

**MTA 2016 BUDGET AND 2016-2019 FINANCIAL PLAN
ADOPTION MATERIALS**

**MTA Finance Committee
MTA Board**

**December 14, 2015
December 16, 2015**



Metropolitan Transportation Authority

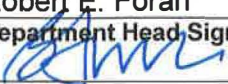
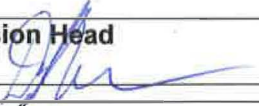
MTA 2016 Budget and 2016-2019 Financial Plan Adoption Materials

Table of Contents

I.	Staff Summary MTA Consolidated 2016 Budget and 2016-2019 Financial Plan.....	I-1
II.	Agencies' Staff Summaries – 2016 Budget and 2016-2019 Financial Plan:	
	Bridges and Tunnels.....	II-1
	Capital Construction Company.....	II-13
	Long Island Rail Road.....	II-19
	Metro-North Railroad.....	II-31
	MTA Headquarters.....	II-43
	Inspector General.....	II-55
	First Mutual Transportation Assurance Co. (FMTAC).....	II-61
	New York City Transit.....	II-65
	MTA Bus Company.....	II-77
	Staten Island Railway.....	II-89

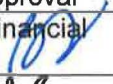



**I. Staff Summary MTA Consolidated
2016 Budget and 2016-2019
Financial Plan**

Staff Summary

Subject MTA 2016 Budget and 2016-2019 Financial Plan
Department Chief Financial Officer
Department Head Name Robert E. Foran
Department Head Signature 
Project Manager/Division Head Douglas F. Johnson 

Date December 14, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/14			
2	Board	12/16			

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 **2016 Final Proposed Budget and the Four-Year Financial Plan 2016-2019 (“November Plan” or “Plan”)**, which includes approving the 2015 Final Estimate and Plan Adjustments (items below the baseline), and (ii) authorization of Budget and Plan adjustments, initiatives and policy actions 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 \$289 million in 2015, \$123 million in 2016, \$36 million in 2017, and \$55 million in 2018 with a projected cash deficit of \$182 million in 2019 (see attachment A). Since 2010, our Plans – which are developed in a disciplined, consistent, and transparent process – have included the continuous pursuit of recurring cost reductions to mitigate the amounts needed from biennial fare and toll increases and governmental subsidies and provide funding for the capital program. The Plans also have added or restored service when sustainable while also addressing long-term costs such as pensions, health care, paratransit, and debt service previously considered “uncontrollable.”

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 and finalization of the proposed budget for the upcoming year along with projections for the three out-years.

The July Plan was balanced through 2017 with manageable deficits in 2018 and 2019. That Plan was based upon the same three key inter-related elements found in all of our recent Financial Plans: (i) biennial fare and toll increases of 4% in 2017 and 2019 (equivalent to 2% annual increases, approximating the rate of inflation); (ii) annually recurring cost reductions of over \$1.3 billion in 2015 increasing to almost \$1.8 billion by 2019; and (iii) additional Pay-As-You-Go (“Pay-Go”) contributions of \$125 million annually starting in 2015 for the 2015 – 2019 Capital Program, along with a “one-shot” contribution of \$75 million in 2015.

The July Plan also funded service, service quality and service support investments totaling \$183 million over the plan period; and new operational, maintenance, and Enterprise Asset Management (EAM) investments of \$287 million over the Plan period.

Changes from the July Plan

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

Changes and other re-estimates improving financial results

- Higher Real Estate Transaction tax receipts
- Higher Toll Revenue
- Lower Energy costs
- Lower Debt Service costs

Changes and other re-estimates worsening financial results

- Lower PBT forecasts
- Lower MTA Aid forecasts
- Lower Farebox Revenue forecasts

Overall, net re-estimates and other changes through the plan period are projected to be \$447 million favorable from the July Financial 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, approximating the rate of inflation). Consistent with recent Plans, a March 1 implementation for both the 2017 and 2019 increases is anticipated. The annualized yield of these increases is projected to be \$308 million and \$325 million, respectively.

Increase service, service quality, and service support investments. The November Plan maintains the \$183 million in service and service quality investments proposed in July and adds another \$95 million over the course of the Plan. The July Plan proposed investments to mitigate subway delays, expand Select Bus Service (Bus Rapid Transit), address “Platform Budget” guidelines, as well as improve on-time performance and customer service. Additional investments proposed for the November Plan include:

- Platform Budget Service Adjustments (\$38 million over the plan period): NYCT and MTA Bus will increase platform service adjustments to improve the reliability and frequency of service in response to ridership trends, operating conditions and maintenance requirements.
- Select Bus Service (\$13 million over the plan period): NYCT intends to expand Select Bus Service, improve bus performance and service reliability, and reduce bus travel time.
- E-ZPass Customer Service Center-AET Expansion (\$26 million over the plan period): B&T will pilot the All-Electronic Toll program at the Rockaway crossings.

Increase maintenance and operations investments. The July Plan proposed investments to extend the useful life of certain classes of buses, subway cars and commuter railcars; improve the commuter rail signal systems; and, augment B&T tunnel inspections. This Plan adds an additional investment of \$147 million to fund:

- Second Avenue Subway – Operating Budget Impact (\$35 million over the plan period): NYCT re-evaluated maintenance needs in the Station and Power divisions given its larger footprint;
- Structure and Third Rail Defect Reduction (\$42 million over the plan period): NYCT will increase resources to reduce defects and backlogs;

- M-7 Reliability Centered Maintenance (\$21 million over the plan period): LIRR will replace threshold plates experiencing an unusual rate of corrosion.

Increase investment in Enterprise Asset Management (EAM). This Plan reflects, on average, \$43 million annually of additional operating funding for EAM. MTA is working to overhaul its entire asset management system by standardizing business processes, better managing asset information and investing in people in line with new federal requirements and international best practices. A newly completed “gap assessment” analysis has redefined our investment priorities. EAM will:

- Upgrade and integrate systems to capture full asset life-cycle costs, including costs for acquisition, operating and maintenance, renewal and rehabilitation, and disposal;
- Standardize asset management policies, plans and processes across Agencies;
- Systematize the documentation of asset condition, criticality and risk assessment, and develop proactive maintenance and outage practices;
- Improve work order management, reduce incidents, failures and defects;
- Streamline material management and facilitate better integration of capital and maintenance activities; and
- Develop organizational proficiencies, culture principles, and skill-sets necessary to sustain asset management as business as usual.

Increase annually recurring cost reduction targets. The Plan targets annually recurring cost reductions of over \$1.5 billion in 2016 growing to \$1.8 billion by 2019. The MTA has raised the targeted level of cost reductions in every year since 2010 and in this Plan the targets are increased by an additional \$25 million a year beginning in 2017, which together with the increased targets included in the July Plan will raise the annual target by \$100 million in 2019.

In raising the targets, the MTA must identify new initiatives to reduce costs. The MTA continues to make progress in identifying and initiating necessary cost reduction initiatives. Since last November, the MTA has identified additional savings that will total \$126 million in 2019: \$47 million from paratransit, \$16 million from the IT consolidation, \$16 million from the NYCT/MTA Bus prescription drug rebid program, \$14 million from pension savings, \$10 million in insurance efficiencies, \$5 million from the NYCT timekeeping consolidation and a total of \$18 million from numerous smaller initiatives.

Increase support for the Capital Program. Beginning this year, the MTA will increase its contributions in support of the 2015- 2019 Capital Program by \$125 million annually. Unbudgeted real estate transaction tax receipts of \$75 million received this year will also be contributed to capital, providing a total of \$700 million of additional contributions to the Capital Program over the Plan period. These additional contributions, first proposed in July, will provide \$2.4 billion of additional funding capacity through bonding and Pay-Go revenues.

Acceleration of Committed to Capital Contribution. Favorable timing and other re-estimates will increase the projected 2015 cash balance from the July Plan projection. The MTA will use \$300 million of 2015 operating funds to accelerate a portion of its planned 2018 Committed to Capital contribution; this acceleration will lower debt service payments by \$54 million over the Plan period. The elimination of the 2018 contribution will “free-up” \$300 million to help fund, when it is needed, the necessary operational investments detailed in this Plan. In short, this transaction aligns resources with needs while generating significant positive cash flow over the Plan period.

Invests the 2015 General Reserve of \$140 million to reduce the LIRR Additional Pension liability. Consistent with the Board-approved policy to use non-recurring revenues, receipts, or resources to make one-time payments towards long-term obligations that will reduce recurring annual expenses, the MTA will release the unexpended 2015 General Reserve balance of \$140 million to reduce the LIRR unfunded pension liability (its lowest funded pension plan). This investment will lower the projected amortization payment of this unfunded liability by \$14 million annually beginning in 2017.

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. The November Plan is now balanced through 2018 and the 2019 deficit is reduced to a manageable \$182 million.

Challenges Going Forward

While our financial position has improved this year, there are many challenges ahead:

Finalize funding arrangements for 2015 – 2019 Capital Program. The MTA appreciates the support provided by New York State and New York City in committing to provide an additional \$7.3 billion and \$1.8 billion, respectively, of funding for the 2015-2019 Capital Program. The MTA Board, at the October meeting, approved a revised 2015-2019 Capital Program that reflects these additional funds. The MTA will next seek approval from the Capital Program Review Board. We will work with the State and City on the mechanics of the agreed-to funding levels of \$8.3 billion and \$2.5 billion, respectively, to ensure that monies are provided in a mutually beneficial manner.

Address the loss of taxi surcharge revenues due to application-based livery (e.g., Uber/Lyft). The popularity of app-based livery services has resulted in a decline in usage of medallion taxi services. These traditional services, specifically yellow and green cabs, collect a fifty cent surcharge that is earmarked for the MTA; app-based service trips, on the other hand, are not subject to this surcharge. Rather they collect and pay sales tax on fares of which MTA receives a portion (3/8 of 1%). This results in substantially less revenue for the MTA per trip. The continued growth in these app-based services at the detriment of medallion taxi service could result in further erosion of MTA receipts.

Continue to pursue efficiencies/consolidations. MTA cost reduction efforts have yielded impressive results; annual savings totals continue to increase every year. We must, however, continue to pursue efficiencies and consolidations to maximize annually recurring cost reductions. Efforts to reduce costs will continue, but much of the “low hanging fruit” has been harvested and additional savings may be more difficult to achieve. We must also remain focused on existing cost control to avoid backsliding.

Maintain discipline to use non-recurring revenues, favorable budget variances, excess resources to fund Pay-Go and/or reduce unfunded liabilities, such as OPEBs and pension liabilities. Simply put, this strategy converts favorable “one-shots” into recurring savings.

Recognize the possibility for interest rates higher than forecast. The finances of the MTA are highly dependent on the economy. Passenger and toll revenues, dedicated taxes and subsidies and debt service, pensions and energy costs are all impacted by the health of the economy. If the growth assumptions that are captured in the Plan are not realized, MTA has limited options. The Federal Open Markets Committee (FOMC) has been indicating that economic conditions have improved sufficiently to the point where the target range for the federal funds rate, currently in the 0% to 0.25% target range, may begin being raised to its 2% medium-term objective. Such a move has been expected for the past few months, and with the positive labor market report released at the beginning of November, expectations have heightened that the FOMC will vote to begin increasing the federal funds rate at its December meeting. Such an increase could lead to an increase in bond rates more than projected in the Plan, which would ultimately increase debt service payments to support the MTA capital program.

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

Outstanding liabilities for workers compensation/FELA (the commuter rail equivalent) liability, judgments and claims have risen significantly in recent years. Incident prevention measures, improved case management and fraud detection efforts are underway. For example, at NYCT, additional resources are being used to buttress the administration of public liability and workers compensation claims and to augment support for the pre-trial and litigation phases of claims. NYCT is also staffing a special Investigations unit to meet an increased demand for anti-fraud measures.

Overtime is another cost area experiencing high growth. In the July Plan, Agencies re-forecasted overtime projections to more realistically reflect operating requirements including coverage requirements for additional anticipated track and fleet maintenance work, a NYS mandate on MTA-wide annual compliance training/certifications, trend-based vacancy/absentee coverage, and service adjustments. The July Plan established an overtime base that addressed the realities of the MTA service environment. MTA is committed to “living within” these overtime projections and the provision in the November Plan is consistent with July. Areas of overtime that continue to be internally scrutinized and require particular focus include: vacancies and employee availability, optimizing overtime vs. straight-time, and overtime intensity. Further analysis of overtime will continue, and it is expected that efficiencies can be identified that will result in future savings.

The “Cadillac Tax” component of the Affordable Care Act – a 40% excise tax assessed on the premium cost of coverage for health plans that exceed a certain annual limit – is scheduled to go into effect in 2018. Final guidance from the Internal Revenue Service is still pending, including the initial premium thresholds for 2018, which were established in 2010 without a statutory mechanism for inflationary growth through 2018; methods for annually adjusting the thresholds beyond 2018, however, were included in the legislation. Preliminary analysis projects that the MTA could be subject to an excise tax levy of about \$30 million in 2018 increasing to \$130 million by 2021 and continuing to grow as projected premium costs outpace the inflationary adjustments to the thresholds.

Recommendation:

It is recommended that the Board:

- Adopt the 2016 Final Proposed Budget and Four-Year Financial Plan 2016-2019 (November Plan), which includes approving the 2015 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 subsidy and other adjustments set forth in the Plan.
- Authorize staff to make additional “Committed to Capital” contributions to the 2015-2019 Capital Program of \$200 million in 2015, and \$125 million in 2016 and each year thereafter. These additional contributions will provide \$2.4 billion of additional funding capacity through bonding and Pay-Go revenues.
- Authorize staff to accelerate \$300 million of its planned 2018 “Committed to Capital” contribution into 2015. This acceleration, that is made possible by favorable timing and other re-estimates in 2015, is expected to lower debt service payments over the Plan period by \$54 million.

- Authorize staff to release the unexpended 2015 general reserve (projected at \$140 million). At the discretion of the Chief Executive Officer and the Chief Financial Officer, these funds may be applied towards unfunded needs or to reduce long term liabilities that will reduce recurring annual expenses (e.g., reduce the unfunded pension liability associated with the “LIRR Additional Plan.”
- 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 policy 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 2016, 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 2016 cash flow needs, the amounts withdrawn in 2016 must be paid back by December 31, 2018. If the GASB funds are used as inter-agency loans in 2016, they would be subject to repayment no later than December 31, 2017, consistent with the Inter-Agency Loan provision described above.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2016-2019
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.	Non-Reimbursable	2014 Actual	2015 Final Estimate	2016 Final Proposed Budget	2017	2018	2019
10	Operating Revenue						
11	Farebox Revenue	\$5,709	\$5,929	\$6,072	\$6,119	\$6,159	\$6,183
12	Toll Revenue	1,676	1,792	1,809	1,818	1,831	1,844
13	Other Revenue	682	662	661	677	699	724
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$8,068	\$8,382	\$8,542	\$8,614	\$8,688	\$8,752
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$4,672	\$4,689	\$4,870	\$5,016	\$5,130	\$5,236
20	Overtime	730	755	735	745	760	775
21	Health & Welfare	962	1,052	1,173	1,241	1,323	1,413
22	OPEB Current Payment	479	529	577	615	663	717
23	Pensions	1,304	1,282	1,285	1,252	1,244	1,269
24	Other-Fringe Benefits	784	644	653	680	708	728
25	Reimbursable Overhead	(350)	(391)	(420)	(407)	(400)	(403)
26	Sub-total Labor Expenses	\$8,582	\$8,560	\$8,874	\$9,141	\$9,428	\$9,736
28	Non-Labor Expenses:						
29	Electric Power	\$516	\$500	\$503	\$527	\$559	\$594
30	Fuel	267	188	180	189	215	241
31	Insurance	51	52	55	60	67	75
32	Claims	269	260	243	247	251	255
33	Paratransit Service Contracts	366	383	407	426	463	502
34	Maintenance and Other Operating Contracts	549	612	714	724	670	684
35	Professional Service Contracts	283	414	458	400	402	410
36	Materials & Supplies	527	558	617	608	601	619
37	Other Business Expenses	180	208	195	195	203	201
38	Sub-total Non-Labor Expenses	\$3,007	\$3,176	\$3,372	\$3,376	\$3,431	\$3,580
40	Other Expense Adjustments:						
41	Other	\$45	\$43	\$45	\$46	\$47	\$49
42	General Reserve	0	0	150	155	160	165
43	Sub-total Other Expense Adjustments	\$45	\$43	\$195	\$201	\$207	\$214
45	Total Operating Expense before Non-Cash Liability Adj.	\$11,634	\$11,778	\$12,441	\$12,718	\$13,065	\$13,530
47	Depreciation	\$2,266	\$2,380	\$2,456	\$2,656	\$2,728	\$2,798
48	OPEB Obligation	2,035	2,030	2,114	2,199	2,287	2,378
49	Environmental Remediation	21	7	7	7	7	7
51	Total Operating Expense after Non-Cash Liability Adj.	\$15,956	\$16,194	\$17,017	\$17,580	\$18,088	\$18,713
53	Conversion to Cash Basis: Non-Cash Liability Adjs.	\$4,322	\$4,416	\$4,576	\$4,862	\$5,022	\$5,183
55	Debt Service (excludes Service Contract Bonds)	(2,249)	(2,383)	(2,660)	(2,888)	(3,071)	(3,204)
57	Total Operating Expense with Debt Service	\$13,882	\$14,161	\$15,101	\$15,606	\$16,136	\$16,734
59	Dedicated Taxes and State/Local Subsidies	\$6,375	\$6,625	\$6,574	\$6,709	\$6,830	\$7,034
61	Net Surplus/(Deficit) After Subsidies and Debt Service	\$561	\$847	\$15	(\$283)	(\$618)	(\$948)
63	Conversion to Cash Basis: GASB Account	(50)	(0)	0	0	(9)	(19)
64	Conversion to Cash Basis: All Other	(496)	(247)	(146)	(78)	(26)	91
66	CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	\$15	\$600	(\$131)	(\$361)	(\$653)	(\$877)
67	ADJUSTMENTS	0	(640)	(34)	273	673	639
68	PRIOR-YEAR CARRYOVER	314	329	289	123	36	55
69	NET CASH BALANCE	\$329	\$289	\$123	\$36	\$55	(\$182)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2016-2019
Plan Adjustments
(\$ in millions)

Line No.	2014 Actual	2015 Final Estimate	2016 Final Proposed Budget	2017	2018	2019
11	\$15	\$600	(\$131)	(\$361)	(\$653)	(\$877)
13	Fare/Toll Increases:					
14	-	-	-	261	310	312
15	-	-	-	-	-	276
16	-	-	-	(10)	(9)	(19)
17	Sub-Total	\$0	\$0	\$252	\$301	\$568
19	MTA Initiatives:					
20	-	-	73	65	90	82
21	-	-	-	25	50	75
22	-	-	-	25	25	25
23	Sub-Total	\$0	\$73	\$115	\$165	\$182
25	Policy Actions:					
26	-	(125)	(125)	(125)	(125)	(125)
27	-	(75)	-	-	-	-
28	-	(300)	-	-	300	-
29	-	-	18	18	18	-
30	-	(140)	-	14	14	14
32	Sub-Total	(\$640)	(\$107)	(\$93)	\$207	(\$111)
34	TOTAL ADJUSTMENTS	\$0	(\$640)	(\$34)	\$273	\$673
36	314	329	289	123	36	55
38	Net Cash Surplus/(Deficit)	\$329	\$289	\$123	\$36	(\$182)

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**II. Agencies' Staff Summaries
2016 Budget and 2016-2019
Financial Plan**


Bridges and Tunnels


Staff Summary

Subject B&T 2016 Budget and 2016-2019 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 3, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	B&T Committee	12/14/15	X		
2	Finance Committee	12/14/15	X		
3	MTA Board	12/16/15	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) 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019.

DISCUSSION:

The 2016 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 2015 and 2016 combined, \$2,653.2 million will be provided in baseline net operating income.

2015 NOVEMBER FORECAST-BASELINE

The 2015 November Forecast projects \$1,823.1 million in non-reimbursable revenues, of which \$1,792.3 million is from Toll Revenue. Total non-reimbursable expenses before depreciation and other post-employment benefits are projected to be \$492.4 million, consisting of \$251.4 million in labor expenses and \$241.0 million in non-labor expenses. Total Support to Mass Transit is projected to be \$1.037 billion. Reimbursable revenue and expenses are both forecast at \$21.2 million. Total end-of-year positions are projected at 1,581, including 1,505 non-reimbursable positions and 76 reimbursable positions.

2016 FINAL PROPOSED BUDGET-BASELINE

The 2016 Final Proposed Budget projects \$1,832.1 million in non-reimbursable revenues, of which \$1,808.6 million is from Toll Revenue. Total non-reimbursable expenses before depreciation and other post-employment benefits are projected to be \$509.5 million, consisting of \$265.3 million in labor expenses and \$244.2 million in non-labor expenses. Total Support to Mass Transit is projected to be \$996.3 million. Reimbursable revenue and expenses are both forecast at \$23.2 million. Total end-of-year positions are projected at 1,736, including 1,649 non-reimbursable positions and 87 reimbursable positions.

MAJOR PROGRAMMATIC INITIATIVES

- **Programs to Increase E-ZPass Usage**
 - **E-ZPass On-The-Go:** This program enables customers to purchase a prepaid E-ZPass tag in the cash toll lanes at each facility. To date, more than 653,000 tags have been sold through this initiative.
 - **MTA Reload Card:** Introduced in February 2012, this initiative makes it easier for customers to replenish their E-ZPass account with cash. To date, more than 133,000 cards have been issued to customers and approximately 16% of total cash replenishments are currently made using the reload cards.
 - **E-ZPass Pay Per Trip:** This initiative was launched in November 2012 and 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 55,000 account holders have signed up for this initiative.
- **All Electronic Tolling (AET):** The implementation of cashless tolling at the Henry Hudson Bridge (HHB) began on November 10, 2012. All motorists are able to use any lane to drive through the toll plaza without stopping. There is no change for drivers who use E-ZPass. For customers without an E-ZPass tag, an image is taken of their license plate and the registered driver receives a bill in the mail. B&T will expand AET through a pilot program at the Marine Parkway and Cross Bay bridges in 2016. Unlike the HHB, the program at the Rockaway crossings will include commercial vehicles.
- **Open Road Tolling (ORT):** In the fall of 2016 or early 2017, a gantry-based ORT system is expected to be put into revenue service at the HHB and the existing toll plazas including the booths will be demolished. The new ORT system will continue to utilize the current methods employed at the HHB to capture E-ZPass transponder-reads and license plate images, but will do so in an environment absent a traditional toll plaza, enabling customers to traverse the bridge's two tolling areas in free-flow fashion. This project is being executed in concert with a planned structural reconstruction of the HHB's upper and lower level roadways.
- **Enterprise Asset Management (EAM):** EAM is aimed at identifying a structured sequence of maintenance, preservation, repair, rehabilitation, and replacement actions that will achieve and sustain a desired state of good repair over the lifecycle of B&T's assets. Having analyzed the results of an extensive gap assessment study that was completed during the second quarter of this year, B&T has developed a strategy, or "roadmap" to developing and implementing a comprehensive EAM system that utilizes state-of-the art technology and aspires to the highest industry standards. The November Financial Plan includes an initial investment of \$29.0 million for this Agency-wide initiative.

IMPACT ON FUNDING

The 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan 2016–2019, 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 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016–2019 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 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Operating Revenue						
Vehicle Toll Revenue	\$1,676.445	\$1,792.269	\$1,808.583	\$1,817.819	\$1,830.730	\$1,844.355
Other Operating Revenue	26.521	30.660	23.093	23.093	23.093	23.093
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.137	0.137	0.427	0.987	1.240	1.240
Total Revenue	\$1,703.103	\$1,823.066	\$1,832.103	\$1,841.899	\$1,855.063	\$1,868.688
Operating Expenses						
<u>Labor:</u>						
Payroll	\$127.814	\$128.828	\$142.089	\$150.280	\$154.503	\$161.388
Overtime	21.421	26.272	26.309	26.658	27.190	27.740
Health and Welfare	26.378	27.033	30.526	32.395	34.032	35.644
OPEB Current Payment	15.978	16.617	18.013	18.301	19.125	19.986
Pensions	31.232	39.442	34.483	33.000	33.908	34.271
Other Fringe Benefits	23.235	17.718	19.007	19.825	20.287	23.166
Reimbursable Overhead	(7.530)	(4.516)	(5.123)	(5.368)	(5.151)	(5.150)
Total Labor Expenses	\$238.528	\$251.394	\$265.304	\$275.091	\$283.894	\$297.045
<u>Non-Labor:</u>						
Electric Power	\$5.699	\$5.470	\$5.604	\$5.858	\$6.258	\$6.715
Fuel	3.152	2.176	2.305	2.441	2.565	2.770
Insurance	16.978	15.276	15.423	16.148	16.929	17.758
Claims	0.135	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	108.892	137.188	144.358	149.136	162.226	168.233
Professional Service Contracts	33.303	43.781	42.171	43.284	43.763	44.415
Materials & Supplies	3.396	4.294	4.011	4.210	4.323	4.427
Other Business Expenses	33.669	32.820	30.354	31.147	31.917	32.698
Total Non-Labor Expenses	\$205.224	\$241.005	\$244.225	\$252.223	\$267.981	\$277.016
<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.	\$443.752	\$492.398	\$509.529	\$527.315	\$551.875	\$574.062
Add: Depreciation	\$104.039	\$111.667	\$119.521	\$127.853	\$136.766	\$146.300
Add: OPEB Obligation	71.148	71.700	73.806	77.496	81.371	85.439
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$618.939	\$675.765	\$702.855	\$732.664	\$770.012	\$805.801
Less: Depreciation	\$104.039	\$111.667	\$119.521	\$127.853	\$136.766	\$146.300
Less: OPEB Obligation	71.148	71.700	73.806	77.496	81.371	85.439
Total Expenses	\$443.752	\$492.398	\$509.529	\$527.315	\$551.875	\$574.062
Net Surplus/(Deficit)	\$1,259.351	\$1,330.668	\$1,322.574	\$1,314.584	\$1,303.188	\$1,294.627

MTA BRIDGES AND TUNNELS
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE

	2014	2015	2016	2017	2018	2019
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
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	20.980	21.208	23.151	23.873	24.157	24.403
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$20.980	\$21.208	\$23.151	\$23.873	\$24.157	\$24.403
Expenses						
Labor:						
Payroll	\$8.378	\$9.677	\$9.823	\$9.904	\$9.986	\$10.071
Overtime	0.141	1.531	1.558	1.587	1.616	1.646
Health and Welfare	2.115	2.000	2.427	2.587	2.764	2.835
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	1.791	2.370	2.847	3.008	3.182	3.202
Other Fringe Benefits	1.025	1.114	1.373	1.419	1.458	1.499
Reimbursable Overhead	7.530	4.516	5.123	5.368	5.151	5.150
Total Labor Expenses	\$20.980	\$21.208	\$23.151	\$23.873	\$24.157	\$24.403
Non-Labor:						
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
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 and GASB Adjs.	\$20.980	\$21.208	\$23.151	\$23.873	\$24.157	\$24.403
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: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$20.980	\$21.208	\$23.151	\$23.873	\$24.157	\$24.403
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
Total Expenses	\$20.980	\$21.208	\$23.151	\$23.873	\$24.157	\$24.403
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE Page 1 of 2

	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Revenue						
Vehicle Toll Revenue	\$1,676.445	\$1,792.269	\$1,808.583	\$1,817.819	\$1,830.730	\$1,844.355
Other Operating Revenue	26.521	30.660	23.093	23.093	23.093	23.093
Capital and Other Reimbursements	20.980	21.208	23.151	23.873	24.157	24.403
Investment Income	0.137	0.137	0.427	0.987	1.240	1.240
Total Revenue	\$1,724.083	\$1,844.274	\$1,855.254	\$1,865.772	\$1,879.220	\$1,893.092
Expenses						
Labor:						
Payroll	\$136.192	\$138.505	\$151.912	\$160.184	\$164.489	\$171.459
Overtime	21.562	27.803	27.868	28.245	28.806	29.386
Health and Welfare	28.493	29.033	32.953	34.982	36.796	38.479
OPEB Current Payment	15.978	16.617	18.013	18.301	19.125	19.986
Pensions	33.023	41.812	37.330	36.008	37.090	37.473
Other Fringe Benefits	24.260	18.832	20.380	21.244	21.745	24.665
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$259.508	\$272.602	\$288.455	\$298.964	\$308.051	\$321.449
Non-Labor:						
Electric Power	\$5.699	\$5.470	\$5.604	\$5.858	\$6.258	\$6.715
Fuel	3.152	2.176	2.305	2.441	2.565	2.770
Insurance	16.978	15.276	15.423	16.148	16.929	17.758
Claims	0.135	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	108.892	137.188	144.358	149.136	162.226	168.233
Professional Service Contracts	33.303	43.781	42.171	43.284	43.763	44.415
Materials & Supplies	3.396	4.294	4.011	4.210	4.323	4.427
Other Business Expenses	33.669	32.820	30.354	31.147	31.917	32.698
Total Non-Labor Expenses	\$205.224	\$241.005	\$244.225	\$252.223	\$267.981	\$277.016
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 and GASB Adjs.	\$464.732	\$513.606	\$532.680	\$551.188	\$576.032	\$598.465
Add: Depreciation	\$104.039	\$111.667	\$119.521	\$127.853	\$136.766	\$146.300
Add: OPEB Obligation	71.148	71.700	73.806	77.496	81.371	85.439
Add: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$639.919	\$696.973	\$726.007	\$756.537	\$794.169	\$830.205
Less: Depreciation	\$104.039	\$111.667	\$119.521	\$127.853	\$136.766	\$146.300
Less: OPEB Obligation	71.148	71.700	73.806	77.496	81.371	85.439
Total Expenses	\$464.732	\$513.606	\$532.680	\$551.188	\$576.032	\$598.465
Net Surplus/(Deficit)	\$1,259.351	\$1,330.668	\$1,322.574	\$1,314.584	\$1,303.188	\$1,294.627

MTA BRIDGES AND TUNNELS
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE Page 2 of 2
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	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Net Surplus/(Deficit)	\$1,259.351	\$1,330.668	\$1,322.574	\$1,314.584	\$1,303.188	\$1,294.627
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$17.218	\$16.142	\$17.927	\$18.348	\$18.767	\$20.335
Less: Reserves	26.161	26.382	26.881	27.338	27.824	28.306
Less: GASB 45 Reserves	1.594	0.000	0.000	0.000	0.165	0.337
Adjusted Net Surplus/(Deficit)	\$1,214.378	\$1,288.144	\$1,277.766	\$1,268.898	\$1,256.432	\$1,245.649
Less: Debt Service	\$576.687	\$606.681	\$648.865	\$667.179	\$684.962	\$723.303
Income Available for Distribution	\$637.691	\$681.462	\$628.901	\$601.720	\$571.470	\$522.346
<u>Distributable To:</u>						
MTA - Investment Income	\$0.137	\$0.137	\$0.427	\$0.987	\$1.240	\$1.240
MTA - Distributable Income	371.984	394.269	369.993	356.477	340.774	316.779
NYCT - Distributable Income	265.570	287.056	258.482	244.256	229.455	204.327
Total Distributable Income:	\$637.691	\$681.462	\$628.901	\$601.720	\$571.470	\$522.346
<u>Actual Cash Transfers:</u>						
MTA - Investment Income	\$0.131	\$0.137	\$0.137	\$0.427	\$0.987	\$1.240
MTA - Transfers	367.957	405.118	372.421	357.829	342.345	319.178
NYCT - Transfers	254.811	290.797	261.339	245.678	230.935	206.840
Total Cash Transfers:	\$622.900	\$696.052	\$633.897	\$603.934	\$574.267	\$527.258
<u>SUPPORT TO MASS TRANSIT:</u>						
Total Revenues	\$1,724.083	\$1,844.274	\$1,855.254	\$1,865.772	\$1,879.220	\$1,893.092
Less: Net Operating Expenses	464.732	513.606	532.680	551.188	576.032	598.465
Net Operating Income:	\$1,259.351	\$1,330.668	\$1,322.574	\$1,314.584	\$1,303.188	\$1,294.627
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$221.617	\$250.776	\$281.476	\$297.978	\$318.190	\$353.382
Capitalized Assets	17.218	16.142	17.927	18.348	18.767	20.335
Reserves	26.161	26.382	26.881	27.338	27.824	28.306
GASB Reserves	1.594	0.000	0.000	0.000	0.165	0.337
Total Deductions from Operating Income:	\$266.590	\$293.299	\$326.284	\$343.664	\$364.947	\$402.360
Total Support to Mass Transit:	\$992.761	\$1,037.368	\$996.290	\$970.920	\$938.241	\$892.267

MTA BRIDGES AND TUNNELS
November Financial Plan 2016-2019
Traffic Volume (Utilization)

	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
<u>Traffic Volume</u>	286.418	295.140	296.381	298.301	300.886	303.540
<u>Toll Revenue</u>	\$ 1,676.445	\$ 1,792.269	\$ 1,808.583	\$ 1,817.819	\$ 1,830.730	\$ 1,844.355

MTA BRIDGES AND TUNNELS
November Financial Plan 2016-2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
Administration										
Miscellaneous Consulting (July Plan)	-	0.385	-	0.473	-	0.495	-	0.495	-	0.495
Subtotal Administration	-	0.385	-	0.473	-	0.495	-	0.495	-	0.495
Customer Convenience/Amenities										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Customer Convenience/Amenities	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Maintenance	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Revenue Enhancement										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Safety/Security										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service Support										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Other										
Vacancies - Toll Collection (July Plan)	-	5.181	-	0.000	-	0.000	-	0.000	-	0.000
Vacancies - Toll Plaza Operations	124	12.672	-	2.876	-	0.000	-	0.000	-	0.000
Subtotal Other	124	17.853	-	2.876	-	0.000	-	0.000	-	0.000
Agency Submission	124	\$18.238	-	\$3.349	-	\$0.495	-	\$0.495	-	\$0.495

MTA BRIDGES AND TUNNELS
November Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Executive	2	11	11	11	11	11
Law ⁽¹⁾	19	13	13	13	13	13
CFO ⁽²⁾	26	25	25	25	25	25
Administration ⁽³⁾	33	36	36	36	36	36
Technology	47	0	0	0	0	0
EEO	1	2	2	2	2	2
Total Administration	128	87	87	87	87	87
Operations						
Revenue Management	36	42	42	42	42	42
Operations (Non-Security)	556	577	712	712	712	712
Total Operations	592	619	754	754	754	754
Maintenance						
Maintenance	169	199	210	212	212	212
Operations - Maintainers	157	166	166	166	166	166
Internal Security - Tech Svcs	13	0	0	0	0	0
Total Maintenance	339	365	376	378	378	378
Engineering/Capital						
Engineering & Construction	158	176	184	188	189	190
Health & Safety	8	11	11	11	11	11
Law ⁽¹⁾	15	23	23	23	23	23
Planning & Budget Capital	16	26	27	27	29	30
Total Engineering/Capital	197	236	245	249	252	254
Public Safety						
Operations (Security)	232	232	232	232	232	232
Internal Security - Operations	34	42	42	43	43	44
Total Public Safety	266	274	274	275	275	276
Total Positions						
	1,522	1,581	1,736	1,743	1,746	1,749
<i>Non-Reimbursable</i>						
	1,434	1,505	1,649	1,656	1,659	1,662
<i>Reimbursable</i>						
	88	76	87	87	87	87
<i>Total Full-Time</i>						
	1,522	1,581	1,736	1,743	1,746	1,749
<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 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014	2015	2016	2017	2018	2019
	Actual	November Forecast	Final Proposed Budget			
Administration						
Managers/Supervisors	38	34	34	34	34	34
Professional, Technical, Clerical	90	53	53	53	53	53
Operational Hourlies	-	-	-	-	-	-
Total Administration	128	87	87	87	87	87
Operations						
Managers/Supervisors	163	211	211	211	211	211
Professional, Technical, Clerical	34	34	34	34	34	34
Operational Hourlies ⁽¹⁾	395	374	509	509	509	509
Total Operations	592	619	754	754	754	754
Maintenance						
Managers/Supervisors	12	20	20	20	20	20
Professional, Technical, Clerical	15	15	15	15	15	15
Operational Hourlies ⁽²⁾	312	330	341	343	343	343
Total Maintenance	339	365	376	378	378	378
Engineering/Capital						
Managers/Supervisors	39	58	62	62	63	63
Professional, Technical, Clerical	158	178	183	187	189	191
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	197	236	245	249	252	254
Public Safety						
Managers/Supervisors	39	45	45	45	45	45
Professional, Technical, Clerical	29	33	33	34	34	35
Operational Hourlies ⁽³⁾	198	196	196	196	196	196
Total Public Safety	266	274	274	275	275	276
Total Positions						
Managers/Supervisors	291	368	372	372	373	373
Professional, Technical, Clerical	326	313	318	323	325	328
Operational Hourlies	905	900	1,046	1,048	1,048	1,048
Total Positions	1,522	1,581	1,736	1,743	1,746	1,749

(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 2016 Budget and 2016-2019 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 December 1, 2015
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	12/14/15	X		
2	MTA Board	12/16/15	X		

Internal Approvals			
Order	Approval	Order	Approval
	President MTACC 		
	Executive Vice President & Chief Financial Officer 		

Purpose:

To secure MTA Board adoption of the MTA Capital Construction's (MTACC) 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019.

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 2015 November Forecast and the 2016 Final Proposed Budget project a staffing level of 140.

2015 November Forecast:

MTACC projects 2015 reimbursable expenses of \$35.1 million. Non-labor costs are projected at \$9.6 million. Approximately \$7.0 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, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and office costs including communications and upgrades to existing equipment.

2016 Final Proposed Budget:

MTACC projects 2016 expenses of \$37.6 million. The 2016 Final Proposed Budget contains non-labor costs projected at \$9.8 million, which includes \$6.3 million required funding for AAPL insurance, SBMP, office space at 2 Broadway, budget system maintenance, and audit services. Similar to the November Forecast, the 2016 Budget includes reimbursement of NYCT for administrative support staff and services, consulting services to support project controls, change orders and claims management, legal and engineering services, and costs for communications and computer equipment.

Impact on Funding:

The 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019, 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 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019 for the MTA Capital Construction Company.

MTA CAPITAL CONSTRUCTION
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</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	29.754	35.086	37.617	38.542	40.170	39.774
Total Revenue	\$29.754	\$35.086	\$37.617	\$38.542	\$40.170	\$39.774
Expenses						
<u>Labor:</u>						
Payroll	\$14.395	\$16.641	\$17.809	\$18.131	\$18.481	\$18.943
Overtime	-	0.002	-	-	-	-
Health and Welfare	1.847	2.442	2.887	2.962	3.101	3.272
OPEB Current Payment	-	-	-	-	-	-
Pensions	2.439	2.900	3.646	3.869	4.024	4.222
Other Fringe Benefits	3.107	3.470	3.480	3.396	3.601	3.673
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$21.788	\$25.455	\$27.822	\$28.357	\$29.208	\$30.109
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	0.004	0.007	0.007	0.007	0.008
Insurance	0.081	0.475	0.523	0.575	0.632	0.696
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	2.987	3.410	3.926	4.490	5.137
Professional Service Contracts	2.680	5.972	5.674	5.496	5.642	3.634
Materials & Supplies	0.015	-	-	-	-	-
Other Business Expenses	5.190	0.193	0.181	0.181	0.190	0.190
Total Non-Labor Expenses	\$7.966	\$9.631	\$9.795	\$10.185	\$10.963	\$9.665
<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	\$29.754	\$35.086	\$37.617	\$38.542	\$40.170	\$39.774
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$29.754	\$35.086	\$37.617	\$38.542	\$40.170	\$39.774
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
November Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
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	29.754	35.086	37.617	38.542	40.170	39.774
Total Receipts	\$29.754	\$35.086	\$37.617	\$38.542	\$40.170	\$39.774
Expenditures						
<u>Labor:</u>						
Payroll	\$14.395	\$16.641	\$17.809	\$18.131	\$18.481	\$18.943
Overtime	-	0.002	-	-	-	-
Health and Welfare	1.847	2.442	2.887	2.962	3.101	3.272
OPEB Current Payment	-	-	-	-	-	-
Pensions	2.439	2.900	3.646	3.869	4.024	4.222
Other Fringe Benefits	3.107	3.470	3.480	3.396	3.601	3.673
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$21.788	\$25.455	\$27.822	\$28.357	\$29.208	\$30.109
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	0.004	0.007	0.007	0.007	0.008
Insurance	0.081	0.475	0.523	0.575	0.632	0.696
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	2.987	3.410	3.926	4.490	5.137
Professional Service Contracts	2.680	5.972	5.674	5.496	5.642	3.634
Materials & Supplies	0.015	-	-	-	-	-
Other Business Expenses	5.190	0.193	0.181	0.181	0.190	0.190
Total Non-Labor Expenditures	\$7.966	\$9.631	\$9.795	\$10.185	\$10.963	\$9.665
<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	\$29.754	\$35.086	\$37.617	\$38.542	\$40.170	\$39.774
Net Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
November Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	November	Final Proposed	2017	2018	2019
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 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
MTACC	14	17	17	17	17	17
Engineering/Capital						
MTACC	41	43	44	45	45	45
East Side Access	19	20	22	37	37	37
Security	8	11	11	10	10	10
Second Avenue Subway Lower Manhattan Project	18	21	20	21	21	31
7 Line Extension	15	16	16			
7 Line Extension	11	12	10	10	10	
Total Engineering/Capital	112	123	123	123	123	123
Total Positions	126	140	140	140	140	140
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<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 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	14	17	17	17	17	17
Operational Hourlies	-	-	-	-	-	-
Total Administration	14	17	17	17	17	17
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	123	123	123	123	123
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	112	123	123	123	123	123
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Positions						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	126	140	140	140	140	140
Operational Hourlies	-	-	-	-	-	-
Total Positions	126	140	140	140	140	140

Long Island Rail Road

Subject LIRR 2016 Budget & 2016-2019 Financial Plan Adoption	Date December 1, 2015
Department Office of Management & Budget	Vendor Name
Department Head Name Gerard E. Ring	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>PHK 12/3/15</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>my for bfr</i>						

Purpose

To secure MTA Board adoption of the MTA Long Island Rail Road's (LIRR) 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016 – 2019.

Discussion

The 2016 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 2016 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 careful maintenance of the right-of way to maintain a state of good repair remains steadfast. Specific new investments in the 2016 Final Proposed Budget and Four-Year Financial Plan for 2016-2019 include:

- The Enterprise Asset Management (EAM) Improvement Program, a component of the MTA-wide initiative, is designed to enhance LIRR's ability to manage physical assets and provide data for more informed decision making.
- Additional investments in rolling stock maintenance, particularly for the M-7 and C-3 fleets.

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 is projecting lower rolling stock unscheduled maintenance due to improved fleet performance stemming from its RCM investments.

2015 November Forecast - Baseline

Non-Reimbursable/Reimbursable expenses for the 2015 November Forecast before non-cash liability adjustments total \$1,755.7 million. This is comprised of \$1,421.5 million of Non-Reimbursable expenses and \$334.2 million of Reimbursable expenses. Total Non-Reimbursable/Reimbursable revenue for the 2015 November Forecast is \$1,081.2 million. This is comprised of \$746.9 million of Non-Reimbursable revenue and \$334.2 million of Reimbursable revenue.

The Non-Reimbursable revenue for the 2015 November Forecast of \$746.9 million includes Farebox Revenue projections of \$692.3 million. This is based on a projected annual ridership of 87.4 million customers, which is a 1.7% increase over 2014. The Forecast also assumes \$54.7 million in other revenue from advertising, rental fees, special services and freight.

Excluding non-cash liability adjustments, Non-Reimbursable expenses for the 2015 November Forecast totals \$1,421.5 million. Including non-cash liability adjustments, total Non-Reimbursable expenses for the 2015 November Forecast increases to \$1,821.5 million. The cash adjustments for non-cash items and timing of expenses/receipts total \$476.4 million. The resulting Net Cash Deficit is projected to be \$598.2 million in 2015.

Total Non-Reimbursable headcount is 6,284 positions. Total Reimbursable headcount is 799 positions.

2016 Final Proposed Budget - Baseline

Non-Reimbursable/Reimbursable expenses for the 2016 Final Proposed Budget before non-cash liability adjustments are \$1,850.8 million, comprised of \$1,484.9 million of Non-Reimbursable expenses and \$365.9 million of Reimbursable expenses. The total Non-Reimbursable/Reimbursable revenue for the 2016 Final Proposed Budget is \$1,122.8 million, comprised of \$757.0 million of Non-Reimbursable revenue and \$365.9 million of Reimbursable revenue.

The Non-Reimbursable revenue for the 2016 Final Proposed Budget of \$757.0 million includes Passenger Revenue projections of \$702.6 million and \$54.3 million in other revenue from advertising, rental fees, and special services. The Farebox revenue is based on a projected annual ridership of 88.1 million passengers, which is a 0.8% increase over 2015. Excluding non-cash liability adjustments, Non-Reimbursable expenses for the 2016 Final Proposed Budget total \$1,484.9 million. Including non-cash liability adjustments, total Non-Reimbursable expenses for the 2016 Final Proposed Budget increases to \$1,890.7 million. Cash adjustments for non-cash items and timing of expenses/receipts total \$393.0 million. The resulting Net Cash Deficit is projected to be \$740.8 million in 2016.

The Non-Reimbursable expense budget, before non-cash liability adjustments, of \$1,484.9 million is comprised of \$1,037.3 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 \$111.8 million, materials & supplies of \$173.9 million, professional and maintenance services contracts of \$117.3 million and all other costs of \$44.8 million.

Total Non-Reimbursable headcount is 6,162 positions. Total Reimbursable headcount is 1,044 positions. The Total Non-Reimbursable/Reimbursable headcount is 7,206, of which 90 percent are in the operating departments. The increase in headcount over the 2015 November Forecast is attributable to several initiatives, both operating and capital funded.

Budget Reduction Initiatives

Tighter management control and increased oversight of non-payroll budgets and improved inventory control result in savings of \$15.5 million in 2016 and \$7.4 million on average every year thereafter.

Impact on Funding

The 2015 November Forecast, 2016 Final Proposed Budget and the Four-Year Financial Plan 2016 – 2019, 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 2015 November Forecast, the 2016 Final Proposed Budget and the Four-Year Financial Plan for 2016 – 2019 for the MTA Long Island Rail Road.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$658.822	\$692.275	\$702.622	\$705.571	\$707.194	\$708.747
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	51.233	54.658	54.339	57.267	56.260	57.039
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$710.055	\$746.933	\$756.961	\$762.838	\$763.454	\$765.786
Operating Expenses						
<u>Labor:</u>						
Payroll	\$547.678	\$495.108	\$514.940	\$525.005	\$558.184	\$581.472
Overtime	125.497	120.076	115.247	120.727	124.770	126.123
Health and Welfare	92.372	86.779	97.740	100.318	110.291	117.730
OPEB Current Payment	56.655	59.482	66.700	68.144	71.573	75.155
Pensions	177.707	151.062	152.028	153.101	156.348	164.747
Other Fringe Benefits	117.951	125.207	128.502	132.125	140.103	145.244
Reimbursable Overhead	(28.252)	(38.400)	(37.865)	(32.777)	(32.125)	(32.030)
Total Labor Expenses	\$1,089.609	\$999.314	\$1,037.292	\$1,066.643	\$1,129.144	\$1,178.441
<u>Non-Labor:</u>						
Electric Power	\$101.726	\$94.019	\$93.295	\$97.324	\$101.641	\$106.043
Fuel	27.766	18.890	18.483	19.435	21.671	23.764
Insurance	23.378	22.694	24.714	26.651	28.739	31.041
Claims	6.459	4.389	4.303	4.370	4.370	4.419
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	62.379	63.761	85.152	75.679	76.369	84.371
Professional Service Contracts	26.008	60.439	32.103	27.254	29.748	29.469
Materials & Supplies	105.335	142.797	173.866	160.713	163.370	162.047
Other Business Expenses	9.825	15.208	15.736	15.991	21.754	16.881
Total Non-Labor Expenses	\$362.877	\$422.197	\$447.652	\$427.417	\$447.662	\$458.035
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adj.	\$1,452.486	\$1,421.511	\$1,484.944	\$1,494.060	\$1,576.806	\$1,636.476
Depreciation	\$324.840	\$323.830	\$327.053	\$330.308	\$333.596	\$336.916
OPEB Obligation	74.558	74.538	76.744	79.046	81.418	83.860
Environmental Remediation	5.878	1.647	2.000	2.000	2.000	2.000
Total Expenses	\$1,857.762	\$1,821.526	\$1,890.741	\$1,905.414	\$1,993.820	\$2,059.252
Baseline Surplus/(Deficit)	(\$1,147.706)	(\$1,074.593)	(\$1,133.780)	(\$1,142.576)	(\$1,230.366)	(\$1,293.466)
<u>Cash Conversion Adjustments</u>						
Depreciation	\$324.840	\$323.830	\$327.053	\$330.308	\$333.596	\$336.916
Operating/Capital	(14.948)	(14.864)	(32.412)	(10.202)	(13.247)	(13.168)
Other Cash Adjustment	27.495	167.389	98.383	87.697	88.893	84.924
Total Cash Conversion Adjustments	\$337.387	\$476.355	\$393.024	\$407.803	\$409.242	\$408.672
Net Cash Surplus/(Deficit)	(\$810.319)	(\$598.238)	(\$740.756)	(\$734.773)	(\$821.124)	(\$884.794)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</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	279.992	334.235	365.863	319.365	317.293	317.783
Total Revenue	\$279.992	\$334.235	\$365.863	\$319.365	\$317.293	\$317.783
Expenses						
<u>Labor:</u>						
Payroll	\$89.227	\$107.049	\$116.089	\$114.940	\$113.744	\$113.814
Overtime	27.688	30.641	26.807	20.350	19.850	19.827
Health and Welfare	17.988	24.157	25.035	24.059	23.587	23.565
OPEB Current Payment	-	-	-	-	-	-
Pensions	31.150	40.281	40.676	39.089	38.323	38.287
Other Fringe Benefits	19.951	23.317	25.601	24.602	24.120	24.097
Reimbursable Overhead	28.252	38.400	37.865	32.777	32.125	32.030
Total Labor Expenses	\$214.255	\$263.845	\$272.073	\$255.817	\$251.749	\$251.620
<u>Non-Labor:</u>						
Electric Power	\$0.545	\$0.738	\$0.635	\$0.141	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	4.403	6.065	8.269	7.763	7.569	7.577
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	12.170	14.767	26.332	12.825	12.418	12.524
Professional Service Contracts	7.394	2.440	3.768	0.952	0.652	0.656
Materials & Supplies	40.360	45.222	54.439	41.533	44.578	45.079
Other Business Expenses	0.865	1.158	0.347	0.334	0.327	0.327
Total Non-Labor Expenses	\$65.738	\$70.390	\$93.790	\$63.548	\$65.544	\$66.163
<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	\$279.992	\$334.235	\$365.863	\$319.365	\$317.293	\$317.783
Depreciation	-	-	-	-	-	-
Total Expenses	\$279.992	\$334.235	\$365.863	\$319.365	\$317.293	\$317.783
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE	2014	2015	2016	2017	2018	2019
	Actual	November Forecast	Final Proposed Budget			
Revenue						
Farebox Revenue	\$658.822	\$692.275	\$702.622	\$705.571	\$707.194	\$708.747
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	51.233	54.658	54.339	57.267	56.260	57.039
Capital and Other Reimbursements	279.992	334.235	365.863	319.365	317.293	317.783
Total Revenue	\$990.048	\$1,081.168	\$1,122.824	\$1,082.203	\$1,080.747	\$1,083.569
Expenses						
Labor:						
Payroll	\$636.905	\$602.157	\$631.029	\$639.945	\$671.928	\$695.286
Overtime	153.185	150.717	142.054	141.077	144.620	145.950
Health and Welfare	110.360	110.936	122.775	124.377	133.878	141.295
OPEB Current Payment	56.655	59.482	66.700	68.144	71.573	75.155
Pensions	208.857	191.343	192.704	192.190	194.671	203.034
Other Fringe Benefits	137.901	148.524	154.103	156.727	164.223	169.341
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$1,303.864	\$1,263.159	\$1,309.365	\$1,322.460	\$1,380.893	\$1,430.061
Non-Labor:						
Electric Power	\$102.271	\$94.757	\$93.930	\$97.465	\$101.641	\$106.043
Fuel	27.766	18.890	18.483	19.435	21.671	23.764
Insurance	27.781	28.759	32.983	34.414	36.308	38.618
Claims	6.459	4.389	4.303	4.370	4.370	4.419
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	74.550	78.528	111.484	88.504	88.787	96.895
Professional Service Contracts	33.402	62.879	35.871	28.206	30.400	30.125
Materials & Supplies	145.695	188.019	228.305	202.246	207.948	207.126
Other Business Expenses	10.690	16.366	16.083	16.325	22.081	17.208
Total Non-Labor Expenses	\$428.615	\$492.587	\$541.442	\$490.965	\$513.206	\$524.198
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$1,732.478	\$1,755.746	\$1,850.807	\$1,813.425	\$1,894.099	\$1,954.259
Depreciation	\$324.840	\$323.830	\$327.053	\$330.308	\$333.596	\$336.916
OPEB Obligation	74.558	74.538	76.744	79.046	81.418	83.860
Environmental Remediation	5.878	1.647	2.000	2.000	2.000	2.000
Total Expenses	\$2,137.754	\$2,155.761	\$2,256.604	\$2,224.779	\$2,311.113	\$2,377.035
Net Surplus/(Deficit)	(\$1,147.706)	(\$1,074.593)	(\$1,133.780)	(\$1,142.576)	(\$1,230.366)	(\$1,293.466)
Cash Conversion Adjustments						
Depreciation	\$324.840	\$323.830	\$327.053	\$330.308	\$333.596	\$336.916
Operating/Capital	(14.948)	(14.864)	(32.412)	(10.202)	(13.247)	(13.168)
Other Cash Adjustment	27.495	167.389	98.383	87.697	88.893	84.924
Total Cash Conversion Adjustments	\$337.387	\$476.355	\$393.024	\$407.803	\$409.242	\$408.672
Net Cash Surplus/(Deficit)	(\$810.319)	(\$598.238)	(\$740.756)	(\$734.773)	(\$821.124)	(\$884.794)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$679.005	\$714.295	\$723.872	\$726.821	\$728.444	\$729.997
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	44.223	64.423	45.659	48.296	47.037	47.433
Capital and Other Reimbursements	243.550	313.440	327.132	302.743	297.471	297.909
Total Receipts	\$966.778	\$1,092.158	\$1,096.663	\$1,077.860	\$1,072.952	\$1,075.339
Expenditures						
<u>Labor:</u>						
Payroll	\$612.927	\$608.855	\$623.402	\$632.142	\$663.946	\$687.120
Overtime	151.509	154.367	142.054	141.077	144.620	145.950
Health and Welfare	117.315	103.678	122.775	124.377	133.878	141.295
OPEB Current Payment	59.213	57.071	66.700	68.144	71.573	75.155
Pensions	222.166	163.343	192.704	192.190	194.671	203.034
Other Fringe Benefits	137.134	147.118	153.103	155.727	163.223	168.341
GASB Account	5.733	-	-	-	0.686	1.402
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$1,305.997	\$1,234.432	\$1,300.738	\$1,313.657	\$1,372.597	\$1,422.297
<u>Non-Labor:</u>						
Electric Power	\$105.810	\$95.128	\$93.930	\$97.465	\$101.641	\$106.043
Fuel	27.982	19.395	18.483	19.435	21.671	23.764
Insurance	28.048	29.272	33.259	34.042	36.605	38.189
Claims	2.810	1.970	1.733	1.747	1.747	1.748
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	76.628	91.873	107.778	88.504	88.787	96.895
Professional Service Contracts	32.675	24.276	31.479	23.594	25.558	25.041
Materials & Supplies	162.765	157.662	213.803	197.731	203.243	208.386
Other Business Expenses	12.700	15.388	14.966	15.208	20.977	16.520
Total Non-Labor Expenditures	\$449.419	\$434.964	\$515.431	\$477.726	\$500.229	\$516.586
<u>Other Expenditure Adjustments:</u>						
Other	21.835	21.000	21.250	21.250	21.250	21.250
Total Other Expenditure Adjustments	\$21.835	\$21.000	\$21.250	\$21.250	\$21.250	\$21.250
Total Expenditures	\$1,777.251	\$1,690.396	\$1,837.419	\$1,812.633	\$1,894.076	\$1,960.133
Cash Timing and Availability Adjustment	0.153	-	-	-	-	-
Net Cash Surplus/(Deficit)	(\$810.319)	(\$598.238)	(\$740.756)	(\$734.773)	(\$821.124)	(\$884.794)

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$20.183	\$22.020	\$21.250	\$21.250	\$21.250	\$21.250
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(7.010)	9.765	(8.680)	(8.971)	(9.223)	(9.606)
Capital and Other Reimbursements	(36.443)	(20.795)	(38.731)	(16.622)	(19.822)	(19.874)
Total Receipts	(\$23.270)	\$10.990	(\$26.161)	(\$4.343)	(\$7.795)	(\$8.230)
Expenditures						
<u>Labor:</u>						
Payroll	\$23.978	(\$6.698)	\$7.627	\$7.803	\$7.982	\$8.166
Overtime	1.676	(3.650)	-	-	-	-
Health and Welfare	(6.955)	7.258	-	-	-	-
OPEB Current Payment	(2.557)	2.411	-	-	-	-
Pensions	(13.309)	28.000	-	-	-	-
Other Fringe Benefits	0.767	1.406	1.000	1.000	1.000	1.000
GASB Account	(5.733)	-	-	-	(0.686)	(1.402)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	(\$2.133)	\$28.727	\$8.627	\$8.803	\$8.296	\$7.764
<u>Non-Labor:</u>						
Electric Power	(\$3.539)	(\$0.371)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(0.216)	(0.505)	-	-	-	-
Insurance	(0.267)	(0.513)	(0.276)	0.372	(0.297)	0.429
Claims	3.649	2.419	2.570	2.623	2.623	2.671
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(2.078)	(13.345)	3.706	-	-	-
Professional Service Contracts	0.727	38.603	4.392	4.612	4.842	5.084
Materials & Supplies	(17.069)	30.357	14.502	4.515	4.705	(1.260)
Other Business Expenditures	(2.010)	0.978	1.117	1.117	1.104	0.688
Total Non-Labor Expenditures	(\$20.805)	\$57.623	\$26.011	\$13.239	\$12.977	\$7.612
<u>Other Expenditures Adjustments:</u>						
Other	(21.835)	(21.000)	(21.250)	(21.250)	(21.250)	(21.250)
Total Other Expenditures Adjustments	(\$21.835)	(\$21.000)	(\$21.250)	(\$21.250)	(\$21.250)	(\$21.250)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$68.042)	\$76.340	(\$12.773)	(\$3.551)	(\$7.772)	(\$14.104)
Depreciation Adjustment	\$324.840	\$323.830	\$327.053	\$330.308	\$333.596	\$336.916
OPEB Obligation	74.558	74.538	76.744	79.046	81.418	83.860
Environmental Remediation	5.878	1.647	2.000	2.000	2.000	2.000
Cash Timing and Availability Adjustment	0.153	-	-	-	-	-
Total Cash Conversion Adjustments	\$337.387	\$476.355	\$393.024	\$407.803	\$409.242	\$408.672

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
Ridership/(Utilization)
(\$ in millions)

	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
<u>RIDERSHIP</u>						
Monthly	47.318	48.325	48.793	48.816	49.086	49.167
Weekly	2.021	2.021	2.035	2.043	2.049	2.053
Total Commutation	49.340	50.346	50.828	50.859	51.135	51.220
One-Way Full Fare	8.269	8.393	8.430	8.465	8.484	8.499
One-Way Off Peak	17.943	18.071	18.175	18.251	18.292	18.323
All Other	10.316	10.560	10.620	10.664	10.689	10.769
Total Non-Commutation	36.529	37.024	37.225	37.380	37.465	37.591
Total Ridership	85.868	87.370	88.053	88.239	88.600	88.811
<u>FAREBOX REVENUE</u>						
Baseline Total Farebox Revenue	\$658.822	\$692.275	\$702.622	\$705.571	\$707.194	\$708.747

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
<u>Administration</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Administration	-	<u>\$0.000</u>	-	<u>\$0.000</u>	-	<u>\$0.000</u>	-	<u>\$0.000</u>	-	<u>\$0.000</u>
<u>Customer Convenience/Amenities</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Customer Convenience/Amenities	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<u>Maintenance</u>										
M7 Running Repair Savings	-	1.800	-	1.800	-	1.800	-	1.800	-	1.800
Subtotal Maintenance	-	<u>1.800</u>	-	<u>1.800</u>	-	<u>1.800</u>	-	<u>1.800</u>	-	<u>1.800</u>
<u>Revenue Enhancement</u>										
Freight Contract Renewal Revenue	-	0.000	-	0.000	-	4.310	-	1.269	-	1.269
Subtotal Revenue Enhancement	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>4.310</u>	-	<u>1.269</u>	-	<u>1.269</u>
<u>Safety</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<u>Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Security	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<u>Service Support</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service Support	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
<u>Other</u>										
Inventory Draw Down - Lower Projected New Material Purchases	-	0.000	-	8.000	-	0.000	-	0.000	-	0.000
Amtrak Reimbursement for Property Insurance	-	1.260	-	0.420	-	0.420	-	0.420	-	0.420
Remove funds to lease replacement work locomotives	-	0.000	-	1.260	-	1.260	-	1.260	-	1.260
Inventory Draw Down - Lower Projected New Material Purchases	-	0.575	-	2.100	-	0.100	-	0.100	-	0.100
Non-Payroll Savings	-	<u>0.563</u>	-	<u>1.900</u>	-	<u>1.550</u>	-	<u>1.550</u>	-	<u>1.550</u>
Subtotal Other	-	<u>2.398</u>	-	<u>13.680</u>	-	<u>3.330</u>	-	<u>3.330</u>	-	<u>3.330</u>
Agency Submission	-	\$4.198	-	\$15.480	-	\$9.440	-	\$6.399	-	\$6.399

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Executive VP	7	6	2	2	2	2
Sr. VP Engineering	-	-	5	5	5	5
Labor Relations	15	19	19	19	19	19
Procurement & Logistics (excl. Stores)	82	82	82	82	82	79
Human Resources	31	33	33	33	39	49
Sr VP Administration	1	2	2	2	2	2
Strategic Investments	28	35	25	25	25	25
President	4	4	4	4	4	4
VP & CFO	2	5	5	5	5	5
Information Technology	145	-	-	-	-	-
Controller	42	42	42	42	42	43
Management and Budget	19	21	21	21	21	21
Business Process Mgmt Controls & Compliance	7	7	7	7	7	7
Market Dev. & Public Affairs	69	69	69	69	69	69
Gen. Counsel & Secretary	30	32	32	32	32	32
Diversity Management	2	3	3	3	3	3
Security	12	17	12	12	12	12
System Safety	22	36	36	36	36	36
Training	58	64	64	64	64	63
Service Planning	22	22	23	23	25	25
Sr. VP Operations	2	2	12	12	12	12
Total Administration	600	501	498	498	506	513
Operations						
Train Operations	2,023	2,097	2,127	2,096	2,255	2,322
Stations	299	294	296	295	295	295
Total Operations	2,322	2,391	2,423	2,391	2,550	2,617
Maintenance						
Engineering	1,731	1,811	1,866	1,896	1,928	1,945
Equipment	1,997	2,105	2,126	2,049	2,066	2,060
Procurement (Stores)	98	93	93	93	93	93
Total Maintenance	3,826	4,009	4,085	4,038	4,087	4,098
Engineering/Capital						
Department of Project Management	135	139	157	157	157	157
VP - East Side Access & Special Projects	23	43	43	43	43	42
Total Engineering/Capital	158	182	200	200	200	199
Total Baseline Positions	6,906	7,083	7,206	7,127	7,343	7,427
<i>Non-Reimbursable</i>	6,060	6,284	6,162	6,243	6,466	6,574
<i>Reimbursable</i>	846	799	1,044	884	877	853
<i>Total Full-Time</i>	6,906	7,083	7,206	7,127	7,343	7,427
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Managers/Supervisors	281	252	249	249	250	248
Professional, Technical, Clerical	319	147	147	147	154	163
Operational Hourlies	-	102	102	102	102	102
Total Administration	600	501	498	498	506	513
Operations						
Managers/Supervisors	287	288	288	286	282	279
Professional, Technical, Clerical	185	101	102	102	102	102
Operational Hourlies	1,850	2,002	2,033	2,003	2,166	2,236
Total Operations	2,322	2,391	2,423	2,391	2,550	2,617
Maintenance						
Managers/Supervisors	691	743	757	723	732	735
Professional, Technical, Clerical	273	260	246	265	270	268
Operational Hourlies	2,862	3,006	3,082	3,050	3,085	3,095
Total Maintenance	3,826	4,009	4,085	4,038	4,087	4,098
Engineering/Capital						
Managers/Supervisors	119	127	141	141	141	141
Professional, Technical, Clerical	39	55	59	59	59	58
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	158	182	200	200	200	199
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Baseline Positions						
Managers/Supervisors	1,378	1,410	1,435	1,399	1,405	1,403
Professional, Technical, Clerical	816	563	554	573	585	591
Operational Hourlies	4,712	5,110	5,217	5,155	5,353	5,433
Total Baseline Positions	6,906	7,083	7,206	7,127	7,343	7,427

Metro-North Railroad



Staff Summary

Subject MNR 2016 Budget and 2016-2019 Financial Plan Adoption
Department Budget
Department Head Name Joseph Pavone
Department Head Signature
Project Manager Name

Date December 4, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref#

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR&LIRR Comm. Mtg.	12/14			
2	MTA Fin. Comm.	12/14			
3	MTA Board Mtg.	12/16			

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) 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan 2016-2019.

Discussion:

The November 2016-2019 Financial Plan reflects the financial resources required to continue Metro-North's focus on strategic investments that encompass the following four key goals:

- *Promoting a Culture of Safety* in which safety is embedded in all decisions, actions, and initiatives.
- *Adopting Concrete Safety Enhancements* that guarantee safe operations and safe work practices.
- *Restoring Reliable Service* that is safe and of high quality.
- *Improving Communications* of the railroad's goals, operations and policies so customers can make informed choices regarding the use of our service and employees can provide the best customer service possible.

To date, outreach programs have been implemented to reinforce safety as the company's first priority. In addition, safety and training resources have been added and reorganized; employee testing, evaluation, oversight and training practices have been revamped; and the company has instituted a confidential close call reporting system so employees can report safety issues without fear of reprisal.

The comprehensive assessment of Metro-North's infrastructure has also identified immediate and long-term needs resulting in:

- Redeployment of existing maintenance forces.
- Creation of specialized track gangs to focus on drainage improvements and track interlocking tie replacements.
- Identification and acquisition of specialized track monitoring equipment.
- Installation of a new interlocking near Fordham station which will improve operating capabilities in this critical section of the Bronx.
- Stone ballast cleaning or replacement throughout the territory.
- Installation of eight miles of continuous welded rail and fiberglass brackets and channels to support new aluminum third rail in key locations.
- Replacement of six grade crossings in Connecticut and six grade crossings in New York.

The legal name of MTA Metro-North Railroad is Metro-North Commuter Railroad Company

- Replacement of six grade crossings in Connecticut and six grade crossings in New York

The November 2016-2019 Financial Plan also reflects the financial impact of the labor settlement with all MNR unions as well as 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.

Major Programmatic Initiatives included in the Financial Plan

Safety Investments

The majority of new Metro-North initiatives are safety-related and crucial to the achievement of short and long-term operating plans. They specifically address regulatory requirements or recommended actions by the FRA, NTSB, railroad industry experts and Metro-North management.

- **Power Control (SCADA) and Centralized Traffic Control System Upgrades** – These critical operating systems monitor and control the traction power and signal infrastructure that support train operations, Grand Central Terminal (GCT) and outlying shops & yards. These systems are beyond their useful life and require upgrades to improve functionality, compatibility with current software operating systems, and integration with other railroad infrastructure.
- **New Haven Line (NHL) Infrastructure Improvements** - have been identified for the maintenance or repair of grade crossings, bridges, interlockings and the roadbed. These programs are jointly funded by the MTA and Connecticut Department of Transportation (CDOT) and specifically include:
 - **Branch Line Grade Crossing** – The track infrastructure and roadway surface at the 60 grade crossings on the New Haven Line's Danbury, Waterbury and New Canaan branch lines require additional maintenance forces for replacement work due to wear and tear from rail and highway traffic as well as weather conditions.
 - **Bridge & Culvert Maintenance** – To enhance maintenance efforts on NHL railroad bridges and culverts, additional track maintenance forces will be hired.
 - **East Norwalk to Southport Maintenance (CP243 - CP 248)** - A new track interlocking control point (CP 243) will be constructed east of the Walk Movable Bridge on the New Haven Line. To ensure optimal operation and maintenance of the interlocking during the approved replacement of the Walk Movable Bridge and to meet FRA inspection and maintenance regulations, an additional temporary gang will be required for two-shift coverage, seven days per week to ensure operating flexibility and support.
 - **Track Bed Undercutting** - To ensure compliance with Metro-North clearance standards and ensure a safe route for rail traffic, track bed undercutting (lowering of the track bed) is required to increase clearances at overhead structures and beneath New Haven Line catenary.
- **Third Rail Construction Gangs** – Recently, the installation of fiberglass brackets and channels to support the third rail structure has been found to completely stop third rail arcing events and will be implemented in other areas of the power system.
- **Grand Central Terminal Platform Rehabilitation Gang** – As part of recent condition assessments of Metro-North's infrastructure, GCT platform tracks require a more cyclical maintenance program.
- **Install Cameras and Audio Equipment on West of Hudson Rolling Stock** - Similar to the program for the East of Hudson rolling stock fleet, this initiative will equip Metro-North's West of Hudson rolling stock with on-board cameras to aid post-accident/incident investigations and form training programs that will promote safe operating practices.

Improve Service Reliability

- **M8 Cars** - In partnership with CDOT, Metro-North has conditionally accepted all 380 multiple unit and 25 single unit M8 cars.
- **M7 Cars** - This car fleet is in the midst of its 10-year life cycle maintenance program that began in 2014.
- **Locomotive life cycle maintenance programs** include the continuation of the Genesis locomotive program, the start of the BL20 Reliability Centered Maintenance (RCM) program, and overhauls that extend the useful life of the GP35 work locomotive fleet.

Customer Service initiatives that improve customer communication and convenience

- Continue installation of new customer information monitors and platform signage at New York State outlying stations.
- A joint effort with the LIRR to develop a Mobile Ticketing Application to allow customers to purchase tickets with smartphones and other mobile devices.

- Continuation of the cyclical station inspection, maintenance and enhancement program.
- Improvements to the Integrated Voice Response Customer Call-in System.
- Develop a new long-term strategy for fare collections in conjunction with the LIRR.

Other Emerging New Needs

- **Enterprise Asset Management (EAM)** - In an effort to manage physical assets more efficiently, Metro-North is taking part in an MTA-wide project to develop and implement an Enterprise Asset Management information system. The objective of this system is to enable better management of assets by accurately determining total cost of ownership, improving management of the workforce, and optimizing the use of capital funds to replace assets in a priority manner that ensures safety, reliability and quality of service.
- **Reorganization of both the Power Department and Operations Systems Control Group** - expand and reorganize the workforce of each Unit to ensure an improved safety culture, proper succession planning, and increased managerial oversight of functions that maintain software and hardware of centralized power and signal systems.

Utilization

The 2015 November Forecast projects nearly 86 million East and West of Hudson riders, an increase of 1.5% over 2014. 2016-2019 ridership is projected to grow approximately 1.5% 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 1.0% in 2016 through 2018.

2015 Budget Reduction Initiatives of \$3.6 million have been incorporated into Metro-North's 2015 November Forecast-Baseline and continue in the 2016 Final Proposed Budget and 2016-2019 Financial Plan. These initiatives include: one-time vacancy savings that are expected to exceed budgeted levels, enforcing tighter management controls and increased oversight of non-payroll budgets with a particular emphasis on contractual services, and utilizing internal and external websites for communication and information sharing, thereby reducing dependency on corporate printing costs.

2015 November Forecast-Baseline

The 2015 non-reimbursable forecast reflects revenues totaling \$737.5 million, including \$675.7 million of Farebox Revenues and \$61.8 million in Other Operating Revenue. Total Operating Expense projections of \$1,507.4 million consist of labor costs of \$836.5 million, non-labor costs of \$370.9 million and non-cash accruals of \$300.1 million for Depreciation (\$226.6 million), Other Post-Employment Benefits (\$68.3 million) and Environmental Remediation (\$5.1 million). After including additional cash requirements adjustment of \$117.7 million, the projected net cash deficit is \$587.5 million of which \$438.6 million represents the MTA share and \$148.9 million the ConnDOT share. Projected reimbursable expenses of \$232.4 million are fully offset by capital reimbursements. Total end-of-year authorized positions are projected at 6,698 and include 6,116 non-reimbursable positions and 582 reimbursable positions.

2016 Final Proposed Budget-Baseline

The 2016 final proposed non-reimbursable budget reflects revenues totaling \$753.6 million. Farebox Revenue of \$693.3 million reflecting slightly higher non-commutation ridership and a 1% State of Connecticut annual fare increase effective January 1st, 2016 through 2018. Other Operating Revenue of \$60.3 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 \$1,558.3 million consist of labor costs of \$864.6 million, non-labor costs of \$386.3 million and non-cash accruals of \$307.4 million, which are comprised of Depreciation (\$234.1 million), Other Post-Employment Benefits (\$68.3 million) and Environmental Remediation (\$5.0 million). After additional cash requirements adjustment of \$63.8 million, the projected net cash deficit is \$561.1 million of which \$440.7 million represents the MTA share and \$120.4 million the ConnDOT share. Projected reimbursable expenses of \$255.9 million are fully offset by capital reimbursements. Total end-of-year authorized positions are projected at 6,829 and include 6,243 non-reimbursable positions and 586 reimbursable positions.

Impact on Funding: The 2015 November Forecast, the 2016 Final Proposed Budget and the Four-Year Financial Plan for 2016-2019, 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 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019 for MTA Metro-North Railroad.

MTA Metro-North Railroad
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE	2015		2016				
	2014	November	Final Proposed				
	Actual	Forecast	Budget	2017	2018	2019	
Operating Revenue							
Farebox Revenue	\$649,850	\$675,692	\$693,277	\$707,320	\$718,706	\$726,688	
Toll Revenue	0,000	0,000	0,000	0,000	0,000	0,000	
Other Operating Revenue	62,536	61,846	60,341	62,226	63,683	64,212	
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	\$712,386	\$737,539	\$753,618	\$769,546	\$782,389	\$790,901	
Operating Expenses							
Labor:							
Payroll	\$512,139	\$468,600	\$480,363	\$496,923	\$513,145	\$523,548	
Overtime	98,089	96,254	98,451	100,427	102,436	104,484	
Health and Welfare	92,410	94,754	107,051	108,092	113,995	118,829	
OPEB Current Payment	24,103	26,965	27,282	27,779	28,986	30,240	
Pensions	91,385	91,874	91,904	93,020	94,821	98,011	
Other Fringe Benefits	113,054	111,874	117,375	120,765	124,120	126,352	
Reimbursable Overhead	(48,421)	(53,856)	(57,806)	(59,131)	(59,868)	(60,125)	
Total Labor	\$882,759	\$836,465	\$864,620	\$887,876	\$917,637	\$941,338	
Non-Labor:							
Electric Power	\$81,415	\$86,768	\$82,288	\$85,920	\$90,944	\$96,319	
Traction Power	69,219	73,197	68,113	71,734	76,096	80,674	
Non-Traction Power	12,196	13,571	14,175	14,186	14,849	15,645	
Fuel	27,642	20,432	21,229	22,553	25,275	28,043	
Revenue Vehicle Fuel	22,777	15,580	16,368	17,404	19,909	22,138	
Non-Revenue Fuel	4,865	4,851	4,861	5,149	5,366	5,905	
Insurance	17,303	19,064	20,015	21,329	22,914	24,714	
Claims	6,129	1,273	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	103,253	107,580	127,374	125,503	127,819	127,548	
Professional Service Contracts	24,214	35,291	39,754	38,128	39,698	39,977	
Materials & Supplies	70,434	74,991	78,869	83,662	86,141	88,303	
Other Business Expenses	24,345	25,491	15,754	17,332	16,727	17,147	
Total Non-Labor	\$354,734	\$370,890	\$386,283	\$395,427	\$410,519	\$423,052	
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.	\$1,237,493	\$1,207,354	\$1,250,903	\$1,283,303	\$1,328,155	\$1,364,390	
Depreciation	\$232,100	\$226,647	\$234,092	\$234,092	\$234,092	\$234,092	
OPEB Obligation	58,372	68,316	68,316	68,316	68,316	68,316	
Environmental Remediation	1,632	5,109	5,000	5,000	5,000	5,000	
Total Expenses	\$1,529,598	\$1,507,426	\$1,558,311	\$1,590,711	\$1,635,564	\$1,671,798	
Net Surplus/(Deficit)	(\$817,212)	(\$769,887)	(\$804,693)	(\$821,165)	(\$853,174)	(\$880,898)	
Cash Conversion Adjustments:							
Depreciation	\$232,100	\$226,647	\$234,092	\$234,092	\$234,092	\$234,092	
Operating/Capital	(22,823)	(32,240)	(48,695)	(45,037)	(28,496)	(13,963)	
Other Cash Adjustments	82,291	(12,058)	58,231	63,706	67,952	69,054	
Total Cash Conversion Adjustments	\$291,568	\$182,349	\$243,628	\$252,761	\$273,548	\$289,183	
Net Cash Surplus/(Deficit)	(\$525,644)	(\$587,538)	(\$561,064)	(\$568,404)	(\$579,626)	(\$591,715)	

MTA Metro-North Railroad
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE	2015		2016		2017	2018	2019
	2014	November	Final Proposed				
	Actual	Forecast	Budget				
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	95.392	136.303	151.064	154.205	157.749	160.986	
MNR - CDOT	78.834	81.028	88.378	90.337	92.319	94.147	
MNR - Other	17.087	15.055	16.425	16.709	17.063	17.380	
Capital and Other Reimbursements	191.313	232.386	255.867	261.251	267.131	272.513	
Total Revenue	\$191.313	\$232.386	\$255.867	\$261.251	\$267.131	\$272.513	
Expenses							
Labor:							
Payroll	\$42.901	\$46.143	\$44.179	\$45.535	\$46.597	\$47.512	
Overtime	20.813	17.678	18.498	18.813	19.240	19.617	
Health and Welfare	12.461	14.201	14.347	14.416	15.035	15.657	
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000	
Pensions	8.777	9.930	9.439	9.521	9.640	9.964	
Other Fringe Benefits	10.288	9.153	10.977	11.285	11.547	11.774	
Reimbursable Overhead	46.509	52.892	55.007	56.232	56.909	57.135	
Total Labor	\$141.749	\$149.996	\$152.447	\$155.802	\$158.970	\$161.658	
Non-Labor:							
Electric Power	\$0.059	\$0.478	\$0.000	\$0.000	\$0.000	\$0.000	
Fuel	0.000	0.000	0.000	0.000	0.000	0.000	
Insurance	3.405	3.559	3.481	3.557	3.640	3.711	
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	14.306	12.764	10.803	10.991	11.275	11.558	
Professional Service Contracts	13.845	12.224	28.070	28.290	29.020	29.748	
Materials & Supplies	14.625	52.708	60.630	62.164	63.767	65.368	
Other Business Expenses	3.325	0.658	0.437	0.448	0.459	0.471	
Total Non-Labor	\$49.564	\$82.390	\$103.420	\$105.449	\$108.161	\$110.855	
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	\$191.313	\$232.386	\$255.867	\$261.251	\$267.131	\$272.513	
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
OPEB Obligation	0.000	0.000	0.000	0.000	0.000	0.000	
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	
Total Expenses	\$191.313	\$232.386	\$255.867	\$261.251	\$267.131	\$272.513	
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 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE	2015		2016				
	2014	November	Final Proposed				
	Actual	Forecast	Budget	2017	2018	2019	
Revenue							
Farebox Revenue	\$649.850	\$675.692	\$693.277	\$707.320	\$718.706	\$726.688	
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	
Other Operating Revenue	62.536	61.846	60.341	62.226	63.683	64.212	
MNR - MTA	95.392	136.303	151.064	154.205	157.749	160.986	
MNR - CDOT	78.834	81.028	88.378	90.337	92.319	94.147	
MNR - Other	17.087	15.055	16.425	16.709	17.063	17.380	
Capital and Other Reimbursements	191.313	232.386	255.867	261.251	267.131	272.513	
Total Revenue	\$903.699	\$969.925	\$1,009.485	\$1,030.797	\$1,049.521	\$1,063.414	
Expenses							
Labor:							
Payroll	\$555.040	\$514.743	\$524.542	\$542.459	\$559.743	\$571.060	
Overtime	118.902	113.932	116.949	119.239	121.677	124.101	
Health and Welfare	104.871	108.955	121.398	122.508	129.030	134.486	
OPEB Current Payment	24.103	26.965	27.282	27.779	28.986	30.240	
Pensions	100.162	101.804	101.343	102.541	104.461	107.975	
Other Fringe Benefits	123.342	121.027	128.352	132.050	135.668	138.125	
Reimbursable Overhead	(1.912)	(0.965)	(2.799)	(2.898)	(2.958)	(2.990)	
Total Labor	\$1,024.508	\$986.460	\$1,017.067	\$1,043.678	\$1,076.607	\$1,102.996	
Non-Labor:							
Electric Power	\$81.474	\$87.246	\$82.288	\$85.920	\$90.944	\$96.319	
Fuel	27.642	20.432	21.229	22.553	25.275	28.043	
Insurance	20.708	22.623	23.496	24.886	26.554	28.425	
Claims	6.129	1.273	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	117.559	120.344	138.177	136.494	139.094	139.106	
Professional Service Contracts	38.059	47.514	67.824	66.418	68.718	69.726	
Materials & Supplies	85.059	127.699	139.499	145.825	149.909	153.672	
Other Business Expenses	27.669	26.149	16.190	17.779	17.186	17.618	
Total Non-Labor	\$404.298	\$453.280	\$489.703	\$500.876	\$518.680	\$533.907	
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.	\$1,428.806	\$1,439.740	\$1,506.770	\$1,544.554	\$1,595.287	\$1,636.903	
Depreciation	\$232.100	\$226.647	\$234.092	\$234.092	\$234.092	\$234.092	
OPEB Obligation	58.372	68.316	68.316	68.316	68.316	68.316	
Environmental Remediation	1.632	5.109	5.000	5.000	5.000	5.000	
Total Expenses	\$1,720.911	\$1,739.812	\$1,814.178	\$1,851.962	\$1,902.695	\$1,944.311	
Net Surplus/(Deficit)	(\$817.212)	(\$769.887)	(\$804.693)	(\$821.165)	(\$853.174)	(\$880.898)	
Cash Conversion Adjustments:							
Depreciation	\$232.100	\$226.647	\$234.092	\$234.092	\$234.092	\$234.092	
Operating/Capital	(22.823)	(32.240)	(48.695)	(45.037)	(28.496)	(13.963)	
Other Cash Adjustments	82.291	(12.058)	58.231	63.706	67.952	69.054	
Total Cash Conversion Adjustments	\$291.568	\$182.349	\$243.628	\$252.761	\$273.548	\$289.183	
Net Cash Surplus/(Deficit)	(\$525.644)	(\$587.538)	(\$561.064)	(\$568.404)	(\$579.626)	(\$591.715)	

**MTA Metro-North Railroad
November Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES	2015		2016		2017	2018	2019
	2014	November	Final Proposed				
	Actual	Forecast	Budget				
Receipts							
Farebox Revenue	\$655.977	\$680.395	\$698.155	\$712.431	\$724.097	\$732.416	
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	
Other Operating Revenue	86.530	98.209	142.657	97.307	96.644	97.341	
MNR - MTA	80.068	129.603	157.207	153.134	156.406	160.138	
MNR - CDOT	67.296	90.740	88.378	90.337	92.319	94.147	
MNR - Other	13.070	16.863	17.659	16.644	16.968	17.320	
Capital and Other Reimbursements	160.434	237.206	263.244	260.116	265.693	271.604	
Total Receipts	\$902.941	\$1,015.810	\$1,104.055	\$1,069.854	\$1,086.433	\$1,101.361	
Expenditures							
Labor:							
Payroll	\$496.996	\$592.261	\$531.586	\$547.084	\$561.012	\$570.811	
Overtime	100.307	132.358	116.651	119.456	121.326	123.722	
Health and Welfare	115.068	113.621	125.144	126.413	133.085	138.693	
OPEB Current Payment	25.436	25.614	27.282	27.779	28.986	30.240	
Pensions	113.236	90.970	102.525	103.318	105.244	108.440	
Other Fringe Benefits	113.038	128.230	129.421	133.104	136.111	137.870	
GASB Account	4.458	0.000	0.000	0.000	0.000	0.000	
Reimbursable Overhead	0.000	0.255	(0.000)	0.000	(0.000)	(0.000)	
Total Labor	\$968.539	\$1,083.309	\$1,032.608	\$1,057.155	\$1,085.764	\$1,109.776	
Non-Labor:							
Electric Power	\$85.389	\$88.745	\$83.859	\$87.539	\$92.611	\$98.036	
Fuel	28.149	19.558	20.349	21.647	24.341	27.081	
Insurance	20.781	23.306	23.914	25.377	27.080	28.967	
Claims	27.461	22.843	56.473	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	111.664	125.807	156.192	149.286	140.589	136.761	
Professional Service Contracts	38.715	53.322	78.552	77.100	74.748	71.674	
Materials & Supplies	95.696	129.410	149.496	154.917	156.152	154.786	
Other Business Expenses	52.191	57.047	63.678	64.093	63.631	64.851	
Total Non-Labor	\$460.046	\$520.038	\$632.513	\$581.105	\$580.299	\$583.302	
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	\$1,428.585	\$1,603.347	\$1,665.121	\$1,638.260	\$1,666.063	\$1,693.078	
Net Cash Surplus/(Deficit)	(\$525.644)	(\$587.537)	(\$561.066)	(\$568.406)	(\$579.630)	(\$591.717)	
Subsidies							
MTA	\$425.094	\$438.601	\$440.679	\$452.569	\$456.693	\$461.862	
CDOT	98.004	148.937	120.385	115.835	122.933	129.853	
Total Subsidies	\$523.098	\$587.538	\$561.064	\$568.404	\$579.626	\$591.715	

MTA Metro-North Railroad
November Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$6.127	\$4.703	\$4.877	\$5.111	\$5.391	\$5.728
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	23.994	36.363	82.316	35.081	32.960	33.129
MNR - MTA	(15.324)	(6.700)	6.143	(1.070)	(1.343)	(0.849)
MNR - CDOT	(11.538)	9.712	0.000	0.000	0.000	0.000
MNR - Other	(4.017)	1.808	1.234	(0.065)	(0.095)	(0.060)
Capital and Other Reimbursements	(30.879)	4.820	7.377	(1.136)	(1.438)	(0.909)
Total Receipts	(\$0.758)	\$45.885	\$94.570	\$39.056	\$36.913	\$37.948
Expenditures						
Labor:						
Payroll	\$58.044	(\$77.518)	(\$7.044)	(\$4.626)	(\$1.269)	\$0.248
Overtime	18.595	(18.426)	0.298	(0.217)	0.351	0.378
Health and Welfare	(10.198)	(4.666)	(3.746)	(3.905)	(4.055)	(4.207)
OPEB Current Payment	(1.333)	1.351	0.000	0.000	0.000	0.000
Pensions	(13.074)	10.834	(1.182)	(0.777)	(0.783)	(0.465)
Other Fringe Benefits	10.304	(7.203)	(1.069)	(1.054)	(0.443)	0.255
GASB Account	(4.458)	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(1.912)	(1.220)	(2.799)	(2.898)	(2.958)	(2.990)
Total Labor	\$55.968	(\$96.849)	(\$15.542)	(\$13.477)	(\$9.158)	(\$6.780)
Non-Labor:						
Electric Power	(\$3.916)	(\$1.499)	(\$1.571)	(\$1.618)	(\$1.667)	(\$1.717)
Fuel	(0.507)	0.874	0.880	0.907	0.934	0.962
Insurance	(0.074)	(0.683)	(0.418)	(0.491)	(0.526)	(0.542)
Claims	(21.332)	(21.570)	(55.473)	(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	5.895	(5.463)	(18.015)	(12.792)	(1.495)	2.345
Professional Service Contracts	(0.656)	(5.808)	(10.728)	(10.682)	(6.030)	(1.949)
Materials & Supplies	(10.637)	(1.711)	(9.997)	(9.092)	(6.244)	(1.114)
Other Business Expenditures	(24.521)	(30.898)	(47.487)	(46.314)	(46.445)	(47.234)
Total Non-Labor	(\$55.748)	(\$66.758)	(\$142.810)	(\$80.229)	(\$61.619)	(\$49.395)
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.						
	(\$0.538)	(\$117.721)	(\$63.782)	(\$54.650)	(\$33.864)	(\$18.228)
Depreciation Adjustment	\$232.100	\$226.647	\$234.092	\$234.092	\$234.092	\$234.092
OPEB Obligation	58.372	68.316	68.316	68.316	68.316	68.316
Environmental Remediation	1.632	5.109	5.000	5.000	5.000	5.000
Total Cash Conversion Adjustments	\$291.567	\$182.350	\$243.626	\$252.758	\$273.544	\$289.181

MTA Metro-North Railroad
November Financial Plan 2016-2019
Ridership (Utilization) *
(in millions)

	2014	2015	2016			
	Actual	November	Final Proposed	2017	2018	2019
		Forecast	Budget			
<u>Ridership</u>						
Harlem Line	27.127	27.426	28.013	28.523	28.900	29.216
Hudson Line	16.237	16.404	16.728	17.061	17.313	17.533
New Haven Line	39.611	40.362	40.871	41.479	41.966	42.421
Total Ridership	82.975	84.192	85.612	87.064	88.178	89.170
<u>Farebox Revenue</u>						
Harlem Line	\$192.203	\$200.717	\$207.053	\$210.885	\$213.679	\$216.048
Hudson Line	140.416	146.569	150.796	153.925	156.293	158.388
New Haven Line	316.805	328.010	335.020	342.094	348.299	351.799
West of Hudson Mail & Ride	0.425	0.396	0.408	0.417	0.435	0.452
Total Farebox Revenue	\$649.850	\$675.692	\$693.277	\$707.320	\$718.706	\$726.688

* Reflects East of Hudson Service

MTA Metro-North Railroad
November Financial Plan 2016-2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
<u>Administration</u>										
Ongoing Position Vacancies Resulting from Attrition and Time to Hire (July Plan)	-	\$0.000	-	\$1.920	-	\$1.920	-	1.920	-	1.920
Reductions to Other Business Expenses (July Plan)	-	0.000	-	0.500	-	0.500	-	0.500	-	0.500
<i>Subtotal Administration</i>	-	0.000	-	2.420	-	2.420	-	2.420	-	2.420
<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>										
Miscellaneous Contract Services Reductions (July Plan)	-	0.000	-	1.200	-	1.200	-	1.200	-	1.200
<i>Subtotal Maintenance</i>	-	0.000	-	1.200	-	1.200	-	1.200	-	1.200
<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/Security</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>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>										
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	-	\$0.000	-	\$3.620	-	\$3.620	-	\$3.620	-	\$3.620

MTA METRO-NORTH RAILROAD
November Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2014	2015	2016	2017	2018	2019
	Actual	November Forecast	Final Proposed Budget			
Administration						
President	2	4	4	4	4	4
Labor Relations	7	15	18	18	18	18
Safety/Security	35	72	73	73	73	73
Corporate & Public Affairs ⁽¹⁾	15	18	28	28	28	28
Customer Service ⁽¹⁾	45	52	62	62	62	62
Legal	19	18	19	19	19	19
Claims	10	14	14	14	14	14
Environmental Compliance & Svce	7	8	8	8	8	8
VP Administration	2	0	0	0	0	0
VP Human Resources	6	7	7	7	7	7
Human Resources & Diversity	25	36	36	36	36	36
Training	50	98	98	98	98	98
Employee Relations & Diversity	5	6	6	6	6	6
VP Planning	2	2	2	2	2	2
Operations Planning & Analysis	15	22	22	22	22	22
Capital Planning & Programming ⁽¹⁾	13	14	20	20	20	20
GCT & Corporate Development ⁽¹⁾	32	31	0	0	0	0
Long Range Planning	6	8	8	8	8	8
VP Finance & Info Systems	1	4	6	6	6	6
Controller	75	81	79	79	79	79
Information Technology & Project Mgmt	93	0	0	0	0	0
Budget	18	20	20	20	20	20
Procurement & Material Management	30	44	44	44	44	44
Corporate	0	0	0	0	0	0
Total Administration	512	574	574	574	574	574
Operations						
Operations Administration	53	89	89	89	89	89
Transportation ⁽²⁾	1,454	1,470	1,470	1,470	1,470	1,470
Customer Service	230	241	330	330	330	330
GCT & Corporate Development ⁽¹⁾	33	38	0	0	0	0
Metro-North West	33	46	46	46	46	46
Total Operations	1,802	1,884	1,935	1,935	1,935	1,935
Maintenance						
GCT & Corporate Development ⁽¹⁾	158	171	0	0	0	0
Maintenance of Equipment	1,607	1,748	1,764	1,751	1,751	1,751
Maintenance of Way ⁽¹⁾	1,848	2,085	2,317	2,338	2,343	2,348
Procurement & Material Management	119	121	121	121	121	121
Total Maintenance	3,731	4,125	4,202	4,210	4,215	4,220
Engineering/Capital						
Construction Management	31	43	43	43	43	43
Engineering & Design ⁽¹⁾	60	72	75	75	75	75
Total Engineering/Capital	91	115	118	118	118	118
Total Positions	6,136	6,698	6,829	6,837	6,842	6,847
<i>Non-Reimbursable</i>	5,681	6,116	6,243	6,264	6,269	6,274
<i>Reimbursable</i>	455	582	586	573	573	573
<i>Total Full-Time</i>	6,135	6,697	6,828	6,836	6,841	6,846
<i>Total Full-Time-Equivalents</i>	1	1	1	1	1	1

⁽¹⁾ 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.


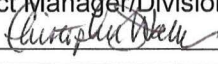
⁽²⁾ Please note that the Transportation department has recently undergone a name change and was formerly known as Operation Services.

MTA METRO-NORTH RAILROAD
November Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014	2015	2016	2017	2018	2019
	Actual	November Forecast	Final Proposed Budget			
Administration						
Managers/Supervisors	135	164	162	162	162	162
Professional, Technical, Clerical	378	409	411	411	411	411
Operational Hourlies	-	-	-	-	-	-
Total Administration	512	574	574	574	574	574
Operations						
Managers/Supervisors	130	236	243	243	243	243
Professional, Technical, Clerical	223	199	243	243	243	243
Operational Hourlies	1,449	1,450	1,450	1,450	1,450	1,450
Total Operations	1,802	1,884	1,935	1,935	1,935	1,935
Maintenance						
Managers/Supervisors	489	619	630	630	630	630
Professional, Technical, Clerical	509	529	515	530	535	540
Operational Hourlies	2,732	2,978	3,058	3,051	3,051	3,051
Total Maintenance	3,731	4,125	4,202	4,210	4,215	4,220
Engineering/Capital						
Managers/Supervisors	40	53	55	55	55	55
Professional, Technical, Clerical	51	62	63	63	63	63
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	91	115	118	118	118	118
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Positions						
Managers/Supervisors	794	1,072	1,090	1,090	1,090	1,090
Professional, Technical, Clerical	1,160	1,199	1,232	1,247	1,252	1,257
Operational Hourlies	4,182	4,427	4,507	4,500	4,500	4,500
Total Positions	6,136	6,698	6,829	6,837	6,842	6,847

MTA Headquarters

Staff Summary

Subject MTA HQ 2016 Budget and 2016-2019 Financial Plan Adoption
Department Chief Financial Officer
Department Head Name Robert E. Foran, Chief Financial Officer
Department Head Signature 
Project Manager/Division Head 

Date December 1, 2015
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	12/14			
2	Board	12/16			

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 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019.

Discussion:

The 2016 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 estimated impacts from unidentified MTA efficiencies and MTA policy actions. These impacts will be presented as part of MTA consolidated materials.

2015 November Forecast – Baseline:

The 2015 November Forecast Baseline Deficit of \$666.4 million includes total Non-Reimbursable Operating Revenues of \$60.8 million and total expenses before depreciation and other post-employment benefits of \$602.1 million, consisting of \$335.4 million in labor expenses and \$266.6 million in non-labor expenses. Total Capital and Other Reimbursements are projected to be \$126.4 million. Total reimbursable labor expenses are \$76.2 million and non-labor expenses are \$50.2 million. Cash Adjustments prior to depreciation and OPEB obligation are favorable by \$63.9 million.

The Baseline Cash Deficit is projected to be \$477.3 million. Total end-of-year positions are projected to be 2,750 including 2,616 non-reimbursable positions and 134 reimbursable positions.

The 2015 November Forecast reflects the impact of the IT Transformation that consolidated IT services and support functions across the Agencies into a single organizational structure at Headquarters.

2016 Final Proposed Budget – Baseline:

The 2016 Final Proposed Budget Baseline Deficit of \$770.6 million includes total Non-Reimbursable Operating Revenues of \$60.9 million and total expenses before depreciation and other post-employment benefits of \$683.9 million, consisting of \$348.2 million in labor expenses and \$335.8 million in non-labor expenses. Total Capital and Other Reimbursements are projected to be \$121.4 million. Total reimbursable labor expenses are \$88.8 million and non-labor expenses are \$32.6 million. Cash Adjustments prior to depreciation and OPEB obligation are favorable by \$45.0 million, reflecting advertising revenue receipts reassigned from the Agencies to MTA Headquarters, partly offset by the timing of operating capital expenditures.

The Baseline Cash Deficit is projected to be \$578.0 million. Total end-of-year positions are projected to be 2,833 including 2,699 non-reimbursable positions and 134 reimbursable positions.

Major Programmatic Initiatives/Investments:

- Enterprise Asset Management support needed to aid in implementing a systematic approach to sustainably managing rolling stock, facilities, linear assets, and asset systems.
- Funding for staffing a Safety organization to develop a framework for safety policies and programs across all MTA agencies.
- The hiring of additional MTAPD officers to perform counter-terrorism surge assignments in Penn Station and Grand Central Terminal.
- Funding for new Procurement modules that will provide an improved procurement platform for easier interface with suppliers, a real-time virtual marketplace, and software that allows for more strategic sourcing decisions.
- Funding for an Energy Management System (EMS), a comprehensive All-Agency initiative for the construction and implementation of an Automated Metering Infrastructure and Energy Management software platform to provide project management of various agency energy management initiatives.

Budget Reduction Initiative:

Administrative reductions of \$26.6 million in 2015 primarily result from non-recurring savings from the IT Transformation of \$16.6 million which captured position eliminations and vacancy savings, and recurring savings of \$9.9 million mainly due to headcount reductions of 59 positions. Recurring savings of more than \$16 million in 2016 and beyond result primarily from IT headcount reductions and Other Than Personnel Savings.

Impact on Funding:

The 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan 2016-2019, 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 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019 for MTA Headquarters.

MTA HEADQUARTERS
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	<u>Actuals</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Operating Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	58.946	46.873	46.788	48.567	50.417	52.340
Advertising	-	-	-	-	-	-
Other	<u>7.054</u>	<u>13.962</u>	<u>14.064</u>	<u>14.168</u>	<u>15.252</u>	<u>14.372</u>
Total Other Operating Revenue	66.000	60.835	60.852	62.735	65.669	66.712
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$66.000	\$60.835	\$60.852	\$62.735	\$65.669	\$66.712
Operating Expenses						
<u>Labor:</u>						
Payroll	\$168.265	\$243.171	\$264.754	\$274.214	\$277.370	\$283.442
Overtime	7.517	7.600	7.342	7.251	7.372	7.481
Health and Welfare	25.095	41.821	51.211	52.938	55.263	57.984
OPEB Current Payment	8.934	9.307	10.071	10.232	10.693	11.174
Pensions	45.332	67.198	70.599	69.389	70.624	72.924
Other Fringe Benefits	17.435	22.007	23.131	26.628	27.221	27.764
Reimbursable Overhead	(38.505)	(55.678)	(78.956)	(76.354)	(76.641)	(77.955)
Total Labor Expenses	\$234.072	\$335.425	\$348.153	\$364.300	\$371.903	\$382.815
<u>Non-Labor:</u>						
Electric Power	\$8.399	\$6.936	\$7.142	\$7.018	\$6.998	\$7.369
Fuel	1.148	1.508	1.732	1.820	1.887	2.089
Insurance	3.281	3.499	1.956	2.086	2.305	2.466
Claims	0.573	1.331	1.463	1.609	1.770	1.947
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.414	73.033	71.365	71.540	69.099	70.740
Professional Service Contracts	51.994	142.419	212.136	160.954	156.167	161.792
Materials & Supplies	0.000	0.059	1.976	2.011	2.069	2.107
<u>Other Business Expenses</u>						
MTA Internal Subsidy	14.700	25.500	22.400	22.400	22.400	22.400
Other	<u>3.934</u>	<u>12.352</u>	<u>15.583</u>	<u>14.867</u>	<u>14.847</u>	<u>14.916</u>
Total Other Business Expenses	18.634	37.852	37.983	37.267	37.247	37.316
Total Non-Labor Expenses	\$150.443	\$266.636	\$335.753	\$284.304	\$277.542	\$285.826
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation and GASB Adjs.	\$384.515	\$602.061	\$683.906	\$648.604	\$649.445	\$668.641
Depreciation	29.034	28.779	36.275	49.453	58.300	63.984
OPEB Obligation	85.543	96.439	111.300	123.500	135.400	147.300
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$499.093	\$727.278	\$831.481	\$821.557	\$843.145	\$879.925
Net Surplus/(Deficit)	(\$433.093)	(\$666.444)	(\$770.629)	(\$758.822)	(\$777.477)	(\$813.213)

MTA HEADQUARTERS
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	<u>Actuals</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	83.040	126.417	121.393	109.123	108.527	104.083
Total Revenue	\$83.040	\$126.417	\$121.393	\$109.123	\$108.527	\$104.083
Expenses						
<u>Labor:</u>						
Payroll	\$3.555	\$4.142	\$4.591	\$4.661	\$4.733	\$4.804
Overtime	11.677	14.525	3.000	2.900	2.858	2.815
Health and Welfare	0.588	0.780	0.947	0.961	1.001	1.043
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.633	0.757	0.942	0.857	0.877	0.898
Other Fringe Benefits	0.384	0.366	0.393	0.426	0.434	0.442
Reimbursable Overhead	38.505	\$55.678	\$78.956	\$76.354	\$76.641	\$77.955
Total Labor Expenses	\$55.342	\$76.248	\$88.829	\$86.158	\$86.544	\$87.957
<u>Non-Labor:</u>						
Electric Power	-	-	-	-	-	-
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	0.012	0.020	0.021	0.021	0.022
Professional Service Contracts	27.661	50.069	32.425	22.823	21.837	15.977
Materials & Supplies	-	-	-	-	-	-
<u>Other Business Expenses</u>	-	-	-	-	-	-
<u>MTA Internal Subsidy</u>	-	-	-	-	-	-
Other	0.037	0.087	0.119	0.122	0.125	0.127
Total Other Business Expenses	0.037	0.087	0.119	0.122	0.125	0.127
Total Non-Labor Expenses	\$27.699	\$50.169	\$32.564	\$22.965	\$21.982	\$16.126
<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	\$83.040	\$126.417	\$121.393	\$109.123	\$108.527	\$104.083
Depreciation	-	-	-	-	-	-
Total Expenses	\$83.040	\$126.417	\$121.393	\$109.123	\$108.527	\$104.083
Net Surplus/(Deficit)	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000	\$0.000

MTA HEADQUARTERS
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2014	2015	2016			
	<u>Actuals</u>	<u>Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<i>Other Operating Revenue</i>						
<i>Rental Income</i>	58.946	46.873	46.788	48.567	50.417	52.340
<i>Advertising</i>	-	-	-	-	-	-
<i>Other</i>	7.054	13.962	14.064	14.168	15.252	14.372
Total Other Operating Revenue	66.000	60.835	60.852	62.735	65.669	66.712
Capital and Other Reimbursements	83.040	126.417	121.393	109.123	108.527	104.083
Total Revenue	\$149.040	\$187.252	\$182.245	\$171.858	\$174.195	\$170.796
Expenses						
<u>Labor:</u>						
Payroll	\$171.820	\$247.312	\$269.345	\$278.876	\$282.103	\$288.247
Overtime	19.194	22.125	10.342	10.151	10.230	10.297
Health and Welfare	25.683	42.601	52.157	53.899	56.264	59.027
OPEB Current Payment	8.934	9.307	10.071	10.232	10.693	11.174
Pensions	45.965	67.955	71.542	70.246	71.501	73.821
Other Fringe Benefits	17.818	22.373	23.524	27.054	27.656	28.206
Reimbursable Overhead	-	0.000	0.000	-	(0.000)	-
Total Labor Expenses	\$289.414	\$411.673	\$436.982	\$450.458	\$458.448	\$470.772
<u>Non-Labor:</u>						
Electric Power	\$8.399	\$6.936	\$7.142	\$7.018	\$6.998	\$7.369
Fuel	1.148	1.508	1.732	1.820	1.887	2.089
Insurance	3.281	3.499	1.956	2.086	2.305	2.466
Claims	0.573	1.331	1.463	1.609	1.770	1.947
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.414	73.045	71.385	71.560	69.120	70.762
Professional Service Contracts	79.655	192.489	244.561	183.777	178.004	177.769
Materials & Supplies	-	0.059	1.976	2.011	2.069	2.107
<i>Other Business Expenses</i>						
<i>MTA Internal Subsidy</i>	14.700	25.500	22.400	22.400	22.400	22.400
<i>Other Business Expenses</i>	3.972	12.439	15.702	14.988	14.972	15.044
Total Other Business Expenses	18.672	37.939	38.102	37.388	37.372	37.444
Total Non-Labor Expenses	\$178.142	\$316.805	\$368.317	\$307.269	\$299.524	\$301.952
<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.	\$467.556	\$728.478	\$805.299	\$757.727	\$757.972	\$772.724
Depreciation	29.034	28.779	36.275	49.453	58.300	63.984
OPEB Obligation	85.543	96.439	111.300	123.500	135.400	147.300
Environmental Remediation	-	-	-	-	-	-
Total Expenses	\$582.134	\$853.696	\$952.874	\$930.680	\$951.672	\$984.008
Net Surplus/(Deficit)	(\$433.093)	(\$666.444)	(\$770.629)	(\$758.822)	(\$777.477)	(\$813.213)

MTA HEADQUARTERS
November Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actuals	November Forecast	Final Proposed Budget	2017	2018	2019
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	58.946	46.954	46.788	48.567	50.417	52.340
Advertising	123.957	144.175	148.647	153.060	157.608	162.290
Other	<u>5.146</u>	<u>14.047</u>	<u>14.166</u>	<u>114.764</u>	<u>20.158</u>	<u>33.863</u>
Total Other Operating Revenue	188.049	205.175	209.601	316.391	228.183	248.493
Capital and Other Reimbursements	75.108	126.417	121.393	109.123	108.527	104.083
Total Receipts	\$263.157	\$331.593	\$330.994	\$425.514	\$336.709	\$352.576
Expenditures						
<u>Labor:</u>						
Payroll	\$172.332	240.780	262.640	272.114	275.272	281.417
Overtime	19.194	22.125	10.342	10.151	10.230	10.297
Health and Welfare	23.541	41.601	51.017	52.734	55.074	57.837
OPEB Current Payment	8.935	9.307	10.071	10.232	10.693	11.174
Pensions	39.264	66.205	66.625	68.632	69.867	72.176
Other Fringe Benefits	17.547	22.051	23.459	26.989	27.591	28.141
GASB Account	0.990	0.000	0.000	0.000	0.092	0.188
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$281.803	\$402.069	\$424.155	\$440.852	\$448.820	\$461.231
<u>Non-Labor:</u>						
Electric Power	\$6.648	\$6.936	\$7.142	\$7.018	\$6.998	\$7.369
Fuel	1.461	1.508	1.732	1.820	1.887	2.089
Insurance	4.234	3.523	1.935	2.063	2.280	2.439
Claims	1.493	1.315	1.463	1.609	1.770	1.947
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	66.638	75.489	68.513	68.650	66.163	67.762
Professional Service Contracts	72.929	177.489	253.099	177.335	171.713	171.869
Materials & Supplies	-	0.046	1.976	2.011	2.069	2.107
<u>Other Business Expenses</u>						
MTA Internal Subsidy	14.700	25.500	22.400	22.400	22.400	22.400
Other Business Expenses	<u>60.122</u>	63.954	27.997	22.401	19.206	18.722
Total Other Business Expenses	74.822	89.454	50.397	44.801	41.606	41.122
Total Non-Labor Expenditures	\$228.225	\$355.759	\$386.257	\$305.307	\$294.485	\$296.703
<u>Other Expenditure Adjustments:</u>						
Capital	19.058	51.084	98.618	83.395	55.297	51.776
Unallocated Service Enhancement Policy Action	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$19.058	\$51.084	\$98.618	\$83.395	\$55.297	\$51.776
Total Expenditures	\$529.086	\$808.91	\$909.030	\$829.554	\$798.602	\$809.710
Net Cash Surplus/(Deficit)	(\$265.929)	(\$477.319)	(\$578.036)	(\$404.040)	(\$461.893)	(\$457.133)

MTA HEADQUARTERS
November Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	<u>Actuals</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Other Operating Revenue</i>						
Rental Income	-	0.081	-	-	-	-
Advertising	123.957	144.175	148.647	153.060	157.608	162.290
Other	<u>(1.908)</u>	<u>0.085</u>	<u>0.102</u>	<u>100.596</u>	<u>4.906</u>	<u>19.490</u>
Total Other Operating Revenue	122.049	144.341	148.749	253.656	162.514	181.780
Capital and Other Reimbursements	(7.932)	-	-	-	-	-
Total Receipts	(\$114.117)	\$144.341	\$148.749	\$253.656	\$162.514	\$181.780
Expenditures						
Labor:						
Payroll	(0.512)	\$6.532	\$6.705	\$6.762	\$6.831	\$6.830
Overtime	(0.000)	0.000	-	-	-	-
Health and Welfare	2.142	0.999	1.140	1.165	1.190	1.190
OPEB Current Payment	(0.001)	(0.000)	0.000	0.000	0.000	0.000
Pensions	6.701	1.750	4.917	1.614	1.634	1.645
Other Fringe Benefits	0.271	0.323	0.065	0.065	0.065	0.065
GASB Account	(0.990)	0.000	0.000	0.000	(0.092)	(0.188)
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$7.611	\$9.604	\$12.827	\$9.606	\$9.628	\$9.542
Non-Labor:						
Electric Power	\$1.751	-	-	-	-	-
Fuel	(0.313)	-	-	-	-	-
Insurance	(0.953)	(0.024)	0.021	0.023	0.025	0.027
Claims	(0.920)	0.016	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.224)	(2.444)	2.872	2.910	2.957	3.000
Professional Service Contracts	6.726	15.000	(8.538)	6.442	6.291	5.900
Materials & Supplies	0.000	0.012	0.000	0.000	0.000	0.000
<i>Other Business Expenses</i>						
MTA Internal Subsidy	-	-	-	-	-	-
Other Business Expenses	(56.150)	(51.516)	(12.295)	(7.413)	(4.234)	(3.678)
Total Other Business Expenses	(56.150)	(51.516)	(12.295)	(7.413)	(4.234)	(3.678)
Total Non-Labor Expenditures	(\$50.083)	(\$38.954)	(\$17.940)	\$1.962	\$5.039	\$5.249
Other Expenditure Adjustments:						
Capital	(\$19.058)	(\$51.084)	(\$98.618)	(\$83.395)	(\$55.297)	(\$51.776)
Total Other Expenditure Adjustments	(\$19.058)	(\$51.084)	(\$98.618)	(\$83.395)	(\$55.297)	(\$51.776)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$175.647)	\$63.907	\$45.018	\$181.829	\$121.884	\$144.795
Depreciation Adjustment	29.034	28.779	36.275	49.453	58.300	63.984
OPEB Obligation	85.543	96.439	111.300	123.500	135.400	147.300
Environmental Remediation	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$61.069)	\$189.124	\$192.593	\$354.782	\$315.584	\$356.079

MTA HEADQUARTERS
November Financial Plan 2016-2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
Administration										
Joint Ticket Reductions	-	0.100	-	0.100	-	0.102	-	0.105	-	0.107
BSC Postage Reduction		0.139		0.139		0.143		0.147		0.150
Position Downgrades		0.207		0.207		0.211		0.216		0.220
Lobbying Reductions		0.172		0.172		0.177		0.181		0.186
IT Headcount Reduction	59	5.490	59	9.915	59	10.123	59	10.205	59	10.294
EDP Consultant		1.000		2.800		2.800		2.800		2.800
Other IT		2.407		2.939		2.490		2.464		2.470
IT Salary Underrun		<u>16.562</u>		<u>0.000</u>		<u>0.000</u>		<u>0.000</u>		<u>0.000</u>
<i>Subtotal Administration</i>	59	<i>\$26.077</i>	59	<i>\$16.272</i>	59	<i>\$16.046</i>	59	<i>\$16.118</i>	59	<i>\$16.228</i>
Customer Convenience/Amenities										
<i>Subtotal Customer Convenience/Amenities</i>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance										
<i>Subtotal Maintenance</i>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Revenue Enhancement										
<i>Subtotal Revenue Enhancement</i>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Safety										
<i>Subtotal Safety</i>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Security										
MTAPD Position Downgrades		0.173		0.094		0.100		0.101		0.104
MTAPD Gas Efficiencies		0.301		0.140		0.138		0.141		0.146
MTAPD Auto Efficiencies		0.000		0.225		0.229		0.233		0.237
MTAPD Reduced Auto Repairs	-	<u>0.025</u>	-	<u>0.080</u>	-	<u>0.081</u>	-	<u>0.083</u>	-	<u>0.084</u>
<i>Subtotal Security</i>	-	<i>0.499</i>	-	<i>0.539</i>	-	<i>0.548</i>	-	<i>0.558</i>	-	<i>0.571</i>
Service										
<i>Subtotal Service</i>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service Support										
<i>Subtotal Service Support</i>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Other										
<i>Subtotal Other</i>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>	-	<u>0.000</u>
	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	59	\$26.576	59	\$16.811	59	\$16.594	59	\$16.676	59	\$16.799

MTA HEADQUARTERS
November Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
MTA HQ, Policy & Oversight						
Office of Chairman	5	4	4	4	4	4
Chief Operating Officer	1	2	2	2	2	2
Chief Safety Officer	0	8	12	12	12	12
Office of Counselor to the Chairman	2	2	2	2	2	2
Office of Chief of Staff	6	7	7	7	7	7
Federal Affairs	0	1	1	1	1	1
Intergovernmental Relations	5	5	5	5	5	5
Spec. Project Develop/Planning	8	8	8	8	8	8
Corporate Account	0	4	4	4	4	4
Human Resources	17	24	24	24	24	24
Labor Relations	6	8	8	8	8	8
PCAC	4	4	5	5	5	5
General Counsel						
Office of Ded General Counsel	29	35	35	35	35	35
Record Management	2	2	2	2	2	2
General Counsel	31	37	37	37	37	37
Office of Diversity						
Office of Diversity	1	2	2	2	2	2
Office of Civil Rights	14	14	14	14	14	14
Office of Diversity	15	16	16	16	16	16
Corporate & Internal Communications						
Office of DED Corp. Affairs and Comm.	0	1	1	1	1	1
Marketing	10	11	11	11	11	11
Corporate & Internal Communications	10	12	12	12	12	12
Chief Financial Officer						
Office of Chief Financial Officer	3	4	4	4	4	4
Comptroller's Office	20	22	22	22	22	22
Management & Budget	22	23	23	23	23	23
Strategic Initiatives	3	8	8	8	8	8
Chief Financial Officer	48	57	57	57	57	57
Environmental, Sustainability & Compliance						
Environmental, Sustainability & Compliance	5	6	6	6	6	6
New Fare Payment System	0	21	21	21	21	21
Capital Programs	5	27	27	27	27	27
Total MTA HQ, Policy & Oversight	163	226	231	231	231	231

MTA HEADQUARTERS
November Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
MTA Consolidated Functions						
External Communication	14	14	14	14	14	14
Audit	83	85	85	85	85	85
Office of Diversity - MWDBE/ DBE Contract Integrity	12	16	16	16	16	16
Pensions	44	63	63	63	63	63
Information Technology	102	1,002	1,029	1,045	1,051	1,058
General Counsel/Compliance						
Compliance	4	7	7	7	7	7
Chief Financial Officer						
Director of Finance	6	6	6	6	6	6
Treasury	9	18	18	18	18	18
Risk and Insurance Management	20	22	22	22	22	22
Real Estate	57	68	68	68	68	68
Office of Capital Programs	2	1	1	1	1	1
Construction Oversight	4	5	5	5	5	5
Federal Policy	0	1	1	1	1	1
Enterprise Asset Management	1	6	10	10	10	10
Capital Program Management	12	15	15	15	15	15
Capital Program Funding	10	11	11	11	11	11
Total Capital Programs	29	39	43	43	43	43
Chief Financial Officer	121	153	157	157	157	157
Internal Communications	2	3	3	3	3	3
Arts for Transit	7	8	8	8	8	8
Transit Museum Operations	11	15	15	15	15	15
Retail Operations	5	3	3	3	3	3
Corporate and Internal Communications	25	29	29	29	29	29
Total MTA Consolidated Functions	405	1,369	1,400	1,416	1,422	1,429
Business Service Center	347	344	344	344	344	344
Public Safety	765	811	858	858	858	888
Baseline Total Positions	1,680	2,750	2,833	2,849	2,855	2,892
<i>Non-Reimbursable</i>	1,624	2,616	2,699	2,715	2,721	2,758
<i>Reimbursable</i>	56	134	134	134	134	134
<i>Full-Time</i>	1,680	2,750	2,833	2,849	2,855	2,892
<i>Full-Time Equivalents</i>	0	0	0	0	0	0


MTA HEADQUARTERS
November Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP		2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration							
	Managers/Supervisors	398	431	441	441	441	441
	Professional, Technical, Clerical	517	1,508	1,534	1,550	1,556	1,563
	Operational Hourlies						
	Total Administration	915	1,939	1,975	1,991	1,997	2,004
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	154	157	157	157	157	157
	Professional, Technical, Clerical	611	78	79	79	79	79
	Operational Hourlies (Uniformed)		576	622	622	622	652
	Total Public Safety	765	811	858	858	858	888
Total Positions							
	Managers/Supervisors	552	588	598	598	598	598
	Professional, Technical, Clerical	1,128	1,586	1,613	1,629	1,635	1,642
	Operational Hourlies	-	576	622	622	622	652
	Total Baseline Positions	1,680	2,750	2,833	2,849	2,855	2,892

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Inspector General

Staff Summary

Subject: MTA IG 2016 Budget and 2016-2019 Financial Plan Adoption
Department MTA Inspector General
Department Head Name Barry L. Kluger
Department Head Signature 
Project Manager/Division Head

Date November 30, 2015
Vendor Name
Contract Number
Contract Manager Name
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 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019.

Discussion:

The 2016 Final Proposed Budget provides sufficient funding to maintain the MTA Inspector General's operations.

2015 November Forecast - Baseline

Total Capital and Other Reimbursements are projected to be \$12.6 million. Total reimbursable labor expenses are \$9.6 million and non-labor expenses are \$3.0 million.

2016 Final Proposed Budget - Baseline

Total Capital and Other Reimbursements are projected to be \$15.0 million. Total reimbursable labor expenses are \$11.9 million and non-labor expenses are \$3.1 million.

Impact on Funding

The 2015 November Forecast, the 2016 Final Proposed Budget and the Four-Year Financial Plan 2016-2019, 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 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019 for the MTA Inspector General.

MTA INSPECTOR GENERAL
November Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	<u>Actual</u>	<u>November</u>	<u>Final Proposed</u>	<u>2017</u>	<u>2018</u>	<u>2019</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	11.598	12.590	14.962	14.981	15.320	15.669
Total Revenue	\$11.598	\$12.590	\$14.962	\$14.981	\$15.320	\$15.669
Expenses						
<u>Labor:</u>						
Payroll	\$6.539	\$7.024	\$8.194	\$8.326	\$8.460	\$8.597
Overtime	-	-	-	-	-	-
Health and Welfare	0.728	1.040	1.655	1.682	1.753	1.828
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.949	1.043	1.431	1.208	1.248	1.288
Other Fringe Benefits	0.476	0.503	0.616	0.627	0.639	0.651
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$8.692	\$9.610	\$11.896	\$11.843	\$12.100	\$12.364
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.032	0.031	0.039	0.041	0.042	0.046
Insurance	0.030	0.020	0.025	0.028	0.030	0.033
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.532	2.633	2.694	2.754	2.825	2.895
Professional Service Contracts	0.188	0.146	0.199	0.203	0.209	0.214
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.114	0.121	0.109	0.112	0.114	0.117
Total Non-Labor Expenses	\$2.896	\$2.951	\$3.066	\$3.138	\$3.220	\$3.305
<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	\$11.588	\$12.561	\$14.962	\$14.981	\$15.320	\$15.669
Depreciation	\$0.010	\$0.029	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$11.598	\$12.590	\$14.962	\$14.981	\$15.320	\$15.669
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
November Financial Plan 2016 - 2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	November	Final Proposed	2017	2018	2019
		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	11.588	12.561	14.962	14.981	15.320	15.669
Total Receipts	\$11.588	\$12.561	\$14.962	\$14.981	\$15.320	\$15.669
Expenditures						
<u>Labor:</u>						
Payroll	\$6.539	\$7.024	\$8.194	\$8.326	\$8.460	\$8.597
Overtime	-	-	-	-	-	-
Health and Welfare	0.728	1.040	1.655	1.682	1.753	1.828
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.949	1.043	1.431	1.208	1.248	1.288
Other Fringe Benefits	0.476	0.503	0.616	0.627	0.639	0.651
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$8.692	\$9.610	\$11.896	\$11.843	\$12.100	\$12.364
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.032	0.031	0.039	0.041	0.042	0.046
Insurance	0.030	0.020	0.025	0.028	0.030	0.033
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.532	2.633	2.694	2.754	2.825	2.895
Professional Service Contracts	0.188	0.146	0.199	0.203	0.209	0.214
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.114	0.121	0.109	0.112	0.114	0.117
Total Non-Labor Expenditures	\$2.896	\$2.951	\$3.066	\$3.138	\$3.220	\$3.305
<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	\$11.588	\$12.561	\$14.962	\$14.981	\$15.320	\$15.669
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
November Financial Plan 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	(0.010)	(0.029)	-	-	-	-
Total Receipts	(\$0.010)	(\$0.029)	\$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	(\$0.010)	(\$0.029)	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation	\$0.010	\$0.029	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000


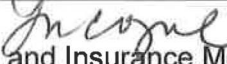
MTA INSPECTOR GENERAL
November Financial Plan 2016 - 2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Office of the Inspector General	69	86	86	86	86	86
Total Administration	69	86	86	86	86	86
Baseline Total Positions	69	86	86	86	86	86
Non-Reimbursable	-	-	-	-	-	-
Reimbursable	69	86	86	86	86	86
Total	69	86	86	86	86	86
Total Full-Time	69	86	86	86	86	86
Total Full-Time Equivalents	-	-	-	-	-	-

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

Staff Summary

Subject FMTAC 2016 Budget and 2016-2019 Financial Plan Adoption
Department Risk and Insurance Management
Department Head Name Robert Foran, Chief Financial Officer
Department Head Signature 
Project Manager Name Laureen Coyne, Director Risk and Insurance Mgmt. 

Date December 3, 2015
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	12/14	x		
2	Board	12/16	x		

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

Purpose

To secure MTA Board adoption of the MTA First Mutual Transportation Assurance Company's (FMTAC) 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019.

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 2016 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.

2015 November Forecast-Baseline

Total operating revenues are projected at \$3.1 million. Total operating expenses are projected to be \$13.0 million, resulting in a baseline deficit of \$10.0 million.

2016 Final Proposed Budget-Baseline

Total operating revenues are projected at \$3.1 million. Total operating expenses are projected to be \$2.2 million, resulting in a net surplus of \$1.0 million.

Impact of Funding

The 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan 2016-2019, 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 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019 for the MTA First Mutual Transportation Assurance Company.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	12.997	11.823	12.037	12.342	12.660	12.978
Investment Income	3.449	(8.738)	(8.896)	(9.121)	(9.357)	(9.591)
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$16.446	\$3.085	\$3.141	\$3.220	\$3.303	\$3.386
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	(84.027)	(87.496)	(92.776)	(99.928)	(108.068)	(117.260)
Claims	75.946	87.537	81.700	84.327	83.994	86.222
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	13.030	13.000	13.260	13.525	13.796	14.072
Total Non-Labor Expenses	\$4.949	\$13.041	\$2.184	(\$2.076)	(\$10.278)	(\$16.966)
<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	\$4.949	\$13.041	\$2.184	(\$2.076)	(\$10.278)	(\$16.966)
Depreciation	-	-	-	-	-	-
Total Expenses	\$4.949	\$13.041	\$2.184	(\$2.076)	(\$10.278)	(\$16.966)
Net Surplus/(Deficit)	\$11.497	(\$9.956)	\$0.957	\$5.296	\$13.582	\$20.353

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
November Financial Plan 2016 - 2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	12.997	11.823	12.037	12.342	12.660	12.978
Investment Income	3.449	(8.738)	(8.896)	(9.121)	(9.357)	(9.591)
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$16.446	\$3.085	\$3.141	\$3.220	\$3.303	\$3.386
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	(84.027)	(87.496)	(92.776)	(99.928)	(108.068)	(117.260)
Claims	75.946	79.579	74.282	76.661	76.358	78.384
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	13.030	13.000	13.260	13.525	13.796	14.072
Total Non-Labor Expenditures	\$4.949	\$5.083	(\$5.234)	(\$9.742)	(\$17.914)	(\$24.804)
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment	\$11.497	(\$1.998)	\$8.375	\$12.962	\$21.218	\$28.191
Total Other Expenditure Adjustments	\$11.497	(\$1.998)	\$8.375	\$12.962	\$21.218	\$28.191
Total Expenditures	\$16.446	\$3.085	\$3.141	\$3.220	\$3.303	\$3.386
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 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</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	7.958	7.418	7.666	7.636	7.838
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$7.958	\$7.418	\$7.666	\$7.636	\$7.838
<u>Other Expenditures Adjustments:</u>						
Other	(\$11.497)	\$1.998	(\$8.375)	(\$12.962)	(\$21.218)	(\$28.191)
Total Other Expenditures Adjustments	(\$11.497)	\$1.998	(\$8.375)	(\$12.962)	(\$21.218)	(\$28.191)
Total Cash Conversion Adjustments before Depreciation	(\$11.497)	\$9.956	(\$0.957)	(\$5.296)	(\$13.582)	(\$20.353)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$11.497)	\$9.956	(\$0.957)	(\$5.296)	(\$13.582)	(\$20.353)

New York City Transit

Subject NYCT 2016 Budget and 2016-2019 Financial Plan Adoption
Department Office of Management & Budget
Department Head Name Aaron Stern
Department Head Signature
Project Manager Name

Date December 2, 2015
Vendor Name NA
Contract Number NA
Contract Manager Name NA
Table of Contents Ref #

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

Internal Approvals			
Order	Approval	Order	Approval
1	OMB – Director		
2	Executive VP (Acting)		
3	President (Interim)		

Purpose

To secure MTA Board adoption of MTA New York City Transit’s 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019.

Discussion

The 2016 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 several new programmatic initiatives and support for current projects. Projections also capture reductions in projected paratransit costs and savings from several re-estimates, most notably from projected lower pension expenses and energy 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

- **Enterprise Asset Management (EAM) Project.** This significant project is intended to maximize the safety, service life and efficiency of each and every asset at NYCT. The initial objectives of the Subways EAM rollout include automation of track inspection and joint switch inspection reports, the replacement of historical manuals with mobile devices, and greatly improved management of infrastructure defects and signal relay information. The overall goal is the establishment of a single platform for all asset-related information, migration to paperless reporting, and greatly improved maintenance and capital planning. The initial Bus EAM rollout will focus on improving the accuracy of data in the current Spear maintenance management system and gradually apply reliability-based maintenance (RBM) practices to critical bus component maintenance issues. Additional positions of 8 in 2015, 62 in 2016, 100 in 2017, 124 in 2018 and 146 in 2019 will be required. Increased costs are projected at \$4.2 million in 2015, \$10.1 million in 2016, \$18.5 million in 2017, \$20.9 million in 2018 and \$23.4 million in 2019.
- **Select Bus Service Expansion.** An expansion of seven Select Bus Service (SBS) routes is programmed, beginning 2016, bringing the total routes to ten, with expenses of \$4.1 million in 2016, \$14.8 million in 2017, \$22.3 million in 2018 and \$25.3 million in 2019. This service represents an increased-speed, high performance bus system, incorporating off-board fare collection, bus lanes and real-time information.

- **Delay Mitigation Program.** Due to an increase in subway delays, largely attributed to historic ridership growth, a plan will be implemented to reverse this trend on several lines, by adding passenger controllers at key station platforms to reduce station dwell times, enhance Road Car Inspector coverage at targeted locations for rapid response to car equipment problems and subway emergencies, and increase track maintenance and defect repair to mitigate delays on the right-of-way. To accomplish this, additional positions of 120 in 2015, 134 in 2016, 131 in both 2017 and 2018 and 117 in 2019 will be required. Increased costs are projected at \$13.4 million in 2015, \$21.8 million in 2016, \$15.2 million in 2017, \$14.9 million in 2018 and \$13.4 million in 2019.
- **R32 Fleet SMS (Scheduled Maintenance).** The R32 fleet was scheduled to be retired in 2017-2018. This retirement will need to be delayed until 2022 due to delays in the delivery of R179 replacement cars and increased revenue service fleet requirements. The cost of this delay is estimated to be \$1.1 million in 2016, \$15.9 million in 2017, \$17.7 million in 2018 and \$15.5 million in 2019. Position requirements are projected at 132 for 2017 and 110 for both 2018 and 2019.
- **Second Avenue Subway Increased Costs.** The first segment of the Second Avenue Subway is scheduled to open in December, 2016. Operating costs to support the new service were developed in 2011, but since then, it has been determined that the new stations and their associated support areas are much larger than typical stations, and will contain greatly augmented equipment inventory. Additional position requirements are 91 in 2017, 86 in 2018 and 83 in 2019 with additional cost requirements of \$12.2 million in 2017, \$11.6 million in 2018 and \$11.2 million in 2019. A portion of the costs to support this service expansion is included within the MTA consolidated projections.

Budget Reduction Program-Projected savings of \$10.3 million in 2016, \$17.6 million in 2017, \$21.6 million in 2018 and \$22.6 million in 2019, mostly resulting from lower vendor prescription drug costs and a subways timekeeping consolidation.

2015 November Forecast-Baseline

Total operating revenues are projected at \$4.771 billion, including \$4.344 billion of farebox revenues. Total operating expenses are projected to be \$7.308 billion, consisting of labor costs of \$5.623 billion and non-labor expenses of \$1.685 billion. Non-cash depreciation expense is projected at \$1.638 billion and other post-employment benefit expenses are projected at \$1.616 billion. After including favorable cash adjustments of \$3.249 billion, the projected net cash deficit is \$2.542 billion. Projected reimbursable expenses of \$1.153 billion are fully offset by capital reimbursements. Total end-of-year positions are projected at 47,706, including 42,650 non-reimbursable positions and 5,056 reimbursable positions.

2016 Final Proposed Budget-Baseline

Total operating revenues are projected at \$4.891 billion, including farebox revenues of \$4.455 billion. Total operating expenses are projected to be \$7.569 billion, consisting of labor costs of \$5.824 billion and non-labor expenses of \$1.745 billion. Non-cash depreciation expense is projected at \$1.688 billion and other post-employment benefit expenses are projected at \$1.681 billion. After including favorable cash adjustments of \$3.366 billion, the projected net cash deficit is \$2.681 billion. Projected reimbursable expenses of \$1.161 billion are fully offset by capital reimbursements. Total end-of-year positions are projected at 48,214, including 43,146 non-reimbursable positions and 5,068 reimbursable positions.

Impact on Funding

The 2015 November Forecast, the 2016 Final Proposed Budget and the Four-Year Financial Plan for 2016-2019, 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 2015 November Forecast, the 2016 Final Proposed Budget and the Four-Year Financial Plan for 2016-2019 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 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2014	2015	2016			
	Actual	November	Final Proposed	2017	2018	2019
		Forecast	Budget			
Operating Revenue						
Farebox Revenue:						
Subway	\$3,171.793	\$3,303.475	\$3,397.986	\$3,416.390	\$3,437.621	\$3,449.442
Bus	949.898	960.608	977.116	986.540	990.205	991.830
Paratransit	15.957	17.823	19.751	21.034	22.402	23.858
Fare Media Liability	53.391	61.900	60.400	60.400	60.400	60.400
Farebox Revenue	\$4,191.039	\$4,343.806	\$4,455.253	\$4,484.364	\$4,510.628	\$4,525.530
Vehicle Toll Revenue	\$0.000					
Other Operating Revenue:						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	178.139	187.634	191.981	197.738	211.760	230.534
Other	174.846	155.779	159.704	163.318	167.037	170.865
Other Operating Revenue	\$437.001	\$427.429	\$435.701	\$445.072	\$462.813	\$485.415
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4,628.040	\$4,771.235	\$4,890.954	\$4,929.436	\$4,973.441	\$5,010.945
Expenses						
Labor:						
Payroll	\$3,041.049	\$3,079.089	\$3,184.516	\$3,278.871	\$3,336.338	\$3,396.015
Overtime	415.599	450.310	431.700	434.215	442.186	452.791
Total Salaries & Wages	3,456.648	\$3,529.399	\$3,616.216	\$3,713.086	\$3,778.524	\$3,848.806
Health and Welfare	666.761	741.101	822.482	885.243	950.148	1,025.083
OPEB Current Payment	352.674	393.258	429.574	464.474	505.998	552.660
Pensions	907.877	879.805	883.171	849.684	833.397	842.297
Other Fringe Benefits	437.921	316.714	310.876	326.384	339.060	346.615
Total Fringe Benefits	2,365.233	2,330.878	2,446.103	2,525.785	2,628.603	2,766.655
Reimbursable Overhead	(226.548)	(237.290)	(238.558)	(231.927)	(224.539)	(226.161)
Total Labor Expenses	\$5,595.333	\$5,622.987	\$5,823.761	\$6,006.944	\$6,182.588	\$6,389.300
Non-Labor:						
Electric Power	\$312.554	\$301.437	\$309.334	\$325.326	\$346.347	\$370.321
Fuel	172.346	121.376	111.557	117.217	135.466	152.950
Insurance	68.879	72.439	77.779	85.127	95.025	106.860
Claims	147.420	135.827	125.145	126.455	129.333	130.909
Paratransit Service Contracts	365.599	383.014	406.636	426.203	463.349	501.931
Maintenance and Other Operating Contracts	186.056	191.323	218.500	204.467	185.826	187.577
Professional Service Contracts	125.757	104.301	104.742	102.699	104.881	106.256
Materials & Supplies	302.697	294.125	312.227	314.636	309.152	322.837
Other Business Expenses	76.132	81.139	79.149	75.868	77.963	79.545
Total Non-Labor Expenses	\$1,757.440	\$1,684.981	\$1,745.069	\$1,777.998	\$1,847.342	\$1,959.186
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 and GASB Adjustments	\$7,352.773	\$7,307.968	\$7,568.830	\$7,784.942	\$8,029.930	\$8,348.486
Depreciation	\$1,519.813	\$1,638.144	\$1,688.144	\$1,863.292	\$1,913.292	\$1,964.634
OPEB Obligation	1,638.388	1,616.261	1,680.911	1,748.148	1,818.074	1,890.797
Environmental Remediation	12.478	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$10,523.452	\$10,562.373	\$10,937.885	\$11,396.382	\$11,761.296	\$12,203.917
Net Surplus/(Deficit)	(\$5,895.412)	(\$5,791.138)	(\$6,046.931)	(\$6,466.946)	(\$6,787.855)	(\$7,192.972)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
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	1,075.088	1,152.817	1,161.145	1,133.930	1,107.713	1,117.906
Total Revenue	\$1,075.088	\$1,152.817	\$1,161.145	\$1,133.930	\$1,107.713	\$1,117.906
Expenses						
Labor:						
Payroll	\$375.367	\$438.567	\$481.746	\$471.157	\$464.633	\$468.631
Overtime	135.102	126.397	98.364	98.656	95.876	97.794
Total Salaries & Wages	510.469	\$564.964	\$580.110	\$569.813	\$560.509	\$566.425
Health and Welfare	15.922	20.221	21.982	22.896	23.852	24.852
OPEB Current Payment	7.421	7.854	9.131	9.522	10.032	10.569
Pensions	28.543	30.097	28.947	27.917	27.680	27.748
Other Fringe Benefits	142.713	167.410	180.667	176.726	172.936	174.234
Total Fringe Benefits	194.599	225.582	240.727	237.061	234.500	237.403
Reimbursable Overhead	226.548	237.290	238.558	231.927	224.539	226.161
Total Labor Expenses	\$931.616	\$1,027.836	\$1,059.395	\$1,038.801	\$1,019.548	\$1,029.989
Non-Labor:						
Electric Power	\$0.371	\$0.252	\$0.252	\$0.252	\$0.252	\$0.252
Fuel	0.019	0.023	0.023	0.023	0.023	0.023
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	1.189	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	49.151	37.219	30.133	30.209	30.173	30.173
Professional Service Contracts	20.747	21.720	6.983	6.699	6.688	6.688
Materials & Supplies	71.140	71.349	64.401	57.989	51.072	50.822
Other Business Expenses	0.855	(5.582)	(0.042)	(0.043)	(0.043)	(0.041)
Total Non-Labor Expenses	\$143.472	\$124.981	\$101.750	\$95.129	\$88.165	\$87.917
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	\$1,075.088	\$1,152.817	\$1,161.145	\$1,133.930	\$1,107.713	\$1,117.906
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$1,075.088	\$1,152.817	\$1,161.145	\$1,133.930	\$1,107.713	\$1,117.906
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA NEW YORK CITY TRANSIT
November Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Revenue						
<u>Farebox Revenue:</u>						
Subway	\$3,171.793	\$3,303.475	\$3,397.986	\$3,416.390	\$3,437.621	\$3,449.442
Bus	949.898	960.608	977.116	986.540	990.205	991.830
Paratransit	15.957	17.823	19.751	21.034	22.402	23.858
Fare Media Liability	53.391	61.900	60.400	60.400	60.400	60.400
Farebox Revenue	\$4,191.039	\$4,343.806	\$4,455.253	\$4,484.364	\$4,510.628	\$4,525.530
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	178.139	187.634	191.981	197.738	211.760	230.534
Other	174.846	155.779	159.704	163.318	167.037	170.865
Other Operating Revenue	\$437.001	\$427.429	\$435.701	\$445.072	\$462.813	\$485.415
Capital and Other Reimbursements	1,075.088	1,152.817	1,161.145	1,133.930	1,107.713	1,117.906
Total Revenue	\$5,703.128	\$5,924.052	\$6,052.099	\$6,063.366	\$6,081.154	\$6,128.851
Expenses						
<u>Labor:</u>						
Payroll	\$3,416.416	\$3,517.656	\$3,666.262	\$3,750.028	\$3,800.971	\$3,864.646
Overtime	550.701	\$576.707	\$530.064	\$532.871	\$538.062	\$550.585
Total Salaries & Wages	\$3,967.117	\$4,094.363	\$4,196.326	\$4,282.899	\$4,339.033	\$4,415.231
Health and Welfare	682.683	\$761.322	\$844.464	\$908.139	\$974.000	\$1,049.935
OPEB Current Payment	360.095	\$401.112	\$438.705	\$473.996	\$516.030	\$563.229
Pensions	936.420	\$909.902	\$912.118	\$877.601	\$861.077	\$870.045
Other Fringe Benefits	580.634	\$484.124	\$491.543	\$503.110	\$511.996	\$520.849
Total Fringe Benefits	\$2,559.832	\$2,556.460	\$2,686.830	\$2,762.846	\$2,863.103	\$3,004.058
Reimbursable Overhead	0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expenses	\$6,526.949	\$6,650.823	\$6,883.156	\$7,045.745	\$7,202.136	\$7,419.289
<u>Non-Labor:</u>						
Electric Power	\$312.925	\$301.689	\$309.586	\$325.578	\$346.599	\$370.573
Fuel	172.365	121.399	111.580	117.240	135.489	152.973
Insurance	68.879	72.439	77.779	85.127	95.025	106.860
Claims	147.420	135.827	125.145	126.455	129.333	130.909
Paratransit Service Contracts	366.788	383.014	406.636	426.203	463.349	501.931
Maintenance and Other Operating Contracts	235.207	228.542	248.633	234.676	215.999	217.750
Professional Service Contracts	146.504	126.021	111.725	109.398	111.569	112.944
Materials & Supplies	373.837	365.474	376.628	372.625	360.224	373.659
Other Business Expenses	76.987	75.557	79.107	75.825	77.920	79.504
Total Non-Labor Expenses	\$1,900.912	\$1,809.962	\$1,846.819	\$1,873.127	\$1,935.507	\$2,047.103
<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	\$8,427.861	\$8,460.785	\$8,729.975	\$8,918.872	\$9,137.643	\$9,466.392
Depreciation	\$1,519.813	\$1,638.144	\$1,688.144	\$1,863.292	\$1,913.292	\$1,964.634
OPEB Obligation	1,638.388	1,616.261	1,680.911	1,748.148	1,818.074	1,890.797
Environmental Remediation	12.478	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$11,598.540	\$11,715.190	\$12,099.030	\$12,530.312	\$12,869.009	\$13,321.823
Net Surplus/(Deficit)	(\$5,895.412)	(\$5,791.138)	(\$6,046.931)	(\$6,466.946)	(\$6,787.855)	(\$7,192.972)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2016 - 2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	November	Final Proposed	2017	2018	2019
		Forecast	Budget			
Receipts						
Farebox Revenue	\$4,189.443	\$4,348.703	\$4,455.453	\$4,484.564	\$4,510.828	\$4,525.730
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.052	114.016	54.016	84.016	84.016	84.016
Paratransit Reimbursement	195.035	173.091	192.252	197.738	211.594	230.285
Other	68.510	47.496	48.173	48.441	48.713	48.992
Other Operating Revenue	\$347.597	\$334.603	\$294.441	\$330.195	\$344.323	\$363.293
Capital and Other Reimbursements	973.279	1,236.854	1,191.717	1,139.105	1,112.678	1,115.274
Total Receipts	\$5,510.319	\$5,920.160	\$5,941.611	\$5,953.864	\$5,967.829	\$6,004.297
Expenditures						
<u>Labor:</u>						
Payroll	\$3,627.729	\$3,530.080	\$3,628.734	\$3,721.374	\$3,771.490	\$3,834.111
Overtime	581.898	580.846	527.193	531.307	536.454	548.896
Total Salaries & Wages	\$4,209.627	\$4,110.926	\$4,155.927	\$4,252.681	\$4,307.944	\$4,383.007
Health and Welfare	648.477	773.167	837.578	905.832	966.042	1,041.380
OPEB Current Payment	360.095	401.112	438.705	473.996	516.030	563.229
Pensions	923.540	934.828	919.187	883.829	868.094	865.850
Other Fringe Benefits	416.716	451.010	457.506	460.994	469.017	476.971
Total Fringe Benefits	\$2,348.828	\$2,560.117	\$2,652.976	\$2,724.651	\$2,819.183	\$2,947.430
GASB Account	35.786	0.000	0.000	0.000	8.305	17.637
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$6,594.241	\$6,671.043	\$6,808.903	\$6,977.332	\$7,135.432	\$7,348.074
<u>Non-Labor:</u>						
Electric Power	\$316.106	\$301.689	\$309.586	\$325.578	\$346.599	\$370.573
Fuel	166.510	121.399	111.580	117.240	135.489	152.973
Insurance	68.067	72.822	77.321	86.155	95.220	108.607
Claims	110.864	125.197	112.360	113.670	116.548	118.124
Paratransit Service Contracts	366.243	381.014	404.636	424.203	461.349	499.931
Maintenance and Other Operating Contracts	245.600	239.242	259.333	245.376	226.699	228.450
Professional Service Contracts	138.974	115.194	99.725	97.398	99.569	100.944
Materials & Supplies	386.284	356.689	360.128	366.125	358.724	372.159
Other Business Expenditures	73.614	77.557	79.107	75.825	77.920	79.504
Total Non-Labor Expenditures	\$1,872.262	\$1,790.803	\$1,813.776	\$1,851.570	\$1,918.117	\$2,031.265
<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	\$8,466.503	\$8,461.846	\$8,622.679	\$8,828.902	\$9,053.549	\$9,379.339
Net Cash Deficit	(\$2,956.184)	(\$2,541.686)	(\$2,681.068)	(\$2,875.038)	(\$3,085.720)	(\$3,375.042)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Receipts						
Fare Revenue	(\$1.596)	\$4.897	\$0.200	\$0.200	\$0.200	\$0.200
Vehicle Toll Revenue	0.000					
Other Operating Revenue:						
Fare Reimbursement	0.036	30.000	(30.000)	0.000	0.000	0.000
Paratransit Reimbursement	16.896	(14.543)	0.271	0.000	(0.166)	(0.249)
Other	(106.336)	(108.283)	(111.531)	(114.877)	(118.324)	(121.873)
Other Operating Revenue	(\$89.404)	(\$92.826)	(\$141.260)	(\$114.877)	(\$118.490)	(\$122.122)
Capital and Other Reimbursements	(101.809)	84.037	30.572	5.175	4.965	(2.632)
Total Receipt Adjustments	(\$192.809)	(\$3.892)	(\$110.488)	(\$109.502)	(\$113.325)	(\$124.554)
Expenditures						
Labor:						
Payroll	(\$211.313)	(\$12.424)	\$37.528	\$28.654	\$29.481	\$30.535
Overtime	(31.197)	(4.139)	2.871	1.564	1.608	1.689
Total Salaries & Wages	(\$242.510)	(\$16.563)	\$40.399	\$30.218	\$31.089	\$32.224
Health and Welfare	34.206	(11.845)	6.886	2.307	7.958	8.555
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	12.880	(24.926)	(7.069)	(6.228)	(7.017)	4.195
Other Fringe Benefits	163.918	33.114	34.037	42.116	42.979	43.878
Total Fringe Benefits	\$211.004	(\$3.657)	\$33.854	\$38.195	\$43.920	\$56.628
GASB Account	(35.786)	0.000	0.000	0.000	(8.305)	(17.637)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$67.292)	(\$20.220)	\$74.253	\$68.413	\$66.704	\$71.215
Non-Labor:						
Electric Power	(\$3.181)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	5.855	0.000	0.000	0.000	0.000	0.000
Insurance	0.812	(0.383)	0.458	(1.028)	(0.195)	(1.747)
Claims	36.556	10.630	12.785	12.785	12.785	12.785
Paratransit Service Contracts	0.545	2.000	2.000	2.000	2.000	2.000
Maintenance and Other Operating Contracts	(10.393)	(10.700)	(10.700)	(10.700)	(10.700)	(10.700)
Professional Service Contracts	7.530	10.827	12.000	12.000	12.000	12.000
Materials & Supplies	(12.447)	8.785	16.500	6.500	1.500	1.500
Other Business Expenditures	3.373	(2.000)	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$28.650	\$19.159	\$33.043	\$21.557	\$17.390	\$15.838
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	(\$38.642)	(\$1.061)	\$107.296	\$89.970	\$64.094	\$87.053
Total Cash Conversion Adjustments						
before Depreciation and GASB Adjustments	(\$231.451)	(\$4.953)	(\$3.192)	(\$19.532)	(\$29.231)	(\$37.501)
Depreciation Adjustment	\$1,519.813	\$1,638.144	\$1,688.144	\$1,863.292	\$1,913.292	\$1,964.634
OPEB Obligation	1,638.388	1,616.261	1,680.911	1,748.148	1,818.074	1,890.797
Environmental Remediation	12.478	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$2,939.228	\$3,249.452	\$3,365.863	\$3,591.908	\$3,702.135	\$3,817.930

MTA NEW YORK CITY TRANSIT
November Financial Plan 2016 - 2019
Ridership/Traffic Volume (Utilization)
(\$ in millions)

	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
RIDERSHIP						
Subway	1,751.288	1,763.213	1,801.642	1,811.038	1,821.877	1,827.912
Bus	667.051	652.005	661.215	661.204	663.452	664.449
Paratransit	8.884	8.808	9.573	10.195	10.858	11.564
Total Ridership	2,427.223	2,424.026	2,472.430	2,482.437	2,496.187	2,503.925
FAREBOX REVENUE (Excluding fare media liability)						
Subway	\$ 3,171.793	\$ 3,303.475	\$ 3,397.986	\$ 3,416.390	\$ 3,437.621	\$ 3,449.442
Bus	949.898	960.608	977.116	986.540	990.205	991.830
Paratransit	15.957	17.823	19.751	21.034	22.402	23.858
Total Farebox Revenue	\$ 4,137.648	\$ 4,281.906	\$ 4,394.853	\$ 4,423.964	\$ 4,450.228	\$ 4,465.130

MTA New York City Transit
November Financial Plan 2016-2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
Administration										
Corporate Communications Savings		0.128		0.263		0.263		0.263		0.263
Subways Timekeeping Consolidation		0.000	30	1.913	50	4.632	50	5.141	50	5.141
Prescription Drug Rebid		0.000	-	5.917	-	10.460	-	13.998	-	14.977
<i>Subtotal Administration</i>		0.128	30	8.093	50	15.355	50	19.402	50	20.381
Customer Convenience/Amenities										
None		0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Customer Convenience/Amenities</i>		0.000	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance										
Operations Planning Fastrack Suppt. Reduction	6	0.154	6	0.332	6	0.332	6	0.332	6	0.332
Supply Logistics Efficiencies		0.262	2	0.577	2	0.577	2	0.577	2	0.577
<i>Subtotal Maintenance</i>	6	0.416	8	0.909	8	0.909	8	0.909	8	0.909
Service Support										
Revenue Collection Efficiencies	7	0.578	7	0.640	7	0.640	7	0.640	7	0.640
<i>Subtotal Service Support</i>	7	0.578	7	0.640	7	0.640	7	0.640	7	0.640
Safety										
None		0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Safety</i>		0.000	-	0.000	-	0.000	-	0.000	-	0.000
Security										
Security Efficiencies	1	0.298	2	0.660	2	0.660	2	0.660	2	0.660
<i>Subtotal Security</i>	1	0.298	2	0.660	2	0.660	2	0.660	2	0.660
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
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	14	\$1.420	47	\$10.302	67	\$17.564	67	\$21.611	67	\$22.590

MTA New York City Transit
November Financial Plan 2016 - 2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Office of the President	59	54	64	63	63	62
Law	272	285	312	312	312	312
Office of the EVP	42	45	46	46	46	46
Human Resources	232	227	232	232	230	229
Office of Management and Budget	36	42	42	42	42	42
Capital Planning & Budget	30	35	35	35	35	35
Corporate Communications	259	261	260	260	260	260
Technology & Information Services	409	-	-	-	-	-
Non-Departmental	-	(33)	(34)	(34)	(34)	(34)
Labor Relations	87	97	98	98	98	98
Materiel	264	284	290	285	284	283
Controller	134	137	128	128	128	128
Total Administration	1,824	1,434	1,473	1,467	1,464	1,461
Operations						
Subways Service Delivery	7,806	7,814	8,029	7,959	7,958	7,958
Subways Operation Support /Admin	355	365	365	365	365	365
Subways Stations	2,610	2,640	2,632	2,628	2,628	2,628
Subtotal - Subways	10,771	10,819	11,026	10,952	10,951	10,951
Buses	10,628	10,946	11,028	11,005	11,005	11,005
Paratransit	205	213	213	213	213	213
Operations Planning	386	401	401	401	401	401
Revenue Control	402	579	579	579	579	579
Non-Departmental	-	-	-	114	114	114
Total Operations	22,392	22,958	23,247	23,264	23,263	23,263
Maintenance						
Subways Operation Support /Admin	204	184	157	141	145	144
Subways Engineering	349	363	381	361	339	322
Subways Car Equipment	4,310	4,450	4,390	4,366	4,260	4,218
Subways Infrastructure	1,408	1,528	1,594	1,595	1,542	1,542
Subways Elevator & Escalators	361	442	454	455	450	455
Subways Stations	3,606	3,691	3,722	3,727	3,723	3,709
Subways Track	2,738	2,805	2,819	2,824	2,827	2,813
Subways Power	558	597	596	596	585	584
Subways Signals	1,374	1,505	1,510	1,473	1,449	1,450
Subways Electronics Maintenance	1,433	1,578	1,595	1,563	1,543	1,539
Subtotal - Subways	16,341	17,143	17,218	17,101	16,863	16,776
Buses	3,804	3,644	3,692	3,648	3,653	3,707
Revenue Control	137	-	-	-	-	-
Supply Logistics	563	558	560	561	561	562
System Safety	82	99	99	99	99	99
Non-Departmental	-	(84)	(84)	194	189	186
Total Maintenance	20,927	21,360	21,485	21,603	21,365	21,330
Engineering/Capital						
Capital Program Management	1,343	1,319	1,358	1,358	1,358	1,358
Total Engineering/Capital	1,343	1,319	1,358	1,358	1,358	1,358
Public Safety						
Security	603	635	651	651	651	651
Total Public Safety	603	635	651	651	651	651
Total Baseline Positions	47,089	47,706	48,214	48,343	48,101	48,063
Non-Reimbursable	42,996	42,650	43,146	43,521	43,445	43,446
Reimbursable	4,093	5,056	5,068	4,822	4,656	4,617
Total Full-Time	46,856	47,552	48,010	48,139	47,897	47,859
Total Full-Time Equivalents	233	154	204	204	204	204

Note: The MTA consolidated position tables reflect full staffing for a Second Avenue Subway opening date of December 1. Due to time constraints, the NYCT submission did not include certain cost and headcount projections that supported this opening date assumption; instead they are captured in MTA consolidated projections. Technical reallocation adjustments will be made in the February Plan.

MTA New York City Transit
November Financial Plan 2016 - 2019
Total Positions by Function and Occupation

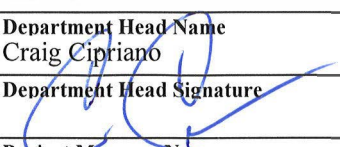
FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Managers/Supervisors	564	545	542	540	539	536
Professional, Technical, Clerical	1,234	858	900	896	894	894
Operational Hourlies	26	31	31	31	31	31
Total Administration	1,824	1,434	1,473	1,467	1,464	1,461
Operations						
Managers/Supervisors	2,561	2,712	2,709	2,694	2,693	2,693
Professional, Technical, Clerical	471	500	506	506	506	506
Operational Hourlies	19,360	19,746	20,032	20,064	20,064	20,064
Total Operations	22,392	22,958	23,247	23,264	23,263	23,263
Maintenance						
Managers/Supervisors	3,848	3,862	3,901	3,918	3,869	3,859
Professional, Technical, Clerical	1,010	1,067	1,116	1,082	1,068	1,077
Operational Hourlies	16,069	16,431	16,468	16,603	16,428	16,394
Total Maintenance	20,927	21,360	21,485	21,603	21,365	21,330
Engineering/Capital						
Managers/Supervisors	331	339	339	339	339	339
Professional, Technical, Clerical	1,010	978	1,017	1,017	1,017	1,017
Operational Hourlies	2	2	2	2	2	2
Total Engineering/Capital	1,343	1,319	1,358	1,358	1,358	1,358
Public Safety						
Managers/Supervisors	236	261	275	275	275	275
Professional, Technical, Clerical	34	39	39	39	39	39
Operational Hourlies	333	335	337	337	337	337
Total Public Safety	603	635	651	651	651	651
Total Baseline Positions						
Managers/Supervisors	7,540	7,719	7,766	7,766	7,715	7,702
Professional, Technical, Clerical	3,759	3,442	3,578	3,540	3,524	3,533
Operational Hourlies	35,790	36,545	36,870	37,037	36,862	36,828
Total Baseline Positions	47,089	47,706	48,214	48,343	48,101	48,063

Note: The MTA consolidated position tables reflect full staffing for a Second Avenue Subway opening date of December 1. Due to time constraints, the NYCT submission did not include certain cost and headcount projections that supported this opening date assumption; instead they are captured in MTA consolidated projections. Technical reallocation adjustments will be made in the February Plan.

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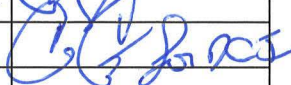
MTA Bus Company

Staff Summary

Subject MTA Bus 2016 Budget and 2016-2019 Financial Plan Adoption
Department Finance
Department Head Name Craig Cipriano
Department Head Signature 
Project Manager Name Jacqueline Bruce

Date December 1, 2015
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	12/14/15	X		
2	Finance Committee	12/14/15	X		
3	MTA Board	12/16/15	X		

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

Purpose

To secure MTA Board adoption of MTA Bus Company's 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019.

Discussion

The 2016 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/Toll 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 2016 Final Proposed Budget includes funding for new and enhanced investments and initiatives in support of our core transit goals as follows:

Key Programmatic Initiatives

- Enterprise Asset Management (EAM): This initiative will improve the management of assets and the accuracy of data in the maintenance system and apply reliability-based maintenance practices to critical bus maintenance- and facilities-related work. EAM will maximize the safety, service life, and efficiency of each physical asset.
- Platform Budget: MTA Bus is refining all 80 bus routes over the course of the Plan to more accurately reflect traffic trends and operating conditions. Also included are the conversion of three routes to articulated service, one route transfer, and four service-related changes to existing routes.

- **SBS Routes:** Two Select Bus Service (SBS) routes starting in 2016, the Q25 and Q70 will have start-up costs including: Fare machine purchase, fare machine installation, fare machine decals, bus wraps and eagle team ramp-up costs (MOU with NYCT); Annual cost: fare machine maintenance and Eagle team (MOU with NYCT)
- **Farebox Component Replacements:** MTABC's fareboxes are approximately 18 years old, whereas their useful life is determined to be ten years. The current schedule projects new fareboxes being replaced in 2023, at which time they will be 25 years old. This initiative will maintain these fareboxes in a State of Good Repair (SOGR) for the next 5 years.
- **NAMS Radio Repair:** The MTA Bus Electronic Support and Revenue Control Department is responsible for maintaining the radio communication recording system and bus and handheld radio equipment. The system allows radio communication between bus operators, road dispatchers, depot personnel and security throughout the five boroughs and Yonkers daily. These radios are used by road operations and security personnel to regulate service as well as communicate service disruptions, report emergencies and suspicious activity in and around MTA bus depots. This initiative is for the continued use of the outside vendor (NAMS) for installation, removal and repair of the radios until the new radio system is installed in 2021.

Budget Reduction Initiatives

The Plan provides overall savings of \$19.1 million through 2019, comprised of annual savings of \$3.0 million (2015), \$2.8 million (2016), \$4.2 million (2017), \$4.5 million (2018), and \$4.6 million (2019).

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

- **Payroll Savings:** MTA Bus Company utilizes the expertise of NYC DOB personnel to avoid duplication of functions and to benefit from other economies of scale. This was achieved through various arrangements with NYCT, primarily through MOU's utilizing NYC DOB personnel to provide necessary service that would be invoiced to and approved for payment by MTA Bus Company. Although many of these arrangements are still required and will remain in effect, MTA Bus recently reviewed and restructured the functions and approval processes of such arrangements and identified some tasks that are no longer necessary.
- **Prescription Drug Savings:** These savings, are resulting from the recent RFP award to Express Scripts and are expected to begin to take effect on April 1, 2016.
- **OTPS:** These savings are based on a top down review of controllable non-labor categories.

2015 November Forecast – Baseline

Total operating revenues are projected at \$231.0 million, including \$210.4 million of farebox revenues. Total non-reimbursable expenses before depreciation and GASB adjustments are projected to be \$638.5 million in 2015, consisting of labor costs of \$477.0 million and non-labor expenses of \$161.5 million. Non-cash depreciation expense is projected at \$42.2 million and other post-employment benefit expenses are projected at \$100.2 million. After including favorable cash adjustments of \$138.3 million, the projected net cash deficit is \$411.6 million. Projected reimbursable expenses of \$5.7 million are fully offset by capital reimbursements.

Total end-of-year positions are projected at 3,752, consisting of 3,714 non-reimbursable positions and 38 reimbursable positions.

2016 Final Proposed Budget - Baseline

Total operating revenues are budgeted at \$235.2 million, including farebox revenues of \$214.5 million. Total non-reimbursable expenses before depreciation and GASB adjustments is budgeted to be \$670.5 million in 2016 consisting of labor costs of \$495.8 million and non-labor expenses of \$174.8 million. Non-cash depreciation expense is projected at \$42.2 million and other post-employment benefit expenses is projected at \$100.2 million. After including favorable cash adjustments of \$152.4 million, the projected net cash deficit is \$425.4 million. Projected reimbursable expenses of \$6.0 million are fully offset by capital reimbursements.

Total 2016 end-of-year positions are projected at 3,807 consisting of 3,767 non-reimbursable positions and 40 reimbursable positions.

Impact on Funding

The 2015 November Forecast, the 2016 Final Proposed Budget and the Four-Year Financial Plan for 2016-2019 revenues, expenses, and positions, which are presented in the attached tables, are consistent with the proposed MTA financial plan.

Recommendation

It is recommended that the MTA Board adopt the 2015 November Forecast, the 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019 for MTA Bus Company.

MTA BUS COMPANY
November Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$203.591	\$210.400	\$214.471	\$214.485	\$215.271	\$215.613
Other Operating Revenue	20.094	20.560	20.724	21.089	21.471	21.650
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$223.685	\$230.960	\$235.195	\$235.574	\$236.742	\$237.263
Operating Expenses						
Labor:						
Payroll	\$254.708	\$251.409	\$261.513	\$268.151	\$267.857	\$266.956
Overtime	58.921	52.841	52.900	53.702	54.307	55.306
Health and Welfare	54.590	56.928	60.015	57.926	54.401	52.737
OPEB Current Payment	19.641	22.098	23.955	24.339	25.433	26.578
Pensions	44.956	46.240	47.044	47.743	48.493	50.324
Other Fringe Benefits	69.131	47.437	50.329	50.186	53.083	55.095
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$501.947	\$476.954	\$495.757	\$502.047	\$503.575	\$506.996
Non-Labor:						
Electric Power	\$1.503	\$1.773	\$1.837	\$1.955	\$2.080	\$2.173
Fuel	35.099	23.661	24.131	25.181	28.166	30.786
Insurance	3.354	5.345	6.166	6.521	7.370	7.820
Claims	32.222	28.768	29.000	29.447	29.977	30.490
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	21.190	32.772	40.363	68.371	27.085	23.696
Professional Service Contracts	20.481	27.281	26.443	26.627	26.662	27.170
Materials & Supplies	43.097	39.509	44.282	41.750	34.849	37.982
Other Business Expenses	3.856	2.441	2.557	3.715	3.789	3.008
Total Non-Labor Expenses	\$160.802	\$161.549	\$174.779	\$203.567	\$159.977	\$163.125
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.	\$662.749	\$638.503	\$670.536	\$705.614	\$663.551	\$670.121
Depreciation	\$48.530	\$42.236	\$42.236	\$42.887	\$43.658	\$43.657
OPEB Obligation	105.049	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	0.610	-	-	-	-	-
Total Expenses	\$816.938	\$780.889	\$812.922	\$848.651	\$807.359	\$813.928
Net Surplus/(Deficit)	(\$593.253)	(\$549.929)	(\$577.727)	(\$613.077)	(\$570.617)	(\$576.665)

MTA BUS COMPANY
November Financial Plan 2016 - 2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE	2014	2015	2016	2017	2018	2019
	<u>Actual</u>	<u>November Forecast</u>	<u>Final Proposed Budget</u>			
Revenue						
Farebox Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	6.148	5.738	6.039	5.857	5.960	5.925
Total Revenue	\$6.148	\$5.738	\$6.039	\$5.857	\$5.960	\$5.925
Expenses						
<u>Labor:</u>						
Payroll	\$2.804	\$2.714	\$2.892	\$2.682	\$2.731	\$2.586
Overtime	-	-	-	-	-	-
Health and Welfare	0.749	1.038	1.093	1.101	1.121	1.214
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.442	0.470	0.498	0.498	0.508	0.508
Other Fringe Benefits	0.419	0.462	0.482	0.486	0.495	0.495
Reimbursable Overhead	0.093	-	-	-	-	-
Total Labor Expenses	\$4.507	\$4.684	\$4.965	\$4.767	\$4.855	\$4.803
<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	-	0.227	0.231	0.235	0.238	0.242
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	1.641	0.827	0.843	0.855	0.867	0.881
Other Business Expenses	-	-	-	-	-	-
Total Non-Labor Expenses	\$1.641	\$1.054	\$1.074	\$1.090	\$1.105	\$1.122
<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.	\$6.148	\$5.738	\$6.039	\$5.857	\$5.960	\$5.925
Depreciation	-	-	-	-	-	-
Total Expenses	\$6.148	\$5.738	\$6.039	\$5.857	\$5.960	\$5.925
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
November Financial Plan 2016 - 2019

Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Revenue						
Farebox Revenue	\$203.591	\$210.400	\$214.471	\$214.485	\$215.271	\$215.613
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	20.094	20.560	20.724	21.089	21.471	21.650
Capital and Other Reimbursements	6.148	5.738	6.039	5.857	5.960	5.925
Total Revenue	\$229.833	\$236.698	\$241.234	\$241.431	\$242.702	\$243.188
Expenses						
<u>Labor:</u>						
Payroll	\$257.512	\$254.123	\$264.405	\$270.833	\$270.588	\$269.542
Overtime	58.921	52.841	52.900	53.702	54.307	55.306
Health and Welfare	55.339	57.966	61.109	59.027	55.522	53.951
OPEB Current Payment	19.641	22.098	23.955	24.339	25.433	26.578
Pensions	45.398	46.710	47.542	48.241	49.001	50.832
Other Fringe Benefits	69.550	47.899	50.811	50.671	53.578	55.590
Reimbursable Overhead	0.093	-	-	-	-	-
Total Labor Expenses	\$506.454	\$481.638	\$500.722	\$506.814	\$508.429	\$511.799
<u>Non-Labor:</u>						
Electric Power	\$1.503	\$1.773	\$1.837	\$1.955	\$2.080	\$2.173
Fuel	35.099	23.661	24.131	25.181	28.166	30.786
Insurance	3.354	5.345	6.166	6.521	7.370	7.820
Claims	32.222	28.768	29.000	29.447	29.977	30.490
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	21.190	32.999	40.594	68.606	27.323	23.937
Professional Service Contracts	20.481	27.281	26.443	26.627	26.662	27.170
Materials & Supplies	44.738	40.336	45.125	42.605	35.716	38.863
Other Business Expenses	3.856	2.441	2.557	3.715	3.789	3.008
Total Non-Labor Expenses	\$162.443	\$162.603	\$175.853	\$204.657	\$161.082	\$164.247
<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.	\$668.897	\$644.241	\$676.575	\$711.471	\$669.511	\$676.046
Depreciation	\$48.530	\$42.236	\$42.236	\$42.887	\$43.658	\$43.657
OPEB Obligation	105.049	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	0.610	-	-	-	-	-
Total Expenses	\$823.086	\$786.627	\$818.961	\$854.508	\$813.319	\$819.853
Net Surplus/(Deficit)	(\$593.253)	(\$549.929)	(\$577.727)	(\$613.077)	(\$570.617)	(\$576.665)

MTA BUS COMPANY
November Financial Plan 2016 - 2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Receipts						
Farebox Revenue	\$203.251	\$210.650	\$214.471	\$214.485	\$215.271	\$215.613
Other Operating Revenue	19.508	21.560	20.724	21.089	21.471	21.650
Capital and Other Reimbursements	7.438	11.790	9.227	11.048	11.244	14.575
Total Receipts	\$230.197	\$244.000	\$244.422	\$246.622	\$247.986	\$251.838
Expenditures						
<u>Labor:</u>						
Payroll	\$274.384	261.251	\$262.376	\$268.793	\$268.509	\$270.921
Overtime	58.921	52.841	52.900	53.702	54.307	55.306
Health and Welfare	59.262	57.552	60.692	58.607	55.094	53.951
OPEB Current Payment	18.505	22.098	23.955	24.339	25.433	26.578
Pensions	44.065	46.537	47.370	48.071	48.827	50.658
Other Fringe Benefits	46.779	49.863	50.638	50.498	53.401	55.413
GASB Account	2.586	0.001	-	-	-	0.094
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$504.502	\$490.144	\$497.931	\$504.011	\$505.571	\$512.921
<u>Non-Labor:</u>						
Electric Power	\$1.699	\$1.773	\$1.837	\$1.955	\$2.080	\$2.173
Fuel	39.313	23.661	24.131	25.181	28.166	29.363
Insurance	3.190	8.245	6.166	6.521	7.370	7.820
Claims	32.257	24.768	25.000	25.385	25.842	26.355
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	23.778	31.999	40.594	68.607	27.323	22.449
Professional Service Contracts	16.994	31.281	26.443	26.627	26.662	27.170
Materials & Supplies	43.941	40.336	45.125	42.605	35.716	38.863
Other Business Expenses	1.059	3.441	2.558	3.715	3.788	3.008
Total Non-Labor Expenditures	\$162.231	\$165.503	\$171.854	\$200.596	\$156.946	\$157.201
<u>Other Expenditure Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$666.733	\$655.647	\$669.785	\$704.607	\$662.517	\$670.122
Net Cash Surplus/(Deficit)	(\$436.536)	(\$411.647)	(\$425.363)	(\$457.985)	(\$414.531)	(\$418.284)

MTA BUS COMPANY
November Financial Plan 2016 - 2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	November	Final Proposed	2017	2018	2019
		Forecast	Budget			
Receipts						
Farebox Revenue	(\$0.340)	\$0.250	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	(0.586)	1.000	-	-	-	-
Capital and Other Reimbursements	1.290	6.052	3.188	5.191	5.284	8.650
Total Receipts	\$0.364	\$7.302	\$3.188	\$5.191	\$5.284	\$8.650
Expenditures						
Labor:						
Payroll	(\$16.872)	(\$7.128)	\$2.029	\$2.040	\$2.079	(\$1.379)
Overtime	-	-	-	-	-	-
Health and Welfare	(3.923)	0.414	0.417	0.420	0.428	-
OPEB Current Payment	1.136	-	-	-	-	-
Pensions	1.333	0.173	0.172	0.170	0.174	0.174
Other Fringe Benefits	22.771	(1.964)	0.173	0.173	0.177	0.177
GASB Account	(2.586)	(0.001)	-	-	-	(0.094)
Reimbursable Overhead	0.093	-	-	-	-	-
Total Labor Expenditures	\$1.952	(\$8.506)	\$2.791	\$2.803	\$2.858	(\$1.122)
Non-Labor:						
Electric Power	(\$0.196)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(4.214)	-	-	-	-	1.423
Insurance	0.164	(2.900)	-	-	-	-
Claims	(0.035)	4.000	4.000	4.062	4.135	4.135
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	(2.588)	1.000	-	(0.001)	-	1.488
Professional Service Contracts	3.487	(4.000)	-	-	-	-
Materials & Supplies	0.797	-	-	-	-	(0.001)
Other Business Expenditures	2.797	(1.000)	(0.001)	-	0.001	-
Total Non-Labor Expenditures	\$0.212	(\$2.900)	\$3.999	\$4.061	\$4.136	\$7.045
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	\$2.528	(\$4.104)	\$9.978	\$12.055	\$12.278	\$14.574
Depreciation Adjustment	\$48.530	\$42.236	\$42.236	\$42.887	\$43.658	\$43.657
OPEB Obligation	105.049	100.150	100.150	100.150	100.150	100.150
Environmental Remediation	0.610	-	-	-	-	-
Total Cash Conversion Adjustments	\$156.717	\$138.282	\$152.364	\$155.092	\$156.086	\$158.381

MTA BUS COMPANY
November Financial Plan 2016 - 2019
Ridership/(Utilization)
(in millions)

	2014	2015	2016			
	Actual	November	Final Proposed	2017	2018	2019
		Forecast	Budget			
<u>RIDERSHIP</u>						
Fixed Route	125.581	125.700	127.401	127.403	127.833	128.023
Total Ridership	125.581	125.700	127.401	127.403	127.833	128.023
<u>FAREBOX REVENUE</u>						
Fixed Route	\$203.591	\$210.400	\$214.471	\$214.485	\$215.271	\$215.613
Total Revenue	\$203.591	\$210.400	\$214.471	\$214.485	\$215.271	\$215.613

MTA BUS COMPANY
November Financial Plan 2016 - 2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	<u>Pos.</u>	<u>2015</u>	<u>Pos.</u>	<u>2016</u>	<u>Pos.</u>	<u>2017</u>	<u>Pos.</u>	<u>2018</u>	<u>Pos.</u>	<u>2019</u>
<u>Administration</u>										
Payroll	-	\$0.500	-	\$0.500	-	\$0.500	-	\$0.500	-	\$0.500
<i>Subtotal Administration</i>	-	\$0.500	-	\$0.500	-	\$0.500	-	\$0.500	-	\$0.500
<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/Security</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>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>										
Health & Welfare	-	0.000	-	0.420	-	0.742	-	0.992	-	1.062
OTPS (July Plan)	-	2.500	-	1.900	-	3.000	-	3.000	-	3.000
<i>Subtotal Other</i>	-	2.500	-	2.320	-	3.742	-	3.992	-	4.062
Agency Submission	-	\$3.000	-	\$2.820	-	\$4.242	-	\$4.492	-	\$4.562

MTA BUS COMPANY
November Financial Plan 2016 - 2019
Total Positions by Function & Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents


FUNCTION/DEPARTMENT	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Office of the EVP	3	6	6	6	6	6
Human Resources	10	16	16	16	16	16
Office of Management and Budget	11	17	17	17	17	17
Technology & Information Services	14	-	-	-	-	-
Materiel	16	18	18	18	18	18
Controller	19	15	15	15	15	15
Office of the President	7	2	2	2	2	2
System Safety Administration	1	5	5	5	5	5
Law	24	21	21	21	21	21
Corporate Communications	3	-	-	-	-	-
Strategic Office	12	16	23	24	26	27
Labor Relations	3	4	4	4	4	4
Non Departmental	-	27	19	23	15	15
Total Administration	123	147	146	151	145	146
Operations						
Buses	2,198	2,220	2,227	2,236	2,236	2,236
Office of the Executive Vice President, Regional	3	4	4	4	4	4
Safety & Training	67	29	29	29	29	29
Road Operations	122	119	117	117	117	117
Transportation Support	22	22	22	22	22	22
Operations Planning	30	31	31	31	31	31
Revenue Control	21	27	27	27	27	27
Total Operations	2,463	2,452	2,457	2,466	2,466	2,466
Maintenance						
Buses	762	756	755	751	757	757
Maintenance Support/CMF	168	176	225	236	190	256
Facilities	47	73	74	74	74	74
Supply Logistics	91	93	95	95	95	95
Total Maintenance	1,068	1,098	1,149	1,156	1,116	1,182
Engineering/Capital						
Capital Program Management	28	37	37	37	37	37
Public Safety						
Office of the Senior Vice President	15	18	18	18	18	18
Total Positions	3,697	3,752	3,807	3,828	3,782	3,849
Non-Reimbursable	3,664	3,714	3,767	3,788	3,742	3,809
Reimbursable	33	38	40	40	40	40
Total Full-Time	3,682	3,737	3,792	3,813	3,767	3,834
Total Full-Time Equivalents	15	15	15	15	15	15

MTA BUS COMPANY
November Financial Plan 2016 - 2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Managers/Supervisors	50	57	58	59	57	57
Professional, Technical, Clerical	73	65	71	71	73	74
Operational Hourlies	-	25	17	21	15	15
Total Administration	123	147	146	151	145	146
Operations						
Managers/Supervisors	304	301	302	302	302	302
Professional, Technical, Clerical	55	50	50	50	50	50
Operational Hourlies	2,104	2,101	2,105	2,114	2,114	2,114
Total Operations	2,463	2,452	2,457	2,466	2,466	2,466
Maintenance						
Managers/Supervisors	199	220	220	220	220	220
Professional, Technical, Clerical	21	18	21	21	21	21
Operational Hourlies	848	860	908	915	875	941
Total Maintenance	1,068	1,098	1,149	1,156	1,116	1,182
Engineering/Capital						
Managers/Supervisors	17	21	21	21	21	21
Professional, Technical, Clerical	11	16	16	16	16	16
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	28	37	37	37	37	37
Public Safety						
Managers/Supervisors	10	14	14	14	14	14
Professional, Technical, Clerical	3	4	4	4	4	4
Operational Hourlies	2	-	-	-	-	-
Total Public Safety	15	18	18	18	18	18
Total Positions						
Managers/Supervisors	580	613	615	616	614	614
Professional, Technical, Clerical	163	153	162	162	164	165
Operational Hourlies	2,954	2,986	3,030	3,050	3,004	3,070
Total Positions	3,697	3,752	3,807	3,828	3,782	3,849

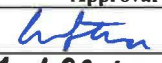


Staten Island Railway

Staff Summary

Subject SIR 2016 Budget and 2016 – 2019 Financial Plan Adoption
Department Office of Management & Budget
Department Head Name Aaron Stern
Department Head Signature 
Project Manager Name

Date December 2, 2015
Vendor Name NA
Contract Number NA
Contract Manager Name NA
Table of Contents Ref #

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

Internal Approvals			
Order	Approval	Order	Approval
1	OMB – Director		
2	Executive VP (Acting)		
3	President (Interim)		

Purpose

To secure MTA Board adoption of MTA Staten Island Railway’s 2015 November Forecast, 2016 Final Proposed Budget, and the Four-Year Financial Plan for 2016-2019.

Discussion

The 2016 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 budget reduction initiatives 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 Initiatives

- **Enterprise Asset Management (EAM) Project.** This project is intended to improve asset performance and maximize resource efficiency. To help accomplish this, an additional 3 positions are included in this plan in 2016 and 2017 and 4 positions in subsequent years with expenses of \$0.264 million in 2016, \$0.364 million in 2017, \$0.347 million in 2018 and \$0.399 million in 2019. These resources will be focused on achieving the following: improve maintenance and capital planning (e.g. work planning, defect management, and failure analysis); implement a paperless reporting system, with a heavy focus on mobile devices and migrate to a single platform for capturing and analyzing asset and maintenance information.
- **Composite Third Rail Safety Project Installation.** \$0.990 million of operating funds are required over five years to improve the Railway’s Third Rail to a “state of good repair.”
- **Signal & Switch Replacement Program.** Required expenses of \$0.190 million in order to bring this system up to a future “state-of-good-repair”, by providing spare parts for signal, electrical and communications needs.

- **On-Time Performance.** Operational safety initiatives, resulting from a derailment and collision in 2014, along with seasonal impacts such as slippery rails, have negatively impacted On-Time Performance. Additionally, a current shortage of train crews makes it difficult to fully provide for scheduled lunch periods. To help solve these difficulties, this plan requests approval to add two additional train crews, comprised of two Locomotive Engineers and two Conductors with an annual cost of \$0.407 million.
- **Additional Training Requirements.** Due to a rise in Capital Project requirements, an increase in hiring to support ongoing repairs resulting from Tropical Storm Sandy, and the loss of employees to attrition, SIR has been faced with increased training demands. Currently, the training unit is comprised of 1 manager and 3 hourly employees, who are on loan from their respective departments, thus impacting the ability of those departments to meet their normal work requirements. To address this problem, this plan requests approval to add three Supervisory Training positions with an annual cost of \$0.388 million.
- **SIR Car Fleet Scheduled Maintenance Project Timing.** This important 18 month project that is necessary in order to extend the useful life of this over-40 year old fleet until anticipated replacement was delayed five months from July 2015 to December 2015, resulting in the project being extended through May 2017 with a transfer of planned maintenance costs of \$7.3 million from 2015 to 2017.

Budget Reduction Initiatives included in this financial plan project annual savings of \$0.211 million beginning in 2015, mostly from several non-labor accounts and extended delays in filling non-priority vacancy positions.

2015 November Forecast-Baseline

Total operating revenues are projected at \$8.9 million, including farebox revenues of \$6.4 million. Total operating expenses are projected to be \$49.8 million, consisting of labor costs of \$37.4 million and non-labor expenses of \$12.3 million. Non-cash depreciation expense is projected at \$8.3 million and other post-employment benefit expenses are projected at \$2.3 million. After including favorable cash adjustments of \$5.8 million, the projected net cash deficit is \$45.8 million. Projected reimbursable expenses of \$3.9 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 317, including 291 non-reimbursable positions and 26 reimbursable positions.

2016 Final Proposed Budget-Baseline

Total operating revenues are projected at \$9.3 million, including farebox revenues of \$6.7 million. Total operating expenses are projected to be \$68.2 million, consisting of labor costs of \$39.3 million and non-labor expenses of \$28.9 million. Non-cash depreciation expense is projected at \$8.3 million and other post-employment benefit expenses are projected at \$2.3 million. After including favorable cash adjustments of \$10.6 million, the projected net cash deficit is \$58.9 million. Projected reimbursable expenses of \$6.9 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 328, including 302 non-reimbursable positions and 26 reimbursable positions.

Impact on Funding

The 2015 November Forecast, the 2016 Final Proposed Budget and the Four-Year Financial Plan for 2016-2019, 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 2015 November Forecast, the 2016 Final Proposed Budget and the Four-Year Financial Plan for 2016-2019 for MTA Staten Island Railway.

MTA STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Operating Revenue						
Farebox Revenue	\$5.898	\$6.373	\$6.735	\$6.769	\$6.816	\$6.839
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.593	2.486	2.568	2.589	2.612	2.635
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$8.491	\$8.859	\$9.303	\$9.358	\$9.428	\$9.474
Operating Expenses						
<u>Labor:</u>						
Payroll	\$20.011	\$22.715	\$22.117	\$22.549	\$22.973	\$23.470
Overtime	3.156	1.780	3.342	1.588	1.402	1.416
Health and Welfare	4.296	3.938	4.310	4.361	4.543	4.732
OPEB Current Payment	1.094	1.309	1.420	1.437	1.498	1.561
Pensions	5.865	6.007	6.133	6.220	6.306	6.541
Other Fringe Benefits	5.417	3.437	3.756	3.739	3.823	3.910
Reimbursable Overhead	(0.514)	(1.754)	(1.754)	(1.754)	(1.754)	(1.754)
Total Labor Expenses	\$39.325	\$37.432	\$39.324	\$38.140	\$38.791	\$39.876
<u>Non-Labor:</u>						
Electric Power	\$4.244	\$3.837	\$3.945	\$4.085	\$4.342	\$4.636
Fuel	0.342	0.216	0.217	0.229	0.238	0.261
Insurance	1.594	1.241	1.590	1.610	1.780	1.806
Claims	0.283	0.904	0.085	0.089	0.089	0.091
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.833	3.396	20.049	9.019	1.829	1.893
Professional Service Contracts	1.247	0.754	0.766	0.784	0.802	0.820
Materials & Supplies	1.766	1.964	2.222	1.332	1.346	1.359
Other Business Expenses	0.210	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenses	\$10.519	\$12.342	\$28.904	\$17.178	\$10.456	\$10.896
<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.	\$49.844	\$49.774	\$68.228	\$55.318	\$49.247	\$50.772
Depreciation	\$7.923	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.398	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.042)	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$60.123	\$60.374	\$78.828	\$65.918	\$59.847	\$61.372
Net Surplus/(Deficit)	(\$51.632)	(\$51.515)	(\$69.525)	(\$56.560)	(\$50.419)	(\$51.898)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2014	2015	2016			
	Actual	November	Final Proposed	2017	2018	2019
		Forecast	Budget			
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	1.250	3.871	6.871	5.371	3.871	3.871
Total Revenue	\$1.250	\$3.871	\$6.871	\$5.371	\$3.871	\$3.871
Expenses						
<u>Labor:</u>						
Payroll	\$0.447	\$1.717	\$1.717	\$1.717	\$1.717	\$1.717
Overtime	0.131	0.400	1.794	1.794	0.400	0.400
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.016	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	0.106	0.106	0.000	0.000
Reimbursable Overhead	0.514	1.754	1.754	1.754	1.754	1.754
Total Labor Expenses	\$1.108	\$3.871	\$5.371	\$5.371	\$3.871	\$3.871
<u>Non-Labor:</u>						
Electric Power	\$0.007	\$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	0.135	0.000	1.500	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	\$0.142	\$0.000	\$1.500	\$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	\$1.250	\$3.871	\$6.871	\$5.371	\$3.871	\$3.871
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$1.250	\$3.871	\$6.871	\$5.371	\$3.871	\$3.871
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE

	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>November</u> <u>Forecast</u>	<u>2016</u> <u>Final Proposed</u> <u>Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue						
Farebox Revenue	\$5.898	\$6.373	\$6.735	\$6.769	\$6.816	\$6.839
Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.593	2.486	2.568	2.589	2.612	2.635
Capital and Other Reimbursements	1.250	3.871	6.871	5.371	3.871	3.871
Total Revenue	\$9.741	\$12.730	\$16.174	\$14.729	\$13.299	\$13.345
Expenses						
<u>Labor:</u>						
Payroll	\$20.458	\$24.432	\$23.834	\$24.266	\$24.690	\$25.187
Overtime	3.287	2.180	5.136	3.382	1.802	1.816
Health and Welfare	4.296	3.938	4.310	4.361	4.543	4.732
OPEB Current Payment	1.110	1.309	1.420	1.437	1.498	1.561
Pensions	5.865	6.007	6.133	6.220	6.306	6.541
Other Fringe Benefits	5.417	3.437	3.862	3.845	3.823	3.910
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$40.433	\$41.303	\$44.695	\$43.511	\$42.662	\$43.747
<u>Non-Labor:</u>						
Electric Power	\$4.251	\$3.837	\$3.945	\$4.085	\$4.342	\$4.636
Fuel	0.342	0.216	0.217	0.229	0.238	0.261
Insurance	1.594	1.241	1.590	1.610	1.780	1.806
Claims	0.283	0.904	0.085	0.089	0.089	0.091
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.833	3.396	20.049	9.019	1.829	1.893
Professional Service Contracts	1.247	0.754	0.766	0.784	0.802	0.820
Materials & Supplies	1.901	1.964	3.722	1.332	1.346	1.359
Other Business Expenses	0.210	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenses	\$10.661	\$12.342	\$30.404	\$17.178	\$10.456	\$10.896
<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	\$51.094	\$53.645	\$75.099	\$60.689	\$53.118	\$54.643
Depreciation	\$7.923	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.398	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.042)	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$61.373	\$64.245	\$85.699	\$71.289	\$63.718	\$65.243
Net Surplus/(Deficit)	(\$51.632)	(\$51.515)	(\$69.525)	(\$56.560)	(\$50.419)	(\$51.898)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2014	2015	2016			
	<u>Actual</u>	<u>Forecast</u>	<u>Final Proposed Budget</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Receipts						
Farebox Revenue	\$5.859	\$5.932	\$6.735	\$6.769	\$6.816	\$6.840
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	3.005	3.396	2.568	2.589	2.612	2.635
Capital and Other Reimbursements	2.592	3.871	6.871	5.371	3.871	3.871
Total Receipts	\$11.456	\$13.199	\$16.174	\$14.729	\$13.299	\$13.346
Expenditures						
<u>Labor:</u>						
Payroll	\$18.827	\$28.137	\$23.834	\$24.266	\$24.690	\$25.187
Overtime	2.971	2.380	5.136	3.382	1.802	1.816
Health and Welfare	6.452	3.938	4.310	4.361	4.543	4.732
OPEB Current Payment	0.460	1.309	1.420	1.437	1.498	1.561
Pensions	5.995	6.007	6.133	6.220	6.306	6.541
Other Fringe Benefits	3.769	3.644	3.862	3.845	3.823	3.912
GASB Account	0.464	0.000	0.000	0.000	0.007	0.017
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$38.938	\$45.415	\$44.695	\$43.511	\$42.669	\$43.766
<u>Non-Labor:</u>						
Electric Power	\$4.228	\$3.837	\$3.945	\$4.085	\$4.342	\$4.636
Fuel	0.123	0.430	0.217	0.229	0.238	0.257
Insurance	0.892	2.092	1.590	1.610	1.780	1.806
Claims	0.041	1.039	0.085	0.089	0.089	0.091
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.423	3.396	20.049	9.019	1.829	1.893
Professional Service Contracts	0.889	0.754	0.766	0.784	0.802	0.820
Materials & Supplies	2.789	1.964	3.722	1.332	1.346	1.359
Other Business Expenses	0.097	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenditures	\$10.482	\$13.542	\$30.404	\$17.178	\$10.456	\$10.892
<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	\$49.420	\$58.957	\$75.099	\$60.689	\$53.125	\$54.658
Net Cash Surplus/(Deficit)	(\$37.964)	(\$45.758)	(\$58.925)	(\$45.960)	(\$39.826)	(\$41.312)

MTA STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2014	2015	2016			
	Actual	November Forecast	Final Proposed Budget	2017	2018	2019
Receipts						
Farebox Revenue	(\$0.039)	(\$0.441)	\$0.000	\$0.000	\$0.000	\$0.001
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.412	0.910	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	1.342	0.000	0.000	0.000	0.000	0.000
Total Receipts	\$1.715	\$0.469	\$0.000	\$0.000	\$0.000	\$0.001
Expenditures						
<u>Labor:</u>						
Payroll	\$1.631	(\$3.705)	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.316	(0.200)	0.000	0.000	0.000	0.000
Health and Welfare	(2.156)	0.000	0.000	0.000	0.000	0.000
OPEB Current Payment	0.650	0.000	0.000	0.000	0.000	0.000
Pensions	(0.130)	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	1.648	(0.207)	0.000	0.000	0.000	(0.002)
GASB Account	(0.464)	0.000	0.000	0.000	(0.007)	(0.017)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1.495	(\$4.112)	\$0.000	\$0.000	(\$0.007)	(\$0.019)
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.023	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.219	(0.214)	0.000	0.000	0.000	0.004
Insurance	0.702	(0.851)	0.000	0.000	0.000	0.000
Claims	0.242	(0.135)	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	(0.590)	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.358	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	(0.888)	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.113	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$0.179	(\$1.200)	\$0.000	\$0.000	\$0.000	\$0.004
<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.	\$3.389	(\$4.843)	\$0.000	\$0.000	(\$0.007)	(\$0.014)
Depreciation Adjustment	\$7.923	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Obligation	2.398	2.300	2.300	2.300	2.300	2.300
Environmental Remediation	(0.042)	0.000	0.000	0.000	0.000	0.000
Baseline Total Cash Conversion Adjustments	\$13.668	\$5.757	\$10.600	\$10.600	\$10.593	\$10.586
Total Cash Conversion Adjustments	\$13.668	\$5.757	\$10.600	\$10.600	\$10.593	\$10.586

MTA STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
Ridership/(Utilization)
(\$ in millions)

	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
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RIDERSHIP

Fixed Route	4.368	4.533	4.660	4.680	4.708	4.721
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Baseline Total Ridership	4.368	4.533	4.660	4.680	4.708	4.721
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FAREBOX REVENUE

Fixed Route	\$5.898	\$6.373	\$6.735	\$6.769	\$6.816	\$6.839
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Baseline Total Revenue	\$5.898	\$6.373	\$6.735	\$6.769	\$6.816	\$6.839
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STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
2015 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2015	Pos.	2016	Pos.	2017	Pos.	2018	Pos.	2019
Administration										
Lower Audit Fees/Workers' Comp. Board Costs (July Plan)	-	\$0.074	-	\$0.074	-	\$0.074	-	\$0.074	-	\$0.074
<i>Subtotal Administration</i>	-	0.074	-	0.074	-	\$0.074	-	\$0.074	-	\$0.074
Customer Convenience/Amenities										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Customer Convenience/Amenities</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance										
Reduced Tire/Tube and Diesel Valve Cost (July Plan)	-	0.026	-	0.026	-	0.026	-	0.026	-	0.026
<i>Subtotal Maintenance</i>	-	0.026	-	0.026	-	0.026	-	0.026	-	0.026
Revenue Enhancement										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Revenue Enhancement</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Safety										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Security										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Security</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service Support										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service Support</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Other										
Extend Deferral for Filling Vacancies (July Plan)	-	0.111	-	0.111	-	0.111	-	0.111	-	0.111
<i>Subtotal Other</i>	-	0.111	-	0.111	-	0.111	-	0.111	-	0.111
Agency Submission	-	\$0.211	-	\$0.211	-	\$0.211	-	\$0.211	-	\$0.211

MTA STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Executive	11	13	13	13	13	13
General Office	7	9	10	10	10	10
Purchasing/Stores	5	6	6	6	6	6
Total Administration	23	28	29	29	29	29
Operations						
Transportation	94	107	107	107	107	107
Maintenance						
Mechanical	40	43	52	52	52	52
Electronic/Electrical	13	15	15	15	15	15
Power/Signals	24	26	26	26	26	26
Maintenance of Way	50	47	48	48	49	49
Infrastructure	27	25	25	25	25	25
Total Maintenance	154	156	166	166	167	167
Engineering/Capital						
None	18	26	26	26	26	-
Public Safety						
Police	-	-	-	-	-	-
Baseline Total Positions	289	317	328	328	329	303
Non-Reimbursable	268	291	302	302	303	303
Reimbursable	21	26	26	26	26	-
Total Full-Time	289	317	328	328	329	303
Total Full-Time Equivalents						

MTA STATEN ISLAND RAILWAY
November Financial Plan 2016-2019
Total Positions by Function and Occupation

FUNCTION/OCCUPATIONAL GROUP	2014 Actual	2015 November Forecast	2016 Final Proposed Budget	2017	2018	2019
Administration						
Managers/Supervisors	16	17	17	17	17	17
Professional, Technical, Clerical	7	11	12	12	12	12
Operational Hourlies	-	-	-	-	-	-
Total Administration	23	28	29	29	29	29
Operations						
Managers/Supervisors	2	5	5	5	5	5
Professional, Technical, Clerical	2	3	3	3	3	3
Operational Hourlies	90	99	99	99	99	99
Total Operations	94	107	107	107	107	107
Maintenance						
Managers/Supervisors	12	9	12	12	12	12
Professional, Technical, Clerical	2	3	6	6	6	6
Operational Hourlies	140	144	148	148	149	149
Total Maintenance	154	156	166	166	167	167
Engineering/Capital						
Managers/Supervisors	3	4	4	4	4	-
Professional, Technical, Clerical	2	2	2	2	2	-
Operational Hourlies	13	20	20	20	20	-
Total Engineering/Capital	18	26	26	26	26	-
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
Total Positions						
Managers/Supervisors	33	35	38	38	38	34
Professional, Technical, Clerical	13	19	23	23	23	21
Operational Hourlies	243	263	267	267	268	248
Baseline Total Positions	289	317	328	328	329	303

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