supervisors	235	262	255	256	254	254
Professional, Technical, Clerical	125	151	157	164	175	184
Operational Hourlies	105	104	106	106	104	104
Total Administration	465	517	518	526	533	542
Operations						
Managers/Supervisors	283	293	296	290	285	302
Professional, Technical, Clerical	96	96	96	96	96	96
Operational Hourlies	1,975	2,083	2,125	2,223	2,254	2,389
Total Operations	2,354	2,472	2,517	2,609	2,635	2,787
Maintenance						
Managers/Supervisors	662	750	782	753	752	749
Professional, Technical, Clerical	254	255	267	283	276	274
Operational Hourlies	3,076	3,070	3,172	3,121	3,099	3,096
Total Maintenance	3,992	4,075	4,221	4,157	4,127	4,119
Engineering/Capital						
Managers/Supervisors	108	136	145	145	142	137
Professional, Technical, Clerical	48	66	68	68	67	67
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	156	202	213	213	209	204
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	1,288	1,441	1,478	1,444	1,433	1,442
Professional, Technical, Clerical	523	568	588	611	614	621
Operational Hourlies	5,156	5,257	5,403	5,450	5,457	5,589
Total Baseline Positions	6,967	7,266	7,469	7,505	7,504	7,652

Metro-North Railroad



Staff Summary

Subject MNR 2017 Budget and 2017-2020 Financial Plan Adoption
Department Budget
Department Head Name Kim Porcelain
Department Head Signature
Project Manager Name

Date December 5, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref#

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR&LIRR Comm. Mtg.	12/12/2016			
2	MTA Fin. Comm.	12/12/2016			
3	MTA Board Mtg.	12/14/2016			

Internal Approvals			
Order	Approval	Order	Approval
3	President		Budget
	VP Operations		VP Capital Programs
2	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 (MNR) 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan 2017-2020.

Discussion:

The November 2017-2020 Financial Plan reflects the financial impact of several new and ongoing programs. MNR projections do not include the estimated impacts from projected fare increases in New York State, unidentified MTA efficiencies, and MTA policy actions. These impacts will be presented as part of MTA consolidated materials.

Our Strategic Plan: Our Railroad, Our Vision, Our Future

In June, we launched the Metro-North Strategic Plan for 2016-2020. Our mission is to be a safe, reliable and efficient railroad providing regional mobility and excellent service to our customers. Our plan identifies 3 Priority Areas: Our People, Our Customers and Our Infrastructure:

- *Our People – Be an engaged, accountable and high performing workforce.*
- *Our Customers – Consistently meet customer expectations by ensuring safe, reliable, accessible and comfortable service, and by providing timely, accurate and open communication.*
- *Our Infrastructure – Ensure that all assets are in a state of good repair.*

Major Programmatic Initiatives included in the Financial Plan

The November Financial Plan begins the process of identifying new programs that support the Metro-North Strategic Plan. Each investment is aligned with one of the Strategic Plan priorities.

Investments in Our People

- ***Re-Organization of Drug and Alcohol Program***
Expand Metro-North Drug & Alcohol program to meet additional future regulatory requirements for random drug and alcohol testing.

- **Station Power Washing Supervision from Safety Challenge**

A third employee will be added to each power washing station platform team to function as a lookout to watch for and provide notification when trains are approaching. This will ensure employee and customer safety on all platforms during power washing activity.

- **Communications Department Close Circuit TV (CCTV) Staffing**

Establish a new team of CCTV Staff to provide greater responsiveness in installing and maintaining critical camera and other safety systems on rolling stock, Metro-North stations, platforms and yards.

Customer Investments

- **24/7 Social Media Initiative**

Metro-North's Customer Communications Center will create a new Social Media Division to be managed and staffed by qualified social media experts whose sole responsibility is to monitor, engage, and respond to customers via various social media outlets on a 24/7 basis.

- **Customer Advocate**

Establish a dedicated and focused customer advocate function that will enable Metro-North to place customer focused staff directly into the Operations Control Center to ensure customer needs are effectively addressed in emergencies.

- **Rockland County Bus Service Improvements**

Expand service to support improved connectivity between Rockland County and Metro-North Railroads Hudson Line via the TappanZExpress.

Infrastructure Investments

- **System Wide Right-of-Way Clean-up Efforts**

Create a dedicated Track gang to address the necessary cleanup of debris along the right-of-way in a prioritized fashion and begin a cyclical cleanup program to sustain a safer and cleaner right-of-way.

- **Re-Organization of the Grand Central Terminal (GCT) Emergency Response Group**

Reorganize the GCT Emergency Response Group and adding four Fire / EMS Specialist positions to the Fire Brigade in order to provide adequate staffing to support a 24/7 operation.

- **Procurement & Materials Management Department Re-Organization and Staff Additions**

Address increased demand by internal and external stakeholders to deliver projects in a timelier and more efficient manner, the Procurement & Materials Management Department has been reorganized and staff added to provide a more cohesive and effective organizational support structure. A key aspect of this initiative involves the development of a new "Design Build and Innovative Project Delivery" sub-group focusing on capital projects.

- **Advanced Metering**

Install an Automated Meter Infrastructure (AMI) reading system for thirty one heating fuel storage tanks at seven Metro-North facilities located throughout the system. The new AMI provides the ability to track consumption of diesel and heating fuel remotely and send leak detection alerts via text and email.

- **Staffing Increases for Reimbursable Capital-Funded Programs**

Add Power, Track and Conductor Flagging positions to support a higher level of critical capital program funded projects for both New York and Connecticut.

On-going Programs and Assumptions previously included in the July Financial Plan which continue in the 2017 Final Proposed Budget are as follows:

Infrastructure Maintenance and Reliability

- Wooden tie installation, track surfacing, welded rail installation, roadbed remediation, drainage improvements, field welding of joints, turnout replacement, grade crossing renewals, rail grinding, bridge timber replacement, bridge steel repairs, and ballast cleaning.
- Continue use of high tech track inspection equipment and services in addition to visual track inspections.

Equipment Maintenance and Reliability

- M-8 Cars - In partnership with Connecticut Department of Transportation (CDOT), Metro-North has accepted all 380 multiple unit M-8 cars and 25 single unit cars into service, effective July 2015. The first cars accepted are now being scheduled for their five year Reliability Centered Maintenance (RCM) intervals.
- M-7 Cars - This car fleet is in the midst of its 10-year life cycle maintenance program that began in 2014.
- Passenger and Work locomotives continue to be maintained through appropriate RCM interval cycles. The current financial plan reflects that all three of Metro-North's main locomotive equipment types (Genesis, BL-20 and GP 35) are undergoing cyclical RCM phases, including major component replacements or reconditioning.

Customer Service Initiatives that Improve Customer Communication and Convenience

- MTA eTix, the mobile ticketing app that enables customers to purchase and use Metro-North tickets directly on their mobile device, has been fully implemented.
- Continue with the installation of cellular LCD monitors at New York Stations.
- Continue the cyclical Station Improvement Program.

Utilization

The 2016 November Forecast projects nearly 86.4 million East and West of Hudson riders, an increase of 0.4% over 2015. 2017-2020 ridership is projected to grow approximately 1.2% annually with growth occurring across all commuter lines. Metro-North's financial plan projections assume no fare increase in New York State and an approved fare increase in the State of Connecticut of 6.0% effective December 1st, 2016 and an additional 1.0% effective January 1st, 2018.

2016 Budget Reduction Initiatives of \$14.3 million have been incorporated into Metro-North's 2016 November Forecast-Baseline with \$6.2 scheduled for the 2017 Final Proposed Budget and just under \$7.0 million annually for the 2018-2020 Financial Plan. These initiatives include: one-time contract savings in 2016, retimed operating capital spending across all plan years, rescheduling annual non-agreement wage increases from January 1 to July 1, close ticket windows at several New Haven Line stations and annual overtime reductions in administration and maintenance functions.

2016 November Forecast-Baseline

The 2016 non-reimbursable forecast reflects revenues totaling \$750.7 million, including \$687.2 million of Farebox Revenues and \$63.5 million in Other Operating Revenue. Total Operating Expense projections of \$1,512.9 million consist of labor costs of \$878.5 million, non-labor costs of \$352.8 million and non-cash accruals of \$281.6 million for Depreciation (\$231.3 million), Other Post-Employment Benefits (\$68.3 million), GASB 68 Pension Adjustment (\$21.7 million) and Environmental Remediation (\$3.7 million). After including additional cash requirements adjustment of \$219.2 million, the projected net cash deficit is \$543.1 million of which \$422.7 million represents the MTA share and \$120.4 million the CDOT share. Total reimbursable expense projections of \$214.6 million are fully offset by capital reimbursements. Total end-of-year authorized positions are projected at 6,836 and include 6,300 non-reimbursable positions and 536 reimbursable positions.

2017 Final Proposed Budget-Baseline

The 2017 final proposed non-reimbursable budget reflects revenues totaling \$780.2 million. Farebox Revenue of \$711.9 million reflecting slightly higher non-commutation ridership and the full year impact of a 6% State of Connecticut fare increase effective December 1st, 2016 with another 1% increase scheduled for January 1st, 2018. Other Operating Revenue of \$68.3 million reflects GCT net retail revenues, advertising, commissary operations, outlying station & parking revenue as well as interagency revenues for commuter rail passes. Total Operating Expense projections of \$1,598.7 million consist of labor costs of \$889.7 million, non-labor costs of \$398.4 million and non-cash accruals of \$310.5 million, which are comprised of Depreciation (\$240.7 million), Other Post-Employment Benefits (\$68.3 million), GASB 68 Pension Adjustment (\$2.5 million) and Environmental Remediation (\$4.0 million). After additional cash requirements adjustment of \$253.0 million, the projected net cash deficit is \$565.4 million of which \$456.8 million represents the MTA share and \$108.6 million the CDOT share. Total reimbursable expense projections of \$247.1 million are fully offset by capital reimbursements. Total end-of-year authorized positions are projected at 6,971 and include 6,250 non-reimbursable positions and 721 reimbursable positions.

Impact on Funding: The 2016 November Forecast, the 2017 Final Proposed Budget and the Four-Year Financial Plan for 2017-2020, which are presented in the attached schedules, are consistent with the proposed MTA Financial Plan.

Recommendation: It is recommended that the MTA Board adopt the 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020 for MTA Metro-North Railroad.

MTA Metro-North Railroad
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2015	2016	2017			
	Actual	November	Final Proposed	2018	2019	2020
		Forecast	Budget			
Operating Revenue						
Farebox Revenue	\$677.556	\$687.186	\$711.938	\$722.634	\$728.817	\$735.328
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	62.351	63.475	68.250	68.698	68.775	68.881
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	\$739.907	\$750.661	\$780.188	\$791.332	\$797.591	\$804.209
Operating Expenses						
Labor:						
Payroll	\$476.267	\$484.593	\$496.063	\$517.617	\$532.560	\$542.653
Overtime	87.835	93.870	97.352	98.921	100.899	102.915
Health and Welfare	90.319	104.403	107.144	112.279	118.340	117.410
OPEB Current Payment	27.212	30.500	31.200	32.000	33.000	34.000
Pensions	89.218	94.070	98.766	100.929	102.178	103.785
Other Fringe Benefits	120.591	116.116	118.526	122.785	125.958	128.119
Reimbursable Overhead	(51.755)	(45.071)	(59.303)	(60.706)	(61.787)	(62.654)
Total Labor	\$839.686	\$878.480	\$889.748	\$923.825	\$951.148	\$966.227
Non-Labor:						
Electric Power	\$77.787	\$64.402	\$79.512	\$82.122	\$83.668	\$90.475
Fuel	17.870	14.906	17.156	17.954	19.355	20.594
Insurance	18.383	18.998	20.661	22.338	24.316	26.446
Claims	5.347	3.472	1.000	1.000	1.000	1.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	98.808	116.274	124.953	124.934	127.077	130.815
Professional Service Contracts	30.983	37.313	43.554	44.904	41.712	42.130
Materials & Supplies	82.179	83.580	94.845	101.284	99.576	98.883
Other Business Expenses	24.372	13.874	16.737	8.046	18.550	19.861
Total Non-Labor	\$355.729	\$352.818	\$398.418	\$402.581	\$415.253	\$430.205
Other Expenses Adjustments:						
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.	\$1,195.415	\$1,231.299	\$1,288.166	\$1,326.407	\$1,366.401	\$1,396.432
Depreciation	\$231.218	\$231.305	\$240.693	\$240.693	\$240.693	\$240.693
OPEB Obligation	55.554	68.316	68.316	68.316	68.316	68.316
GASB 68 Pension Adjustment	(26.016)	(21.688)	(2.500)	(1.100)	(7.300)	(13.800)
Environmental Remediation	4.424	3.708	4.000	4.000	4.000	4.000
Total Expenses	\$1,460.595	\$1,512.939	\$1,598.675	\$1,638.316	\$1,672.110	\$1,695.641
Net Surplus/(Deficit)	(\$720.689)	(\$762.279)	(\$818.486)	(\$846.983)	(\$874.519)	(\$891.432)
Cash Conversion Adjustments:						
Depreciation	\$231.218	\$231.305	\$240.693	\$240.693	\$240.693	\$240.693
Operating/Capital	(26.458)	(41.583)	(61.019)	(42.274)	(14.346)	(12.927)
Other Cash Adjustments	(64.311)	29.491	73.368	64.006	69.147	31.389
Total Cash Conversion Adjustments	\$140.450	\$219.213	\$253.042	\$262.425	\$295.494	\$259.155
Net Cash Surplus/(Deficit)	(\$580.239)	(\$543.066)	(\$565.444)	(\$584.559)	(\$579.025)	(\$632.278)

MTA Metro-North Railroad
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE	2016		2017				
	2015	November	Final Proposed				
	Actual	Forecast	Budget	2018	2019	2020	
Revenue							
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MNR - MTA	117.808	102.250	139.727	156.817	152.841	145.271	
MNR - CDOT	58.821	87.028	93.643	88.048	55.325	66.673	
MNR - Other	20.699	25.327	13.744	9.458	10.554	11.595	
Capital and Other Reimbursements	197.328	214.605	247.115	254.322	218.720	223.539	
Total Revenue	\$197.328	\$214.605	\$247.115	\$254.322	\$218.720	\$223.539	
Expenses							
Labor:							
Payroll	\$50.183	\$42.414	\$52.323	\$56.095	\$55.591	\$57.263	
Overtime	19.226	24.608	25.587	26.186	26.152	27.171	
Health and Welfare	16.515	14.657	17.593	18.691	18.519	19.087	
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	
Pensions	9.979	9.750	11.645	12.340	12.262	12.662	
Other Fringe Benefits	12.270	11.253	13.277	14.079	13.961	14.404	
Reimbursable Overhead	51.529	43.012	57.339	58.654	60.030	61.407	
Total Labor	\$159.702	\$145.695	\$177.764	\$186.045	\$186.514	\$191.994	
Non-Labor:							
Electric Power	\$0.630	\$0.059	\$0.000	\$0.000	\$0.000	\$0.000	
Fuel	0.000	0.000	0.000	0.000	0.000	0.000	
Insurance	4.338	4.206	4.241	4.822	4.907	5.137	
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	12.557	22.335	16.769	23.547	7.340	4.457	
Professional Service Contracts	6.952	12.204	19.041	16.220	0.729	0.748	
Materials & Supplies	12.680	26.645	29.055	23.506	19.042	21.008	
Other Business Expenses	0.468	3.462	0.246	0.183	0.188	0.195	
Total Non-Labor	\$37.626	\$68.910	\$69.351	\$68.277	\$32.206	\$31.545	
Other Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
Total Other Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
Total Expenses	\$197.328	\$214.605	\$247.115	\$254.322	\$218.720	\$223.539	
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
Cash Conversion Adjustments:							
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
Operating/Capital	0.000	0.000	0.000	0.000	0.000	0.000	
Other Cash Adjustments	0.000	0.000	0.000	0.000	0.000	0.000	
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	

MTA Metro-North Railroad
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE	2016		2017			
	2015	November	Final Proposed			
	Actual	Forecast	Budget	2018	2019	2020
Revenue						
Farebox Revenue	\$677.556	\$687.186	\$711.938	\$722.634	\$728.817	\$735.328
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	62.351	63.475	68.250	68.698	68.775	68.881
MNR - MTA	117.808	102.250	139.727	156.817	152.841	145.271
MNR - CDOT	58.821	87.028	93.643	88.048	55.325	66.673
MNR - Other	20.699	25.327	13.744	9.458	10.554	11.595
Capital and Other Reimbursements	197.328	214.605	247.115	254.322	218.720	223.539
Total Revenue	\$937.235	\$965.265	\$1,027.303	\$1,045.655	\$1,016.311	\$1,027.748
Expenses						
Labor:						
Payroll	\$526.450	\$527.006	\$548.386	\$573.712	\$588.151	\$599.917
Overtime	107.061	118.478	122.939	125.107	127.051	130.085
Health and Welfare	106.834	119.059	124.737	130.971	136.859	136.497
OPEB Current Payment	27.212	30.500	31.200	32.000	33.000	34.000
Pensions	99.197	103.821	110.411	113.268	114.440	116.447
Other Fringe Benefits	132.861	127.369	131.803	136.864	139.919	142.523
Reimbursable Overhead	(0.226)	(2.059)	(1.964)	(2.052)	(1.757)	(1.247)
Total Labor	\$999.388	\$1,024.175	\$1,067.512	\$1,109.870	\$1,137.662	\$1,158.222
Non-Labor:						
Electric Power	\$78.417	\$64.460	\$79.512	\$82.122	\$83.668	\$90.475
Fuel	17.870	14.906	17.156	17.954	19.355	20.594
Insurance	22.721	23.204	24.902	27.160	29.223	31.583
Claims	5.347	3.472	1.000	1.000	1.000	1.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	111.365	138.609	141.722	148.481	134.417	135.272
Professional Service Contracts	37.935	49.516	62.595	61.124	42.440	42.878
Materials & Supplies	94.859	110.225	123.899	124.790	118.618	119.891
Other Business Expenses	24.840	17.336	16.983	8.229	18.738	20.056
Total Non-Labor	\$393.354	\$421.728	\$467.768	\$470.859	\$447.459	\$461.749
Other Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,392.742	\$1,445.903	\$1,535.280	\$1,580.729	\$1,585.122	\$1,619.971
Depreciation	\$231.218	\$231.305	\$240.693	\$240.693	\$240.693	\$240.693
OPEB Obligation	55.554	68.316	68.316	68.316	68.316	68.316
GASB 68 Pension Adjustment	(26.016)	(21.688)	(2.500)	(1.100)	(7.300)	(13.800)
Environmental Remediation	4.424	3.708	4.000	4.000	4.000	4.000
Total Expenses	\$1,657.922	\$1,727.544	\$1,845.789	\$1,892.638	\$1,890.831	\$1,919.180
Net Surplus/(Deficit)	(\$720.688)	(\$762.279)	(\$818.486)	(\$846.983)	(\$874.519)	(\$891.432)
Cash Conversion Adjustments:						
Depreciation	\$231.218	\$231.305	\$240.693	\$240.693	\$240.693	\$240.693
Operating/Capital	(26.458)	(41.583)	(61.019)	(42.274)	(14.346)	(12.927)
Other Cash Adjustments	(64.311)	29.491	73.368	64.006	69.147	31.389
Total Cash Conversion Adjustments	\$140.450	\$219.213	\$253.042	\$262.425	\$295.494	\$259.155
Net Cash Surplus/(Deficit)	(\$580.239)	(\$543.066)	(\$565.444)	(\$584.559)	(\$579.025)	(\$632.278)

**MTA Metro-North Railroad
November Financial Plan 2017-2020
Cash Receipts & Expenditures
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Receipts						
Farebox Revenue	\$682.626	\$691.067	\$715.817	\$726.397	\$732.509	\$738.927
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	88.897	111.944	115.856	86.746	89.299	85.157
MNR - MTA	90.696	105.021	136.514	151.337	160.057	143.469
MNR - CDOT	67.154	87.028	93.643	88.048	55.325	66.673
MNR - Other	18.761	25.327	13.744	9.458	10.554	11.595
Capital and Other Reimbursements	176.611	217.376	243.901	248.843	225.936	221.737
Total Receipts	\$948.134	\$1,020.387	\$1,075.575	\$1,061.986	\$1,047.744	\$1,045.820
Expenditures						
Labor:						
Payroll	\$594.416	\$529.256	\$551.247	\$574.284	\$590.188	\$610.247
Overtime	123.414	119.010	123.336	124.829	126.742	132.350
Health and Welfare	113.233	122.915	128.576	134.936	140.880	140.454
OPEB Current Payment	27.521	30.500	31.200	32.000	33.000	34.000
Pensions	74.771	104.316	110.803	113.684	114.806	116.730
Other Fringe Benefits	135.027	127.939	132.575	137.014	137.938	145.555
GASB Account	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(0.000)	0.026	(0.000)	0.000	0.000	0.000
Total Labor	\$1,068.382	\$1,033.962	\$1,077.737	\$1,116.746	\$1,143.555	\$1,179.335
Non-Labor:						
Electric Power	\$82.276	\$64.460	\$79.512	\$82.122	\$83.668	\$90.475
Fuel	17.930	14.467	16.709	17.697	19.093	20.327
Insurance	24.684	23.484	24.968	27.272	29.252	31.645
Claims	14.943	44.425	21.328	1.146	1.146	1.146
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	118.425	165.488	175.377	162.850	146.763	147.689
Professional Service Contracts	43.055	54.922	70.477	64.205	43.657	43.780
Materials & Supplies	112.724	112.022	126.844	134.481	106.400	111.253
Other Business Expenses	45.954	50.224	48.067	40.025	53.235	52.447
Total Non-Labor	\$459.991	\$529.491	\$563.282	\$529.799	\$483.214	\$498.762
Other Adjustments:						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Timing and Availability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,528.373	\$1,563.453	\$1,641.019	\$1,646.545	\$1,626.769	\$1,678.097
Net Cash Surplus/(Deficit)	(\$580.239)	(\$543.065)	(\$565.444)	(\$584.559)	(\$579.025)	(\$632.278)
Subsidies						
MTA	\$450.775	\$422.675	\$456.831	\$463.684	\$454.251	\$499.486
CDOT	128.962	120.390	108.613	120.875	124.774	132.792
Total Subsidies	\$579.737	\$543.065	\$565.444	\$584.559	\$579.025	\$632.278

MTA Metro-North Railroad
November Financial Plan 2017-2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Receipts						
Farebox Revenue	\$5.070	\$3.882	\$3.879	\$3.764	\$3.693	\$3.598
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	26.546	48.469	47.606	18.048	20.524	16.276
MNR - MTA	(27.112)	2.772	(3.214)	(5.480)	7.216	(1.802)
MNR - CDOT	8.333	0.000	0.000	0.000	0.000	0.000
MNR - Other	(1.938)	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	(20.717)	2.772	(3.214)	(5.480)	7.216	(1.802)
Total Receipts	\$10.899	\$55.122	\$48.272	\$16.331	\$31.433	\$18.072
Expenditures						
Labor:						
Payroll	(\$67.966)	(\$2.250)	(\$2.861)	(\$0.572)	(\$2.037)	(\$10.330)
Overtime	(16.353)	(0.532)	(0.397)	0.278	0.308	(2.265)
Health and Welfare	(6.399)	(3.855)	(3.840)	(3.965)	(4.021)	(3.958)
OPEB Current Payment	(0.309)	0.000	0.000	0.000	0.000	0.000
Pensions	24.426	(0.495)	(0.392)	(0.415)	(0.366)	(0.283)
Other Fringe Benefits	(2.166)	(0.570)	(0.773)	(0.150)	1.981	(3.032)
GASB Account	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(0.226)	(2.085)	(1.964)	(2.052)	(1.757)	(1.247)
Total Labor	(\$68.994)	(\$9.787)	(\$10.225)	(\$6.876)	(\$5.892)	(\$21.114)
Non-Labor:						
Electric Power	(\$3.859)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(0.060)	0.439	0.448	0.257	0.262	0.267
Insurance	(1.963)	(0.280)	(0.066)	(0.112)	(0.029)	(0.061)
Claims	(9.596)	(40.953)	(20.328)	(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	(7.060)	(26.879)	(33.656)	(14.369)	(12.347)	(12.417)
Professional Service Contracts	(5.120)	(5.406)	(7.882)	(3.081)	(1.217)	(0.902)
Materials & Supplies	(17.865)	(1.797)	(2.944)	(9.692)	12.218	8.637
Other Business Expenditures	(21.114)	(32.888)	(31.084)	(31.796)	(34.497)	(32.391)
Total Non-Labor	(\$66.637)	(\$107.763)	(\$95.513)	(\$58.940)	(\$35.755)	(\$37.013)
Other Adjustments:						
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 Cash Conversion Adjustments before Depreciation and GASB Adjs.						
	(\$124.732)	(\$62.427)	(\$57.467)	(\$49.484)	(\$10.215)	(\$40.054)
Depreciation Adjustment	\$231.218	\$231.305	\$240.693	\$240.693	\$240.693	\$240.693
OPEB Obligation	55.554	68.316	68.316	68.316	68.316	68.316
GASB 68 Pension Adjustment	(26.016)	(21.688)	(2.500)	(1.100)	(7.300)	(13.800)
Environmental Remediation	4.424	3.708	4.000	4.000	4.000	4.000
Total Cash Conversion Adjustments	\$140.449	\$219.213	\$253.042	\$262.425	\$295.494	\$259.155

MTA METRO-NORTH RAILROAD
November Financial Plan 2017 - 2020

Ridership (Utilization)

(in millions)

	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
<u>Farebox Revenue by Line & Type</u>						
Harlem Line - Commutation Revenue	106.636	109.463	112.039	113.618	114.784	115.913
Harlem Line - Non-Commutation Revenue	<u>95.113</u>	<u>95.191</u>	<u>97.431</u>	<u>98.804</u>	<u>99.818</u>	<u>100.800</u>
Total	\$201.749	\$204.654	\$209.470	\$212.422	\$214.602	\$216.713
Hudson Line - Commutation Revenue	69.792	70.980	72.529	73.544	74.240	75.150
Hudson Line - Non-Commutation Revenue	<u>77.098</u>	<u>77.516</u>	<u>79.208</u>	<u>80.317</u>	<u>81.076</u>	<u>82.070</u>
Total	\$146.891	\$148.496	\$151.737	\$153.861	\$155.316	\$157.221
New Haven Line - Commutation Revenue	148.342	151.427	158.999	161.546	162.699	163.829
New Haven Line - Non-Commutation Revenue	<u>180.199</u>	<u>182.254</u>	<u>191.368</u>	<u>194.433</u>	<u>195.821</u>	<u>197.181</u>
Total	\$328.540	\$333.682	\$350.368	\$355.979	\$358.519	\$361.011
Total Commutation (East of Hudson)	324.770	331.870	343.568	348.709	351.723	354.892
Total Non-Commutation (East of Hudson)	<u>352.410</u>	<u>354.961</u>	<u>368.007</u>	<u>373.554</u>	<u>376.715</u>	<u>380.052</u>
Total Farebox Revenue (East of Hudson)	\$677.180	\$686.832	\$711.575	\$722.263	\$728.438	\$734.944
West of Hudson Mail & Ride Revenue ⁽¹⁾	\$0.376	\$0.354	\$0.363	\$0.371	\$0.379	\$0.384
Total Farebox Revenue	\$677.556	\$687.186	\$711.938	\$722.634	\$728.817	\$735.328
<u>Ridership by Line & Type</u>						
Harlem Line Ridership - Commutation	16.634	16.931	17.304	17.544	17.725	17.915
Harlem Line Ridership - Non-Commutation	<u>10.870</u>	<u>10.757</u>	<u>10.994</u>	<u>11.146</u>	<u>11.261</u>	<u>11.382</u>
Total	27.504	27.687	28.298	28.690	28.987	29.298
Hudson Line Ridership - Commutation	9.247	9.371	9.566	9.699	9.795	9.921
Hudson Line Ridership - Non-Commutation	<u>7.178</u>	<u>7.137</u>	<u>7.286</u>	<u>7.387</u>	<u>7.460</u>	<u>7.556</u>
Total	16.425	16.508	16.852	17.087	17.255	17.477
New Haven Line Ridership - Commutation	22.478	22.718	22.921	23.133	23.320	23.508
New Haven Line Ridership - Non-Commutation	<u>17.866</u>	<u>17.730</u>	<u>17.889</u>	<u>18.054</u>	<u>18.200</u>	<u>18.347</u>
Total	40.344	40.448	40.810	41.187	41.520	41.854
Total Commutation (East of Hudson)	48.359	49.019	49.791	50.376	50.840	51.344
Total Non-Commutation (East of Hudson)	<u>35.914</u>	<u>35.624</u>	<u>36.169</u>	<u>36.588</u>	<u>36.922</u>	<u>37.285</u>
Total Ridership (East of Hudson)	84.272	84.643	85.960	86.964	87.761	88.629
West of Hudson Ridership ⁽²⁾	<u>1.746</u>	<u>1.726</u>	<u>1.766</u>	<u>1.803</u>	<u>1.838</u>	<u>1.862</u>
Total Ridership	86.018	86.370	87.726	88.767	89.600	90.491

(1) West of Hudson ticket sales received through Metro-North Mail & Ride program are reported as Metro-North Farebox Revenues; all other West of Hudson ticket revenues are offset against New Jersey Transit operating costs for providing service to the Pascack Valley Line and Port Jervis Line.

(2) West of Hudson total ridership for both Pascack Valley and Port Jervis lines.

MTA Metro-North Railroad
November Financial Plan 2017-2020
2016 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020
Administration										
Non-Represented Wage Increase	-	0.971	-	1.036	-	1.147	-	1.210	-	1.214
Transportation: Trainmaster for Poughkeepsie to Eliminate Special Duty Overtime Coverage	-	0.000	(1)	0.049	(1)	0.052	(1)	0.053	(1)	0.054
Transportation: Fleet Management Office Clerk to Reduce Overtime Coverage	-	0.000	(1)	0.034	(1)	0.035	(1)	0.036	(1)	0.037
<i>Subtotal Administration</i>	-	0.971	(2)	1.120	(2)	1.234	(2)	1.299	(2)	1.305
Customer Convenience/Amenities										
CDOT Subsidy Reduction Program: Close ticket windows at select NHL stations	5	0.199	5	0.598	5	0.598	5	0.598	5	0.598
<i>Subtotal Customer Convenience/Amenities</i>	5	0.199	5	0.598	5	0.598	5	0.598	5	0.598
Maintenance										
Overtime Reduction for CDOT Subsidy Reduction Program	-	0.000	-	0.868	-	0.945	-	1.198	-	1.531
Reductions to Operating Capital Projects (July Plan)	-	13.130	-	3.567	-	3.567	-	3.567	-	3.567
<i>Subtotal Maintenance</i>	-	13.130	-	4.435	-	4.512	-	4.765	-	5.098
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/Security										
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
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	5	\$14.300	3	\$6.153	3	\$6.344	3	\$6.663	3	\$7.002

MTA METRO-NORTH RAILROAD
November Financial Plan 2017-2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020	Notes
Administration							
President	4	4	4	4	4	4	
Labor Relations	16	18	18	18	18	18	
Safety	58	54	58	58	58	58	A
Security	0	21	26	26	26	26	A
Office of the Executive VP	0	10	10	10	10	10	B
Corporate & Public Affairs	22	19	19	19	19	19	B,C
Customer Service	53	66	68	68	68	68	C
Legal	17	19	19	19	19	19	
Claims	13	14	14	14	14	14	
Environmental Compliance & Svce	7	8	8	8	8	8	
VP Human Resources	37	48	48	48	48	48	E
Training	66	98	98	98	98	98	
Employee Relations & Diversity	6	6	6	6	6	6	
VP Planning	2	2	2	2	2	2	
Operations Planning & Analysis	20	22	22	22	22	22	
Capital Planning & Programming	10	18	18	18	18	18	C
GCT & Corporate Development	9	0	0	0	0	0	C
Long Range Planning	7	8	8	8	8	8	
VP Finance & Info Systems	1	7	9	9	9	9	
Controller	75	80	81	81	81	81	
Budget	17	22	23	23	23	23	
Procurement & Material Management	28	34	41	41	41	41	
Corporate	0	0	0	0	0	0	
Total Administration	466	578	600	600	600	600	
Operations							
Operations Administration	76	70	72	72	72	72	
Transportation	1,511	1,488	1,510	1,510	1,510	1,510	D
Customer Service	222	324	330	330	330	330	
GCT & Corporate Development	30	0	0	0	0	0	C
Metro-North West	29	46	46	46	46	46	
Total Operations	1,867	1,928	1,958	1,958	1,958	1,958	
Maintenance							
GCT & Corporate Development	158	0	0	0	0	0	C
Maintenance of Equipment	1,617	1,764	1,764	1,764	1,764	1,764	
Maintenance of Way	1,877	2,319	2,393	2,418	2,422	2,424	C
Procurement & Material Management	120	124	129	129	129	129	
Total Maintenance	3,771	4,207	4,286	4,311	4,315	4,317	
Engineering/Capital							
Construction Management	36	43	43	43	43	43	
Engineering & Design	70	80	84	84	84	84	C
Total Engineering/Capital	106	123	127	127	127	127	
Total Positions	6,211	6,836	6,971	6,996	7,000	7,002	
<i>Non-Reimbursable</i>	5,888	6,300	6,250	6,234	6,252	6,252	
<i>Reimbursable</i>	323	536	721	762	748	750	
<i>Total Full-Time</i>	6,210	6,835	6,970	6,995	6,999	7,001	
<i>Total Full-Time-Equivalents</i>	1	1	1	1	1	1	

^(A) To improve the focus on two critical operating units the Safety and Security Department was re-organized to form two separate departments.

^(B) In 2015 positions were transferred to the newly formed Office of the Executive VP department.

^(C) Reflects the January 2016 reorganization of the GCT and Corporate Development department and allocates 240 positions to the Maintenance of Way (129), Customer Service (99), COS/Corporate & Public Affairs (6), Capital Planning & Programming (3) and Engineering & Design (3) departments.

^(D) Please note that the Transportation department has recently undergone a name change and was formerly known as Operation Services.

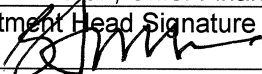

^(E) In 2016 positions in the Human Resources department will be consolidated with VP Human Resources department.

MTA METRO-NORTH RAILROAD
November Financial Plan 2017-2020
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2015	2016	2017	2018	2019	2020
	Actual	November Forecast	Final Proposed Budget			
Administration						
Managers/Supervisors	148	169	176	176	176	176
Professional, Technical, Clerical	318	409	424	424	424	424
Operational Hourlies	0	-	-	-	-	-
Total Administration	466	578	600	600	600	600
Operations						
Managers/Supervisors	216	230	233	233	233	233
Professional, Technical, Clerical	179	198	200	200	200	200
Operational Hourlies	1,472	1,500	1,525	1,525	1,525	1,525
Total Operations	1,867	1,928	1,958	1,958	1,958	1,958
Maintenance						
Managers/Supervisors	570	704	717	722	722	722
Professional, Technical, Clerical	496	540	556	558	559	559
Operational Hourlies	2,705	2,963	3,013	3,031	3,034	3,036
Total Maintenance	3,771	4,207	4,286	4,311	4,315	4,317
Engineering/Capital						
Managers/Supervisors	40	43	44	44	44	44
Professional, Technical, Clerical	66	80	83	83	83	83
Operational Hourlies	0	-	-	-	-	-
Total Engineering/Capital	106	123	127	127	127	127
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Positions						
Managers/Supervisors	975	1,146	1,170	1,175	1,175	1,175
Professional, Technical, Clerical	1,060	1,227	1,263	1,265	1,266	1,266
Operational Hourlies	4,177	4,463	4,538	4,556	4,559	4,561
Total Positions	6,211	6,836	6,971	6,996	7,000	7,002

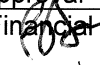


MTA Headquarters

Staff Summary

Subject MTA HQ 2017 Budget and 2017-2020 Financial Plan Adoption
Department Chief Financial Officer
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature 
Project Manager/Division Head 

Date November 30, 2016
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/12			
2	Board	12/14			

Internal Approvals			
Order	Approval	Order	Approval
			Chief Financial Officer 
		1	Legal 
		2	Chief of Staff 
			Chief Executive Officer

Purpose:

To secure MTA Board adoption of the MTA Headquarters 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020.

Discussion:

The 2017 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 do not include the impacts from unidentified MTA efficiencies and MTA policy actions. These impacts will be presented as part of MTA consolidated materials.

2016 November Forecast – Baseline:

The 2016 November Forecast Baseline Deficit of \$664.3 million includes total Non-Reimbursable Operating Revenues of \$57.2 million and total expenses before depreciation and other post-employment benefits of \$621.9 million, consisting of \$341.6 million in labor expenses and \$280.3 million in non-labor expenses. Total end-of-year non-reimbursable positions are projected to be 2,781 positions.

Total Capital and Other Reimbursements are projected to be \$138.8 million. Total reimbursable labor expenses are \$100.0 million and non-labor expenses are \$38.8 million. Total end-of-year reimbursable positions are projected to be 137 positions.

Cash Adjustments prior to depreciation, OPEB and GASB adjustments are favorable by \$65.1 million. The Baseline Cash Deficit is projected to be \$499.6 million. Total end-of-year positions are projected to be 2,918.

2017 Final Proposed Budget – Baseline:

The 2017 Final Proposed Budget Baseline Deficit of \$824.5 million includes total Non-Reimbursable Operating Revenues of \$53.3 million and total expenses before depreciation and other post-employment benefits of \$726.1 million, consisting of \$370.7 million in labor expenses and \$355.4 million in non-labor expenses. Proposed end-of-year non-reimbursable positions are 2,861 positions.

Total Capital and Other Reimbursements are projected to be \$118.7 million. Total reimbursable labor expenses are \$93.0 million and non-labor expenses are \$25.8 million. Proposed end-of-year reimbursable positions are 137 positions.

Cash Adjustments prior to depreciation, OPEB and GASB adjustments are favorable by \$80.2 million, reflecting advertising revenue receipts reassigned from the Agencies to MTA Headquarters, partly offset by operating capital expenditures. The Baseline Cash Deficit is projected to be \$592.5 million. Proposed total end-of-year positions are 2,998.

Major Programmatic Initiatives/Investments:

- Establishment of MTA-wide e-Discovery unit.
- Funding for continued Safety initiatives such as Employee Perception Surveys.
- Funding for increased security and counter-terrorism surge assignments in Penn Station and Grand Central Terminal.
- Continued support at MTA Headquarters for consolidation of MTA-wide Procurement function.
- Pilot costs in MTA IT for B-Division countdown clocks.

Budget Reduction Initiative:

Reductions of \$22.9 million in 2016 primarily result from recurring savings from the IT Transformation of \$20.7 million which captured 67 position eliminations and vacancy savings. Total savings of more than \$32.1 million in 2017 results primarily from the recurring savings from IT headcount reductions and both recurring and non-recurring vacancy savings.

Impact on Funding:

The 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan 2017-2020, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

Recommendation(s):

It is recommended that the MTA Board adopt the 2016 November Forecast, the 2017 Final Proposed Budget and the Four-Year Financial Plan for 2017-2020 for MTA Headquarters.

MTA HEADQUARTERS
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2015	2016	2017			
	Actuals	November Forecast	Final Proposed Budget	2018	2019	2020
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	46.723	54.037	49.374	48.084	50.007	52.007
Advertising	-	-	-	-	-	-
Other	3.668	3.208	3.968	4.031	4.072	4.173
Total Other Operating Revenue	\$50.391	\$57.245	\$53.342	\$52.115	\$54.079	\$56.180
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$50.391	\$57.245	\$53.342	\$52.115	\$54.079	\$56.180
Operating Expenses						
<u>Labor:</u>						
Payroll	\$243.390	\$261.156	\$273.942	\$282.970	\$287.608	\$295.355
Overtime	8.239	9.055	7.401	7.522	7.631	7.741
Health and Welfare	46.823	47.513	55.515	58.955	61.760	65.211
OPEB Current Payment	10.203	12.820	13.705	14.020	14.637	15.281
Pensions	66.624	70.112	71.668	74.154	76.874	79.085
Other Fringe Benefits	15.037	25.182	27.966	28.957	29.477	30.225
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	(32.214)	(84.249)	(79.480)	(79.511)	(78.973)	(78.822)
Total Labor Expenses	\$358.103	\$341.588	\$370.717	\$387.067	\$399.015	\$414.075
<u>Non-Labor:</u>						
Electric Power	\$6.855	\$7.180	\$6.812	\$6.490	\$6.639	\$7.079
Fuel	0.823	0.975	1.654	1.702	1.745	1.927
Insurance	4.695	4.873	5.108	5.334	2.503	2.774
Claims	2.107	3.112	2.518	2.463	2.475	2.419
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	67.051	72.965	97.909	85.975	87.513	90.172
Professional Service Contracts	142.972	171.096	219.364	163.042	156.332	157.616
Materials & Supplies	0.010	0.832	0.204	0.266	0.309	0.364
<u>Other Business Expenses</u>						
MTA Internal Subsidy	15.200	12.300	12.300	12.300	12.300	12.300
Other	5.256	6.951	9.494	9.513	9.186	10.273
Total Other Business Expenses	20.456	19.251	21.794	21.813	21.486	22.573
Total Non-Labor Expenses	\$244.969	\$280.285	\$355.362	\$287.084	\$279.003	\$284.925
<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.	\$603.072	\$621.873	\$726.079	\$674.151	\$678.018	\$699.000
Depreciation	\$26.524	\$30.296	\$50.679	\$59.526	\$65.210	\$67.746
OPEB Liability Adjustment	79.176	79.538	105.532	107.748	112.597	117.663
GASB 68 Pension Expense Adjustment	(16.410)	(10.200)	(4.400)	(4.400)	(5.400)	(7.400)
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$692.361	\$721.507	\$877.890	\$837.024	\$850.424	\$877.009
Surplus/(Deficit)	(\$641.970)	(\$664.262)	(\$824.548)	(\$784.910)	(\$796.345)	(\$820.828)

MTA HEADQUARTERS
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2015	2016	2017			
	Actuals	November Forecast	Final Proposed Budget	2018	2019	2020
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	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	101.422	138.758	118.744	115.893	109.624	103.547
Total Revenue	\$101.422	\$138.758	\$118.744	\$115.893	\$109.624	\$103.547
Expenses						
<u>Labor:</u>						
Payroll	\$3.967	\$4.548	\$6.153	\$6.241	\$6.331	\$6.427
Overtime	14.532	9.366	4.900	2.858	2.815	2.771
Health and Welfare	0.679	0.701	1.019	1.036	1.074	1.113
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.730	0.730	0.938	0.983	1.018	1.052
Other Fringe Benefits	0.372	0.367	0.479	0.488	0.497	0.507
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	32.214	84.249	79.480	79.511	78.973	78.822
Total Labor Expenses	\$52.494	\$99.962	\$92.969	\$91.118	\$90.709	\$90.692
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	0.010	0.021	0.021	0.022	0.022
Professional Service Contracts	48.886	38.702	25.628	24.625	18.761	12.698
Materials & Supplies	-	-	-	-	-	-
<u>Other Business Expenses</u>	-	-	-	-	-	-
MTA Internal Subsidy	-	-	-	-	-	-
Other	0.043	0.084	0.126	0.129	0.132	0.135
Total Other Business Expenses	0.043	0.084	0.126	0.129	0.132	0.135
Total Non-Labor Expenses	\$48.928	\$38.796	\$25.775	\$24.775	\$18.915	\$12.856
<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	\$101.422	\$138.758	\$118.744	\$115.893	\$109.624	\$103.547
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$101.422	\$138.758	\$118.744	\$115.893	\$109.624	\$103.547
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA HEADQUARTERS
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2015	2016	2017			
	Actuals	November Forecast	Final Proposed Budget	2018	2019	2020
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	46.723	54.037	49.374	48.084	50.007	52.007
Data Center Billings	-	-	-	-	-	-
Other	3.668	3.208	3.968	4.031	4.072	4.173
Total Other Operating Revenue	\$50.391	\$57.245	\$53.342	\$52.115	\$54.079	\$56.180
Capital and Other Reimbursements	101.422	138.758	118.744	115.893	109.624	103.547
Total Revenue	\$151.813	\$196.003	\$172.086	\$168.008	\$163.703	\$159.728
Expenses						
<u>Labor:</u>						
Payroll	\$247.357	\$265.703	\$280.095	\$289.211	\$293.939	\$301.782
Overtime	22.770	18.421	12.301	10.380	10.447	10.512
Health and Welfare	47.502	48.214	56.535	59.991	62.834	66.323
OPEB Current Payment	10.203	12.820	13.705	14.020	14.637	15.281
Pensions	67.354	70.842	72.606	75.137	77.893	80.137
Other Fringe Benefits	15.410	25.550	28.445	29.446	29.974	30.732
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$410.596	\$441.550	\$463.686	\$478.185	\$489.724	\$504.767
<u>Non-Labor:</u>						
Electric Power	\$6.855	\$7.180	\$6.812	\$6.490	\$6.639	\$7.079
Fuel	0.823	0.975	1.654	1.702	1.745	1.927
Insurance	4.695	4.873	5.108	5.334	2.503	2.774
Claims	2.107	3.112	2.518	2.463	2.475	2.419
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	67.051	72.975	97.929	85.996	87.535	90.194
Professional Service Contracts	191.857	209.798	244.992	187.667	175.094	170.314
Materials & Supplies	0.010	0.832	0.204	0.266	0.309	0.364
<u>Other Business Expenses</u>						
MTA Internal Subsidy	15.200	12.300	12.300	12.300	12.300	12.300
Other Business Expenses	5.299	7.035	9.619	9.642	9.318	10.408
Total Other Business Expenses	20.499	19.335	21.919	21.942	21.618	22.708
Total Non-Labor Expenses	\$293.898	\$319.081	\$381.137	\$311.859	\$297.917	\$297.780
<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.	\$704.494	\$760.631	\$844.823	\$790.044	\$787.641	\$802.547
Depreciation	\$26.524	\$30.296	\$50.679	\$59.526	\$65.210	\$67.746
OPEB Liability Adjustment	79.176	79.538	105.532	107.748	112.597	117.663
GASB 68 Pension Expense Adjustment	(16.410)	(10.200)	(4.400)	(4.400)	(5.400)	(7.400)
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$793.783	\$860.265	\$996.634	\$952.917	\$960.048	\$980.556
Net Surplus/(Deficit)	(\$641.970)	(\$664.262)	(\$824.548)	(\$784.910)	(\$796.345)	(\$820.828)

MTA HEADQUARTERS
November Financial Plan 2017-2020
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2015	2016	2017			
	Actuals	November Forecast	Final Proposed Budget	2018	2019	2020
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	49.700	54.049	49.374	48.084	50.007	52.007
Advertising	142.585	154.064	159.315	163.927	168.674	173.559
Other	3.698	2.887	3.968	104.627	8.978	23.663
Total Other Operating Revenue	195.983	211.000	212.657	316.638	227.659	249.230
Capital and Other Reimbursements	101.423	138.758	118.744	115.893	109.624	103.547
Total Receipts	\$297.406	\$349.758	\$331.401	\$432.531	\$337.283	\$352.777
Expenditures						
<u>Labor:</u>						
Payroll	\$244.781	\$259.801	\$273.595	\$282.711	\$287.439	\$295.282
Overtime	22.770	18.421	12.301	10.380	10.447	10.512
Health and Welfare	47.496	48.546	55.370	58.801	61.644	65.133
OPEB Current Payment	10.203	12.820	13.705	14.020	14.637	15.281
Pensions	65.153	68.387	71.320	73.744	76.488	78.701
Other Fringe Benefits	22.351	26.277	28.445	29.446	29.974	30.732
GASB Account	0.000	0.000	0.000	0.063	0.187	0.315
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$412.754	\$434.253	\$454.736	\$469.165	\$480.816	\$495.956
<u>Non-Labor:</u>						
Electric Power	\$6.301	\$6.844	\$6.812	\$6.490	\$6.639	\$7.079
Fuel	0.751	1.103	1.654	1.702	1.745	1.927
Insurance	6.042	5.260	5.085	5.309	2.476	2.745
Claims	2.059	3.112	2.518	2.463	2.475	2.419
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	67.759	71.866	95.019	83.039	84.535	87.094
Professional Service Contracts	114.664	208.393	238.550	181.376	169.194	164.714
Materials & Supplies	0.018	0.813	0.204	0.266	0.309	0.364
<u>Other Business Expenses</u>						
MTA Internal Subsidy	15.200	12.300	12.300	12.300	12.300	12.300
Other Business Expenses	42.126	21.735	17.032	13.876	12.996	9.828
Total Other Business Expenses	57.326	34.035	29.332	26.176	25.296	22.128
Total Non-Labor Expenditures	\$254.920	\$331.427	\$379.175	\$306.820	\$292.668	\$288.471
<u>Other Expenditure Adjustments:</u>						
Capital	\$34.779	\$83.649	\$90.038	\$90.141	\$71.949	\$79.801
Total Other Expenditure Adjustments	\$34.779	\$83.649	\$90.038	\$90.141	\$71.949	\$79.801
Total Expenditures	\$702.453	\$849.329	\$923.949	\$866.126	\$845.433	\$864.228
Net Cash Surplus/(Deficit)	(\$405.047)	(\$499.571)	(\$592.548)	(\$433.595)	(\$508.150)	(\$511.451)

MTA HEADQUARTERS
November Financial Plan 2017-2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2015	2016	2017			
	Actuals	November Forecast	Final Proposed Budget	2018	2019	2020
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	2.977	0.011	-	-	-	-
Advertising	142.585	154.064	159.315	163.927	168.674	173.559
Other	0.030	(0.321)	0.000	100.596	4.906	19.490
Total Other Operating Revenue	\$145.592	\$153.755	\$159.315	\$264.523	\$173.580	\$193.049
Capital and Other Reimbursements	0.001	-	-	-	-	-
Total Receipts	\$145.593	\$153.755	\$159.315	\$264.523	\$173.580	\$193.049
Expenditures						
<u>Labor:</u>						
Payroll	\$2.576	\$5.902	\$6.500	\$6.500	\$6.500	\$6.500
Overtime	0.000	0.000	-	-	-	-
Health and Welfare	0.006	(0.333)	1.165	1.190	1.190	1.190
OPEB Current Payment	0.000	(0.000)	0.000	0.000	0.000	0.000
Pensions	2.201	2.455	1.285	1.393	1.405	1.436
Other Fringe Benefits	(6.941)	(0.727)	0.000	0.000	0.000	0.000
GASB Account	-	0.000	0.000	(0.063)	(0.187)	(0.315)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$2.158)	\$7.297	\$8.950	\$9.020	\$8.908	\$8.811
<u>Non-Labor:</u>						
Electric Power	\$0.554	\$0.336	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.072	(0.128)	-	-	-	-
Insurance	(1.347)	(0.386)	0.023	0.025	0.027	0.029
Claims	0.048	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.708)	1.109	2.910	2.957	3.000	3.100
Professional Service Contracts	77.193	1.405	6.442	6.291	5.900	5.600
Materials & Supplies	(0.008)	0.020	-	-	-	-
<u>Other Business Expenses</u>						
MTA Internal Subsidy	-	-	-	-	-	-
Other Business Expenses	(36.827)	(14.701)	(7.413)	(4.234)	(3.678)	0.580
Total Other Business Expenses	(36.827)	(14.701)	(7.413)	(4.234)	(3.678)	0.580
Total Non-Labor Expenditures	\$38.978	(\$12.346)	\$1.962	\$5.039	\$5.249	\$9.309
<u>Other Expenditure Adjustments:</u>						
Capital	(\$34.779)	(\$83.649)	(\$90.038)	(\$90.141)	(\$71.949)	(\$79.801)
Total Other Expenditure Adjustments	(\$34.779)	(\$83.649)	(\$90.038)	(\$90.141)	(\$71.949)	(\$79.801)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	\$147.634	\$65.057	\$80.189	\$188.441	\$115.788	\$131.368
Depreciation Adjustment	\$26.524	\$30.296	\$50.679	\$59.526	\$65.210	\$67.746
OPEB Liability Adjustment	79.176	79.538	105.532	107.748	112.597	117.663
GASB 68 Pension Expense Adjustment	(16.410)	(10.200)	(4.400)	(4.400)	(5.400)	(7.400)
Environmental Remediation	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$236.923	\$164.691	\$232.000	\$351.315	\$288.195	\$309.377

MTA HEADQUARTERS
November Financial Plan 2017-2020
2016 Budget Reduction Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	2016		2017		2018		2019		2020	
	Positions	Expenses	Positions	Expenses	Positions	Expenses	Positions	Expenses	Positions	Expenses
Administration										
Higher 2017 IT Vacancy Savings	-	\$0.000	-	\$7.590	-	\$0.000	-	\$0.000	-	\$0.000
Non-Represented Wage Increase	-	1.110	-	1.411	-	1.446	-	1.481	-	1.510
IT Headcount Reduction (July Plan)	67	9.481	67	14.136	67	14.484	67	14.668	67	14.948
IT Consult Conversions (July Plan)	-	0.292	-	0.619	-	0.616	-	0.604	-	0.538
IT Vacancy Savings (July Plan)	-	11.207	-	7.571	-	7.686	-	7.806	-	7.888
Position Downgrades (July Plan)	-	-	-	-	-	-	-	-	-	-
Telephone Reduction (July Plan)	-	-	-	-	-	-	-	-	-	-
Subtotal Administration	67	\$22.089	67	\$31.327	67	\$24.232	67	\$24.560	67	\$24.884
Customer Convenience/Amenities										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Customer Convenience/Amenities	-	-	-	-	-	-	-	-	-	-
Maintenance										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Maintenance	-	-	-	-	-	-	-	-	-	-
Revenue Enhancement										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Revenue Enhancement	-	-	-	-	-	-	-	-	-	-
Safety										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Safety	-	-	-	-	-	-	-	-	-	-
Security										
MTA PD - Reduced Facility expenses (July Plan)	-	0.045	-	0.045	-	0.046	-	0.047	-	0.049
MTA PD - Reduced Professional Services and Purchases (July Plan)	-	0.268	-	0.268	-	0.275	-	0.282	-	0.290
MTAPD - Reduced Fuel and Electricity (July Plan)	-	0.258	-	0.258	-	0.266	-	0.274	-	0.287
MTAPD - Reduced Vehicle Repairs, Maintenance and Purchases (July Plan)	-	0.215	-	0.215	-	0.221	-	0.227	-	0.233
Subtotal Security	-	0.786	-	0.786	-	0.808	-	0.831	-	0.859
Service										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Service	-	-	-	-	-	-	-	-	-	-
Service Support										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Service Support	-	-	-	-	-	-	-	-	-	-
Other										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Other	-	-	-	-	-	-	-	-	-	-
Total	67	\$22.875	67	\$32.113	67	\$25.040	67	\$25.391	67	\$25.742

MTA HEADQUARTERS
November Financial Plan 2017-2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Office of Chairman	4	6	6	6	6	6
Chief Operating Officer	1	2	2	2	2	2
Govt Affairs & Community Relat		1	1	1	1	1
Agency Operations & Initiative		2	2	2	2	2
Chief Safety Officer	2	12	12	12	12	12
Office of Counselor to the Chairman	2	2	2	2	2	2
Office of Chief of Staff	7	7	7	7	7	7
Federal Affairs	1	1	1	1	1	1
Intergovernmental Relations	5	5	5	5	5	5
Spec. Project Develop/Planning	7	8	8	8	8	8
Corporate Account		4	4	4	4	4
Human Resources	18	31	31	31	31	31
PCAC	4	5	5	5	5	5
Labor Relations						
Office of Labor Relations	8	13	14	14	14	14
Labor Relations	8	13	14	14	14	14
General Counsel						
Office of Ded General Counsel	33	37	37	37	37	37
Record Management	1	2	2	2	2	2
General Counsel	34	39	39	39	39	39
Office of Diversity						
Office of Diversity	2	2	2	2	2	2
Office of Civil Rights	12	14	14	14	14	14
Office of Diversity	14	16	16	16	16	16
Corporate & Internal Communications						
Office of DED Corp. Affairs and Comm.	0	1	1	1	1	1
Marketing	8	11	11	11	11	11
Corporate & Internal Communications	8	12	12	12	12	12
Chief Financial Officer						
Office of Chief Financial Officer	4	4	4	4	4	4
Comptroller's Office	21	23	23	23	23	23
Management & Budget	21	23	23	23	23	23
Strategic Initiatives	5	9	9	9	9	9
Chief Financial Officer	51	59	59	59	59	59
Capital Programs						
Environmental, Sustainability & Compliance	5	6	6	6	6	6
New Fare Payment System	14	21	21	21	21	21
Capital Programs	19	27	27	27	27	27
Total MTA HQ, Policy & Oversight	185	252	253	253	253	253

MTA HEADQUARTERS
November Financial Plan 2017-2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
MTA Consolidated Functions						
External Communication	12	15	15	15	15	15
Audit	78	85	85	85	85	85
Office of Diversity - MWDBE/ DBE Contract Integrity	15	16	16	16	16	16
Pensions	52	63	63	63	63	63
Occupational Health & Safety	-	17	17	17	17	17
General Counsel/Compliance						
Compliance	6	10	10	10	10	10
Chief Financial Officer						
Director of Finance	6	6	6	6	6	6
Treasury	18	18	18	18	18	18
Risk and Insurance Management	20	23	23	23	23	23
Real Estate	62	71	72	72	72	72
Information Technology	881	1,100	1,119	1,123	1,127	1,127
Chief Financial Officer	987	1,218	1,238	1,242	1,246	1,246
Capital Programs						
Office of Capital Programs	1	1	1	1	1	1
Construction Oversight	3	5	5	5	5	5
Federal Policy	-	1	1	1	1	1
Enterprise Asset Management	2	9	9	9	9	9
Capital Program Management	10	15	15	15	15	15
Capital Program Funding	11	11	11	11	11	11
Total Capital Programs	27	42	42	42	42	42
Corporate and Internal Communications						
Internal Communications	3	3	3	3	3	3
Arts for Transit	8	8	8	8	8	8
Transit Museum Operations	11	13	13	13	13	13
Retail Operations	5	5	5	5	5	5
Corporate and Internal Communications	27	29	29	29	29	29
Total MTA Consolidated Functions	1,204	1,495	1,515	1,519	1,523	1,523
Business Service Center	308	359	359	359	359	359
Public Safety	777	812	871	871	891	945
Total Positions	2,474	2,918	2,998	3,002	3,026	3,080
<i>Non-Reimbursable</i>	2,340	2,781	2,861	2,865	2,889	2,943
<i>Reimbursable</i>	134	137	137	137	137	137
<i>Full-Time</i>	2,474	2,918	2,998	3,002	3,026	3,080
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

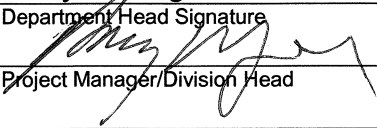
MTA HEADQUARTERS
November Financial Plan 2017-2020
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2015	2016	2017	2018	2019	2020
		Actual	November Forecast	Final Proposed Budget			
Administration							
	Managers/Supervisors	385	481	482	482	482	482
	Professional, Technical, Clerical	1,312	1,625	1,645	1,649	1,653	1,653
	Operational Hourlies	-	-	-	-	-	-
	Total Administration	1,697	2,106	2,127	2,131	2,135	2,135
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	158	157	157	157	157	171
	Professional, Technical, Clerical	58	79	79	79	79	80
	Operational Hourlies (Uniformed)	561	576	635	635	655	694
	Total Public Safety	777	812	871	871	891	945
Total Positions							
	Managers/Supervisors	543	638	639	639	639	653
	Professional, Technical, Clerical	1,370	1,704	1,724	1,728	1,732	1,733
	Operational Hourlies	561	576	635	635	655	694
	Total Positions	2,474	2,918	2,998	3,002	3,026	3,080

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Inspector General

Staff Summary

Subject: MTA IG 2017 Budget and 2017-2020 Financial Plan Adoption	Date December 1, 2016
Department MTA Inspector General	Vendor Name
Department Head Name Barry L. Kluger	Contract Number
Department Head Signature 	Contract Manager Name
Project Manager/Division Head	Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.		X		
2	Board		X		

Internal Approvals			
Order	Approval	Order	Approval

Purpose:

To secure MTA Board adoption of the MTA Inspector General's 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020.

Discussion:

The 2017 Final Proposed Budget provides sufficient funding to maintain the MTA Inspector General's operations.

2016 November Forecast - Baseline

Total Capital and Other Reimbursements are projected to be \$13.1 million. Total reimbursable labor expenses are \$10.0 million and non-labor expenses are \$3.1 million.

2017 Final Proposed Budget - Baseline

Total Capital and Other Reimbursements are projected to be \$14.4 million. Total reimbursable labor expenses are \$11.3 million and non-labor expenses are \$3.1 million.

Impact on Funding

The 2016 November Forecast, the 2017 Final Proposed Budget and the Four-Year Financial Plan 2017-2020, 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 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020 for the MTA Inspector General.

MTA INSPECTOR GENERAL
November Financial Plan 2017 - 2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	11.892	13.095	14.448	14.788	15.147	15.514
Total Revenue	\$11.892	\$13.095	\$14.448	\$14.788	\$15.147	\$15.514
Expenses						
<u>Labor:</u>						
Payroll	\$6.621	\$7.345	\$8.206	\$8.369	\$8.535	\$8.705
Overtime	-	-	-	-	-	-
Health and Welfare	0.796	1.028	1.423	1.448	1.504	1.561
OPEB Current Payment	-	-	-	-	-	-
Pensions	1.058	1.025	0.972	1.032	1.073	1.109
Other Fringe Benefits	0.468	0.556	0.716	0.731	0.745	0.761
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$8.943	\$9.954	\$11.317	\$11.580	\$11.857	\$12.136
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.021	0.031	0.032	0.033	0.034	0.036
Insurance	0.021	0.019	0.025	0.028	0.031	0.034
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.605	2.730	2.756	2.822	2.892	2.966
Professional Service Contracts	0.173	0.236	0.204	0.209	0.214	0.220
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.129	0.125	0.114	0.116	0.119	0.122
Total Non-Labor Expenses	\$2.949	\$3.141	\$3.131	\$3.208	\$3.290	\$3.378
<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	\$11.892	\$13.095	\$14.448	\$14.788	\$15.147	\$15.514
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$11.892	\$13.095	\$14.448	\$14.788	\$15.147	\$15.514
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
November Financial Plan 2017 - 2020
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2015	2016	2017			
	Actual	November	Final Proposed	2018	2019	2020
		Forecast	Budget			
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	11.892	13.095	14.448	14.788	15.147	15.514
Total Receipts	\$11.892	\$13.095	\$14.448	\$14.788	\$15.147	\$15.514
Expenditures						
<u>Labor:</u>						
Payroll	\$6.621	\$7.345	\$8.206	\$8.369	\$8.535	\$8.705
Overtime	-	-	-	-	-	-
Health and Welfare	0.796	1.028	1.423	1.448	1.504	1.561
OPEB Current Payment	-	-	-	-	-	-
Pensions	1.058	1.025	0.972	1.032	1.073	1.109
Other Fringe Benefits	0.468	0.556	0.716	0.731	0.745	0.761
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$8.943	\$9.954	\$11.317	\$11.580	\$11.857	\$12.136
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.021	0.031	0.032	0.033	0.034	0.036
Insurance	0.021	0.019	0.025	0.028	0.031	0.034
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.605	2.730	2.756	2.822	2.892	2.966
Professional Service Contracts	0.173	0.236	0.204	0.209	0.214	0.220
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.129	0.125	0.114	0.116	0.119	0.122
Total Non-Labor Expenditures	\$2.949	\$3.141	\$3.131	\$3.208	\$3.290	\$3.378
<u>Other Expenditure Adjustments:</u>						
Other - Operating Capital	\$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	\$11.892	\$13.095	\$14.448	\$14.788	\$15.147	\$15.514
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
November Financial Plan 2017 - 2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2015	2016	2017			
	Actual	November	Final Proposed	2018	2019	2020
		Forecast	Budget			
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	-	-	-	-	-	-
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	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
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	\$0.000	\$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	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
November Financial Plan 2017 - 2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents

FUNCTION/DEPARTMENT	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Office of the Inspector General	71	86	86	86	86	86
Total Administration	71	86	86	86	86	86
Baseline Total Positions	71	86	86	86	86	86
Non-Reimbursable	-	-	-	-	-	-
Reimbursable	71	86	86	86	86	86
Total	71	86	86	86	86	86
Total Full-Time	71	86	86	86	86	86
Total Full-Time Equivalents	-	-	-	-	-	-

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

Subject FMTAC 2017 Budget and 2017-2020 Financial Plan Adoption
Department Risk and Insurance Management
Department Head Name Robert Foran, Chief Financial Officer
Department Head Signature
Project Manager Name Phyllis Rachmuth, Director Risk and Insurance Mgmt.

Date December 1, 2016
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		x		
2	Board		x		

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

Purpose:

To secure MTA Board adoption of the First Mutual Transportation Assurance Company's (FMTAC) 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020.

Discussion:

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.

The 2017 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.

2016 November Forecast-Baseline

Total operating revenues are projected at \$22.4 million. Total operating expenses are projected to be \$3.8 million, resulting in a net surplus of \$18.5 million.

2017 Final Proposed Budget-Baseline

Total operating revenues are projected at \$22.9 million. Total operating expenses are projected to be \$5.2 million, resulting in a net surplus of \$17.7 million.

Impact of Funding:

The 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan 2017-2020, 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 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020 for the MTA First Mutual Transportation Assurance Company.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2017 - 2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	11.113	10.350	10.621	10.870	11.140	11.431
Investment Income	(7.605)	12.000	12.314	12.603	12.916	13.253
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$3.508	\$22.350	\$22.936	\$23.472	\$24.057	\$24.685
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>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(80.092)	(97.909)	(103.722)	(110.828)	(119.227)	(128.945)
Claims	96.507	90.220	97.201	100.177	105.521	110.381
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	11.454	11.500	11.730	11.965	12.204	12.448
Total Non-Labor Expenses	\$27.869	\$3.811	\$5.209	\$1.314	(\$1.502)	(\$6.116)
<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	\$27.869	\$3.811	\$5.209	\$1.314	(\$1.502)	(\$6.116)
Depreciation	-	-	-	-	-	-
Total Expenses	\$27.869	\$3.811	\$5.209	\$1.314	(\$1.502)	(\$6.116)
Net Surplus/(Deficit)	(\$24.361)	\$18.539	\$17.727	\$22.159	\$25.559	\$30.801

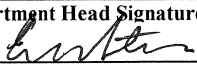
MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2017 - 2020
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2015	2016	2017			
	Actual	November	Final Proposed	2018	2019	2020
		Forecast	Budget			
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	11.113	10.350	10.621	10.870	11.140	11.431
Investment Income	(7.605)	12.000	12.314	12.603	12.916	13.253
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$3.508	\$22.350	\$22.936	\$23.472	\$24.057	\$24.685
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	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(80.092)	(97.909)	(103.722)	(110.828)	(119.227)	(128.945)
Claims	96.507	82.018	88.365	91.070	95.928	100.346
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	11.454	11.500	11.730	11.965	12.204	12.448
Total Non-Labor Expenditures	\$27.869	(\$4.391)	(\$3.627)	(\$7.793)	(\$11.095)	(\$16.151)
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment	(\$24.361)	\$26.741	\$26.563	\$31.266	\$35.152	\$40.836
Total Other Expenditure Adjustments	(\$24.361)	\$26.741	\$26.563	\$31.266	\$35.152	\$40.836
Total Expenditures	\$3.508	\$22.350	\$22.936	\$23.472	\$24.057	\$24.685
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2017 - 2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2015	2016	2017			
	<u>Actual</u>	<u>Forecast</u>	<u>Final Proposed Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
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	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	0.000	8.202	8.836	9.107	9.593	10.035
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$8.202	\$8.836	\$9.107	\$9.593	\$10.035
<u>Other Expenditures Adjustments:</u>						
Other	\$24.361	(\$26.741)	(\$26.563)	(\$31.266)	(\$35.152)	(\$40.836)
Total Other Expenditures Adjustments	\$24.361	(\$26.741)	(\$26.563)	(\$31.266)	(\$35.152)	(\$40.836)
Total Cash Conversion Adjustments before Depreciation	\$24.361	(\$18.539)	(\$17.727)	(\$22.159)	(\$25.559)	(\$30.801)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$24.361	(\$18.539)	(\$17.727)	(\$22.159)	(\$25.559)	(\$30.801)

New York City Transit

Subject NYCT 2017 Budget and 2017-2020 Financial Plan Adoption
Department Office of Management & Budget
Department Head Name Aaron Stern
Department Head Signature 
Project Manager Name

Date December 1, 2016
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 <i>M</i>		
2	CFO <i>MPC</i>		
3	President <i>W</i>		

Purpose

To secure MTA Board adoption of MTA New York City Transit’s 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020.

Discussion

The 2017 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to support MTA New York City Transit’s planned service levels, as well as MTA’s commitment to provide safe, reliable and efficient transportation service to the metropolitan New York region. The baseline projections that follow for MTA New York City Transit include new programmatic initiatives and support for current projects. Projections also capture reductions in projected health & welfare expenses through a medical rebid, additional paratransit savings, and savings from re-estimates, most notably from projected lower electric power prices. NYCT continues to manage the use of overtime as efficiently as possible, including reducing vacancies and controllable leaves to moderate absence coverage requirements. NYCT projections do not include the estimated impacts from projected fare increases, unidentified MTA efficiencies, and MTA policy actions. These impacts will be presented as part of MTA consolidated materials.

Key Programmatic Initiatives

- **Subway System Expansion.** The Second Avenue Subway (SAS) Phase 1 is planned to open to customers in December, 2016. This service will reroute and extend the “Q” line from its current terminal at 57 Street/Seventh Avenue to provide new service from 63 Street/Lexington Avenue to 96 Street/Second Avenue.
- **Select Bus Service Expansion.** SBS provides bus riders with faster service through a combination of off-board fare collection, special bus lanes, real-time information, and traffic signal priority. With the introduction of SBS on the M23 route in November, there are now 12 NYCT routes in SBS service. The Final Proposed Budget and Four-Year Financial Plan provide for the addition of two additional SBS routes per year during 2017-2019.
- **Bus and Subway Car Technology Upgrades.** A portion of the existing bus fleet will be outfitted with state-of-the-art technology amenities, including high-speed Wi-Fi connectivity, USB charging, and digital screens with on-board Announcement and Infotainment systems. The digital display screens will include real time next stop and service information. Funding is also provided for installation of electronic display signs on 600 Subway cars, and other technology amenities are being reviewed for inclusion in the car upgrades as well.

- **Subway Wireless Implementation and Service.** The Final Proposed Budget and Four-Year Financial Plan provide funding to accelerate the completion of the NYCT WiCom Network to provide Cellular, Wi-Fi and 4.9 GHz services in all underground stations, and to fund ongoing lease costs upon the network's completion. The network will support mobile phone service and internet access at all underground subway stations by the end of 2016, and will enable delivery of real time next train arrival information at 268 "B" Division stations by early 2018.
- **All Electric Bus Pilot – Zero Emissions Initiative.** This pilot will test and evaluate ten leased All-Electric Buses. These vehicles are driven solely by an electric motor and have no on-board combustion engine. This initiative is expected to encourage the transit bus marketplace to step up innovation and standardization in electric bus development.
- **Platform Controllers Expansion.** In 2017, an increase of 35 positions will expand and improve the Platform Controller Pilot Program, which began in late 2015. The goal of this program is to reduce the number and severity of subway delays by providing immediate platform management of dwell time, customer assistance, and response to operating incidents.

Budget Reduction Program

Projected savings of \$48.9 million in 2016, \$53.1 million in 2017, \$81.9 million in 2018, \$87.4 million in 2019, and \$90.9 million in 2020, mostly resulting from a health & welfare medical rebid, paratransit additional savings, and lower vendor prescription drug costs.

2016 November Forecast-Baseline

Total operating revenues are projected at \$4.849 billion, including \$4.412 billion of farebox revenues. Total operating expenses are projected to be \$7.792 billion, consisting of labor costs of \$6.107 billion and non-labor expenses of \$1.685 billion. Non-cash depreciation expense is projected at \$1.728 billion, other post-employment benefit expenses are projected at \$1.443 billion, and GASB 68 pension expenses are projected as a credit of \$0.355 billion. After including favorable cash adjustments of \$2.971 billion, the projected net cash deficit is \$2.788 billion. Projected reimbursable expenses of \$1.202 billion are fully offset by capital reimbursements. Total end-of-year positions are projected at 48,908, including 43,673 non-reimbursable positions and 5,235 reimbursable positions.

2017 Final Proposed Budget-Baseline

Total operating revenues are projected at \$4.894 billion, including farebox revenues of \$4.439 billion. Total operating expenses are projected to be \$8.120 billion, consisting of labor costs of \$6.276 billion and non-labor expenses of \$1.844 billion. Non-cash depreciation expense is projected at \$1.778 billion, other post-employment benefit expenses are projected at \$1.501 billion, and GASB 68 pension expenses are projected as a credit \$0.296 million. After including favorable cash adjustments of \$3.236 billion, the projected net cash deficit is \$2.973 billion. Projected reimbursable expenses of \$1.239 billion are fully offset by capital reimbursements. Total end-of-year positions are projected at 49,245, including 43,931 non-reimbursable positions and 5,314 reimbursable positions.

Impact on Funding

The 2016 November Forecast, the 2017 Final Proposed Budget and the Four-Year Financial Plan for 2017-2020, 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 2016 November Forecast, the 2017 Final Proposed Budget and the Four-Year Financial Plan for 2017-2020 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 2017 - 2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Operating Revenue						
<u>Farebox Revenue:</u>						
Subway	\$3,313.600	\$3,352.702	\$3,376.792	\$3,397.716	\$3,409.592	\$3,429.211
Bus	964.784	967.735	969.134	972.293	973.437	976.854
Paratransit	17.425	18.347	19.633	20.923	22.296	23.758
Fare Media Liability	75.583	73.500	73.500	73.500	73.500	73.500
Farebox Revenue	\$4,371.392	\$4,412.284	\$4,439.059	\$4,464.432	\$4,478.825	\$4,503.323
Vehicle Toll Revenue						
Other Operating Revenue:						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	191.064	182.910	194.372	202.509	218.416	236.218
Other	180.673	170.060	176.867	195.164	204.676	211.005
Other Operating Revenue	\$455.753	\$436.986	\$455.255	\$481.689	\$507.108	\$531.239
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4,827.145	\$4,849.270	\$4,894.314	\$4,946.121	\$4,985.933	\$5,034.562
Expenses						
<u>Labor:</u>						
Payroll	\$3,075.994	\$3,173.448	\$3,287.706	\$3,346.461	\$3,410.278	\$3,500.813
Overtime	458.579	457.128	446.394	448.053	455.538	464.484
Total Salaries & Wages	\$3,534.573	\$3,630.576	\$3,734.100	\$3,794.514	\$3,865.816	\$3,965.297
Health and Welfare	741.052	840.170	915.634	959.548	1,026.149	1,096.200
OPEB Current Payment	371.230	397.823	430.981	466.791	512.534	562.103
Pensions	867.658	981.142	941.451	937.006	926.157	913.069
Other Fringe Benefits	511.677	512.895	508.933	526.811	539.820	560.602
Total Fringe Benefits	\$2,491.617	\$2,732.030	\$2,796.999	\$2,890.156	\$3,004.660	\$3,131.974
Reimbursable Overhead	(240.904)	(255.506)	(255.026)	(240.080)	(240.344)	(234.855)
Total Labor Expenses	\$5,785.286	\$6,107.100	\$6,276.073	\$6,444.590	\$6,630.132	\$6,862.416
<u>Non-Labor:</u>						
Electric Power	\$286.555	\$253.919	\$317.207	\$331.464	\$347.164	\$372.045
Fuel	101.575	77.111	96.598	99.958	103.984	113.281
Insurance	72.444	73.381	80.992	91.056	102.528	115.938
Claims	184.366	145.145	146.455	149.333	150.909	152.484
Paratransit Service Contracts	379.271	390.885	411.339	435.067	472.313	511.273
Maintenance and Other Operating Contracts	196.382	223.240	244.323	203.338	202.629	207.488
Professional Service Contracts	93.673	135.010	154.813	154.032	147.152	151.877
Materials & Supplies	289.716	310.264	314.663	299.335	311.748	330.180
Other Business Expenses	85.973	75.733	77.900	79.603	81.177	82.915
Total Non-Labor Expenses	\$1,689.955	\$1,684.688	\$1,844.290	\$1,843.186	\$1,919.604	\$2,037.481
<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 Adjustments						
Depreciation and GASB Adjustments	\$7,475.241	\$7,791.788	\$8,120.363	\$8,287.776	\$8,549.736	\$8,899.897
Depreciation	\$1,692.141	\$1,728.062	\$1,778.062	\$1,828.062	\$1,878.062	\$1,928.062
OPEB Liability Adjustment	1,130.113	1,443.361	1,501.095	1,561.139	1,623.584	1,688.528
GASB 68 Pension Expense Adjustment	(314.515)	(354.784)	(296.003)	(305.534)	(296.398)	(303.171)
Environmental Remediation	12.876	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$9,995.856	\$10,608.427	\$11,103.517	\$11,371.443	\$11,754.984	\$12,213.316
Net Surplus/(Deficit)	(\$5,168.711)	(\$5,759.157)	(\$6,209.203)	(\$6,425.322)	(\$6,769.051)	(\$7,178.754)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2017 - 2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Revenue						
Farebox Revenue	\$0.000	\$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	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	1,182.909	1,202.051	1,239.435	1,176.316	1,179.848	1,144.871
Total Revenue	\$1,182.909	\$1,202.051	\$1,239.435	\$1,176.316	\$1,179.848	\$1,144.871
Expenses						
Labor:						
Payroll	\$436.699	\$451.288	\$506.437	\$485.920	\$487.014	\$468.050
Overtime	133.561	138.746	105.017	102.248	103.646	101.874
Total Salaries & Wages	\$570.260	\$590.034	\$611.454	\$588.168	\$590.660	\$569.924
Health and Welfare	20.452	21.507	22.286	23.289	24.267	23.886
OPEB Current Payment	7.602	7.766	8.347	8.796	9.254	9.734
Pensions	29.795	23.075	33.617	33.872	33.469	31.940
Other Fringe Benefits	172.261	177.039	197.731	189.135	189.229	182.560
Total Fringe Benefits	\$230.110	\$229.387	\$261.981	\$255.092	\$256.219	\$248.120
Reimbursable Overhead	240.904	255.506	255.026	240.080	240.344	234.855
Total Labor Expenses	\$1,041.274	\$1,074.927	\$1,128.461	\$1,083.340	\$1,087.223	\$1,052.899
Non-Labor:						
Electric Power	\$0.553	\$0.252	\$0.252	\$0.252	\$0.252	\$0.252
Fuel	0.019	0.000	0.119	0.050	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
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	42.082	33.208	33.987	31.670	31.658	31.685
Professional Service Contracts	27.489	12.092	8.843	8.883	9.232	9.232
Materials & Supplies	75.367	79.665	67.815	52.163	51.524	50.845
Other Business Expenses	(3.875)	1.907	(0.042)	(0.042)	(0.041)	(0.042)
Total Non-Labor Expenses	\$141.635	\$127.124	\$110.974	\$92.976	\$92.625	\$91.972
Other Expense Adjustments:						
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	\$1,182.909	\$1,202.051	\$1,239.435	\$1,176.316	\$1,179.848	\$1,144.871
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$1,182.909	\$1,202.051	\$1,239.435	\$1,176.316	\$1,179.848	\$1,144.871
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA NEW YORK CITY TRANSIT
November Financial Plan 2017 - 2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE						
	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Revenue						
<u>Farebox Revenue:</u>						
Subway	\$3,313.600	\$3,352.702	\$3,376.792	\$3,397.716	\$3,409.592	\$3,429.211
Bus	964.784	967.735	969.134	972.293	973.437	976.854
Paratransit	17.425	18.347	19.633	20.923	22.296	23.758
Fare Media Liability	75.583	73.500	73.500	73.500	73.500	73.500
Farebox Revenue	\$4,371.392	\$4,412.284	\$4,439.059	\$4,464.432	\$4,478.825	\$4,503.323
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	191.064	182.910	194.372	202.509	218.416	236.218
Other	180.673	170.060	176.867	195.164	204.676	211.005
Other Operating Revenue	\$455.753	\$436.986	\$455.255	\$481.689	\$507.108	\$531.239
Capital and Other Reimbursements	1,182.909	1,202.051	1,239.435	1,176.316	1,179.848	1,144.871
Total Revenue	\$6,010.054	\$6,051.321	\$6,133.749	\$6,122.437	\$6,165.781	\$6,179.433
Expenses						
<u>Labor:</u>						
Payroll	\$3,512.693	\$3,624.736	\$3,794.143	\$3,832.381	\$3,897.292	\$3,968.863
Overtime	592.140	595.874	551.411	550.301	559.184	566.358
Total Salaries & Wages	\$4,104.833	\$4,220.610	\$4,345.554	\$4,382.682	\$4,456.476	\$4,535.221
Health and Welfare	761.504	861.677	937.920	982.837	1,050.416	1,120.086
OPEB Current Payment	378.832	405.589	439.328	475.587	521.788	571.837
Pensions	897.453	1,004.217	975.068	970.878	959.626	945.009
Other Fringe Benefits	683.938	689.934	706.664	715.946	729.049	743.162
Total Fringe Benefits	2,721.727	2,961.417	3,058.980	3,145.248	3,260.879	3,380.094
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$6,826.560	\$7,182.027	\$7,404.534	\$7,527.930	\$7,717.355	\$7,915.315
<u>Non-Labor:</u>						
Electric Power	\$287.108	\$254.171	\$317.459	\$331.716	\$347.416	\$372.297
Fuel	101.594	77.111	96.717	100.008	103.984	113.281
Insurance	72.444	73.381	80.992	91.056	102.528	115.938
Claims	184.366	145.145	146.455	149.333	150.909	152.484
Paratransit Service Contracts	379.271	390.885	411.339	435.067	472.313	511.273
Maintenance and Other Operating Contracts	238.464	256.448	278.310	235.008	234.287	239.173
Professional Service Contracts	121.162	147.102	163.656	162.915	156.384	161.109
Materials & Supplies	365.083	389.929	382.478	351.498	363.272	381.025
Other Business Expenses	82.098	77.640	77.858	79.561	81.136	82.873
Total Non-Labor Expenses	\$1,831.590	\$1,811.812	\$1,955.264	\$1,936.162	\$2,012.229	\$2,129.453
<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 Adjustments						
	\$8,658.150	\$8,993.839	\$9,359.798	\$9,464.092	\$9,729.584	\$10,044.768
Depreciation	\$1,692.141	\$1,728.062	\$1,778.062	\$1,828.062	\$1,878.062	\$1,928.062
OPEB Liability Adjustment	1,130.113	1,443.361	1,501.095	1,561.139	1,623.584	1,688.528
GASB 68 Pension Expense Adjustment	(314.515)	(354.784)	(296.003)	(305.534)	(296.398)	(303.171)
Environmental Remediation	12.876	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$11,178.765	\$11,810.478	\$12,342.952	\$12,547.759	\$12,934.832	\$13,358.187
Net Surplus/(Deficit)	(\$5,168.711)	(\$5,759.157)	(\$6,209.203)	(\$6,425.322)	(\$6,769.051)	(\$7,178.754)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2017 - 2020
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Receipts						
Farebox Revenue	\$4,386.386	\$4,412.484	\$4,439.259	\$4,464.632	\$4,479.025	\$4,503.523
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	114.052	99.016	39.016	84.016	84.016	84.016
Paratransit Reimbursement	171.705	183.189	194.407	202.509	218.355	236.081
Other	50.680	53.004	56.299	70.979	76.765	79.257
Other Operating Revenue	\$336.437	\$335.209	\$289.722	\$357.504	\$379.136	\$399.354
Capital and Other Reimbursements	1,221.961	1,150.346	1,352.969	1,188.969	1,178.604	1,151.649
Total Receipts	\$5,944.784	\$5,898.039	\$6,081.950	\$6,011.105	\$6,036.765	\$6,054.526
Expenditures						
<u>Labor:</u>						
Payroll	\$3,515.903	\$3,589.612	\$3,763.818	\$3,801.186	\$3,864.967	\$3,936.759
Overtime	592.140	595.874	551.411	550.301	559.184	566.358
Total Salaries & Wages	\$4,108.043	\$4,185.486	\$4,315.229	\$4,351.487	\$4,424.151	\$4,503.117
Health and Welfare	765.077	854.791	934.076	974.879	1,041.861	1,110.890
OPEB Current Payment	378.832	405.589	439.328	475.587	521.788	571.837
Pensions	922.314	1,004.217	975.068	970.878	959.626	945.009
Other Fringe Benefits	441.895	469.685	473.818	480.985	489.352	498.734
Total Fringe Benefits	\$2,508.118	\$2,734.282	\$2,822.290	\$2,902.329	\$3,012.627	\$3,126.470
GASB Account	0.000	0.000	0.000	7.162	16.311	26.224
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$6,616.161	\$6,919.768	\$7,137.519	\$7,260.978	\$7,453.089	\$7,655.811
<u>Non-Labor:</u>						
Electric Power	\$296.712	\$254.171	\$317.459	\$331.716	\$347.416	\$372.297
Fuel	102.215	77.111	96.717	100.008	103.984	113.281
Insurance	72.796	72.456	80.674	91.365	104.392	116.088
Claims	125.855	111.544	115.689	118.644	121.672	124.777
Paratransit Service Contracts	380.751	388.885	409.339	433.067	470.313	509.273
Maintenance and Other Operating Contracts	226.597	270.448	294.910	245.708	244.987	249.873
Professional Service Contracts	112.077	143.128	151.656	150.915	144.384	149.109
Materials & Supplies	389.990	370.983	365.978	349.998	361.772	379.525
Other Business Expenditures	79.721	77.640	85.059	79.561	81.136	82.873
Total Non-Labor Expenditures	\$1,786.714	\$1,766.366	\$1,917.481	\$1,900.982	\$1,980.056	\$2,097.096
<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	\$8,402.875	\$8,686.134	\$9,055.000	\$9,161.960	\$9,433.145	\$9,752.907
Net Cash Deficit	(\$2,458.091)	(\$2,788.095)	(\$2,973.050)	(\$3,150.855)	(\$3,396.380)	(\$3,698.381)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2017 - 2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2016		2017	2018	2019	2020
	2015 Actual	November Forecast	Final Proposed Budget			
Receipts						
Fare Revenue	\$14.994	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	30.036	15.000	(45.000)	0.000	0.000	0.000
Paratransit Reimbursement	(19.359)	0.279	0.035	0.000	(0.061)	(0.137)
Other	(129.993)	(117.056)	(120.568)	(124.185)	(127.911)	(131.748)
Other Operating Revenue	(\$119.316)	(\$101.777)	(\$165.533)	(\$124.185)	(\$127.972)	(\$131.885)
Capital and Other Reimbursements	39.052	(51.705)	113.534	12.653	(1.244)	6.778
Total Receipt Adjustments	(\$65.270)	(\$153.282)	(\$51.799)	(\$111.332)	(\$129.016)	(\$124.907)
Expenditures						
Labor:						
Payroll	(\$3.210)	\$35.124	\$30.325	\$31.195	\$32.325	\$32.104
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Total Salaries & Wages	(\$3.210)	\$35.124	\$30.325	\$31.195	\$32.325	\$32.104
Health and Welfare	(3.573)	6.886	3.844	7.958	8.555	9.196
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(24.861)	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	242.043	220.249	232.846	234.961	239.697	244.428
Total Fringe Benefits	\$213.609	\$227.135	\$236.690	\$242.919	\$248.252	\$253.624
GASB Account	0.000	0.000	0.000	(7.162)	(16.311)	(26.224)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$210.399	\$262.259	\$267.015	\$266.952	\$264.266	\$259.504
Non-Labor:						
Electric Power	(\$9.604)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(0.621)	0.000	0.000	0.000	0.000	0.000
Insurance	(0.352)	0.925	0.318	(0.309)	(1.864)	(0.150)
Claims	58.511	33.601	30.766	30.689	29.237	27.707
Paratransit Service Contracts	(1.480)	2.000	2.000	2.000	2.000	2.000
Maintenance and Other Operating Contracts	11.867	(14.000)	(16.600)	(10.700)	(10.700)	(10.700)
Professional Service Contracts	9.085	3.974	12.000	12.000	12.000	12.000
Materials & Supplies	(24.907)	18.946	16.500	1.500	1.500	1.500
Other Business Expenditures	2.377	0.000	(7.201)	0.000	0.000	0.000
Total Non-Labor Expenditures	\$44.876	\$45.446	\$37.783	\$35.180	\$32.173	\$32.357
Other Expenditure Adjustments:						
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 Expenditure Adjustments	\$255.275	\$307.705	\$304.798	\$302.132	\$296.439	\$291.861
Total Cash Conversion Adjustments						
before Depreciation and GASB Adjustments	\$190.005	\$154.423	\$252.999	\$190.800	\$167.423	\$166.954
Depreciation Adjustment	\$1,692.141	\$1,728.062	\$1,778.062	\$1,828.062	\$1,878.062	\$1,928.062
OPEB Liability Adjustment	1,130.113	1,443.361	1,501.095	1,561.139	1,623.584	1,688.528
GASB 68 Pension Expense Adjustment	(314.515)	(354.784)	(296.003)	(305.534)	(296.398)	(303.171)
Environmental Remediation	12.876	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$2,710.620	\$2,971.062	\$3,236.153	\$3,274.467	\$3,372.671	\$3,480.373

MTA NEW YORK CITY TRANSIT
November Financial Plan 2017 - 2020
Ridership/Traffic Volume (Utilization)
(\$ in millions)

	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
RIDERSHIP						
Subway	1,762.565	1,762.082	1,773.826	1,784.415	1,790.425	1,800.353
Bus	650.682	642.499	643.108	645.025	645.719	647.793
Paratransit	8.829	8.983	9.671	10.299	10.969	11.682
Total Ridership	2,422.076	2,413.564	2,426.605	2,439.739	2,447.113	2,459.828
FAREBOX REVENUE (Excluding fare media liability)						
Subway	\$3,313.600	\$3,352.702	\$3,376.792	\$3,397.716	\$3,409.592	\$3,429.211
Bus	964.784	967.735	969.134	972.293	973.437	976.854
Paratransit	17.425	18.347	19.633	20.923	22.296	23.758
Total Farebox Revenue	\$4,295.809	\$4,338.784	\$4,365.559	\$4,390.932	\$4,405.325	\$4,429.823

NEW YORK CITY TRANSIT
November Financial Plan 2017-2020
2016 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020
Administration										
Administrative and OTPS Savings	7	1.421	11	2.306	11	2.306	11	2.306	11	2.306
Employer Group Waiver Plan	-	11.520	-	11.520	-	11.520	-	11.520	-	11.520
Non-Represented Wage Increase Deferral	-	2.535	-	2.898	-	4.716	-	4.811	-	4.932
Health & Welfare - Medical Rebid	-	0.000	-	20.268	-	33.895	-	36.049	-	38.351
Recovery From Prior Medical Plans	-	<u>7.625</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<i>Subtotal Administration</i>	7	23.101	11	36.992	11	52.437	11	54.686	11	57.109
Customer Convenience/Amenities										
Destaff Auxiliary Full-Time Booth	-	0.000	42	2.165	42	3.720	42	3.720	42	3.720
Customer Assistance Program Reduction	-	<u>1.140</u>	-	<u>0.704</u>	-	<u>0.704</u>	14	<u>2.231</u>	14	<u>2.231</u>
<i>Subtotal Customer Convenience/Amenities</i>	-	1.140	42	2.869	42	4.424	56	5.951	56	5.951
Maintenance										
Buses Maintenance Savings	9	0.758	9	0.845	9	0.845	9	0.845	9	0.845
Buses Facility Savings	-	0.500	-	0.500	-	0.500	-	0.500	-	0.500
Car Equipment Maintenance Material Savings	-	0.800	-	0.800	-	0.800	-	0.800	-	0.800
Terminal Car Cleaning Savings	-	0.000	24	2.025	24	2.025	24	2.025	24	2.025
Signals Maintenance Efficiencies	7	0.280	7	0.626	7	0.626	7	0.626	7	0.626
Other	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<i>Subtotal Maintenance</i>	16	2.338	40	4.796	40	4.796	40	4.796	40	4.796
Revenue Enhancement										
Zero Fare Revenue Increase	-	<u>0.000</u>	-	<u>2.100</u>	-	<u>3.600</u>	-	<u>3.600</u>	-	<u>3.600</u>
<i>Subtotal Revenue Enhancement</i>	-	0.000	-	2.100	-	3.600	-	3.600	-	3.600
Safety										
None	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Security										
Security Efficiencies	3	<u>0.562</u>	2	<u>0.601</u>	2	<u>0.601</u>	2	<u>0.601</u>	2	<u>0.601</u>
<i>Subtotal Security</i>	3	0.562	2	0.601	2	0.601	2	0.601	2	0.601
Service										
Paratransit Additional Savings	-	<u>21.800</u>	-	<u>5.741</u>	-	<u>16.008</u>	-	<u>17.771</u>	-	<u>18.840</u>
<i>Subtotal Service</i>	-	21.800	-	5.741	-	16.008	-	17.771	-	18.840
Service Support										
None	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<i>Subtotal Service Support</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Other										
<i>Subtotal Other</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	26	\$48.941	95	\$53.099	95	\$81.866	109	\$87.405	109	\$90.897

MTA New York City Transit
November Financial Plan 2017 - 2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Office of the President	59	50	55	55	56	56
Law	290	320	320	320	320	320
Office of the EVP	42	55	55	55	55	53
Human Resources	239	232	233	231	230	230
Office of Management and Budget	39	42	42	42	42	41
Capital Planning & Budget	31	35	35	35	35	35
Corporate Communications	251	265	270	270	270	268
Non-Departmental	-	(34)	(34)	(34)	(34)	(34)
Labor Relations	95	98	97	97	97	97
Materiel	272	290	284	283	281	256
Controller	123	128	128	128	128	125
Total Administration	1,441	1,481	1,485	1,482	1,480	1,447
Operations						
Subways Service Delivery	7,867	8,315	8,540	8,416	8,389	8,263
Subways Operation Support /Admin	386	392	392	392	392	392
Subways Stations	2,620	2,669	2,608	2,592	2,592	2,592
Subtotal - Subways	10,873	11,376	11,540	11,400	11,373	11,247
Buses	11,005	11,042	11,158	11,118	11,118	11,118
Paratransit	200	213	213	213	213	213
Operations Planning	395	400	402	402	401	394
Revenue Control	546	583	583	583	583	583
Non-Departmental	-	-	-	-	-	-
Total Operations	23,019	23,614	23,896	23,716	23,688	23,555
Maintenance						
Subways Operation Support /Admin	149	175	225	232	244	251
Subways Engineering	358	379	386	361	334	310
Subways Car Equipment	4,396	4,429	4,404	4,325	4,282	4,280
Subways Infrastructure	1,503	1,642	1,674	1,546	1,545	1,534
Subways Elevator & Escalators	408	488	487	482	485	485
Subways Stations	3,649	3,808	3,803	3,807	3,791	3,789
Subways Track	2,755	2,841	2,845	2,820	2,805	2,805
Subways Power	609	625	627	616	604	598
Subways Signals	1,484	1,517	1,517	1,485	1,459	1,441
Subways Electronics Maintenance	1,493	1,630	1,610	1,567	1,554	1,546
Subtotal - Subways	16,804	17,534	17,578	17,241	17,103	17,039
Buses	3,675	3,683	3,648	3,657	3,736	3,789
Supply Logistics	553	559	563	560	560	560
System Safety	89	99	99	99	99	96
Non-Departmental	-	(82)	(55)	(30)	(31)	(31)
Total Maintenance	21,121	21,793	21,833	21,527	21,467	21,453
Engineering/Capital						
Capital Program Management	1,369	1,358	1,358	1,358	1,358	1,283
Total Engineering/Capital	1,369	1,358	1,358	1,358	1,358	1,283
Public Safety						
Security	622	662	673	673	673	673
Total Public Safety	622	662	673	673	673	673
Total Baseline Positions	47,572	48,908	49,245	48,756	48,666	48,411
Non-Reimbursable	43,449	43,673	43,931	43,793	43,795	43,874
Reimbursable	4,123	5,235	5,314	4,963	4,871	4,537
Total Full-Time	47,315	48,695	49,032	48,543	48,453	48,198
Total Full-Time Equivalents	257	213	213	213	213	213

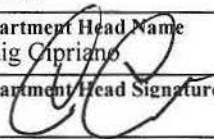
**MTA New York City Transit
November Financial Plan 2016-2020
Total Positions by Function and Occupation**

FUNCTION/OCCUPATIONAL GROUP	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Managers/Supervisors	468	536	535	534	532	513
Professional, Technical, Clerical	948	916	921	919	919	905
Operational Hourlies	25	29	29	29	29	29
Total Administration	1,441	1,481	1,485	1,482	1,480	1,447
Operations						
Managers/Supervisors	2,689	2,786	2,787	2,781	2,778	2,769
Professional, Technical, Clerical	490	507	509	509	507	503
Operational Hourlies	19,840	20,321	20,600	20,426	20,403	20,283
Total Operations	23,019	23,614	23,896	23,716	23,688	23,555
Maintenance						
Managers/Supervisors	3,826	3,925	3,956	3,876	3,859	3,852
Professional, Technical, Clerical	1,016	1,124	1,140	1,110	1,102	1,081
Operational Hourlies	16,279	16,744	16,737	16,541	16,506	16,520
Total Maintenance	21,121	21,793	21,833	21,527	21,467	21,453
Engineering/Capital						
Managers/Supervisors	348	339	339	339	339	283
Professional, Technical, Clerical	1,019	1,017	1,017	1,017	1,017	998
Operational Hourlies	2	2	2	2	2	2
Total Engineering/Capital	1,369	1,358	1,358	1,358	1,358	1,283
Public Safety						
Managers/Supervisors	265	288	295	295	295	295
Professional, Technical, Clerical	38	38	42	42	42	42
Operational Hourlies	319	336	336	336	336	336
Total Public Safety	622	662	673	673	673	673
Total Baseline Positions						
Managers/Supervisors	7,596	7,874	7,912	7,825	7,803	7,712
Professional, Technical, Clerical	3,511	3,602	3,629	3,597	3,587	3,529
Operational Hourlies	36,465	37,432	37,704	37,334	37,276	37,170
Total Baseline Positions	47,572	48,908	49,245	48,756	48,666	48,411

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MTA Bus Company

Staff Summary

Subject MTA Bus 2017 Budget and 2017-2020 Financial Plan Adoption
Department Finance
Department Head Name Craig Cipriano
Department Head Signature 
Project Manager Name Jacqueline Bruce

Date December 1, 2016
Vendor Name NA
Contract Number NA
Contract Manager Name NA
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	NYCT/MTA Bus	12/12/16	X		
2	Finance Committee	12/12/16	X		
3	MTA Board	12/14/16	X		

Internal Approvals			
Order	Approval	Order	Approval
1	EVP, Business Strategies & Operations Support		12/11/16
2	President		12/11/16

Purpose

To secure MTA Board adoption of MTA Bus Company's 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020.

Discussion

The 2017 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to support MTA Bus Company's planned service levels, as well as MTA's commitment to provide safe, reliable and efficient transportation service to the metropolitan New York region. The baseline projections that follow for MTA Bus Company include the impact of budget reduction initiatives and exclude certain items that are captured "below-the-line" in the MTA Consolidated Financial Plan: Fare increases, unidentified MTA Efficiencies, and other MTA policy actions. The MTA is reimbursed from the City of New York for the operating deficits of MTA Bus.

The 2017 Final Proposed Budget includes funding for new and enhanced investments and initiatives in support of our core transit goals as follows:

Key Programmatic Initiatives

- **Maintenance Campaigns:** Maintenance campaigns are specific scopes of work issued to repair/address concerns on the bus fleet. The campaigns mandate repairs, address safety, reliability, and/or customer concerns to ensure the safe and dependable operation of the bus fleet.
- **Shop Program/Hawk Shift:** The Shop Program involves production and headcount realignments, and a revision to the scope of work for the new Compressed Natural Gas (CNG) fleets. The original Hybrid plan was to repower hybrid buses with diesel engines, however, after an evaluation of the full cost of the conversions, it was determined that these funds would be better utilized to support the following Hybrid bus programs: extended warranty on Propulsion Control System (PCS) components with the vendor, replacement of traction motors and generators based on three-year average failure rates, replacement of hybrid batteries based on the latest schedule with the vendor, replacement of engines in their midlife, and replacement of injectors in years two and four after engine replacements.

The increase in the number of Shop Program buses has a direct impact on bus availability. In order to meet the service needs of the depot and shop production goals, a Hawk Shift (or third shift) is being implemented.

- Tires & Tubes: The current tire and tube contract expired in April 2016, and a new contract is currently being negotiated with the vendor. The budget allocation is based on the most recent Best and Final Offer (BAFO) from the vendor.
- CRT Filters: Funding is required for periodic filter cleaning and the purchase of replacement filters. Filters are removed for cleaning every 6,000 engine hours, which occurs approximately every 12 months on local routes and every 18 months on express routes.
- Buses On-Board Technology Upgrades: Retrofit a portion of the existing bus fleet with state-of-the-art technology amenities including high-speed Wi-Fi connectivity, USB charging, and digital screens with on-board Announcement and Infotainment systems. The digital display screens will include real time next stop and service information. In addition, implementation of an Automatic Passenger Count system will modernize the gathering of passenger counting information and provide real-time passenger loading information at each bus stop, leading to more efficient bus service as schedules are updated to reflect more accurate passenger loads.
- SBS Routes and Engineers: MTABC is introducing SBS routes starting in 2016. The routes are selected jointly by MTABC, NYC DOT and NYC Transit as part of a strategy to improve bus service in light of increased street congestion. The rollout of Select Bus Service (SBS) will require additional engineers to plan, perform, and direct the installation of SBS Metrocard fareboxes and coin machines at each bus stop, and oversee and monitor all field work to ensure completeness and compliance with regulatory and construction codes.
- Platform Budget Service Adjustments: MTA Bus will implement schedule changes to improve service on nine of MTA Bus' underperforming routes. This will improve the reliability and frequency of service in response to ridership trends and operating conditions.
- Chief Maintenance Officer (CMO)/Central Maintenance Facility (CMF) Staffing: Additional positions are needed in response to the significant increase in responsibilities of the CMO. Additional managers and line supervisors are needed to address the increased production levels in the CMF. The number of buses scheduled for the Shop Program was 129 in 2015, growing to 251 in 2016, and 311 in 2017.
- Chief Officer of Equal Employment Opportunity: This unit will oversee the MTABC Title VI program and its requirements; further, the Chief will be responsible for developing and recommending Equal Employment Opportunity policy, planning, reporting and day-to-day implementation of the MTABC EEO Program.

Budget Reduction Initiatives

The Plan provides overall savings of \$9.2 million through 2020, comprised of annual savings of \$5.1 million (2016), \$0.9 million (2017), \$1.1 million (2018), \$0.9 million (2019), and \$1.1 million (2020).

These savings are driven by three budget reduction initiatives discussed below.

- Shop BRP

Net Shop Reductions include:

- 1) AC upgrades on all hybrid buses to be completed in-house at a lower cost rather than by a vendor.
- 2) MCI engines on the 247 buses with extended life to be performed on a “fix as fail” basis.
- 3) Hybrid structural work on 284 buses with extended life (Hybrids '06,'07) will be completed by EOY 2020 incurring budget savings in the out years.

- Fuel Economy: marked improvement in fuel efficiencies from new bus deliveries (2015 New Flyer fleet).
- Non-Represented Wage Increase Deferral: savings resulting from a six-month delay in the implementation of a 2% general wage increase for non-represented employees. The original effective date of January 1, 2016 and annual recurrence on January 1 thereafter, is now effective on July 1, 2016, with annual recurrence on July 1 of each year thereafter.

2016 November Forecast – Baseline

Total operating revenues are projected at \$234.9 million, including \$214.1 million of farebox revenues. Total non-reimbursable expenses before depreciation and GASB adjustments are projected to be \$682.7 million in 2016, consisting of labor costs of \$512.3 million and non-labor expenses of \$170.4 million. Non-cash depreciation expense is projected at \$42.2 million, other post-employment benefit expenses are projected at \$100.2 million, and GASB 68 Pension Expense Adjustment is projected at \$40.2 million. After including favorable cash adjustments of \$175.3 million, the projected net cash deficit is \$455.2 million. Projected reimbursable expenses of \$6.0 million is fully offset by capital reimbursements.

Total end-of-year positions are projected at 3,845, consisting of 3,805 non-reimbursable positions and 40 reimbursable positions.

2017 Final Proposed Budget - Baseline

Total operating revenues are budgeted at \$235.7 million, including farebox revenues of \$214.6 million. Total non-reimbursable expenses before depreciation and GASB adjustments is budgeted to be \$726.3 million in 2017, consisting of labor costs of \$536.3 million and non-labor expenses of \$189.9 million. Non-cash depreciation expense is projected at \$42.9 million, other post-employment benefit expenses are projected at \$100.2 million and GASB 68 Pension Expense Adjustment is projected at \$43.3 million. After including favorable cash adjustments of \$213.4 million, the projected net cash deficit is \$463.5 million. Projected reimbursable expenses of \$5.9 million are fully offset by capital reimbursements.

Total 2017 end-of-year positions are projected at 3,940 consisting of 3,900 non-reimbursable positions and 40 reimbursable positions.

Impact on Funding

The 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020, 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 2016 November Forecast, the 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020 for MTA Bus Company.

MTA BUS COMPANY
November Financial Plan 2017 - 2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE	2015	2016	2017	2018	2019	2020
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>			
Operating Revenue						
Farebox Revenue	\$210.333	\$214.145	\$214.591	\$215.465	\$215.856	\$216.745
Other Operating Revenue	23.109	20.724	21.089	21.471	21.650	21.832
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$233.442	\$234.869	\$235.680	\$236.936	\$237.506	\$238.577
Operating Expenses						
Labor:						
Payroll	\$272.882	\$263.186	\$276.683	\$278.623	\$284.514	\$285.504
Overtime	58.326	54.783	55.441	56.822	57.189	56.484
Health and Welfare	59.155	60.890	67.312	73.136	78.110	83.865
OPEB Current Payment	18.124	23.911	25.928	28.016	30.324	32.824
Pensions	43.923	43.887	44.752	44.959	45.376	44.193
Other Fringe Benefits	63.811	65.689	66.229	69.433	70.016	69.950
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$516.221	\$512.347	\$536.345	\$550.988	\$565.530	\$572.820
Non-Labor:						
Electric Power	\$1.696	\$1.651	\$1.937	\$2.028	\$2.127	\$2.285
Fuel	22.088	18.974	23.145	24.361	26.936	29.870
Insurance	3.448	5.501	6.100	7.078	7.682	8.886
Claims	34.952	29.000	29.447	29.977	30.490	30.502
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	24.379	33.280	42.379	40.599	32.454	29.846
Professional Service Contracts	21.113	26.824	27.189	29.231	32.911	32.612
Materials & Supplies	46.459	51.148	54.542	59.725	51.837	49.280
Other Business Expenses	3.955	3.987	5.172	5.316	6.422	6.412
Total Non-Labor Expenses	\$158.090	\$170.366	\$189.912	\$198.314	\$190.859	\$189.693
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.	\$674.311	\$682.712	\$726.257	\$749.302	\$756.389	\$762.513
Depreciation	\$50.014	\$42.236	\$42.887	\$43.658	\$43.657	\$43.657
OPEB Liability Adjustment	60.951	100.150	100.150	100.150	100.150	100.150
GASB 68 Pension Expense Adjustment	(12.143)	40.200	43.300	42.900	41.600	37.300
Environmental Remediation	0.203	-	-	-	-	-
Total Expenses	\$773.336	\$865.298	\$912.595	\$936.010	\$941.796	\$943.620
Net Surplus/(Deficit)	(\$539.894)	(\$630.429)	(\$676.915)	(\$699.073)	(\$704.290)	(\$705.043)

MTA BUS COMPANY
November Financial Plan 2017 - 2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE	2015	2016	2017	2018	2019	2020
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>			
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	5.252	6.039	5.857	5.960	5.925	5.871
Total Revenue	\$5.252	\$6.039	\$5.857	\$5.960	\$5.925	\$5.871
Expenses						
<u>Labor:</u>						
Payroll	\$2.936	\$2.892	\$2.682	\$2.731	\$2.586	\$2.430
Overtime	-	-	-	-	-	-
Health and Welfare	0.921	1.093	1.101	1.121	1.214	1.314
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.439	0.498	0.498	0.508	0.508	0.509
Other Fringe Benefits	0.440	0.482	0.486	0.495	0.495	0.495
Reimbursable Overhead	0.379	-	-	-	-	-
Total Labor Expenses	\$5.115	\$4.965	\$4.767	\$4.855	\$4.803	\$4.748
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	0.231	0.235	0.238	0.242	0.242
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	0.137	0.843	0.855	0.867	0.881	0.881
Other Business Expenses	-	-	-	-	-	-
Total Non-Labor Expenses	\$0.137	\$1.074	\$1.090	\$1.105	\$1.122	\$1.123
<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.	\$5.252	\$6.039	\$5.857	\$5.960	\$5.925	\$5.871
Depreciation	-	-	-	-	-	-
Total Expenses	\$5.252	\$6.039	\$5.857	\$5.960	\$5.925	\$5.871
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
November Financial Plan 2017 - 2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2015	2016	2017			
	Actual	November	Final Proposed	2018	2019	2020
		Forecast	Budget			
Revenue						
Farebox Revenue	\$210.333	\$214.145	\$214.591	\$215.465	\$215.856	\$216.745
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	23.109	20.724	21.089	21.471	21.650	21.832
Capital and Other Reimbursements	5.252	6.039	5.857	5.960	5.925	5.871
Total Revenue	\$238.694	\$240.908	\$241.537	\$242.896	\$243.431	\$244.448
Expenses						
Labor:						
Payroll	\$275.818	\$266.078	\$279.365	\$281.354	\$287.100	\$287.934
Overtime	58.326	54.783	55.441	56.822	57.189	56.484
Health and Welfare	60.076	61.984	68.413	74.257	79.324	85.178
OPEB Current Payment	18.124	23.911	25.928	28.016	30.324	32.824
Pensions	44.362	44.385	45.250	45.466	45.885	44.702
Other Fringe Benefits	64.251	66.171	66.714	69.928	70.511	70.446
Reimbursable Overhead	0.379	-	-	-	-	-
Total Labor Expenses	\$521.336	\$517.312	\$541.112	\$555.843	\$570.333	\$577.568
Non-Labor:						
Electric Power	\$1.696	\$1.651	\$1.937	\$2.028	\$2.127	\$2.285
Fuel	22.088	18.974	23.145	24.361	26.936	29.870
Insurance	3.448	5.501	6.100	7.078	7.682	8.886
Claims	34.952	29.000	29.447	29.977	30.490	30.502
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	24.379	33.511	42.614	40.837	32.695	30.088
Professional Service Contracts	21.113	26.824	27.189	29.231	32.911	32.612
Materials & Supplies	46.596	51.991	55.397	60.592	52.717	50.161
Other Business Expenses	3.955	3.987	5.172	5.316	6.422	6.412
Total Non-Labor Expenses	\$158.227	\$171.440	\$191.002	\$199.419	\$191.981	\$190.816
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.	\$679.563	\$688.752	\$732.114	\$755.261	\$762.314	\$768.384
Depreciation	\$50.014	\$42.236	\$42.887	\$43.658	\$43.657	\$43.657
OPEB Liability Adjustment	60.951	100.150	100.150	100.150	100.150	100.150
GASB 68 Pension Expense Adjustment	(12.143)	40.200	43.300	42.900	41.600	37.300
Environmental Remediation	0.203	-	-	-	-	-
Total Expenses	\$778.588	\$871.338	\$918.452	\$941.969	\$947.721	\$949.491
Net Surplus/(Deficit)	(\$539.894)	(\$630.429)	(\$676.915)	(\$699.073)	(\$704.290)	(\$705.043)

MTA BUS COMPANY
November Financial Plan 2017 - 2020
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2015	2016	2017			
	Actual	November	Final Proposed	2018	2019	2020
		Forecast	Budget			
Receipts						
Farebox Revenue	\$209.816	\$214.145	\$214.591	\$215.465	\$215.856	\$216.745
Other Operating Revenue	\$20.529	21.724	21.089	21.471	21.650	21.832
Capital and Other Reimbursements	\$5.560	9.227	11.048	11.244	14.575	14.580
Total Receipts	\$235.905	\$245.096	\$246.728	\$248.180	\$252.081	\$253.157
Expenditures						
Labor:						
Payroll	\$246.476	\$278.849	\$277.325	\$279.275	\$288.479	\$289.472
Overtime	58.371	58.883	55.441	56.822	57.189	56.484
Health and Welfare	62.071	61.567	67.993	73.829	79.324	85.179
OPEB Current Payment	20.005	23.911	25.928	28.016	30.324	32.824
Pensions	46.001	44.213	45.080	45.292	45.711	44.528
Other Fringe Benefits	45.798	50.998	51.541	54.751	55.334	55.269
GASB Account	-				0.094	0.205
Reimbursable Overhead	0.238	-	-	-	-	-
Total Labor Expenditures	\$478.960	\$518.421	\$523.309	\$537.985	\$556.455	\$563.961
Non-Labor:						
Electric Power	\$1.696	\$1.651	\$1.937	\$2.028	\$2.127	\$2.285
Fuel	24.750	18.974	23.145	24.361	25.513	28.447
Insurance	1.762	8.801	6.100	7.078	7.682	8.886
Claims	26.484	25.000	25.385	25.842	26.355	26.367
Paratransit Service Contracts	-					
Maintenance and Other Operating Contracts	27.984	33.511	42.615	40.837	31.207	28.599
Professional Service Contracts	20.202	37.924	27.189	29.231	32.911	32.612
Materials & Supplies	47.608	51.991	55.397	60.592	52.718	50.161
Other Business Expenses	2.948	3.988	5.172	5.315	6.422	6.412
Total Non-Labor Expenditures	\$153.434	\$181.841	\$186.941	\$195.282	\$184.935	\$183.769
Other Expenditure Adjustments:						
Other	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$632.394	\$700.262	\$710.251	\$733.267	\$741.390	\$747.730
Net Cash Surplus/(Deficit)	(\$396.489)	(\$455.165)	(\$463.523)	(\$485.087)	(\$489.309)	(\$494.573)

MTA BUS COMPANY
November Financial Plan 2017 - 2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2015	2016	2017			
	Actual	November	Final Proposed	2018	2019	2020
		Forecast	Budget			
Receipts						
Farebox Revenue	(\$0.517)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(2.580)	1.000	-	-	-	-
Capital and Other Reimbursements	0.308	3.188	5.191	5.284	8.650	8.709
Total Receipts	(\$2.789)	\$4.188	\$5.191	\$5.284	\$8.650	\$8.709
Expenditures						
Labor:						
Payroll	\$29.342	(\$12.771)	\$2.040	\$2.079	(\$1.379)	(\$1.538)
Overtime	(0.045)	(4.100)	-	-	-	-
Health and Welfare	(1.995)	0.417	0.420	0.428	-	(0.001)
OPEB Current Payment	(1.881)	-	-	-	-	-
Pensions	(1.639)	0.172	0.170	0.174	0.174	0.174
Other Fringe Benefits	18.453	15.173	15.173	15.177	15.177	15.177
GASB Account	-	-	-	-	(0.094)	(0.205)
Reimbursable Overhead	0.141	-	-	-	-	-
Total Labor Expenditures	\$42.376	(\$1.109)	\$17.803	\$17.858	\$13.878	\$13.607
Non-Labor:						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(2.662)	-	(0.000)	-	1.423	1.423
Insurance	1.686	(3.300)	-	-	-	-
Claims	8.468	4.000	4.062	4.135	4.135	4.135
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(3.605)	-	(0.001)	-	1.488	1.489
Professional Service Contracts	0.911	(11.100)	-	-	-	-
Materials & Supplies	(1.012)	-	-	-	(0.001)	-
Other Business Expenditures	1.007	(0.001)	-	0.001	0.000	-
Total Non-Labor Expenditures	\$4.793	(\$10.401)	\$4.061	\$4.136	\$7.046	\$7.047
Other Expenditures Adjustments:						
Other	-	-	-	-	-	-
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$44.380	(\$7.322)	\$27.055	\$27.278	\$29.574	\$29.363
Depreciation Adjustment	\$50.014	\$42.236	\$42.887	\$43.658	\$43.657	\$43.657
OPEB Liability Adjustment	60.951	100.150	100.150	100.150	100.150	100.150
GASB 68 Pension Expense Adjustment	(12.143)	40.200	43.300	42.900	41.600	37.300
Environmental Remediation	0.203	-	-	-	-	-
Total Cash Conversion Adjustments	\$143.405	\$175.264	\$213.392	\$213.986	\$214.981	\$210.470

MTA BUS COMPANY
November Financial Plan 2017 - 2020
Ridership/(Utilization)
(in millions)

	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
<u>RIDERSHIP</u>						
Fixed Route	125.399	126.111	126.354	126.826	127.038	127.514
Baseline Total Ridership	125.399	126.111	126.354	126.826	127.038	127.514
<u>FAREBOX REVENUE</u>						
Fixed Route	\$210.333	\$214.145	\$214.591	\$215.465	\$215.856	\$216.745
Baseline Total Revenue	\$210.333	\$214.145	\$214.591	\$215.465	\$215.856	\$216.745

MTA BUS COMPANY
November Financial Plan 2017 - 2020
2016 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020
<u>Administration</u>										
Non-Represented Wage Increase Deferral	-	0.585	-	0.596	-	0.608	-	0.620	-	0.633
Subtotal Administration	-	0.585	-	0.596	-	\$0.608	-	\$0.620	-	\$0.633
<u>Customer Convenience/Amenities</u>										
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
<u>Maintenance</u>										
Shop	4	4.226	(6)	(0.002)	-	0.220	-	0.000	1	0.157
Fuel Economy	-	0.317	-	0.317	-	0.317	-	0.317	-	0.317
Subtotal Maintenance	4	4.543	(6)	0.315	-	0.537	-	0.317	1	0.474
<u>Revenue Enhancement</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety/Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
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	4	\$5.127	(6)	\$0.911	-	\$1.145	-	\$0.937	1	\$1.107

MTA BUS COMPANY
November Financial Plan 2017 - 2020
Total Positions by Function & Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

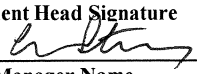
FUNCTION/DEPARTMENT	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Office of the EVP	3	3	3	3	3	3
Human Resources	10	19	19	19	19	19
Office of Management and Budget	13	14	14	14	14	14
Technology & Information Services	-	-	-	-	-	-
Materiel	15	18	18	18	18	18
Controller	19	17	17	17	17	17
Office of the President	5	6	6	6	6	6
System Safety Administration	1	5	5	5	5	5
Law	23	21	21	21	21	21
Corporate Communications	-	-	-	-	-	-
Strategic Office	3	24	26	28	29	29
Labor Relations	11	4	4	4	4	4
Non Departmental	-	23	31	28	45	45
Total Administration	103	154	164	163	181	181
Operations						
Buses	2,229	2,249	2,304	2,304	2,304	2,304
Office of the Executive Vice President, Regional	4	4	4	4	4	4
Safety & Training	66	29	29	29	29	29
Road Operations	120	120	121	121	121	121
Transportation Support	25	22	22	22	22	22
Operations Planning	29	33	33	33	33	33
Revenue Control	26	27	30	30	30	30
Total Operations	2,499	2,484	2,543	2,543	2,543	2,543
Maintenance						
Buses	752	757	742	748	748	748
Maintenance Support/CMF	181	219	255	231	236	226
Facilities	60	77	81	81	81	81
Supply Logistics	92	95	96	96	96	96
Total Maintenance	1,085	1,148	1,174	1,156	1,161	1,151
Engineering/Capital						
Capital Program Management	29	37	37	37	37	37
Public Safety						
Office of the Senior Vice President	16	22	22	22	22	22
Total Positions	3,732	3,845	3,940	3,921	3,944	3,934
Non-Reimbursable	3,693	3,805	3,900	3,881	3,904	3,894
Reimbursable	39	40	40	40	40	40
Total Full-Time	3,718	3,830	3,925	3,906	3,929	3,919
Total Full-Time Equivalents	14	15	15	15	15	15

MTA BUS COMPANY
November Financial Plan 2017 - 2020
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Managers/Supervisors	43	63	67	65	65	65
Professional, Technical, Clerical	60	73	73	75	76	76
Operational Hourlies	-	18	24	23	40	40
Total Administration	103	154	164	163	181	181
Operations						
Managers/Supervisors	309	303	307	307	307	307
Professional, Technical, Clerical	52	51	51	51	51	51
Operational Hourlies	2,138	2,130	2,185	2,185	2,185	2,185
Total Operations	2,499	2,484	2,543	2,543	2,543	2,543
Maintenance						
Managers/Supervisors	218	225	228	228	228	228
Professional, Technical, Clerical	19	26	28	28	28	28
Operational Hourlies	848	897	918	900	905	895
Total Maintenance	1,085	1,148	1,174	1,156	1,161	1,151
Engineering/Capital						
Managers/Supervisors	18	21	21	21	21	21
Professional, Technical, Clerical	11	16	16	16	16	16
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	29	37	37	37	37	37
Public Safety						
Managers/Supervisors	12	17	17	17	17	17
Professional, Technical, Clerical	4	5	5	5	5	5
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	16	22	22	22	22	22
Total Positions						
Managers/Supervisors	600	629	640	638	638	638
Professional, Technical, Clerical	146	171	173	175	176	176
Operational Hourlies	2,986	3,045	3,127	3,108	3,130	3,120
Total Baseline Positions	3,732	3,845	3,940	3,921	3,944	3,934


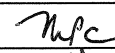

Staten Island Railway

Staff Summary

Subject SIR 2017 Budget and 2017 – 2020 Financial Plan Adoption
Department Office of Management & Budget
Department Head Name Aaron Stern
Department Head Signature 
Project Manager Name

Date December 1, 2016
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	CFO 		
3	President 		

Purpose

To secure MTA Board adoption of MTA Staten Island Railway’s 2016 November Forecast, 2017 Final Proposed Budget, and the Four-Year Financial Plan for 2017-2020.

Discussion

The 2017 Final Proposed Budget, which is consistent with information presented to the Board in November, provides sufficient funding to support MTA Staten Island Railway’s planned service levels, as well as MTA’s commitment to provide safe, reliable and efficient transportation service. The baseline projections that follow for MTA Staten Island Railway include several new programmatic initiatives and support for current projects. Projections also capture a budget reduction initiative in 2016 and savings from re-estimates. SIR projections do not include the estimated impacts from projected fare increases, unidentified MTA efficiencies, and MTA policy actions. These impacts will be presented as part of MTA consolidated materials.

Major Programmatic Initiative

- **SIR R44 Car Fleet Maintenance Project.** This essential car life extension project is required to maintain safe and reliable operation of the 45 year old R44 fleet until replacement, currently projected in 2022-2023. The original approved project was planned for 18 months starting December 2015 at an estimated cost of \$26.7 million. Based on detailed assessment of the initial cars sent for overhaul, it was determined that substantial additional work hours and material requirements per car were required, increasing the total project cost by \$6.5 million. Furthermore, due to a detailed assessment of the car conditions, a special inspection of the car structure (18 months following the overhaul project) will be done to ensure structural integrity, adding \$1.0 million to total project costs.

Other Important Programmatic Initiatives:

- **293 Bay Street Fueling Tank Repairs.** This urgent requirement was originally included in the July 2014 Financial Plan with an initial cost estimate of \$0.283 million. Significant water damage further exacerbated by Sandy caused most of the damage. At that time, the required vendor was unavailable. Updated building codes and redesign has resulted in an increased project cost of \$0.500 million.
- **New Dorp Station House Portico and Roof Repairs.** Expenses of \$0.200 million will be required to replace roof joists and repair the portico.
- **Phase II Station House Platform Access.** Phase I of this project was completed in 2015 and Phase II, which will require \$0.210 million of expenses, is planned to be completed in 2017. The work-scope for this SIR-wide project includes the installation of windows, doors, security apparatus, access gates, 37 staircases, a customer information center, and a blind strip.
- **293 Bay Street Non-Revenue Vehicle Shop.** This shop urgently requires replacement of air conditioners and roofing repairs. The air conditioners, now more than 30 years old, have exceeded their life expectancy and are experiencing excessive failures. The cost requirements are estimated at \$0.350 million, to be incurred over a two year period.

A Budget Reduction Initiative included in this financial plan represents savings in 2016 of \$0.252 million, resulting from a reduction in non-revenue vehicle purchases.

2016 November Forecast-Baseline

Total operating revenues are projected at \$9.0 million, including farebox revenues of \$6.6 million. Total operating expenses are projected to be \$64.0 million, consisting of labor costs of \$40.9 million and non-labor expenses of \$23.1 million. Non-cash depreciation expense is projected at \$8.3 million, other post-employment benefit expenses are projected at \$7.5 million and GASB 68 pension expenses are projected as a credit of \$0.5 million. After including favorable cash adjustments of \$9.4 million, the projected net cash deficit is \$60.9 million. Projected reimbursable expenses of \$5.0 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 318, including 304 non-reimbursable positions and 14 reimbursable positions.

2017 Final Proposed Budget-Baseline

Total operating revenues are projected at \$9.1 million, including farebox revenues of \$6.6 million. Total operating expenses are projected to be \$72.0 million, consisting of labor costs of \$41.7 million and non-labor expenses of \$30.3 million. Non-cash depreciation expense is projected at \$8.3 million, other post-employment benefit expenses are projected at \$7.5 million, and GASB 68 pension expenses are projected as a credit of \$0.5 million. After including favorable cash adjustments of \$15.3 million, the projected net cash deficit is \$62.9 million. Projected reimbursable expenses of \$2.5 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 318, including 304 non-reimbursable positions and 14 reimbursable positions.

Impact on Funding

The 2016 November Forecast, the 2017 Final Proposed Budget and the Four-Year Financial Plan for 2017-2020, 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 2016 November Forecast, the 2017 Final Proposed Budget and the Four-Year Financial Plan for 2017-2020 for MTA Staten Island Railway.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2015	2016	2017			
	<u>Actual</u>	<u>Forecast</u>	<u>Final Proposed</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Revenue						
Farebox Revenue	\$6.401	\$6.574	\$6.618	\$6.665	\$6.687	\$6.732
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.635	2.428	2.450	2.473	2.496	2.520
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$9.036	\$9.002	\$9.068	\$9.138	\$9.183	\$9.252
Operating Expenses						
<u>Labor:</u>						
Payroll	\$22.407	\$23.406	\$22.726	\$23.091	\$23.465	\$23.924
Overtime	2.725	2.895	3.062	1.641	1.655	1.669
Health and Welfare	4.264	4.293	4.649	4.730	4.913	5.103
OPEB Current Payment	1.463	1.404	1.497	1.524	1.585	1.650
Pensions	6.000	6.074	6.128	6.128	6.229	6.130
Other Fringe Benefits	3.995	4.036	4.093	4.082	4.165	4.261
Reimbursable Overhead	(1.591)	(1.208)	(0.489)	(0.489)	(0.489)	0.000
Total Labor Expenses	\$39.263	\$40.900	\$41.666	\$40.707	\$41.523	\$42.737
<u>Non-Labor:</u>						
Electric Power	\$3.837	\$3.324	\$4.025	\$4.191	\$4.364	\$4.678
Fuel	0.282	0.235	0.275	0.288	0.293	0.316
Insurance	1.566	1.117	1.462	1.660	1.680	1.870
Claims	1.212	0.084	0.088	0.088	0.091	0.093
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.129	14.933	21.507	2.517	2.081	1.950
Professional Service Contracts	0.623	0.762	1.112	1.046	1.064	1.083
Materials & Supplies	1.945	2.631	1.815	1.331	1.340	1.350
Other Business Expenses	0.182	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenses	\$10.776	\$23.116	\$30.314	\$11.151	\$10.943	\$11.370
<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.						
	\$50.039	\$64.016	\$71.980	\$51.858	\$52.466	\$54.107
Depreciation	\$8.072	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Liability Adjustment	7.463	7.500	7.500	7.500	7.500	7.500
GASB 68 Pension Expense Adjustment	(1.514)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
Environmental Remediation	1.119	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$65.179	\$79.316	\$87.280	\$67.158	\$67.766	\$69.407
Net Surplus/(Deficit)	(\$56.143)	(\$70.314)	(\$78.212)	(\$58.020)	(\$58.583)	(\$60.155)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2015	2016	2017			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	3.817	4.996	2.510	2.010	2.010	0.900
Total Revenue	\$3.817	\$4.996	\$2.510	\$2.010	\$2.010	\$0.900
Expenses						
<u>Labor:</u>						
Payroll	\$1.024	\$1.288	\$0.521	\$0.521	\$0.521	\$0.000
Overtime	0.697	1.500	1.500	1.000	1.000	0.900
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.011	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	1.591	1.208	0.489	0.489	0.489	0.000
Total Labor Expenses	\$3.323	\$3.996	\$2.510	\$2.010	\$2.010	\$0.900
<u>Non-Labor:</u>						
Electric Power	\$0.008	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	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	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.018	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.468	1.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.494	\$1.000	\$0.000	\$0.000	\$0.000	\$0.000
<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	\$3.817	\$4.996	\$2.510	\$2.010	\$2.010	\$0.900
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$3.817	\$4.996	\$2.510	\$2.010	\$2.010	\$0.900
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
November Financial Plan 2017-2020
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Revenue						
Farebox Revenue	\$6.401	\$6.574	\$6.618	\$6.665	\$6.687	\$6.732
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.635	2.428	2.450	2.473	2.496	2.520
Capital and Other Reimbursements	3.817	4.996	2.510	2.010	2.010	0.900
Total Revenue	\$12.853	\$13.998	\$11.578	\$11.148	\$11.193	\$10.152
Expenses						
<u>Labor:</u>						
Payroll	\$23.431	\$24.694	\$23.247	\$23.612	\$23.986	\$23.924
Overtime	3.422	4.395	4.562	2.641	2.655	2.569
Health and Welfare	4.264	4.293	4.649	4.730	4.913	5.103
OPEB Current Payment	1.474	1.404	1.497	1.524	1.585	1.650
Pensions	6.000	6.074	6.128	6.128	6.229	6.130
Other Fringe Benefits	3.995	4.036	4.093	4.082	4.165	4.261
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$42.586	\$44.896	\$44.176	\$42.717	\$43.533	\$43.637
<u>Non-Labor:</u>						
Electric Power	\$3.845	\$3.324	\$4.025	\$4.191	\$4.364	\$4.678
Fuel	0.282	0.235	0.275	0.288	0.293	0.316
Insurance	1.566	1.117	1.462	1.660	1.680	1.870
Claims	1.212	0.084	0.088	0.088	0.091	0.093
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.129	14.933	21.507	2.517	2.081	1.950
Professional Service Contracts	0.641	0.762	1.112	1.046	1.064	1.083
Materials & Supplies	2.413	3.631	1.815	1.331	1.340	1.350
Other Business Expenses	0.182	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenses	\$11.270	\$24.116	\$30.314	\$11.151	\$10.943	\$11.370
<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	\$53.856	\$69.012	\$74.490	\$53.868	\$54.476	\$55.007
Depreciation	\$8.072	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Liability Adjustment	7.463	7.500	7.500	7.500	7.500	7.500
GASB 68 Pension Expense Adjustment	(1.514)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
Environmental Remediation	1.119	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$68.996	\$84.312	\$89.790	\$69.168	\$69.776	\$70.307
Net Surplus/(Deficit)	(\$56.143)	(\$70.314)	(\$78.212)	(\$58.020)	(\$58.583)	(\$60.155)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2017-2020
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2015	2016	2017			
	<u>Actual</u>	<u>Forecast</u>	<u>Final Proposed Budget</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Receipts						
Farebox Revenue	\$6.336	\$6.198	\$6.618	\$6.665	\$6.688	\$6.732
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.892	4.081	2.450	2.473	2.496	2.519
Capital and Other Reimbursements	3.034	5.779	2.510	2.010	2.010	0.900
Total Receipts	\$11.262	\$16.058	\$11.578	\$11.148	\$11.194	\$10.151
Expenditures						
<u>Labor:</u>						
Payroll	\$21.634	\$30.196	\$23.247	\$23.612	\$23.986	\$23.922
Overtime	3.121	4.896	4.562	2.641	2.655	2.569
Health and Welfare	5.097	4.293	4.649	4.730	4.913	5.101
OPEB Current Payment	0.620	1.404	1.497	1.524	1.585	1.650
Pensions	6.000	6.074	6.128	6.128	6.229	6.131
Other Fringe Benefits	4.000	4.449	4.093	4.082	4.167	4.265
GASB Account	0.000	0.000	0.000	0.005	0.018	0.031
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$40.472	\$51.312	\$44.176	\$42.722	\$43.553	\$43.669
<u>Non-Labor:</u>						
Electric Power	\$3.934	\$3.324	\$4.025	\$4.191	\$4.364	\$4.678
Fuel	0.105	0.320	0.275	0.288	0.293	0.316
Insurance	1.895	1.117	1.462	1.660	1.680	1.870
Claims	1.004	0.084	0.088	0.088	0.091	0.093
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.956	16.416	21.507	2.517	2.081	1.950
Professional Service Contracts	0.857	0.762	1.112	1.046	1.064	1.083
Materials & Supplies	2.114	3.631	1.815	1.331	1.340	1.350
Other Business Expenses	0.160	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenditures	\$11.025	\$25.684	\$30.314	\$11.151	\$10.943	\$11.370
<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	\$51.497	\$76.996	\$74.490	\$53.873	\$54.496	\$55.039
Net Cash Surplus/(Deficit)	(\$40.235)	(\$60.938)	(\$62.912)	(\$42.725)	(\$43.302)	(\$44.888)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2017-2020
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2015	2016	2017			
	Actual	November Forecast	Final Proposed Budget	2018	2019	2020
Receipts						
Farebox Revenue	(\$0.065)	(\$0.376)	\$0.000	\$0.000	\$0.001	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.743)	1.653	0.000	0.000	0.000	(0.001)
Capital and Other Reimbursements	(0.783)	0.783	0.000	0.000	0.000	0.000
Total Receipts	(\$1.591)	\$2.060	\$0.000	\$0.000	\$0.001	(\$0.001)
Expenditures						
<u>Labor:</u>						
Payroll	\$1.797	(\$5.502)	\$0.000	\$0.000	\$0.000	\$0.002
Overtime	0.301	(0.501)	0.000	0.000	0.000	0.000
Health and Welfare	(0.833)	0.000	0.000	0.000	0.000	0.002
OPEB Current Payment	0.854	0.000	0.000	0.000	0.000	0.000
Pensions	0.000	0.000	0.000	0.000	0.000	(0.001)
Other Fringe Benefits	(0.005)	(0.413)	0.000	0.000	(0.002)	(0.004)
GASB Account	0.000	0.000	0.000	(0.005)	(0.018)	(0.031)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$2.114	(\$6.416)	\$0.000	(\$0.005)	(\$0.020)	(\$0.032)
<u>Non-Labor:</u>						
Traction and Propulsion Power	(\$0.089)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.177	(0.085)	0.000	0.000	0.000	0.000
Insurance	(0.329)	0.000	0.000	0.000	0.000	0.000
Claims	0.208	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	0.173	(1.483)	0.000	0.000	0.000	0.000
Professional Service Contracts	(0.216)	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	0.299	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.022	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$0.245	(\$1.568)	\$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.	\$0.768	(\$5.924)	\$0.000	(\$0.005)	(\$0.019)	(\$0.033)
Depreciation Adjustment	\$8.072	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Liability Adjustment	7.463	7.500	7.500	7.500	7.500	7.500
GASB 68 Pension Expense Adjustment	(1.514)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
Environmental Remediation	1.119	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$15.908	\$9.376	\$15.300	\$15.295	\$15.281	\$15.267

MTA STATEN ISLAND RAILWAY
November Financial Plan 2017-2020
Ridership/(Utilization)
(in millions)

	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
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RIDERSHIP

Fixed Route	4.502	4.570	4.595	4.622	4.636	4.662
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Total Ridership	4.502	4.570	4.595	4.622	4.636	4.662
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FAREBOX REVENUE

Fixed Route	\$6.401	\$6.574	\$6.618	\$6.665	\$6.687	\$6.732
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Total Revenue	\$6.401	\$6.574	\$6.618	\$6.665	\$6.687	\$6.732
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MTA Staten Island Railway
November Financial Plan 2017 - 2020
2016 Budget Reduction Proposals - Accrual Basis
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020
<u>Administration</u>										
Non-Represented Wage Increase Deferral	-	0.030	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Administration</i>	-	0.030	-	0.000	-	0.000	-	0.000	-	0.000
<u>Customer Convenience/Amenities</u>										
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
<u>Maintenance</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Maintenance</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Revenue Enhancement</u>										
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
<u>Safety</u>										
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
<u>Security</u>										
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
<u>Service</u>										
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
<u>Service Support</u>										
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
<u>Other</u>										
Non-Revenue Vehicle One-time Savings	-	0.252	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Other</i>	-	0.252	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	-	\$0.282	-	\$0.000	-	\$0.000	-	\$0.000	-	\$0.000

MTA STATEN ISLAND RAILWAY
November Financial Plan 2017-2020
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Executive	11	13	13	13	13	13
General Office	9	10	10	10	10	10
Purchasing/Stores	5	6	6	6	6	6
Total Administration	25	29	29	29	29	29
Operations						
Transportation	106	107	107	107	107	107
Maintenance						
Mechanical	38	52	52	52	52	52
Electronic/Electrical	14	15	15	15	15	15
Power/Signals	22	27	27	27	27	27
Maintenance of Way	49	48	48	49	49	49
Infrastructure	28	26	26	26	26	26
Total Maintenance	151	168	168	169	169	169
Engineering/Capital						
Capital Project Support	26	14	14	14	-	-
Public Safety						
Total Public Safety	-	-	-	-	-	-
Total Positions	308	318	318	319	305	305
Non-Reimbursable	282	304	304	305	305	305
Reimbursable	26	14	14	14	-	-
Total Full-Time	308	318	318	319	305	305
Total Full-Time Equivalents						

MTA STATEN ISLAND RAILWAY
November Financial Plan 2017-2020
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2015 Actual	2016 November Forecast	2017 Final Proposed Budget	2018	2019	2020
Administration						
Managers/Supervisors	18	17	17	17	17	17
Professional, Technical, Clerical	7	12	12	12	12	12
Operational Hourlies	-	-	-	-	-	-
Total Administration	25	29	29	29	29	29
Operations						
Managers/Supervisors	3	5	5	5	5	5
Professional, Technical, Clerical	4	3	3	3	3	3
Operational Hourlies	99	99	99	99	99	99
Total Operations	106	107	107	107	107	107
Maintenance						
Managers/Supervisors	12	13	13	13	13	13
Professional, Technical, Clerical	3	6	6	6	6	6
Operational Hourlies	136	149	149	150	150	150
Total Maintenance	151	168	168	169	169	169
Engineering/Capital						
Managers/Supervisors	3	3	3	3	-	-
Professional, Technical, Clerical	2	2	2	2	-	-
Operational Hourlies	21	9	9	9	-	-
Total Engineering/Capital	26	14	14	14	-	-
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Positions						
Managers/Supervisors	36	38	38	38	35	35
Professional, Technical, Clerical	16	23	23	23	21	21
Operational Hourlies	256	257	257	258	249	249
Total Positions	308	318	318	319	305	305

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